NOTICE OF AWARD OF CONTRACT

TO: COMMUNITY RESIDENCES, INC.

14160 NEWBROOK DRIVE
CHANTILLY, VA 20151

DATE ISSUED: JULY 21, 2010
CURRENT REFERENCE NO: 310-10-1

RESIDENTIAL SERVICES FOR INDIVIDUALS WITH SERIOUS MENTAL ILLNESS

PRIOR REFERENCE NO: 273-09-1

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 referenced contract. The contract term covered by this Notice of Award is effective JULY 1, 2010 and expires on JUNE 30, 2011.

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

The contract documents consist of the terms and conditions of Agreement No. 94-07-1, including any exhibits, attached or amendments thereto

CONTRACT PRICING:

1) REFER TO AGREEMENT NO. 94-07-1 (ATTACHED)

2) AMENDMENT NO. 3 TO AGREEMENT NO. 94-07-1

EMPLOYEES NOT TO BENEFIT:

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

VENDOR CONTACT: DENNIS MANNING
VENDOR TEL. NO.: 703-842-2380
VENDOR PAYMENT TERMS: NET 30 DAYS
VENDOR FAX. NO.: 703-842-2341
TAX IDENTIFICATION NUMBER (EIN/SSN): 54-1004092
EMAIL ADDRESS: dmanning@comres.org
COUNTY CONTACT: MICHAEL PETER
COUNTY TEL. NO.: 703-228-5332

CONTRACT AUTHORIZATION

IVETTE GONZALEZ
Procurement Officer

DISTRIBUTION

VENDOR: 1
BID FOLDER: 1
AGENCY: 1
ARLINGTON COUNTY, VIRGINIA
AGREEMENT NO.94-07-1

AMENDMENT NUMBER 3

REFERENCE NUMBER 310-10-1

This Amendment Number 3 (Amendment) is made on the date of execution of the Amendment by the County and amends Agreement Number 94-07, as amended by Amendment No. 1 thru 2 (Main Agreement) made between Community Residences, Inc., 14160 Newbrook Drive, Chantilly Virginia 20151 (Contractor) and the County Board of Arlington County, Virginia (County).

Whereas the County and the Contractor desire to amend the work called for and the amounts to be paid under the Main Agreement, the Contractor and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

REPLACE THE "CONTRACT TERM" PARAGRAPH WITH THE FOLLOWING:

CONTRACT TERM

Work under this Agreement shall continue from JULY 1, 2010, in accordance with this Agreement by both parties and shall remain into effect until JUNE 30, 2011, subject to any modifications as provided for in the Contract Documents. No work shall be deemed complete until it is accepted by the Project Officer.

REPLACE THE "CONTRACT AMOUNT" PARAGRAPH WITH THE FOLLOWING:

The County will pay the Contractor no more than $1,112,285 (Contract Amount) in total for the completion of the work described and required in the Contract documents for the Third Subsequent Contract Term, subject to the terms and conditions in those documents, payable in 12 equal monthly installments of $92,690.42. In addition to the "Contract Amount", Contractor is eligible for up to $25,000 in two (2) performances bonuses during the "Contract Term" in accordance with the provisions set forth in Exhibit A.

DELETE THE LAST COLUMN "COST PER BED DAY TO ARLINGTON COUNTY" IN THE "UNITS OF SERVICE" CHART.

Terms and Conditions

All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.
WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

COMMUNITY RESIDENCES, INC.

SIGNED
BY:

SIGNED
BY:

PRINT NAME: RICHARD D. WARRIN, JR.
PRINT NAME: TERENCE HURLEY, CFO
AND TITLE: PURCHASING AGENT
AND TITLE: CFO
DATE: 07/04/10
DATE: 01/25/10
ARLINGTON COUNTY, VIRGINIA
AGREEMENT NO.94-07-1

AMENDMENT NUMBER 2

REFERENCE NUMBER 273-09-1

This Amendment Number 2 (Amendment) is made on the date of execution of the Amendment by the County and amends Agreement Number 94-07, as amended by Amendment No. 1 (Main Agreement) made between Community Residences, Inc., 14160 Newbrook Drive, Chantilly Virginia 20151 (Contractor) and the County Board of Arlington County, Virginia (County).

Whereas the County and the Contractor desire to amend the work called for and the amounts to be paid under the Main Agreement, the Contractor and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

CHANGE THE FIRST TWO SENTENCES UNDER THE “CONTRACT TERM” TO READ AS FOLLOWS:

CONTRACT TERM
The Time of Performance for work under this Amendment will commence on JULY 1, 2009 and end on JUNE 30, 2010 (Third Subsequent Contract Term).

CHANGE THE FIRST TWO SENTENCES UNDER THE “CONTRACT AMOUNT” PARAGRAPH TO READ AS FOLLOWS:

CONTRACT AMOUNT
The County will pay to the Contractor no more than $1,142,054 in total for the completion of the work described and required in the contract Documents, subject to the terms and conditions in those documents, payable in twelve (12) monthly installments of $95,171.17. In addition to the Contract Amount, the Contractor may receive up to two (2) performance bonuses in a 12 month period totaling up to $50,000 in accordance with the provisions set forth in Exhibit A.

CHANGE THE “COST PER BED DAY TO ARLINGTON COUNTY” IN “UNITS OF SERVICE” TO READ AS FOLLOWS:

<table>
<thead>
<tr>
<th>INTENSIVE SERVICE LOCATION</th>
<th># Consumers</th>
<th># Bed Days</th>
<th>FY10 Cost per Bed Day Arlington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>3821 N. 13th Street</td>
<td>29</td>
<td>10,585</td>
<td>$107.89</td>
</tr>
<tr>
<td>1422 N. Fillmore Street</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1710 N. Glebe Road</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2027 N. Roosevelt Street</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Terms and Conditions
All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED BY: [Signature]
PRINT NAME: RICHARD D. WARREN, JR.
AND TITLE: PURCHASING AGENT
DATE: 6/29/09

COMMUNITY RESIDENCES, INC.

SIGNATURE
PRINT NAME
AND TITLE: [Signature]
DATE: 6-4-09
THIS AGREEMENT is made, on the date of execution by the County, between
Community Residences, Inc., 14160 Newbrook Drive, Chantilly, VA 20151
("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:

CONTRACT DOCUMENTS
The Contract Documents consist of this Agreement, Exhibit A ("Scope of Work")
and Exhibit B ("Budget"). 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. In like manner the terms and conditions of Exhibit A shall prevail
over the terms and conditions of Exhibits B.

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
this Agreement which is not contained in the Contract Documents, and that all
terms and conditions with respect to this Agreement are expressly contained
herein.

