

ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
SUITE 500
2100 CLARENDON BOULEVARD
ARLINGTON, VIRGINIA 22201

NOTICE OF AWARD OF CONTRACT

TO: DATE ISSUED: JULY 25, 2012

PHOENIX HOUSES OF THE MID- ATLANTIC, INC. CONTRACT NO: 501-13
521 NORTH QUINCY STREET CONTRACT TITLE: RESIDENTIAL SERVICES
ARLINGTON, VA 22203 SUBSTANCE ABUSE

PRIOR REFERENCE NO: 245-11

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above reference contract. The contract term covered by this Notice of Award is effective IMMEDIATELY and expires on JUNE 30, 2013.

The contract documents consist of the terms and conditions of Agreement No. 501-13, including any exhibits, attached or amendments thereto.

This award notice is for the FIRST year of a possible FIVE year contract.

CONTRACT PRICING

REFER TO AGREEMENT 501-13, ATTACHED

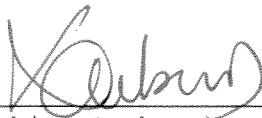
EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: SUSAN HARGREAVES VENDOR TEL. NO.: 703-841-0703
VENDOR PAYMENT TERMS: NET 30 DAYS
COUNTY CONTACT: LA VOYCE REID COUNTY TEL. NO.: 703-228-1675

CONTRACT AUTHORIZATION

DISTRIBUTION



Delphine Lambert
Buyer

07/25/12
DATE

VENDOR: 1
BID FOLDER: 3

ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
2100 CLARENDON BOULEVARD, SUITE 500
ARLINGTON, VA 22201

AGREEMENT NO. 501-13

THIS AGREEMENT (hereinafter "Agreement" or "Contract") is made, on the date of execution by the County, between Phoenix Houses of the Mid-Atlantic, Inc. 521 North Quincy Street Arlington, VA 22203 ("Contractor"), a Virginia Corporation authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia ("County"). The County and the Contractor, for the consideration hereinafter specified, agree as follows:

1. CONTRACT DOCUMENTS

The contract documents consist of this Agreement, Exhibit A (Scope of Work), Exhibit B (Budget and Finance), Exhibit C (HIPAA Business Associate Agreement) and Exhibits D1 and D2 (Nondisclosure and Data Security Agreement) ("Contract Documents").

Where the terms and provisions of this Agreement vary from the terms and provisions of the other Contract Documents, the terms and provisions of this Agreement shall prevail over the other Contract Documents and the remaining Contract Documents shall be complementary to each other and if there are any conflicts the most stringent terms or provisions shall prevail.

The Contract Documents set forth the entire agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to the parties agreement which is not contained in the Contract Documents. The Contract Documents may be referred to herein below as the "Contract" or the "Agreement."

2. SCOPE OF WORK

The Contractor agrees to perform the services described in the Contract Documents (hereinafter "the Work"). The primary purpose of the Work is to provide short term adolescent residential services and intensive outpatient substance abuse treatment to Arlington County residents ages seventeen (17) and under. The Contract Documents set forth the minimum work estimated by the County and the Contractor to be necessary to complete the Work. It shall be the Contractor's responsibility, at the Contractor's sole cost, to provide the specific services set forth in the Contract Documents and sufficient services to fulfill the purposes of the Work. Nothing in the Contract Documents shall be construed to limit the Contractor's responsibility to manage the details and execution of the Work.

3. CONTRACT TERM

The Work shall commence on July 1, 2012, and the Work shall be completed no later than JUNE 30, 2013 ("Initial Contract Term"), subject to any modifications as provided for in the Contract Documents. Upon satisfactory performance by the Contractor and with the concurrence of the Contractor, the County may authorize continued operations of the Contractor under the same

contract unit prices for not more than four (4) additional twelve (12) month periods from July 1, 2013 to June 30, 2017 (Each such period shall be referred to as a "Subsequent Contract Term").

4. CONTRACT AMOUNT

The County will pay the Contractor no more than \$34,900.00 in accordance with the terms of the Payment paragraph and Exhibit B for the Contractor's completion of the Work described and required in the Contract Documents subject to the terms and conditions in those documents. The Contractor agrees that it shall complete the Work for the total Contract Amount specified in this section unless such amount is modified as provided in this Agreement. The Contract Amount includes all of Contractor's costs and fees (profit).

The Contract Amount for each Subsequent Contract Term shall be in an amount mutually agreed upon but which will in no event exceed the funds appropriated for the service by the County Board of Arlington County.

5. EXTRA FEES

The Contractor shall not charge any client or any client's family any fee in addition to the rate specified in this Agreement unless such charges are approved by the County prior to the start of such services. The County shall be liable only for payment of funds encumbered by Purchase Orders issued by the County for services delivered under this Agreement

6. PAYMENT

The Contractor shall invoice the County monthly for services delivered the previous month in an invoice format approved in advance by the Project Officer, and with supporting documentation required by the County.

- A. Requests for Payment -- Contractor shall submit an invoice to Arlington County on a monthly basis. Invoices are to be submitted by the 10th day of the month following the rendering of services.
- B. Invoice Content -- Invoices shall reflect the contract unit price and the total number of service units delivered for the month, along with dates of services for each client served. The Contractor must maintain receipts and records so that actual expenses upon which the contract unit price is based can be documented, and so that a clearly defined audit trail exists. The number of the County Purchase Order pursuant to which authority goods or services have been performed or delivered shall appear on all invoices.
- C. Invoice Approval -- All invoices submitted shall be reviewed and certified by the Arlington County DHS, BHD Substance Abuse Bureau acknowledging (1) receipt of satisfactory services, (2) appropriateness of rates and units of service, and (3) adherence to total cost ceilings. Payment shall be issued within 30 days of County approval of invoices.
- D. Billings and invoices submitted by the Contractor to the County shall ensure the confidentiality and privacy of individual clients served.

- E. Final Invoices -- Must be submitted within sixty (60) days after expiration of the contract.

7. PROJECT OFFICER

The performance of the Contractor is subject to the review and approval of the County Project Officer ("Project Officer") who shall be appointed by the Director of the Arlington County department or agency requesting the work under this Contract. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its work pursuant to the Contract Documents.

8. ADJUSTMENTS FOR CHANGE IN SCOPE

The County may order changes in the Work within the general scope of the Work consisting of additions, deletions or other revisions. No claim may be made by the Contractor that the scope of the work or that the Contractor's services have been changed requiring adjustments to the amount of compensation due the Contractor unless such adjustments have been made by a written amendment to the Contract signed by the County and the Contractor. If the Contractor believes that any particular work is not within the scope of the Work or is a material change or otherwise will call for more compensation to the Contractor, the Contractor must immediately notify the Project Officer after the change or event occurs and within ten (10) calendar days thereafter must provide written notice to the Project Officer. The Contractor's notice must provide to the Project Officer the amount of additional compensation claimed, together with the basis therefor and documentation supporting the claimed amount. The Contractor will not be compensated for performing any work unless a proposal complying with this paragraph has been submitted in the time specified above and a written Contract amendment has been signed by the County and the Contractor and a County purchase order is issued covering the cost of the services to be provided pursuant to the amendment.

9. ADDITIONAL SERVICES

The Contractor shall not be compensated for any services provided except those included in Exhibit A and included in the Contract Amount unless those services are covered by a written amendment to this Contract signed by the County and the Contractor, and a County Purchase Order is issued covering the expected cost of such services.

Additional services agreed upon by the parties will be billed at the rates set forth in Exhibit B unless otherwise agreed by the parties in writing.

10. REIMBURSABLE EXPENSES

No reimbursable expenses are allowed under this Contract. The Contract Amount includes all costs and expenses of providing to the County the services described in this Contract.

11. PAYMENT OF SUBCONTRACTORS

The Contractor is obligated to take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by the County for work performed by any subcontractor under this Contract:

- a. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or
- b. Notify the County and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor to the subcontractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in subsection b., above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts, if any are permitted, a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor's obligation to pay an interest charge to a subcontractor pursuant to this section may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

12. NON-APPROPRIATION

All funds for payments by the County to the Contractor pursuant to this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia. In the event of non-appropriation of funds by the County Board of Arlington County, Virginia for the goods or services provided under this Contract or substitutes for such goods or services which are as advanced or more advanced in their technology, the County will terminate the Contract, without termination charge or other liability to the County, on the last day of the then current fiscal year or when the appropriation made for the then current year for the services covered by this Contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County shall not be obligated under this Contract beyond the date of termination specified in the County's written notice.

13. REQUIREMENTS CONTRACT (ESTIMATED QUANTITIES)

During the Initial Contract Term or any Subsequent Contract Term, the Contractor will furnish all of the items or services described in the Contract Documents if so requested by the County. The Contractor understands and agrees that this is a requirements contract and the County will have no obligation to the Contractor if no, or fewer, items or services are required or requested by the County. Any quantities which are included in the Contract Documents are the present expectations of those who are planning for the County for the period of the Contract. The amount is only an estimate and the Contractor understands and agrees that the County is under no

obligation to the Contractor to buy that amount, or any amount, as a result of having provided this estimate or of having had any normal or otherwise measurable requirement in the past. The Contractor further understands that the County may require goods and/or services in excess of the estimated annual contract amount and that such excess shall not give rise to any claim for compensation other than at the unit prices set forth in this Contract.

14. COUNTY PURCHASE ORDER REQUIREMENT

County purchases are authorized only if a County Purchase Order is issued in advance of the transaction, indicating that the ordering agency has sufficient funds available to pay for the purchase. Such a Purchase Order is to be provided to the Contractor by the ordering agency. The County will not be liable for payment for any purchases made by its employees without appropriate purchase authorization issued by the County Purchasing Agent. If the Contractor provides goods or services without a signed County Purchase Order, it does so at its own risk and expense.

15. PROJECT STAFF

The County will, throughout the Initial Contract Term and any Subsequent Contract Term, have the right of reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If the County reasonably rejects staff or subcontractors pursuant to this section, the Contractor must provide replacement staff or subcontractors satisfactory to the County in a timely manner and at no additional cost to the County. The day-to-day supervision and control of the Contractor's employees, and employees of any of its subcontractors, shall be the sole responsibility of the Contractor.

16. EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED

During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law related to discrimination in employment except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an Equal Opportunity Employer.

C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly and privately provided services and activities.

E. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

17. EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED

In accordance with §2.2-4311.1 of the Code of Virginia, 1950, as amended, the Contractor acknowledges that it does not, and shall not during the performance of this Contract for goods and/or services in the Commonwealth, knowingly employ an unauthorized alien as that term is defined in the federal Immigration Reform and Control Act of 1986.

18. DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor by Arlington County in accordance with the Arlington County Purchasing Resolution, the employees of which contractor are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

19. AUTOMATIC TERMINATION

This Agreement shall automatically and immediately terminate upon the expiration, surrender, revocation, restriction or suspension of any professional license required for Provider to perform the services contemplated hereunder or Provider's participation in any applicable Program. In addition, if Provider is terminated, barred, suspended or otherwise excluded from participation in, or has voluntarily withdrawn as the result of a settlement agreement related to, any program under Titles XVIII, XIX or XX of the Social Security Act, this Agreement shall automatically and immediately terminate.

20. TERMINATION FOR CAUSE, INCLUDING BREACH AND DEFAULT; CURE

The Contract shall remain in force for the Initial Contract Term or any Subsequent Contract Term(s) and until the County determines that all of the following requirements and conditions have been satisfactorily met: the County has accepted the Work, and thereafter until the Contractor has met all requirements and conditions relating to the Work under the Contract Documents, including warranty and guarantee periods. However, the County shall have the right to terminate this Contract sooner if the Contractor is in breach or default or has failed to perform satisfactorily the Work required, as determined by the County in its discretion.

If the County determines that the Contractor has failed to perform satisfactorily, then the County will give the Contractor written notice of such failure(s) and the opportunity to cure such failure(s) within at least fifteen (15) days before termination of the Contract takes effect ("Cure Period"). If the Contractor fails to cure within the Cure Period or as otherwise specified in the notice, the Contract may be terminated for the Contractor's failure to provide satisfactory Contract performance. Upon such termination, the Contractor may apply for compensation for Contract services satisfactorily performed by the Contractor, allocable to the Contract and accepted by the County prior to such termination unless otherwise barred by the Contract ("Termination Costs"). In order to be considered, such request for Termination Costs, with all supporting documentation, must be submitted to the County Project Officer within fifteen (15) days after the expiration of the Cure Period. The County may accept or reject, in whole or in part, the application for Termination Costs and notify the Contractor of same within a reasonable time thereafter.

If the County terminates the Contract for default or breach of any Contract provision or condition, then the termination shall be immediate after notice from the County to the Contractor (unless the County in its discretion provides for an opportunity to cure) and the Contractor shall not be permitted to seek Termination Costs.

Upon any termination pursuant to this section, the Contractor shall be liable to the County for all costs incurred by the County after the effective date of termination, including costs required to be expended by the County to complete the Work covered by the Contract, including costs of delay in completing the Work or the cost of repairing or correcting any unsatisfactory or non-compliant work performed or provided by the Contractor or its subcontractors. Such costs shall be either deducted from any amount due the Contractor or shall be promptly paid by the Contractor to the County upon demand by the County. Additionally, and notwithstanding any provision in this Contract to the contrary, the Contractor is liable to the County, and the County shall be entitled to recover, all damages to which the County is entitled by this Contract or by law, including, and without limitation, direct damages, indirect damages, consequential damages, delay damages, replacement costs, refund of all sums paid by the County to the Contractor under the Contract and all attorney fees and costs incurred by the County to enforce any provision of this Contract.

Except as otherwise directed by the County in the notice, the Contractor shall stop work on the date of receipt of notice of the termination or other date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the Work not terminated, and terminate all vendors and subcontracts and settle all outstanding liabilities and claims. Any purchases after the date of termination contained in the notice shall be the sole responsibility of the Contractor.

In the event any termination for cause, default, or breach shall be found to be improper or invalid by any court of competent jurisdiction then such termination shall be deemed to have been a termination for convenience.

21. TERMINATION FOR THE CONVENIENCE OF THE COUNTY

The performance of work under this Contract may be terminated by the County's Purchasing Agent in whole or in part whenever the Purchasing Agent shall

determine that such termination is in the County's best interest. Any such termination shall be effected by the delivery to the Contractor of a written notice of termination at least fifteen (15) days before the date of termination, specifying the extent to which performance of the work under this Contract is terminated and the date upon which such termination becomes effective. The Contractor will be entitled to receive compensation for all Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the County prior to such termination and any other reasonable termination costs as negotiated by the parties, but no amount shall be allowed for anticipatory profits.

After receipt of a notice of termination and except as otherwise directed, the Contractor shall stop all designated work on the date of receipt of the notice of termination or other date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as are necessary for the completion of such portion of the work not terminated; immediately transfer all documentation and paperwork for terminated work to the County; and terminate all vendors and subcontracts and settle all outstanding liabilities and claims.

22. INDEMNIFICATION

The Contractor covenants for itself, its employees, and subcontractors to save, defend, hold harmless and indemnify the County, and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards, and commissions (collectively the "County" for purposes of this section) from and against any and all claims made by third parties or by the County for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, demands or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor's acts or omissions, including the acts or omissions of its employees and/or subcontractors, in performance or nonperformance of the work called for by the Contract Documents. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

23. OWNERSHIP AND RETURN OF RECORDS

This Contract confers no ownership rights to the Contractor nor any rights or interests to use or disclose the County's data or inputs.

The Contractor agrees that all drawings, specifications, blueprints, data, information, findings, memoranda, correspondence, documents or records of any type, whether written or oral or electronic, and all documents generated by the Contractor or its subcontractors as a result of the County's request for services under this Contract, are the exclusive property of the County ("Record" or "Records"), and all such Records shall be provided to and/or returned to County upon completion, termination, or cancellation of this

Contract. The Contractor shall not use, willingly allow, or cause such materials to be used for any other purpose other than performance of all obligations under the Contract without the written consent of the County. Additionally, the Contractor agrees that the Records are confidential records and neither the Records nor their contents shall be released by the Contractor, its subcontractors, or other third parties; nor shall their contents be disclosed to any person other than the Project Officer or his or her designee. The Contractor agrees that all oral or written inquiries from any person or entity regarding the status of any Record generated as a result of the existence of this Contract shall be referred to the Project Officer or his or her designee for response. At the County's request, the Contractor shall deliver all Records to the Project Officer, including "hard copies" of computer records, and at the County's request, shall destroy all computer records created as a result of the County's request for services pursuant to this Contract.

The Contractor agrees to include the provisions of this section as part of any contract or agreement the Contractor enters into with subcontractors or other third parties for work related to work pursuant to this Contract.

No termination of this Contract shall have the effect of rescinding, terminating or otherwise invalidating this section of the Contract.

24. CONFIDENTIAL INFORMATION

The Contractor, and its employees, agents, and subcontractors, hereby agree to hold as confidential all County information obtained as a result of its Work under this Contract. Confidential information includes, but is not limited to, nonpublic personal information, personally identifiable health information, social security numbers, addresses, dates of birth, other contact information or medical information about a person, information pertaining to products, operations, systems, customers, prospective customers, techniques, intentions, processes, plans, expertise and any information entrusted to any affiliate of the parties. The Contractor shall take reasonable measures to ensure that all of its employees, agents, and subcontractors are informed of, and abide by, this requirement.

25. ETHICS IN PUBLIC CONTRACTING

This Contract incorporates by reference Article 9 of the Arlington County Purchasing Resolution, as well as any state or federal law related to ethics, conflicts of interest, or bribery, including by way of illustration and not limitation, the State and Local Government Conflict of Interests Act (Code of Virginia § 2.2-3100 et seq.), the Virginia Governmental Frauds Act (Code of Virginia § 18.2-498.1 et seq.), and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia, as amended (§ 18.2-438 et seq.). The Contractor certifies that its offer was made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor and that it has not conferred on any public employee having official responsibility for this procurement any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

26. COUNTY EMPLOYEES

No employee of Arlington County, Virginia, shall be admitted to any share in any part of this Contract or to any benefit that may arise therefrom which is not available to the general public.

27. FORCE MAJEURE

The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the Contractor, and outside and beyond the scope of the Contractor's then current, by industry standards, disaster plan, that make performance impossible or illegal, unless otherwise specified in the Contract.

The County shall not be held responsible for failure to perform its duties and responsibilities imposed by the Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the County that make performance impossible or illegal, unless otherwise specified in the Contract.

28. AUTHORITY TO TRANSACT BUSINESS

The Contractor shall pursuant to Code of Virginia § 2.2-4311.2, be and remain authorized to transact business in the Commonwealth of Virginia during the Initial Term and any Subsequent Contract Term(s) of this Contract. A contract entered into by a Contractor in violation of this requirement is voidable, without any cost or expense, at the sole option of the County.

29. RELATION TO COUNTY

The Contractor is an independent contractor and neither the Contractor nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Furthermore, the County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation, normally provided by the County for its employees.

30. ANTITRUST

By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the County all rights, title, and interest in and to all causes of action the Contractor may now have or hereafter acquire under the antitrust laws of the United States or the Commonwealth of Virginia, relating to the goods or services purchased or acquired by the County under this Contract.

31. REPORT STANDARDS

Reports or written material prepared by the Contractor in response to the requirements of this Contract or a request of the Project Officer shall, unless otherwise provided for in the Contract, meet standards of professional writing established for the type of report or written material provided, shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in a format approved in advance by the Project Officer, and shall be submitted for advance review and comment by the Project Officer. The cost of correcting grammatical errors, correcting report data, or other revisions required to bring the report or written material into compliance with these requirements shall be borne by the Contractor.

When submitting documents to the County, the Contractor shall comply with the following guidelines:

- All submittals and copies shall be printed on **at least thirty percent (30%) recycled-content** and/or tree-free paper;
- All copies shall be double-sided;
- Report covers or binders shall be recyclable, made from recycled materials, and/or easily removable to allow for recycling of report pages (reports with glued bindings that meet all other requirements are acceptable);
- The use of plastic covers or dividers should be avoided; and
- Unnecessary attachments or documents not specifically asked for should not be submitted, and superfluous use of paper (e.g. separate title sheets or chapter dividers) should be avoided.

32. AUDIT

The Contractor shall secure an independent certified public accountant's audit of its finances and program operation after the close of each fiscal year (June 30), but no later than November 1 of each such year, and shall forward to the County the findings of such audit in whole, including the management letter or other ancillary audit components, and permit the County to make such review of the records of the Contractor as may be deemed necessary by the County to satisfy audit purposes. In instances where a management letter was not prepared as an audit function, the Contractor must so certify in writing to the County at the time the audit report is submitted. All accounts of the Contractor are subject to such audit, regardless whether the funds are used exclusively for specific program activities or mingled with funds for other agency activities.

