



AGENDA

Thursday, June 14, 2012 - 10:00 AM

Board of County Commissioners Business Meeting

Beginning Board Order No. 2012-43

I. CALL TO ORDER

- Roll Call
- Pledge of Allegiance
- Approval of Order of Agenda

II. CITIZEN COMMUNICATION *(The Chair of the Board will call for statements from citizens regarding issues relating to County government. This portion of Citizen Communication will end at 10:30. If we are unable to hear everyone who has signed up to speak during this time, we will continue Citizen Communication when our business items conclude after the Consent agenda. It is the intention that this portion of the agenda shall be limited to items of County business which are properly the object of Board consideration and may not be of a personal nature. Persons wishing to speak shall be allowed to do so after registering on the blue card provided on the table outside of the hearing room prior to the beginning of the hearing. Testimony is limited to three (3) minutes. Comments shall be respectful and courteous to all.)*

III. PUBLIC HEARINGS *(The following items will be individually presented by County staff or other appropriate individuals. Persons appearing shall clearly identify themselves and the organization they represent. In addition, a synopsis of each item, together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

1. Second Reading of Ordinance No. 05-2012 Amending Certain Sections of the Ordinance of the Tri-City Service District Relating to Industrial Pretreatment (Chris Storey, County Counsel) first reading was June 7, 2012
2. Resolution No. _____ Approving a Supplemental Budget (Great than 10%) for Clackamas County Fiscal Year 2011-2012 (Diane Padilla, Budget Manager)

IV. DISCUSSION ITEMS *(The following items will be individually presented by County staff or other appropriate individuals. Citizens who want to comment on a discussion item may do so when called on by the Chair.)*

~NO DISCUSSION ITEMS SCHEDULED

V. CONSENT AGENDA *(The following items are considered to be routine, and therefore will not be allotted individual discussion time on the agenda. Many of these items have been discussed by the Board in Study Session. The items on the Consent Agenda will be approved in one motion unless a Board member requests, before the vote on the motion, to have an item considered at its regular place on the agenda.)*

A. Health, Housing & Human Services

- 3 1. Approval of an Agency Service Contract with Clackamas County Children's Commission, Inc. for Healthy Start~Healthy Families Program Services and the BabyLink Program - CYF

- 4 2. Approval of an Agency Service Contract with the Children's Center for Child Abuse Assessment Program Services - CYF
- 5 3. Approval of Revenue Contract with Ride Connection, Inc. to Provide Oregon Transportation Network Funds for Expanded Service Rides and Out-of-District Rides Provided by Members of the Clackamas County Transportation Consortium - ss
- 6 4. Approval of a Contract Renewal with Resource Connections of Oregon for Fiscal Intermediary Services for Persons with Developmental Disabilities - ss
- 7 5. Approval of a Construction Agreement between the Community Development Division and Eagle-Elsner, Inc. for the Kennel Avenue Street improvements Project in the City of Molalla - CD
- 8 6. Approval of a Medicaid Group Provider Agreement with FamilyCare, Inc. for Primary Care Services - CH
- 9 7. Approval of a Medicare Advantage Group Provider Agreement with FamilyCare, Inc. for Primary Care Services - CH

B. Department of Transportation & Development

- 10 1. Board Order No. _____ Approval to Begin the Legalization Process of Megan Avenue as Used and Traveled in Clackamas County
- 11 2. Execution of an Intergovernmental Agreement for the Transfer of the Road Authority for Portions of Pilkington Road and McEwan Road Outside its City Limits for the City of Lake Oswego

C. Finance Department

- 12 1. Resolution No. _____ Approving a Supplemental Budget (Less than 10%) for Clackamas County Fiscal Year 2011-2012
- 13 2. Resolution No. _____ Approval for Budgeting of New Specific Purpose Revenue for Clackamas County Fiscal Year 2011-2012
- 14 3. Resolution No. _____ Approving the Transfer of Appropriations for Clackamas County Fiscal Year 2011-2012

D. Elected Officials

- 15 1. Approval of Previous Business Meeting Minutes – BCC
- 16 2. Approval to Transfer Unclaimed Property (Firearms) from the Clackamas County Sheriff's Office to the Oregon State Police Forensic Lab – CCSO
- 17 3. Annual Adoption of the Clackamas County Investment Policy - Treasurer

E. Department of Employee Services

- 18 1. Approval of the Employer Group Contract with Providence Health Plan
- 19 2. Approval of the Labor Contract between Clackamas County and Clackamas County Peace Officers Association

VI. CLACKAMAS COUNT EXTENSION & 4-H SERVICE DISTRICT

- 20 1. Resolution No. _____ Approval of Transfer of Appropriations for Clackamas County Extension and 4-H Service District for Fiscal Year 2011-2012

VII. CLACKAMAS COUNTY DEVELOPMENT AGENCY

- 21 1. Resolution No. _____ Authorizing Transfer of Appropriations for the Clackamas County Development Agency for Fiscal Year 2011-2012

VIII. CLACKAMAS COUNTY LIBRARY SERVICE DISTRICT

- 22 1. Resolution No. _____ Approving Transfer of Appropriations for the Clackamas County Library Service District for Fiscal Year 2011-2012

IX. WATER ENVIRONMENT SERVICES

- 23 1. Board Order No. _____ Approval of a Transfer of Appropriations for the Tri-City Service District Fiscal Year 2011-2012
- 24 2. Board Order No. _____ Approval of a Transfer of Appropriations for Service District No. 1 for Fiscal Year 2011-2012

~End Consent Agenda

CITIZEN COMMUNICATION (Continued if Needed)

X. COUNTY ADMINISTRATOR UPDATE

XI. COMMISSIONERS COMMUNICATION

NOTE: Regularly scheduled Business Meetings are televised and broadcast on the Clackamas County Government Channel. These programs are also accessible through the County's Internet site. DVD copies of regularly scheduled BCC Thursday Business Meetings are available for checkout at the Clackamas County Library in Oak Grove by the following Saturday. You may also order copies from any library in Clackamas County or the Clackamas County Government Channel.

<http://www.clackamas.us/bcc/business/>



WATER
ENVIRONMENT
SERVICES

Beyond clean water.

Water Quality Protection
Surface Water Management
Wastewater Collection & Treatment

Michael S. Kuenzi, P.E.
Director

June 14, 2012

Board of County Commissioners
Clackamas County
Sitting as the Governing Body of
The Tri-City Service District

Members of the Board:

A SECOND READING OF AN ORDINANCE AMENDING
CERTAIN SECTIONS OF THE ORINANCES OF THE
TRI-CITY SERVICE DISTRICT RELATING TO INDUSTRIAL PRETREATMENT

The Tri-City Service District ("District") provides wholesale wastewater treatment services to the cities of Gladstone, Oregon City and West Linn pursuant to a Clean Water Act permit issued by the Environmental Protection Agency and their delegee the Oregon Department of Environmental Quality ("DEQ"). The District's permit had been administratively extended for over a decade and the District's ordinances were kept consistent with the then-active permit.

Last year the District's permit was reviewed and reissued with certain new conditions, including a requirement that the District's ordinances be updated to match current Clean Water Act provisions and related regulations. The primary area of impact relates to industrial pretreatment ("IPT") standards. IPT applies when a business is such a significant contributor of wastewater to the system, either by volume or loading, that they are required to conduct some level of treatment at the business site prior to entry into the conveyance system. An example of this would be a factory or dairy processor. Staff has worked with DEQ and received sign-off that the proposed amendments are consistent with current requirements. The overall impact of the amendments would be to add flexibility in considering the manner in which the District can have businesses comply with industrial pretreatment requirements, and incorporating the concept of "best management practices" adaptability into IPT.

The proposed amendments are mandatory and failure to adopt them could result in the District being fined by DEQ for permit noncompliance. Attached is a memorandum that summarized the proposed changes and their impact. This ordinance has been reviewed and approved by County Counsel. The first reading of this proposed ordinance was held on June 7, 2012.

RECOMMENDATION

Staff respectfully recommends the Board of County Commissioner sitting as the Tri-City Service District Board read the proposed Ordinance by title only and vote to approve adoption of the Ordinance.

Sincerely,



Michael S. Kuenzi
Director, Water Environment Services

For information on this issue or copies of attachments, please contact Chris Storey at
503.742.4623

**Ordinance 05-2012 Amending
Certain Sections of the Ordinances of the
Tri-City Service District relating to Industrial Pretreatment**

WHEREAS, the Tri-City Service District (“District”) provides wholesale wastewater treatment services for the Cities of Gladstone, Oregon City, and West Linn; and

WHEREAS, the District has received a new National Pollution Discharge Elimination Permit under the Clean Water Act (“Permit”) for operation of the Tri-City Plant; and

WHEREAS, the Permit requires implementation of certain federal and state environmental regulations and guidance regarding industrial pretreatment operations; and

WHEREAS, the Board of County Commissioners (“Board”), acting as the governing body of the District, is desirous of bringing District ordinances into compliance with the requirements of the Clean Water Act;

NOW, THEREFORE, the Board hereby adopts this ordinance of the District:

The following provisions are added, amended, or deleted as indicated into the ordinances of the District, and impacted provisions are renumbered as required for clarity:

Added:

- Section 2.1 Definitions:

2.1.4 Best Management Practices or BMPs. Means schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in 40 CFR 403.5(a)(1) and (b). BMPs include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

2.1.44 Local Limits. Specific discharge limits developed and enforced by the District upon industrial or commercial facilities to implement the general and specific discharge prohibitions listed in 40 CFR 403.5(a)(1) and (b).

- Section 2.4 Abbreviations:

BMP Best Management Practices

- Section 3.2.4 Local Limits Development

The District is authorized to establish Local Limits pursuant to 40 CFR 403.5 to implement the prohibitions listed in Sections 3.1.2 and 3.2.3. The District may also

develop Best Management Practices, by ordinance or in individual wastewater discharge permits, to implement Local Limits and the requirements of Sections 3.1.2 and 3.2.3.

- Section 4.2.5:

(l) Requirements for a Slug Control Plan, notification to the District of slug discharges and changes at the Industrial User's facility affecting potential for a slug discharge;

(q) Statement of non-transferability without, at a minimum, prior notification to the District and a provision of a copy of the existing permit to the new owner or operator.

- Section 4.4.3:

The District may authorize an Industrial Discharger subject to a Categorical Pretreatment Standard to forego sampling of a pollutant regulated by a Categorical Pretreatment Standard if the Industrial Discharger has demonstrated through sampling and other technical factors that the pollutant is neither present nor expected to be present in the discharge, or is present only at background levels from intake water and without any increase in the pollutant due to activities of the Industrial Discharger. This authorization is subject to the conditions outlined in 40 CFR 403.12(e)(2)(i-vii).

- Section 11.5.1 Base Penalty Matrix:

The magnitude of the violation is major if the District finds that the violation had a significant adverse impact on human health or the environment. In making this finding, the District will consider all reasonably available information, including, but not limited to: the degree of deviation from applicable statutes or commission and District rules, standards, permits or orders; the extent of actual effects of the violation; the concentration, volume, or toxicity of the materials involved; and the duration of the violation. In making this finding, the District may consider any single factor to be conclusive.

The magnitude of the violation is minor if the District finds that the violation had no more than a de minimis adverse impact on human health or the environment, and posed no more than a de minimis threat to human health or other environmental receptors. In making this finding, the District will consider all reasonably available information including, but not limited to: the degree of deviation from applicable statutes or commission and District rules, standards, permits or orders; the extent of actual or threatened effects of the violation; the concentration, volume, or toxicity of the materials involved; and the duration of the violation. In making this finding, the District may consider any single factor to be conclusive.

Amended:

- 0.7 CHANGE IN PERMITTED DISCHARGE

It shall be the responsibility of every Industrial User to ~~promptly~~ immediately report to the District...

Deleted:

Section 4.5.2 Sampling:

~~Samples that are taken by the District for the purposes of determining compliance with the requirements of this Ordinance shall be split with the Discharger (or a duplicate sample provided in the instance of fats, oils, and greases) if requested before or at the time of sampling.~~

DATED this 14th day of June 2012

**BOARD OF COUNTY COMMISSIONERS
AS THE GOVERNING BODY OF THE
TRI-CITY SERVICE DISTRICT**

Chair

Recording Secretary



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

June 14, 2012

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

Board of County Commissioners
Clackamas County

Members of the Board:

**Resolution for Clackamas County for a Supplemental Budget
(Greater Than Ten Percent) for Fiscal Year 2011-2012**

Each fiscal year it is necessary to allocate additional sources of revenue and appropriate additional expenditures to more accurately meet the changing requirements of the operating departments. The attached Board Order reflects such changes requested by departments in keeping with a legally accurate budget. These changes are in compliance with O.R.S. 294.480 (4) which allows for governing body approval of supplemental budget changes for items ten percent or greater of the qualifying expenditures of the budget fund(s) being adjusted. The required notices have been published.

The **Emergency Management Fund** is recognizing additional grant revenue from the Urban Area Security Initiative and State of Oregon and budgeting in materials and services for program expense. This fund is also transferring FEMA Hazard Mitigation funds from contracted services to capital outlay for property acquisitions.

The **Happy Valley/Clackamas Joint Transportation SDC Fund** is recognizing State of Oregon Surface Transportation Program revenue and budgeting to transfer to the Countywide SDC Fund.

The **Children, Youth and Families Fund** is decreasing its budget to recognize reduction in several state commission grant programs.

The **Records Management Fund** is transferring from materials and services to capital outlay to purchase a replacement scanner.

The effect of this Resolution is an increase in appropriations of \$563,359 including new revenues as detailed below:

Federal Operating Grants	\$ 274,735.
State Operating Grants	<u>288,624.</u>
Total Recommended	<u>\$ 563,359.</u>

RECOMMENDATION:

Staff respectfully recommends adoption of the attached supplemental budget and Exhibit A in keeping with a legally accurate budget.

Sincerely,



Diane D. Padilla
Budget Manager

For information on this issue or copies of attachments please contact Diane Padilla at 503 742-5425

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A RESOLUTION OF THE CLACKAMAS
COUNTY BOARD OF COMMISSIONERS
REGARDING ADOPTION OF A
SUPPLEMENTAL BUDGET FOR ITEMS
GREATER THAN 10 PERCENT
OF THE TOTAL QUALIFYING
EXPENDITURES AND MAKING
APPROPRIATIONS FOR FISCAL
YEAR 2011-12



Resolution No. _____

WHEREAS, during the fiscal year changes in appropriated expenditures may become necessary and appropriations may need to be increased, decreased or transferred from one appropriation category to another;

WHEREAS, a supplemental budget for the period of July 1, 2011 through June 30, 2012, inclusive, has been prepared, published and submitted to the taxpayers as provided by statute;

WHEREAS; a hearing to discuss the supplemental budget was held before the Board of County Commissioners on June 14, 2012.

WHEREAS; the funds being adjusted are:

- . Emergency Management Fund
- . Happy Valley/Clackamas Joint Transportation SDC Fund
- . Children, Youth and Families Fund
- . Records Management Fund;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

Pursuant to its authority under OR 294.480, the supplemental budget be adopted and appropriations established as shown in the attached Exhibit A which by this reference is made a part of this Resolution.

ADOPTED this 14th day of June, 2012

By the BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

SUMMARY OF SUPPLEMENTAL BUDGET
Exhibit A
CHANGES OF GREATER THAN 10% OF BUDGET
June 14, 2012

Recommended items by revenue source:

Federal Operating Grants	\$ 274,735.
State Operating Grants	<u>288,624.</u>
Total Recommended	<u>\$ 563,359.</u>

EMERGENCY MANAGEMENT FUND

Revenues:	
Federal Operating Grants	\$ 282,500.
Total Revenues	<u>\$ 282,500.</u>
Expenses:	
Materials & Services	\$ (317,500.)
Capital Outlay	<u>600,000.</u>
Total Expenses	<u>\$ 282,500.</u>

Recognizing additional grant revenue from the Urban Area Security Initiative and State of Oregon and budgeting in materials and services for program expense. This fund is also transferring FEMA Hazard Mitigation funds from contracted services to capital outlay for property acquisitions.

HAPPY VALLEY/CLACKAMAS JOINT TRANSPORTATION SDC FUND

Revenues:	
State Operating Grants	\$ 613,014.
Total Revenues	<u>\$ 613,014.</u>
Expenses:	
Interfund Transfer	\$ 613,014.
Total Expenses	<u>\$ 613,014.</u>

Recognizing State of Oregon Surface Transportation Program revenue and budgeting to transfer to the Countywide SDC Fund.

CHILDREN, YOUTH AND FAMILIES FUND

Revenues	
Federal Operating Grants	\$ (7,765.)
State Operation Grants	<u>\$ (324,390.)</u>
Total Revenues	<u>\$ (332,155.)</u>
Expenses:	
Materials & Services	\$ (332,155.)
Total Expenses	<u>\$ (332,155.)</u>

Decreasing its budget to recognize reduction in several state commission grant programs.

RECORDS MANAGMENT FUND

Expenses:

Materials & Services	\$ (7000.)
Capital Outlay	<u>7,000.</u>
Total Expenses	<u>\$ 0.</u>

Transferring from materials and services to capital outlay to purchase a replacement scanner.

COPY

Cindy Becker, Director

June 14, 2012

Board of Commissioners
Clackamas County

Members of the Board:

**Approval of an Agency Service Contract with
Clackamas County Children's Commission, Inc.
for Healthy Start~Healthy Families Program Services and the BabyLink program**

The Children, Youth & Families Division of the Health, Housing and Human Services Department requests the approval of an Agency Services Contract with Clackamas County Children's Commission Inc. for Healthy Start~Healthy Families home visiting services and BabyLink services throughout Clackamas County. Services to be provided under this contract include:

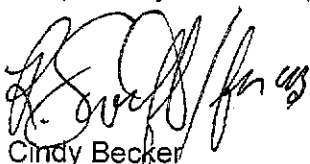
- Screening and resources for all first birth families in Clackamas County;
- Intensive home visiting services to eligible high risk first birth families;
- 10+ Community Playgroups throughout Clackamas County
- BabyLink program

Total amount of this agreement is \$578,834. Funds are budgeted in the Healthy Start~Healthy Families grant stream for fiscal year 2012-2013 to cover this agreement. No County General Funds are involved. This agreement is effective upon acceptance by all parties and will terminate June 30, 2013. This contract is in the format approved by County Counsel as part of the H3S contract standardization project.

Recommendation:

We recommend the approval of this contract and that Cindy Becker be authorized to sign on behalf of the Board of County Commissioners.

Respectfully submitted,


Cindy Becker
Director

For information on this issue or copies of attachments
Please contact Deanna Mulder at (503) 650-5675

Phone: (503) 650-5697 • Fax: (503) 655-8677 www.clackamas.us

AGENCY SERVICE CONTRACT
(Regular Services or Community Development)
(FY12-13)

0057

This contract is between Clackamas County acting by and through its Health, Housing and Human Services Department, Children, Youth & Families Division, (Commission on Children & Families) hereinafter called "COUNTY," and "Clackamas County Children's Commission, Inc." hereinafter called "AGENCY."

I. SCOPE OF SERVICES

- A. AGENCY agrees to accomplish the following work under this contract:

Provide "Healthy Start~Healthy Families intensive home visiting services to a minimum of 216 families (120 Family Service Units) and BabyLink referrals to a minimum of 300 parents/providers." services as described in Work Plan Exhibit 1 attached hereto.

- B. Services required under the terms of this agreement shall commence when this contract is signed by all necessary parties, but not prior to July 1, 2012. This agreement shall terminate June 30, 2013.

II. COMPENSATION AND RECORDS

- A. Compensation. COUNTY shall compensate the AGENCY for satisfactorily performing the services identified in Section I as follows:

On a cost reimbursement basis as described in Exhibit 3, attached hereto.
Up to a maximum compensation of \$ "578,834".

The payment shall be full compensation for work performed, for services rendered, and for all labor, materials, supplies, equipment, mileage and incidentals necessary to perform the work and services.

- B. Method of Payment. To receive payment, the AGENCY shall submit invoices and accompanying performance reports as follows:

AGENCY shall be paid on a cost reimbursement basis and shall submit invoices and accompanying performance reports as described in Exhibits 2 and 3 attached hereto.

Withholding of Contract Payments: Notwithstanding any other payment provision of this agreement, should the AGENCY fail to submit required reports when due, or submit reports which appear patently inaccurate or inadequate on their face, or fail to perform or document the performance of contracted services, the COUNTY shall immediately withhold payments hereunder. Such withholding of payment for cause may continue until the AGENCY submits required reports, performs required services, or establishes to the COUNTY's satisfaction that such failure arose out of causes beyond the control, and without the fault or negligence, of the AGENCY.

- C. Record and Fiscal Control System. All payroll and financial records pertaining in whole or in part to this contract shall be clearly identified and readily accessible. Such records and documents should be retained for a period of three (3) years after receipt of final payment under this contract and all other pending matters are closed.

AGENCY SERVICE CONTRACT

- D. Access to Records. The COUNTY, the State of Oregon and the Federal Government, and their duly authorized representatives shall have access to the books, documents, papers, and records of the AGENCY which are directly pertinent to this contract for the purpose of making audits, examinations, excerpts, and transcripts.

If an audit discloses that payments to the AGENCY were in excess of the amount to which the AGENCY was entitled, then the AGENCY shall repay the amount of the excess to the COUNTY.

III. MANNER OF PERFORMANCE

- A. Compliance with Applicable Laws and Regulations. The AGENCY shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this contract.

When a requirement is listed both in the main boilerplate of the contract and in an Exhibit, the Exhibit shall take precedence.

- B. Special Federal Requirements - Common rule restricts lobbying (Volume 55, NO38 of Fed. Register, Feb. 1990).
- C. AGENCY shall not enter into any subcontracts for any of the work scheduled under this contract without obtaining prior written approval from the COUNTY.
- D. AGENCY certifies that it is an independent AGENCY and not an employee or agent of the COUNTY, State, or Federal government. Responsibility for all taxes, assessments, and any other charges imposed upon employers shall be the sole responsibility of the AGENCY.

IV. GENERAL CONDITIONS

- A. Indemnity. The AGENCY agrees to indemnify, defend and hold harmless the County and its officers, agents and employees against all liability, loss and costs arising from actions, suits, claims or demands attributable in whole or in part to the acts or omissions of Agency, and Agency's officers, agents and employees, in performance of this contract

- B. INSURANCE During the term of this contract AGENCY shall maintain in force at its own expense, each insurance noted below:

- 1. Commercial General Liability Insurance

Required by COUNTY Not required by COUNTY

AGENCY shall obtain, at AGENCY's expense, and keep in effect during the term of this contract, Commercial General Liability Insurance covering bodily injury and property damage on an "occurrence" form in the amount of not less than \$1 Million per occurrence/\$2 Million general aggregate for the protection of the County, its officers, commissioners, and employees. This coverage shall include Contractual Liability insurance for the indemnity provided under this contract.

- 2. Commercial Automobile Insurance

Required by COUNTY Not required by COUNTY

AGENCY SERVICE CONTRACT

AGENCY shall also obtain, at AGENCY's expense, and keep in effect during the term of the contract, "Symbol 1" Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The combined single limit per occurrence shall not be less than \$1 Million.

3. Professional Liability Insurance

Required by COUNTY Not required by COUNTY

AGENCY agrees to furnish the County evidence of Professional Liability Insurance in the amount of not less than \$1 Million combined single limit per occurrence/\$2 Million general annual aggregate for malpractice or errors and omissions coverage for the protection of the County, its officers, commissioners and employees against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and damages because of negligent acts, errors and omissions in any way related to this contract. The County, at its option, may require a complete copy of the above policy.

4. Additional Insurance Provision

The insurance, other than Professional Liability, Workers' Compensation, and Personal Automobile Liability insurance, shall include "Clackamas County, its agents, officers, and employees" as an additional insured.

Such insurance shall provide sixty (60) day written notice to the COUNTY in the event of a cancellation or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the COUNTY under this insurance. This policy(s) shall be primary insurance as respects to the COUNTY. Any insurance or self-insurance maintained by the COUNTY shall be excess and shall not contribute to it.

5. Notice of Cancellation.

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 60 days written notice to the Clackamas County Purchasing Division. Any failure to comply with this provision will not affect the insurance coverage provided to the County. The 60 days notice of cancellation provision shall be physically endorsed on to the policy.

6. Insurance Carrier Rating.

Coverages provided by the AGENCY must be underwritten by an insurance company deemed acceptable by the County. Insurance coverage shall be provided by companies admitted to do business in Oregon or, in the alternative, rated A- or better by Best's Insurance Rating. The County reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

7. Certificates of Insurance.

As evidence of the insurance coverage required by this contract, the AGENCY shall furnish a Certificate of Insurance to Clackamas County. No contract shall be effected until the required certificates have been received, approved and accepted by the County. A renewal certificate will be sent to the Clackamas County Purchasing Division 10 days prior to coverage expiration.

AGENCY SERVICE CONTRACT

8. Independent Contractor Status.

The service or services to be rendered under this contract are those of an independent contractor. AGENCY is not an officer, employee or agent of the COUNTY as those terms are used in ORS 30.265.

9. Primary Coverage Clarification.

AGENCY's coverage will be primary in the event of a loss.

10. Cross-Liability Clause.

A cross-liability clause or separation of insureds condition will be included in all general liability, professional liability, and errors and omissions policies required by this contract.

C. Amendments. The terms of this contract shall not be waived, altered, modified, supplemented or amended, in any manner whatsoever, except by written instrument signed by AGENCY and COUNTY.

D. Termination. This contract may be terminated by mutual consent of both parties, or by either party, upon 30 days' notice, in writing and delivered by certified mail or in person.

The COUNTY may terminate this contract effective upon delivery of written notice to the AGENCY, or at such later date as may be established by the COUNTY, under any of the following conditions:

1. If COUNTY funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the indicated quantity of services. The contract may be modified to accommodate a reduction in funds.
2. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding authorized by this contract.
3. If any license or certificate required by law or regulation to be held by the AGENCY to provide the services required by this contract is for any reason denied, revoked, or not renewed.
4. If AGENCY fails to provide services or reports called for by this contract within the time specified herein or any extension thereof; or
5. If AGENCY fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its terms, and after receipt of written notice from the COUNTY, fails to correct such failures within 10 days or such longer period as the COUNTY may authorize.

Any such termination of this contract shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

E. Oregon Public Contracting Provisions and Constitutional Limitations. Pursuant to the requirements of ORS 279B.020 and 279B.220 through 279B.335, and Article XI, Section

AGENCY SERVICE CONTRACT

10, of the Oregon Constitution, the following terms and conditions are made a part of this contract:

1. AGENCY shall:
 - (a) Make payments promptly, as due, to all persons supplying to AGENCY labor or materials for the prosecution of the work provided for in this contract.
 - (b) Pay all contributions or amounts due the Industrial Accident Fund from such AGENCY or subcontractor incurred in the performance of this agreement.
 - (c) Not permit any lien or claim to be filed or prosecuted against Clackamas County on account of any labor or material furnished.
 - (d) Pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
2. If AGENCY fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to AGENCY or a subcontractor by any person in connection with this contract as such claim becomes due, the proper officer representing Clackamas County may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due AGENCY by reason of this agreement.
3. No person shall be employed for more than ten (10) hours in any one day, or more than forty (40) hours in any one week, except in cases of necessity, emergency or where the public policy absolutely requires it, and in such cases, except in cases of contracts for personal services as defined in ORS 279A.055, the employee shall be paid at least time and one-half pay: (a) for all overtime in excess of eight (8) hours a day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday; or for all overtime in excess of 10 hours in any one day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; and (b) for all work performed on Saturday and on any legal holiday specified in ORS 279B.020.

In the case of contracts for personal services as defined in ORS 279A.055, employees shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals who are excluded under ORS 653.010 to 653.261 or under 29 USC Section 201 to 209 from receiving overtime.
4. AGENCY shall promptly, as due, make payment to any person or partnership, association or corporation furnishing medical, surgical and hospital care or other needed care and attention incident to sickness and injury, to the employees of AGENCY, of all sums which AGENCY collected or deducted from the wages of its employees pursuant to any law, contract or agreement for the purpose of providing or paying for such services.
5. Agency, if it is an employer of one or more workers subject to workers' compensation coverage under ORS Chapter 656, shall qualify as an insured employer under ORS 656.017 or as an exempt employer under ORS 656.126. Agency shall maintain employer liability insurance with limits of \$500,000 each accident, \$500,000 disease each employee, and \$500,000 each policy limit.

AGENCY SERVICE CONTRACT

6. This contract is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10 of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.

F. AGENCY shall comply with Section 504 of the Rehabilitation Act of 1973, and Title VI of the Civil Rights Act of 1964.

"The contractor will not discriminate against any employee or applicant for employment because of race, color, or national origin."

"The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified."

G. Future Support. The COUNTY makes no commitment of future support and assumes no obligation for future support of the activity contracted herein except as set forth in this contract.

H. Ownership of Work Product. All work products of the AGENCY which result from this contract are the exclusive property of the COUNTY.

I. Integration. This contract contains the entire agreement between the COUNTY and the AGENCY and supersedes all prior written or oral discussions or agreements.

AGENCY SERVICE CONTRACT

This contract consists of three sections plus the following attachments which by this reference are incorporated herein:

- Exhibit 1 Scope of Work, Performance Standards, and Work Plan
- Exhibit 2 Reporting Requirements
- Exhibit 3 Budget

AGENCY

Sue Elder

By

SUE ELDER

Name (Typed)

EXECUTIVE DIRECTOR

Title

5-23-12

Date

16518 SE RIVER RD

Street Address

MILWAUKIE, OR 97267

City/Zip

503-675-4565

Phone Number

93-0624672

TIN, FIN or S.S.#

CLACKAMAS COUNTY

Commissioner Charlotte Lehan, Chair

Commissioner Jim Bernard

Commissioner Jamie Damon

Commissioner Ann Lininger

Commissioner Paul Savas

Signing on Behalf of the Board:

Cindy Becker, Director
Health, Housing and Human Services

Date

Rodney A. Cook

Rodney A. Cook, Director
Children, Youth & Families Division

5/31/12
Date

EXHIBIT 1
SCOPE OF WORK AND PERFORMANCE STANDARDS

- I. AGENCY shall meet all performance outcomes as outlined in attached Work Plan.
- II. Performance Standards:
 1. **Community Based, Holistic Approach**
 - AGENCY programs and services shall be community-focused, incorporating the greatest level of input from multiple stakeholders, including clients, families, and other agencies.
 - AGENCY programs and services shall have ongoing community investment and involvement.
 2. **Family-Centered Programs**
 - AGENCY programs and services shall involve families in all aspects, recognizing that they are the most important teachers, caregivers, and role models for their children.
 - AGENCY programs and services shall support and strengthen families in providing the foundation for the physical, social, emotional, and intellectual development for their children.
 3. **Establish/Maintain Effective Partnerships**
 - AGENCY, in order to enable data linkages, information sharing, and ongoing collaboration between partners to most effectively meet and address needs, shall ensure that appropriate staff attend CYF contractor's meetings, and training sessions, and participate in other activities as required by COUNTY.
 - AGENCY shall develop and promote continuous communications with similar organizations.
 4. **Utilize a Balanced SWOT (Strengths, Weaknesses, Opportunities, Threats) Approach**
 - AGENCY programs and services shall address both the risks/deficiencies, challenges and the strengths/assets/opportunities in their communities.
 5. **Implement Research Based Accountability**
 - AGENCY, in order to ensure programs and services are based on research-based, proven practices, shall complete and submit the Best Practices Assessment as required by CYF. In areas where proven practices are not available, AGENCY is encouraged to develop innovative strategies based on research principles.
 - AGENCY programs and services shall include research-based measurements of success to enable tracking of effectiveness toward meeting planned outcomes. These data shall be monitored by CYF on the Quarterly Work Plan. Quarterly Work Plans are to be submitted on or before date due.
 - 1st Quarter, Jul 1 – Sep 30: due on Oct 17, 2012
 - 2nd Quarter, Oct 1 – Dec 31: due on Jan 16, 2013
 - 3rd Quarter, Jan 1 – Mar 31: due on Apr 16, 2013
 - 4th Quarter, Apr 1 – Jun 30: due on Jul 16, 2013
 6. **Reflect and Incorporate Diversity**
 - AGENCY, in order to provide programs and services that meet the needs of diverse cultures and people with disabilities, shall complete and submit the Cultural Competency Assessment and Action Plan as required by CYF.

AGENCY SERVICE CONTRACT

- AGENCY, in order to provide programs and services that meet the needs of girls, shall complete and submit the Gender Specific Services Assessment and Action Plan as required by CYF.
7. **Internal Controls**
- AGENCY shall submit a completed Annual Fiscal Capability Assessment to CYF on or before October 31, 2012.
8. **Funder Recognition**
- AGENCY shall demonstrate good faith efforts to acknowledge the COUNTY's Commission on Children & Families when communicating with media representatives and when creating and distributing flyers describing services, workshops and other contract related details.
9. **Resource Expansion**
- AGENCY shall demonstrate good faith effort to secure other funding to increase program capacity, enter into collaborative efforts and initiatives, and/or decrease dependence on long-term Commission on Children and Families funding.
10. **Use of Grant Funds**
- No grant funds shall be used, directly or indirectly, to promote or oppose any political committee, or promote or oppose the nomination or election of a candidate, the gathering of signatures on an initiative, referendum or recall petition, the adoption of a measure or the recall of a public office holder.
11. **HIPAA Compliance**
- If the work performed under this Contract is covered by the Health Insurance Portability and Accountability Act or the federal regulations implementing the Act (collectively referred to as HIPAA), AGENCY agrees to perform the work in compliance with HIPAA. Without limiting the generality of the foregoing, if the work performed under this Contract is covered by HIPAA, AGENCY shall comply with the following:
 - i. Privacy and Security of Individually Identifiable Health Information. On or after April 14, 2003, AGENCY, its agents, employees and subcontractors shall protect individually identifiable health information obtained or maintained about Department's clients from unauthorized use or disclosure, consistent with the requirements of HIPAA. This Contract may be amended to include additional terms and conditions related to the privacy and security of individually identifiable health information.
 - ii. Data Transaction Systems. Any electronic exchange of information on or after October 16, 2002, between AGENCY and COUNTY to carry out financial or administrative activities related to health care will be in compliance with HIPAA standards for electronic transactions published in 65 Fed. Reg. 50312 (August 17, 2000). The following types of information exchanges are included: Health care claims or equivalent encounter information; health care payments and remittance advice; coordination of benefits; health claim status; enrollment and disenrollment in a health plan; eligibility for a health plan; health plan premium payments; referral certification and authorization; first report of injury; and health claims attachments. This Contract may be amended to include additional terms and conditions related to data transactions.

AGENCY SERVICE CONTRACT

- iii. Consultation and Testing. If AGENCY reasonably believes that the AGENCY's or COUNTY's data transactions system or other application of HIPAA privacy or security compliance policy may result in a violation of HIPAA requirements, AGENCY shall promptly consult the COUNTY's HIPAA officer. AGENCY or COUNTY may initiate a request for testing of HIPAA transaction requirements, subject to available resources and the COUNTY's testing schedule.

III. Performance Standards-County:

County shall:

1. Administer this contract in compliance with the Commission on Children and Families Act (Oregon laws 1993), and the Oregon Administrative Rules for the Commission on Children and Families, Chapter 423.
2. Communicate with service providers about contract performance and about Children, Youth & Families Division' operations, standards and objectives.
3. Provide technical assistance to the AGENCY in developing activities to address the needs of minority youth, program contract amendments, wellness referrals, collaborative services, community development projects and resources.

EXHIBIT 2

PAYMENT PROCEDURES AND REPORTING REQUIREMENTS

1. PAYMENT PROCEDURES

The compensation authorized in this agreement shall include reimbursable expenses as prescribed in the COUNTY-approved budget in Exhibit 3 and in accordance with OMB Circulars A-87 if agency is a local government, A-122 if non-profit, A-133 if college. This amount does not include expenses for unusual and special activities or materials not included in the scope of services. Such unusual and special expenses will not be incurred without prior COUNTY approval. In addition, expense totaling an amount greater than the total budget for this project shall not be incurred without prior written consent of the COUNTY.

a) **Payment Options:**

AGENCY shall submit a monthly Request for Funds and Fiscal Report within 15 days of the end of each month. COUNTY reserves the right to reduce monthly payment by the amount of unexpended funds during the previous month. The monthly fiscal report shall be in accordance with the approved budget in Exhibit 3.

OR

AGENCY shall submit a quarterly Request for Funds and Fiscal Report within 15 days of the end of each quarter. COUNTY reserves the right to reduce quarter payment by the amount of unexpended funds during the previous quarter. The quarterly fiscal report shall be in accordance with the approved budget in Exhibit 3.

The COUNTY shall make payment to AGENCY within 30 days of receipt and approval of each funds request and fiscal report submittal. AGENCY shall submit a quarterly "Program Performance Progress Report" in accordance with Exhibit 1, and section 3 of Exhibit 2 of this contract.

Reimbursement request required to be prepared and submitted by AGENCY to the COUNTY shall be accurate and correct in all respects, supported by attached documentation and traceable to source documents through AGENCY's accounting records. Should inaccurate reports be submitted to the COUNTY, the COUNTY may elect to have AGENCY secure the services of a certified accounting firm. Cost of such accounting services are to be borne by AGENCY and not reimbursed from funds authorized by the agreement unless specifically agreed to between AGENCY and COUNTY in writing.

AGENCY shall submit a financial statement covering all expenditures within 30 days following the end of the contract. When the total fund advanced does not equal the AGENCY's total actual expenditures and the total budget, the financial statement shall include either:

- A. A request for reimbursement of program expenditures. Such request shall not bring the total of funds received by the AGENCY in an amount in excess of the budget; or
- B. Contract amendment suitable to both the COUNTY and AGENCY.
- C. The return of all unexpended funds to the COUNTY.

AGENCY SERVICE CONTRACT

AGENCY shall return all unexpended funds to the COUNTY within 10 days of the contract's termination when such termination is due to the AGENCY's failure to provide services in accordance with the contract.

Withholding of Contract Payments: Notwithstanding any other payment provision of this contract, should the AGENCY fail to submit required reports when due or submit reports which appear patently inaccurate or inadequate on their face, or fail to perform or document the performance of contracted services, the COUNTY shall immediately withhold payments hereunder. Such withholding of payment for cause may continue until the AGENCY submits required reports, performs required services, or establishes to the COUNTY's satisfaction that such failure arose out of causes beyond the control, and without the fault or negligence, of the AGENCY.