SCOPE OF WORK
The Contractor agrees to perform the Work described in the Contract Documents
which consists of Residential Services for the Individuals with Serious Mental
Illnesses ("Work"). It shall be the Contractor's responsibility to provide
the specific services set forth in the Contract Documents and sufficient
services to fulfill the purposes of the work as set forth in the Contract
Documents. Nothing in the Contract Documents shall be construed to limit the
Contractor's responsibility to manage the details and execution of its work.

PROJECT OFFICER
The performance of the Contractor required by this Agreement is subject to the
review and acceptance of the County Project Officer, who shall be appointed by
the Director of the Arlington County Department of Human Services or designee.
The Project Officer may, in turn, appoint other County staff to serve as
primary liaisons to the Contractor for various components of the services to
be delivered. However, it shall be the responsibility of the Contractor to
manage the details of the execution and performance of its work under this
Agreement.

PROJECT STAFF
The County will, throughout the life of this Agreement, 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, 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 as well as the Contractor's internal hiring of
employees shall be solely the responsibility of the Contractor.
CONTRACT TERM

Work under this Agreement will commence on November 15, 2007 and will be completed no later than June 30, 2008 ("Initial Contract Term") subject to any modifications as provided for in the Contract Documents. Upon satisfactory performance of the Contractor and with the concurrence of the Contractor, the County may, through issuance of a Notice of Award of Contract, authorize continued operations of the Contractor for not more than six additional twelve (12) month periods from July 1, 2008 to June 30, 2014 (each period is referred to as "Subsequent Contract Term"). Notwithstanding anything herein to the contrary, the Contract Amount for each extension period shall be in an amount not to exceed the funds appropriated for the Contract by the County Board of Arlington County, Virginia for the Subsequent Contract.

CONTRACT AMOUNT

For the Initial Contract term, the County will pay to the Contractor not more than $843,515.18 ("Contract Amount") payable in eight (8) equal monthly installments of $99,237.08, and a prorated initial installment for 15 days of service in the amount of $19,618.54.

In addition to the Contract Amount, the Contractor may receive up to two (2) performance bonuses in a 12 month period totaling op to $50,000, in accordance with the provisions set forth in Exhibit A. For the Initial Contract Term, the maximum bonus pro-rated amount is $35,416.

The Contract Amount includes all of Contractor's costs and fees (profit).

PAYMENT

Payment will be made by the County to the Contractor within 30 days after receipt by the County Project Officer of an invoice (Per the sample in Exhibit B) for Work done which is reasonable and allocable to the Agreement and which has been performed to the satisfaction of the Project Officer.

ADDITIONAL SERVICES

No services other than those described in the Contract Documents are authorized under this Agreement unless the services are covered by a written amendment to this Agreement signed by the County and the Contractor and a County Purchase Order is issued covering the expected cost of such services.

CONTRACT EXTENSION WITH PRICE ADJUSTMENTS NEGOTIATED UP TO CPI-U

The Contract unit price(s) shall remain firm for the first nine (9) months of the Contract Term ("Initial Contract Term"). The Contract unit price(s) for each ensuing Contract year, if the County elects to extend the Contract, shall be negotiated by the County and the Contractor. Increases in the price(s) for ensuing years shall not exceed the percentage of change in the U.S. Department of Labor, Consumer Price Index, All Items, Unadjusted, Urban Areas (CPI-U) for the twelve (12) month period ending in January of each Contract Year.

If the Contractor and the County do not agree on a price using the procedure set forth above by the thirtieth (30th) day prior to the end of the initial Contract Term or the end of ensuing renewal term or terms, the County will terminate the Contract whether or not the County has previously elected to extend the term. The Contract unit price(s) changed as a result of this procedure shall become effective on the anniversary date of the Contract and shall be binding on the Contractor for the ensuing renewal term or terms.
REQUIREMENTS CONTRACT (ESTIMATED QUANTITIES)
During the 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 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 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 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 in this Contract.

ADJUSTMENTS FOR CHANGES IN SCOPE
The County may order changes in the general scope of the work. No claim may be made by the Contractor that the scope of the work or the delivery of services has changes that require adjustments to the amount of compensation due to the Contractor unless such adjustments have been made by a valid amendment to the Contract. If the Contractor believes that any particular work is not within the scope of the work, or is a material charge, or will otherwise call for more compensation to the Contractor, the Contractor must notify the Project Officer in writing of this belief. Within ten (10) days after any change or event which calls for more compensation, the Contractor must provide to the Project Officer a proposal which sets forth the amount of additional compensation claimed, together with the basis therefore and supportive documentation for the amount. The Contractor will not be compensated for performing that particular work unless the proposal has been submitted in the time specified above, a valid amendment to this Contract has been executed, and a County Purchase Order is issued covering the cost of the services to be provided under the amendment.

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, age, sexual orientation, or national origin, except where religion, sex, or national origin 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.

INDEMNIFICATION
The Contractor covenants to save, defend, hold harmless, and indemnify the County, and all of its elected and appointed officials, officers, employees, agents, departments, agencies, boards, and commissions (collectively the "County") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor's intentional, negligent, or grossly negligent acts or omissions in performance or nonperformance of its work called for by the Contract Documents. This indemnification shall survive the termination of this contract.

FAILURE TO DELIVER
In case of failure to deliver services in accordance with the Contract terms and conditions, the County, after due written notice, may procure the services from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs.

ETHICS IN PUBLIC CONTRACTING
The Contract incorporates by reference Article 9 of the Arlington County, Virginia, 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 Virginia Conflicts of Interest Act, the Virginia Governmental Fraud Act, and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Virginia Code, as amended. The Contractor certifies that its offer is 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 in connection with this solicitation, and that it has not conferred on any public employee having official responsibility for this solicitation 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.

LIABILITY
Neither the Contractor nor the County will be held responsible for failure to perform the duties and responsibilities imposed by the Contract if such failure is due to strikes, fires, riots, rebellions, or Force Majeure, beyond the control of the Contractor or the County, that make performance impossible or illegal, unless otherwise specified in the contract.

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.

APPLICABLE LAW
This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia and the venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia. The Contractor shall comply with applicable federal, state, and local laws and regulations.
RELATION TO COUNTY

The Contractor will be legally considered as an independent contractor and neither the Contractor nor its employees will, under any circumstances, be considered servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its servants or agents. The County will not withhold payments to the Contractor any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Further, 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.

ARLINGTON COUNTY PURCHASING RESOLUTION

The Contract is governed by the applicable provisions of the Arlington County Purchasing Resolution. The time limit for decision by the County Manager in the event of a contractual dispute, as that term is defined in the Purchasing Resolution, is fifteen (15) days. Procedures for contractual disputes, appeals, and protests are available upon request from the Office of the Purchasing Agent.