The Contractor agrees to retain all books, records and other documents related to this Contract for at least five (5) years after final payment. The County or its authorized agents shall have full access to and the right to examine any of the above documents during this period and during the Initial Contract Term and any Subsequent Contract Term. If the Contractor wishes to destroy or dispose of records (including confidential records to which the County does not have ready access) within five (5) years after final payment, the Contractor shall notify the County at least thirty (30) days prior to such disposal, and if the County objects, shall not dispose of the records.

33. ASSIGNMENT

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this Contract, without the prior written consent of the County.

34. AMENDMENTS

This Contract shall not be amended except by written amendment executed by persons duly authorized to bind the Contractor and the County.

35. ARLINGTON COUNTY PURCHASING RESOLUTION AND COUNTY POLICIES

Notwithstanding any provision to the contrary herein, no provision of the Arlington County Purchasing Resolution or any applicable County policy is waived in whole or in part.

36. DISPUTE RESOLUTION

All disputes arising under this Agreement, or its interpretation, whether involving law or fact, or extra work, or extra compensation or time, and all claims for alleged breach of Contract shall be submitted to the Project Officer for decision at the time of the occurrence or beginning of the work upon which the claim is based, whichever occurs first. Such claims shall state the facts surrounding it in sufficient detail to identify it together with its character and scope. In accordance with the Arlington County Purchasing Resolution, claims denied by the Project Officer may be submitted to the County Manager in writing no later than 60 days after final payment. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Arlington County Purchasing Resolution, is fifteen (15) days. Procedures for considering contractual claims, disputes, administrative appeals, and protests are contained in the Purchasing Resolution, incorporated herein by reference, and available upon request from the Office of the Purchasing Agent. The Contractor shall not cause a delay in the Work pending a decision of the Project Officer, County Manager, County Board, or a court.

37. APPLICABLE LAW, FORUM, VENUE AND JURISDICTION

This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia and the jurisdiction, forum, and venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia, and in no other court. In performing the Work under this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations.

38. ARBITRATION

It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract.

39. NONEXCLUSIVITY OF REMEDIES

All remedies available to the County under this Contract are cumulative, and no such remedy shall be exclusive of any other remedy available to the County at law or in equity.

40. NO WAIVER

The failure of either party to exercise in any respect a right provided for in this Contract shall not be deemed to be a subsequent waiver of the same right or any other right.

41. SEVERABILITY

The sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared invalid by a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.

42. NO WAIVER OF SOVEREIGN IMMUNITY

Notwithstanding any other provision of this Contract, nothing in this Contract or any action taken by the County pursuant to this Contract shall constitute or be construed as a waiver of either the sovereign or governmental immunity of the County. The parties intend for this provision to be read as broadly as possible.

43. SURVIVAL OF TERMS

In addition to any numbered section in this Agreement which specifically state that the term or paragraph survives the expiration of termination of this Contract, the following sections if included in this Contract also survive: INDEMNIFICATION; RELATION TO COUNTY; OWNERSHIP AND RETURN OF RECORDS; AUDIT; COPYRIGHT; INTELLECTUAL PROPERTY INDEMNIFICATION; WARRANTY; CONFIDENTIAL INFORMATION; AND DATA SECURITY.

44. HEADINGS

The section headings in this Contract are inserted only for convenience and are not to be construed as part of this Contract or a limitation on the scope of the particular section to which the heading precedes

45. AMBIGUITIES

Each party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

46. NOTICES

Unless otherwise provided herein, all notices and other communications required by this Contract shall be deemed to have been given when made in writing and either (a) delivered in person, (b) delivered to an agent, such as an overnight or similar delivery service, or (c) deposited in the United States mail, postage prepaid, certified or registered, addressed as follows:

TO THE CONTRACTOR:

Susan Hargreaves
Phoenix Houses of the Mid-Atlantic, Inc.
521 North Quincy Street
Arlington, VA 22203

TO THE COUNTY:

La Voyce Reid, Project Officer
Arlington County, Virginia
2100 Washington Boulevard
Arlington, VA 22204

AND

Richard D. Warren, Jr., Purchasing Agent
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201

47. NON-DISCRIMINATION NOTICE

Arlington County does not discriminate against faith-based organizations.

48. INSURANCE REQUIREMENTS

Prior to the execution of this Contract and upon any Contract extension thereafter, the Contractor shall provide to the County Purchasing Agent evidence indicating that the Contractor has in force the coverage and endorsements (collectively referred to hereinafter "coverage", "coverages" or "insurance") required below. The Contractor agrees to maintain such insurance until the completion of this Contract or as otherwise stated below or in the Contract Documents.

All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia, with an A.M. Best rating of "A-VII", and as acceptable to the County. The insurance requirements herein shall not operate as a limitation of the Contractor's liability or as a limitation of the Contractor's duty of indemnification, as set forth in this solicitation and any resulting contract. The Contractor is responsible for determining whether the minimum coverage below are adequate to protect its interest.

The Contractor shall secure and maintain (and ensure that its subcontractors, if any, secure and maintain) all insurance required by law or this Contract, including without limitation:

- a. **Workers Compensation** - Virginia Statutory Workers Compensation (W/C) coverage including Virginia benefits and employers liability with limits of \$100,000/100,000/500,000. The County will not accept W/C coverage issued by the Injured Worker's Insurance Fund, Towson, MD.
- b. **Commercial General Liability** - \$1,000,000 combined single limit coverage with \$2,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply to this Contract.

- c. **Business Automobile Liability** - \$1,000,000 Combined Single Limit (Owned, non-owned and hired).
- d. The Contractor shall carry **Professional Liability** insurance which will pay for injuries arising out of errors or omissions in the rendering, or failure to render services or perform Work under the Contract, in the amount of \$1,000,000.
- e. **Additional Insured** - Arlington County, and its officers, elected and appointed officials, employees, and agents shall be named as additional insureds on all policies, except Workers Compensation and Auto and Professional Liability. A copy of the Additional Insured endorsement must be provided by the Contractor to the County Purchasing Agent prior to the execution of this Contract and any Contract extension. . Failure to provide such documentation shall result in cancellation of the award or of the Contract.
- f. **Cancellation** - If there is a material change or reduction in coverage, nonrenewal of any insurance coverage or cancellation of any insurance coverage required by this contract, the Contractor shall notify the Purchasing Agent immediately. Any policy on which the Contractor has received notification from an insurer that the policy has or will be cancelled or materially changed or reduced must be immediately replaced with another policy consistent with the terms of this Contract and in such a manner that there is no lapse in coverage, and the County immediately notified of the replacement. Not having the required insurance throughout the Contract Term is considered a material breach of this Contract and grounds for termination. The Contractor shall also obtain an endorsement providing to the County thirty (30) days advance notice of cancellation or nonrenewal (ten days for nonpayment of premium. A copy of that endorsement shall be provided to the County Purchasing Agent prior to the execution of this Contract or any Contract extension thereafter.
- g. Any insurance coverage that is placed as a "claims made" policy must remain valid and in force, or the Contractor must obtain an extended reporting endorsement consistent with the terms of this Contract, until the applicable statute of limitations has expired, such date as determined to begin running from the date of the Contractor's receipt of final payment.
- h. **Contract Identification** - All documentation and copies of endorsements required hereunder shall state this Contract's number and title.
- i. **Fidelity Bond** - The Contractor shall furnish proof of a fidelity bond covering all officers and employees who are responsible for the receipt, custody and disbursement of funds or assets. The amount of the bond shall be a minimum of \$50,000.
- j. **Officers and Director's Bond** - Provide a bond covering each of its officers, directors, agents or employees who receive or deposit funds, make payments, or prepare financial documents or statements in connection with this Contract in the minimum amount of \$50,000 with 60

calendar days notice provided by the insurer in advance of implementing a decision to cancel or not to renew the bond, or to make any changes in the provision thereof.

The Contractor must disclose the amount of any deductible or self- insurance component applicable to the General Liability, Automobile Liability, Professional Liability, Intellectual Property or any other policies required herein, if any. The County reserves the right to request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible. Thereafter, at its option, the County may require a lower deductible, funds equal to the deductible be placed in escrow, a certificate of self-insurance, collateral, or other mechanism in the amount of the deductible to ensure additional protection for the County.

The Contractor shall require all subcontractors to maintain during the term of this contract, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation insurance in the same form and manner as specified for the Contractor. The Contractor shall furnish subcontractors' documentation of coverage and endorsements specified herein to the County Purchasing Agent immediately upon request by the County and/or prior to a subcontractor performing work related to this Contract.

No acceptance or approval of any insurance by the County shall be construed as relieving or excusing the Contractor from any liability or obligation imposed upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the Work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work.

The Contractor shall be as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self insurance for all or any part of the insurance required, provided that the Contractor can demonstrate financial capacity, the alternative coverage(s) are submitted to and acceptable to the County and the terms additional endorsements required hereunder are met to the satisfaction of the County Purchasing Agent or Risk Manager. The Contractor must provide its most recent actuarial report and provide a copy of its self-insurance resolution to determine the adequacy and security of the insurance funding.

49. HIPAA COMPLIANCE

The Contractor shall comply with all applicable legislative and regulatory requirements of privacy, security, and electronic transaction components of

the Health Insurance portability and Accountability Act of 1996, as amended ("HIPAA"). Pursuant to 45 C.F.R. §164.502(e) and §164.504(e), the Contractor shall be designated a Business Associate pursuant and will be required to execute an Arlington County Business Associate Agreement. If Contractor engages a subcontractor or subcontractors in the performance of Work under this Agreement, Contractor shall enter into an agreement with each of its subcontractors pursuant to 45 C.F.R. § 164.308(b)(1) and the Health Information Technology for Economic and Clinic Health (HITECH) Act § 13401 that is appropriate and sufficient to require each subcontractor to protect Protected Health Information to the same extent required of Contractor under Arlington County's Business Associate Agreement and in a form approved by the County. The Contractor shall ensure that its subcontractors notify the Contractor, immediately, of any breaches in security regarding Protected Health Information.

Contractor takes full responsibility for any failure to execute the appropriate agreements with its subcontractors and for the failure of its subcontractors to comply with the existing or future regulations of HIPAA and/or HITECH, and shall indemnify County for any and all loss, damages, liability, exposure, or costs resulting therefrom.