2. RECORDKEEPING

AGENCY shall keep detailed records of time and expenditures incurred and funded by this contract. Such records shall adequately identify the source and application of funds for activities within this contract in accordance with the provisions of OMB Circular (A-110 for non-profits, A-102 for local governments). These records shall allow accurate statements pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income in accordance with generally accepted accounting practices.

AGENCY shall maintain a system of internal control comprising a documented plan of all coordinating procedures adopted to account for and safeguard its assets, check the adequacy and reliability of its accounting data, promote operating efficiency, and assure adherence to applicable regulations.

Expenditures shall be supported by properly executed payrolls, time records, invoices, vouchers, or other source documentation evidencing in proper detail the nature and propriety of charges. All accounting documents shall be clearly identified and readily accessible.

Financial records and supporting documents pertinent to this agreement shall be retained by AGENCY for a period of three years from the date of completion of the contract except as follows:

- Records that are the subject of audit findings shall be retained for three years or until such audit findings have been resolved, whichever is later.

3. PROGRAM REPORTS

AGENCY shall submit program performance reports for each quarter of the fiscal year. These quarterly reports are to include: 1) Demographic report; 2) work plan outcomes, services and development activities performance report. The quarterly reports are due to the COUNTY within 30 days of the end of each fiscal year quarter.

AGENCY shall complete and submit other reports as required and supplied by the COUNTY.

4. MONITORING

COUNTY shall evaluate the services provided under this contract primarily by quarterly workplan progress reports. The COUNTY may also conduct on-site monitoring of services. These site visits usually include on-site monitoring of client case files, client/parent/staff interviews, and review of program and agency policies, procedures and files. COUNTY shall

AGENCY SERVICE CONTRACT

give written notification of problem areas related to performance under this contract, including requirements and time lines for corrective action.

The AGENCY will gather data necessary to complete quarterly workplan performance and budget, and any other reports required by the COUNTY.

The AGENCY will provide the client confidentiality releases necessary to facilitate site visits by the COUNTY.

At any time during normal business hours and as often as the COUNTY, or other appropriate state or federal representatives may deem necessary, the AGENCY shall make available to the COUNTY for examination all its records with respect to matters covered by this contract for the purpose of making surveys, audits, examinations, excerpts and transcripts.

Should any records not meet the minimum standards of grant administration of the COUNTY, the COUNTY reserves the right to withhold any or all of its funding to AGENCY until such time as the standards are met. The COUNTY may require AGENCY to use any or all of the COUNTY's accounting and administrative procedures used in planning, controlling, monitoring and reporting all fiscal matters relating to this contract.

The COUNTY reserves the right to dispatch auditors of its choosing to any site where any phase of the project is being conducted or controlled in any way. If any audit or examination determines the AGENCY has expended funds which are questionable or disallowed, the AGENCY shall be given the opportunity to justify questioned and disallowed expenditures prior to the COUNTY's final determination. Any disallowed costs resulting from the final determination shall be remitted to COUNTY from AGENCY's non COUNTY-administered funds, payable by check within 30 days of final determination.

5. AUDIT

AGENCY shall have an annual audit performed of projects funded by this agreement unless specifically waived in writing by COUNTY. Audits shall be performed by an independent certified accountant in accordance with GAO Audit Standards, OMB Circulars (A-133 and A-110 for non-profits, A-128 for local government agencies), and generally accepted auditing standards. Audit schedules shall clearly show statement of COUNTY-funded assets, liabilities, fund balance, revenues, and expenditures separately from non COUNTY-funded assets, liabilities, fund balance, revenues and expenditures.

Auditor shall be selected competitively and AGENCY should contract with auditor to assure proper scope, reports and timelines are maintained.

Audits are not required for cost reimbursement contracts under \$25,000.

Audits are due 120 days after the end of the contract period.

6. CAPITAL PURCHASES

Capital purchases through children and youth services grants are subject to Oregon Administrative Rule 436-010-0036 which indicates capital purchases to be the property of the COUNTY unless the COUNTY determines otherwise.

AGENCY SERVICE CONTRACT

Capital purchases through children and families services grants are defined according to State of Oregon purchasing rules; initial value of more than \$5,000.

AGENCY SERVICE CONTRACT

EXHIBIT 3

BUDGET

1. AGENCY shall submit for COUNTY approval a budget indicating the amount of COUNTY funds allocated for project performance as described in the scope of services. Budget shall be in sufficient detail to provide a sound basis for the COUNTY to effectively monitor compliance with the contract.

Any allocations of budgeted costs not directly allocable to the project shall be made in accordance with OMB Circular A-87, A-122 and A-133, and shall be properly documented by budget attachments.

2. Program income defined as amounts generated by the use of COUNTY funds shall be used to expand the program. AGENCY shall keep records to accurately record and report the use of program income.
3. AGENCY and the COUNTY shall administer budget adjustments and balances through the following processes:

ADJUSTMENTS

AGENCY shall not make major budget adjustments without prior written approval of the COUNTY. AGENCY is to notify the COUNTY of minor budget changes.

Major budget adjustments are defined as:

- those changes that move funds between the major budget categories of Personal Services, Materials and Services, Capital Outlay or Equipment, or
- those changes that exceed 10% within a major budget category.

Minor budget adjustments are those changes where less than 10% of the funds within a budget category (Personal Services, Materials and Services, Capital Outlay or Equipment) are moved between expenditure line items.

The COUNTY, working with the Commission on Children & Families and staff of the Children, Youth & Families Division, will work with the AGENCY to manage budget adjustments.

BALANCES

The AGENCY is to forecast any expected grant balance and notify the Children, Youth & Families Division by April 30 of each fiscal year. See also Payment Procedures in Exhibit 2.

4. Line item budget (COUNTY provided form attached).

CLACKAMAS COUNTY CHILDREN'S COMMISSION
HEALTHY START BUDGET DETAIL 7/1/12 - 6/30/13

PERSONNELFRINGE BENEFITS & TAXES

EMPLOYEE NAME	JOB TITLE	RATE	TOTAL CCCC		HEALTHY START FTE	TOTAL WAGES	MED/DENT INS	LIFE/DIS INS	SS/MC TAX	WKRS COMP		RETIEMENT	TOTAL
			FTE	START FTE						INS	SUI		
PROGRAM PERSONNEL													
CASTILLA, Elena	FSW	15.91	0.975	0.975	0.975	31,413.80	5,640.00	143.96	2,403.16	628.28	1,225.14	2,513.10	43,967.45
DARR, Karen	Comm Outreach/Data entry	17.20	0.925	0.925	0.925	32,219.75	2,450.00	147.68	2,464.81	644.40	1,256.57	2,577.58	41,760.79
JECK, Ellen	FSW	15.61	0.975	0.975	0.975	30,823.18	5,640.00	141.41	2,357.97	616.46	1,202.10	2,465.85	43,246.97
HUDLESTON, Ashley	FSW	15.14	0.9	0.9	0.9	27,594.87	2,350.00	126.55	2,111.01	551.90	1,076.20	-	33,810.53
RUIZ, Carmina	FSW	15.61	0.975	0.975	0.975	30,823.18	10,800.00	141.41	2,357.97	616.46	1,202.10	2,465.85	48,406.97
SNYDER, Stacey	FSW	16.38	0.9	0.9	0.9	29,854.66	5,640.00	137.00	2,283.88	597.09	1,164.33	2,388.37	42,065.33
BRIGHT, Jonielle	FSW	14.42	0.9	0.9	0.9	26,475.12	5,640.00	120.51	2,025.35	529.50	1,032.53	-	35,823.01
BIGSBY, Jessa	FSW	14.42	0.9	0.9	0.9	26,475.12	5,640.00	120.51	2,025.35	529.50	1,032.53	-	35,823.01
LUKENS, D	Comm Outreach/Data entry	17.20	0.7	0.7	0.7	27,354.67	4,500.00	127.71	2,092.63	547.09	1,066.83	2,188.37	37,877.30
OSBORNE, TESSA	Healthy Start Supervisor	22.86	0.85	0.85	0.85	39,350.17	5,640.00	180.42	3,010.29	787.00	1,534.66	2,917.08	53,419.62
KERSENS, BETH	Healthy Start Supervisor	22.86	0.75	0.75	0.75	34,720.74	5,640.00	159.29	2,656.14	694.41	1,354.11	2,777.66	48,002.35
						337,105.26	59,580.00	1,546.45	25,788.56	6,742.09	13,147.10	20,293.88	464,203.34
ADMIN PERSONNEL - MATCH													
ELDER, SUSAN E	EXECUTIVE DIRECTOR		0.02	0.02	0.02	1,587.88	159.60	9.79	121.47	31.76	61.93	127.03	2,099.46
COMBEST, KATLIN	ERSEA & IT MANAGER		0.05	0.05	0.05	2,106.61	315.00	10.88	161.16	42.13	82.16	168.53	2,886.47
WALEN, STACIE	ACCTG PAYROLL MGR		0.02	0.02	0.02	1,032.51	216.00	6.36	78.99	20.65	40.27	82.60	1,477.38
(VACANT)	GRANTS SPECIALIST		0.02	0.02	0.02	580.49	216.00	3.90	44.41	11.61	22.64	42.05	921.10
CLARKE, CANDACE	FINANCE DIRECTOR		0.02	0.02	0.02	1,381.12	118.80	8.51	105.66	27.62	53.86	110.49	1,806.06
LOWLES, WENDY	HR SPECIALIST		0.02	0.02	0.02	456.40	112.80	3.06	34.91	9.13	17.80	36.51	670.61
(VACANT)	HR DIRECTOR		0.02	0.02	0.02	745.50	216.00	4.63	57.03	14.91	29.07	59.64	1,126.78
						7,890.51	1,354.20	47.13	603.63	157.81	307.73	626.85	10,987.86
PROGRAM PERSONNEL - MATCH													
ROSARIO, ISMAEL	CENTER MANAGER		0.03	0.03	0.03	1,524.34	169.20	10.06	3.50	0.91	1.78	121.95	1,831.74
(VACANT)	SITE COORDINATOR		0.03	0.03	0.03	391.43	-	2.64	0.90	0.23	0.46	-	395.66
						1,915.77	169.20	12.70	4.40	1.14	2.24	121.95	2,227.40
						346,911.54	61,103.40	1,606.28	26,396.59	6,901.04	13,457.07	21,042.68	477,418.60

Volunteer hours: estimated 900 hours X \$18/hour

TRAVEL Mileage estimated 50,000 miles calculated at 0.50 per mile totaling \$25,000

SUPPLIES Office/Computer & Miscellaneous Program Supplies

TRAINING Professional training for staff development

CONSULTANTS/CONTRACTS Volunteer Connection contracted services

COPY

June 14, 2012

Board of Commissioners
Clackamas County

Members of the Board:

**Approval of an Agency Service Contract with Children's Center
for Child Abuse Assessment Program Services**

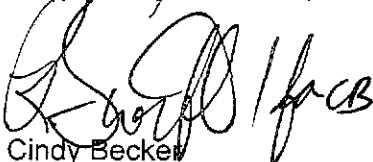
The Children, Youth & Families Division of the Health, Housing and Human Services Department requests the approval of an Agency Service Contract with the Children's Center for child abuse assessments. Services to be provided under this contract include complete physical examinations to determine possible abuse and/or the need for further treatment, and videotaped interviews of children that provide assistance to the medical diagnosis and treatment recommendations.

Total amount of this agreement is \$202,000. Funds are budgeted in the County General Fund grant stream for fiscal year 2012-2013 to cover this agreement. All of this contract will be funded by County General Funds. This agreement is effective upon acceptance by all parties and will terminate June 30, 2013. This contract is in the format approved by County Counsel as part of the H3S contract standardization project.

Recommendation:

We recommend the approval of this contract and that Cindy Becker be authorized to sign on behalf of the Board of County Commissioners.

Respectfully submitted,



Cindy Becker
Director

AGENCY SERVICE CONTRACT
(Regular Services or Community Development)
(FY12-13)

This contract is between Clackamas County acting by and through its Health, Housing and Human Services Department, Children, Youth & Families Division, (Commission on Children & Families) hereinafter called "COUNTY," and Children's Center hereinafter called "AGENCY."

I. SCOPE OF SERVICES

- A. AGENCY agrees to accomplish the following work under this contract (See attached work plan):
1. Respond to all child abuse referrals from Clackamas County agencies, mandatory reporters and families.
 2. Provide 500 child abuse assessments, 84 of which will be funded through these contracted county funds. These assessments will include a complete physical examinations to determine possible abuse and/or the need for further treatment. Provide videotaped interviews of children reporting abuse; interviews to be conducted under the supervision of a medical professional by a professional by a professional with an appropriate degree and training. The child's interview should provide assistance to the medical diagnosis and treatment recommendations.
 3. Ensure that Children's Center medical professionals and staff will be available with the appropriate subpoena and notification to appear in Clackamas County judicial proceedings.
 4. Payment for court appearances and consultations by Children's Center staff are not included in this contract agreement.
- B. Services required under the terms of this agreement shall commence when this contract is signed by all necessary parties, but not prior to July 1, 2012. This agreement shall terminate June 30, 2013.

II. COMPENSATION AND RECORDS

- A. Compensation. COUNTY shall compensate the AGENCY for satisfactorily performing the services identified in Section I as follows:

On a cost reimbursement basis as described in Exhibit 3, attached hereto.
Up to a maximum compensation of \$202,000.

The payment shall be full compensation for work performed, for services rendered, and for all labor, materials, supplies, equipment, mileage and incidentals necessary to perform the work and services.

- B. Method of Payment. To receive payment, the AGENCY shall submit invoices and accompanying performance reports as follows:

AGENCY shall be paid on a cost reimbursement basis and shall submit invoices and accompanying performance reports as described in Exhibits 2 and 3 attached hereto.

Withholding of Contract Payments: Notwithstanding any other payment provision of this agreement, should the AGENCY fail to submit required reports when due, or submit reports which appear patently inaccurate or inadequate on their face, or fail to perform or document the performance of contracted services, the COUNTY shall immediately withhold payments hereunder. Such withholding of payment for cause may continue until

AGENCY SERVICE CONTRACT

the AGENCY submits required reports, performs required services, or establishes to the COUNTY's satisfaction that such failure arose out of causes beyond the control, and without the fault or negligence, of the AGENCY.

- C. **Record and Fiscal Control System.** All payroll and financial records pertaining in whole or in part to this contract shall be clearly identified and readily accessible. Such records and documents should be retained for a period of three (3) years after receipt of final payment under this contract and all other pending matters are closed.
- D. **Access to Records.** The COUNTY, the State of Oregon and the Federal Government, and their duly authorized representatives shall have access to the books, documents, papers, and records of the AGENCY which are directly pertinent to this contract for the purpose of making audits, examinations, excerpts, and transcripts.

If an audit discloses that payments to the AGENCY were in excess of the amount to which the AGENCY was entitled, then the AGENCY shall repay the amount of the excess to the COUNTY.

III. MANNER OF PERFORMANCE

- A. **Compliance with Applicable Laws and Regulations.** The AGENCY shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this contract.

When a requirement is listed both in the main boilerplate of the contract and in an Exhibit, the Exhibit shall take precedence.

- B. **Special Federal Requirements - Common rule restricts lobbying** (Volume 55, NO38 of Fed. Register, Feb. 1990).
- C. AGENCY shall not enter into any subcontracts for any of the work scheduled under this contract without obtaining prior written approval from the COUNTY.
- D. AGENCY certifies that it is an independent AGENCY and not an employee or agent of the COUNTY, State, or Federal government. Responsibility for all taxes, assessments, and any other charges imposed upon employers shall be the sole responsibility of the AGENCY.

IV. GENERAL CONDITIONS

- A. **Indemnity.** The AGENCY agrees to indemnify, defend and hold harmless the County and its officers, agents and employees against all liability, loss and costs arising from actions, suits, claims or demands attributable in whole or in part to the acts or omissions of Agency, and Agency's officers, agents and employees, in performance of this contract
- B. **INSURANCE** During the term of this contract AGENCY shall maintain in force at its own expense, each insurance noted below:
 - 1. **Commercial General Liability Insurance**

Required by COUNTY

Not required by COUNTY

AGENCY SERVICE CONTRACT

damage on an "occurrence" form in the amount of not less than \$1 Million per occurrence/\$2 Million general aggregate for the protection of the County, its officers, commissioners, and employees. This coverage shall include Contractual Liability insurance for the indemnity provided under this contract.

2. Commercial Automobile Insurance

Required by COUNTY Not required by COUNTY

AGENCY shall also obtain, at AGENCY's expense, and keep in effect during the term of the contract, "Symbol 1" Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The combined single limit per occurrence shall not be less than \$1 Million.

3. Professional Liability Insurance

Required by COUNTY Not required by COUNTY

AGENCY agrees to furnish the County evidence of Professional Liability Insurance in the amount of not less than \$1 Million combined single limit per occurrence/\$2 Million general annual aggregate for malpractice or errors and omissions coverage for the protection of the County, its officers, commissioners and employees against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and damages because of negligent acts, errors and omissions in any way related to this contract. The County, at its option, may require a complete copy of the above policy.

4. Additional Insurance Provision

The insurance, other than Professional Liability, Workers' Compensation, and Personal Automobile Liability insurance, shall include "Clackamas County, its agents, officers, and employees" as an additional insured.

Such insurance shall provide sixty (60) day written notice to the COUNTY in the event of a cancellation or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the COUNTY under this insurance. This policy(s) shall be primary insurance as respects to the COUNTY. Any insurance or self-insurance maintained by the COUNTY shall be excess and shall not contribute to it.

5. Notice of Cancellation.

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 60 days written notice to the Clackamas County Purchasing Division. Any failure to comply with this provision will not affect the insurance coverage provided to the County. The 60 days notice of cancellation provision shall be physically endorsed on to the policy.

6. Insurance Carrier Rating.

Coverages provided by the AGENCY must be underwritten by an insurance company deemed acceptable by the County. Insurance coverage shall be provided by companies admitted to do business in Oregon or, in the alternative, rated A- or better by Best's Insurance Rating. The County reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

AGENCY SERVICE CONTRACT

7. Certificates of Insurance.

As evidence of the insurance coverage required by this contract, the AGENCY shall furnish a Certificate of Insurance to Clackamas County. No contract shall be effected until the required certificates have been received, approved and accepted by the County. A renewal certificate will be sent to the Clackamas County Purchasing Division 10 days prior to coverage expiration.

8. Independent Contractor Status.

The service or services to be rendered under this contract are those of an independent contractor. AGENCY is not an officer, employee or agent of the COUNTY as those terms are used in ORS 30.265.

9. Primary Coverage Clarification.

AGENCY's coverage will be primary in the event of a loss.

10. Cross-Liability Clause.

A cross-liability clause or separation of insureds condition will be included in all general liability, professional liability, and errors and omissions policies required by this contract.

C. Amendments. The terms of this contract shall not be waived, altered, modified, supplemented or amended, in any manner whatsoever, except by written instrument signed by AGENCY and COUNTY.

D. Termination. This contract may be terminated by mutual consent of both parties, or by either party, upon 30 days' notice, in writing and delivered by certified mail or in person.

The COUNTY may terminate this contract effective upon delivery of written notice to the AGENCY, or at such later date as may be established by the COUNTY, under any of the following conditions:

1. If COUNTY funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the indicated quantity of services. The contract may be modified to accommodate a reduction in funds.
2. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding authorized by this contract.
3. If any license or certificate required by law or regulation to be held by the AGENCY to provide the services required by this contract is for any reason denied, revoked, or not renewed.
4. If AGENCY fails to provide services or reports called for by this contract within the time specified herein or any extension thereof; or
5. If AGENCY fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its

AGENCY SERVICE CONTRACT

terms, and after receipt of written notice from the COUNTY, fails to correct such failures within 10 days or such longer period as the COUNTY may authorize.

Any such termination of this contract shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

- E. Oregon Public Contracting Provisions and Constitutional Limitations. Pursuant to the requirements of ORS 279B.020 and 279B.220 through 279B.335, and Article XI, Section 10, of the Oregon Constitution, the following terms and conditions are made a part of this contract:
1. AGENCY shall:
 - (a) Make payments promptly, as due, to all persons supplying to AGENCY labor or materials for the prosecution of the work provided for in this contract.
 - (b) Pay all contributions or amounts due the Industrial Accident Fund from such AGENCY or subcontractor incurred in the performance of this agreement.
 - (c) Not permit any lien or claim to be filed or prosecuted against Clackamas County on account of any labor or material furnished.
 - (d) Pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
 2. If AGENCY fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to AGENCY or a subcontractor by any person in connection with this contract as such claim becomes due, the proper officer representing Clackamas County may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due AGENCY by reason of this agreement.
 3. No person shall be employed for more than ten (10) hours in any one day, or more than forty (40) hours in any one week, except in cases of necessity, emergency or where the public policy absolutely requires it, and in such cases, except in cases of contracts for personal services as defined in ORS 279A.055, the employee shall be paid at least time and one-half pay: (a) for all overtime in excess of eight (8) hours a day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday; or for all overtime in excess of 10 hours in any one day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; and (b) for all work performed on Saturday and on any legal holiday specified in ORS 279B.020.

In the case of contracts for personal services as defined in ORS 279A.055, employees shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals who are excluded under ORS 653.010 to 653.261 or under 29 USC Section 201 to 209 from receiving overtime.
 4. AGENCY shall promptly, as due, make payment to any person or partnership, association or corporation furnishing medical, surgical and hospital care or other needed care and attention incident to sickness and injury, to the employees of AGENCY, of all sums which AGENCY collected or deducted from the wages of its employees pursuant to any law, contract or agreement for the purpose of providing or paying for such services.

AGENCY SERVICE CONTRACT

5. Agency, if it is an employer of one or more workers subject to workers' compensation coverage under ORS Chapter 656, shall qualify as an insured employer under ORS 656.017 or as an exempt employer under ORS 656.126. Agency shall maintain employer liability insurance with limits of \$500,000 each accident, \$500,000 disease each employee, and \$500,000 each policy limit.
 6. This contract is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10 of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.
- F. AGENCY shall comply with Section 504 of the Rehabilitation Act of 1973, and Title VI of the Civil Rights Act of 1964.
- "The contractor will not discriminate against any employee or applicant for employment because of race, color, or national origin."
- "The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified."
- G. Future Support. The COUNTY makes no commitment of future support and assumes no obligation for future support of the activity contracted herein except as set forth in this contract.
- H. Ownership of Work Product. All work products of the AGENCY which result from this contract are the exclusive property of the COUNTY.
- I. Integration. This contract contains the entire agreement between the COUNTY and the AGENCY and supersedes all prior written or oral discussions or agreements.

AGENCY SERVICE CONTRACT

This contract consists of three sections plus the following attachments which by this reference are incorporated herein:

- Exhibit 1 Scope of Work, Performance Standards, and Work Plan
- Exhibit 2 Reporting Requirements
- Exhibit 3 Budget

AGENCY The Children's Center

By [Signature]

Name (Typed) Mark E. Perry

Title Interim Executive Director

Date 5/31/12

Street Address 1713 Penn Lane

City/Zip Oregon City 97045

Phone Number 503-655-7725

TIN, FIN or S.S.# 75-3027143

CLACKAMAS COUNTY

- Commissioner Charlotte Lehan, Chair
- Commissioner Jim Bernard
- Commissioner Jamie Damon
- Commissioner Ann Linger
- Commissioner Paul Savas

Signing on Behalf of the Board:

Cindy Becker, Director
Health, Housing and Human Services

Date _____

[Signature]
Rodney A. Cook, Director
Children, Youth & Families Division

Date 5/31/12

EXHIBIT 1
SCOPE OF WORK AND PERFORMANCE STANDARDS

- I. AGENCY shall meet all performance outcomes as outlined in attached Work Plan.
- II. Performance Standards:
 1. **Community Based, Holistic Approach**
 - AGENCY programs and services shall be community-focused, incorporating the greatest level of input from multiple stakeholders, including clients, families, and other agencies.
 - AGENCY programs and services shall have ongoing community investment and involvement.
 2. **Family-Centered Programs**
 - AGENCY programs and services shall involve families in all aspects, recognizing that they are the most important teachers, caregivers, and role models for their children.
 - AGENCY programs and services shall support and strengthen families in providing the foundation for the physical, social, emotional, and intellectual development for their children.
 3. **Establish/Maintain Effective Partnerships**
 - AGENCY, in order to enable data linkages, information sharing, and ongoing collaboration between partners to most effectively meet and address needs, shall ensure that appropriate staff attend CYF contractor's meetings, and training sessions, and participate in other activities as required by COUNTY.
 - AGENCY shall develop and promote continuous communications with similar organizations.
 4. **Utilize a Balanced SWOT (Strengths, Weaknesses, Opportunities, Threats) Approach**
 - AGENCY programs and services shall address both the risks/deficiencies, challenges and the strengths/assets/opportunities in their communities.
 5. **Implement Research Based Accountability**
 - AGENCY, in order to ensure programs and services are based on research-based, proven practices, shall complete and submit the Best Practices Assessment as required by CYF. In areas where proven practices are not available, AGENCY is encouraged to develop innovative strategies based on research principles.
 - AGENCY programs and services shall include research-based measurements of success to enable tracking of effectiveness toward meeting planned outcomes. These data shall be monitored by CYF on the Quarterly Work Plan. Quarterly Work Plans are to be submitted on or before date due.
 - 1st Quarter, Jul 1 – Sep 30: due on Oct 17, 2012
 - 2nd Quarter, Oct 1 – Dec 31: due on Jan 16, 2013
 - 3rd Quarter, Jan 1 – Mar 31: due on Apr 16, 2013
 - 4th Quarter, Apr 1 – Jun 30: due on Jul 16, 2013
 6. **Reflect and Incorporate Diversity**
 - AGENCY, in order to provide programs and services that meet the needs of diverse cultures and people with disabilities, shall complete and submit the Cultural Competency Assessment and Action Plan as required by CYF.

AGENCY SERVICE CONTRACT

- AGENCY, in order to provide programs and services that meet the needs of girls, shall complete and submit the Gender Specific Services Assessment and Action Plan as required by CYF.
7. **Internal Controls**
- AGENCY shall submit a completed Annual Fiscal Capability Assessment to CYF on or before October 31, 2012.
8. **Funder Recognition**
- AGENCY shall demonstrate good faith efforts to acknowledge the COUNTY's Commission on Children & Families when communicating with media representatives and when creating and distributing flyers describing services, workshops and other contract related details.
9. **Resource Expansion**
- AGENCY shall demonstrate good faith effort to secure other funding to increase program capacity, enter into collaborative efforts and initiatives, and/or decrease dependence on long-term Commission on Children and Families funding.
10. **Use of Grant Funds**
- No grant funds shall be used, directly or indirectly, to promote or oppose any political committee, or promote or oppose the nomination or election of a candidate, the gathering of signatures on an initiative, referendum or recall petition, the adoption of a measure or the recall of a public office holder.
11. **HIPAA Compliance**
- If the work performed under this Contract is covered by the Health Insurance Portability and Accountability Act or the federal regulations implementing the Act (collectively referred to as HIPAA), AGENCY agrees to perform the work in compliance with HIPAA. Without limiting the generality of the foregoing, if the work performed under this Contract is covered by HIPAA, AGENCY shall comply with the following:
 - i. Privacy and Security of Individually Identifiable Health Information. On or after April 14, 2003, AGENCY, its agents, employees and subcontractors shall protect individually identifiable health information obtained or maintained about Department's clients from unauthorized use or disclosure, consistent with the requirements of HIPAA. This Contract may be amended to include additional terms and conditions related to the privacy and security of individually identifiable health information.
 - ii. Data Transaction Systems. Any electronic exchange of information on or after October 16, 2002, between AGENCY and COUNTY to carry out financial or administrative activities related to health care will be in compliance with HIPAA standards for electronic transactions published in 65 Fed. Reg. 50312 (August 17, 2000). The following types of information exchanges are included: Health care claims or equivalent encounter information; health care payments and remittance advice; coordination of benefits; health claim status; enrollment and disenrollment in a health plan; eligibility for a health plan; health plan premium payments; referral certification and authorization; first report of injury; and health claims attachments. This Contract may be amended to include additional terms and conditions related to data transactions.

AGENCY SERVICE CONTRACT

- iii. Consultation and Testing. If AGENCY reasonably believes that the AGENCY's or COUNTY's data transactions system or other application of HIPAA privacy or security compliance policy may result in a violation of HIPAA requirements, AGENCY shall promptly consult the COUNTY's HIPAA officer. AGENCY or COUNTY may initiate a request for testing of HIPAA transaction requirements, subject to available resources and the COUNTY's testing schedule.

III. Performance Standards-County:

County shall:

1. Administer this contract in compliance with the Commission on Children and Families Act (Oregon laws 1993), and the Oregon Administrative Rules for the Commission on Children and Families, Chapter 423.
2. Communicate with service providers about contract performance and about Children, Youth & Families Division' operations, standards and objectives.
3. Provide technical assistance to the AGENCY in developing activities to address the needs of minority youth, program contract amendments, wellness referrals, collaborative services, community development projects and resources.

EXHIBIT 2

PAYMENT PROCEDURES AND REPORTING REQUIREMENTS

1. PAYMENT PROCEDURES

The compensation authorized in this agreement shall include reimbursable expenses as prescribed in the COUNTY-approved budget in Exhibit 3 and in accordance with OMB Circulars A-87 if agency is a local government, A-122 if non-profit, A-133 if college. This amount does not include expenses for unusual and special activities or materials not included in the scope of services. Such unusual and special expenses will not be incurred without prior COUNTY approval. In addition, expense totaling an amount greater than the total budget for this project shall not be incurred without prior written consent of the COUNTY.

a) Payment Options:

AGENCY shall submit a monthly Request for Funds and Fiscal Report within 15 days of the end of each month. COUNTY reserves the right to reduce monthly payment by the amount of unexpended funds during the previous month. The monthly fiscal report shall be in accordance with the approved budget in Exhibit 3.

OR

AGENCY shall submit a quarterly Request for Funds and Fiscal Report within 15 days of the end of each quarter. COUNTY reserves the right to reduce quarter payment by the amount of unexpended funds during the previous quarter. The quarterly fiscal report shall be in accordance with the approved budget in Exhibit 3.

The COUNTY shall make payment to AGENCY within 30 days of receipt and approval of each funds request and fiscal report submittal. AGENCY shall submit a quarterly "Program Performance Progress Report" in accordance with Exhibit 1, and section 3 of Exhibit 2 of this contract.

Reimbursement request required to be prepared and submitted by AGENCY to the COUNTY shall be accurate and correct in all respects, supported by attached documentation and traceable to source documents through AGENCY's accounting records. Should inaccurate reports be submitted to the COUNTY, the COUNTY may elect to have AGENCY secure the services of a certified accounting firm. Cost of such accounting services are to be borne by AGENCY and not reimbursed from funds authorized by the agreement unless specifically agreed to between AGENCY and COUNTY in writing.

AGENCY shall submit a financial statement covering all expenditures within 30 days following the end of the contract. When the total fund advanced does not equal the AGENCY's total actual expenditures and the total budget, the financial statement shall include either:

- A. A request for reimbursement of program expenditures. Such request shall not bring the total of funds received by the AGENCY in an amount in excess of the budget; or
- B. Contract amendment suitable to both the COUNTY and AGENCY.
- C. The return of all unexpended funds to the COUNTY.

AGENCY SERVICE CONTRACT

AGENCY shall return all unexpended funds to the COUNTY within 10 days of the contract's termination when such termination is due to the AGENCY's failure to provide services in accordance with the contract.

Withholding of Contract Payments: Notwithstanding any other payment provision of this contract, should the AGENCY fail to submit required reports when due or submit reports which appear patently inaccurate or inadequate on their face, or fail to perform or document the performance of contracted services, the COUNTY shall immediately withhold payments hereunder. Such withholding of payment for cause may continue until the AGENCY submits required reports, performs required services, or establishes to the COUNTY's satisfaction that such failure arose out of causes beyond the control, and without the fault or negligence, of the AGENCY.

2. RECORDKEEPING

AGENCY shall keep detailed records of time and expenditures incurred and funded by this contract. Such records shall adequately identify the source and application of funds for activities within this contract in accordance with the provisions of OMB Circular (A-110 for non-profits, A-102 for local governments). These records shall allow accurate statements pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income in accordance with generally accepted accounting practices.

AGENCY shall maintain a system of internal control comprising a documented plan of all coordinating procedures adopted to account for and safeguard its assets, check the adequacy and reliability of its accounting data, promote operating efficiency, and assure adherence to applicable regulations.

Expenditures shall be supported by properly executed payrolls, time records, invoices, vouchers, or other source documentation evidencing in proper detail the nature and propriety of charges. All accounting documents shall be clearly identified and readily accessible.

Financial records and supporting documents pertinent to this agreement shall be retained by AGENCY for a period of three years from the date of completion of the contract except as follows:

- Records that are the subject of audit findings shall be retained for three years or until such audit findings have been resolved, whichever is later.

3. PROGRAM REPORTS

AGENCY shall submit program performance reports for each quarter of the fiscal year. These quarterly reports are to include: 1) Demographic report; 2) work plan outcomes, services and development activities performance report. The quarterly reports are due to the COUNTY within 30 days of the end of each fiscal year quarter.

AGENCY shall complete and submit other reports as required and supplied by the COUNTY.

4. MONITORING

COUNTY shall evaluate the services provided under this contract primarily by quarterly work plan progress reports. The COUNTY may also conduct on-site monitoring of services. These site visits usually include on-site monitoring of client case files, client/parent/staff interviews, and review of program and agency policies, procedures and files. COUNTY shall give written

AGENCY SERVICE CONTRACT

notification of problem areas related to performance under this contract, including requirements and time lines for corrective action.

The AGENCY will gather data necessary to complete quarterly work plan performance and budget, and any other reports required by the COUNTY.

The AGENCY will provide the client confidentiality releases necessary to facilitate site visits by the COUNTY.

At any time during normal business hours and as often as the COUNTY, or other appropriate state or federal representatives may deem necessary, the AGENCY shall make available to the COUNTY for examination all its records with respect to matters covered by this contract for the purpose of making surveys, audits, examinations, excerpts and transcripts.

Should any records not meet the minimum standards of grant administration of the COUNTY, the COUNTY reserves the right to withhold any or all of its funding to AGENCY until such time as the standards are met. The COUNTY may require AGENCY to use any or all of the COUNTY's accounting and administrative procedures used in planning, controlling, monitoring and reporting all fiscal matters relating to this contract.

The COUNTY reserves the right to dispatch auditors of its choosing to any site where any phase of the project is being conducted or controlled in any way. If any audit or examination determines the AGENCY has expended funds which are questionable or disallowed, the AGENCY shall be given the opportunity to justify questioned and disallowed expenditures prior to the COUNTY's final determination. Any disallowed costs resulting from the final determination shall be remitted to COUNTY from AGENCY's non COUNTY-administered funds, payable by check within 30 days of final determination.

5. AUDIT

AGENCY shall have an annual audit performed of projects funded by this agreement unless specifically waived in writing by COUNTY. Audits shall be performed by an independent certified accountant in accordance with GAO Audit Standards, OMB Circulars (A-133 and A-110 for non-profits, A-128 for local government agencies), and generally accepted auditing standards. Audit schedules shall clearly show statement of COUNTY-funded assets, liabilities, fund balance, revenues, and expenditures separately from non COUNTY-funded assets, liabilities, fund balance, revenues and expenditures.

Auditor shall be selected competitively and AGENCY should contract with auditor to assure proper scope, reports and timelines are maintained.

Audits are not required for cost reimbursement contracts under \$25,000.

Audits are due 120 days after the end of the contract period.

6. CAPITAL PURCHASES

Capital purchases through children and youth services grants are subject to Oregon Administrative Rule 436-010-0036 which indicates capital purchases to be the property of the COUNTY unless the COUNTY determines otherwise.

AGENCY SERVICE CONTRACT

Capital purchases through children and families services grants are defined according to State of Oregon purchasing rules; initial value of more than \$5,000.

EXHIBIT 3

BUDGET

1. AGENCY shall submit for COUNTY approval a budget indicating the amount of COUNTY funds allocated for project performance as described in the scope of services. Budget shall be in sufficient detail to provide a sound basis for the COUNTY to effectively monitor compliance with the contract.

Any allocations of budgeted costs not directly allocable to the project shall be made in accordance with OMB Circular A-87, A-122 and A-133, and shall be properly documented by budget attachments.

2. Program income defined as amounts generated by the use of COUNTY funds shall be used to expand the program. AGENCY shall keep records to accurately record and report the use of program income.
3. AGENCY and the COUNTY shall administer budget adjustments and balances through the following processes:

ADJUSTMENTS

AGENCY shall not make major budget adjustments without prior written approval of the COUNTY. AGENCY is to notify the COUNTY of minor budget changes.

Major budget adjustments are defined as:

- those changes that move funds between the major budget categories of Personal Services, Materials and Services, Capital Outlay or Equipment, or
- those changes that exceed 10% within a major budget category.

Minor budget adjustments are those changes where less than 10% of the funds within a budget category (Personal Services, Materials and Services, Capital Outlay or Equipment) are moved between expenditure line items.

The COUNTY, working with the Commission on Children & Families and staff of the Children, Youth & Families Division, will work with the AGENCY to manage budget adjustments.

BALANCES

The AGENCY is to forecast any expected grant balance and notify the Children, Youth & Families Division by April 30 of each fiscal year. See also Payment Procedures in Exhibit 2.

4. Line item budget (COUNTY provided form attached).



COPY

5
Cindy Becker
Director

June 14, 2012

Board of Commissioners,
Clackamas County

Members of the Board:

Approval of Revenue Contract with Ride Connection, Inc. to provide Oregon Transportation Network Funds for Expanded Service Rides and Out-of-District Rides Provided by Members of the Clackamas County Transportation Consortium

The Social Services Division of the Health, Housing, & Human Services Department requests the approval of Revenue Contract number 12-0812CCSSD with Ride Connection, Inc. to provide pass through Oregon Transportation Network funds for expanded service rides and Out-of-District rides provided by members of the Clackamas County Transportation Consortium. This contract will provide funding to reimburse members of the Clackamas County Transportation Consortium for year 13 of expanded transportation services they provide for Clackamas County seniors and persons with disabilities during fiscal year 2012-13 and continue funding to those providers outside the TriMet district.