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 Documents.

CONFIDENTIALITY AND RETURN OF RECORDS

The Contractor agrees that all findings, memoranda, correspondence, documents or records of any type, whether written or oral, and all documents generated by the Contractor or its subcontractors as a result of the County's request for services under this contract, are confidential records (Records). And neither the Records nor their contents shall be released, nor their contents disclosed, to any person other than the Project Officer or 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 designee for response. At the County's request, the Contractor shall deliver all Records to the Project Officer, including "hard copies" of computer records specific to the services generated as a result of this Contract. The Contractor may maintain original Records that allow it to meet state and federal requirements regarding record keeping and in such cases deliver copies of original Records to the Project Officer.

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 Agreement.

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

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 (HIPAA) of 1996.

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:

Access to Programs, Services and/or Facilities: The Contractor shall ensure its programs, services and facilities are accessible to persons with disabilities, as required by the ADA. 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.

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.

Modifications to Policies and Procedures: The Contractor shall make the necessary modifications to its policies and programs 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.

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.

Employment: The Contractor shall not discriminate on the basis of disability in its hiring or employment practices and will comply with all regulations promulgated by the U.S. Equal Employment Opportunity Commission under the ADA.

NONAPPROPRIATION
All funds for payments by the County under this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County. In the event of nonappropriation of funds by the County Board for the goods or services provided under this Contract, 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 fiscal year for the services specified for this Contract are 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 with thirty (30) days prior written notice. However, failure to provide such notice shall be of no effect and the County Board of Arlington County shall not be obligated under this Contract beyond the date of termination.

TERMINATION FOR DEFAULT
The Contract will remain in force for the full period specified and until the County determines that all requirements and conditions have been satisfactorily met and the County has accepted the work, and thereafter until the Contractor has met all requirements and conditions related to the work under the Contract Documents following the Contract Term, including warranty and guarantee periods. However, the County will have the right to terminate this Contract sooner if the Contractor fails to satisfactorily perform the work required as determined by the County in its discretion.
In the event the County decides to terminate this Contract for failure to perform satisfactorily, the County will provide the Contractor at least fifteen (15) days written notice before the termination takes effect. Such fifteen (15) day period will begin upon the mailing of notice by the County. If the Contractor fails to cure the default within the fifteen (15) days specified in the notice and the Contract is terminated, then 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. However, an amount equal to all additional costs required to be expended by the County to complete the work covered by the Contract, including costs of delay in completing the project, shall be either subtracted from any amount due to the Contractor or charged to the Contractor in the event the County terminates the Contract.

Except as otherwise directed by the County, or in the case of termination for default (in which event the Contractor may be entitled to cure, at the option of the County), the Contractor shall stop work on the date of receipt of 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, and terminate all vendors and subcontracts and settle all outstanding liabilities and claims. In the event any termination for default 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.

**TERMINATION FOR THE CONVENIENCE OF THE COUNTY**

The performance of work under the contract may be terminated by the 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 thirty (30) days before the date of termination, specifying the extent to which performance of the work under the contract is terminated and the date upon which such termination becomes effective.

After receipt of a notice of termination and except as otherwise directed the Contractor shall stop all 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.

**REPORT STANDARDS**

Reports or written material prepared by the Contractor in response to the requirements of this Contract 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 the Contract 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 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.

INSURANCE REQUIREMENTS
The Contractor shall provide to the County Purchasing Agent a Certificate of Insurance indicating that the Contractor has in force the coverage below prior to the start of any Work under this Contract. The Contractor agrees to maintain such insurance until the completion of this Contract. All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia and acceptable to the County. The minimum insurance coverage shall be:

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.

Commercial General Liability - $1,000,000 combined single limit coverage with $1,000,000 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. Evidence of Contractual Liability coverage shall be typed on the certificate.

Additional Insured - Arlington County, its officers, elected and appointed officials, and employees shall be named as an additional insured in the Contractor’s Commercial General Liability policy; evidence of the Additional Insured endorsement shall be typed on the certificate.

Cancellation - All insurance policies required hereunder shall be endorsed to include the following provision: “It is agreed that this policy is not subject to cancellation, non-renewal, material change, or reduction in coverage until thirty (30) days prior written notice has been given to the Purchasing Agent, Arlington County, Virginia.”

Contract Identification - The insurance certificate shall state this Contract’s number and title.

Business Automobile Liability - $500,000 Combined Single Limit ( Owned, non-owned and hired).

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 professional services or perform Work under the contract, in the amount of $1,000,000.

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.

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 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 alternative coverages are submitted to and acceptable to the County.

NONEXCLUSION 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.

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

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 the valid judgment or decrees of a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Contract.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: [Signature]

NAME AND TITLE: RICHARD D. WARREN, JR. PURCHASING AGENT
DATE: 11/6/07

COMMUNITY RESIDENCES, INC.

TAXPAYER ID (SSN/EN): 54-1004072

AUTHORIZED SIGNATURE: [Signature]

NAME AND TITLE: President - Dennis J. Manning
DATE: 6/6/07
AGREEMENT NO. 94-07-1
EXHIBIT A

OBJECTIVE

The Contractor shall provide Residential Services for up to twenty-nine (29) targeted individuals with serious mental illness, some with the co-existing substance abuse disorders, served by the Arlington County Behavioral Healthcare Division ("EHD"); and Supportive Services to targeted persons moved to independent living.

The Contractor shall work with the County to develop a productive partnership that addresses the following major goals:

1. Facilitates the appropriate movement of individuals to the most appropriately independent form of supportive services in consideration with the client;

2. Maximizes the amount of Medicaid reimbursements;

3. Reduction of the number individuals waiting for services;

4. Is consistent with the County's housing strategy which supports a combination of independent permanent supported housing, congregate residential housing, and transitional housing;

5. The Contractor shall provide services that:
   a) Address the level-of-care needs of the targeted individuals;
   b) Provide the least restrictive and growth-oriented service; are recovery-oriented and person-centered;
   c) Promote community and neighborhood integration;
   d) Are managed by experienced and competent persons who share the values of service stated below;
   e) Engage clients in appropriate and natural social and recreational opportunities;
   f) Coordinate closely with family members (with permission of the client), significant County mental health and related services;
   g) Provide for the health, safety, nutrition, medication and hygiene needs of the Clients;
   h) Provide clinically sound, high quality, best practice services.

6. The Contractor shall be knowledgeable and supportive of the Principles and Values adopted by the Arlington County Community Services Board ("ACCSB").