50. ADA COMPLIANCE

Compliance with the Americans with Disabilities Act (ADA) shall be the sole responsibility of the Contractor. The Contractor shall defend and hold the County harmless from any expense or liability arising from the Contractor's non-compliance therewith. The Contractor's responsibilities related to ADA compliance shall include, but not be limited to, the following:

- a. Access to Programs, Services and/or Facilities: The Contractor shall ensure its programs; services and facilities are accessible to persons with disabilities. If a particular facility or program is not accessible, the Contractor shall provide equivalent services in an accessible alternate location or manner to ensure that persons with disabilities are not denied access to services.
- b. Effective Communication: The Contractor, upon request, shall provide appropriate aids and services leading to effective communication for qualified persons with disabilities so they can participate equally in the Contractor's programs, services, and activities, including qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, or vision impairments, as required by the ADA.
- c. Modifications to Policies and Procedures: The Contractor shall make the necessary modifications to its policies and procedures to ensure that people with disabilities have an equal opportunity to enjoy the Contractor's programs, services, and activities, as may be required by the ADA. For example, individuals with service animals are welcomed in the Contractor's offices or facilities, even where pets are generally prohibited.
- d. The Contractor shall not place a surcharge on a person with a disability or any group of individuals with disabilities to cover the cost of providing auxiliary aids/services or reasonable modifications of policy.

- e. Employment: The Contractor shall not discriminate on the basis of disability in its hiring or employment practices.
- f. Responding to inquiries from the U.S. Department of Labor.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

AUTHORIZED
SIGNATURE:



NAME AND TITLE: *for* RICHARD D. WARREN, JR.
PURCHASING AGENT

DATE:

07/12/12

PHOENIX HOUSES OF THE MID-ATLANTIC, INC.

TAXPAYER ID:

540805530

AUTHORIZED
SIGNATURE:



NAME AND TITLE: Deborah Simpson Taylor
Senior VP/Regional Director

DATE:

7/5/12

AGREEMENT NO. 501-13

EXHIBIT A

SCOPE OF SERVICE

I. PERFORMANCE SPECIFICATIONS

The Contractor agrees to perform the services described below. It shall be the Contractor's responsibility to provide the specific services to fulfill the requirements of the Statement of Work. Nothing in the Contract Documents shall be construed to limit the Contractor's responsibility to manage the details and execution of the work performed.

A. GENERAL REQUIREMENTS

1. The Contractor shall provide all necessary residential treatment appropriate to the client's level of functioning and commitment to treatment including the following programs or levels of care:

- a. **Adolescent Residential Services - Girls Recovery Lodge** is a 12 bed residential substance abuse program for adolescent girls, ages 14 to 17 years. The program is designed to break the cycle of abuse, as well as to help young people begin their recovery and return to health and productivity. The Contractor shall offer support services including substance abuse counseling, as well as medical and psychiatry services. The Girls Recovery Lodge uses a cognitive behavioral, 12-step approach that includes medication management and medication assistant-treatment to address wide-range of substance abuse and mental health issues.

- b. **Adolescent Residential Program - Boys Recovery Lodge** is a 12 bed residential substance abuse program for adolescent boys, ages 14-17 years. The program is designed to break the cycle of abuse, as well as to help young people begin their recovery and return to health and productivity. The Contractor shall offer support services including substance abuse counseling, as well as medical and psychiatry services. The Boys Recovery Lodge uses a cognitive behavioral, 12-step approach that includes medication management and medication assistant-treatment to address wide-range of substance abuse and mental health issues.

- c. **Phoenix House Intensive Outpatient Counseling Program**

Phase I: Average length is 1 to 3 months (3 times per week for 3 hours a day)

This service shall include: up to 4 Urine Drug Screens (UDS), 2 group/individual or family sessions. The client is considered to have completed the first phase once the following goals have been met:

1. Detox - Acute withdrawal is addressed and begin to mitigate post acute withdrawal.
2. Basic Addiction education is provided on specific drug(s) of abuse.
3. Self Diagnosis- The client has the opportunity to

honestly look at his/her behavior and identify the real nature of the substance use disorder. Client begins to compare in and acknowledge that changes need to be made.
4. Coping skills development- Client learns how to treat the addiction. This is demonstrated by:

- a. Abstinence for a minimum of 30 consecutive days
- b. Stable use of support groups a minimum of twice a week
- c. Acquire temporary Sponsor and support network.
- d. Maintaining lawful behavior

5. Honesty - the client begins to change maladaptive behaviors learned in active use and becomes honest with him/her and others.

6. Completion of Treatment Plan work.

7. Consistent attendance

8. Group presentation on Phase 1 Goals Completion prior to moving to Phase 2.

9. Collateral verification (when possible)

PHASE II: Average length is 2 to 4 months (2 times per week for 1 hour a day)

This service shall include: up to 4 Urine Drug Screens (UDS), and 1 group/individual or family session. The client is considered to have completed the second phase once the following goals have been met:

1. Continue all criteria of Phase one
2. Consistent use of a sponsor or non 12 step equivalent
3. 90 to 120 days of consistent sobriety
4. Home group or consistent use of a sober network
5. Involved in stable employment or school
6. No new legal issues
7. Improvement in interpersonal relationships
8. Collateral verification of progress (when possible)
9. Demonstrating recovery values in lifestyle
10. Consistent attendance
11. Continued meeting attendance
12. Presentation to group about stability etc. before moving to Phase

Phase III: Average length is 6 to 12 months (At least one 1 hour group per month)

The client is considered to have completed the entire outpatient program once the following goals have been met:

Meet all criteria of phase II (continuing care)

Minimum of 120 days consistent sobriety

Stable in all domains - withdrawal, medical, cognitive/behavioral, motivation to change, relapse potential, living environment

Visualize and demonstrate internalized sober life style

Service work or equivalent in non 12 step setting

Makes presentation to the group about how recovery values are incorporated in daily life.

Note: Youth addicted to Cocaine may need at least 9 months.

2. The Contractor shall provide a facility that is physically and programmatically structured to receive clients and that is adequate for the provision of total residential care, including but not limited to:
 - a. A facility that is a habitable with sanitary living quarters;
 - b. Bathroom facilities;
 - c. Balanced, nutritious food services;
 - d. Laundry and linen service;
 - e. Appropriate clothing, as needed; and
 - f. Recreational activities.
3. The Contractor shall make available to the County upon request any data, procedures, or policies related to programs and services covered by this Agreement. The Contractor shall provide the County access to the facilities, clients, records, materials, and data arising from this Agreement, in a manner that is consistent with legally required client confidentiality.
4. The Contractor shall provide to the County's Project Officer a copy of the Contractor's Board of Directors meeting minutes within thirty (30) days of those meetings.
5. All client-specific records pertaining to services provided to current or former clients as a result of this contract or its predecessor contract(s), upon termination of this contract by either party, will be made available to any successor service provider upon formal written request of the County and with written authorization of the client. To protect the privacy of clients, the County will serve as custodian of the records in the event of any interruption of services.
6. The Contractor shall obtain written approval from the County prior to the implementation of any material changes in treatment models or program philosophy.
7. The County shall not be obligated to provide the Contractor with referrals of new clients following the discharge or the attrition of a client.

B. SERVICE REQUIREMENTS

The Contractor shall conduct client intake assessment that meets the standards set by 12VAC35-105 - Rules and Regulations for the Licensing Providers by Department of Behavioral Healthcare and Developmental Services (Available from the DBHDS, Office of Licensure).

1. The Contractor shall develop a Client Treatment Plan for each client not later than fourteen (14) days following client intake. A treatment plan must include at a minimum:
 - a. Individual counseling, psycho-education, and group counseling a minimum of three (3) times a day

- b. A minimum of one (1) individual client-to-counselor session (with primary substance abuse counselor) per week of 45 to 50 minutes duration;
 - c. A minimum of one (1) time daily of group educational and life skills group sessions per week (intermediate rehabilitation and long-term habilitation placements);
 - d. Initial in-facility work assignment, and rationale for such assignment;
 - e. Recommended family involvement, and projected times for implementation;
 - f. Identified staff to conduct case management to ensure linkage with appropriate benefits and external services for the client and/or his family, along with a preliminary timetable for accomplishing plan, in collaboration with County staff;
 - g. Necessary steps to be completed (within a reasonable period of time) for educational and/or vocational development activities relevant to the individual client;
 - h. Documentation of special client needs -- e.g., physical health, medications, adjunct mental health therapy, psychiatric and psychological evaluation;
 - i. Designation of a Primary Substance Abuse Counselor or one staff member responsible for overall oversight and accomplishment of items b, d, e, and f; and
 - j. Ancillary and/or allied services to include: (1) bilingual counselors for limited English speaking clients; (2) psychiatric consultation for dually diagnosed clients - a minimum of one time weekly for clients who are administered psychotropic medication and as needed for clients not administered psychotropic medication; (3) medical consultation with program nurse or physician; (4) minimum five hours/day of education instruction; and (5) support in preparing for the GED.
2. The Contractor shall provide updates to the Project Officer showing there is ongoing monitoring of client progress and evaluation of service quality is occurring, at time intervals, appropriate to the length of treatment. The Contractor documentation shall include:
- a. Substantiation of client staffings;
 - b. Necessary modification in individual client treatment plans (original determinations in addition to recommended modifications must be included);

- c. Recording of linkages with external resources to benefit client and/or family;
 - d. Progress reports of accomplishments related to other elements of individual client treatment plans;
 - e. Comprehensive client discharge plan; and
 - f. Discharge summary, which outlines client progress while in treatment as well as identified aftercare treatment, employment, housing and child care plans. The DHS-BHD-SA program liaison should be left a voicemail message at time of discharge and Discharge summaries are to be provided within 48-hours of discharge.
3. The Contractor shall, before any client completes residential treatment, devise and submit evidence to the designated Arlington County Behavioral Health Bureau Staff of an aftercare regimen tailored to the individual client's needs.