In October 2011, Clackamas County Social Services Division, for the Clackamas County Transportation Consortium, submitted a grant application, through Ride Connection, Inc., to the Oregon Transportation Commission and Oregon Department of Transportation for a thirteenth year of Special Transportation Formula (STF) funding. This contract is a result of successful grant applications and will provide for the 13th year of expanded door-to-door transportation services for seniors or persons with disabilities who have been un-served or underserved, primarily for medical appointments, personal business, and/or grocery shopping. This service will be provided by members of the Clackamas County Transportation Consortium (CCTC) in Contractor vans or buses, private vehicles of volunteers, or by subcontracts with taxi companies. This is the seventh year that the Clackamas County Transportation Consortium has submitted the grant application, through Ride Connection, Inc., for the Out-of-District funding. We have received these funds in the past as pass through funding.

The goal in providing transportation services is to assist older and disabled county residents in meeting their individual needs. These services enable them to live independently in their own homes for as long as possible.

This Contract is for \$412,184; \$153,071 for Out-of-district services and \$259,113 for Expanded Service. No County General Funds are involved. The contract was approved by County Council on May 18, 2012. This contract is effective January 27, 2012 and continues through June 30, 2013. Ride Connection, Inc., as initiator of this contract, chose to sign after obtaining contract approval and signature from Clackamas County.

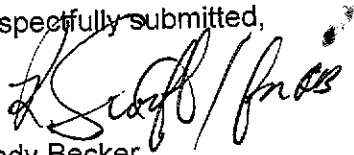
For information on this issue or copies of attachments
Please contact Brenda Durbin, # 503-655-8641

Healthy Families. Strong Communities.

Recommendation:

We recommend the approval of this contract and that Cindy Becker be authorized to sign on behalf of the Board of County Commissioners.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Cindy Becker' with a stylized flourish at the end.

Cindy Becker
Director

**RIDE CONNECTION, INC.-
PROFESSIONAL SERVICES CONTRACT
FOR STATE OF OREGON, PUBLIC TRANSIT SECTION
SPECIAL TRANSPORTATION FORMULA (STF) FUNDS**

Contract No. 12-0803CTC

This contract is by and between RIDE CONNECTION, Inc., an Oregon nonprofit corporation (hereinafter "RIDE CONNECTION") and Clackamas County Department of Human Services, (hereinafter "Contractor").

1) STF REQUIREMENTS

RIDE CONNECTION and Contractor have submitted an operating proposal grant application for Special Transportation Formula Funds (STF). Contractor's proposal is attached and incorporated herein as Exhibit "E1." Contractor's proposal has been approved by the Oregon Transportation Commission and Oregon Department of Transportation for the purposes described in ORS 391.830 (4).

RIDE CONNECTION is required to enter into a written agreement with Contractor for the transportation services set forth in Contractor's operating proposal grant application. RIDE CONNECTION and Contractor enter into this contract for the purpose of accomplishing the service (s) described in Exhibit "E1."

- a) Contractor agrees to provide the service and activities described in its operating proposal grant application in accordance with the terms of this Contract, with ORS 391.800 through 391.830, and OAR Chapter 732 Divisions 5 and 10, as may be amended, the Section's requirements, and Administrative Rules.
- b) Contractor agrees to specifically address STF moneys in its annual audits. If requested by RIDE CONNECTION or the Tri-County Metropolitan Transportation District of Oregon (TriMet) Contractor shall provide a copy of those audit reports. RIDE CONNECTION or TriMet may request additional information including, but not limited to, audits of specific projects or services.
- c) This contract is subject to the terms and conditions of Grant Agreement No. 27588 between TriMet and ODOT for disbursement of STF formula funds, and any subsequent agreement between TriMet and ODOT with respect to disbursement of funds hereunder. Contractor shall comply with all applicable terms and conditions of Grant Agreement No. 27588 with respect to the STF agency's obligations thereunder and specifically the following provisions:
 - i) Contractor agrees that all projects and services supported with STF dollars provided through this contract shall comply specifically with the following federal and state laws and regulations, executive orders and ordinances applicable to the work under this Agreement:
 - (1) Without limitation, the provisions of ORS 279B.220, 279B.225, 279B.230 and 279B.235, which are hereby incorporated by reference.

- (2) Title VI of Civil Rights Acts of 1964.
- (3) Title V and Section 504 of the Rehabilitation Act of 1973.
- (4) 49 CFR Parts 37 and 38 of the Americans with Disabilities Act of 1990.
- (5) ORS 659A.142.
- (6) All regulations and administrative rules established pursuant to the foregoing laws
- (7) 49 CFR 27.9, Nondiscrimination on the Basis of Handicap in programs and Activities Receiving or Benefiting from Federal Financial Assistance which implements the Rehabilitation Act of 1973, as amended
- ii) That the projects and services shall be in compliance with any other applicable federal, state and local laws and regulations including, and not limited to, those pertaining to passenger transportation, civil rights, labor, insurance, safety and health, as applicable;
- iii) That STF moneys shall be properly used;
- iv) That the projects and services shall be performed in a safe, prudent and timely manner
- v) That eligibility requirements applicable to Recipients as set forth in the OAR Chapter 732 shall be maintained throughout the project or services.

2) TERM

The term of this contract shall begin on January 27, 2012 and shall expire on June 30, 2013, unless terminated sooner under the provisions of this contract.

3) SCOPE OF SERVICES

The Contractor shall provide the goods and/or services specified in Exhibit "B1" (THE SCOPE OF SERVICES) "Services", which is attached to, and made a part of, this contract.

4) COMPENSATION

RIDE CONNECTION agrees to pay Contractor a maximum of \$342,368 (\$99,136 in District and \$243,232 Out of District) in STF Formula Funds and \$69,816 in STO money for performance of the Services, to be broken down as follows:

STF Formula	
Hoodland Senior Center (out of district):	\$30,002
Milwaukie Senior Center (in district):	\$28,344
Molalla Adult Community Center (out of district):	\$33,134
Sandy Senior Center (out of district):	\$35,254
Transportation Reaching People (in district):	\$70,792
Transportation Reaching People (out of district):	\$17,698
Clackamas Consortium Base Service Out of District:	\$127,144

STO	
Hoodland Senior Center:	\$6,118

Milwaukie Senior Center:	\$5,780
Molalla Adult Community Center :	\$6,757
Sandy Senior Center :	\$7,189
Transportation Reaching People:	\$18,045
Clackamas Consortium:	\$25,927

All Contractor invoices shall be sent directly to RIDE CONNECTION and shall contain a reference to the contract number and date services were furnished. Contractor shall receive payment within forty-five (45) days after RIDE CONNECTION's receipt of an approved invoice.

5) CONTRACTOR IS AN INDEPENDENT CONTRACTOR

Contractor shall be an independent Contractor for all purposes under this contract, and shall be exclusively responsible for all costs and expenses related to its employment of individuals to perform work under this contract, including but not limited to PERS contributions, workers compensation, unemployment taxes and state and federal income tax withholdings. Contractor shall be entitled to no compensation from RIDE CONNECTION other than the compensation provided for under this contract. Contractor shall have sole control and supervision over the manner in which the Service is performed, subject only to consistency with the terms of this contract, and shall be responsible for determining the appropriate means and manner of executing the Service. Neither Contractor, nor its officers, directors, employees, subcontractors or volunteers, are officers, employees or agents of RIDE CONNECTION or TriMet as those terms are used in ORS 30.265. Neither the Contractor, nor its directors, officers, employees, subcontractors, nor volunteers shall hold themselves out either explicitly or implicitly as officers, employees or agents of RIDE CONNECTION or TriMet for any purpose whatsoever. Nothing in this contract shall be deemed to create a partnership, franchise or joint venture between parties.

6) LIABILITY

Notwithstanding any other agreements, Contractor agrees to defend, hold harmless, and indemnify RIDE CONNECTION, TriMet, and ODOT against any legal liability with respect to bodily injury, death, and property damage arising from the negligence of Contractor during its use of the property owned or registered to RIDE CONNECTION or in performance of the Services.

7) INDEMNIFICATION

To the fullest extent permitted by law, Contractor agrees to fully indemnify, hold harmless and defend, RIDE CONNECTION, its directors, officers, employees, and agents, and TriMet, its directors, officers, employees, and agents, from and against all claims, suits, actions of whatsoever nature, damages or losses, and all expenses and costs incidental to the investigation and defense thereof including administrative costs and reasonable attorneys fees,

for all reasonable contract close-out costs. Within thirty (30) days after termination pursuant to this Paragraph, Contractor shall submit an itemized invoice for all unreimbursed Services completed before termination and all contract close-out costs actually incurred by Contractor. RIDE CONNECTION shall not be liable for any costs invoiced later than thirty (30) days after termination unless Contractor can show good cause beyond its control for the delay.

- h) Contractor is in default under any provision of this contract. If the default produces serious safety issues, as determined in the sole discretion of RIDE CONNECTION, then RIDE CONNECTION may immediately and without notice obtain possession and control of any RIDE CONNECTION vehicle used by Contractor to provide the Service. For all other defaults, RIDE CONNECTION shall deliver notice of intent to terminate this contract to Contractor, and Contractor shall have within ten (10) days or such longer period as RIDE CONNECTION may authorize to cure such default, after which this contract shall be terminated unless cured to the reasonable satisfaction of RIDE CONNECTION. Contractor shall be paid the contract price only for Services performed in accordance with the manner of performance set forth in this contract. If it is later determined by RIDE CONNECTION that Contractor had an excusable reason for not performing, such as a strike, fire, flood, or other event that is not the fault of, or is beyond the control of, Contractor, RIDE CONNECTION may allow Contractor to continue work, or may treat the termination as a termination for convenience.

Any termination of this contract shall not prejudice any rights or obligations accrued to the parties prior to termination.

13) NON-DISCRIMINATION

Contractor certifies that no person shall, on the grounds of race, color, creed, religion, sex, age, national origin, or disability, be excluded from participation in, or be denied the benefits of, any activity for which Contractor receives Special Transportation Funds. Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, national origin, or disability.

Contractor shall comply with all applicable federal, state and local laws, rules and regulations applicable to the work hereunder, including without limitation, provisions required in public contracts, civil rights laws and all requirements established by the Americans with Disabilities Act of 1990 and FTA regulations at 49 CFR Parts 37 and 38.

14) JURISDICTION

This contract shall be governed by the laws of the State of Oregon, and the parties agree to submit to the jurisdiction of the courts of the State of Oregon and to the venue of the Multnomah County Circuit Court.

15) INTEGRATION AND MODIFICATION

This contract and the STF application submitted by Contractor in connection herewith contain the entire agreement of the parties and supersedes any prior discussions or agreements regarding the same subject. To the extent this contract and the STF application conflict, the terms of this contract shall govern. This contract may be modified only by a written agreement signed by authorized representatives of the parties.

16) NOTICES AND COMMUNICATIONS

- a) All notices and other communications concerning this contract shall be written in English and shall bear the number assigned to this contract by RIDE CONNECTION. Notices and other communications may be delivered personally, by telegram, by facsimile, or by regular, certified, or registered mail.
- b) A notice to RIDE CONNECTION shall be effective only if it is delivered to RIDE CONNECTION's Executive Director, 847 NE 19th Ave. Suite 200, Portland, OR 97232, or to another individual specifically designated by this contract or by RIDE CONNECTION in a subsequent written notice to Contractor. A notice to Contractor shall be effective if it is delivered to the individual who signed this contract on behalf of the Contractor at the address shown with that signature, or to another individual designated by Contractor in this contract or in a written notice to RIDE CONNECTION.
- c) Communications other than notices shall be effective if delivered to a person designated under this paragraph for receipt of notices or to the project manager for the party receiving the communication if that project manager has been designated by this contract or by written notice to the other party

17) INSURANCE

- a) During the term of this contract, Contractor, its subcontractors, if any, and all employers working under this agreement shall purchase and maintain any insurance required by this paragraph. Prior to commencement of any Services. Contractor shall furnish to RIDE CONNECTION certificates of insurance executed by a duly authorized representative of each insurer showing compliance with the insurance requirements described below. RIDE CONNECTION to demand such certificate or other evidence of full compliance with these insurance requirements, or failure of RIDE CONNECTION to identify a deficiency based on the evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance. Contractor shall indemnify RIDE CONNECTION and TriMet for any liability or damages that RIDE CONNECTION or TriMet may incur due to Contractor's failure to purchase or maintain any required insurance. Contractor agrees to be responsible for the risk of loss, damage or destruction of RIDE CONNECTION vehicle(s) during the term of this contract and until the vehicle(s) is/are returned to RIDE CONNECTION.
- b) Contractor shall pay all premiums and deductibles required to provide the following:
 - i) Oregon statutory workers' compensation and \$500,000.00 employer's liability coverage.

reasonable notice, access to all books, documents, papers, data and records relating to the transportation system supported in whole or part by the STF, and will allow inspection of the Services supported in whole or part by the STF including, but not limited to, the physical premises and Capital Items used to deliver transportation services. In accordance with the foregoing, Contractor and any organization acting on the Contractor's behalf shall make copies of applicable records available to RIDE CONNECTION, TriMet, the Public Transit Division, or the Secretary of State of the State of Oregon, upon their request.

- b) Contractor shall keep complete records pertaining to the requirements and performance of this contract, and shall maintain such records for at least six (6) years after expiration of this contract. The rights of inspection granted under Paragraph 26 (a) shall extend through the retention period. Notwithstanding any provision of this Agreement, records must be retained for six years as provided under this Paragraph 26(b).
- c) Contractor further agrees to include in all of its subcontracts under this contract a provision to the effect that the subcontractor agrees that RIDE CONNECTION, (TriMet), the Public Transit Division, the Secretary of State of the State of Oregon, or their authorized representatives, shall, until the expiration of six (6) years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and other records of the subcontractor. The term "subcontract" as used in this Paragraph excludes (1) purchase orders not exceeding \$10,000.00 and (2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.
- d) The periods of access and examination described in subparagraphs B and D of this Paragraph for records that relate to (1) disputes between RIDE CONNECTION or TriMet and Contractor, (2) litigation or settlement of claims arising out of the performance of this contract, or (3) costs and expenses of this contract as to which exception has been taken by the Comptroller General or any of his or her duly authorized representatives, shall continue until all disputes, claims, litigation, appeals, and exceptions have been resolved.
- e) RIDE CONNECTION or TriMet, or a duly authorized representative of RIDE CONNECTION or TriMet shall at any time during this contract, have access for the purpose of conducting a performance audit, as per Section 4B.13.

26) WITHHOLDING OF FUNDS

RIDE CONNECTION may withhold payment of STF funds if the funds are not being used in accordance with ORS 391.800 through 391.830, the Section's OARs or this Agreement, all required reporting has not been submitted, or there are any unresolved audit findings relating to the STF. Contractor shall assure that funds allocated hereunder are used only for the purposes permitted, and assumes responsibility for breach of conditions of the STF funding requirements hereunder by Contractor, and shall, upon breach of conditions that require RIDE CONNECTION to return funds to TriMet, hold harmless and indemnify RIDE CONNECTION for an amount equal to the funds required to be repaid plus any additional costs incurred by RIDE CONNECTION.

27) SEVERABILITY

If a provision of this contract is found by a court of competent jurisdiction to be unenforceable, the validity and enforceability of the remaining provisions shall remain unaffected. The parties shall negotiate an equitable adjustment of this contract so that the purposes of this contract are effected.

28) WAIVER AND NONWAIVER

- a) A waiver by one party of a right to a remedy for breach of this contract by the other party shall not be deemed to waive the right to a remedy for a subsequent breach by the other party. RIDE CONNECTION's acceptance of goods or services, or payment under this contract, shall not preclude RIDE CONNECTION from recovering against Contractor or Contractor's surety for damages due to Contractor's failure to comply with this contract.
- b) The parties agree to waive the principle of contract interpretation that an ambiguity shall be construed against the party that drafted the ambiguous provision.

29) ENVIRONMENTAL VIOLATIONS

For all contracts and subcontracts in excess of \$100,000.00, Contractor agrees to comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), Executive order 11378, and Environmental Protection Agency regulations (40 CFR, Part 15), which prohibit the use under nonexempt Federal contracts, grants, or loans, of facilities included on the EPA List for Violating Facilities. Contractor shall report violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329)

30) PARAGRAPH HEADINGS AND OTHER TITLES

The parties agree that paragraph headings and other titles used in this contract are for convenience only, and are not to be used to interpret this contract.

31) ATTORNEY FEE PROVISION

If suit or action is instituted to enforce any of the terms or provisions of this contract, the prevailing party shall be entitled to its reasonable attorney fees, costs and disbursements.

32) AUTHORITY

The representative signing on behalf of the parties certify that they are duly authorized by the party for which they sign to make this contract.

33) CERTIFICATE OF OREGON TAX LAW COMPLIANCE

By execution of this contract, Contractor certifies under penalty of perjury as provided in ORS 305.385(6), that it is, to the best of its knowledge, not in violation of any Oregon tax law.

For purposes of this certification, "Oregon Tax Laws" are ORS Chapters 118, 119, 314, 316, 317, 318, 320, 321 and 323 and sections 10 to 20, chapter 533, Oregon Laws 1981, as amended by chapter 16, Oregon Laws 1982 (first special session); the Homeowners' and Renters' Property Tax Relief Program under ORS 310.630 to 310.690; and any local taxes administered by the Oregon Department of Revenue under ORS 305.620.

Date: _____

By: _____
Robert Ueland, President
Ride Connection, Inc.
847 NE 19th Ave, Suite 200
Portland, OR 97232

Federal Tax Identification Number: 93-6002286
Agency's designated contact is: Stefanie Reid, (
503-655-8330

CLACKAMAS COUNTY

Commissioner Charlotte Lehan, Chair
Commissioner Jim Bernard
Commissioner Jamie Damon
Commissioner Ann Lininger
Commissioner Paul Savas

Signing on Behalf of the Board

Cindy Becker, Director
Health, Housing, and Human Services Dept.

Date

June 14, 2012

Board of Commissioners,
Clackamas County

Members of the Board:

**Approval of a Contract Renewal with Resource Connections of Oregon
for Fiscal Intermediary Services for Persons with Developmental Disabilities**

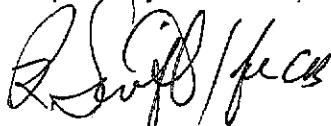
The Social Services Division of the Health, Housing, & Human Services Department requests the approval of a Contract Renewal with Resource Connections of Oregon for fiscal intermediary services for consumers with developmental disabilities. The Oregon Department of Human Services, Office of Seniors and Persons with Disabilities (DHS – SPD) provides funding for Comprehensive In-Home Support Services for Adults (DD 49), and Long Term Support Services for Children (DD 151). The contractor serves as a fiscal intermediary, handling payment of services and any related payroll taxes concerning services self-determined and selected by the developmentally disabled client.

The total amount of the contract is \$750,000. This contract is in the format approved by County Counsel as part of the H3S contract standardization project. The contract is funded with state funds; no County General funds are involved. The contract commences on July 1, 2012 and continues through June 30, 2013.

Recommendation

We recommend the approval of this contract and that Cindy Becker be authorized to sign on behalf of the Board of County Commissioners.

Respectfully submitted,



Cindy Becker
Director

For information on this issue or copies of attachments
Please contact Brenda Durbin, # 503-655-8641

Healthy Families. Strong Communities.

PROFESSIONAL, TECHNICAL AND CONSULTANT SERVICE CONTRACT

This contract is between Clackamas County acting by and through Health, Housing & Human Services department, Social Services Division, hereinafter called "COUNTY", and RESOURCE CONNECTIONS OF OREGON, hereinafter called "CONTRACTOR."

I. SCOPE OF SERVICES

A. CONTRACTOR agrees to accomplish the following work under this contract:

1. CONTRACTOR will act as a fiscal intermediary for one or more individuals with developmental disabilities (the "individual"), by paying payroll, associated payroll taxes, and other fees for services that have been approved under an individual's Family Support Plan or In-Home Comprehensive Support Plan. All services provided, as well as CONTRACTOR and staff in the employment of CONTRACTOR, will comply with all applicable conditions stated in OAR 309-041-1110 through 309-041-1170 and in OAR 309-041-1750 through 309-041-1920. Payments made by CONTRACTOR for services not authorized in the Family Support Plan or In-Home Comprehensive Support Plan, or in amounts that exceed the total authorized in the Family Support Plan or In-Home Comprehensive Support Plan, will be at CONTRACTOR's own expense and will not be reimbursed by COUNTY.
2. In addition to issuing payments for services and for payroll taxes and withholding, CONTRACTOR will maintain all necessary financial and tax records for payments to the providers, and will report to COUNTY on a monthly basis the use of the funds for each individual for the month in which the expenses were incurred. For example, did the funds purchase respite care services, in-home support services, behavioral consultation services, etc. CONTRACTOR will also provide reports of expenditures and taxes to each individual's family on a monthly basis or more frequently if requested. CONTRACTOR will maintain individual folders or binders containing all necessary tax information and records filed with the Internal Revenue Service by CONTRACTOR on behalf of the individual's family. Such folders shall be made available to the individual's family and COUNTY upon request.
3. CONTRACTOR will receive payment from the County in arrears. CONTRACTOR has received a one time advance of funds of \$12,500 on the initial agreement, with which to make payments as described in A.1 above, pending payment by COUNTY in arrears. The one time advance will continue to be accounted for on each monthly invoice as described below. Upon termination of this contract, the advance will be refunded to COUNTY by CONTRACTOR or recouped by COUNTY from funds due CONTRACTOR under this contract.
4. CONTRACTOR to submit an invoice to the COUNTY for administrative fees only if services actually occurred. COUNTY will not reimburse CONTRACTOR for monthly administrative fees if no services were rendered.
5. In the event funding is not initially provided or continued by the Department of Human Services – Seniors and People with Disabilities (DHS – SPD) or under the terms of an individual's Family Support Plan or In-Home Comprehensive Support Plan, or if an individual's family no longer wishes to use CONTRACTOR's services, COUNTY will give CONTRACTOR 15 days' notice, at the end of which time CONTRACTOR will submit a bill to COUNTY for outstanding amounts due on behalf of the client, together with an accounting of receipts and expenditures on behalf of the individual since the last quarterly accounting was submitted. In the event that all of the families determine that they no longer wish to use CONTRACTOR's services, this contract may be terminated on 30 days' notice pursuant to the provisions of Section IV.D. In the event of such a termination, CONTRACTOR will return all unused advanced funds to COUNTY,

together with a final billing and an accounting, by individual, of receipts and expenditures since the last monthly accounting was submitted.

6. As part of provision of service, CONTRACTOR shall provide COUNTY with evidence of bonding, in amounts satisfactory to COUNTY, covering CONTRACTOR's employees or agents who handle funds.
7. CONTRACTOR agrees that CONTRACTOR, its agents and employees shall maintain the confidentiality of any client identifying information, written or otherwise, with which they may come in contact, in accordance with all applicable provisions of state and federal statutes, rules and regulations, and shall comply with the same in the event of requests for information by any person or federal, state or local agency. In addition, the CONTRACTOR acknowledges the existence of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), PL 104-191, 45 CFR Parts 160-164, and agrees that CONTRACTOR and CONTRACTOR's agents and employees will comply with all applicable requirements of HIPAA related to the confidentiality of client records or other client identifying information.

- B. Services required under the terms of this contract shall commence on **July 1, 2012**. This contract shall terminate on **June 30, 2013**.

II. COMPENSATION AND RECORDS

- A. Compensation: COUNTY shall compensate CONTRACTOR for satisfactorily performing the services identified in Section I at a rate as follows:

CONTRACTOR shall be paid a fee as described in the fee schedule in Attachment 1 for each individual for whom CONTRACTOR has acted as fiscal intermediary for the month or partial month. CONTRACTOR's administrative fee is included in the contract total specified immediately below.

The total payment to CONTRACTOR shall not exceed \$ 750,000.

The payment shall be full compensation for work performed, for services rendered, and for all labor, materials, supplies, equipment, travel expenses, mileage, and incidentals necessary to perform the work and services.

- B. Method of Payment: To receive payment, CONTRACTOR shall submit invoices and accompanying progress reports as follows:

On a monthly basis, CONTRACTOR shall provide COUNTY with an invoice and a summary detailing activity for each individual on whose behalf CONTRACTOR has made payments. Each invoice shall include the names of clients and their respective payees, amounts due to CONTRACTOR on account of payments made on behalf of clients, amounts due as CONTRACTOR's administrative fee, and an accounting of the monthly advance. The invoice shall include written assurance that all amounts withheld and associated employer taxes and fees have been paid to the appropriate recipient and/or taxing authority. Invoices and individual summaries shall be submitted by the end of the month in which payments are made by CONTRACTOR. Invoices and any reports shall be submitted to Clackamas County Social Services, 2051 Kaen Road, Suite 166, Oregon City, Oregon, 97045-4041, ATTENTION: DD Program Administration.

Any funds paid by COUNTY and expended by CONTRACTOR under this contract for purposes not authorized hereunder shall be the responsibility of CONTRACTOR and shall be recoverable by COUNTY from CONTRACTOR. Expenditures of CONTRACTOR may be charged to this contract only if they (1) are incurred to provide services performed as authorized under this contract, (2) conform to applicable state and federal statutes, rules and regulations, and (3) are in payment of an obligation incurred during the contract term.

Recovery of funds will be made from CONTRACTOR in cases of non-performance of services, contract termination or suspension. However, this contract does not act as a limitation on the

authority of COUNTY to pursue legal and administrative remedies pursuant to federal and state statutes, rules and regulations.

Withholding of Contract Payments: Notwithstanding any other payment provision of this agreement, should CONTRACTOR fail to submit required reports when due, or submit reports which appear potentially inaccurate or inadequate on their face, or fail to perform or document the performance of contracted services, COUNTY shall immediately withhold payments hereunder. Such withholding of payment for cause may continue until CONTRACTOR submits required reports, performs required services, or establishes to COUNTY's satisfaction that such failure arose out of causes beyond the control, and without the fault or negligence, of CONTRACTOR.

- C. Record and Fiscal Control System: All payroll and financial records pertaining in whole or in part to this contract shall be clearly identified and readily accessible. Such records and documents should be retained for a period of five (5) years after receipt of final payment under this contract; provided that any records and documents that are the subject of audit findings shall be retained for a longer time until such audit findings are resolved.
- D. Access to Records: The COUNTY, the State of Oregon, and the Federal Government, and their duly authorized representatives shall have access to the books, documents, papers, and records of CONTRACTOR which are directly pertinent to the contract for the purpose of making audit, examination, excerpts, and transcripts.

If an audit discloses that payments to CONTRACTOR were in excess of the amount to which the CONTRACTOR was entitled, then CONTRACTOR shall repay the amount of the excess to COUNTY.

- E. Reporting requirements pertaining to the implementation of HB3618: HB3618 provides for Personal Support Workers to be covered by Worker's Compensation Insurance effective 1/1/2011. This coverage is now in effect with SAIF as the insurer. SAIF requires, on a monthly basis, the list of the client/employers who utilize Personal Support Workers' to receive services authorized in their support plans. The action required is to collect the names and other related information to meet the above referenced requirement of HB3618. Reports of gross income for Personal Support Workers shall be reported on a quarterly basis on designated DHS – SPD spreadsheets.

CONTRACTOR shall be required to submit monthly and quarterly reports described in Attachment 2 – HB3618 Reporting Requirements for each individual for whom CONTRACTOR has acted as fiscal intermediary for the month or partial month.

III. MANNER OF PERFORMANCE

- A. Compliance with Applicable Laws and Regulations: CONTRACTOR shall comply with all federal, state and local laws and ordinances applicable to the work to be done under this contract.
- B. Special Federal Requirements: Common rule restricts lobbying. See Volume 55, No. 38 of Federal Register, February 1990.
- C. CONTRACTOR shall not enter into any subcontracts for any of the work scheduled under this contract without obtaining prior written approval from the COUNTY.
- D. CONTRACTOR certifies that it is an independent CONTRACTOR and not an employee or agent of the COUNTY, State, or Federal Government. Responsibility for all taxes, assessments, and any other charges imposed upon employers shall be the sole responsibility of the CONTRACTOR.

IV. GENERAL CONDITIONS

- A. Indemnity: CONTRACTOR agrees to indemnify, defend and hold harmless the COUNTY, its officers, commissioners and employees against all liability, loss and costs arising from actions, suits claims or

demands attributable in whole or in part to the acts of omissions of CONTRACTOR and CONTRACTOR's officers, agents and employees, in performance of this contract.

B. Insurance: During the term of this contract, CONTRACTOR shall maintain in force at its own expense, each insurance noted below:

1. Commercial General Liability

Required by COUNTY

Not required by COUNTY

CONTRACTOR shall obtain, at CONTRACTOR's expense, and keep in effect during the term of this contract, Commercial General Liability Insurance covering bodily injury and property damage on an "occurrence" form in the amount of not less than \$1,000,000 per occurrence/ \$2,000,000 general aggregate for the protection of COUNTY, its officers, commissioners, and employees. This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. This policy(s) shall be primary insurance as respects to the County. Any insurance or self-insurance maintained by COUNTY shall be excess and shall not contribute to it.

2. Commercial Automobile Liability

Required by COUNTY

Not required by COUNTY

CONTRACTOR shall also obtain at CONTRACTOR's expense, and keep in effect during the term of the contract, "Symbol 1" Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The combined single limit per occurrence shall not be less than \$1,000,000.

3. Professional Liability

Required by COUNTY

Not required by COUNTY

CONTRACTOR agrees to furnish the COUNTY evidence of Professional Liability Insurance in the amount of not less than \$1,000,000 combined single limit per occurrence/\$2,000,000 general annual aggregate for malpractice or errors and omissions coverage for the protection of the COUNTY, its officers, commissioners and employees against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and damages because of negligent acts, errors and omissions in any way related to this contract. COUNTY, at its option, may require a complete copy of the above policy.

4. Additional Insured Provisions

All required insurance, other than Professional Liability, Workers' Compensation, and Personal Automobile Liability and Pollution Liability Insurance, shall include "Clackamas County, its agents, officers, and employees" as an additional insured.

5. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 60 days written notice to the COUNTY. Any failure to comply with this provision will not affect the insurance coverage provided to COUNTY. The 60 days notice of cancellation provision shall be physically endorsed on to the policy.

6. Insurance Carrier Rating

Coverages provided by CONTRACTOR must be underwritten by an insurance company deemed acceptable by COUNTY. Insurance coverage shall be provided by

companies admitted to do business in Oregon or, in the alternative, rated A- or better by Best's Insurance Rating. COUNTY reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

7. Certificates of Insurance

As evidence of the insurance coverage required by this contract, CONTRACTOR shall furnish a Certificate of Insurance to COUNTY. No contract shall be in effect until the required certificates have been received, approved and accepted by COUNTY. The certificate will specify that all insurance-related provisions within the contract have been complied with. A renewal certificate will be sent to COUNTY 10 days prior to coverage expiration.

8. Independent Contractor Status

The service or services to be rendered under this contract are those of an independent contractor. CONTRACTOR is not an officer, employee or agent of COUNTY as those terms are used in ORS 30.265.

9. Primary Coverage Clarification

CONTRACTOR's coverage will be primary in the event of a loss.

10. Cross-Liability Clause

A cross-liability clause or separation of insureds condition will be included in all general liability, professional liability, and errors and omissions policies required by the contract.

C. Amendments: The terms of this contract shall not be waived, altered, modified, supplemented, or amended in any manner whatsoever, except by written instrument signed by CONTRACTOR and COUNTY.

D. Termination: This contract may be terminated by mutual consent of both parties, or by either party, upon 30 days' notice, in writing or delivered by certified mail or in person.

1. COUNTY may terminate this contract effective upon delivery of written notice to CONTRACTOR, or at such later date as may be established by COUNTY, under any of the following conditions:

- a. If COUNTY funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the indicated quantity of services, the contract may be modified to accommodate a reduction in funds.
- b. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding authorized by this contract.
- c. If any license or certificate required by law or regulation to be held by the CONTRACTOR to provide the services required by this contract is for any reason denied, revoked, or not renewed.
- d. If CONTRACTOR fails to provide services, outcomes, reports as specified by COUNTY in this contract.
- e. Any such termination of this contract shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

2. COUNTY by written notice of default (including breach of contract) to CONTRACTOR may terminate the whole or any part of this agreement:
 - a. If CONTRACTOR fails to provide services called for by this contract within the time specified herein or any extension thereof; or
 - b. If CONTRACTOR fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its terms, and after receipt of written notice from COUNTY, fails to correct such failures within 10 days or such longer period as COUNTY may authorize.
 - c. If CONTRACTOR fails to provide services, outcomes, or reports as specified by COUNTY in this contract.
 - d. The rights and remedies of COUNTY provided in the above clause related to defaults (including breach of contract) by CONTRACTOR shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

- E. Oregon Public Contracting Provisions and Constitutional Limitations: Pursuant to the requirements of ORS 279B.020 and 279B.220 through 279B.235, and Article XI, Section 10, of the Oregon Constitution, the following terms and conditions are made a part of this contract:
 1. CONTRACTOR shall:
 - a. Make payments promptly, as due, to all persons supplying to CONTRACTOR labor or materials for the prosecution of the work provided for in this contract.
 - b. Pay all contributions or amounts due the Industrial Accident Fund from such CONTRACTOR or subcontractor incurred in the performance of this agreement.
 - c. Not permit any lien or claim to be filed or prosecuted against Clackamas County on account of any labor or material furnished.
 - d. Pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
 2. If CONTRACTOR fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to CONTRACTOR or a subcontractor by any person in connection with this contract as such claim becomes due, the proper officer representing Clackamas County may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due CONTRACTOR by reason of this agreement.
 3. Employees shall be paid at least time and one-half for all overtime worked in excess of 40 hours in any one week, except for individuals who are excluded under ORS 653.010 to 653.261 or under 29 USC Section 201 to 209 from receiving overtime.
 4. CONTRACTOR shall promptly, as due, make payment to any person, partnership, association, or corporation furnishing medical, surgical, and hospital care services or other needed care and attention, incident to sickness and injury, to the employees of CONTRACTOR, of all sums which CONTRACTOR agrees to pay for the services and all moneys and sums that CONTRACTOR collected or deducted from the wages of its employees under any law, contract or agreement for the purpose of providing or paying for the services.
 5. CONTRACTOR, if it is an employer of one or more workers subject to workers compensation coverage under ORS Chapter 656, shall qualify as an insured employer under ORS 656.017 or as an exempt employer under ORS 656.126. CONTRACTORS shall maintain employer's liability insurance with limits of \$500,000 each accident, \$500,000 disease each employee, and \$500,000 each policy limit.

Resource Connections of Oregon
PROFESSIONAL, TECHNICAL AND CONSULTANT SERVICE CONTRACT
Page 7


6. This contract is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10 of the Oregon Constitution, and is contingent upon funds being appropriated therefor. Any provisions herein which would conflict with law are deemed inoperative to that extent.
- F. Future Support: COUNTY makes no commitment of future support and assumes no obligation for future support for the activity contracted herein except as set forth in this contract.
- G. Ownership of Work Product: All work products of CONTRACTOR which result from this contract are the exclusive property of COUNTY.
- H. Integration: This contract contains the entire agreement between COUNTY and CONTRACTOR and supersedes all prior written or oral discussions or agreements.

This contract consists of the following attachment which by this reference is incorporated herein:

Attachment 1	Fee Schedule
Attachment 2	HB3618 Reporting Requirements

RESOURCE CONNECTIONS OF OREGON

CLACKAMAS COUNTY

By: 
Beverly Herrin, Executive Director
30 May 2012
Date
3876 Beverly Street NE, Suite G-1
Street Address
Salem, Oregon 97305
City/State/Zip
(503)485-2510 / (503)485-2515
Phone Number / Fax
93-1280907
Contractor's Federal I.D. # or Social Security # if Individual

Commissioner: Charlotte Lehan, Chair
Commissioner: Jim Bernard
Commissioner: Jamie Damon
Commissioner: Ann Linger
Commissioner: Paul Savas

Signing on Behalf of the Board:

Cindy Becker, Director
Department of Health, Housing and Human Services

Date

Attachment 1

Fee Schedule

The current rate for Fiscal Intermediary services under this contract are:

- Support Plans up to \$300/month with 1 provider
 - \$37.00/month
 - \$50.00/month for semi-monthly
- Support Plans up to \$300/month with 2 or more providers
 - \$63.00/month
 - \$78.00/month for semi-monthly
- Comprehensive In-Home Support with Plans up to \$3,000/month and up to 4 providers
 - \$63.00/month
 - \$78.00/month for semi-monthly
- Comprehensive In-Home Support with Plans over \$3,000/month and with 5 or more providers
 - \$78.00/month
 - \$97.00/month
- Comprehensive In-Home Support with Plans over \$3,000/month and multiple vendor payments**
 - \$84.00/month
 - \$105.00/month for semi-monthly
- New Level – Plans with only one provider
 - \$63.00/month (paid monthly or semi-monthly)
- One-time only monthly payment to a vendor
 - \$12.50/check

** For those few customers needing payroll draws, checks to insurance companies, and tracking of 24-hour shift schedules, the rate may be negotiated to reflect the additional services.

Attachment 2

HB3618 Reporting Requirements

Below is a table summarizing the required reports and due dates:

DHS - SPD Transmittal	Report Content	Due Date	Ongoing	Recipients of Reports
SPD-AR-11-029	Personal Support Worker Compensation Report	10 th of the month following the quarter	Yes - Quarterly	DHS-SPD with a CC: to CDDP
SPD-AR-11-006	Personal Support Worker Customer/Employer - Name List	10 th of each month following the reporting month	Yes - Monthly	DHS-SPD with a CC: to CDDP



COPY

Cindy Becker
Director

June 14, 2012

Board of County Commissioners
Clackamas County, Oregon

Members of the Board:

**Approval of a Construction Agreement between the
Community Development Division and Eagle-Elsner, Inc.
for the Kennel Avenue street improvements Project in the City of Molalla**

The Community Development Division of Health, Housing and Human Services Department request the approval of a Construction Agreement with Eagle-Elsner, Inc. for the Kennel Avenue street improvements in the City of Molalla. The street is scheduled for grading, curbs and sidewalks as well as install new asphalt overlay on Kennel Avenue. Federal funds and City of Molalla funds are allocated for this low-moderate level income area. This project will greatly improve the existing conditions of this street.