7. The services shall value the dignity of each individual served and proactively protect his or her human rights;

8. The Contractor shall create an environment that allows for full participation by each individual in the development of his/her treatment and service plan. The goal is to achieve recovery and self-sufficiency to the maximum extent possible;

9. The Contractor shall promote opportunities for each individual to participate fully in the community, in the most integrated settings, and with the maximum degree of independence possible. Opportunities to live in the community and to benefit from the natural supports of
family and/or friends are essential to the quality of life for each individual;

10. The services shall be based on "best practice" - even where this means challenging conventional wisdom - and shall strive to meet the needs and wants of each person served.

11. The services shall be flexible and take into account the different levels of functioning of each individual;

12. The Contractor shall take all necessary and appropriate actions to maximize the involvement and participation of family members in the planning of services with the individual's permission and the ongoing support of the individual;

13. The Contractor shall operate in a cost effective and efficient manner while maintaining high quality standards in delivery of services.

14. The Contractor shall be accountable to the clients and to the residents of Arlington County.

BHD VALUES:
The Contractor shall support the Values of the BHD, by providing services that are:

1. COMPREHENSIVE: The Contractor shall be responsive to the unique and changing service needs of each individual;

2. ACCESSIBLE: The Contractor shall minimize inappropriate barriers to service;

3. COORDINATED: The Contractor shall participate with the individual's other services as well as their natural supports in a manner that ensures efficient and timely continuity of care.

4. RECOVERY ORIENTED: The Contractor shall incorporate the attitude that recovery is possible and have the goal of promoting the consumers' hope, healing, empowerment, and connection. Services will be:

5. STRENGTHS-BASED: Services shall be built upon the strengths and assets of all individuals and will promote their sense of self-identity, self-esteem, and dignity;

6. CONSUMER-CENTERED: Services shall be primarily responsive to the individual rather than the needs of the system or of the provider;

7. EMPOWERING: Services shall promote the individual's greatest possible control over their own lives;

8. FULLY PARTICIPATORY: Services shall promote the most control possible by the individual over the development of their own treatment and service plans including decisions related to treatment goals and the services to be provided.

9. COMMUNITY-BASED AND LEAST RESTRICTIVE: The Contractor shall provide the most appropriate, most natural and least restrictive service necessary.

10. RESPONSIVE: The Contractor shall be responsive to the individuals served and their expressed needs and opinions. Staff will actively solicit their participation in setting the direction of services and in decision-making regarding consumer services.

11. EFFICIENCY: Services and resources shall be organized and managed in a manner that promotes their best use and provides the timeliest response to the individuals served.
12. QUALITY

The Contractor shall strive to provide the highest possible quality services that are effective and evidence-based. Staff will be competent to carry out the goals of the individual and the program. To the extent possible, staffing shall be stable. With the participation of the individual, the Contractor shall create a clean and natural home environment that is safe and promotes the health and well-being of the individual. The Contractor shall create a positive and stimulating atmosphere among the individuals and staff and between the individuals and the community.

BACKGROUND

The County is responsible to ensure that within the limits of available funding that comprehensive quality services are provided to its citizens with mental illness. The RHD is responsible to provide certain out-patient services, to develop services, and to monitor and evaluate contracted services to ensure their cost-effectiveness and the appropriate use of public funds:

The County works collaboratively with and receives funding from the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse ("DMHMRAS") as outlined in the state Performance Contract with the County:

Residential Services for individuals with mental illness are defined by the DMHMRAS and the state Performance Contract. Residential Services provide overnight care with an intensive treatment or training program in a setting other than a hospital or training center, overnight care with supervised living, or other supportive residential services (Virginia DMHMRAS definitions, Core Taxonomy of Services, Version 7.1, 1/22/07). Residential Services include the following applicable subcategories:

- **INTENSIVE SERVICES** - The Contractor shall provide overnight care with intensive supervision and on-going support services, as needed.
- **SUPERVISED SERVICES** - The Contractor shall provide overnight care with intensive supervision and on-going support services, as needed.
- **SUPPORTIVE SERVICES** - The Contractor shall provide training and supports to enable client's to achieve and maintain community stability and independence in the most appropriate, least restrictive environment.

NON-COUNTY FUNDING

INDIVIDUAL CONSUMER FEES

The Contractor shall collect program fees from each individual served. Fees shall be based on the Contractor's own program fee formula that shall be approved by the County. Consumer Fee Agreements shall be submitted to the Project Officer and the Case Manager upon implementation of this Contract and when there is any change (fee increase/decrease) in the Fee Agreement.

COST SHARING

Donations raised by the Contractor may be used for the support of the services;

VIRGINIA MEDICAID PROGRAM

Supportive Services provided to individuals eligible for Medicaid may be reimbursable through Virginia Medicaid program. The determination of Medicaid
eligibility is the responsibility of the Contractor with the active assistance of the client's case manager with the eligibility process. On a monthly basis, the Contractor shall submit a report that states the amount billed to Medicaid and the amount reimbursed.

In consultation with, and agreement by the Project Officer, the Contractor shall use Medicaid reimbursement to offset the costs of this Contract. The ACSB will not pay for Supportive Services reimbursed by Medicaid. If the amount reimbursed from Medicaid exceeds the contracted revenue amount, the contract shall be negotiated to assure a full offset.

AUXILIARY GRANTS

The Contractor shall ensure that the Auxiliary Grant Program operated by the Virginia Department of Social Services is maximized.

Services Agreement:

1. The Contractor and the County Project Officer shall develop a Services Fee Agreement for each Resident.

2. The agreement will include methods of collecting fees, a clear explanation of each service and the amount charged to each resident for services she/he receives from the Contractor.

3. This work shall be completed no later than the end of the current calendar year.

ROLE OF BHD

BHD will provide the Contractor with the following assistance:

1. Orientation and consultation for the Contractor's staff regarding the services and programs offered by the Department of Human Services ("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. Access to mental health crisis intervention, assessment, case management, employment/vocational supports, psychosocial day program, counseling, psycho-education, psychiatric and medication services, and financial supportive services, where appropriate and under eligibility guidelines of the relevant programs, and in accordance with DHS intake, treatment planning and referral procedures.

4. BHD will designate a Project Officer to serve as the primary contact to work directly with the Contractor to resolve any conflicts as they may arise regarding the County's relationship with the Contractor or the provision of services. The Project Officer (or her designee) will:
   a) Review the monthly invoices received from the Contractor for discrepancies and authorization of the payments;
   b) Distribute all relevant communications such as announcements from DHS, BHD, and DMMRSAS and other documents as they become available to the Contractor;
   c) Coordinate the referral process of potential consumers to the services covered under this Contract including the maintenance of a waiting list for residential services provided by the Contractor;
d) Conduct site visits related to this Contract;

5. BHD will assign a Case Manager for each individual covered by the Contract. The Case Managers will:
   a) Work closely with the Contractor to determine assigned individual's level of functioning personal goals and quality of services received by the Client;
   b) Document and inform other appropriate staff and the Project Officer of significant changes in the clients' level of functioning.