C. STAFFING

1. The Contractor shall operate a personnel system, which includes:
- a. Standards of conduct, professional conduct, employee ethics, conflicts of interest, employee performance evaluations, equal employment opportunity, appropriate initial employee orientation and employee-County contract protocol.
 - b. Written, up-to-date job descriptions that exist for all positions covered by this contract, including identified essential functions, explicit responsibilities, and qualification statements expressed in terms of knowledge, skills, and abilities as well as occupational qualifications or requirements. Incumbents of positions, which require specific levels of education or training, shall have documentation of this education or training contained in the appropriate employee folders. Training records for employees shall be updated as staff completes additional training or educational programs.
 - c. Procedures regarding criminal background checks for staff, which comply with State legislation, laws and licensure standards.
2. The Contractor shall ensure that all staff who work directly with clients covered by this Agreement receive training prior to their work with clients regarding:
- a. The mission of residential or transitional services;
 - b. Policy on client confidentiality;

- c. Policy that assure client rights, including orientation to human rights regulations;
 - d. Service documentation procedures;
 - e. State certification as medication administration technicians (as appropriate);
 - f. Health maintenance, to include infectious disease control and proper nutrition, and safety-related monitoring; and
 - g. All applicable training required by State Licensure regulations.
3. The Contractor shall ensure that all staff who work directly with clients covered by this Agreement receive orientation and training regarding:
- a. Admission criteria and intake procedures;
 - b. Crisis prevention and intervention;
 - c. First aid and CPR;
 - d. Available treatment options and modalities and definition of elements of same;
 - e. Information on external resources and referral of clients to such resources;
 - f. Policies on discharge or termination;
 - g. Preparation of individual treatment plans; documentation of service provision in client files;
 - h. Aftercare and follow-up procedures; and
 - i. All applicable aspects of program operation necessary to the fulfillment of objectives under terms of the approved services contract.
4. The Contractor shall provide annual reports of staff training to the County Project Officer and cooperate in evaluations of the effectiveness of staff training.
- a. The Contractor shall, within the limits of the personnel budget upon which the unit rate was set, obtain consent from the County prior to material changes to individual program staffing, or in program personnel job requirements or qualifications.
 - b. The Contractor shall maintain a maximum client to primary counselor staff ratio of 10:1.

II. ADHERENCE TO LOCAL, STATE & FEDERAL REGULATIONS

The Contractor shall comply with all statutes, regulations, standards, laws, and applicable policies and procedures in the operation of the program which are the subject of this Agreement, including, by way of illustration and not limited to the following:

- A. All applicable Federal and State laws and regulations (12VAC35-115 - Rules and Regulations to Assure the Rights of Clients Receiving Services from Providers of Mental Health, Mental Retardation and Substance Abuse Services) for the assurance of the individual rights of clients served by the program. The Contractor shall submit a copy it's approved Human Rights Plan, evidencing State approval, to the Project Officer.
- B. All applicable State Department of Behavioral Healthcare and Developmental Services' (DBHDS) licensure regulations and satisfy applicable inspection, licensing, provider, contractual, and reporting requirements of the Virginia Departments of Health, Medical Assistance Services, Rehabilitative Services, and Social Services. The Contractor shall provide the County with copies of such reviews.
- C. Federal Confidentiality of Alcohol and Substance Abuse Records, 42 C.F.R. Part 2.
- D. All applicable provisions of Section 1352 of Public Law 101-121, which prohibits the use of federal Mental Health Services and Substance Abuse Prevention and Treatment Block Grant funds for lobbying Congress or any federal agency in connection with the award of a particular contract, grant, cooperative agreement, or loan and requires disclosure of federal lobbying activity supported by other funds.
- E. The Contractor shall arrange for applicable County inspections, use permits, and so forth.
- F. All applicable provisions of Title VII of the Civil Rights Act of 1964, Sections 503 and 504 of the Rehabilitation Act of 1973, the Vietnam Era Veterans Readjustment Act of 1974, the Age Discrimination Act of 1975, the Americans With Disabilities Act of 1990, the Virginians With Disabilities Act, the Virginia Fair Employment Act of 1975, the Civil Rights Act of 1991, regulations issued by the Federal Granting Agencies, Executive Orders 11246 and 11375, and other federal and state mandates or subsequent amendments and regulations developed pursuant thereto, to ensure that no person will be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in services operated or funded as a result of this Agreement on the grounds of race, color, national origin, age, gender, or disability.
- G. Federal Certification Regarding Lobbying and Certification Regarding Salary for recipients of Substance Abuse Prevention and Treatment Block Grants (SAPT), and Certification Regarding Environmental Tobacco Smoke for recipients of SAPT or Community Mental Health Services Block Grants.

III. BUDGET & FINANCES

The Contractor agrees to the following funding conditions:

- A. The County may reduce the maximum contract amount if denied funding by Federal, State, or local sources due to Contractor's violation of reporting or other requirements. If possible, the Contractor shall be notified thirty (30) days in advance of implementation of such funding reductions.
- B. In the event that Federal, State and/or local sources used to fund the services specified by this Agreement are not available for any reason then the County will provide the Contractor with written notification of the immediate termination of this Agreement. In the event of such termination, all of the obligations of the County and the Contractor under this Agreement, except those pertaining to termination, shall immediately cease as of the date of receipt of notice of the termination or other date specified in the notice of termination.
- C. If the Contractor no longer provides appropriate services as outlined in this Agreement to a client as determined by the County, or if the Contractor's failure to adhere to the admission process as contained in the Contract Documents, then the County may reduce payment to the Contractor by the cost of the appropriate units of service.
- D. The Contractor shall maintain a financial system, which includes:
 1. Operation of financial management, procurement, and contracting systems that are consistent with Virginia Financial Management Standards for Community Services Boards, Accounts Receivable and Reimbursement Procedures, and Community Services Boards Procurement Procedures Manuals issued by Virginia DBHDS.
 2. An accounting system which operates in such a way as to provide financial reporting in accordance with Generally Accepted Accounting Principles (GAPP). It will include necessary personnel and financial records and a fixed assets system. It will provide for the practice of funds accounting and will be adaptable to the needs of cost accounting.
 3. A system which requires employees with financial responsibilities to be bonded.
 4. Assurance that Federal Mental Health Services and Substance Abuse Prevention and Treatment Block Grant funds are not used for inpatient services or mental health residential services, cash payments to consumers, land purchase, construction, permanent improvements (other than minor remodeling), and safeguards requiring expenditure of non-federal funds or providing financial assistance to any entity other than a public or private non-profit entity.

5. Retention of financial records for a minimum period of five (5) years after the expiration of his Agreement.

E. The Contractor agrees to the following fiscal and budget reporting requirements:

1. An annual audit will be conducted by an independent certified public accountant. Copies of the audit and accompanying management letter will be provided in whole to the County no later than the last workday prior to November 1 following the end of the County's fiscal year. The audit must meet standards set by the Virginia Auditor of Public Accounts, applicable federal requirements established for block grant accounting, and other criteria from the DBHDS Financial Management Manual. Deficiencies and exceptions noted in the audit or management letter must be resolved or corrected within a reasonable period of time, mutually agreed-upon by the Contractor and the County.

2. The Contractor shall permit authorized representatives of the County or the State to review all records of the Contractor as deemed necessary. All accounts of the Contractor are subject to such audit and financial review, regardless of whether the funds are used exclusively for specific program activities or mingled with funds for other Contractor activities.

3. The Contractor shall submit financial reports at the request of the County at any time during the period of service covered by this or any preceding Agreements.

F. The Contractor shall provide written notification to the County of proposed subcontracts for services which total, individually or in aggregate for the same service, greater than Ten Thousand Dollars (\$10,000) for any fiscal year prior to securing such services. Such subcontracts will be subject to the approval of the County.

G. The Contractor shall operate a reimbursement system that provides for Compliance with Sections 37.1-197(7), 37.1-202.1, and 20-61 of the Code of Virginia and that its operation is described in organizational charts that identify all staff members, flow charts, and specific job descriptions for all personnel involved in the reimbursement system.

IV. SERVICE EVALUATION

A. The County shall, in its discretion, evaluate the effectiveness of the services provided by the Contractor under this Agreement. The Contractor shall cooperate with and assist the County's staff in such evaluations.

B. The Contractor shall develop outcome measure(s) and collect the appropriate data, which will support a review of the quality of services that it provides under this Agreement. The outcome measure(s) shall be submitted to the County's Project Officer annually for approval within thirty (30) days of the beginning of each County fiscal year during the term of this Agreement. The Contractor shall cooperate

with the County in assessing the results of these outcome measures and revising them at the County's request.

- C. The Contractor shall inform the County of its participation in evaluation and jointly developed outcome and performance measurement activities, and in reviews of financial, reimbursement, procurement, and management operations conducted by the State DBHDS prior to such activities. The Contractor shall provide the information and full access to records, including information about consumers, to the extent permitted by law, regulation, and policy, that are necessary for the conduct of such evaluations, activities, and reviews. The Contractor shall inform the County of any State DBHDS recommendations made in these reviews and implement agreed upon recommendations in a timely manner. The Contractor will participate with the State DBHDS as requested, by the State and/or County, to develop consumer and family satisfaction survey instruments, implement these surveys, and report the results to the Department and the County.

V. **REPORTING REQUIREMENTS**

The Contractor shall submit the following reports and work products to the Project Officer and/or the designated County staff:

- A. Individual Client-Specific Report which includes at a minimum:
1. Bi-weekly (90 days duration tracks) or monthly (6-month duration tracks) client progress report, depending on program duration, which includes areas and measures of client status/behaviors; and unmet treatment needs.
 2. Monthly progress reports to Probation and Parole by the 15th of the month. (Only on an as required basis.)
 3. Appropriate reports regarding phase movement to be sent to sentencing judges for clients sentenced under Virginia State law. (Only on an as required basis.)
 4. Immediate notification of planned and unplanned client discharges on day of event; BHD-SA liaison can be contacted by fax or voice message 24-hours a day.
 5. Discharge summary reports for each client will be faxed within 48 hours of discharge, which includes summary of client progress while in program; discharge plan and further treatment/service needs.
- B. Qualitative Outcome Data Reports:
- C. Contractor Annual Report.
- D. Contractor Annual Audit.
- E. State DBHDS Licensure reports, including annual evaluations or any other reports associated with on-site inspections by Licensing Specialists.

- F. Client Incident Report (due next workday for emergencies of a medical or behavioral-nature, due within five (5) workdays for other incidents).
- G. Reports of actual or suspected violations of client human rights (e.g., investigations by the Regional Human Rights Advocate; all contacts made to Adult Protective Services).
- H. Annual Staff Training Plan.
- I. End of Year Staff Training Report.
- J. Revisions to Program Policies and Procedures, or changes in staffing patterns.
- K. Other reports deemed necessary by the Project Officer.