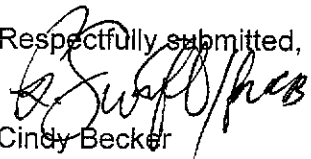
After review of the thirteen (13) bids submitted on April 10, 2012, Eagle-Elsner, Inc. was determined to be the lowest responsive, responsible bidder substantially complying with the requirements of the solicitation documents. Their contract price is \$305,312.70

Financial Impact:	City of Molalla - Public Works Department.....	\$ 65,312.70
	<u>Community Development Block Grant Funds.....</u>	<u>\$240,000.00</u>
	Total Construction Cost:.....	\$305,312.70

No County General Fund dollars are involved. The Construction Agreement was reviewed and approved by County Counsel on March 26, 2012.

Recommendation

We recommend approval of this Contract and that Director, Cindy Becker be authorized to sign the Construction Contract on behalf of the Board of County Commissioners.

Respectfully submitted,

Cindy Becker
Director

For information on this issue or copies of attachments
Please contact Steve Kelly at 503-650-5665

**AGREEMENT FOR PUBLIC WORKS CONSTRUCTION WORK
BETWEEN OWNER AND CONTRACTOR**

OWNER

Clackamas County
Community Development Division
2051 Kaen Road, Suite 245
Oregon City, OR 97045

CONTRACTOR

Eagle-Elsner, Inc.
PO Box 23294
Tigard, OR 97281

THIS AGREEMENT is entered into by and between Clackamas County, Oregon (hereinafter called OWNER) and Eagle-Elsner, Inc. (hereinafter called CONTRACTOR) and is dated as of the date it is signed by the OWNER.

This Contract for construction has been prepared for use with the ODOT Specifications for Construction of the Construction Contract (2008, APWA Oregon Chapter, Volume 1) prepared by the Engineer's Joint Contract Documents Committee.

This Contract is the complete and exclusive statement of the agreement between the parties relevant to the purpose described herein, and supersedes all prior agreements or proposals, oral or written, and all other communications between the parties relating to the subject matter of this contract. This contract, or any modification of this contract, will not be binding on either party except as signed by authorized agents of both parties.

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1: WORK

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. Work consists of 630 lf of road construction consisting of grading and placement of asphalt section over existing roadway with curb and gutter (both sides), ADA ramps, planter box / sidewalk construction on the east side, the west side sidewalk construction is included in bid alternate "A". Work includes related driveway re-grading as necessary at all driveway cuts and all related stormwater construction for new road section, 650 lf of waterline construction, and arch culvert replacement under the roadway (Existing culvert, 46" x 60" corrugated steel, has nearly zero cover, the new culvert section (ultra flo 46" x 36") will have 1' minimum cover). Extensive coordination with utility companies, homeowners, and the city will be required. This work is hereinafter referred to as the PROJECT.

ARTICLE 2: ENGINEER

The Project has been designed by Firwood Design Group, LLC (Consulting Engineers) who is hereinafter called ENGINEER and who is to act as OWNER's representative, assume all duties and responsibilities and have the rights and authority assigned to ENGINEER in the Contract

Documents in connection with completion of the Work in accordance with the Contract Documents.

ARTICLE 3: CONTRACT TIME

3.1. Time is of the essence in this Contract and the CONTRACTOR agrees that **all work shall be substantially completed by 90 days. Substantial Completion Date of _____, 2012 will be based on the Notice to Proceed Date of _____, 2012.** The project is to commence within ten (10) calendar days after the date of Notice To Proceed by the COUNTY. If the Notice To Proceed is delayed, the time schedule will be adjusted accordingly.

3.2. Liquidated Damages. OWNER and CONTRACTOR recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not completed within the times specified in paragraph 3.1 above, plus any extensions thereof allowed in accordance with Section 00180 of the ODOT Specifications for Construction. They also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by OWNER if the Work is not completed on time. Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay OWNER **\$250** for each day that expires after the time specified in paragraph 3.1 for Substantial Completion until the Work is substantially complete. After Substantial Completion if CONTRACTOR shall neglect, refuse or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by OWNER, CONTRACTOR shall pay OWNER **\$250** for each day that expires after the time specified in paragraph 3.1 for completion and readiness for final payment.

ARTICLE 4: CONTRACT PRICE

4.1. OWNER shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents in current funds as follows:

4.1.1 In consideration of the faithful performance of the work herein embraced, as set forth in these Contract Documents, and in accordance with the direction of the ENGINEER and to his satisfaction to the extent provided in the Contract Documents, the OWNER agrees to pay to the CONTRACTOR the amount bid, as adjusted in accordance with the Contract Documents, and based on the proposal made by the CONTRACTOR, to make such payments in the manner and times provided in the Contract Documents.

4.2 The Contract Price shall be the Contract Dollar Amounts of **Three Hundred Five Thousand Three Hundred Twelve Dollars and seventy cents (\$305,312.70)** which are described in the Contract Documents and are hereby accepted by the Owner. **This prices includes all base bid items as well as Alternates that were received at the Bid Opening April 10, 2012, 2pm.**

4.3 The CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices necessary and incident to the due and lawful prosecution of the work. In the performance of the work to be done under this contract, the CONTRACTOR shall use every reasonable and practicable means to avoid damage to property and injury to persons. The CONTRACTOR shall use no means or methods which will endanger, unnecessarily, either persons or property. The responsibility of the CONTRACTOR stated herein shall cease upon the work being accepted as complete by the OWNER.

ARTICLE 5: PAYMENT PROCEDURES

5.1 CONTRACTOR shall submit Applications for Payment in accordance with Section 00195 of the ODOT Specifications for Construction. Applications for Payment will be processed by ENGINEER as provided in the ODOT Specifications for Construction.

5.2. Progress Payments. OWNER shall make monthly progress payments on account of the Contract Price on the basis of CONTRACTOR's Applications for Payment as recommended by ENGINEER. All progress payments will be on the basis of the progress of the Work measured by the schedule of values established in the ODOT Specifications for Construction (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements.

5.2.1. At least twenty-eight (28) days before each payment falls due (but not more than once a month), CONTRACTOR shall submit to ENGINEER for review an Application for Payment filled out and signed by CONTRACTOR covering the Work completed as of the date of the application and accompanied by such supporting documentation as is required by the Contract Documents and also as ENGINEER may reasonably require.

5.2.2 ENGINEER will, within seven (7) days after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to OWNER, or return the Application to CONTRACTOR indicating in writing ENGINEER's reasons for refusing to recommend payment. In the latter case CONTRACTOR may make the necessary corrections and resubmit the Application. Within twenty-one (21) days after presentation of the Application for payment with ENGINEER's recommendation of payment, the amount recommended will become due and when due, will be paid by OWNER to CONTRACTOR.

5.2.3. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below, but, in each case, less the aggregate of payments previously made and less such amounts as ENGINEER shall determine, or OWNER may withhold, in accordance with Section 00195.50(b) of the ODOT Specifications for Construction.

95% of Work completed and approved by the ENGINEER.

95% of materials and equipment not incorporated in the Work (but delivered, suitably stored and accompanied by documentation satisfactory to OWNER as provided in Section 00195.60 of the ODOT Specifications for Construction).

5.2.4. Upon Substantial Completion, in an amount sufficient to increase total payments to CONTRACTOR to 95% of the Contract Price, less such amounts as ENGINEER shall determine, or OWNER may withhold, in accordance with Section 00195.50(b) of the ODOT Specifications for Construction. The OWNER reserves the right to withhold 5% of the total project payment until all work is completed and approved by the ENGINEER.

5.3. Final Payment. Upon final completion and acceptance of the Work in accordance with Section 00195.90 of the ODOT Specifications for Construction, OWNER shall pay the remainder of the Contract Price as recommended by ENGINEER as provided in said Section 00195.90.

5.3.1 The Final Application for payment shall be accompanied by at least the following: (a) CONTRACTOR's Affidavit of Release of Liens; (b) CONTRACTOR's Affidavit of Payment of Debts and Claims; and (c) Consent of Surety to Final Payment. Once all three documents (a, b, and c) have been delivered to the OWNER for review and approval, the remaining 5% of the Project Construction Contract will be released to the CONTRACTOR.

5.4. Payments, Contributions and Liens:

5.4.1. Under the provisions of ORS 279C.505 the CONTRACTOR shall:

5.4.1.1. Make payment promptly, as due, to all persons supplying to such contractor labor or material for the prosecution of the work provided for in such contract.

5.4.1.2. Pay all contributions or amounts due the State Industrial Accident Fund from such contractor or subcontractor incurred in the performance of the contract.

5.4.1.3. Not permit any lien or claim to be filed or prosecuted against the state, county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.

5.4.1.4. Pay to the Revenue Department all sums withheld from the employees pursuant to ORS 316.197.

5.4.2. If the contract is for a public improvement, the CONTRACTOR shall demonstrate that an employee drug testing program is in place.

5.4.3. Under the provisions of ORS 279C.515, if the CONTRACTOR fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to the CONTRACTOR or a subcontractor by any person in connection with this contract as the claim becomes due, the proper officer representing the COUNTY may pay such claim to the person furnishing the labor or

services and charge the amount of the payment against the funds due or to become due the CONTRACTOR by reason of the contract. If a CONTRACTOR or a first-tier subcontractor fails, neglects or refuses to make prompt payment to a person furnishing labor or materials in connection with the public contract for a public improvement within 30 days after receipt of payment from the public contracting agency or a contractor, the CONTRACTOR or first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the 10-day period that payment is due under ORS 279C.580 (3) and(4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to the CONTRACTOR or first-tier subcontractor on the amount due shall equal three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date that is 30 days after the date when payment was received from the public contracting agency or from the CONTRACTOR, but the rate of interest shall not exceed 30 percent. The amount of interest may not be waived.

5.4.4. If the CONTRACTOR or a subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the public contract, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.

ARTICLE 6: CONTRACTOR'S REPRESENTATIONS

In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

6.1. CONTRACTOR has examined and carefully studied the Contract Documents (including the Addenda listed in Article 8) and the other related data identified in the Bidding Documents including "technical data."

6.2. CONTRACTOR has visited the site and become familiar with and is satisfied as to the general, local and site conditions that may affect cost, progress, performance or furnishing of the Work.

6.3. CONTRACTOR is familiar with and is satisfied as to all federal, state and local Laws and regulations that may affect cost, progress, performance and furnishing of the Work.

6.4. CONTRACTOR has carefully studied all reports of explorations and tests of subsurface conditions at or contiguous to the site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site as provided in Section 00120.15 of the ODOT Specifications for Construction. CONTRACTOR acknowledges that OWNER and ENGINEER do not assume responsibility for the accuracy or completeness of information and data shown or indicated in the Contract Documents with respect to Underground Facilities at or contiguous to the site. CONTRACTOR has obtained and carefully studied (or assumes responsibility for having done so) all such additional supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and

Underground Facilities) at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing of the construction to be employed by CONTRACTOR and safety precautions and programs incident thereto. CONTRACTOR does not consider that any additional examinations, investigations, explorations, tests, studies or data are necessary for the performance and furnishing of the Work at the Contract Price, within the Contract Times and in accordance with the other terms and conditions of the Contract Documents.

6.5. CONTRACTOR is aware of the general nature of work to be performed by OWNER and others at the site that relates to the Work as indicated in the Contract Documents.

6.6. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the site, reports and drawings identified in the Contract Documents and all additional examinations, investigations, explorations, tests, studies and data with the Contract Documents.

6.7. CONTRACTOR has given ENGINEER written notice of all conflicts, errors, ambiguities or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR, and the Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

6.8. CONTRACTOR shall be licensed by the State of Oregon Construction Contractors Board (CCB) or licensed by the State Landscaping Contractors Board (LCB) as required by ORS 671.530 as well as not limited to the same requirements of any and all subcontractors on this PROJECT. If the CONTRACTOR's CCB license is not current during any phase of construction, the OWNER may consider the contract to be null and void immediately.

6.9. Prior to completion and final acceptance of work, the CONTRACTOR shall be held responsible for any injury or damage to the work or to any part thereof by action of the elements, or from any cause whatsoever, and the CONTRACTOR shall make good all injuries or damages to any portion of the work.

6.10. Except as otherwise provided in the Special Provisions of this contract, the ENGINEER shall make final inspection of work done by the CONTRACTOR within 10 days after written notification to the ENGINEER by the CONTRACTOR that the work is completed. If the work is not acceptable to the ENGINEER, the ENGINEER shall so advise the CONTRACTOR in writing as to the particular defects to be remedied before acceptance by the ENGINEER can be made.

ARTICLE 7: INDEMNITY – INSURANCE – BONDS

7.1 Indemnity. The CONTRACTOR agrees to indemnify, save harmless and defend the OWNER, its officers, commissioners and employees from and against all claims and action, and all expenses incidental to the investigation and defense thereof, arising out of or based upon

damage or injuries to persons or property caused by the errors, omissions, fault or negligence of the CONTRACTOR or the CONTRACTOR'S employees.

7.2 Insurance.

7.2.1. As evidence of the insurance coverage required by this contract, CONTRACTOR shall furnish a Certificate of Insurance to COUNTY. No contract shall be in effect until the required certificates have been received, approved and accepted by COUNTY. A renewal certificate will be sent to COUNTY 10 days prior to coverage expiration. The CONTRACTOR agrees to furnish the OWNER evidence of commercial general liability insurance in the amount of not less than \$4,000,000 combined single limit per occurrence/\$5,000,000 general annual aggregate for personal injury and property damage for the protection of the OWNER, its officers, commissioners and employees against liability for damages because of personal injury, bodily injury, death or damage to property, including loss of use thereof in any way related to this contract. The general aggregate shall apply separately to this project/location. The OWNER, at its option, may require a complete copy of the above policy.

7.2.2. If the CONTRACTOR has assistance of other persons in the performance of this contract, the CONTRACTOR, if it is a subject employer, agrees to qualify and remain qualified for the term of this contract as an insured employer under ORS 656. CONTRACTORS shall maintain employer's liability insurance with limits of \$100,000 each accident, \$100,000 disease each employee, and \$500,000 each policy limit.

7.2.3. If any other required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this contract for a duration of thirty-six (36) months or the maximum time period the CONTRACTOR'S insurer will provide "tail" coverage as subscribed, or continuous "claims made" liability coverage for thirty-six (36) months following the contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage, provided it's retroactive date is on or before the effective date of this contract.

7.2.4. The CONTRACTOR agrees to furnish the OWNER evidence of business automobile liability insurance in the amount of not less than \$500,000 combined single limit for bodily injury and property damage for the protection of the OWNER, its officers, commissioners and employees against liability for damages because of bodily injury, death or damage to property, including loss of use thereof in any way related to this contract. The OWNER, at its option, may require a complete copy of the above policy.

7.2.5. The certificate of insurance, other than the pollution liability insurance shall include the OWNER as an expressly scheduled additional insured using form CG 20-10, CG 20-37, CG 32 61 or their equivalent. A blanket endorsement or automatic endorsement is not sufficient to meet this requirement. Proof of insurance must include a copy of the endorsement showing the OWNER as a scheduled insured. Such insurance shall provide sixty (60) days written notice to the OWNER in the event of a cancellation or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the OWNER under this insurance.

This policy(s) shall be primary insurance as respects to the OWNER. Any insurance or self insurance maintained by the OWNER shall be excess and shall not contribute to it.

7.2.6. The CONTRACTOR shall obtain, at the CONTRACTOR'S expense and keep in effect during the term of the contract, CONTRACTOR'S Pollution Liability insurance covering the CONTRACTOR'S liability for a third party bodily injury and property damage arising from pollution conditions caused by the CONTRACTOR while performing their operations under the contract. The insurance coverage shall apply to sudden and accidental pollution events. Any coverage restriction as to time limit for discovery of a pollution incident and/or a time limit for notice to the insurer must be accepted by the OWNER. The insurance coverage shall also respond to cleanup cost. This coverage may be written in combination with the commercial general liability insurance or professional liability insurance. The policy's limits shall not be less than \$1,000,000 each loss / \$1,000,000 aggregate. The policy shall be endorsed to state that the general aggregate limit of liability shall apply separately to this contract. Any self-insured retention / deductible amount shall be submitted to the OWNER for review and approval.

7.3 Bonds. The CONTRACTOR agrees to furnish to the OWNER bonds covering the performance of the contract and the payment of obligations each in the amount equal to the full amount of the contract as amended. Upon the request of any person or entity appearing to be a potential beneficiary of the bonds covering payment of obligations arising in the contract, the CONTRACTOR shall promptly furnish a copy of the bonds or shall permit a copy to be made. The CONTRACTOR shall secure, include costs thereof in the bid, and pay for a performance bond and payments bond in compliance of ORS 279C.380 and other applicable revised statutes issued by a bonding company licensed to transact business in the State of Oregon in accordance with the bid and performance bonds forms provided or others acceptable to the OWNER. The CONTRACTOR also agrees that the performance bond to be furnished as specified shall be such as to stay in force for a period of three hundred sixty-five days (365), after acceptance of the work by the COUNTY as a guarantee of repair or replacement of any item(s) of work found to be defective by reason of faulty workmanship or defective materials.

7.3.1. The CONTRACTOR shall have a Public Work Bond filed with the Construction Contractors Board prior to starting work on the project, in accordance with ORS 279C.830. Additionally the CONTRACTOR shall include in every subcontract a provision requiring the subcontractor to have a public works bond filed with the Construction Contractors Board before starting work, in accordance with ORS 279C.830

ARTICLE 8: CONTRACT DOCUMENTS

The Contract Documents which comprise the entire agreement between OWNER and CONTRACTOR concerning the Work consist of the following:

- 8.1.** This Agreement (pages 1 to 11, inclusive).
- 8.2.** Exhibits to this Agreement (Exhibit GC-4, 1 page).

8.3. Performance and Labor Materila Payment Bonds, Public Works Bond consisting of 5 pages.

8.4. 2008 ODOT Specifications for Construction (cover, pages 1 to 121, inclusive).

8.5. Supplementary Conditions, including:

Special Conditions (pages 1 to 13, inclusive).

HUD Labor Standards, HUD-4010 (pages 1 to 5, inclusive).

Federal Prevailing (Davis-Bacon)Wage Decision **OR120001**, Modification No.5, Dated: **3/2/2012**, Type: **HIGHWAY** (pages 1 to 19 inclusive).

State of Oregon (BOLI) Wage Rates Decision: January 1, 2012 (26 pages total, various).

8.6. Specifications (a.k.a. Special Provisions) title “**KENNEL AVENUE ROAD IMPROVEMENTS, PART 00200 – TEMPORARY FEATURES AND APPURTENACES through PART 03000 – MATERIALS**” (pages 1 to 22, total count provided by **Firwood Design Group, LLC (FDG)**).

8.7. Drawing(s) bearing the title “**KENNEL AVENUE ROAD IMPROVEMENTS**” provided by **Firwood Design Group, LLC (FDG)** consisting of 1 of 17 pages.

8.8. Addendums: **Number 1** (1 Page, dated 3/27/12) and **Number 2** (5 Pages, dated 4/4/12).

8.9. CONTRACTOR's Bid (Bid Proposal: pages 1, through 9, and 10 First Tier Disclosure Form, inclusive).

8.10. The following which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto: All Written Amendments and other documents amending, modifying, or supplementing the Contract Documents pursuant to Section 00140.30 of the ODOT Specifications for Construction.

The documents listed in paragraphs 7.2 et seq. above are attached to this Agreement (except as expressly noted otherwise above).

There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified or supplemented as provided in Section 00140.30 of the ODOT Specifications for Construction.

ARTICLE 9: FEDERAL (Davis-Bacon) AND STATE (BOLI) PREVAILING WAGE RATES

Each worker in each trade or occupation employed in the performance of the contact either by the CONTRACTOR, subcontractor, or other person(s) doing or contracting for the whole or any part of the work on this contract, shall be paid not less then the applicable prevailing wage rate, and

will pay the higher rate of pay on an individual job classification of which shall be in effect for this contract pursuant to Davis-Bacon Act (40 U.S.C. 276a) and Bureau of Labor and Industries (a.k.a. BOLI) ORS 279C.800 through ORS 279C.870.

ARTICLE 10: DESCRIPTION OF CONTRACTOR

10.1. The CONTRACTOR is engaged hereby as an independent CONTRACTOR and will be so deemed for purposes of the following.

10.1.1. The CONTRACTOR will be solely responsible for payment of any Federal or State taxes required as a result of this agreement.

10.1.2. This contract is not intended to entitle the CONTRACTOR to any benefits generally granted to COUNTY employees. Without limitation, but by way of illustration, the benefits which are not intended to be extended by this contract to the CONTRACTOR are vacation, holiday and sick leave, other leaves with pay, tenure, medical and dental coverage, life and disability, insurance, overtime, Social Security, Workers' Compensation, unemployment compensation, or retirement benefits (except insofar as benefits are otherwise required by law if the CONTRACTOR is presently a member of the Public Employees Retirement System).

10.1.3. The CONTRACTOR certifies that at present, he or she, if an individual, is not a program, County, or federal employee.

ARTICLE 11: MISCELLANEOUS

11.1. Terms used in this Agreement which are defined in Section 00130- Award and Execution of Contract of the ODOT Specifications for Construction will have the meanings indicated in the ODOT Specifications for Construction.

11.2 The OWNER, through its AUTHORIZED REPRESENTATIVE or his designee shall at all times be allowed access to all parts of the operations and work locations of the CONTRACTOR, and shall be furnished such information and assistance by the CONTRACTOR, or the designated representative or representatives of the CONTRACTOR, as may be required to make a complete and detailed inspection.

11.3. No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically but without limitation moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

11.4. OWNER and CONTRACTOR each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

11.5. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONTRACTOR, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, OWNER and CONTRACTOR have signed this Agreement in triplicate. One counterpart each has been delivered to OWNER, CONTRACTOR and ENGINEER. All portions of the Contract Documents have been signed or identified by OWNER and CONTRACTOR or by ENGINEER on their behalf.

This Agreement will be effective upon the date on which it is signed by the OWNER.

CONTRACTOR

OWNER

Eagle-Elsner, Inc.

Clackamas County, Oregon

PO Box 23294, Tigard, OR 97281

Chair: Charlotte Lehan
Commissioner: Jim Bernard
Commissioner: Jamie Damon
Commissioner: Ann Lininger
Commissioner: Paul Savas

Signing on Behalf of the Board

By: Richard Eagle, Pres
Richard Eagle, President

By: _____
Cindy Becker, Director
Health, Housing and Human Services
Department

05-08-12
Date Signed

Date Signed

93-0731670
Contractor's Federal Tax Identification No.
or Social Security No. (if individual)

27112
Oregon Commercial Contractor's Board No.

June 14, 2012

Board of Commissioners
Clackamas County

Members of the Board

**Approval of a Medicaid Group Provider Agreement with
FamilyCare, Inc. for Primary Care Services.**

Clackamas County Community Health Division (CCCHD) of the Health, Housing and Human Services Department (H3S) requests the approval of a Medicaid Group Provider Agreement with FamilyCare, Inc. for the purchase of primary care services from the CCCHD for Oregon Health Plan (OHP) members.

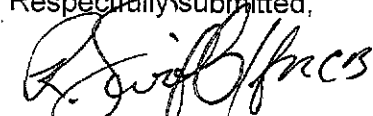
The OHP members covered by this agreement are residents of Clackamas County who have access to physical health services at county clinics and are capitated to Family Care, Inc. for provision of physical health services.

This is a revenue agreement for CCCHD. The total amount of the agreement is unknown, because the number of clients who will be enrolled with FamilyCare, Inc. cannot be projected with certainty. No County General funds are involved. The agreement is effective upon signature by both parties and shall continue until either or both parties terminate the agreement.

Recommendation

We recommend approval of this agreement and further recommend that Cindy Becker be authorized to sign on behalf of the Board of County Commissioners.

Respectfully submitted,

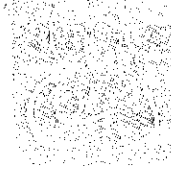


Cindy Becker
Director

For information on this issue or copies of attachments,
Please contact Emily M. Zwetzig/H3S Office of Business Services at (503)742-5318.

FamilyCare

Incorporated



**MEDICAID
GROUP PROVIDER AGREEMENT**

between

**FAMILYCARE, INC.,
an Oregon non-profit corporation**

and

Clackamas County Community Health Division

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THIS AGREEMENT ("Agreement") is made and entered into by and between FamilyCare, Inc. (hereinafter referred to as "FamilyCare"), an Oregon non-profit corporation operating in Oregon as a fully capitated health plan, and Clackamas County Community Health Division (hereinafter referred to as "Group").

RECITALS

WHEREAS, FamilyCare offers or administers one or more health benefit plans and desires to enter into a written agreement to arrange for the provision of certain Covered Services to Members of such plans; and

WHEREAS, Group employs or contracts with health care providers who are lawfully qualified to provide health care services and willing to provide such services to Members of FamilyCare health benefit plans; and

WHEREAS, the health benefit plan(s) covered by this Agreement include: the Oregon Health Plan and other Plans added to this Agreement as provided in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, it is agreed by and between the parties as follows:

AGREEMENT

1. Definitions. As used in this Agreement and its Attachments, each of the following terms (and the plural thereof, when appropriate) shall have the meaning set forth herein, except where the context makes it clear that such meaning is not intended:

1.1 Capitation Fee. A predetermined monthly payment to Group or Group Practitioners, if applicable, for Covered Services to be provided to each Member assigned to Group or Group Practitioners.

1.2 Care Management. A program of care coordination and case management developed to manage high cost and at-risk Members with complex medical needs.

1.3 Clean Claim. A bill for services, line item of service or all services for one Member on a bill, on a claim form acceptable to FamilyCare that can be processed without obtaining additional information from the provider of the services or from a third party. A Clean Claim does not include a claim from a provider under investigation for fraud or abuse, or a claim under review for Medical Necessity.

1.4 Coinsurance. The percentage or portion of the cost of care that a Member may be obligated to pay for a Covered Service.

1.5 Copayment or Copay. The fixed dollar amount that a Member may be obligated to pay for a Covered Service.

1.6 Covered Service. Medically Necessary health care services and supplies rendered or furnished to Member by Group or Group Practitioner for which benefits are available under a Member's Plan.

1.7 Deductible. The amount of out-of-pocket expense that Member is responsible to pay for Covered Services prior to being eligible to receive Plan benefits.

1.8 Emergency or Emergency Medical Condition. A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent lay person, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in placing the health of the individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any bodily organ or part. An "Emergency Medical Condition" is determined based on the presenting symptoms (not the final diagnosis) as perceived by a prudent layperson and includes cases in which the absence of immediate medical attention would not in fact have had the adverse results described in the previous sentence.

1.9 Medical Director. Physicians who are designated by FamilyCare or a Plan and are responsible for quality management and utilization management review, including concurrent hospital review and, if appropriate under a Plan, making all final medical and behavioral health decisions relating to coverage or payment.

1.10 Medically Necessary or Medical Necessity. The decision as to whether a service or supply ordered by the provider was Medically Necessary, or as to whether services or supplies are required by Medical Necessity, for the purposes of qualifying for payment by FamilyCare rests with FamilyCare, subject to the procedures for reconsideration. Services and medical supplies are Medically Necessary or required by Medical Necessity if required for prevention, diagnosis or treatment of a health condition that encompasses physical or mental conditions, or injuries and are (a) consistent with the symptoms of a health condition or treatment of a health condition; (b) appropriate with regard to standards of good health practice and generally recognized by the relevant scientific community and professional standards of care as effective; (c) not solely for the convenience of a Member or a provider of the service or medical supplies; and (d) the most cost effective of the alternative levels of medical services or medical supplies that can be safely provided to a Member in FamilyCare's judgment. The fact that an item or service is Medically Necessary does not by itself mean that the item or service is eligible for payment by FamilyCare; to be eligible for payment, items and services must be Covered Services under the Plan and meet all requirements for eligibility for payment in addition to being Medically Necessary.

1.11 Member. A person who is enrolled in a FamilyCare Plan and is entitled to receive Covered Services.

1.12 Participating Hospital. A hospital that is contracted to provide Covered Services to Members. Participating status shall be contingent upon FamilyCare's designation as such.

1.13 Participating Practitioner. A physician or other health care professional who is contracted directly or as a member of a Participating Practitioner Group to provide Covered Services to Members under this Agreement or otherwise. Any Participating Practitioner who serves FamilyCare Members under this Agreement will be bound by its terms. Participating status shall be contingent upon FamilyCare's designation as such.

1.14 Participating Practitioner Group. An independent practice association; corporation, limited liability company, or partnership of professional providers; or other entity that employs or contracts with providers of professional medical services and contracts with FamilyCare to provide services to Members under this Agreement. Participating status shall be contingent upon FamilyCare's designation as such.

1.15 Participating Provider. A Participating Practitioner, Participating Practitioner Group, Participating Hospital or other facility or provider of health care items or services designated as a Participating Provider by FamilyCare.

1.16 Plan. The contract or agreement with FamilyCare setting forth the Covered Services to which a Member is entitled and, if a government health benefit program, the federal and state statutes and regulations governing the program. The Plan initially covered by this Agreement is the Oregon Health Plan administered by the Oregon Department of Human Services, Division of Medical Assistance Programs pursuant to the Provider Services Contract Fully Capitated Health Plan with FamilyCare and applicable rules and regulations.

1.17 Policies and Procedures. The criteria and procedures pertaining to credentialing and recredentialing, participation, compensation, payment rules, processing guidelines, medical policy, utilization management, quality improvement, fraud and abuse, health benefit plan standards, and such other matters determined from time to time by FamilyCare.

1.18 Primary Care Provider. A Participating Practitioner deemed a Primary Care Provider by FamilyCare for the Plan.

1.19 Primary Care Services. Those Covered Services routinely provided by Primary Care Providers in their practice of medicine or other health care profession or as may be further defined in the Plan.

1.20 Prior Authorization or Preauthorization. Prior authorization or Preauthorization is approval given by FamilyCare in advance of a proposed hospitalization, treatment, supply purchase or other Covered Service, in accordance with FamilyCare Policies and Procedures.

1.21 Referral. The process required by this Agreement by which a provider directs a Member to seek and obtain Covered Services from a Participating Practitioner or any other provider of Covered Services.

1.22 Scope of Service. Those services which fall within the geographic and CPT code limits established in the Attachments. If no geographic or CPT code limits are established in the Attachments, Scope of Service shall refer to those services which Group or Group Practitioners are professionally qualified to render.

1.23 Services and Compensation Attachment. An Attachment to this Agreement setting forth payment and other terms applicable to a Plan in which Group is a Participating Practitioner Group, which Attachment is made part of this Agreement upon execution or thereafter pursuant to paragraph 7.1.

1.24 Specialty Services. Those Covered Services provided by providers professionally qualified to practice a designated specialty as determined by FamilyCare which are within the provider's recognized scope of practice

1.25 Standards of Care and Service. Standards which have been developed by FamilyCare, incorporating concepts from Centers for Medicaid and Medicaid Services ("CMS"), from medical group practice accreditation programs, and from community standards. These standards include, but are not limited to, access, accommodations, panel size, and medical record documentation, and are contained in the Policies and Procedures.

2. Group Services.

2.1 Group and Group Practitioner. If Group is a medical group or other employer of health care professionals, Group shall require all of its employed and contracted health care professionals who provide services to Members to comply with all of the provisions of this Agreement. If Group contracts with individual health care providers who are not employed by Group, as a medical group, independent practice association, or otherwise, Group shall ensure that it maintains current, valid contracts with each such individual health care provider who provides services to Members. Such employed or contracted professionals are referred to herein as "Group Practitioners." Contracts with Group Practitioners shall (a) require Group Practitioner to comply with all of the provisions of this Agreement, (b) be in form acceptable to FamilyCare and (c) be available for inspection on request by FamilyCare. Group shall ensure that each Group Practitioner is credentialed by FamilyCare prior to providing services to Members, and continues to comply with FamilyCare's credentialing and recredentialing Policies and Procedures.

2.2 Covered Services. FamilyCare retains Group and Group Practitioners to render Covered Services to Members within Group Practitioner's Scope of Service. All services shall be rendered subject to the terms and conditions of this Agreement and in accordance with FamilyCare's Policies and Procedures, including referral and Preauthorization procedures.

2.3 Performance. Subject to practice protocols and utilization standards adopted by FamilyCare, Group and Group Practitioners will determine the method, details, and means of performing Covered Services pursuant to this Agreement. Covered Services rendered will be provided as promptly as practicable, consistent with sound medical practice and in accordance with accepted community professional standards. Group agrees at all times to maintain a sufficient number of Group Practitioners to guarantee prompt and adequate access to FamilyCare Members.

2.4 Personnel, Equipment and Supplies. Group or Group Practitioners shall, at Group or Group Practitioner's sole cost and expense, arrange for the provision of Covered Services. Subject to practice protocols and utilization standards adopted by FamilyCare, FamilyCare may

not control, direct, or supervise Group or Group Practitioners in the performance of Covered Services. Group or Group Practitioner will supply all necessary office personnel, equipment, instruments and supplies required to perform Covered Services and which are usual and customary for a medical practice in the community. Group or Group Practitioner shall be solely responsible for payment of all wages, salary, compensation, payroll and withholding taxes, unemployment insurance, workers' compensation coverage and all other compensation, insurance and benefits with respect to personnel employed or contracted by Group or Group Practitioner, as applicable.

2.5 Hours. Group and Group Practitioners will arrange for the provision of Covered Services during normal office hours or as otherwise necessary to provide reasonable access to services by Members. Group and Group Practitioners will arrange for call coverage for Medically Necessary services on a 24-hour per day, seven day per week basis.

2.6 Referral and Preauthorization Procedure. Group and Group Practitioners shall comply with Referral and Preauthorization procedures adopted by FamilyCare prior to referring a Member to any individual, institutional or ancillary health care provider. Except as permitted by FamilyCare Policies and Procedures, Group and Group Practitioners shall refer Members only to Participating Providers designated by FamilyCare to provide the service for which the Member is referred. Except as required by applicable law, failure of Group and Group Practitioners to follow such procedures may result in denial of payment for unauthorized treatment. Preauthorization is not required prior to provision of Covered Services in the event of an Emergency or Emergency Medical Condition.

2.7 Hospital Admission Authorization. Group and Group Practitioners shall admit Members for hospital services only to a Participating Hospital unless an appropriate bed or service is unavailable. Except as provided in paragraph 2.9 or otherwise required by applicable law, Group and Group Practitioners may not admit a Member to a hospital on a non-Emergency basis without first receiving Prior Authorization from FamilyCare, or its designated agent, in accordance with FamilyCare's Policies and Procedures.

2.8 Compliance With FamilyCare Pharmaceutical Formularies. Group and Group Practitioners shall comply with pharmaceutical formularies and pharmaceutical prior authorization requirements developed or adopted by FamilyCare, unless otherwise Medically Necessary. In prescribing medications for Members, Group Practitioners shall select the most cost-effective medication that is clinically appropriate for the Member, including, when appropriate and available, generic equivalents and therapeutic equivalents.

2.9 Provision of Non-Covered or Unauthorized Services or Referral Care. Nothing in this Agreement is intended to or shall be construed to require Group or Group Practitioners to deny care to a Member for non-Covered Services or deny services or referral care not otherwise authorized under applicable procedures. The fact that FamilyCare does not or may not provide payment for a service shall not relieve Group or Group Practitioners of the duty to exercise independent professional skill and judgment in advising and treating Members. When referring Members to non-Participating Providers, Group and Group Practitioners shall inform Members of their potential responsibility for payment. When recommending or offering non-Covered Services to a Member, Group Practitioners shall comply with paragraph 5.3.4.

2.10 Nondiscrimination. Group and Group Practitioners agree that in accordance with the provisions of this Agreement, and within the limits of a Group Practitioner's specialty, not to discriminate in the provision of Covered Services to Members on the basis of membership in a health benefit plan, source of payment, race, color, national origin, ethnicity, ancestry, religion, sex, marital status, sexual orientation, mental or physical disability, medical condition or history, age, or any other category deemed protected under State or Federal law; and to provide Covered Services to Members in the same manner, in accordance with the same standards, and within the same time availability as offered to other patients of Group and Group Practitioners.

3. Group Obligations.

3.1 Acceptance of Members. Group and Group Practitioners agree to accept assignment of Members by FamilyCare, subject only to Group Practitioner's Scope of Service. This paragraph does not prevent Group or Group Practitioner from limiting practice to a recognized specialty such as pediatrics, geriatrics or obstetrics and gynecology.

3.2 Practitioner Qualifications. Group will require each Group Practitioner to complete FamilyCare's credentialing process and be approved as a Participating Provider before providing services to Members. Group warrants and represents that each Group Practitioner is, and for the duration of this Agreement shall remain, duly licensed to practice Group Practitioner's health care profession in all states in which Group Practitioner provides services to Members and is, and for the duration of this Agreement shall remain, in good standing with the appropriate licensing board(s), a participating provider in Medicaid, and the holder of a valid DEA Certificate (if applicable). Group warrants that each Group Practitioner shall maintain medical staff membership and clinical privileges appropriate to Group Practitioner's professional practice at a Participating Hospital that is a hospital in good standing and without restriction or limitation unless such membership and privileges are not required under FamilyCare's credentialing Policies and Procedures. Group warrants that each Group Practitioner is currently, and for the duration of this Agreement shall remain, in compliance with FamilyCare's credentialing and recredentialing criteria. Group and Group Practitioner do not and will not during the term of this Agreement employ or contract with any person who is excluded from participation in Medicare or Medicaid.

3.3 Covering Provider. If Group or a Group Practitioner is, for any reason, from time to time unable to provide those Covered Services Group has agreed to render under this Agreement when and as needed, Group or Group Practitioner may secure the services of a qualified covering provider who shall render such Covered Services. The covering provider must be a provider approved by FamilyCare to provide the Covered Services to Members otherwise required of Group or Group Practitioner. Group or Group Practitioner shall be solely responsible for securing the services of such covering provider. Group or Group Practitioner shall ensure that the covering provider: (a) looks solely to Group or Group Practitioner, FamilyCare, or the Plan(s), as the case may be, for compensation; (b) accepts FamilyCare's credentialing and peer review procedures; (c) does not directly bill Members for Covered Services under any circumstances, unless expressly required by the Plan(s); (d) obtains authorization in accordance with FamilyCare's utilization management program prior to all elective hospitalizations; and (e) complies with the terms of this Agreement and policies,

procedures, and rules adopted by FamilyCare related to performance of medical services under this Agreement.