PROGRAM SPECIFICATIONS

The Contractor shall agree to perform the services described below and to assure delivery of services required to fulfill the objectives of this Contract. Nothing in the Contract Documents shall be construed to limit the Contractor's responsibility to manage the details and execution of the work performed.

GENERAL OPERATIONAL REQUIREMENTS

SERVICE AVAILABILITY

All services shall be available 365 days each year.

1. The Contractor's administrative/managerial staff shall be available for consultation with the County staff during County business hours;

2. The Contractor shall establish an internal 24-hour emergency response system, subject to the review and approval by the County.

ACCESS

The Contractor shall give the County access to the facilities, consumers, records, materials, and all data created as result of this contract consistent with the established local, state and federal regulations.

CHANGE IN SERVICES

The Contractor shall obtain written approval from the County prior to the implementation of any material changes in the home that affects the residents physical safety and well-being (e.g. loss of heat, loss of bathroom/laundry facilities, anything that prevents the storage of food at proper temperatures, or infestation by insects or rodents) or funding (e.g. including any short falls) or services that directly affect consumers or changes in treatment models or program philosophy.
The Contractor shall make available to the County any requested data, procedures, or policies related to programs and services covered by this Contract;

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, shall be made available to any successor service provider upon formal written request of the County and with written authorization by the consumer. To ensure confidentiality and privacy, all client records must be kept in a locked file cabinet. To protect the interest of consumers, the County will serve as custodian of the records in the event of any interruption of services;

REFERRALS

The County will be responsible for providing referrals of new consumers. The Project Officer will coordinate referral efforts with the Contractor and the Case Manager in order to promote efficient consumer transitions. The Contractor shall demonstrate every effort to accommodate referrals from the County. Any reservations by the Contractor to accept a County referral who otherwise meets admission criteria will be forwarded to the Project Officer who will review the Contractor's justification.

The Project Officer will schedule and facilitate a monthly Admissions Committee meeting to evaluate and prioritize all potential referrals and monitor new consumer admissions. The Contractor shall provide a representative for this Committee. The Project Officer can call an immediate meeting if a bed vacancy occurs before the next scheduled meeting.

The County, through the BHD, will determine the eligibility of all new clients. The BHD will use standard assessment instruments, including the Level of Care Utilization System for Psychiatric and Addiction Services assessment (LOCUS, Adult Version 2000) and input from clinical staff, to determine each individual's level of care. Subsequently, BHD will periodically reassess each individual's on-going inclusion in the target population and continued eligibility for services.

DISCHARGES

The Contractor shall maintain discharge-related documentation in a format approved or prescribed by the Project Officer. This documentation will include a description of the reasons for the discharge, a final evaluation summary of the client's progress toward goals in the service plan, and a plan developed with the consumer and Case Manager regarding the client's continuing or future service needs. Discharge criteria shall be submitted to the Project Officer prior to implementation of this Contract.

The Contractor will not be penalized for short-term vacancies (forty-five days) as they may occur due to the clients' transition from the group homes to the independent settings.

RISK MANAGEMENT

The Contractor shall provide the County with a plan for the identification and evaluation, regular monitoring, and reduction or elimination of risks, which may contribute, to an unsafe environment.
SUBCONTRACTING

Subcontracting of direct residential services is not permitted.

SERVICE REQUIREMENTS

The Contractor shall provide the services described below to assure 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 the execution of the work performed. Over the period of this Contract, the County will work with the Contractor to determine the feasibility of transitioning the Glebe Road home from Intensive to Supervised Services.

Intensive Services/Assisted Living Facilities (13th St. and Fillmore St.)
Intensive Services/Group Homes (Glebe Road, Vaughn Ball and Roosevelt Street)

Supportive Services to targeted persons in Intensive Residential Services moved to independent living, based on level of care assessment.

UNITS OF SERVICE

<table>
<thead>
<tr>
<th>INTENSIVE SERVICE LOCATION</th>
<th># Consumers</th>
<th># Bed Days</th>
<th>Cost per Bed Day to Arlington County</th>
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</thead>
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<tr>
<td>3821 N. 13th Street</td>
<td>8</td>
<td>2,920</td>
<td>$114.00</td>
</tr>
<tr>
<td>1422 N. Fillmore Street</td>
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<td>2,555</td>
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<td>1710 N. Glebe Road</td>
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</tr>
<tr>
<td>2027 N. Roosevelt Street</td>
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<td>$127.00</td>
</tr>
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</table>

TARGET POPULATION

1. Current target population is the twenty-nine (29) individuals presently served through the Intensive Residential Services in four single-family homes and Wait Listed individuals.

2. All current and future individuals served under this contract shall be adults (aged 18 years or older)

3. Individuals shall be diagnosed with a serious mental illness (SMI) and some may have concurrent substance abuse problems.

4. Program participants shall be residents of the Arlington County.

5. Current and future individuals served as a result of this contract shall meet minimum levels of functioning as determined by a variety of assessment instruments, including the LOCUS, adopted by the BHD. Assessments shall identify appropriate levels of care based on an individual’s potential for self-harm, functional status, and coexisting medical illnesses.

6. Currently, there are approximately 29 individuals on the County’s wait list for the Residential Services, of which approximately 50% to 60% require a residential level of care. The County’s objective is for these individuals to receive the services they need including permanent housing. The Contractor shall work with the County to develop creative solutions to this need that will utilize Medicaid and other potential funding sources.
INDIVIDUALS' SERVICE PLANNING AND COORDINATION

1. The Contractor shall provide a Person-Centered Planning approach to the services provided under this contract. The Contractor shall make every effort to consider the individual as the center of the service delivery planning process. The individual should be expected, to the extent that they choose, to chair their planning meetings, to provide feedback to service providers that will be seriously considered, to be primarily future focused and responsive to the individual’s needs, and to afford the individual all due respect as the prime director of their service types and delivery. The Individual Service Plan (ISP) will be growth-oriented and address goals related to increased independence, such as community skill development, and the movement into permanent independent living situations.

2. Each individual covered under this Contract shall have an ISP developed prior to the commencement of the services and shall be updated at least quarterly thereafter. The individual ISP shall describe the Contractor's responsibility in regards to services provided for the individual and the individual’s expectations. ISP formats to be used by the Contractor’s shall be authorized by the Project Officer. The ISP shall be typed in a format accepted by the County Project Officer and provided to the individual served, the Project Officer and the Case Manager upon contract implementation. Quarterly Reports are due to the above individuals within 10 days of development.