VI. ROLE OF ARLINGTON COUNTY DEPARTMENT OF HUMAN SERVICES (DHS)

- A. DHS will assist contractor in areas such as:
 - 1. Orientation and consultation for the Contractor staff regarding the services and programs offered by DHS and related County agencies.
 - 2. Information and inclusion of Contractor staff in pertinent in-service training opportunities within DHS, to the extent that the Contractor staff can be accommodated.
 - 3. Mental health crisis intervention services, employment/vocational services, and social and financial supportive services for clients, where appropriate and under eligibility guidelines of the relevant programs, and in accordance with DHS intake procedures.
 - 4. The DHS Behavioral Healthcare Division, Substance Abuse Services (BHD-SA) shall assign, in addition to the Project Officer, a staff person(s) who will provide the following:
 - a. Central point of entry for Arlington County clients in need of treatment services to conduct pre-screening evaluations and assessments;
 - b. Client linkage with existing County BHD-SA treatment services and other County services;
 - c. Evaluation and prioritization of all referrals for admission to contract services in accordance with agreed upon admissions criteria/standards; and
 - d. Coordination between the County and Contractor regarding clients' services.

VII. PROJECT OFFICER

A Project Officer, who shall be designated in writing by the County, will monitor all work under this contract. The Project Officer, or designee, will be responsible for monitoring the contract and Contractor performance, which includes:

- A. Determining acceptability of all reports, materials and work products called for in this solicitation;
- B. Reviewing pertinent information provided by the Contractor about each client approved for intake;
- C. Performing periodic review and assessment of client files to verify nature and degree of intervention therapy, level of client monitoring, and completeness of client records;
- D. Attending client staff meetings or observe other project activities to insure contract performance;
- E. Serving as the liaison between the Contractor and the County for the purpose of routine communication and coordination; and
- F. Reviewing all services invoices and authorize payment for services rendered.

AGREEMENT NO. 501-13

EXHIBIT B

CONTRACT RATES

One bed-day-unit unit of services is defined as at least twelve (12) but less than or equal to twenty-four (24) hours of service, that includes an overnight stay. The day of admission would count as a bed day, but the day of discharge would not.

Treatment services will have the following bed-day-unit cost:

A. RESIDENTIAL SERVICES:

BOYS AND GIRLS RECOVERY LODGES

<u>UNIT</u>	<u>COST</u>	<u>DESCRIPTION OF SERVICES</u>
Day	\$53.65	Room and Board
Day	\$165.35	Daily Supervision: includes costs associated with nursing, mental health staff, Utilization review, and administrative oversight
Day	\$24.00	Medical Services: Includes costs associated with the Medical Director, other medical consults, over-the-counter medications.
Day	\$117.00	Counseling: Includes clinical programming and case management (activity therapy), vocational counseling, nursing groups, and treatment team meetings.
Day	\$35.00	Educational Services: 7 days a week
<hr/>		
Total Day:	\$395.00	

ADDITIONAL SERVICES

<u>UNIT</u>	<u>COST</u>	<u>DESCRIPTION OF SERVICES</u>
Hour	\$40.00	Transportation
Hour	\$40.00	1:1 monitoring

B. PHOENIX HOUSE INTENSIVE OUTPATIENT COUNSELING CENTER:

Adolescent Rates

<u>UNIT</u>	<u>COST</u>	<u>DESCRIPTION OF SERVICES</u>
Session	\$150.00	Phase I (3 times/week for 2 hrs/day)
Session	\$75.00	Phase II (2 times/week for one hour a day/1 time/week for one hour a day)
Session	\$25.00	Phase III (a minimum of one hour group/month)

AGREEMENT NO. 501-13
EXHIBIT D2

NONDISCLOSURE AND DATA SECURITY AGREEMENT
(INDIVIDUAL)

I, the undersigned, agree that I will hold County provided information, documents, data, images, records and the like (hereafter "information") confidential and secure and protect it against loss, misuse, alteration, destruction or disclosure. This includes but is not limited to the information of the County, its employees, contractors, residents, clients, patients, taxpayers, and property as well as information that the County shares with my employer or prime contractor for testing, support, conversion or the provision of other services under Arlington County Agreement No. 501-13 (the "Project" or "County Agreement", as applicable) or which may be accessed through County owned or controlled databases (all of the above collectively referred to herein as "information" or "County information").

I agree that I will maintain the privacy and security of County information and I will not divulge or allow or facilitate access to County information for any purpose or by anyone unless expressly authorized to do so by the County Project Officer. This includes but is not limited to information that in any manner describes, locates or indexes anything about an individual including, but not limited to, his/her (hereinafter "his") Personal Health Information, treatment, disability, services eligibility, services provided, investigations, real or personal property holdings, education, financial transactions, medical history, ancestry, religion, political ideology, criminal or employment record, social security number, tax status or payments, date of birth or that otherwise affords a basis of inferring personal characteristics, such as finger and voice prints, photographs, or things done by or to such individual, and the record of his presence, registration, or membership in an organization or activity, or admission to an institution (as also collectively referred to herein as "information" or "County information").

I agree that I will not directly or indirectly use or facilitate the use or dissemination of information (whether intentionally or by inadvertence, negligence or omission verbally, electronically, through paper transmission or otherwise) for any purpose other than that directly authorized and associated with my designated duties on the Project. I understand and agree that any unauthorized use, dissemination or disclosure of information is prohibited and may also constitute a violation of Virginia or federal law/s, subject to civil and/or criminal penalties.

I also agree that I will not divulge or otherwise facilitate the disclosure, dissemination or access to or by any unauthorized person for any purpose of the information obtained directly, or indirectly, as a result of my work on the Project. I agree to view, retrieve or access County information only to the extent concomitant with my assigned duties on the Project and only in accordance with the County's and my employer's access and security policies or protocols.

I agree that I will take strict security measures to ensure that information is kept secure, properly stored, that if stored that it is encrypted as appropriate, stored in accordance with industry best practices, and otherwise protected from retrieval or access by unauthorized persons or unauthorized


purpose. I will also ensure that any device or media on which information is stored, even temporarily, will have strict security and access control and that I will not remove, facilitate the removal of or cause to be removed any information from my employer's worksite or the County's physical facility without written authorization of the County Project Officer. If so authorized, I understand that I am responsible for the security of the electronic equipment or paper files on which the information is stored and agree to promptly return such information upon request.

I will not use any devices, laptops, PDAs, netbooks, tablets, thumb drives or other media storage devices ("Device") during my work on the Project without pre-approval. I will ensure that any Device connected to the County network shall be free of all computer viruses or running the latest version of an industry standard virus protection program. I will also ensure that my password, if any, is robust, protected and not shared. No information may be downloaded except as authorized by the County Project Officer and then only onto a County-approved Device. Downloading onto a personally owned Device is prohibited.

I agree that I will notify the County Project Officer immediately upon discovery, becoming aware of or suspicious of any unauthorized disclosure of information, security breach, hacking or other breach of this Agreement, County policy, my employer's security system or any other breach of Project protocols. I will fully cooperate with the County to help regain possession of any information and to prevent its further disclosure, use or dissemination.

It is the intent of this *NonDisclosure and Data Security Agreement* to ensure that the highest level of administrative safeguards and best practices are in place to ensure confidentiality, protection, privacy and security of County information and County networked resources and to ensure compliance with all applicable local, state and federal law or regulatory requirement. Therefore, to the extent that this *Nondisclosure and Data Security Agreement* conflicts with the underlying County Agreement or any local, state or federal law, regulation or provision, the more stringent County Contract provision, law, regulation or provision shall control.

Upon completion or termination of my work on the Project, I agree to return all County information to the County Project Officer. I understand that this Agreement remains in full force and effect throughout my work on the Project and shall survive my reassignment from the Project, termination of the above referenced Project or my departure from my current employer.

Signed:  _____

Printed Name: Deborah Simpson Taylor

Date: 7/5/12

Witnessed:

Contractor's Project Manager: _____

Printed Name: _____

Date: _____

TO BE COMPLETED PRIOR TO BEGINNING WORK ON THE PROJECT

AGREEMENT NO. 501-13EXHIBIT CHIPAA BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is entered into on, by and among the County Board of Arlington County, Virginia (herein "Covered Entity") and Phoenix Houses of the Mid-Atlantic, Inc. (herein "Business Associate") in order to comply with 45 C.F.R. §164.502(e) and §164.504(e), governing protected health information ("PHI") and business associates under the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191) ("HIPAA"), 42 U.S.C. Section 1320d, et. seq., the Health Information Technology for Economic and Clinical Health Act (P.L. 111-005) ("HITECH ACT") and any regulations promulgated thereunder, as amended from time to time. Further, this Agreement is entered into to protect the confidentiality and integrity of Protected Health Information (PHI) required by law, policy, professional ethics, and accreditation requirements. Parties to this Agreement shall fully comply with the provisions of the regulations implementing HIPAA.

RECITALS

WHEREAS the parties must comply with provisions of HIPAA, the Privacy Rule and Security Rule requirements and applicable provisions of the "HITECH standards" (defined below);

WHEREAS the parties agree and understand that the Covered Entity must receive satisfactory written assurance from the Business Associate that the Business Associate will safeguard all Protected Health Information, as defined by HIPAA;

WHEREAS the parties intend to protect the privacy and provide for the security of PHI disclosed to the BA pursuant to its contract with the Covered Entity in compliance with HIPAA and the HITECH Act and the regulations promulgated thereunder by the U.S. Department of Health and Human Services and other applicable laws;

WHEREAS the Business Associate agrees to take all reasonable and accepted efforts to ensure that PHI is rendered unusable, unreadable or indecipherable to unauthorized individuals (e.g. encrypted, destroyed) whenever appropriate;

WHEREAS the Business Associate hereby provides such assurances;

In consideration of mutual promises and covenants below, the parties intending to be legally bound, agree as follows:

1. DEFINITIONS.

As used in this Agreement, the terms below will have the following meanings intended to be consistent with HIPAA and the HITECH Act:

1.1 Agreement.

"Agreement" shall mean this Business Associate Agreement.

1.2 Affected Individuals.

"Affected individuals" shall mean person who were affected by a Breach, as defined below, or whose unsecured protected health information has been, or is reasonably believed to have been, breached.

1.3 Breach.

"Breach" shall mean the unauthorized acquisition, access, use or disclosure of PHI in a manner not permitted by the HIPAA Privacy Rule which compromises the security or privacy of such information except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information. And any other such exceptions to this definition as set forth at 42 USC 17921 section 13400 (1) and any guidance related thereto.