3.4 Withdrawal from Care. Prior to withdrawing from a Member's care, Group or Group Practitioner shall contact FamilyCare to enlist assistance with resolution of issues giving rise to the proposed withdrawal. Group or Group Practitioner will cooperate with FamilyCare to attempt to resolve the issues for 30 days. In the event the issues cannot be resolved satisfactorily, Group or Group Practitioner shall give FamilyCare and the affected Member(s) at least 30 days' prior written notice of intent to withdraw from care of Member(s), shall cooperate fully with FamilyCare in transferring care of the Member(s) to another Participating Practitioner, and shall continue provision of care for urgent needs and prescriptions for at least 30 days from the date of notice of withdrawal. Notwithstanding the foregoing, if a Member has exhibited behavior that is verbally or physically threatening or if other unusual circumstances require prompt action for the protection of Group, Group Practitioners, the Member or others, Group may withdraw from the care of a Member on such written notice to the Member and FamilyCare as is reasonable and consistent with accepted standards of professional practice considering the circumstances, and shall thereafter cooperate fully with FamilyCare in transferring care of the Member to another Participating Provider.

3.5 Compliance with Law and Ethical Standards.

3.5.1 Group and Group Practitioner shall at all times during the term of this Agreement comply with all applicable federal, state, and municipal laws, statutes, and ordinances, and any regulations promulgated thereunder; all applicable rules and regulations of each Group Practitioner's licensing board(s); and the ethical standards of the applicable professional association.

3.5.2 In particular, and not to the exclusion of any other applicable law or regulation, Group and FamilyCare acknowledge that in the course of performing under this Agreement, they may use or disclose to each other or to outside parties certain confidential health information that may be subject to protection under state and/or federal law, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated thereunder with respect to privacy and security of health information, and agree that each will comply with all applicable state and federal privacy laws. If requested to do so by FamilyCare, Group will execute a Business Associate Agreement in a form acceptable to FamilyCare.

3.5.3 Group will cooperate with and participate in FamilyCare's compliance plans, including provision of information, cooperation with auditing and monitoring activities, participation in training and education, and implementation of compliance initiatives and programs as reasonably requested by FamilyCare from time to time.

3.6 Compliance With FamilyCare Policies and Procedures. Group agrees to be bound by the Policies and Procedures of FamilyCare as they may be amended from time to time. If Group or Group Practitioner violates any of the provisions of such Policies and Procedures, or any of the principles of professional conduct adopted by FamilyCare, or acts contrary to or in violation of any Medicaid laws or regulations, all contractual rights under this Agreement which

pertain to Group or Group Practitioner may be terminated in accordance with the Term and Termination section of this Agreement and applicable law.

3.7 Utilization Management and Quality Assurance Programs. FamilyCare has and will maintain utilization management and quality assurance and other operational programs and policies to guide and review individual and aggregate performance of Participating Providers in the delivery of Covered Services. Review may include but not be limited to Medical Necessity and compliance with clinical protocols, referral requirements, Preauthorization standards, and the evaluation of the results of care. Group and Group Practitioners shall cooperate fully with FamilyCare in any inquiries FamilyCare may make with respect to such programs. Group and Group Practitioners agree to comply with and, subject to Participating Provider rights of appeal or reconsideration, shall be bound by such policies and programs. Group and Group Practitioners agree that decisions of FamilyCare's utilization management or quality assurance committees may include denial of payment for Covered Services provided to a Member when services are provided in a manner inconsistent with FamilyCare's Policies and Procedures or, in appropriate situations, termination of this Agreement as provided herein.

3.8 Fraud and Abuse Programs. Group and Group Practitioners agree to comply with FamilyCare's fraud and abuse program and questionable or inappropriate billing practices Policies and Procedures.

3.9 Grievance Procedures. FamilyCare will have Policies and Procedures for appealing Member disputes related to prior authorization and referral procedures. Group and Group Practitioners shall comply with both Member and Participating Provider grievance and appeal procedures and shall be bound by such procedures.

3.10 Patient Advocate. Group Practitioners practicing in conformity with ORS 677.095 may act as a patient advocate regarding a decision, policy, or practice without being subject to termination or penalty for the sole reason of such advocacy. Group Practitioners can freely communicate with patients regarding the treatment options available to them, including medication treatment options, regardless of benefit coverage limitations. When communicating about Non-Covered Services, Group Practitioners shall comply with paragraph 2.9 and paragraph 5.3.4 of this Agreement.

3.11 Provider Directory. Group and Group Practitioner agree that FamilyCare may use the name, specialty, board certification, medical school(s), addresses, phone numbers, and type of practice of Group and Group Practitioners with regard to access and acceptance of new patients, in the FamilyCare directory of Participating Providers.

3.12 Patient Consents. Group and Group Practitioners shall obtain the consent of Members to allow Group and Group Practitioners to use and disclose to FamilyCare and Participating Providers the Member's Protected Health Information (as defined by HIPAA) for purposes contemplated by this Agreement.

3.13 Medical Records. Group or Group Practitioners shall maintain with respect to each Member receiving Covered Services hereunder a single standard medical record in such form, containing such information, and preserved for such time period(s), as are required by state

and federal law, accepted standards of practice and FamilyCare Policies and Procedures. Subject to confidentiality laws, and upon receipt of three business days' prior written notice from FamilyCare, Group and Group Practitioners shall share such records with Participating Providers in accordance with FamilyCare's Policies and Procedures, and permit FamilyCare, and its designated representatives, to review or inspect such records in accordance with payment, utilization management, quality assurance, peer review and other Policies and Procedures of FamilyCare. Copies of such records shall be made available to FamilyCare upon request without charge.

3.14 Required Information. Group and Group Practitioners shall provide FamilyCare with information necessary for FamilyCare to fulfill its obligations with and to comply with state and federal law. Group and Group Practitioners authorize FamilyCare to release information as required by state and federal law and shall promptly procure such additional consents as may be necessary from time to time for purposes of this paragraph.

3.15 Cooperation with Plan and FamilyCare Medical Directors. Group and Group Practitioners acknowledge that contracting Plans will place certain obligations upon FamilyCare regarding the quality of care received by Members and that contracting Plans in certain instances will have the right to oversee and review the quality of care administered to Members. Group and Group Practitioners agree to cooperate with FamilyCare's Medical Directors and the medical directors of contracting Plans in their review of the quality of care administered to Members and to submit information as requested.

3.16 Notice to FamilyCare. Group and Group Practitioners will notify FamilyCare, in writing, within three working days, of any of the following events affecting Group or Group Practitioner: loss of licensure, accreditation or participating provider status in Medicaid; notice of any claim, demand or complaint involving a Member; termination, suspension, restriction or non-renewal of a Group Practitioner's clinical privileges or staff membership with any hospital, health plan or provider organization; loss of insurance coverage required by this Agreement.

4. FamilyCare Obligations.

4.1 Eligibility Determinations and Reports. FamilyCare will make eligibility information available to Group and Group Practitioner by telephone or by electronic means.

4.2 Authorizations. FamilyCare will provide authorization for non-Emergency Covered Services in the form of a Preauthorization and shall certify or recertify lengths of stay if required by telephone contact or other mutually agreeable form of communication between Group or Group Practitioner, the Member's Primary Care Provider or referral provider and/or FamilyCare personnel, according to FamilyCare's Quality Improvement and Utilization Management Policies and Procedures.

4.3 Claims Processing. FamilyCare shall be responsible for adjudicating and paying claims for Covered Services consistent with the terms of this Agreement and FamilyCare's Policies and Procedures.

4.4 Policies and Procedures. FamilyCare will make its Policies and Procedures available to Group and Group Practitioner in accordance with applicable laws and regulations.

4.5 Compliance with Law. FamilyCare shall at all times during the term of this Agreement comply with all applicable federal, state, and local laws, statutes and ordinances, and any regulations promulgated thereunder.

5. Services and Compensation.

5.1 Compensation. FamilyCare agrees to pay Group or Group Practitioner for Covered Services rendered by Group or Group Practitioner to Members, within Group or Group Practitioner's Scope of Service, at the lesser of Group or Group Practitioner's billed charges or the rate determined in accordance with the terms of the Services and Compensation Attachment, which is attached hereto as Attachment A and as attached made a part of this Agreement. Compensation amounts, methodologies or formulas may vary for other providers.

5.2 Payment of Compensation by FamilyCare.

5.2.1 To be considered for payment, Group or Group Practitioner shall submit to FamilyCare a Clean Claim on a completed CMS 1500 statement, CMS 1450 or HIPAA ANSI, or successor forms, within four months following the provision of Covered Services, including services reimbursed under a Capitation Fee. FamilyCare in its sole discretion may allow exceptions for maternity claims, claims requiring coordination with a third-party resource or a delay in billing due to eligibility issues. Group and Group Practitioners will submit such additional encounter data as FamilyCare may request, including accurate and specific data describing the services rendered. Group and Group Practitioners will follow Medicare Correct Coding guidelines, or other industry standard coding guidelines approved by FamilyCare in coding services in all claims and data submitted to FamilyCare. Claims for payment must reflect Co-payments, Coinsurance and Deductibles collected or to be collected. Claims submitted for payment beyond twelve months (or any shorter period established by applicable law or regulation) from the date Covered Services were provided may be denied in FamilyCare's sole discretion. FamilyCare agrees to pay a Clean Claim within the time required by applicable state and federal law.

5.2.2 FamilyCare shall not be obligated to make payment to Group or Group Practitioner if Group or Group Practitioner fails to obtain a referral in accordance with FamilyCare Policies and Procedures, if the patient is not a Member at the time of service, if information provided to FamilyCare is materially inaccurate, or if the delivery of service does not comply with applicable FamilyCare Policies and Procedures.

5.2.3 Nothing herein requires FamilyCare to adopt, or prevents FamilyCare from adopting, different billing and payment policies with respect to workers' compensation cases or other situations in which FamilyCare is or could be a secondary or conditional source of reimbursement for Covered Services.

5.3 Patient Billing.

5.3.1 Group and Group Practitioners shall look only to FamilyCare for compensation for Covered Services and shall at no time seek compensation from Members or persons acting on their behalf for Covered Services. In the event of non-payment by FamilyCare for any reason, Group and Group Practitioners shall not bill or otherwise attempt to collect from

Members any amounts owed by FamilyCare and shall continue providing services to Members for the duration of the period for which premium payment has been made by or on behalf of the Member and until Member is discharged from the hospital (if applicable). No surcharge to any Member shall be permitted. A surcharge shall, for purposes of this Agreement, be deemed to be any additional fee not provided for in the Plan.

5.3.2 Group and Group Practitioners shall bill and make reasonable efforts to collect all Co-payments, Coinsurance and Deductibles from Members as specifically permitted in the Plan, if such amounts have not been paid by a primary or secondary carrier in accordance with regulatory standards for coordination of benefits.

5.3.3 Group and Group Practitioners shall not bill a Member for otherwise Covered Services denied as a result of utilization management, Medical Necessity determination, or audit activity.

5.3.4 Group and Group Practitioners shall not bill Member for any non-Covered Services unless Group or Group Practitioner has obtained prior written agreement from the Member and such billing is permitted under the Plan or otherwise permitted by CMS or the Oregon Health Plan. Group or Group Practitioner shall not bill Member for missed appointments.

5.3.5 Group and Group Practitioners agree the provisions of this Section 5 shall survive termination of this Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of Members.

5.4 Coordination of Benefits and Third Party Liability.

5.4.1 Coordination of Benefits (COB) refers to the determination of which two or more health benefit plans will apply, either as primary or secondary coverage, for the rendition of hospital, surgical or medical services to a Member. Such coordination is intended to preclude the Member from receiving an aggregate of more than 100 percent of covered charges from all coverage. When the primary and secondary benefits are coordinated, determination of liability will be in accordance with the usual procedures employed by the Oregon Department of Consumer and Business Services and applicable state and federal regulations.

5.4.2 Group and Group Practitioners shall maintain records to identify any third party or payor responsible for payment for services provided to Members. Group and Group Practitioners shall notify FamilyCare within 30 days of any potential responsible third party and shall provide FamilyCare with all relevant identifying information concerning the Member, the claim and the third party resource available to Group or Group Practitioners.

5.4.3 Group or Group Practitioners agree to coordinate with FamilyCare for proper determination of COB and third party liability, and to bill and collect from other payors those charges for which the other payor is responsible. Group and Group Practitioners shall report all collections received in accordance with this paragraph to FamilyCare. FamilyCare shall not be obligated to pay Group or Group Practitioners any amounts which, when added to the amounts paid to Group or Group Practitioners in accordance with this paragraph by other

payors, would exceed the reimbursement for which FamilyCare would be obligated in the absence of such payments from other payors.

5.5 Overpayments. FamilyCare will conduct retrospective reviews of claims and reimbursements to Group or Group Practitioners. Group and Group Practitioners will refund to FamilyCare all overpayment amounts paid to Group or Group Practitioners, whether not properly payable under paragraph 5.2, due to clerical error, failure to apply or follow applicable Policies and Procedures, third party recovery or other reason. Overpayments shall be refunded to FamilyCare within 30 days of notification to Group or Group Practitioners that a refund is due or within 60 days of identification of an overpayment by Group or Group Practitioners, whichever is earlier. If Group or Group Practitioner fails to refund an overpayment within thirty days after FamilyCare's notification, FamilyCare may withhold any overpayment amount from future payments for services rendered by Group or Group Practitioners. If a refund is not timely received, FamilyCare may initiate a collection or legal proceeding to recover overpayment amounts; in a collection or legal proceeding to recover overpayment, FamilyCare shall be entitled to recover its reasonable attorneys' fees and costs incurred in such proceeding.

5.6 Accounting and Reports. To the extent that payments to Group or Group Practitioners for Covered Service include financial risk withholds, FamilyCare shall provide an accounting of risk withhold funds on an annual basis or as required by law. Requests for information under this paragraph concerning such accounting must be made within two years after the end of the agreement term pertaining to the requested information.

6. Term and Termination.

6.1 Term of Agreement. This Agreement will become effective on the Effective Date set forth on the signature page and will continue until terminated in accordance with this Section 6.

6.2 Immediate Termination. This Agreement may be immediately terminated upon delivery of written notice to the other party, or at such later date as may be set forth in the written notice, if any of the following occurs.

6.2.1 Federal or state regulations or guidelines are modified or changed in such a way that Covered Services are no longer allowable or appropriate for purchase under this Agreement;

6.2.2 Group or Group Practitioner or FamilyCare is found to be in violation of any state or federal law or regulation;

6.2.3 Any license, certification, or privilege required by law or regulation to fulfill obligations under this Agreement is for any reason revoked, restricted, limited, suspended or not renewed;

6.2.4 Group or Group Practitioner or FamilyCare is suspended or excluded from participating in the Medicaid program;

6.2.5 Group or Group Practitioner fails to maintain insurance required by this Agreement; or

6.2.6 Group or Group Practitioner is convicted of a felony; dies; retires; is adjudicated incompetent; loses his or her hospital privileges (unless such privileges are not required under FamilyCare's credentialing Policies and Procedures); or voluntarily leaves active practice in FamilyCare's service area for a period of 6 months or more.

6.3 Termination by FamilyCare. FamilyCare may terminate this Agreement immediately on written notice to Group if FamilyCare reasonably determines that the health, safety or welfare of Members may be jeopardized by continuation of this Agreement.

6.4 Termination Without Cause. This Agreement may be terminated without cause by Group or FamilyCare upon 90 days prior written notice. Upon such termination, the rights of Group and Group Practitioners shall terminate; provided, however, that such action shall not release Group and Group Practitioners from obligations to persons then receiving treatment. If this Agreement is terminated under this paragraph 6.4, payment for Covered Services provided prior to termination shall be made in accordance with this Agreement.

6.5 Termination for Breach. If either party commits a material breach of this Agreement, the other party may commence to terminate the Agreement by giving written notice to the party committing the breach stating its intention to terminate and starting with particularity the alleged breach. If the breach is not cured within 30 days after the notice is given, the other party may terminate this Agreement immediately upon written notice. This right of termination shall be in addition to all other rights and remedies.

6.6 Responsibility for Members at Termination. Group or Group Practitioners shall continue to provide Covered Services to a Member who is receiving Covered Services from Group or Group Practitioners on the effective termination date of this Agreement, until the Covered Services being rendered to the Member by Group or Group Practitioners are completed (consistent with existing medical ethical/legal requirements for providing continuity of care to a patient), unless FamilyCare makes reasonable and medically appropriate provision for the assumption of such Covered Services by another Participating Provider. Group or Group Practitioner shall be compensated for those Covered Services provided to a Member pursuant to this paragraph (prior to and following the effective termination date) in accordance with compensation provisions stated in the applicable Services and Compensation Attachment or by mutual agreement.

6.7 Effect of Termination. Termination of this Agreement shall have no effect upon the rights and obligations of the parties arising under this Agreement prior to the effective date of termination or upon those provisions which are specifically identified as surviving termination.

6.8 Termination With Cause of Less Than Entire Agreement. FamilyCare may, at its sole discretion, choose to terminate an individual Group Practitioner providing Covered Services under this Agreement whose conduct would otherwise give FamilyCare cause to terminate this Agreement in its entirety, who does not meet FamilyCare's credentialing requirements, or on

request of a Plan. Upon such individual termination, the Agreement shall remain in effect as to Group and all other Group Practitioners.

6.9 Credentialing and Hearings Process. Group and Group Practitioners will comply with FamilyCare's hearings process as set forth in its Policies and Procedures. FamilyCare may suspend, restrict or terminate Group or a Group Practitioner's privileges to see Members in accordance with its Policies and Procedures. In the event that Group Practitioner's status is terminated in accordance with such Policies and Procedures, Group Practitioner's participation under this Agreement shall automatically terminate. If FamilyCare proposes to terminate Group Practitioner's participation under this Agreement, Group Practitioner may be entitled to a review or hearing as provided by FamilyCare's Policies and Procedures.

7. Addition of Plan or Amendment of Services and Compensation Attachment.

7.1 New Plan. FamilyCare may, in its sole discretion, notify Group from time to time of new Plans by sending Group a Services and Compensation Attachment covering each new Plan in which FamilyCare wishes Group and Group Practitioners to participate as provided in paragraph 11.1. If Group rejects the proposed Attachment within 30 days in accordance with paragraph 11.1, such Attachment shall not go into effect. If such Attachment becomes effective as provided in paragraph 11.1, Group shall notify its Group Practitioners about the new Plan and shall make any contract amendments required to make the terms and conditions of the new Attachment binding on its Group and Group Practitioners.

7.2 Amendment of Services and Compensation Attachment. FamilyCare may amend a Services and Compensation Attachment from time to time. Any such amendment shall be sent to Group as provided in paragraph 11.1. If Group rejects the amended Attachment within thirty (30) days in accordance with paragraph 11.1, then either party may terminate this Agreement in accordance with Section 6; until any such termination is effective, the Services and Compensation Attachment effective prior to termination shall continue in effect.

8. Relationship of the Parties. Nothing in this Agreement shall create any relationship between FamilyCare and Group or Group Practitioner other than that of independent entities contracting with each other solely for purposes of effectuating the provisions of this Agreement. Neither of the parties nor any of their respective employees or agents shall be deemed to be the employee or agent of the other. Except as specifically provided otherwise in this Agreement, FamilyCare shall have no authority to control or direct the time, place or manner in which Covered Services are provided by Group or Group Practitioner to Members.

9. Indemnification and Insurance.

9.1 Indemnification.

9.1.1 The parties mutually agree to indemnify and to hold each other (including their officers, agents and employees) harmless against any and all claims, demands, damages, liabilities and costs incurred by the other party, including reasonable attorneys' fees, arising out of or in connection with, either directly or indirectly, the breach of this Agreement by or willful misconduct of the indemnifying party or its employees or agents. The fact that a person or entity

is a Participating Provider does not make such person an agent of FamilyCare. The principles of comparative fault shall govern the interpretation and enforcement of this indemnity provision.

9.1.2 FamilyCare shall not be liable to Members for any act of malpractice on the part of Group or Group Practitioners and Group and Group Practitioners shall indemnify, defend, and hold harmless FamilyCare from any such liability. The indemnity in the immediately preceding sentence shall not apply to any alleged act of independent liability on the part of FamilyCare, or any of its respective employees or agents.

9.2 Liability Insurance. Group and Group Practitioners agree to ensure that it and all persons and entities performing services for Group or Group Practitioners under this Agreement maintain such policies of general liability and professional liability insurance or such other program of liability coverage as may be customary and acceptable to FamilyCare to insure Group and Group Practitioners, and its and their employees and agents, against any claim or claims for damages arising by reason of personal injuries or death occasioned directly or indirectly in connection with the performance of, or failure to perform, any health care service provided under this Agreement, the use of any property and facilities provided by Group or Group Practitioners, and activities performed by Group or Group Practitioners in connection with this Agreement. The amounts and extent of such insurance coverage shall be subject to the approval of FamilyCare, which approval shall not be unreasonably withheld. Certificates of Insurance for the above insurance policies shall be provided to FamilyCare upon request and shall provide that FamilyCare be given at least 30 days prior written notice of reduction or cancellation of such coverage. Any declaration sheets, exclusions, endorsements, or information on any incident which might reasonably result or has resulted in a lawsuit or legal action may be requested by FamilyCare as deemed necessary. FamilyCare recognizes that if Group is a public entity its liability may be limited by applicable law.

9.3 Tail Coverage. In the event that any policy required by this Section 9 is a "claims made" policy, a "tail" policy (extended reporting endorsement) shall be obtained by the insured party upon termination of such a policy as required to continuously maintain coverage under such policy throughout the term of this Agreement and for a period of not less than five years following the date of termination of the policy required by this paragraph. The "tail" policy shall have the same policy limits as the policy it extends.

9.4 Contracted Providers. If Group or Group Practitioners contract with health care professionals to provide services to Members, each contract between Group or Group Practitioners and such health care professionals shall require such health professionals to agree to and comply with all of the provisions of this Agreement, including this Section 9, as if such providers were a party to this Agreement. FamilyCare must authorize the use of a contractor to perform services covered under this Agreement prior to any such services being provided. FamilyCare has the sole discretion to deny authorization for contracting of health care services to be provided for Members. Group and Group Practitioners, and not FamilyCare, shall be responsible for any compensation or remuneration owed to such contractor.

9.5 Survival. This Section 9 shall survive termination of this Agreement.

10. Access and Maintenance of Records and Information.

10.1 Access. This Agreement and all records which are directly pertinent to this Agreement necessary to verify the nature and extent of costs of services provided by Group or Group Practitioners, or relating to medical services, price, performance, compliance, quality of services and timeliness of services, will be made available to FamilyCare, the State of Oregon, the U.S. Department of Health and Human Services, the Centers for Medicare and Medicaid Services, the Comptroller General of the United States, and all of their duly authorized representatives as may be necessary for compliance by FamilyCare with all applicable federal and state laws and regulations. Such representatives shall have access to documents, papers, and records of Group and Group Practitioners, which are pertinent to the Plan for the purpose of making examination, excerpts and transcripts. Group and Group Practitioners shall, upon 30 days' notice, provide a suitable work area and copying capabilities or make such copies as requested to facilitate such a review upon reasonable written notice to Group or Group Practitioners. Such rights to inspect and copy records and information shall continue for 10 years following the date of termination of this Agreement or completion of any audit commenced prior to termination, whichever is later. Group and Group Practitioners shall include a provision requiring any contractor of Group or Group Practitioners providing services under this Agreement to comply with this paragraph, and shall require all organizations related to Group and Group Practitioners to comply with this paragraph.

10.2 Medical Records (Maintenance and Access). Medical records of Members shall be maintained and preserved by Group and Group Practitioners for a time period of no less than 10 years in accordance with general standards applicable to such records. Subject to confidentiality laws, and upon receipt of three business days' prior written notice from FamilyCare, Group and Group Practitioners shall permit FamilyCare, FamilyCare's designated representatives, or applicable state and federal regulatory agencies to inspect such records, and shall provide copies of such records to FamilyCare upon request. If an audit, litigation, or other action involving the records is started before the end of the 10-year period, the records must be retained until all issues arising out of the action are resolved or until the end of the 10-year period, whichever is later.

10.3 Financial Records (Maintenance and Access). Group and Group Practitioners agree to cooperate with FamilyCare so that FamilyCare may meet any state or federal access requirements imposed on FamilyCare and arising out of this Agreement. Group and Group Practitioners shall maintain financial records, including the amounts of any payments received from FamilyCare, Members or from others on behalf of Members, for at least ten years after final payment is made under this Agreement. If an audit, litigation, or other action involving the records is started before the end of the ten-year period, the records must be retained until all issues arising out of the action are resolved or until the end of the ten-year period, whichever is later. All such records shall be maintained pursuant to generally accepted accounting standards and in accordance with applicable state and federal law and all regulations issued pursuant thereto. Group and Group Practitioners shall provide access to such records to FamilyCare, FamilyCare's designated representatives, and state and federal regulatory agencies, as may be required.

10.4 Confidentiality and Proprietary Information. The parties agree to maintain the confidentiality of this Agreement and all documents, terms, and conditions relating to reimbursement rates and methods and other proprietary information of the other party. Upon

request, the parties agree to return all copies of documents containing the other party's proprietary information upon termination of this Agreement and to otherwise keep such proprietary information confidential.

10.5 Review Charges. Medical or financial records requested by FamilyCare for claims payment, concurrent and/or retrospective review or for audit under the Quality Improvement and Utilization Management Programs shall be provided to FamilyCare by Group or Group Practitioners. Neither FamilyCare nor Member will be charged a fee for the cost associated with providing copies of such records or documents.

10.6 Access to Medical Records Upon Termination. Group and Group Practitioners shall provide FamilyCare and Members with reasonable access to medical records of Members maintained by Group or Group Practitioner for a period of ten years after the termination of this Agreement, and at any time thereafter that such access is required in connection with a Member's medical care. FamilyCare will be entitled to obtain copies of Member's medical records if it either makes arrangements to have such copies prepared on Group or Group Practitioner's premises (in which case, Group or Group Practitioner will be entitled to reimbursement for the reasonable costs incurred in collecting the records and supervising the copying process), or agrees to reimburse Group or Group Practitioner for the reasonable cost of preparing such copies. The provisions of this paragraph will not operate to waive or limit any restriction on release or disclosure of patient records established in any other provision of this Agreement or as otherwise required by law. The provisions of this paragraph will not operate to waive or limit any right of access to medical records that Members have under any provision of state or federal law.

10.7 Survival of Provisions. This Section 10 will survive the termination of this Agreement.

11. Miscellaneous.

11.1 Amendment. This Agreement may be amended, and an Attachment to this Agreement may be amended or added, at any time upon the written agreement of the parties. FamilyCare may amend this Agreement, or amend or add an Attachment to this Agreement, by notifying Group in writing of the proposed amendment or addition. If no written objection to such amendment or addition is received by FamilyCare within 30 days of the date of the notice, such amendment or addition shall become effective without any further action required of FamilyCare or Group and Group Practitioners. If Group or Group Practitioner objects to such amendment or addition within the 30-day period, such amendment or addition will not go into effect. If state or federal law, government agency regulations or accrediting agency requirements change and affect any provisions of this Agreement or an Attachment to this Agreement, then this Agreement or the applicable Attachment will be amended to conform with such changes effective on notice to Group or Group Practitioners of the required amendments. FamilyCare will give Group and Group Practitioners written notice of such required changes.

11.2 Dispute Resolution and Arbitration. In the event of any dispute arising out of or relating to this Agreement, the parties shall first attempt in good faith mutually to resolve the dispute. If the parties are unable to resolve the dispute, then all matters in controversy shall be

submitted to binding arbitration in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The parties agree to be bound by the decision of the arbitrator, which shall be a final determination of the matter in dispute. The parties further agree to divide the cost of mediation or arbitration equally, including filing, administration, and mediator's or arbitrator's fees, but to be responsible each for its own attorneys' fees and other costs incurred. In the event suit or legal action is instituted by any party seeking interpretation of the terms hereof, seeking redress for a breach of this Agreement, or seeking to enforce or to invalidate an arbitration award, each party shall be responsible for its own attorneys' fees and costs, except as provided by paragraph 5.5.

11.3 Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, the parties to it, and their respective heirs, legal representatives, successors and assigns. Group or Group Practitioner may not assign its rights, duties or obligations under this Agreement without the prior written consent of FamilyCare. Any merger, consolidation, share exchange or transaction involving a change in the ownership of more than 50 percent of any class of shares, membership units, partnership units or other such interests of Group shall constitute an assignment for purposes of this paragraph 11.3. FamilyCare may assign this Agreement to a successor by affiliation, merger, acquisition or transfer of assets or otherwise without consent of Group.

11.4 No Third Party Beneficiary. Except as expressly provided in paragraph 5.3 or a Services and Compensation Attachment, nothing in this Agreement, express or implied, shall be construed to confer upon any person, firm or corporation other than the parties hereto and their respective successors or assigns, any remedy or claim under or by reason of this Agreement or any term, covenant or condition hereof, as third party beneficiaries or otherwise, and all of the terms, covenants and conditions hereof shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns as provided herein.

11.5 Notice. All notices required by this Agreement shall be in writing addressed to the party to whom the notice is directed at the address of that party set forth below the signatures on this Agreement and shall be deemed to have been given for all purposes upon receipt when personally delivered; one day after being sent, when sent by recognized overnight courier service; two days after deposit in United States mail, postage prepaid, regular or certified mail; or on the date transmitted electronically to the email address of the other party or by facsimile. Any party may designate a different address or a different person for all future notices by notice given in accordance with this paragraph.

11.6 Entire Agreement. This Agreement is the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained in this Agreement. This Agreement shall supersede all prior communications, representations, and agreements, oral or written, of the parties.

11.7 Interpretation. The paragraph headings are for the convenience of the reader only and are not intended to act as a limitation on the scope or meaning of the paragraphs themselves. Both parties have had the opportunity to review and negotiate this Agreement and consult with such attorneys and advisors as they deemed appropriate prior to execution of this Agreement. This Agreement shall not be construed against the drafting party.

11.8 Severability. The invalidity of any term or provision of this Agreement shall not affect the validity of any other provision.

11.9 Waiver. Waiver by any party of strict performance of any provision of this Agreement shall not be a waiver of or prejudice any party's right to require strict performance of the same provision in the future or of any other provision.

11.10 Governing Law. This Agreement shall be interpreted and enforced according to the laws of the State of Oregon.

11.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which together shall constitute one agreement, even though all parties do not sign the same counterpart.

11.12 Required Medicaid Contract Language. The contract provisions set forth in the attached Oregon Health Plan – Specific Provisions Attachment are specifically incorporated into this Agreement by this reference. In the event there is a conflict between the language in this Agreement and the provisions in such Attachment, then the Oregon Health Plan – Specific Provisions Attachment shall control.

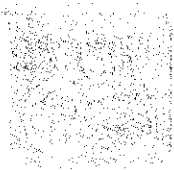
11.13 Attachments. All Attachments referred to in this Agreement are incorporated by reference.

The parties, by signature of their authorized representatives on the signature page of this Agreement, agree to be bound by the terms and conditions of this Agreement.

[ORIGINAL SIGNATURE PAGE ON FILE AT FAMILYCARE OFFICE]



Incorporated



**FAMILYCARE, INC.
MEDICAID GROUP PROVIDER AGREEMENT
SIGNATURE PAGE**

This Agreement ("Agreement") is made and entered into by the Parties named below, as evidenced by their signatures below:

FAMILYCARE, INC.:

By: _____

Name/Title: _____

Dated: _____

Address: 825 NE Multnomah, Suite 300
Portland, OR 97232

GROUP:

By: _____
[signature]

Name/Title: _____

Dated: _____

Address: _____

Tax Identification Number: _____

EFFECTIVE DATE: _____



COPY

Cindy Becker
Director

June 14, 2012

Board of Commissioners
Clackamas County

Members of the Board

**Approval of a Medicare Advantage Group Provider Agreement with
FamilyCare, Inc. for Primary Care Services.**

Clackamas County Community Health Division (CCCHD) of the Health, Housing and Human Services Department (H3S) requests the approval of a Medicare Advantage Group Provider Agreement with FamilyCare, Inc. for the purchase of primary care services from the CCCHD for Oregon Health Plan (OHP) members.

The OHP members covered by this agreement are residents of Clackamas County who have access to physical health services at county clinics and are capitated to Family Care, Inc. for provision of physical health services.

This is a revenue agreement for CCCHD. The total amount of the agreement is unknown, because the number of clients who will be enrolled with FamilyCare, Inc. cannot be projected with certainty. No County General funds are involved. The agreement is effective upon signature by both parties and shall continue until either or both parties terminate the agreement.

Recommendation

We recommend approval of this agreement and further recommend that Cindy Becker be authorized to sign on behalf of the Board of County Commissioners.

Respectfully submitted,

Cindy Becker
Director

For information on this issue or copies of attachments,
Please contact Emily M. Zwetzig/H3S Office of Business Services at (503)742-5318.

Healthy Families. Strong Communities.

FamilyCare

HEALTH PLANS

**MEDICARE ADVANTAGE
GROUP PROVIDER AGREEMENT**

between

**FAMILYCARE HEALTH PLANS, INC.,
an Oregon non-profit corporation**

and

Clackamas County Community Health

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THIS AGREEMENT ("Agreement") is made and entered into by and between FamilyCare Health Plans, Inc. (hereinafter referred to as "FamilyCare"), an Oregon non-profit corporation operating in Oregon as a health care service contractor, and Clackamas County Community Health (hereinafter referred to as "Group").

RECITALS

WHEREAS, FamilyCare offers or administers one or more health benefit plans and desires to enter into a written agreement to arrange for the provision of certain Covered Services to Members of such plans; and

WHEREAS, Group employs or contracts with health care providers who are lawfully qualified to provide health care services and willing to provide such services to Members of FamilyCare health benefit plans; and

WHEREAS, the health benefit plan(s) covered by this Agreement include: Medicare Advantage and other Plans added to this Agreement as provided in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, it is agreed by and between the parties as follows:

AGREEMENT

1. Definitions. As used in this Agreement and its Attachments, each of the following terms (and the plural thereof, when appropriate) shall have the meaning set forth herein, except where the context makes it clear that such meaning is not intended:

1.1 Capitation Fee. A predetermined monthly payment to Group or Group Practitioners, if applicable, for Covered Services to be provided to each Member assigned to Group or Group Practitioners.

1.2 Care Management. A program of care coordination and case management developed to manage high cost and at-risk Members with complex medical needs.

1.3 Clean Claim. An accurate statement of services submitted to FamilyCare on a claim form acceptable to FamilyCare that has no defect, impropriety, lack of any required substantiating documentation (including the substantiating documentation needed to meet the requirements for encounter data) or particular circumstance requiring special treatment that prevents timely payment, with all CPT codes and modifiers, revenue codes, ICD-9 and DRG codes, in addition to patient identification, physician name, date of service and other insurance information such as motor vehicle, workers' compensation and third-party liability.

1.4 Coinsurance. The percentage or portion of the cost of care that a Member may be obligated to pay for a Covered Service.

1.5 Copayment or Copay. The fixed dollar amount that a Member may be obligated to pay for a Covered Service.

1.6 Covered Service. Medically Necessary health care services and supplies rendered or furnished to Member by Group or Group Practitioner for which benefits are available under a Member's Plan.

1.7 Deductible. The amount of out-of-pocket expense that Member is responsible to pay for Covered Services prior to being eligible to receive Plan benefits.

1.8 Emergency or Emergency Medical Condition. A medical condition (a) manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent lay person, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in (i) placing the health of the individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, (ii) serious impairment to bodily functions, or (iii) serious dysfunction of any bodily organ or part, or (b) with respect to a pregnant woman who is having contractions, for which there is inadequate time to effect a safe transfer to another hospital before delivery or for which a transfer posing a threat to the health or safety of the pregnant woman or the unborn child. An "Emergency Medical Condition" is determined based on the presenting symptoms (not the final diagnosis) as perceived by a prudent layperson and includes cases in which the absence of immediate medical attention would not in fact have had the adverse results described in the previous sentence.

1.9 Medical Director. Physicians who are designated by FamilyCare or a Plan and are responsible for quality management and utilization management review, including concurrent hospital review and, if appropriate under a Plan, making all final medical and behavioral health decisions relating to coverage or payment.

1.10 Medically Necessary or Medical Necessity. The decision as to whether a service or supply ordered by the provider was Medically Necessary, or as to whether services or supplies are required by Medical Necessity, for the purposes of qualifying for payment by FamilyCare rests with FamilyCare, subject to the procedures for reconsideration. Services and medical supplies are Medically Necessary or required by Medical Necessity if required for prevention, diagnosis or treatment of a health condition that encompasses physical or mental conditions, or injuries and are (a) consistent with the symptoms of a health condition or treatment of a health condition; (b) appropriate with regard to standards of good health practice and generally recognized by the relevant scientific community and professional standards of care as effective; (c) not solely for the convenience of a Member or a provider of the service or medical supplies; and (d) the most cost effective of the alternative levels of medical services or medical supplies that can be safely provided to a Member in FamilyCare's judgment. The fact that an item or service is Medically Necessary does not by itself mean that the item or service is eligible for payment by FamilyCare; to be eligible for payment, items and services must be Covered Services under the Plan and meet all requirements for eligibility for payment in addition to being Medically Necessary.

1.11 Member. A person who is enrolled in a FamilyCare Plan and is entitled to receive Covered Services.

1.12 Participating Hospital. A hospital that is contracted to provide Covered Services to Members. Participating status shall be contingent upon FamilyCare's designation as such.

1.13 Participating Practitioner. A physician or other health care professional who is contracted directly or as a member of a Participating Practitioner Group to provide Covered Services to Members under this Agreement or otherwise. Any Participating Practitioner who serves FamilyCare Members under this Agreement will be bound by its terms. Participating status shall be contingent upon FamilyCare's designation as such.

1.14 Participating Practitioner Group. An independent practice association; corporation, limited liability company, or partnership of professional providers; or other entity that employs or contracts with providers of professional medical services and contracts with FamilyCare to provide services to Members under this Agreement. Participating status shall be contingent upon FamilyCare's designation as such.

1.15 Participating Provider. A Participating Practitioner, Participating Practitioner Group, Participating Hospital or other facility or provider of health care items or services designated as a Participating Provider by FamilyCare.

1.16 Plan. The contract or agreement with FamilyCare setting forth the Covered Services to which a Member is entitled and, if a government health benefit program, the federal and state statutes and regulations governing the program. The Plan initially covered by this Agreement is the Medicare Advantage Plan administered by the Centers for Medicare and Medicaid Services ("CMS") pursuant to the Contract between CMS and FamilyCare and applicable rules and regulations.