3. ISPs that have restrictive features must be submitted to the County’s Local Human Rights Committee for approval prior to implementation.

4. Contractor-generated ISPs, as well as ISPs from other service providers, shall be included in the Case Manager-generated Comprehensive Service Plan (CSP). Individuals shall receive their CSP no later than 30 days following the planning meeting.

5. The planning meeting shall include the individual served, Contractor staff, the Case Manager, and other service providers when possible and where appropriate as determined by the Case Manager. The individual’s family, advocate(s), significant others, guardian, and anyone within the individual’s natural circle of supports invited by the individual to attend will be included. This group will comprise the Individual’s Interdisciplinary Team (IDT). The planning meeting is often referred to as the “IDT meeting”.

6. The Case Manager will arrange the IDT annual meeting. The Contractor shall be responsible for the arrangement of a private place for meeting, approved by the individual.

7. The individual will be encouraged to chair their own IDT meeting. The County’s assigned Case Manager and the Contractor’s Program Manager shall co-chair.

8. Reviews of individuals’ functioning and successes based on the ISP and on-going assessments will be completed by the Contractor at least quarterly. The precise schedule of quarterly review due dates shall be negotiated between the Contractor and the Case Manager.

9. The Contractor shall coordinate their discharge planning with the Project Officer, Case Manager, the individual, and other relevant IDT members as determined by the Case Manager or the Individual. Discharge planning shall include transitioning to alternative services that address the needs of the individual.

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PROGRAM COORDINATION

1. The Project Officer will convene, and the Contractor shall participate in, monthly meetings to review the individuals' current placement and potential. This meeting will be held in conjunction with the Admissions Committee meeting described.

2. The Project Officer will convene quarterly contract reviews with the Contractor to do the following:

3. Review Contractor performance in relation to the State Performance Contract;

4. Review individual program budgets;

5. Review the achievement of performance standards

6. Review changes relevant to the Contractor(s) and County staff;

7. Discuss consumer issues; and

8. Discuss the overall contract and any compliance issues.

9. The Contractor shall hold monthly update meetings with each individual’s Case Manager.

10. The Contractor will ensure that individuals who need training and development will receive support services in the following areas:

11. Functional self-help, personal care, and daily living skills;

12. Functional skills related to the use of community resources;

13. Adaptive behavioral skills for community and home environments

14. In particular, these trainings shall address social skills, housekeeping, hygiene skills, money management, and self-administration of their medication.

15. The Contractor shall assure the individual’s health and safety.

16. The Contractor shall provide efficient monitoring and documentation of the health and physical condition of individuals and assistance with medication and/or other medical needs consistent with the licensing requirements.

17. The Contractor shall provide assistance with transportation to the individuals, when such service promotes and supports the established individuals' goals and objectives.

18. The Contractor shall have established written procedures designed to ensure the safety of individuals transported whether in staff members' private vehicles or company owned vehicles.

19. The Contractor procedures shall at the minimum have guidelines and standards for the drivers, insurance expectations, maintenance requirements.

20. The Contractor shall have a clear policy addressing the use of private staff vehicles.

21. The Contractor shall encourage individuals to use public transportation when available. Contractor shall provide the individual with travel training prior to the trip. Coordination with other areas of service provision including day support and BHQ outpatient services is essential.

22. The Contractor shall provide assistance and encouragement in the
development of natural supports and friends among neighbors and associates with or without disabilities.

23. The Contractor shall coordinate with the family, guardian or advocate(s) for visits, social activities or any other personal matters according to the expressed desires of the individual.

24. The Contractor shall in conjunction with the Case Manager provide monitoring and documentation of individual's finances, as needed and directed within the scope of individual’s Individual Service Plan.

25. The Contractor shall provide psychosocial therapeutic and recreational opportunities appropriate to the needs of the individual, the setting and the expressed desires of the individual.

SERVICE EVALUATION

1. The County will, at its option, evaluate the effectiveness and efficiency of the services provided by the Contractor.

2. The Contractor shall assist the County to ensure that the evaluation process and results are complete, accurate, and meaningful.

3. The Contractor shall develop outcome measure(s) and collect the appropriate data which will support a review of the quality of services that they provide under this Contract.

4. 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 fiscal year during the term of this Agreement.

5. Outcome measures shall include:
   a) Annual individual survey information completed by the service recipients;
   b) Hospitalization rates;
   c) The development of independent living skills, and engagement in and connection to the natural community supports including the use of volunteers;
   d) Employment or volunteer data and statistics;
   e) Transitioning to independent living situations, developed with consumer input;
   f) Conformance to state licensing standards, including but not limited to services, records, human rights, medication, staffing environment and life safety;
   g) Wait list reduction
   h) The county will provide guidelines to the Contractor on how to assess the results of these outcome measures and revise them according to the instructions from the Project Officer.
   i) The County shall have full access to records, including information about consumers, to the extent permitted by law, to conduct such evaluations activities and reviews.

STAFFING
The Contractor personnel management system at a minimum shall include the following:
A. **PERSONNEL FILES AND RECORDS**

Federal, state and local rules and guidelines shall be used to maintain personnel files and records for each individual employed by the Contractor(s).

B. **WRITTEN JOB DESCRIPTIONS**

All positions shall have updated job descriptions in the employee files. The job description shall list required qualifications for the position as well as responsibilities and essential functions.

C. **TRAINING AND EDUCATION**

Documentation of the education and training shall be kept in the employee’s record. The Contractor shall provide annual training in standards of conduct, employee ethics, conflicts of interest, employee performance evaluations, equal employment opportunity appropriate initial employee orientation and employee-County contract protocols.

D. **PERFORMANCE EVALUATION AND TRAINING**

The Contractor shall conduct periodic evaluations and assessments of their employee’s performance and include documentation in the employee files. The Contractor shall also provide an opportunity for individuals covered under this Contract to provide feedback for the staff performance evaluations.