1.4 Business Associate.

"Business Associate" shall mean Phoenix Houses of the Mid-Atlantic, Inc.

1.5 Covered Entity.

"Covered Entity" shall mean the County Board of Arlington County, Virginia.

1.6 Designated Record Set.

"Designated Record Set" shall mean a group of records maintained by or for a covered entity that is:

- (a) The medical records and billing records about individuals maintained by or for a covered health care provider;
- (b) The enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or
- (c) Used, in whole or in part, by or for the covered entity to make decisions about individuals

1.7 Discovered.

"Discovered" shall mean the first day the Breach is known or reasonably should have been known by the Business Associate, including any person, other than the person committing the breach, that is an employee, officer or other agent of the Business Associate

1.8 HITECH Standards.

"HITECH Standards" shall mean the privacy, security and security Breach notification provisions applicable to a Business Associate under Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECT"), which is Title XIII of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) and any regulations promulgated thereunder.

1.9 Individual.

"Individual" shall have the same meaning as the term "individual" in 45 C.F.R. 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g)(1). This term includes "Covered Individual" and "Covered Person/s as used herein."

1.10 Plan.

"Plan" shall have the same meaning as set forth in HIPAA and HITECH Act,

1.11 Privacy Rule.

"Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E.

1.12 Protected Health Information.

"Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. §160.103. PHI is limited to information created or received by Business Associate from or on behalf of Covered Entity. PHI means individually identifiable information created or received by a health care provider, health plan, employer or health care clearinghouse, that: (i) relates to the past, present, or future physical or mental health or condition of an individual, provision of health care to the individual, or the past, present or future payment for provision of health care to the individual; (ii) identifies the individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual; and (iii) is transmitted or maintained in an electronic medium, or in any other form or medium. PHI includes protected information provided by Covered Entity to Business Associate or created or received by Business Associate on Covered Entity's behalf.

1.13 Required by Law.

"Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. §164.103.

1.14 Secretary.

"Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

1.15 Summary Health Information.

"Summary Health Information" shall mean information, which may be Protected Health Information, (1) that summarizes the claims history, claims expenses, or types of claims and (2) from which the identifiers specified in 45 C.F.R. §164.514(b)(2)(i) have been deleted (except that the zip code information described in 45 C.F.R. §164.514(b)(2)(i)(B) may be aggregated to the level of a five (5) digit zip code).

1.16 Underlying Agreement.

"Underlying Agreement" refers to the County contract necessitating this Business Associate Agreement.

1.17 Unsecured Protected Health Information.

"Unsecured Protected Health Information" or "Unsecured PHI" shall mean Protected Health Information (PHI) that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of technology or a methodology specified by the Secretary in guidance.

2. STATEMENT OF AGREEMENT.

2.1 HIPAA Compliance and Agents.

Business Associate hereby agrees to fully comply with the "Business Associate" requirements under HIPAA, throughout the term of this Agreement. Further, Business Associate agrees that to the extent it has access to PHI, Business Associate will fully comply with the requirements of HIPAA and this Agreement with respect to such PHI; and, further, that every agent, sub-Business Associate, employee, subsidiary, and affiliate of Business Associate to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity will be required to fully comply with HIPAA, and will be bound by written agreement to the same or substantially similar restrictions and terms and conditions as set forth in this Agreement. Covered Entity shall have the option to review and approve all such written agreements between Business Associate and its agents and sub-Business Associates prior to their effectiveness.

2.2 Uses and Disclosures of PHI.

Business Associate shall not use PHI otherwise than as expressly permitted by this Agreement, or as required by law. However, Business Associate may use PHI for purposes of managing its internal business processes relating to its functions under this Agreement. Business Associate shall not disclose PHI to any member of its workforce except to those persons who have authorized access to the information, who have received privacy training in PHI, and who have signed an agreement to hold the information in confidence.

2.3 Required or Permitted Uses & Disclosures.

Business Associate agrees that it is permitted to use or disclose PHI only: (a) upon obtaining the authorization of the patient to whom such information pertains in accordance with 45 C.F.R. §164.502(a)(1)(iv) and §164.508, (b) upon obtaining the consent of a patient to whom such information pertains, if the use or disclosure is for purposes of treatment, payment, or health care operations, in accordance with 45 C.F.R. §164.502(a)(1)(ii) and §164.506, or (c) without an authorization or consent, if in accordance with 45 C.F.R. §164.506, §164.510, §164.512, §164.514(e), §164.514(f), §164.514(g), or as otherwise permitted or required by agreement or law.

2.3.1 Disclosure Tracking.

Business Associate will record each disclosure and Breach of Covered Persons' Protected Health Information, which is not exempt from disclosure accounting that Business Associate makes to the Plan or to a third party.

The information about each disclosure that Business Associate must record ("Disclosure Information") is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (c) a brief description of the Protected Health Information disclosed, and (d) a brief statement of the purpose of the disclosure.

For repetitive disclosures of Covered Persons' Protected Health Information that Business Associate makes for a single purpose to the same person or entity (including the Plan), Business Associate may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.

2.3.2. Exceptions from Disclosure Tracking.

Business Associate is not required to record disclosure information or otherwise account for disclosures of PHI that this Agreement or the Plan in writing permits or requires: (i) for the purpose of the Business Associate's payment activities or health care operations, (ii) to the individual who is the subject of the PHI disclosed, or to that individual's personal representative; (iii) to persons involved in that individual's health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a limited data set; (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented; and (x) for disclosures prior to April 14, 2003.

2.3.3. Disclosure Tracking Time Periods.

Business Associate will have available the disclosure Information required for the six (6) years immediately preceding the date of the Covered Entity's request for the Disclosure Information.

2.3.4. Use and Disclosure; Rights.

Business Associate acknowledges that this Agreement does not in any manner grant Business Associate any greater rights than Covered Entity enjoys, nor shall it be deemed to permit or authorize Business Associate to use or further disclose PHI in a manner that would otherwise violate the requirements of HIPAA if done by Covered Entity.

2.4 Accounting for Disclosures.

Accounting of Disclosures. Business Associate shall maintain an ongoing log of the details relating to any disclosures of PHI it makes (including, but not limited to, the date made, the name of the person or organization receiving the PHI, the recipient's address, if known, a description of the PHI disclosed, and the reason for the disclosure). Business Associate shall, within thirty (30) days of Covered Entity's request, make such log available to Covered Entity, as needed for Covered Entity to provide a proper accounting of disclosures to its patients.

Disclosure to U.S. Department of Health and Human Services (DHHS). Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI received from Covered Entity (or created or received by Business Associate on behalf of Covered Entity) available to the Secretary of DHHS or its designee for purposes of determining Covered Entity's compliance with HIPAA and with the Privacy Regulations issued pursuant thereto. Business Associate shall provide Covered Entity with copies of any information it has made available to DHHS under this section of this Contract.

2.4.1. Report of Improper Use or Disclosure.

Business Associate shall report to Covered Entity within thirty (30) days of discovery any information of which it becomes aware concerning any use or disclosure of PHI that is not provided for by this Agreement. See also section 2.8 herein.

2.5 Administrative Obligations.

2.5.1 Safeguards.

Business Associate agrees to develop implement and maintain appropriate procedural, physical, and electronic safeguards to prevent the use, disclosure or misuse of PHI otherwise than as provided by this Agreement including but not limited to administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality and integrity and availability of the PHI, in accordance with 45 C.F.R. §§ 164.308, 164.310, 164.312, 164.314 and 164.315. Business Associate agrees to comply with policies and procedures and documentation requirement of the HIPAA Security Rule. Business Associate agrees to notify Covered Entity of the location of any PHI disclosed by Covered Entity or created by Business Associate on behalf of Covered Entity and held by or under the control of Business Associate or those to whom Business Associate has disclosed such PHI.

2.5.2. Minimum Necessary.

Business Associate must limit any use, disclosure, or request for use or disclosure to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request in accordance with the requirements of HIPAA. Business Associate represents that all uses, disclosures, and requests it will make shall be the minimum necessary in accordance with HIPAA requirements. Covered Entity may, pursuant to HIPAA, reasonably rely on any requested disclosure as the minimum necessary for the stated purpose when the information is requested by Business Associate. Business Associate acknowledges that if Business Associate is also a covered entity, as defined by HIPAA, Business Associate is required, independent of Business Associate's obligations under this Agreement, to comply with the HIPAA minimum necessary requirements when making any request for PHI from Covered Entity.

2.5.3. Designated Record Set.

Business Associate shall maintain a designated record set, as defined by HIPAA, for each individual patient for which it has PHI. In accordance with an individual's right to access to their own PHI under HIPAA, Business Associate shall make available all PHI in that designated record set to the individual to whom that information pertains, or such individual's representative, all PHI in that designated record set, upon a request by such individual or such individual's representative.

2.5.4. Records; Covered Entity Access.

Business Associate shall maintain such records of PHI received from, or created or received on behalf of, Covered Entity and shall document subsequent uses and disclosures of such information by Business Associate as may be deemed necessary and appropriate in the sole discretion of Covered Entity. Upon reasonable request Business Associate shall provide the Covered Entity with reasonable access to examine and copy such records and documents of Business Associate during normal business hours within 30 days of a request for such information. Business Associate agrees to fully cooperate in good faith with and to assist Covered Entity in complying with the requirements of HIPAA and any investigation of Covered Entity regarding compliance with HIPAA conducted by the U.S. Department of Health and Human Services ("DHHS"), Office of Civil Rights, or any other administrative or judicial body with jurisdiction.

Accounting.

2.5.5 Access to Protected Information.

Business Associate shall make PHI maintained by the Business Associate or its agents or subcontractors in Designated Record Sets available to the Covered Entity for inspection and copying within ten (10) days of the request by Covered Entity to enable Covered Entity to fulfill its obligations under the Privacy Rule, including but not limited to, 45 C.F.R. §164.524. If Business Associate maintains an electronic health record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act, including but not limited to, 42 USC §17935(e).

2.5.6 Accounting of Disclosures.

Within twenty (20) days of a request by the Covered Entity or individual, Business Associate shall provide information to the Covered Entity to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under the Privacy Rule, including but not limited to, 45 C.F.R. §164.528, and the HITECH Act, including but not limited to 42 USC §17935(C), as determined by the Covered Entity. Business Associate agrees to implement a process that allows for such an accounting to be collected and maintained by Business Associate and its agents or subcontractors for at least six (6) years prior to the request. Additional time may be extended so long as the Covered Entity remains in compliance with and the time periods outlined at 45 C.F.R. 164.5280(1)(ii).