1.17 Policies and Procedures. The criteria and procedures pertaining to credentialing and recredentialing, participation, compensation, payment rules, processing guidelines, medical policy, utilization management, quality improvement, fraud and abuse, health benefit plan standards, and such other matters determined from time to time by FamilyCare.

1.18 Primary Care Provider. A Participating Practitioner deemed a Primary Care Provider by FamilyCare for the Plan.

1.19 Primary Care Services. Those Covered Services routinely provided by Primary Care Providers in their practice of medicine or other health care profession or as may be further defined in the Plan.

1.20 Prior Authorization or Preauthorization. Prior authorization or Preauthorization is approval given by FamilyCare in advance of a proposed hospitalization, treatment, supply purchase or other Covered Service, in accordance with FamilyCare Policies and Procedures.

1.21 Referral. The process required by this Agreement by which a provider directs a Member to seek and obtain Covered Services from a Participating Practitioner or any other provider of Covered Services.

1.22 Scope of Service. Those services which fall within the geographic and CPT code limits established in the Attachments. If no geographic or CPT code limits are established in the

Attachments, Scope of Service shall refer to those services which Group or Group Practitioners are professionally qualified to render.

1.23 Services and Compensation Attachment. An Attachment to this Agreement setting forth payment and other terms applicable to a Plan in which Group is a Participating Practitioner Group, which Attachment is made part of this Agreement upon execution or thereafter pursuant to paragraph 7.1.

1.24 Specialty Services. Those Covered Services provided by providers professionally qualified to practice a designated specialty as determined by FamilyCare which are within the provider's recognized scope of practice.

1.25 Standards of Care and Service. Standards which have been developed by FamilyCare, incorporating concepts from CMS, from medical group practice accreditation programs, and from community standards. These standards include, but are not limited to, access, accommodations, panel size, and medical record documentation, and are contained in the Policies and Procedures.

2. Group Services.

2.1 Group and Group Practitioner. If Group is a medical group or other employer of health care professionals, Group shall require all of its employed and contracted health care professionals who provide services to Members to comply with all of the provisions of this Agreement. If Group contracts with individual health care providers who are not employed by Group, as a medical group, independent practice association, or otherwise, Group shall ensure that it maintains current, valid contracts with each such individual health care provider who provides services to Members. Such employed or contracted professionals are referred to herein as "Group Practitioners." Contracts with Group Practitioners shall (a) require Group Practitioner to comply with all of the provisions of this Agreement, (b) be in form acceptable to FamilyCare and (c) be available for inspection on request by FamilyCare. Group shall ensure that each Group Practitioner is credentialed by FamilyCare prior to providing services to Members, and continues to comply with FamilyCare's credentialing and recredentialing Policies and Procedures.

2.2 Covered Services. FamilyCare retains Group and Group Practitioners to render Covered Services to Members within Group Practitioner's Scope of Service. All services shall be rendered subject to the terms and conditions of this Agreement and in accordance with FamilyCare's Policies and Procedures, including referral and Preauthorization procedures.

2.3 Performance. Subject to practice protocols and utilization standards adopted by FamilyCare, Group and Group Practitioners will determine the method, details, and means of performing Covered Services pursuant to this Agreement. Covered Services rendered will be provided as promptly as practicable, consistent with sound medical practice and in accordance with accepted community professional standards. Group agrees at all times to maintain a sufficient number of Group Practitioners to guarantee prompt and adequate access to FamilyCare Members.

2.4 Personnel, Equipment and Supplies. Group or Group Practitioners shall, at Group or Group Practitioner's sole cost and expense, arrange for the provision of Covered Services. Subject to practice protocols and utilization standards adopted by FamilyCare, FamilyCare may not control, direct, or supervise Group or Group Practitioners in the performance of Covered Services. Group or Group Practitioner will supply all necessary office personnel, equipment, instruments and supplies required to perform Covered Services and which are usual and customary for a medical practice in the community. Group or Group Practitioner shall be solely responsible for payment of all wages, salary, compensation, payroll and withholding taxes, unemployment insurance, workers' compensation coverage and all other compensation, insurance and benefits with respect to personnel employed or contracted by Group or Group Practitioner, as applicable.

2.5 Hours. Group and Group Practitioners will arrange for the provision of Covered Services during normal office hours or as otherwise necessary to provide reasonable access to services by Members. Group and Group Practitioners will arrange for call coverage for Medically Necessary services on a 24-hour per day, seven day per week basis.

2.6 Referral and Preauthorization Procedure. Group and Group Practitioners shall comply with Referral and Preauthorization procedures adopted by FamilyCare prior to referring a Member to any individual, institutional or ancillary health care provider. Except as permitted by FamilyCare Policies and Procedures, Group and Group Practitioners shall refer Members only to Participating Providers designated by FamilyCare to provide the service for which the Member is referred. Except as required by applicable law, failure of Group and Group Practitioners to follow such procedures may result in denial of payment for unauthorized treatment. Preauthorization is not required prior to provision of Covered Services in the event of an Emergency or Emergency Medical Condition.

2.7 Hospital Admission Authorization. Group and Group Practitioners shall admit Members for hospital services only to a Participating Hospital unless an appropriate bed or service is unavailable. Except as provided in paragraph 2.9 or otherwise required by applicable law, Group and Group Practitioners may not admit a Member to a hospital on a non-Emergency basis without first receiving Prior Authorization from FamilyCare, or its designated agent, in accordance with FamilyCare's Policies and Procedures.

2.8 Compliance With FamilyCare Pharmaceutical Formularies. Group and Group Practitioners shall comply with pharmaceutical formularies and pharmaceutical prior authorization requirements developed or adopted by FamilyCare, unless otherwise Medically Necessary. In prescribing medications for Members, Group Practitioners shall select the most cost-effective medication that is clinically appropriate for the Member, including, when appropriate and available, generic equivalents and therapeutic equivalents.

2.9 Provision of Non-Covered or Unauthorized Services or Referral Care. Nothing in this Agreement is intended to or shall be construed to require Group or Group Practitioners to deny care to a Member for non-Covered Services or deny services or referral care not otherwise authorized under applicable procedures. The fact that FamilyCare does not or may not provide payment for a service shall not relieve Group or Group Practitioners of the duty to exercise independent professional skill and judgment in advising and treating Members. When referring

Members to non-Participating Providers, Group and Group Practitioners shall inform Members of their potential responsibility for payment. When recommending or offering non-Covered Services to a Member, Group Practitioners shall comply with paragraph 5.3.4.

2.10 Nondiscrimination. Group and Group Practitioners agree that in accordance with the provisions of this Agreement, and within the limits of a Group Practitioner's specialty, not to discriminate in the provision of Covered Services to Members on the basis of membership in a health benefit plan, source of payment, race, color, national origin, ethnicity, ancestry, religion, sex, marital status, sexual orientation, mental or physical disability, medical condition or history, age, or any other category deemed protected under State or Federal law; and to provide Covered Services to Members in the same manner, in accordance with the same standards, and within the same time availability as offered to other patients of Group and Group Practitioners.

3. Group Obligations.

3.1 Acceptance of Members. Group and Group Practitioners agree to accept assignment of Members by FamilyCare, subject only to Group Practitioner's Scope of Service. This paragraph does not prevent Group or Group Practitioner from limiting practice to a recognized specialty such as pediatrics, geriatrics or obstetrics and gynecology.

3.2 Practitioner Qualifications. Group will require each Group Practitioner to complete FamilyCare's credentialing process and be approved as a Participating Provider before providing services to Members. Group warrants and represents that each Group Practitioner is, and for the duration of this Agreement shall remain, duly licensed to practice Group Practitioner's health care profession in all states in which Group Practitioner provides services to Members and is, and for the duration of this Agreement shall remain, in good standing with the appropriate licensing board(s), a participating provider in Medicare, and the holder of a valid DEA Certificate (if applicable). Group warrants that each Group Practitioner shall maintain medical staff membership and clinical privileges appropriate to Group Practitioner's professional practice at a Participating Hospital that is a hospital in good standing and without restriction or limitation unless such membership and privileges are not required under FamilyCare's credentialing Policies and Procedures. Group warrants that each Group Practitioner is currently, and for the duration of this Agreement shall remain, in compliance with FamilyCare's credentialing and recredentialing criteria. Group and Group Practitioner do not and will not during the term of this Agreement employ or contract with any person who is excluded from participation in Medicare or Medicaid.

3.3 Covering Provider. If Group or a Group Practitioner is, for any reason, from time to time unable to provide those Covered Services Group has agreed to render under this Agreement when and as needed, Group or Group Practitioner may secure the services of a qualified covering provider who shall render such Covered Services. The covering provider must be a provider approved by FamilyCare to provide the Covered Services to Members otherwise required of Group or Group Practitioner. Group or Group Practitioner shall be solely responsible for securing the services of such covering provider. Group or Group Practitioner shall ensure that the covering provider: (a) looks solely to Group or Group Practitioner, FamilyCare, or the Plan(s), as the case may be, for compensation; (b) accepts FamilyCare's credentialing and peer review procedures; (c) does not directly bill Members for Covered

Services under any circumstances, unless expressly required by the Plan(s); (d) obtains authorization in accordance with FamilyCare's utilization management program prior to all elective hospitalizations; and (e) complies with the terms of this Agreement and policies, procedures, and rules adopted by FamilyCare related to performance of medical services under this Agreement.

3.4 Withdrawal from Care. Prior to withdrawing from a Member's care, Group or Group Practitioner shall contact FamilyCare to enlist assistance with resolution of issues giving rise to the proposed withdrawal. Group or Group Practitioner will cooperate with FamilyCare to attempt to resolve the issues for 30 days. In the event the issues cannot be resolved satisfactorily, Group or Group Practitioner shall give FamilyCare and the affected Member(s) at least 30 days' prior written notice of intent to withdraw from care of Member(s), shall cooperate fully with FamilyCare in transferring care of the Member(s) to another Participating Practitioner, and shall continue provision of care for urgent needs and prescriptions for at least 30 days from the date of notice of withdrawal. Notwithstanding the foregoing, if a Member has exhibited behavior that is verbally or physically threatening or if other unusual circumstances require prompt action for the protection of Group, Group Practitioners, the Member or others, Group may withdraw from the care of a Member on such written notice to the Member and FamilyCare as is reasonable and consistent with accepted standards of professional practice considering the circumstances, and shall thereafter cooperate fully with FamilyCare in transferring care of the Member to another Participating Provider.

3.5 Compliance with Law and Ethical Standards.

3.5.1 Group and Group Practitioner shall at all times during the term of this Agreement comply with all applicable federal, state, and municipal laws, statutes, and ordinances, and any regulations promulgated thereunder; all applicable rules and regulations of each Group Practitioner's licensing board(s); and the ethical standards of the applicable professional association.

3.5.2 In particular, and not to the exclusion of any other applicable law or regulation, Group and FamilyCare acknowledge that in the course of performing under this Agreement, they may use or disclose to each other or to outside parties certain confidential health information that may be subject to protection under state and/or federal law, including the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and regulations promulgated thereunder with respect to privacy and security of health information, and agree that each will comply with all applicable state and federal privacy laws. If requested to do so by FamilyCare, Group will execute a Business Associate Agreement in a form acceptable to FamilyCare.

3.5.3 Group will cooperate with and participate in FamilyCare's compliance plans, including provision of information, cooperation with auditing and monitoring activities, participation in training and education, and implementation of compliance initiatives and programs as reasonably requested by FamilyCare from time to time.

3.6 Compliance With FamilyCare Policies and Procedures. Group agrees to be bound by the Policies and Procedures of FamilyCare as they may be amended from time to time. If

Group or Group Practitioner violates any of the provisions of such Policies and Procedures, or any of the principles of professional conduct adopted by FamilyCare, or acts contrary to or in violation of any Medicare laws or regulations, all contractual rights under this Agreement which pertain to Group or Group Practitioner may be terminated in accordance with the Term and Termination section of this Agreement and applicable law.

3.7 Utilization Management and Quality Assurance Programs. FamilyCare has and will maintain utilization management and quality assurance and other operational programs and policies to guide and review individual and aggregate performance of Participating Providers in the delivery of Covered Services. Review may include but not be limited to Medical Necessity and compliance with clinical protocols, referral requirements, Preauthorization standards, and the evaluation of the results of care. Group and Group Practitioners shall cooperate fully with FamilyCare in any inquiries FamilyCare may make with respect to such programs. Group and Group Practitioners agree to comply with and, subject to Participating Provider rights of appeal or reconsideration, shall be bound by such policies and programs. Group and Group Practitioners agree that decisions of FamilyCare's utilization management or quality assurance committees may include denial of payment for Covered Services provided to a Member when services are provided in a manner inconsistent with FamilyCare's Policies and Procedures or, in appropriate situations, termination of this Agreement as provided herein.

3.8 Fraud and Abuse Programs. Group and Group Practitioners agree to comply with FamilyCare's fraud and abuse program and questionable or inappropriate billing practices Policies and Procedures.

3.9 Grievance Procedures. FamilyCare will have Policies and Procedures for appealing Member disputes related to prior authorization and referral procedures. Group and Group Practitioners shall comply with both Member and Participating Provider grievance and appeal procedures and shall be bound by such procedures.

3.10 Patient Advocate. Group Practitioners practicing in conformity with ORS 677.095 may act as a patient advocate regarding a decision, policy, or practice without being subject to termination or penalty for the sole reason of such advocacy. Group Practitioners can freely communicate with patients regarding the treatment options available to them, including medication treatment options, regardless of benefit coverage limitations. When communicating about Non-Covered Services, Group Practitioners shall comply with paragraph 2.8 and paragraph 5.3.4 of this Agreement.

3.11 Provider Directory. Group and Group Practitioner agree that FamilyCare may use the name, specialty, board certification, medical school(s), addresses, phone numbers, and type of practice of Group and Group Practitioners with regard to access and acceptance of new patients, in the FamilyCare directory of Participating Providers.

3.12 Patient Consents. To the extent required under state or federal law, Group and Group Practitioners shall obtain the consent of Members to allow Group and Group Practitioners to use and disclose to FamilyCare and Participating Providers the Member's Protected Health Information (as defined by HIPAA) for purposes contemplated by this Agreement.

3.13 Medical Records. Group or Group Practitioners shall maintain with respect to each Member receiving Covered Services hereunder a single standard medical record in such form, containing such information, and preserved for such time period(s), as are required by state and federal law, accepted standards of practice and FamilyCare Policies and Procedures. Subject to confidentiality laws, and upon receipt of three business days' prior written notice from FamilyCare, Group and Group Practitioners shall share such records with Participating Providers in accordance with FamilyCare's Policies and Procedures, and permit FamilyCare, and its designated representatives, to review or inspect such records in accordance with payment, utilization management, quality assurance, peer review and other Policies and Procedures of FamilyCare. Copies of such records shall be made available to FamilyCare upon request without charge.

3.14 Required Information. Group and Group Practitioners shall provide FamilyCare with information necessary for FamilyCare to fulfill its obligations with and to comply with state and federal law. Group and Group Practitioners authorize FamilyCare to release information as required by state and federal law and shall promptly procure such additional consents as may be necessary from time to time for purposes of this paragraph.

3.15 Cooperation with Plan and FamilyCare Medical Directors. Group and Group Practitioners acknowledge that contracting Plans will place certain obligations upon FamilyCare regarding the quality of care received by Members and that contracting Plans in certain instances will have the right to oversee and review the quality of care administered to Members. Group and Group Practitioners agree to cooperate with FamilyCare's Medical Directors and the medical directors of contracting Plans in their review of the quality of care administered to Members and to submit information as requested.

3.16 Notice to FamilyCare. Group and Group Practitioners will notify FamilyCare, in writing, within three working days, of any of the following events affecting Group or Group Practitioner: loss of licensure, accreditation or participating provider status in Medicare; notice of any claim, demand or complaint involving a Member; termination, suspension, restriction or non-renewal of a Group Practitioner's clinical privileges or staff membership with any hospital, health plan or provider organization; loss of insurance coverage required by this Agreement.

4. FamilyCare Obligations.

4.1 Eligibility Determinations and Reports. FamilyCare will make eligibility information available to Group and Group Practitioner by telephone or by electronic means.

4.2 Authorizations. FamilyCare will provide authorization for non-Emergency Covered Services in the form of a Preauthorization and shall certify or recertify lengths of stay if required by telephone contact or other mutually agreeable form of communication between Group or Group Practitioner, the Member's Primary Care Provider or referral provider and/or FamilyCare personnel, according to FamilyCare's Quality Improvement and Utilization Management Policies and Procedures.

4.3 Claims Processing. FamilyCare shall be responsible for adjudicating and paying claims for Covered Services consistent with the terms of this Agreement and FamilyCare's Policies and Procedures.

4.4 Policies and Procedures. FamilyCare will make its Policies and Procedures available to Group and Group Practitioner in accordance with applicable laws and regulations.

4.5 Compliance with Law. FamilyCare shall at all times during the term of this Agreement comply with all applicable federal, state, and local laws, statutes and ordinances, and any regulations promulgated thereunder.

5. Services and Compensation.

5.1 Compensation. FamilyCare agrees to pay Group or Group Practitioner for Covered Services rendered by Group or Group Practitioner to Members, within Group or Group Practitioner's Scope of Service, at the lesser of Group or Group Practitioner's billed charges or the rate determined in accordance with the terms of the Services and Compensation Attachment, which is attached hereto as Attachment A and as attached made a part of this Agreement. Compensation amounts, methodologies or formulas may vary for other providers.

5.2 Payment of Compensation by FamilyCare.

5.2.1 To be considered for payment, Group or Group Practitioner shall submit to FamilyCare a Clean Claim on a completed CMS 1500 statement, CMS 1450 or HIPAA ANSI, or successor forms, within 60 days following the provision of Covered Services, including services reimbursed under a Capitation Fee. Group and Group Practitioners will submit such additional encounter data as FamilyCare may request, including accurate and specific data describing the services rendered. Group and Group Practitioners will follow Medicare Correct Coding guidelines, or other industry standard coding guidelines approved by FamilyCare in coding services in all claims and data submitted to FamilyCare. Claims for payment must reflect Co-payments, Coinsurance and Deductibles collected or to be collected. Claims submitted for payment beyond twelve months (or any shorter period established by applicable law or regulation) from the date Covered Services were provided may be denied in FamilyCare's sole discretion. FamilyCare agrees to pay a Clean Claim within the time required by applicable state and federal law.

5.2.2 FamilyCare shall not be obligated to make payment to Group or Group Practitioner if Group or Group Practitioner fails to obtain a referral in accordance with FamilyCare Policies and Procedures, if the patient is not a Member at the time of service, if information provided to FamilyCare is materially inaccurate, or if the delivery of service does not comply with applicable FamilyCare Policies and Procedures.

5.2.3 Nothing herein requires FamilyCare to adopt, or prevents FamilyCare from adopting, different billing and payment policies with respect to workers' compensation cases or other situations in which FamilyCare is or could be a secondary or conditional source of reimbursement for Covered Services.

5.3 Patient Billing.

5.3.1 Group and Group Practitioners shall look only to FamilyCare for compensation for Covered Services and shall at no time seek compensation from Members or persons acting on their behalf for Covered Services. In the event of non-payment by FamilyCare for any reason, Group and Group Practitioners shall not bill or otherwise attempt to collect from Members any amounts owed by FamilyCare and shall continue providing services to Members for the duration of the period for which premium payment has been made by or on behalf of the Member and until Member is discharged from the hospital (if applicable). No surcharge to any Member shall be permitted. A surcharge shall, for purposes of this Agreement, be deemed to be any additional fee not provided for in the Plan.

5.3.2 Group and Group Practitioners shall bill and make reasonable efforts to collect all Co-payments, Coinsurance and Deductibles from Members as specifically permitted in the Plan, if such amounts have not been paid by a primary or secondary carrier in accordance with regulatory standards for coordination of benefits.

5.3.3 Group and Group Practitioners shall not bill a Member for otherwise Covered Services denied as a result of utilization management, Medical Necessity determination, or audit activity.

5.3.4 Group and Group Practitioners shall not bill Member for any non-Covered Services unless Group or Group Practitioner has obtained prior written agreement from the Member and such billing is permitted under the Plan or otherwise permitted by CMS. Group or Group Practitioner shall not bill Member for missed appointments.

5.3.5 Group and Group Practitioners agree the provisions of this Section 5 shall survive termination of this Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of Members.

5.4 Coordination of Benefits and Third Party Liability.

5.4.1 Coordination of Benefits ("COB") refers to the determination of which two or more health benefit plans will apply, either as primary or secondary coverage, for the rendition of hospital, surgical or medical services to a Member. Such coordination is intended to preclude the Member from receiving an aggregate of more than 100 percent of covered charges from all coverage. When the primary and secondary benefits are coordinated, determination of liability will be in accordance with the usual procedures employed by the Oregon Department of Consumer and Business Services and applicable state and federal regulations.

5.4.2 Group and Group Practitioners shall maintain records to identify any third party or payor responsible for payment for services provided to Members. Group and Group Practitioners shall notify FamilyCare within 30 days of any potential responsible third party and shall provide FamilyCare with all relevant identifying information concerning the Member, the claim and the third party resource available to Group or Group Practitioners.

5.4.3 Group or Group Practitioners agree to coordinate with FamilyCare for proper determination of COB and third party liability, and to bill and collect from other payors those charges for which the other payor is responsible. Group and Group Practitioners shall report all collections received in accordance with this paragraph to FamilyCare. FamilyCare

shall not be obligated to pay Group or Group Practitioners any amounts which, when added to the amounts paid to Group or Group Practitioners in accordance with this paragraph by other payors, would exceed the reimbursement for which FamilyCare would be obligated in the absence of such payments from other payors.

5.5 Overpayments. FamilyCare will conduct retrospective reviews of claims and reimbursements to Group or Group Practitioners. Group and Group Practitioners will refund to FamilyCare all overpayment amounts paid to Group or Group Practitioners, whether not properly payable under paragraph 5.2, due to clerical error, failure to apply or follow applicable Policies and Procedures, third party recovery or other reason. Overpayments shall be refunded to FamilyCare within 30 days of notification to Group or Group Practitioners that a refund is due or within 60 days of identification of an overpayment by Group or Group Practitioners, whichever is earlier. If Group or Group Practitioner fails to refund an overpayment within 30 days after FamilyCare's notification, FamilyCare may withhold any overpayment amount from future payments for services rendered by Group or Group Practitioners. If a refund is not timely received, FamilyCare may initiate a collection or legal proceeding to recover overpayment amounts; in a collection or legal proceeding to recover overpayment, FamilyCare shall be entitled to recover its reasonable attorneys' fees and costs incurred in such proceeding.

5.6 Accounting and Reports.

5.6.1 To the extent that payments to Group or Group Practitioners for Covered Service include financial risk withholds, FamilyCare shall provide an accounting of risk withhold funds on an annual basis or as required by law. Requests for information under this paragraph concerning such accounting must be made within two years after the end of the agreement term pertaining to the requested information.

5.6.2 Upon request by Group, FamilyCare shall provide an annual accounting accurately summarizing the financial transactions between FamilyCare and Group and Group Practitioners for the preceding calendar year.

6. Term and Termination.

6.1 Term of Agreement. This Agreement will become effective on the Effective Date set forth on the signature page and will continue until terminated in accordance with this Section 6.

6.2 Immediate Termination. This Agreement may be immediately terminated upon delivery of written notice to the other party, or at such later date as may be set forth in the written notice, if any of the following occurs.

6.2.1 Federal or state regulations or guidelines are modified or changed in such a way that Covered Services are no longer allowable or appropriate for purchase under this Agreement;

6.2.2 Group or Group Practitioner or FamilyCare is found to be in violation of any state or federal law or regulation;

6.2.3 Any license, certification, or privilege required by law or regulation to fulfill obligations under this Agreement is for any reason revoked, restricted, limited, suspended or not renewed;

6.2.4 Group or Group Practitioner or FamilyCare is suspended or excluded from participating in the Medicare program;

6.2.5 Group or Group Practitioner fails to maintain insurance required by this Agreement; or

6.2.6 Group or Group Practitioner is convicted of a felony; dies; retires; is adjudicated incompetent; loses his or her hospital privileges (unless such privileges are not required under FamilyCare's credentialing Policies and Procedures); or voluntarily leaves active practice in FamilyCare's service area for a period of 6 months or more.

6.3 Termination by FamilyCare. FamilyCare may terminate this Agreement immediately on written notice to Group if FamilyCare reasonably determines that the health, safety or welfare of Members may be jeopardized by continuation of this Agreement.

6.4 Termination Without Cause. This Agreement may be terminated without cause by Group or FamilyCare upon 90 days prior written notice. Upon such termination, the rights of Group and Group Practitioners shall terminate; provided, however, that such action shall not release Group and Group Practitioners from obligations to persons then receiving treatment. If this Agreement is terminated under this paragraph 6.4, payment for Covered Services provided prior to termination shall be made in accordance with this Agreement.

6.5 Termination for Breach. If either party commits a material breach of this Agreement, the other party may commence to terminate the Agreement by giving written notice to the party committing the breach stating its intention to terminate and starting with particularity the alleged breach. If the breach is not cured within 30 days after the notice is given, the other party may terminate this Agreement immediately upon written notice. This right of termination shall be in addition to all other rights and remedies.

6.6 Responsibility for Members at Termination. Group or Group Practitioners shall continue to provide Covered Services to a Member who is receiving Covered Services from Group or Group Practitioners on the effective termination date of this Agreement until the Covered Services being rendered to the Member by Group or Group Practitioners are completed (consistent with existing medical ethical/legal requirements for providing continuity of care to a patient), unless FamilyCare makes reasonable and medically appropriate provision for the assumption of such Covered Services by another Participating Provider. Group or Group Practitioner shall be compensated for those Covered Services provided to a Member pursuant to this paragraph (prior to and following the effective termination date) in accordance with compensation provisions stated in the applicable Services and Compensation Attachment or by mutual agreement.

6.7 Effect of Termination. Termination of this Agreement shall have no effect upon the rights and obligations of the parties arising under this Agreement prior to the effective date of termination or upon those provisions which are specifically identified as surviving termination.

6.8 Termination With Cause of Less Than Entire Agreement. FamilyCare may, at its sole discretion, choose to terminate an individual Group Practitioner providing Covered Services under this Agreement whose conduct would otherwise give FamilyCare cause to terminate this Agreement in its entirety, who does not meet FamilyCare's credentialing requirements, or on request of a Plan. Upon such individual termination, the Agreement shall remain in effect as to Group and all other Group Practitioners.

6.9 Credentialing and Hearings Process. Group and Group Practitioners will comply with FamilyCare's hearings process as set forth in its Policies and Procedures. FamilyCare may suspend, restrict or terminate Group or a Group Practitioner's privileges to see Members in accordance with its Policies and Procedures. In the event that Group Practitioner's status is terminated in accordance with such Policies and Procedures, Group Practitioner's participation under this Agreement shall automatically terminate. If FamilyCare proposes to terminate Group Practitioner's participation under this Agreement, Group Practitioner may be entitled to a review or hearing as provided by FamilyCare's Policies and Procedures.

7. Addition of Plan or Amendment of Services and Compensation Attachment.

7.1 New Plan. FamilyCare may, in its sole discretion, notify Group from time to time of new Plans by sending Group a Services and Compensation Attachment covering each new Plan in which FamilyCare wishes Group and Group Practitioners to participate as provided in paragraph 11.1. If Group rejects the proposed Attachment within 30 days in accordance with paragraph 11.1, such Attachment shall not go into effect. If such Attachment becomes effective as provided in paragraph 11.1, Group shall notify its Group Practitioners about the new Plan and shall make any contract amendments required to make the terms and conditions of the new Attachment binding on its Group and Group Practitioners.

7.2 Amendment of Services and Compensation Attachment. FamilyCare may amend a Services and Compensation Attachment from time to time. Any such amendment shall be sent to Group as provided in paragraph 11.1. If Group rejects the amended Attachment within thirty (30) days in accordance with paragraph 11.1, then either party may terminate this Agreement in accordance with Section 6; until any such termination is effective, the Services and Compensation Attachment effective prior to termination shall continue in effect.

8. Relationship of the Parties. Nothing in this Agreement shall create any relationship between FamilyCare and Group or Group Practitioner other than that of independent entities contracting with each other solely for purposes of effectuating the provisions of this Agreement. Neither of the parties nor any of their respective employees or agents shall be deemed to be the employee or agent of the other. Except as specifically provided otherwise in this Agreement, FamilyCare shall have no authority to control or direct the time, place or manner in which Covered Services are provided by Group or Group Practitioner to Members.

9. Indemnification and Insurance.

9.1 Indemnification.

9.1.1 The parties mutually agree to indemnify and to hold each other (including their officers, agents and employees) harmless against any and all claims, demands, damages,

liabilities and costs incurred by the other party, including reasonable attorneys' fees, arising out of or in connection with, either directly or indirectly, the breach of this Agreement by or willful misconduct of the indemnifying party or its employees or agents. The fact that a person or entity is a Participating Provider does not make such person an agent of FamilyCare. The principles of comparative fault shall govern the interpretation and enforcement of this indemnity provision.

9.1.2 FamilyCare shall not be liable to Members for any act of malpractice on the part of Group or Group Practitioners and Group and Group Practitioners shall indemnify, defend, and hold harmless FamilyCare from any such liability. The indemnity in the immediately preceding sentence shall not apply to any alleged act of independent liability on the part of FamilyCare, or any of its respective employees or agents.

9.2 Liability Insurance. Group and Group Practitioners agree to ensure that it and all persons and entities performing services for Group or Group Practitioners under this Agreement maintain such policies of general liability and professional liability insurance or such other program of liability coverage as may be customary and acceptable to FamilyCare to insure Group and Group Practitioners, and its and their employees, and agents, against any claim or claims for damages arising by reason of personal injuries or death occasioned directly or indirectly in connection with the performance of, or failure to perform, any health care service provided under this Agreement, the use of any property and facilities provided by Group or Group Practitioners, and activities performed by Group or Group Practitioners in connection with this Agreement. The amounts and extent of such insurance coverage shall be subject to the approval of FamilyCare, which approval shall not be unreasonably withheld. Certificates of Insurance for the above insurance policies shall be provided to FamilyCare upon request and shall provide that FamilyCare be given at least 30 days' prior written notice of reduction or cancellation of such coverage. Any declaration sheets, exclusions, endorsements, or information on any incident which might reasonably result or has resulted in a lawsuit or legal action may be requested by FamilyCare as deemed necessary. FamilyCare recognizes that if Group is a public entity its liability may be limited by applicable law.

9.3 Tail Coverage. In the event that any policy required by this Section 9 is a "claims made" policy, a "tail" policy (extended reporting endorsement) shall be obtained by the insured party upon termination of such a policy as required to continuously maintain coverage under such policy throughout the term of this Agreement and for a period of not less than five years following the date of termination of the policy required by this paragraph. The "tail" policy shall have the same policy limits as the policy it extends.

9.4 Contracted Providers. If Group or Group Practitioners contract with health care professionals to provide services to Members, each contract between Group or Group Practitioners and such health care professionals shall require such health professionals to agree to and comply with all of the provisions of this Agreement, including this Section 9, as if such providers were a party to this Agreement. FamilyCare must authorize the use of a contractor to perform services covered under this Agreement prior to any such services being provided. FamilyCare has the sole discretion to deny authorization for contracting of health care services to be provided for Members. Group and Group Practitioners, and not FamilyCare, shall be responsible for any compensation or remuneration owed to such contractor.

9.5 Survival. This Section 9 shall survive termination of this Agreement.

10. Access and Maintenance of Records and Information.

10.1 Access. This Agreement and all records which are directly pertinent to this Agreement necessary to verify the nature and extent of costs of services provided by Group or Group Practitioners, or relating to medical services, price, performance, compliance, quality of services and timeliness of services, will be made available to FamilyCare, the State of Oregon, the U.S. Department of Health and Human Services, the Centers for Medicare and Medicaid Services, the Comptroller General of the United States, and all of their duly authorized representatives as may be necessary for compliance by FamilyCare with all applicable federal and state laws and regulations. Such representatives shall have access to documents, papers, and records of Group and Group Practitioners, which are pertinent to the Plan for the purpose of making examination, excerpts and transcripts. Group and Group Practitioners shall, upon 30 days' notice provide a suitable work area and copying capabilities or make such copies as requested to facilitate such a review upon reasonable written notice to Group or Group Practitioners. Such rights to inspect and copy records and information shall continue for 10 years following the date of termination of this Agreement or completion of any audit commenced prior to termination, whichever is later. Group and Group Practitioners shall include a provision requiring any contractor of Group or Group Practitioners providing services under this Agreement to comply with this paragraph, and shall require all organizations related to Group and Group Practitioners to comply with this paragraph.

10.2 Medical Records (Maintenance and Access). Medical records of Members shall be maintained and preserved by Group and Group Practitioners for a time period of no less than 10 years in accordance with general standards applicable to such records. Subject to confidentiality laws, and upon receipt of three business days' prior written notice from FamilyCare, Group and Group Practitioners shall permit FamilyCare, FamilyCare's designated representatives, or applicable state and federal regulatory agencies to inspect such records, and shall provide copies of such records to FamilyCare upon request. If an audit, litigation, or other action involving the records is started before the end of the 10-year period, the records must be retained until all issues arising out of the action are resolved or until the end of the 10-year period, whichever is later.

10.3 Financial Records (Maintenance and Access). Group and Group Practitioners agree to cooperate with FamilyCare so that FamilyCare may meet any state or federal access requirements imposed on FamilyCare and arising out of this Agreement. Group and Group Practitioners shall maintain financial records, including the amounts of any payments received from FamilyCare, Members or from others on behalf of Members, for at least ten years after final payment is made under this Agreement. If an audit, litigation, or other action involving the records is started before the end of the ten-year period, the records must be retained until all issues arising out of the action are resolved or until the end of the ten-year period, whichever is later. All such records shall be maintained pursuant to generally accepted accounting standards and in accordance with applicable state and federal law and all regulations issued pursuant thereto. Group and Group Practitioners shall provide access to such records to FamilyCare, FamilyCare's designated representatives, and state and federal regulatory agencies, as may be required.

10.4 Confidentiality and Proprietary Information. The parties agree to maintain the confidentiality of this Agreement and all documents, terms, and conditions relating to reimbursement rates and methods and other proprietary information of the other party. Upon request, the parties agree to return all copies of documents containing the other party's proprietary information upon termination of this Agreement and to otherwise keep such proprietary information confidential.

10.5 Review Charges. Medical or financial records requested by FamilyCare for claims payment, concurrent and/or retrospective review or for audit under the Quality Improvement and Utilization Management Programs shall be provided to FamilyCare by Group or Group Practitioners. Neither FamilyCare nor Member will be charged a fee for the cost associated with providing copies of such records or documents.

10.6 Access to Medical Records Upon Termination. Group and Group Practitioners shall provide FamilyCare and Members with reasonable access to medical records of Members maintained by Group or Group Practitioner for a period of ten years after the termination of this Agreement, and at any time thereafter that such access is required in connection with a Member's medical care. FamilyCare will be entitled to obtain copies of Member's medical records if it either makes arrangements to have such copies prepared on Group or Group Practitioner's premises (in which case, Group or Group Practitioner will be entitled to reimbursement for the reasonable costs incurred in collecting the records and supervising the copying process), or agrees to reimburse Group or Group Practitioner for the reasonable cost of preparing such copies. The provisions of this paragraph will not operate to waive or limit any restriction on release or disclosure of patient records established in any other provision of this Agreement or as otherwise required by law. The provisions of this paragraph will not operate to waive or limit any right of access to medical records that Members have under any provision of state or federal law.

10.7 Survival of Provisions. This Section 10 will survive the termination of this Agreement.

11. Miscellaneous.

11.1 Amendment. This Agreement may be amended, and an Attachment to this Agreement may be amended or added, at any time upon the written agreement of the parties. FamilyCare may amend this Agreement, or amend or add an Attachment to this Agreement, by notifying Group in writing of the proposed amendment or addition. If no written objection to such amendment or addition is received by FamilyCare within 30 days of the date of the notice, such amendment or addition shall become effective without any further action required of FamilyCare or Group and Group Practitioners. If Group or Group Practitioner objects to such amendment or addition within the 30-day period, such amendment or addition will not go into effect. If state or federal law, government agency regulations or accrediting agency requirements change and affect any provisions of this Agreement or an Attachment to this Agreement, then this Agreement or the applicable Attachment will be amended to conform with such changes effective on notice to Group or Group Practitioners of the required amendments. FamilyCare will give Group and Group Practitioners written notice of such required changes.

11.2 Dispute Resolution and Arbitration. In the event of any dispute arising out of or relating to this Agreement, the parties shall first attempt in good faith mutually to resolve the dispute. If the parties are unable to resolve the dispute, then all matters in controversy shall be submitted to binding arbitration in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The parties agree to be bound by the decision of the arbitrator, which shall be a final determination of the matter in dispute. The parties further agree to divide the cost of mediation or arbitration equally, including filing, administration, and mediator's or arbitrator's fees, but to be responsible each for its own attorneys' fees and other costs incurred. In the event suit or legal action is instituted by any party seeking interpretation of the terms hereof, seeking redress for a breach of this Agreement, or seeking to enforce or to invalidate an arbitration award, each party shall be responsible for its own attorneys' fees and costs, except as provided by paragraph 5.5.

11.3 Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, the parties to it, and their respective heirs, legal representatives, successors and assigns. Group or Group Practitioner may not assign its rights, duties or obligations under this Agreement without the prior written consent of FamilyCare. Any merger, consolidation, share exchange or transaction involving a change in the ownership of more than 50 percent of any class of shares, membership units, partnership units or other such interests of Group shall constitute an assignment for purposes of this paragraph 11.3. FamilyCare may assign this Agreement to a successor by affiliation, merger, acquisition or transfer of assets or otherwise without consent of Group.

11.4 No Third Party Beneficiary. Except as expressly provided in paragraph 5.3 or a Services and Compensation Attachment, nothing in this Agreement, express or implied, shall be construed to confer upon any person, firm or corporation other than the parties hereto and their respective successors or assigns, any remedy or claim under or by reason of this Agreement or any term, covenant or condition hereof, as third party beneficiaries or otherwise, and all of the terms, covenants and conditions hereof shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns as provided herein.

11.5 Notice. All notices required by this Agreement shall be in writing addressed to the party to whom the notice is directed at the address of that party set forth below the signatures on this Agreement and shall be deemed to have been given for all purposes upon receipt when personally delivered; one day after being sent, when sent by recognized overnight courier service; two days after deposit in United States mail, postage prepaid, regular or certified mail; or on the date transmitted electronically to the email address of the other party or by facsimile. Any party may designate a different address or a different person for all future notices by notice given in accordance with this paragraph.