The Contractor shall ensure that all their personnel are oriented and trained prior to their initial assignments in the following areas:

1. Clear understanding of mission of Residential Services and the goals of DHS permanent supportive housing strategy.
2. The rights of clients including the protection of confidentiality and prevention of any types of abuse;
3. The principles of normalization, respect for the individual, enhancement of informed choice, and least restrictive alternatives among services;
4. Service documentation procedures;
5. State certification as medication administration technicians;
6. Health maintenance, to include control of infectious disease, proper nutrition, and safety-related monitoring; and
7. All applicable training required by state Licensure regulations.
8. The Contractor shall ensure that all their staff, especially those responsible for direct contact with individuals covered by the Contract, will receive training within 60 days of employment on the following areas:
9. Crisis prevention and intervention;
10. Reporting requirements and other issues related to the service of this contract;
11. Knowledge and applicability of a person-centered approach to delivery of services under this contract;
12. The principle of community inclusion accompanied by information about community resources;
13. The interdisciplinary approach as it relates to service
delivery to include the role of the staff in participation on 14. Behavior management principles and the appropriate IDTs, the development and implementation of ISPs, and the implementation of client behavior management programs; appropriate interaction of staff with other service providers; 15. Therapeutic techniques appropriate to the individuals served; and 16. All applicable aspects of program operation necessary to the fulfillment of service objectives under terms of this Contract. 17. The Contractor shall provide periodic (at least every 6 months) training including up-to-date information about mental illness and trends in treatment, to maintain and develop staff competencies throughout the year. 18. The Contractor shall provide annual reports of staff training, by staff member, to the Project Officer and cooperate in evaluations of the effectiveness of staff training. 19. The Contractor shall, within the limits of the approved personnel budget, obtain consent from the County prior to changes to individual program staffing (i.e., changes in direct care FTEs or position types), or in program personnel job requirements or qualifications. 20. The Contractor shall apply appropriate direct staff coverage as indicated within individuals' ISPs, and, if necessary, for individuals who are physically ill, to remain in their residence, if they so choose.

ACCOMMODATION FOR INDIVIDUALS WITH SPECIAL NEEDS

A. BEHAVIORAL NEEDS

Individuals receiving therapeutic services shall remain integrated into their home environment unless crisis conditions warrant interventions off-site e.g., hospitalization). Close information-sharing and coordination is expected with the County Project Officer and appropriate Case Managers in situations that may warrant crisis interventions. When behavior management strategies are employed, the least restrictive treatment strategies should be implemented, with an emphasis on positive, proactive strategies. All therapeutic strategies must be used in strict conformance with the authorized Human Rights protocols.

B. PHYSICAL NEEDS

The Contractor shall have the capacity, within the bounds of the Americans with Disabilities Act, to adjust to the needs of individuals who have physical disabilities, are severely medically involved, and/or are speech, hearing, or vision impaired.

C. LANGUAGE AND CULTURAL NEEDS

The Contractor shall have the capacity to accommodate the needs of individuals of diverse languages and cultural backgrounds reflective of the population found in the County. A plan will be developed with the Project Officer for consumers with special cultural needs who may need further accommodations.

D. PROGRAM SITES

All Residential Services shall be located within the County.

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E. ADHERENCE TO STATE AND FEDERAL REGULATIONS

Contractor shall comply with all statutes, regulations, standards, laws, and applicable policies and procedures in the operation of the program which is the subject of this Contract, including, but not necessarily limited to the following:

1. VAC35-105 Rules and regulations for the licensing of providers of Mental Health, Mental Retardation and Substance Abuse services.

2. VAC35-115 Rules and regulations to assure the rights of clients receiving services from providers of Mental Health, Mental Retardation and Substance Abuse services.

3. 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 assure 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.

4. Equal Employment Opportunity Act

5. Americans with Disabilities Act

6. Occupational Safety and Health Administration Regulations

7. Virginia Department of Health Regulations

8. Laws or regulations of the Department of Health Professions


10. Uniform Statewide Fire Prevention Code

11. Virginia Department of Social Services, Standards and Regulations for Licensed assisted living facilities.

12. 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.

13. The Contractor shall be subject to the standards listed in Virginia Code 37.1-183.3 which requires all staff to be subject to a criminal history and central registry background checks to determine their eligibility to work in services licensed by DMHMR/SAS. In addition, the Contractor is subject to the standards as listed in Virginia Code 37.1-84.1 which requires providers to submit and receive approval of required Human Rights Policies and Procedures in services licensed by the DMHMR/SAS.

BUDGET AND FINANCES

The Contractor agrees to the following funding conditions:

The cost for services to the County for the Contract Term shall not exceed the
amount specified in the Contract Amount paragraph of this Contract unless authorized by the County in a written Amendment to this Agreement.

The Contractor shall use all funds received under this Contract solely for services described in the Contract Documents.

The County shall reduce the funding level by the amount denied by Federal, State, or local sources in the event of the Contractor's violation of reporting or other requirements. If possible, the Contractor will be notified thirty (30) days in advance of implementation of such funding reductions.

TERMINATION DUE TO TERMINATION OF THE FUNDS

In the event that State and/or local funds used to fund the services specified by this Contract are not available for the reasons beyond the control of the County, then the County will provide the Contractor with written notification of the immediate termination of this Contract. In the event of such termination, all of the obligations of the County and the Contractor under this Contract, 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. This Contract is also subject to appropriation of funds by the Arlington County Board. In the event of termination of this Contract, Contractor shall make an accounting, in writing, of funds expended and funds not expended, and shall return to the County any unexpended balance of State and County funds, excluding termination costs allowed under this Contract.

PAYMENT AND INVOICE

The Contractor shall invoice the County monthly in an invoice format included in EXHIBIT B, and with supporting documentation required by the County. The County will make monthly payments to the Contractor in accordance with the established County payment procedures. Billings and invoices submitted by the Contractor to the County shall ensure the confidentiality and privacy of individual clients served.

VACANCIES

In the event of client vacancies, the Contractor may, with the prior authorization from the County, continue to bill the County for full payment for a period of 45 days from the time of documented vacancy. Payment beyond this time period will be reviewed by the County in consideration with the Contractor's admissions procedure, performance and its efforts to fill the vacancy and will be negotiated.

PERFORMANCE

In the event that the Contractor cease to perform the services as outlined in this contract or provide substandard services to the individuals covered by this Contract as determined by the County, or fails to adhere to the agreed upon admission process then the County will withhold payments to the Contractor and terminate this contract.

PERFORMANCE BONUS

The Contractor may be eligible for up to two (2) bonus payments totaling up to $50,000, if the Contractor meets or exceeds the standards of performance expected under this contract, and if approved by the County. These bonuses
are contingent upon the Contractor’s performance and the availability of funds as determined by the County. Among the criteria that may be considered are the meeting of reporting obligations, exceeding program outcome targets, attendance and participation in meetings, and responsiveness to requests from the County.

Additionally, the recommendation to award all or part of the bonus will be dependent on the judgment of the ACCSB in collaboration with the Project Officer as to the Contractor’s effort and success in forwarding and achieving the values of service as outlined under this contract. Benchmarks for success will be negotiated and will reflect, in part, some of the performance outcomes established by the County or recommended by the Contractor. These benchmarks will inform, but not necessarily be the sole criterion used by the ACCSB in its deliberation to award or not. Bench marks will be established during the first 6 months of the Contract during the first full fiscal year of the Contract.