2.6 Workforce Provisions.

2.6.1 Confidentiality Agreement.

Business Associate must have a confidentiality agreement in place with individuals of its workforce who have access to PHI. Issuing and maintaining these confidentiality agreements will be the responsibility of the Business Associate. Covered Entity shall have the option to inspect the maintenance of said confidentiality agreements.

2.6.2 Employee Sanctions.

Business Associate shall implement and maintain sanctions for any employee, sub-Business Associate, or agent who violates the requirements in this Contract or the HIPAA privacy regulations. Business Associate shall, as requested by Covered Entity, take steps to mitigate any harmful effect of any such violation of this Contract.

2.7 Amendment of and Access to PHI; Notification.

Business Associate shall make an individual's PHI available to Covered Entity within thirty (30) days of an individual's request for such information as notified by Covered Entity.

Business Associate shall make available PHI for amendment and shall incorporate any amendments to PHI within thirty (30) days of notification by Covered Entity. Business Associate shall make reasonable efforts to notify persons, organizations, or other entities, including other business associates, known by Business Associate to have received the erroneous or incomplete information and who may have relied, or could foreseeably rely, on

such information to the detriment of the individual patient. Business Associate must update this information when notified by Covered Entity.

Business Associate shall make available PHI or any other information required to provide, or assist in preparing, an accounting of disclosures in accordance with HIPAA. Right of Access.

2.8 Compliance with HITECH Standards.

2.8.1 Breach Notification to Covered Entity.

To ensure proper and timely notification by Covered Entity following a breach of unsecured protected health information, the Business Associate shall in writing provided initial Notice of any Breach following Discovery of the Breach. Such initial Notice to the Covered Entity must be given immediately or without delay, as applicable. Thereafter, no later than thirty (30) days after Discovery by the Business Associate, additional written Notice must be provided to Covered Entity, to the extent possible, to include the following information in the format and order provided below. If additional information becomes available later, it shall be promptly provided to the Covered Entity:

1. Total number of Affected Individuals per Breach;
2. A brief description of what happened, including the date of the breach, the date of the discovery of the breach and who impermissible used or to whom the information was impermissibly disclosed.;
3. A detailed description of the type of Unsecured PHI that was involved in the Breach (e.g. name, social security number, date of birth, health information etc.);
4. Any steps Affected Individuals should take to protect themselves from potential harm resulting from the Breach;
5. A description of the Business Associate's investigation into the Breach, efforts to mitigate of harm to affected individuals, and to protect against future breaches;
6. Contact procedure for follow-up, which must include a toll-free number, an email address and a website or postal address;
7. The identify of each Affected Individual whose unsecured protected health information has been, or is reasonably believed to have been, breached; and,
8. Any further information known to the Business Associate, which it determines in its discretion could assist the Covered Entity to comply with the HITECH Standards.

2.8.2 Other HITECH Standards.

The Business Associate shall also comply with the following HITEECH Standards, including, but not limited to:

1. compliance with the requirements regarding minimum necessary under HITECH §13405(b);
2. requests for restrictions on use or disclosure to health plans for payment or health care operations purposes when the provider has been paid out of pocket in full confident with HITECH §13405(d)

3. the prohibition of sale of PHI unless an exception under HITECH §13405(d) applies;
4. the prohibition on receiving remuneration for certain communications that fall within the exceptions to the definition of marketing under 45 C.F.R. §164.501 unless permitted by this Agreement and Section 13406 of HITECH;
5. the requirements relating to the provision of access to certain information in electronic access under HITECH §13405(e);
6. compliance with each of the Standards and Implementation Specifications of 45 C.F.R. §§164.308 (Administrative Safeguards), 164.310 (Physical Safeguards); 164.312 (Technical Safeguards) and 164.316 (Policies and Procedures and Documentation Requirements); and,
7. the requirements regarding accounting of certain disclosures of PHI maintain in an Electronic Health Records under HITECH §13405(c).
8. If an impermissible disclosure of PHI has occurred and is not subject to the notification requirements at section 2.8.1 above, Business Associate shall promptly notify Covered Entity of the disclosure and if the Business Associate determines that a disclosure is not a Breach under HITECH Standards, the Business Associate shall provide a brief explanation as to why the disclosure does not "pose significant risk of financial, reputational or other harm to the individual/s" as provided in the Interim Final Rule at 45 C.F.R. Parts 160 and 164.

2.9 Termination Rights.

This Agreement authorizes Covered Entity to terminate the Agreement, if Covered Entity determines, in its sole discretion, that Business Associate has violated a material term of the Agreement required by HIPAA, the HITECH Act or the regulations promulgated there under. This Agreement shall remain in effect throughout the Contract Term and any Subsequent Contract Term of the Underlying Agreement unless terminated for cause by Covered Entity with immediate effect, or until terminated by either party with not less than thirty (30) days prior written notice to the other party, which notice shall specify the effective date of the termination; provided, however, that any termination shall not affect the respective obligations or rights of the parties arising under any Documents or otherwise under this Agreement before the effective date of termination.

Within thirty (30) days of expiration or earlier termination of this Contract, Business Associate shall return or destroy all PHI received from Covered Entity (or created or received by Business Associate on behalf of Covered Entity) that Business Associate still maintains in any form and retain no copies of such PHI. Business Associate shall provide a written certification that all such PHI has been returned or destroyed, whichever is deemed appropriate. If such return or destruction is infeasible, Business Associate shall use such PHI only for purposes that make such return or destruction infeasible and the provisions of this Contract shall survive with respect to such PHI.

2.10 Breach or Violation; Knowledge.

If Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate's obligations under this Agreement, Covered Entity shall take any steps reasonably necessary to cure such breach or end such violation, and, if such steps are unsuccessful, shall either (a) terminate this Agreement, if feasible, pursuant to §12, or (b) if termination is not feasible, report the breach or violation to DHHS. If Business Associate as a covered entity, defined by HIPAA, violates the terms and conditions of this Agreement in its capacity as a business associate of another covered entity, Business Associate will be in noncompliance with the standards, implementation specifications, and requirements of HIPAA.

2.11 Breach or Violation; Knowledge.

In compliance with 42 USC 17934 (b), if the Business Associate knows of a pattern of activity or practice of Covered Entity that constitutes a material breach or violation of Covered Entity's obligations under this Agreement, Business Entity shall take any steps reasonably necessary to cure the breach or end the violation. If the steps are unsuccessful, Business Associate must terminate the Contract or if termination is not feasible, report the problem to the Secretary. Business Associate shall provide written notice to Covered Entity of any pattern of activity or practice of the Covered Entity that Business Associate believes constitutes a material breach or violation of the Covered Entity's obligations under the Contract within five (5) days of discover and shall meet with the Covered Entity to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.

3 MISCELLANEOUS.

3.1 Regulatory References.

A reference in this Business Associate Agreement to a section in the Privacy Rule, Security Rule, HIPAA or the HITECH Act means the section as in effect or as amended.

3.2 Amendment.

The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, HIPAA and the HITECH Act. Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or of Virginia relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Covered Entity may, by written notice to the Business Associate, amend this Agreement in such manner as Covered Entity determines necessary to comply with such law or regulation. If Business Associate disagrees with any such amendment, it shall so notify Covered Entity in writing within thirty (30) days of Covered Entity's notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate this Agreement by written notice to the other.

3.3 Survival.

The respective rights and obligations of Business Associate under Section 2 of this Agreement shall survive the termination of this Agreement.

3.4 Interpretation.

This Business Associate Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule and to ensure compliance by the Covered Entity. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the above.

3.5 Data Ownership.

Business Associate acknowledges that business Associate has no ownership rights with respect to PHI.

3.6 Party Notices.

All notices and other communications under this Agreement to any Party shall be in writing and the following contact information shall be used:

For Business Associate

For Covered Entity (3)

Contact: Susan Hargreaves

(1) Jan Longman

DHS Privacy Officer

Phoenix Houses

2100 Washington Boulevard. Suite 400

521 N. Quincy Street

Arlington, VA 22204

Arlington, VA 22203

Phone: 703/228- 1613

Phone: 703-841-0703

Fax: 703/228-1119

(2) Marcy Foster

County Privacy Officer

2100 Clarendon Blvd. Suite 511

Arlington, Virginia 22201

Phone: 703/228-3443

3.7 Severability; Governing Law.

With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain

in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

3.8 Further Assurances.

Each Party shall execute, acknowledge or verify, and deliver any and all documents which may from time to time be reasonably requested by the other Party to carry out the purpose and intent of this Agreement.

3.9 Entire Agreement.

This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement.

3.10 Conforming Amendment.

This Agreement incorporates by reference the provisions of HIPAA, the Privacy Rule, Security Rule and the applicable provisions of HITECH, all regulations promulgated thereunder and other applicable laws relating to the security and confidentiality of PHI. To the extent that the law/s or governing regulations are amended thereto, those amendments are incorporated herein as if set forth in full text. The parties thereafter shall negotiate an amendment to this Agreement.

3.11 Disclaimer.

Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA, the HITECH Act or regulations promulgated thereunder will be adequate or satisfactory for Business Associate's own purposes. Business Associate is solely responsible for all decisions made by Business Associate regarding safeguarding of PHI.

3.12 Indemnification, Defense and Save Harmless.

The indemnification provision in the Underlying Agreement applies to the breach, negligent or otherwise, of the terms of this Agreement, HIPAA or the HITECH Act and any regulations promulgated thereunder. Any limitation of liability provision contained in the Underlying Agreement does not apply to this Business Associate Agreement.


IN WITNESS thereof this Business Associate Agreement acknowledged and agreed to by:

for the Covered Entity
Arlington County Privacy Officer

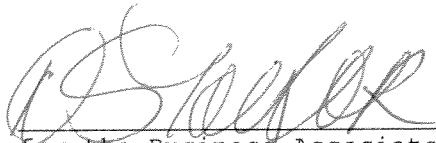
Date



County Department Privacy Representative

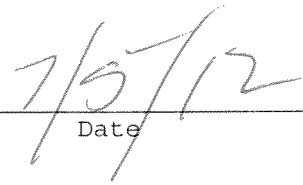


Date



For the Business Associate
Authorized Representative

(print name) Deborah Simpson Taylor



Date