11.6 Entire Agreement. This Agreement is the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained in this Agreement. This Agreement shall supersede all prior communications, representations, and agreements, oral or written, of the parties.

11.7 Interpretation. The paragraph headings are for the convenience of the reader only and are not intended to act as a limitation on the scope or meaning of the paragraphs themselves. Both parties have had the opportunity to review and negotiate this Agreement and consult with such attorneys and advisors as they deemed appropriate prior to execution of this Agreement. This Agreement shall not be construed against the drafting party.

11.8 Severability. The invalidity of any term or provision of this Agreement shall not affect the validity of any other provision.

11.9 Waiver. Waiver by any party of strict performance of any provision of this Agreement shall not be a waiver of or prejudice any party's right to require strict performance of the same provision in the future or of any other provision.

11.10 Governing Law. This Agreement shall be interpreted and enforced according to the laws of the State of Oregon.

11.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which together shall constitute one agreement, even though all parties do not sign the same counterpart.

11.12 Required Medicare Contract Language. The contract provisions set forth in the attached Medicare Advantage – Specific Provisions Attachment are specifically incorporated into this Agreement by this reference. In the event there is a conflict between the language in this Agreement and the provisions in such Attachment, then the Medicare Advantage – Specific Provisions Attachment shall control.

11.13 Attachments. All Attachments referred to in this Agreement are incorporated by reference.

The parties, by signature of their authorized representatives on the signature page of this Agreement, agree to be bound by the terms and conditions of this Agreement.

[ORIGINAL SIGNATURE PAGE ON FILE AT FAMILYCARE OFFICE]

**FAMILYCARE HEALTH PLANS, INC.
MEDICARE ADVANTAGE GROUP PROVIDER AGREEMENT
SIGNATURE PAGE**

This Agreement is made and entered into by the Parties named below, as evidenced by their signatures below.

FAMILYCARE HEALTH PLANS, INC.:

By: _____
(signature)

Name/Title: _____

Dated: _____

Address: 825 NE Multnomah, Suite 300
Portland, OR 97232

GROUP:

By: _____
[signature]

Name/Title: _____

Dated: _____

Address: _____

Tax Identification Number: _____

EFFECTIVE DATE: _____



10

COPY

CAMPBELL M. GILMOUR
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

June 14, 2012

Board of County Commissioners
Clackamas County

Members of the Board:

**Approval of a Board Order to Begin the Legalization Process of
Megan Avenue as Used and Traveled in Clackamas County**

It has come to the attention of staff that a portion of the existing road surface of Megan Avenue near Molalla, County Road No. 2581 (DTD #63002), does not conform to the location of the road right of way described in county records. ORS 368.201 et seq. provides the County with a method to "legalize" a road where the traveled location of the road does not precisely match the County Road establishment records location, provided the road has been in place and in use for at least 10 years.

Megan Avenue has been in its current location for over 60 years. In order to correct the discrepancies between the road as described and mapped in the County Road establishment records and the road as-traveled, staff recommends the Board initiate the road legalization process. Legalization of this portion of the road will result in the legal right of way conforming to the road as it is now traveled and used. This will accommodate the road improvements within the existing right of way including public utilities.

Following initialization from the Board, the process for road legalization requires the road to be surveyed, the county road official to prepare a written report documenting the findings of the survey, and notice of the proceedings to be provided to all owners of abutting land. Abutting land owners will then have an opportunity to be heard regarding the process and an opportunity to request compensation if any structure is found to be encroaching into the newly described right of way.

Staff has conducted a preliminary assessment of Megan Avenue, and it is not anticipated that any compensation to adjacent landowners will be necessary as there do not appear to be any structures encroaching into the as-traveled right of way. While it is possible landowners may submit claims, it does not appear that any payment will be necessary.

The financial impact of conducting the road legalization process is expected to include the cost of conducting a survey of the road as well as staff time to compose a report and to consider any claims that are submitted. These costs, however, will likely be offset in the long-term because legalizing the road will help to prevent subsequent legal challenges involving the lawful location of the road.

At the close of the road legalization process, staff expects to request the Board to sign a final order finding it in the public interest to complete the road legalization process and ordering staff

to record and document the as-traveled location of the road and that order shall be definitive evidence of the legal location of the road and void all other possible locations.

County Counsel has reviewed and approved the attached Board Order.

RECOMMENDATION

Staff respectfully recommends that the Board adopt the attached Board Order initializing the process of road legalization.

Sincerely,



Mike Bezner, PE
Transportation Engineering Manager

For additional information on this issue or copies of attachments,
please contact Geffory Adair at 503-742-4484.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the matter of preparing a written report and surveying a portion of Megan Avenue, County Road No. 2581, DTD Road File No. 63002, Located in the NW 1/4 of Section 6, Township 6 South, Range 3 East of the Willamette Meridian, for road legalization proceedings;

Order No.

This matter coming before the Board of County Commissioners at this time and it appearing to the Board that the Director of the Department of Transportation and Development has determined that the existing records on a portion of Megan Avenue, County Road No. 2581, Department of Transportation and Development road file number 63002, as established by the plat of "GLAN-AVON" (Plat No. 596), are inaccurate or incomplete because the road as traveled and used continuously for more than 64 years does not conform to the location of the right of way described in county records, and/or the legal establishment of the road is in question; and

It further appearing to the Board that under ORS 368.201 et seq, proceedings to legalize a county road may be initiated if the existing records are inaccurate or incomplete due to alterations since the original location and survey, and/or the road as traveled and used for 10 years or more does not conform to the location of the road described in county records, and/or the legal establishment of the road is in question;

NOW THEREFORE IT IS HEREBY ORDERED that in accordance with ORS 368.201 et seq, the Director of the Department of Transportation and Development shall prepare a written report and have surveyed a portion of Megan Avenue, County Road No. 2581, Department of Transportation and Development road file number 63002 and that legalization proceeding for said road is hereby initiated.

ADOPTED this _____ day of _____, 2012

BOARD OF COUNTY COMMISSIONERS

CHAIR

Recording Secretary

1700
8.84 Ac.

100
5.10 Ac.
35959

104
1.70 Ac.
37036

101
2.10 Ac.
36968

103
0.94 Ac.
36604

102
5.30 Ac.
36137

LOT 3
63.45

CANCELLED
1000
1590
200

700
1.90 Ac.
36155

500
4.95 Ac.
36161
36163
36177
36179

600
PARV.

400
1.16 Ac.

1301
1.00 Ac.
18491

1302
1.00 Ac.
18485

1303
1.00 Ac.
18465

1304
1.00 Ac.
18433

1305
1.00 Ac.
18491

1200
1.37 Ac.
36228

1100
0.15 Ac.

1400
3.47 Ac.

52.57

596

35-17

TBR

FOREST ROAD

1800
36.18 Ac.

1600
4.09 Ac.

33.40

36400

36600

BOOK -2

6 3E 6B

SEC. 6 T6S R3E. W.M.

CLACKAMAS COUNTY

6 3E 6B

36000

CANCELLED

1590

1000

200

103 1.94 AC.
102 3.30 AC.
101 2.10 B.
100 5.10 AC.
104 1.70 AC.
3684 AC.

LOT 3 63.45
38137
5.30 AC.

LOT 3
700
190 AC.
69158

LOT 3
4.95 AC.
38138
38139
38140
38141
38142
38143
38144
38145

AVON 2
596
1301 1.00 AC.
1302 1.00 AC.
1303 1.00 AC.
1304 1.00 AC.
1305 1.00 AC.
1300 1.00 AC.
1300 1.31 AC.
1200 1.00 AC.
1100 1.00 AC.

MEGAN AVE
900 4.06 AC.
901 4.85 AC.
902 4.95 AC.
903 4.95 AC.
904 4.95 AC.
905 4.95 AC.
906 4.95 AC.
907 4.95 AC.
908 4.95 AC.
909 4.95 AC.
910 4.95 AC.

1400 3.47 AC.
1401 1.00 AC.
1402 1.00 AC.
1403 1.00 AC.
1404 1.00 AC.
1405 1.00 AC.
1406 1.00 AC.
1407 1.00 AC.
1408 1.00 AC.
1409 1.00 AC.
1410 1.00 AC.

52.57
33.40
1800 36.18 AC.
1600 4.09 AC.

35-17

T B R

FOREST ROAD
MOLLALA RIVER
HUNOS
MOLLALA RIVER

36400

SEE MAP 6 3E 6A

6 3E 6B

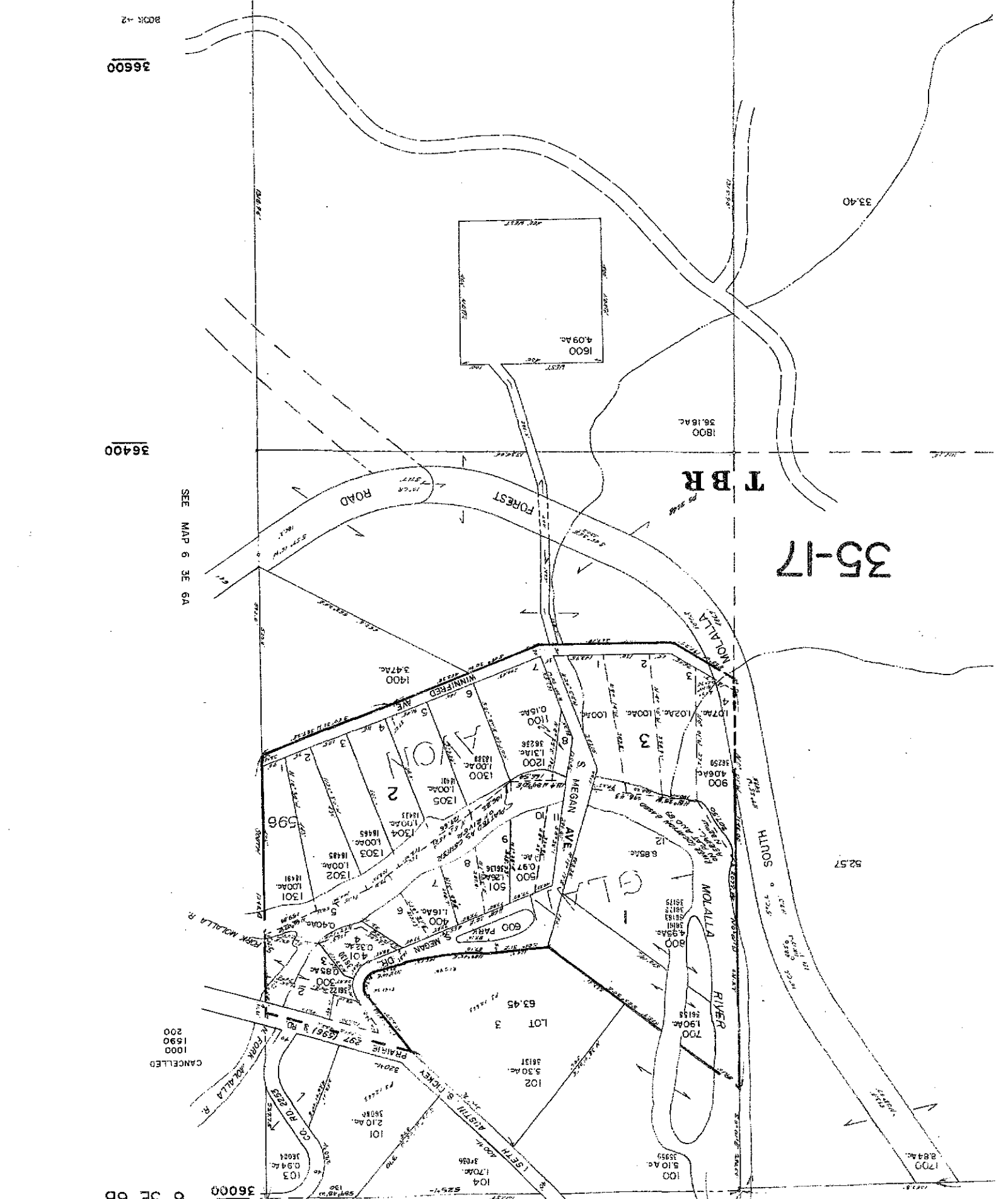
36500

BOOK - 2

18500

8300

SEE MAP 6 3E 6





11 COPY

CAMPBELL M. GILMOUR
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

June 14, 2012

Board of County Commissioners
Clackamas County

Members of the Board:

Execution of an Intergovernmental Agreement for the
Transfer of the Road Authority for Portions of Pilkington Road and McEwan Road
Outside its City Limits to the City of Lake Oswego

The City of Lake Oswego (the "City") and the County co-sponsored the application for a Safe Routes to School Grant for portions of Pilkington and McEwan Roads to improve pedestrian and bicycle safety for children traveling to River Grove Elementary School. The application was subsequently approved by the U.S. Dept. of Transportation.

It is important that construction of the improvements be completed prior to the start of the school year. In order to accommodate this demanding timetable and to best align responsibilities with the appropriate municipality, the City has requested that the County transfer jurisdiction of those portions of Pilkington Road and McEwan Road that are inside the City limits to the City. This process is governed by ORS 373.270. County staff is taking the necessary steps to bring this transfer of the jurisdiction over County roads inside the City to the Board in separate proceedings according to the statute.

However, the project would best proceed if the County were to also transfer to the City, and the City also accept from the County, the rights and duties of the road authority for those additional portions of Pilkington and McEwan Roads outside the limits of the City which will be improved by the Safe Routes to School Grant. That transfer will be accomplished by the execution of an intergovernmental agreement.

It is appropriate for municipalities such as the County and City to cooperate through intergovernmental agreements along these lines, pursuant to ORS Chapter 190. The attached intergovernmental agreement transfers the road authority for portions of Pilkington and McEwan Roads from the County to the City. The duties of a road authority include responsibilities for construction and reconstruction; improvement, repair, and maintenance; and the issuance of access permits. The intergovernmental agreement has been reviewed and approved by County Counsel.

Y909 COPY

Recommendation

Staff respectfully recommends that the Board approve the intergovernmental agreement with the City of Lake Oswego for the transfer of the power of road authority over those portions of Pilkington and McEwan Roads outside the limits of the City and necessary for the construction of the improvements set out in the Safe Routes to School Grant. Separate proceedings will be brought before the Board, in the manner prescribed by statute, for the transfer of those portions of those roads inside the limits of the City.

Respectfully submitted,



Mike Bezner, PE

Transportation Engineering Manager

For additional information or copies of attachments,
please contact Bill Garity at 503-742-4674.

INTERGOVERNMENTAL AGREEMENT BETWEEN CLACKAMAS COUNTY AND THE CITY OF LAKE OSWEGO FOR RIGHTS AND DUTIES AS "ROAD AUTHORITY," REGARDING PORTIONS OF PILKINGTON AND McEWAN ROADS THAT ARE OUTSIDE CITY LIMITS, INCLUDING MAINTENANCE, PERMITTING, AND ROAD STANDARDS.

Whereas, the City of Lake Oswego has authorized entering into this Intergovernmental Agreement pursuant to Resolution 12-06; and

Whereas, Clackamas County has authorized entering into this Intergovernmental Agreement pursuant to Order _____; and

Whereas, this Intergovernmental Agreement concerns the following portions of Pilkington and McEwan Roads (hereafter collectively referred to as "roadways"):

The Portions of Road That are Outside of City Limits (See Attached Exhibits A-1 and A-2)			
Road	County No.	DTD No	General Location
Pilkington Road	2334	21325	18625 Pilkington Road to SW Dawn St.(northside of the intersection)
McEwan Road	1453	21230	From Pilkington Road to SW 65 th Avenue (generally the north half of the right-of-way, but not exclusively)

Whereas, ORS 373.260(1)(b) authorizes an intergovernmental agreement between the City and Clackamas County for the construction, improvement or repair of, and the acquisition of right of way for county roads located outside of the City but leading directly to it, and said roadways lead directly to the City, as shown on Exhibits A-1 and A-2; and

Whereas, ORS Ch. 190 (specifically ORS 190.010) authorizes intergovernmental agreements for the performance of any or all functions and activities that Clackamas County, its officers or agencies, have authority to perform as "road authority" relating to county roads, including maintenance, review and issuance of access permits, and the development and maintenance of road standards;

NOW, THEREFORE, THE CITY OF LAKE OSWEGO ("CITY") AND CLACKAMAS COUNTY ("COUNTY") AGREE AS FOLLOWS:

1. Except as hereafter provided, upon the effective date of this Agreement, the County transfers to the City, and the City accepts and assumes all rights and duties of the County as a road authority for the portions of roadways located outside of the City limits, including but not limited to:
 - a. Construction and reconstruction
 - b. Improvement or repair, and maintenance,
 - c. Review of applications for access permits to the roadway, and the issuance of access permits,

- d. Establishing roadway standards.
- e. Acquisition of right-of-way, if necessary or convenient.
- f. Maintenance and repair of related facilities within the roadway, including storm water facilities, drainage.
- g. Review of application of street opening permits for improvements such as public and private utility installations.

2. All costs incurred in carrying out the right and duties stated in Section 1 above shall be the responsibility of the City.

3. Upon the effective date of this agreement, the roadway standards for future access to, work in, or development of the roadways shall be the City roadway standards, as generally applicable to streets of the same classification within the City.

4. County Responsibilities.

a. Maintenance Records. Within 180 days following the effective date of this Agreement, the County shall provide all existing records, at the County's expense, related to the maintenance of the Roadways to City in both a hard copy and electronic format.

b. Unacceptable Conditions. If City determines in its discretion that the striping, reflective pavement markers or signage on any of the Roadways are in an unacceptable condition, City may, within 60 days of the effective date of this Agreement, provide the County with written notice of the unacceptable conditions. Within 180 days following receipt of the written notice, the County shall, at the County's expense, perform the striping, replace reflective pavement markers and replace signs on the Roadways as listed in the notice.

c. Permit Documentation. Within 180 days of the effective date of this Agreement, the County shall supply City with all documents and other information in the County's possession relating to all past as well as pending permits for any road-related work that would impact, or that has impacted the Roadways.

d. Permitting Authority. The County shall retain responsibility for administering all permits pending on the effective date of this Agreement, or for which work authorized by issued permits has not been completed as of the effective date of this Agreement, and that impact the Roadways. The County shall complete administration of these permits and supply City with documentation that work authorized by the permits has been completed, along with all relevant inspection reports and records. Responsibility for administering individual pending permits may be transferred to the City pursuant to mutual agreement between the parties.

e. As-built Information; Maintenance and Operation Records. Within 180 days of the date of this Agreement, the County shall, at the County's expense, provide City existing as-built information for the roadways in both hard copy and electronic format, and shall provide City all existing correspondence files, plans, maps and all other information related to the daily maintenance and operation of the roadways.

f. Future Fees and Permitting. The County waives all rights to future fees and/or permitting associated with the roadways.

g. Transition of Maintenance. The County shall work with City's Public Works Operations Division personnel in providing a smooth transition for the maintenance of the roadways.

h. Matters Impacting Roadways: City's Right to Comment. The County shall inform City in writing of any land use actions, decisions or permits that are pending or that become pending on or after the date of this Agreement that may impact the roadways, and shall consider City's input prior to making any decisions or recommendations related to such actions or prior to issuing any such permits.

i. Surface Water Drainage Facilities. City and County staff have conducted an on-site review of the drainage system and agree that certain items need to be addressed prior to the transfer of the surface water system facilities within the roadways:

Prior to acceptance of any existing surface water facilities within the roadways to be transferred, the County will clean and map all existing surface water facilities (including underground injection control (UIC) systems) and provide the City with details such as, but not limited to, location, depth, inlet and outlet elevations, pipe size. This includes surface water drainage facilities on:

- Pilkington Road, from 18646 Pilkington to Dawn St.
- McEwan Road, from 5733 McEwan to its intersection with Pilkington Road.

City and County staff field-reviewed several Underground Injection Control Systems in the said transfer area, and clarified the following status:

- (1). The UIC (County No. 92) located just north of McEwan Road in the SW Kristi Way right-of-way will remain the County's responsibility.
- (2). The UIC (County No. 74) located east of Pilkington Road in the Tree Street right-of-way will remain the County's responsibility.
- (3). The UIC (County No. 49) located in the McEwan Road right-of-way along the northerly side at 5733 McEwan Road will be reviewed and analyzed by both City and County staff to determine whether or not it complies with the Oregon Department of Environmental Quality Underground Injection Control Water Pollution Control Facility (WPCF) Permit. The UIC must be registered and certified by DEQ prior to the City accepting responsibility for the facility.
- (4). The UIC (WES No. TU18D-2) located along the easterly portion of right-of-way within Pilkington Road at the intersection with McEwan Road is currently the responsibility of Water Environment Services (WES). County and City staff will meet with WES to determine the status of the UIC, and whether or not it complies with the Oregon Department of Environmental Quality Underground Injection Control Water Pollution Control Facility (WPCF) Permit. The UIC must be registered and certified by DEQ prior to the City accepting responsibility for the facility.

k. Traffic Control Signs on County Road Approaches

The County will continue to be responsible for traffic control sign installation, maintenance, and replacement on all county roads that are positioned to control traffic that approach Pilkington and McEwan Roads, regardless whether the sign(s) are in the Pilkington or McEwan Roads rights-of way. In particular, the Stop Sign, post, and street name signs for those approaches will remain the responsibility of the County, until such time in the future the streets are annexed or transferred as agreed by both agencies.

5. City Responsibilities.

a. Future Fees and Permitting Authority. City shall collect fees and issue and administer permits, as deemed appropriate by City, for work performed on the Roadways. Fees shall be retained by City.

b. Future Matters Impacting Roads; Good Faith and Timely Comments. City shall work in good faith to provide pertinent, timely feedback to the County with respect to matters noted in paragraph 4.h of this Agreement.

6. General Provisions.

a. Obey All Laws; Non-Discrimination. The County and Lake Oswego agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulation; and rules and regulations on non-discrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition or handicap.

b. Public Contracting Requirements. To the extent applicable, the provisions of ORS 279.312, 279.313, 279.314, 279.316, 279.320 and 279.334 are incorporated by this reference as though fully set forth.

c. Insurance. Each party agrees to maintain insurance levels, or self-insurance in accordance with ORS 30.282, for the duration of this Agreement at levels necessary to protect against public body liability as specified in ORS 30.270.

d. Debt Limitation. This Agreement is expressly subject to the debt limitation of Oregon Counties set forth in Article XI, Section 10 of the Oregon Constitution, and is contingent upon funds being appropriated therefore.

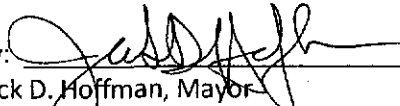
e. Mutual Indemnification. The County and City, subject to the limitations and provisions of the Oregon Constitution and the Oregon Tort Claims Act, shall each indemnify, defend and hold harmless the other party, its officers, agents and employees, from all liability, loss or expenses, including attorney's fees, and against all claims or actions based upon or arising out of damage or injury (including death) to persons or property caused by or sustained by the indemnifying party's intentional or negligent act or omission, related to the terms, covenants and obligations of this Agreement. This contractual indemnity provision does not abrogate common law or statutory liability and indemnification, but is in addition to such common law or statutory provisions.

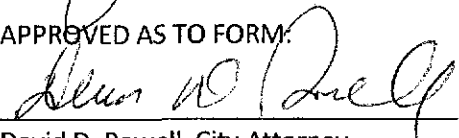
f. Severability. Any provisions herein which would conflict with law are deemed inoperative to that extent.

g. Amendment. This Agreement may be amended in writing by mutual consent of the parties.

h. Effective Date. This Agreement shall be effective as of the date of the last signature below.

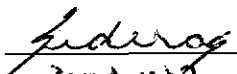
City of Lake Oswego

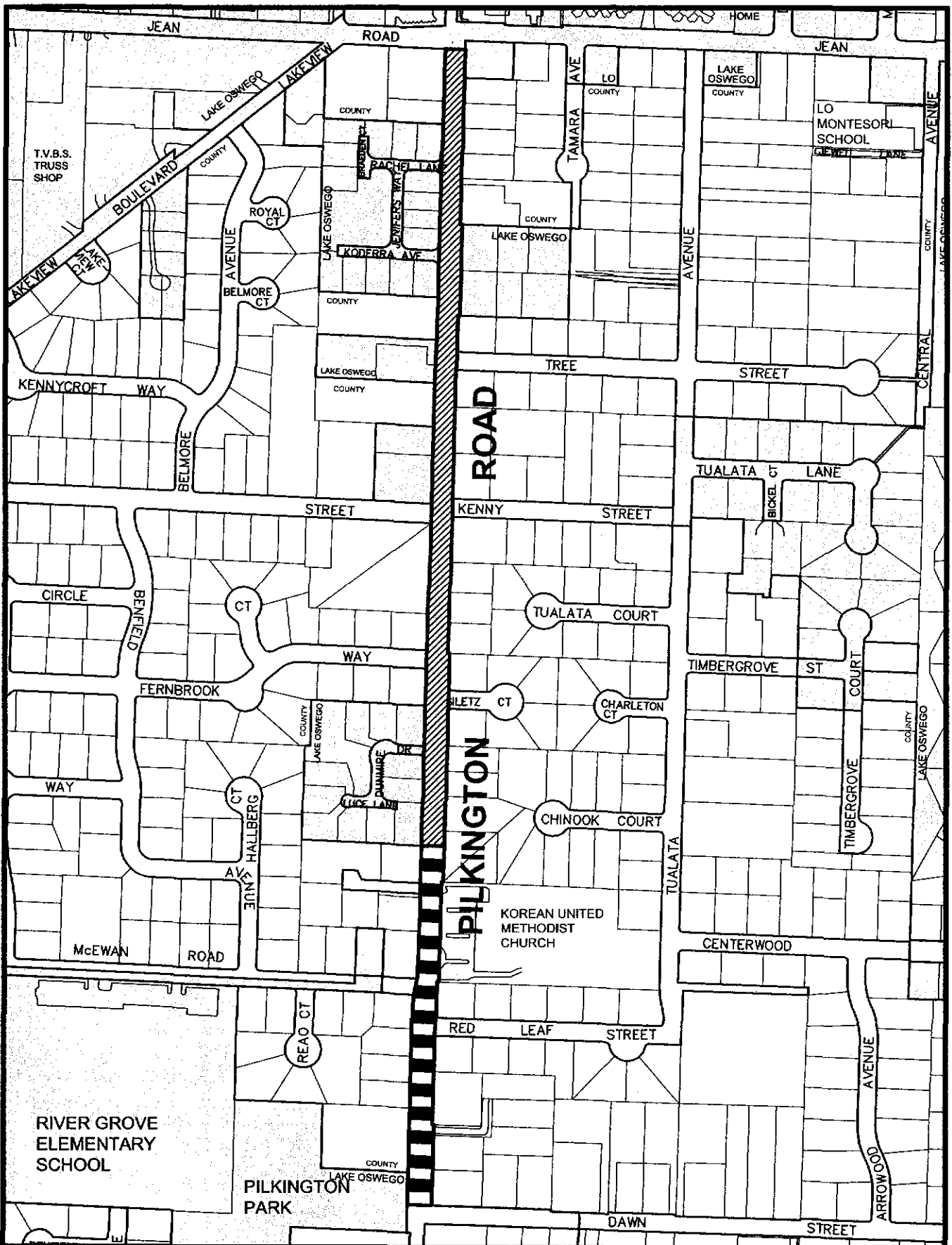
By: 
Jack D. Hoffman, Mayor

APPROVED AS TO FORM:

David D. Powell, City Attorney



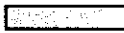
Clackamas County

By: _____
Chair, County Board of Commissioners

APPROVED AS TO FORM:

2-6-12
Ass't County Counsel



LEGEND

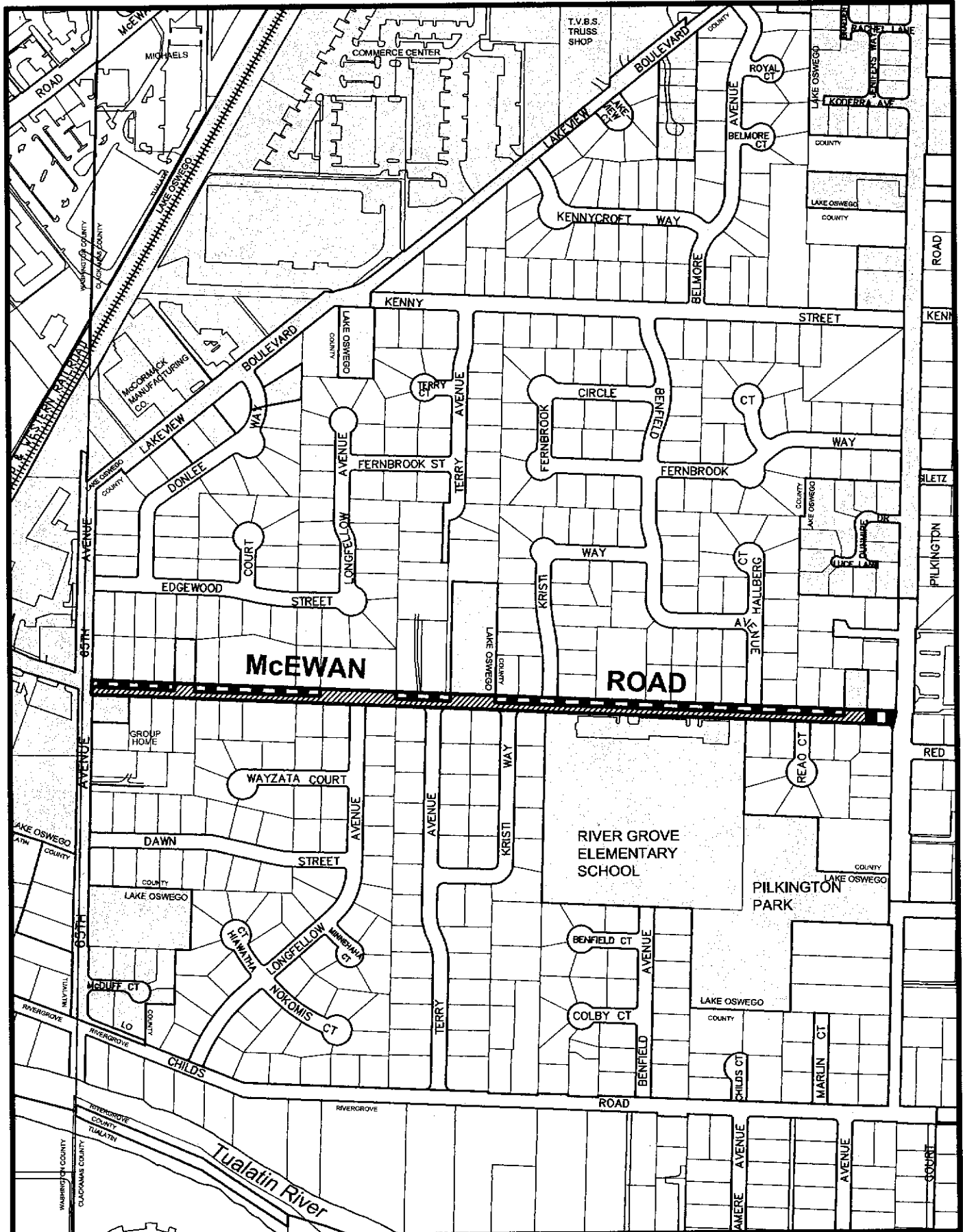
-  ROAD TO BE TRANSFERRED BY RESOLUTION
-  ROAD TO BE TRANSFERRED BY IGA
-  INSIDE CITY OF LAKE OSWEGO BOUNDARY






PUBLIC WORKS DEPARTMENT

EXHIBIT "A-1"
PILKINGTON ROAD
 JURISDICTIONAL TRANSFER FROM
 CLACKAMAS COUNTY

DRAWN BY: RS	DESIGN BY: EM	DATE: 3/20/2012	PAGE: 1 OF 1
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LEGEND

-  ROAD TO BE TRANSFERRED BY RESOLUTION
-  ROAD TO BE TRANSFERRED BY IGA
-  INSIDE CITY OF LAKE OSWEGO BOUNDARY



PUBLIC WORKS DEPARTMENT

EXHIBIT "A-2"
McEWAN ROAD
 JURISDICTIONAL TRANSFER FROM
 CLACKAMAS COUNTY

DRAWN BY: RS	DESIGN BY: EM	DATE: 3/20/2012	PAGE: 1 OF 1
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RESOLUTION 12-06

A RESOLUTION OF THE LAKE OSWEGO CITY COUNCIL REQUESTING CLACKAMAS COUNTY TRANSFER JURISDICTION OF PORTIONS OF PILKINGTON ROAD AND McEWAN ROAD INSIDE THE CITY LIMITS AND TRANSFER BY INTERGOVERNMENTAL AGREEMENT THE RIGHTS AND DUTIES OF "ROAD AUTHORITY" FOR PORTIONS OF PILKINGTON ROAD AND McEWAN ROAD OUTSIDE OF THE CITY LIMITS, INCLUDING MAINTENANCE AND PERMITTING AUTHORITY.

WHEREAS, the City of Lake Oswego and Clackamas County co-sponsored the application for a Safe Routes to School Grant for Pilkington and McEwan Roads to improve pedestrian and bicycle safety for children attending River Grove Elementary School; and

WHEREAS, the grant was approved by the U.S. Dept. of Transportation in February 2010; and

WHEREAS, engineering plans and specifications have been prepared in accordance with the federal and state guidelines for Safe Routes to School Projects, with construction anticipated to be completed prior to school starting in September 2012; and

WHEREAS, in May 2005, the City of Lake Oswego and Clackamas County entered into an Intergovernmental Agreement For the Maintenance and Transfer of Jurisdiction of Certain Roads (Resolution 05-28); and

WHEREAS, the aforementioned agreement provided that:

- a. County would thereafter within 60 days enter an Order transferring jurisdiction of portions of Pilkington Road that was then within the City limits, and the County did so thereafter; and
- b. the maintenance responsibility for other portions of Pilkington and McEwan Roads that were then outside the City limits were transferred to the City, and

WHEREAS, the portion of Pilkington Road from its intersection of Jean Road to the northerly boundary abutting 18625 Pilkington Road (See attached Exhibit A-1) and portions of McEwan Road from intersection of Pilkington Road to SW 65th Avenue (See Exhibit A-2) are inside the city limits and the portion of Pilkington Road from the northerly boundary abutting 18625 Pilkington Road to Dawn Street (See attached Exhibit A-1) and portions of McEwan Road from intersection of Pilkington Road to SW 65th Avenue (See Exhibit A-2) are outside of the city limits, and

WHEREAS:

1. Portions of County Roads within City limits: ORS 373.270 authorizes the City to request that Clackamas County transfer jurisdiction of county roads such as Pilkington and McEwan Roads that are within the City limits, and provides that upon the County's Board of Commissioners' adoption of an order meeting the City's resolution, the jurisdiction of Clackamas County over the portions of Pilkington and McEwan Roads as a county road that are inside the City limits shall cease, and the full and absolute jurisdiction over the portions of Pilkington and

McEwan Roads within the City limits shall for all purposes of repair, construction, improvement and the levying and collection of assessments therefore shall vest in the City, except for any transfer reservations stated in the resolution; and

2. Portions of County Roads outside City limits:

a. ORS 373.260(1)(b) authorizes an intergovernmental agreement between the City and Clackamas County for the construction, improvement or repair of, and the acquisition of right of way for county roads located outside of the City but leading directly to it. Pilkington and McEwan Roads lead directly to the City, as shown on Exhibits A-1 and A-2. ORS 373.260(1)(b) requires that the City and Clackamas County to agree upon the proportion that each shall contribute toward such acquisition, construction, improvement or repair and upon the method and kind of acquisition, construction, improvement or repair to be made.

b. ORS Ch. 190 (specifically ORS 190.010) authorizes an intergovernmental agreement between the City and Clackamas County for the performance of any or all functions and activities that Clackamas County, its officers or agencies, have authority to perform. The functions and activities relating to county roads include maintenance, review and issuance of access permits, and the development and maintenance of road standards; and

WHEREAS, fragmented jurisdiction, maintenance, permitting, and road standards over the portions of Pilkington and McEwan Roads results in confusion on the part of the public;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lake Oswego that:

Section 1. County Roads Inside City Limits. The City of Lake Oswego requests that Clackamas County transfer all jurisdiction over the portions of the following roadways that are within the City limits, pursuant to ORS 373.270:

- a. Pilkington Road from its intersection of Tree Street to the northerly boundary abutting 18625 Pilkington Road (See attached Exhibit A-1); and
- b. Portions of McEwan Road from its intersection of Pilkington Road to SW 65th Avenue (See attached Exhibit A-2).

Section 2. County Roads Outside City Limits. The Mayor is hereby authorized to sign an Intergovernmental Agreement with Clackamas County in the form attached as Exhibit B, for the transfer of the rights and duties as "road authority" for the portions of the below described county roads that are outside the City limits:

- a. Pilkington Road, from the northerly boundary abutting 18625 Pilkington Road to Dawn Street (See attached Exhibit A-1), and
- b. Portions of McEwan Road from intersection of Pilkington Road to SW 65th Avenue (See Exhibit A-2),

as authorized under Oregon law, including but not limited to the construction, improvement or repair of, acquisition of right of way (if necessary), maintenance, review and issuance of access permits, and the development and maintenance of road standards.

Section 3. Effective Date. This Resolution shall take effect upon passage.

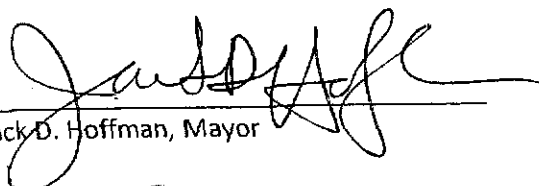
Considered and enacted at the regular meeting of the City Council of the City of Lake Oswego on the 3rd day of April, 2012.

AYES: Mayor Hoffman, Gudman, Jordan, Kehoe, Tierney

NOES: None

EXCUSED: Moncrieff, Olson

ABSTAIN: None



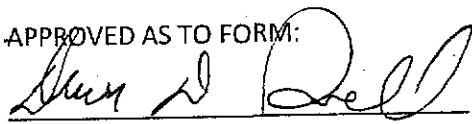
Jack D. Hoffman, Mayor

ATTEST:



Catherine Schneider, City Recorder

APPROVED AS TO FORM:



David D. Powell, City Attorney



DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

June 14, 2012

Board of County Commissioners
Clackamas County

Members of the Board:

**Resolution for Clackamas County for a Supplemental Budget
(Less Than Ten Percent) for Fiscal Year 2011-2012**

Each fiscal year it is necessary to allocate additional sources of revenue and appropriate additional expenditures to more accurately meet the changing requirements of the operating departments. The attached Board Order reflects such changes requested by departments in keeping with a legally accurate budget. These changes are in compliance with O.R.S. 294.480 (3) which allows for governing body approval of supplemental budget changes of less than ten percent of qualifying expenditures in the fund(s) being adjusted. The required notice has been published.

The **County Fair Fund** is recognizing fund balance and appropriating it in capital outlay for additional restroom facilities construction.

The **Business and Economic Development Fund** is recognizing fund balance and appropriating it in materials and services for higher than anticipated professional services contracts.

The **County Parks Fund** is recognizing fund balance and appropriating it in materials and services for increased parks patrol and work crew costs.

The **Sheriff Fund** is recognizing undercover drug operation revenue and budgeting it in materials and services to return a portion of the proceeds to partner agencies.

The **District Attorney Fund** is recognizing discovery revenue and budgeting it in materials and services for higher than anticipated law clerk and consulting fee expenses.

The **Children, Youth and Families Fund** is recognizing an interfund transfer from the **Community Health Fund** and appropriating it in personnel services to help pay for increased hours for the Hispanic Services Coordinator position.

The **Community Health Fund** is recognizing additional grant revenue for several programs and appropriating the funds in personnel services, materials and services and contingency for program costs.

The **Cable Administration Fund** is recognizing fund balance appropriating it in materials and services and capital outlay for program costs and equipment.

The **Telecommunication Services Fund** is recognizing additional project revenue and budgeting it in personnel services and materials and services for higher overtime, fringe benefits and project equipment cost.

The effect of this Resolution Order is an increase in appropriations of \$4,949,309 including new revenues as detailed below:

Prior Year Revenue	\$ 14,716.
Fund Balance	341,643.
Federal Operating Grants	131.
State Operating Grants	3,023,922.
Local Government and Other Agencies	478,375.
Charge for Services	441,575.
Miscellaneous Revenue	633,947.
Interfund Transfer	<u>15,000.</u>
Total Recommended	<u>\$ 4,949,309.</u>

RECOMMENDATION:

Staff respectfully recommends adoption of the attached supplemental budget and Exhibit A in keeping with a legally accurate budget.

Sincerely,



Diane D. Padilla
Budget Manager

For information on this issue or copies of attachments
please contact Diane Padilla at (503) 742-5425

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A RESOLUTION OF THE CLACKAMAS
COUNTY BOARD OF COMMISSIONERS
REGARDING ADOPTION OF A
SUPPLEMENTAL BUDGET FOR ITEMS
LESS THAN 10 PERCENT
OF THE TOTAL QUALIFYING
EXPENDITURES AND MAKING
APPROPRIATIONS FOR FISCAL
YEAR 2011-12



Resolution No. _____

WHEREAS, during the fiscal year changes in appropriated expenditures may become necessary and appropriations may need to be increased, decreased or transferred from one appropriation category to another;

WHEREAS, a supplemental budget for the period of July 1, 2011 through June 30, 2012, inclusive, has been prepared, published and submitted to the taxpayers as provided by statute;

WHEREAS; the funds being adjusted are:

- . County Fair Fund
- . Business and Economic Development Fund
- . County Parks Fund
- . Sheriff Fund
- . District Attorney Fund
- . Children, Youth and Families Fund
- . Community Health Fund
- . Cable Administration Fund
- . Telecommunication Services Fund;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

Pursuant to its authority under OR 294.480, the supplemental budget be adopted and appropriations established as shown in the attached Exhibit A which by this reference is made a part of this Resolution.

ADOPTED this 14th day of June, 2012

By the BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

SUMMARY OF SUPPLEMENTAL BUDGET
Exhibit A
CHANGES OF LESS THAN 10% OF BUDGET
June 14, 2012

Recommended items by revenue source:

Prior Year Revenue	\$ 14,716.
Fund Balance	341,643.
Federal Operating Grants	131.
State Operating Grants	3,023,922.
Local Government & Other Agency	478,375.
Charges for Services	441,575.
Miscellaneous Revenue	633,947.
Interfund Transfer	<u>15,000.</u>
 Total Recommended	 <u>\$ 4,949,309.</u>

COUNTY FAIR FUND

Revenue:	
Fund Balance	\$ 75,000.
Total Revenues	<u>\$ 75,000.</u>
Expense:	
Capital Outlay	\$ 75,000.
Total Expenses	<u>\$ 75,000.</u>

County Fair Fund is recognizing fund balance and appropriating it in capital outlay for additional restroom facilities construction.

BUSINESS AND ECONOMIC DEVELOPMENT FUND

Revenue:	
Fund Balance	\$ 60,000.
Total Revenues	<u>\$ 60,000.</u>
Expense:	
Materials & Services	\$ 60,000.
Total Expenses	<u>\$ 60,000.</u>

Business and Economic Development Fund is recognizing fund balance and appropriating it in materials and services for higher than anticipated professional services contracts.

COUNTY PARKS FUND

Revenue:	
Fund Balance	\$ 69,000.
Total Revenues	<u>\$ 69,000.</u>
Expense:	
Materials & Services	\$ 69,000.
Total Expenses	<u>\$ 69,000.</u>

County Parks Fund is recognizing fund balance and appropriating it in materials and services for increased parks patrol and work crew costs.

SHERIFF FUND

Revenue:	
Miscellaneous Revenue	\$ 107,079.
Total Revenues	<u>\$ 107,079.</u>
Expense:	
Materials & Services	\$ 107,079.
Total Expenses	<u>\$ 107,079.</u>

Sheriff Fund is recognizing undercover drug operation revenue and budgeting it in materials and services to return a portion of the proceeds to partner agencies.

DISTRICT ATTORNEY FUND

Revenue:	
Miscellaneous Revenue	\$ 40,000.
Total Revenues	<u>\$ 40,000.</u>
Expense:	
Materials and Services	\$ 40,000.
Total Expenses	<u>\$ 40,000.</u>

District Attorney Fund is recognizing discovery revenue and budgeting it in materials and services for higher than anticipated law clerk and consulting fee expenses.

CHILDREN, YOUTH AND FAMILIES FUND

Revenue:	
Interfund Transfer	\$ 15,000.
Total Revenues	<u>\$ 15,000.</u>
Expense:	
Personnel Services	\$ 15,000.
Total Expenses	<u>\$ 15,000.</u>

Children, Youth and Families Fund is recognizing an interfund transfer from the Community Health Fund and appropriating it in personnel services to help pay for increased hours for the Hispanic Services Coordinator position.

COMMUNITY HEALTH FUND

Revenue:	
Prior Year Revenue	\$ 14,716.
Fund Balance	26,856.
Federal Operating Grants	131.
State Operating Grants	3,023,922.
Local Government & Other Agencies	478,375.
Charge for Services	298,575.
Miscellaneous Revenue	486,868.
Total Revenues	<u>\$4,329,443.</u>
Expense:	
Personnel Services	\$ 286,000.
Materials & Services	3,377,231.
Contingency	666,212.
Total Expenses	<u>\$4,329,443.</u>

Community Health Fund is recognizing additional grant revenue for several programs and appropriating the funds in personnel services, materials and services and contingency for program costs.

CABLE ADMINISTRATION FUND

Revenue:	
Fund Balance	\$ 110,787.
Total Revenues	<u>\$ 110,787.</u>
Expense:	
Materials & Services	\$ 110,142.
Capital Outlay	645.
Total Expenses	<u>\$ 110,787.</u>

Cable Administration Fund is recognizing fund balance appropriating it in materials and services and capital outlay for program costs and equipment

TELECOMMUNICATIONS SERVICES FUND

Revenue:	
Charge for Services	\$ 143,000.
Total Revenues	<u>\$ 143,000.</u>
Expense:	
Personnel Services	\$ 58,000.
Materials and Services	85,000.
Total Expenses	<u>\$ 143,000.</u>

Telecommunication Services Fund is recognizing additional project revenue and budgeting it in personnel services and materials and services for higher overtime, fringe benefits and project equipment cost.



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

June 14, 2012

Board of County Commissioners
Clackamas County

Members of the Board:

**Resolution for Clackamas County for Budgeting of
New Specific Purpose Revenue for Fiscal Year 2011-2012**

Each fiscal year it is necessary to appropriate additional expenditures and allocate additional sources of revenue to more accurately meet the changing requirements of the operating departments of the County.

The attached resolution reflects those changes that departments have requested which, pursuant to ORS 294.326, qualify as grants in trust for specific purposes in keeping with a legally accurate budget.

The **County School Fund** is recognizing receipt of higher than anticipated revenue from US Forest Service and increasing the materials and services appropriation to pass the additional funds through to county schools.

The **County Library Fund** is recognizing an interagency transfer from the Library District and appropriating it in capital outlay for the Sunnyside Village Library construction project.

The **Sheriff Fund** is recognizing grant revenue from Community Oriented Policing Services and Urban Area Security Initiative and budgeting to purchase drug surveillance and other authorized equipment.

The **Code Enforcement and Sustainability Fund** is recognizing American Recovery and Reinvestment Act grant funding and appropriating it in materials and services and capital outlay for program expenses.

The **Clackamas Mental Health Organization Fund** is recognizing recently awarded revenue from the State of Oregon and appropriating it in materials and services for program expenses.

The **Social Services Fund** is recognizing grant funding from Oregon Housing and Community Services, United Way and Senior Medicare Patrol and budgeting for client expenses and related costs associated with these grants.

The **Community Solutions for Clackamas County Fund** is recognizing funding from Northwest Natural Gas and the Department of Energy American Recovery and Reinvestment Act and budgeting for program expenses. This fund is also transferring from personnel services to materials and services for program administration costs.

The **Community Health Fund** is recognizing grant related adjustments in a variety of programs and budgeting for program expenses.

The **Juvenile Fund** is recognizing grant revenue from the Office of Sustainability, Workforce Investment Act, Bureau of Land Management and Project Fresh Start and budgeting it in personnel services and materials and services for program costs associated with these grants.

The **Central Dispatch Fund** is recognizing new Homeland Security grant money and budgeting it in materials and services and capital outlay to purchase communication equipment.

The effect of this Board Order is an increase in appropriations of \$6,495,992 including new revenues as detailed below:

Prior Year Revenue	\$ 175,788.
Fund Balance	880,451.
Federal Operating Grants	2,153,075.
State Operating Grants	2,460,311.
Local Government & other Agencies	390,951.
Charge for Services	95,985.
Miscellaneous Revenue	160,431.
Interfund Transfers	<u>179,000.</u>
Total Recommended	<u>\$ 6,495,992.</u>

RECOMMENDATION:

Staff respectfully recommends that the Board adopt the attached resolution order and Exhibit A to maintain an accurate budget.

Sincerely,



Diane D. Padilla
Budget Manager

For information on this issue or copies of attachments
please contact Diane Padilla at (503) 742-5425

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A RESOLUTION OF THE CLACKAMAS
COUNTY BOARD OF COMMISSIONERS
PROVIDING AUTHORIZATION TO
APPOPRIATE GRANTS FOR SPECIFIC
PURPOSES WITHIN THE FISCAL
YEAR 2011-12



Resolution No. _____

WHEREAS, during the fiscal year changes in appropriated expenditures may become necessary and appropriations may need to be increased, decreased or transferred from one appropriation category to another;

WHEREAS, appropriation of grants entrusted for specific purposes within Clackamas County budget for the period of July 1, 2011 through June 30, 2012, inclusive is necessary to authorize the expenditure of funds, for the needs of Clackamas County residents;

WHEREAS; the funds being adjusted are:

- . County School Fund
- . County Library Fund
- . Sheriff Fund
- . Code Enforcement and Sustainability Fund
- . Clackamas Mental Health Organization Fund
- . Social Services Fund
- . Community Solutions for Clackamas County Fund
- . Community Health Fund
- . Juvenile Fund
- . Central Dispatch Fund;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

Pursuant to its authority under OR 294.326, appropriation of specific purpose grants is authorized as shown in the attached Exhibit A which by this reference is made a part of this Resolution.

ADOPTED this 14th day of June, 2012

By the BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

NEW SPECIFIC PURPOSE REVENUE REQUESTS

Exhibit A

Prior Year Revenue	\$ 175,788.
Fund Balance	880,451.
Federal Operating Grants	2,153,075.
State Operating Grants	2,460,311.
Local Government & Other Agencies	390,951.
Charge for Services	95,985.
Miscellaneous Revenue	160,431.
Interfund Transfers	<u>179,000.</u>
Total Recommended	<u>\$ 6,495,992.</u>

COUNTY SCHOOL FUND

Revenue:	
Federal Operating Grants	\$ 250,000.
Total	<u>\$ 250,000.</u>
Expense:	
Materials and Services	\$ 250,000.
Total	<u>\$ 250,000.</u>

County School Fund is recognizing receipt of higher than anticipated revenue from US Forest Service and increasing the materials and services appropriation to pass the additional funds through to county schools.

COUNTY LIBRARY FUND

Revenue:	
Interfund Transfer	\$ 179,000.
Total	<u>\$ 179,000.</u>
Expense:	
Capital Outlay	\$ 179,000.
Total	<u>\$ 179,000.</u>

County Library Fund is recognizing an interagency transfer from the Library District and appropriating it in capital outlay for the Sunnyside Village Library construction project.

SHERIFF FUND

Revenue:	
Federal Operating Grants	\$ 100,000.
Total	<u>\$ 100,000.</u>
Expense:	
Materials and Services	\$ 7,500.
Capital Outlay	<u>92,500.</u>
Total	<u>\$ 100,000.</u>

Sheriff Fund is recognizing grant revenue from Community Oriented Policing Services and Urban Area Security Initiative and budgeting to purchase drug surveillance and other authorized equipment.

CODE ENFORCEMENT AND SUSTAINABILITY FUND

Revenue:	
Federal Operating Grants	\$ 400,000.
Total	<u>\$ 400,000.</u>
Expense:	
Materials and Services	\$ 175,000.
Capital Outlay	<u>225,000.</u>
Total	<u>\$ 400,000.</u>

Code Enforcement and Sustainability Fund is recognizing American Recovery and Reinvestment Act grant funding and appropriating it in materials and services and capital outlay for program expenses.

CLACKAMAS MENTAL HEALTH ORGANIZATION FUND

Revenue:	
State Operating Grants	\$ 423,029.
Total	<u>\$ 423,029.</u>
Expense:	
Materials and Services	\$ 423,029.
Total	<u>\$ 423,029.</u>

Clackamas Mental Health Organization Fund is recognizing recently awarded revenue from the State of Oregon and appropriating it in materials and services for program expenses.

SOCIAL SERVICES FUND

Revenue:	
Federal Operating Grants	\$ 700,333.
State Operating Grants	459,364.
Local Government & Other Agencies	<u>18,636.</u>
Total	<u>\$ 1,178,333.</u>
Expense:	
Personnel Services	\$ 126,926.
Materials and Services	<u>1,051,407.</u>
Total	<u>\$ 1,178,333.</u>

Social Services Fund is recognizing grant funding from Oregon Housing and Community Services, United Way and Senior Medicare Patrol and budgeting for client expenses and related costs associated with these grants.

COMMUNITY SOLUTIONS FOR CLACKAMAS COUNTY FUND

Revenue:	
Federal Operating Grants	\$ 300,000.
Local Government & Other Agencies	<u>120,000.</u>
Total	<u>\$ 420,000.</u>
Expense:	
Personnel Services	\$ (50,000.)
Materials and Services	<u>470,000.</u>
Total	<u>\$ 420,000.</u>

Community Solutions For Clackamas County Fund is recognizing funding from Northwest Natural Gas and the Department of Energy American Recovery and Reinvestment Act and budgeting for program expenses. This fund is also transferring from personnel services to materials and services for program administration costs.

COMMUNITY HEALTH FUND

Revenue:	
Prior Year Revenue	\$ 175,788.
Fund Balance	880,451.
Federal Operating Grants	264,742.
State Operating Grants	1,577,918.
Local Government & Other Agencies	252,315.
Charge for Services	86,785.
Miscellaneous Revenue	<u>160,431.</u>
Total	<u>\$ 3,398,430.</u>
Expense:	
Personnel Services	\$ 196,665.
Materials and Services	2,869,312.
Capital Outlay	<u>332,453.</u>
Total	<u>\$ 3,398,430.</u>

Community Health Fund is recognizing grant related adjustments in a variety of programs and budgeting for program expenses.

JUVENILE FUND

Revenue:		
Federal Operating Grants	\$	18,000.
Charge for Services		<u>9,200.</u>
Total	\$	<u>27,200.</u>
Expense:		
Personnel Services	\$	3,000.
Materials and Services		<u>24,200.</u>
Total	\$	<u>27,200.</u>

Juvenile Fund is recognizing grant revenue from the Office of Sustainability, Workforce Investment Act, Bureau of Land Management and Project Fresh Start and budgeting it in personnel services and materials and services for program costs associated with these grants.

CENTRAL DISPATCH FUND

Revenue:		
Federal Operating Grants	\$	<u>120,000.</u>
Total	\$	<u>120,000.</u>
Expense:		
Materials and Services	\$	100,000.
Capital Outlay		<u>20,000.</u>
Total	\$	<u>120,000.</u>

Central Dispatch Fund is recognizing new Homeland Security grant money and budgeting it in materials and services and capital outlay to purchase communication equipment.



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

June 14, 2012

Board of County Commissioners
Clackamas County

Members of the Board:

**Resolution for Clackamas County for
Transfer of Appropriations for Fiscal Year 2011-2012**

Periodically during the fiscal year it is necessary to transfer appropriations between the major spending categories (personnel services, materials and services, debt service, interfund transfer, capital outlay and other requirements) to more accurately reflect the changing requirements of the operating departments.

Transfers are a method of moving budgeted appropriations during the fiscal year as required by state budget law per ORS 294.450. There is no financial impact incurred as a result of transfers as appropriations for these amounts have been accomplished through the initial budget process.

The attached resolution order accomplishes the above mentioned changes as requested by the following operating departments in keeping with a legally accurate budget.

The **General Fund - Non Departmental** is transferring from contingency to both the Road and Sheriff Funds for the interfund transfer distribution from the Justice Court Fund.

The **Building Codes Fund** is transferring from contingency to personnel services and materials and services for additional temporary workers, internal county services and equipment repairs and maintenance expenses.

The **Business and Economic Development Fund** is transferring from materials and services to personnel services for higher than anticipated costs due to personnel changes within the administrative unit.

The **Road Fund** is recognizing interfund transfer revenue from the Justice Court Fund through the General Fund and budgeting for Safe Community program expenses.

The **Sheriff Fund** recognizing interfund transfer revenue from the Justice Court Fund through the General Fund and budgeting for traffic safety equipment.

The **Code Enforcement and Sustainability Fund** is transferring between personnel services, materials and services, capital outlay and contingency to provide for an interfund transfer to the Dog Services Fund, early completion of building improvements associated with an American Recovery and Reinvestment Act grant and a small allowance for additional payroll cost should it be needed before year end.

The **Countywide Transportation SDC Fund** is transferring from contingency to materials and services for higher than anticipated software maintenance expense.

The **Clackamas County Mental Health Organization Fund** is transferring from materials and services to make an interfund transfer to the **Community Health Fund**.

The **Dog Services Fund** is recognizing interfund transfer revenue from Code Enforcement and Sustainability Fund to compensate for lower than expected fund balance. This fund is also transferring from personnel services to materials and services to better reflect expenditures during the year.

The **Community Health Fund** is realigning revenues and transferring from personnel services and materials and services to contingency and capital outlay. This fund is also making an interfund transfer to the **Children, Youth and Families Fund** to help support a position.

The **Capital Projects Reserve Fund** is transferring from capital outlay to materials and services to more closely align with actual expenditures on projects.

The **Clackamas Broadband Innovation Initiative Fund** is transferring from materials and services to personnel services and capital outlay to better align the budget with grant guidelines.

The **Facilities Management Fund** is transferring from contingency to materials and services and capital outlay for vehicle and building repair and maintenance expenses.

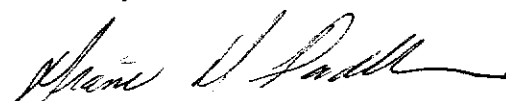
The **Technology Services Fund** is transferring from capital outlay and materials and services to personnel services for higher than anticipated overtime and fringe benefit costs.

The **Sheriff's Retiree Medical Fund** is transferring from contingency to materials and services for higher than expected medical insurance premiums due to a higher number of retirements in the Sheriff's Office.

RECOMMENDATION:

Staff respectfully recommends that the Board adopt the attached board order and Exhibit A to maintain an accurate budget.

Sincerely,



Diane D. Padilla
Budget Manager

For information on this issue or copies of attachments
please contact Diane Padilla at (503) 742-5425

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A RESOLUTION OF THE CLACKAMAS
COUNTY BOARD OF COMMISSIONERS
PROVIDING AUTHORIZATION TO
TRANSFER APPROPRIATIONS WITHIN
THE FISCAL YEAR 2011-12



Resolution No. _____
(page 1 of 2)

WHEREAS, during the fiscal year changes in appropriated expenditures may become necessary and appropriations may need to be increased, decreased or transferred from appropriation category to another;

WHEREAS, transfer of appropriations for the period of July 1, 2011 through June 30, 2012, inclusive is necessary to continue to prudently manage the distribution of those expenditures for the needs of Clackamas County residents;

WHEREAS; the funds being adjusted are:

- . General Fund - Non Departmental
 - Road Fund
 - Sheriff Fund
- . Building Codes Fund
- . Business and Economic Development Fund
- . Road Fund
- . Sheriff Fund
- . Code Enforcement and Sustainability Fund
- . Countywide Transportation SDC Fund
- . Clackamas Mental Health Organization Fund
- . Dog Services Fund
- . Community Health Fund
- . Capital Projects Reserve Fund
- . Clackamas Broadband Innovation Initiative Fund
- . Facilities Management Fund
- . Technology Services Fund
- . Sheriff's Retiree Medical Fund,

WHEREAS, transfer of appropriations for the period of July 1, 2011 through June 30, 2012, inclusive is necessary to continue to prudently manage the distribution of those expenditures for the needs of Clackamas County residents;

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A RESOLUTION OF THE CLACKAMAS
COUNTY BOARD OF COMMISSIONERS
PROVIDING AUTHORIZATION TO
TRANSFER APPROPRIATIONS WITHIN
THE FISCAL YEAR 2011-12



Resolution No. _____
(page 2 of 2)

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

Pursuant to its authority under OR 294.450, transfer of appropriation within the fiscal year budget is authorized as shown in the attached Exhibit A which by this reference is made a part of this Resolution.

ADOPTED this 14th day of June, 2012

By the BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

TRANSFER REQUESTS

Exhibit A

GENERAL FUND- NON DEPARTMENTAL

Increase:		
Expenses		
Interfund Transfer		\$ 205,663.
Total		<u>\$ 205,663.</u>

Decrease:		
Expenses		
Contingency		\$ 205,663.
Total		<u>\$ 205,663.</u>

Transferring from contingency to both the Road and Sheriff Funds for the interfund transfer distribution from the Justice Court Fund.

BUILDING CODES FUND

Decrease:		
Contingency		\$ 55,000.
Total		<u>\$ 55,000.</u>

Increase:		
Personnel Services		\$ 25,000.
Materials & Services		30,000.
Total		<u>\$ 55,000.</u>

Transferring from contingency to personnel services and materials and services for additional temporary workers, internal county services and equipment repairs and maintenance expenses.

BUSINESS & ECONOMIC DEVELOPMENT FUND

Decrease:		
Materials and Services		\$ 30,000.
Total		<u>\$ 30,000.</u>

Increase:		
Personnel Services		\$ 30,000.
Total		<u>\$ 30,000.</u>

Transferring from materials and services to personnel services for higher than anticipated costs due to personnel changes within the administrative unit.

ROAD FUND

Increase:		
Revenue		
Interfund Transfer	\$	51,416.
Total	\$	<u>51,416.</u>

Increase:		
Expenses		
Personnel Services	\$	21,416.
Materials and Services		30,000.
Total	\$	<u>51,416.</u>

Recognizing interfund transfer revenue from the Justice Court Fund through the General Fund and budgeting for Safe Community program expenses.

SHERIFF FUND

Increase:		
Revenue		
Interfund Transfer	\$	154,247.
Total	\$	<u>154,247.</u>

Increase:		
Expenses		
Materials and Services	\$	79,247.
Capital Outlay		75,000.
Total	\$	<u>154,247.</u>

Recognizing interfund transfer revenue from the Justice Court Fund through the General Fund and budgeting for traffic safety equipment.

CODE ENFORCEMENT & SUSTAINABILITY FUND

Decrease:		
Materials and Services	\$	30,000.
Contingency		300,000.
Total	\$	<u>330,000.</u>

Increase:		
Personnel Services	\$	5,000.
Interfund Transfer		25,000.
Capital Outlay		300,000.
Total	\$	<u>330,000.</u>

Transferring between personnel services, materials and services, capital outlay and contingency to provide for an interfund transfer to the Dog Services Fund, early completion of building improvements associated with an American Recovery and Reinvestment Act grant and a small allowance for additional payroll cost should it be needed before year end.

COUNTYWIDE TRANSPORTATION SDC FUND

Decrease:		
	Contingency	\$ 50,000.
	Total	<u>\$ 50,000.</u>
Increase:		
	Materials & Services	\$ 50,000.
	Total	<u>\$ 50,000.</u>

Transferring from contingency to materials and services for higher than anticipated software maintenance expense.

CLACKAMAS COUNTY MENTAL HEALTH ORGANIZATION FUND

Decrease:		
	Materials and Services	\$ 655,108.
	Total	<u>\$ 655,108.</u>
Increase:		
	Interfund Transfer	\$ 655,108.
	Total	<u>\$ 655,108.</u>

Transferring from materials and services to make an interfund transfer to the Community Health Fund.

DOG SERVICES FUND

Increase:		
	Revenue	
	Interfund Transfer	\$ 25,000.
	Total	<u>\$ 25,000.</u>
Decrease:		
	Revenue	
	Fund Balance	\$ 25,000.
	Total	<u>\$ 25,000.</u>
Increase:		
	Expenses	
	Materials and Services	\$ 85,000.
	Total	<u>\$ 85,000.</u>
Decrease:		
	Expenses	
	Personnel Services	\$ 85,000.
	Total	<u>\$ 85,000.</u>

Recognizing interfund transfer revenue from Code Enforcement and Sustainability Fund to compensate for lower than expected fund balance. This fund is also transferring from personnel services to materials and services to better reflect expenditures during the year.

COMMUNITY HEALTH FUND

Decrease:		
	Personnel Services	\$ 676,047.
	Materials and Services	<u>2,413,886.</u>
	Total	<u>\$ 3,089,933.</u>
Increase:		
	Intefund Transfer	\$ 15,000.
	Capital Outlay	101,421.
	Contingency	<u>2,973,512.</u>
	Total	<u>\$ 3,089,933.</u>

Realigning revenues and transferring from personnel services and materials and services to contingency and capital outlay. This fund is also making an interfund transfer to the Children, Youth and Families Fund to help support a position.

CAPITAL PROJECTS RESERVE FUND

Decrease:		
	Capital Outlay	\$ 450,000.
	Total	<u>\$ 450,000.</u>
Increase:		
	Materials & Services	<u>\$ 450,000.</u>
	Total	<u>\$ 450,000.</u>

Transferring from capital outlay to materials and services to more closely align with actual expenditures on projects.

CLACKAMAS BROADBAND INNOVATION INITIATIVE FUND

Decrease:		
	Materials and Services	\$ 3,331,649.
	Total	<u>\$ 3,331,649.</u>
Increase:		
	Personnel Services	\$ 44,000.
	Capital Outlay	<u>3,287,649.</u>
	Total	<u>\$ 3,331,649.</u>

Transferring from materials and services to personnel services and capital outlay to better align the budget with grant guidelines.

FACILITIES MANAGMENT FUND

Decrease:		
Contingency	\$	<u>77,352.</u>
Total	\$	<u>77,352.</u>
Increase:		
Materials and Services	\$	73,852.
Capital Outlay		<u>3,500.</u>
Total	\$	<u>77,352.</u>

Transferring from contingency to materials and services and capital outlay for vehicle and building repair and maintenance expenses.

TECHNOLOGY SERVICES FUND

Decrease:		
Materials and Services	\$	156,500.
Capital Outlay		<u>85,000.</u>
Total	\$	<u>241,500.</u>
Increase:		
Personnel Services	\$	<u>241,500.</u>
Total	\$	<u>241,500.</u>

Transferring from capital outlay and materials and services to personnel services for higher than anticipated overtime and fringe benefit costs.

SHERIFF'S RETIREE MEDICAL FUND

Decrease:		
Contingency	\$	<u>160,000.</u>
Total	\$	<u>160,000.</u>
Increase:		
Materials and Services	\$	<u>160,000.</u>
Total	\$	<u>160,000.</u>

Transferring from contingency to materials and services for higher than expected medical insurance premiums due to a higher number of retirements in the Sheriff's Office.



Clackamas County Sheriff's Office

CRAIG ROBERTS, Sheriff

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June 14, 2012

Board of County Commissioners
Clackamas County

Members of the Board

APPROVAL TO TRANSFER UNCLAIMED PROPERTY (FIREARMS) to THE OREGON STATE POLICE FORENSIC LAB


The Sheriff's Office receives a sizable amount of property throughout the year that is turned in as found/recovered or seized during an investigation. Property that is not identified as to ownership or is unclaimed can be transferred to the Department for use or sold at Auction. We are requesting that the usable firearms and ammunition stored in our property room be transferred to the Oregon State Police (OSP) Forensic Lab.

Whenever property is found, the Sheriff's Office attempts to locate and contact the rightful owners to return their property to the owner. Any property that is received is held a minimum of three months and letters are sent to any known possible owner. Serial numbers for all unclaimed and abandoned firearms are checked through the Law Enforcement Data System (LEDS), and are clear as of April 30, 2012.

The OSP Forensic lab uses these firearms in their lab and in their firearms reference collections. They are also used for training and for presentations of examples, exhibits and ballistic analysis in courts throughout the state. The property to be transferred is listed on the attached document.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve this request to transfer these firearms to the Oregon State Police Forensic Lab.


Matt Ellington, Undersheriff
Clackamas County Sheriff's Office

"Working Together to Make a Difference"



Clackamas County Sheriff's Office

CRAIG ROBERTS, Sheriff

April 30, 2012

All property is donated as-is, where-is with no warranties. Responsibility for all transportation, including loading and securing is the responsibility of the receiving entity; Oregon State Police Forensic Laboratory/Firearms Unit for training and useable parts.

Case #	Copy	Item	Description	Caliber	Model	Serial #
01-39105	6	3	Davis	.22 Derringer		247790
01-39105	6	7	S&W	.38 Special	60-7	BNB7962
02-27686	1	1	Sig Sauer w/magazine	9mm	P239	SA77213
06-32967	4	3	HWM	.38/.357		1060110
07-35132	4	7	Bushmaster AR	.223		L389625
07-35132	7	10	Ruger	.357	SP01	573-64141
07-70650	7	6	Ruger	.22LR	RG14	
08-25399	1	1	Taurus w/magazine	9mm	PT24/7	TWJ14973
08-31428	1	1	Colt w/magazine			122994
09-14061	1	1	Raven	.22	MP-25	1520833
09-33150	1	1	S&W	.40	4003TSW	BAY8730
10-7709	1	1	Hi-Point	.380	CF380	P875654
10-12383	1	1	Sportsarms	9mm		40005529
10-12383	1	3	Magazine for 1 #1			
10-21733	2	1	Llama w/magazine	9mm		B72760
10-40006	1	2	Ruger	22LR		214-70758
10-40006	1	3	Magazine for 1 #2			
10-60066	2	2		.357	689	MJ849698
10-60066	2	6	Bushmaster 16	233x5.56	XM15E2S	L480036
10-60066	4	10	AMT	9mm		PA32689
10-60066	5	4	Taurus	.22LR		CW32824

"Working Together to Make a Difference"

2223 Kaen Road, Oregon City, OR 97045 • Tel 503-655-8218 • Fax 503-655-8549 • www.clackamas.us/sheriff

Clackamas County Sheriff's Department

Case #	Copy	Item	Description	Caliber	Model	Serial #
10-60066	5	10	Cobra	.38 Special	CB 38	CT004654
11-3148	1	3	H&K	.45		25-108292
11-3148	1	4	Holster			
11-3148	1	5	Magazine for 1# 3			
11-8948	1	1	S&W	.38 Special		CJN9080
11-9131	2	1	Walther	.22LR	P22	L068726
11-12359	2	1	Colt w/magazine	.25		363973
11-18005	1	1	Winchester	12 gauge	12	248903
11-18387	1	1	Mondial	.22		29796
11-21516	2	1	S&W	.357		ACC6828
11-70160	5	8	2 pistol magazines for 45			

This property is available due to state forfeiture, found property, unclaimed by owner or finder, owner unknown, and/or owner option.

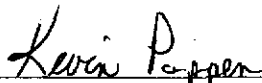
The above transfer has X /has not _____ been approved.



 Tammy Shaver, Property Room Supervisor

4-30-12

 Date



 Kevin Poppen, Investigations Division Captain

5/7/12

 Date



 Craig Roberts, Sheriff

5/7/12

 Date

 Charlotte Lehan, County Commissioner-Chair

 Date



SHARI A. ANDERSON, CPA
TREASURER

OFFICE OF COUNTY TREASURER

PUBLIC SERVICES BUILDING
2051 KAEN ROAD, #430 | OREGON CITY, OR 97045

June 14, 2012

Board of Commissioners
Clackamas County

Members of the Board:

Annual Adoption of the Clackamas County Investment Policy

The Clackamas County Investment Policy requires annual adoption by the Board. There are no current changes to the policy.

RECOMMENDATION:

The staff respectfully recommends that the Board adopt the Clackamas County Investment Policy as submitted.

Sincerely,

Shari Anderson
County Treasurer

Clackamas County
Office of the Treasurer

Investment Policy

2051 Kaen Rd, #430

Oregon City, Oregon 97045

503-742-5995 FAX 503-742-5996

shariand@co.clackamas.or.us

Clackamas County Investment Policy

I. Objectives:

The primary objectives of investment activities shall be safety, liquidity, and yield:

Safety:

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

Credit Risk: Clackamas County will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer, by:

- Limiting exposure to poor credits and concentrating the investments in the safest types of securities.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which Clackamas County will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc.

Interest Rate Risk: Clackamas County will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities or short-term investment pools.
- Diversifying the portfolio by maturity dates to mitigate the impact of reinvestment risk.

Liquidity:

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

Yield:

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of lesser importance compared to the safety and liquidity objectives described above. The majority of the portfolio is limited to highly rated/low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities are generally held to maturity unless declining credit or liquidity needs warrant a pre-maturity sale.

II. Scope:

This policy applies to the investment of both short-term operating funds and long-term capital funds including bond proceeds and bond reserve funds. This policy applies to all component units of Clackamas County unless specific, written exclusion has been granted by the County Treasurer and the unit has a policy which has been adopted by the Board of Commissioners and submitted to the Oregon Short Term Fund Board.

Investments of employees' retirement funds, deferred compensation plans, and other funds are not covered by this policy.

III. Standards of Care:

Prudence:

The standard of care to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees, officers and their families shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of Clackamas County. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS 244.

Delegation of Authority:

Treasurer: Authority to manage the investment program is granted to the publicly elected County Treasurer, and derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810. The Treasurer shall be responsible for all transactions undertaken and with the Investment Manager, shall establish a system of controls to regulate the activities of subordinate officials. No person may engage in an investment transaction without approval of the Treasurer

Treasury Manager: Administration of the investment program is hereby delegated to the Treasury Manager, who under the direction of the Treasurer shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

IV. Safekeeping and Custody:

Purchased investment securities will be delivered by Fed book entry, DTC, or physical delivery and to the extent feasible, held in third party safekeeping with a designated custodian. The trust department of a bank may be designated as custodian for safekeeping specific securities. The custodian shall issue a safekeeping receipt to Clackamas County listing the specific instrument, selling broker/dealer, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information.

V. Accounting Method:

Accounting Standards:

Clackamas County Department of the Treasurer shall comply with required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including, but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

Investment Return:

Investment returns are calculated as total return, including interest earned, premiums, discounts and appreciation or depreciation of investment values. Investment return for purposes of benchmarking against performance indicators will be compared on a total portfolio basis.

Investment Costs:

Investments will be carried at par. Losses on the sale of investments will be recognized at time of sale. Premiums or discounts on securities will be amortized or accreted over the life of the securities.

Investment Fee:

Where allowable, an investment fee of .01% of portfolio par value may be deducted from interest earned and credited to the County General Fund each month. After deducting the investment fee, interest earnings will be credited as of the last day of each month to the funds from which the investment was made based on the average daily balance in the fund.

VI. Internal Controls:

The Treasurer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably protect the assets of Clackamas County from loss, theft or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuations of costs and benefits require estimates and judgments by management.

The internal controls shall address, at a minimum, the following points:

- Control of collusion.
- Separation of transaction authority from accounting and record keeping.
- Custodial safekeeping.
- Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary.
- Clear delegation of authority to subordinate staff members.
- Written confirmation of transactions for investments and wire transfers.
- Wire transfer and ACH agreements.
- Compliance and oversight with investment parameters including diversification and maximum maturity.

VII. Reporting Requirements:

Reports to Governing Body:

The Clackamas County Treasurer will provide a monthly report to the County Commissioners, the County Administrator, and the directors of all component units. This report will include but not necessarily be limited to: Portfolio activity, instruments held, market valuation, as well as any narrative necessary for adequate clarification.

Management Reports:

The investment officer shall maintain up-to-date computer reports of portfolio activity providing reports which are timely and available both daily and weekly.

VIII. Investment Policy Adoption:

This Investment Policy will be formally adopted by the Clackamas County Board of Commissioners, and will be readopted annually even if there are no changes.

Maximum investment maturity under this policy exceeds 18 months. As required, this investment policy was submitted to the OSTF Board for comment prior to its approval by the Clackamas County Board of Commissioners, and complies with the requirements of ORS 294.135.