Bonuses will be paid at mid point and within 30 days of the last day of the first full fiscal year of the Contract. The Contractor will receive a written authorization from the Project Officer to bill the County for a specific bonus amount based on achievement of Performance Standards.

FINANCIAL MANAGEMENT REQUIREMENTS

The Contractor shall maintain a financial system which at a minimum includes:

1. Operation of financial management, procurement, and contracting systems that are consistent with Financial Management Standards for Community Services Boards, Accounts Receivable and Reimbursement Procedures, and Community Services Boards Procurement Procedures Manuals issued by DMH/MRSA.

2. An accounting system which operates in such a way as to provide financial reporting in accordance with Generally Accepted Accounting Principles ("GAAP"). It will include necessary personnel and financial records and a fixed assets system. It will provide for the practice of fund accounting and will be adaptable to the needs of cost accounting.

3. A system where employees with financial responsibilities are 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 satisfying requirements for 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 Contract or until the records is audited by the County, whichever occurs first.

6. Maintenance of appropriate records and accounts related to this Contract, including personnel and financial records and a fixed asset inventory for items valued at more than Two Thousand Five Hundred ($2 500). All expenditures made pursuant to this Contract shall be properly supported by payroll records, invoices, orders, vouchers, contracts, canceled checks and any other necessary documentation. Financial records shall be maintained in such manner as to report data to the County if required, on the same fiscal basis as the
County for a fiscal year.

**FISCAL AND BUDGET REPORTING REQUIREMENTS**

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

1. An annual audit shall be conducted by an independent certified public accountant(s). Copies of the audit and accompanying management letter will be provided in whole to the County no later than the last workday prior to the end of the calendar year for the previous 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 DMHMRSAS 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(s) as may be deemed necessary by them to satisfy audit and other financial purposes as deemed necessary by the County. All accounts of the Contractor(s) 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.

4. The Contractor shall submit, upon request, budget documentation applicable to this Agreement in a manner which the County deems appropriate.

5. The Contractor shall provide written notification to the County of existing or proposed subcontracts for services which total, individually or in aggregate for the same service, greater than Twenty Five Thousand Dollars ($25,000) for any fiscal year. Such subcontracts will be subject to the approval of the County.

6. Unless this Contract is succeeded by another Contract between the County and the Contractor for essentially the same services, all property acquired with the funds provided under this Contract shall revert to the ownership of the County at the termination, scheduled or otherwise, of this Contract, regardless of whether such property is titled by the Contractor, or in the possession or control of the Contractor. In any event, all property procured with funds from this Contract shall be made available to the County within 30 days of termination of this Agreement or any successor Contract.

7. The Contractor shall operate a reimbursement system that provides for the following:

8. The Contractor shall comply with the 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.

9. Contractor shall have established written fee collection policies and
procedures adequate to generate revenues from consumers and responsible third party payers to the maximum extent allowable. The fee agreement shall be shared with representative payees, guardians, County Case Manager (SAI) and the Project Officer. The fee agreement may also be shared with advocates and family members, as the consumer deems appropriate.

10. A schedule of charges for all services that related reasonably to the cost of the services, and applicable to all recipients of the services;

11. A method, subject to approval by the County, that complies with applicable state and federal regulations, to evaluate the ability of each consumer to pay fees for the services he or she receives;

12. Assurance that appropriate services will not be denied to eligible individuals solely because of their inability to pay for such services;

13. Maintenance of records of clients’ program fee assessments and payments for five (5) years after the expiration of this Contract, and notification of responsible persons of their liability in writing prior to destroying such records;

14. Compliance with all applicable laws and regulations.

REPORTING REQUIREMENTS

The Contractor shall follow the reporting requirements of this contract and shall submit the reports and work products to the Project Officer or her designee.

The Contractor shall send copies of Board of Director minutes within 10 days of their approval and agendas within 10 days of their availability.

The Contractor shall prepare a Client Quantitative Data Report in a format approved by the County by August 15, 1995—following the end of the County fiscal year and which includes an unduplicated count of:

DEMOGRAPHIC INFORMATION REPORTS

The Contractor shall meet with the project Officer to prepare and submit a mutually agreed upon demographic report for each client served.

1. The report shall include the client’s age, gender, race, and level of disability;
2. Number of admissions and discharges;
3. Number of service units available;
4. Number of service units delivered;
5. Reasons for vacancies and the number of vacant service days;
6. Other client and program data as may be required to comply with the Virginia DMH/MRSA reports.

INDIVIDUAL CLIENT-SPECIFIC REPORTS

The Contractor shall prepare status reports on clients hospitalized, or other outstanding significant client challenges, and submit them to them to Project Officer and/or her/his designee after the Incident has been resolved.

QUARTERLY OUTCOME MEASURES PROGRESS REPORTS

The Contractor shall prepare and submit outcome reports as per the terms of
the contract.

INCIDENT REPORT

The Contractor shall prepare and submit reports of significant incidents involving clients served under this contract. The Contractor shall send this report to the Project Officer and the Case Manager within 24 hours of the incident occurrence. Contractor staff shall contact the Project Officer, via e-mail or voice mail to ensure the Incident Report has been received. Examples of such incidents by way of illustration and not limitation may include:

ILLEGAL ACTS

Any illegal act by staff or consumers including such acts as threats of violence, theft, possession of illegal substance, etc;

WELL BEING OF CLIENTS

The Contractor shall report all incidents related to the client’s well being, including illnesses, accidents, injuries and deaths.

These reports shall include all known incidents occurring on the Contractor(s) premises and all known incidences occurring while the client is off site, e.g., day program, employment, recreational event, etc.

HUMAN RIGHTS REPORTS

The Contractor shall report all actual or suspected violations of client human rights (e.g., all contacts made to Adult Protective Services) within 24 hours of the event.

SUPPORTIVE RESIDENTIAL DAYLOGS

If required, the Contractor shall submit Supportive Residential day logs in on the 16th and last workday of month in a format approved by the Project Officer.

OUTCOME DATA REPORTS

The Contractor shall submit Outcome Data Reports on the 15th Day of August for the previous fiscal year, the details of the reports shall include the following:

1. Analysis of the general types of consumer problems that staffs are addressing;
2. Satisfaction Survey results; and
3. Other agreed upon outcome measures.

ANNUAL REPORTS

The Contractor shall submit a copy of the Annual Report, when published to the Project Officer.

ANNUAL AUDIT

The Contractor, at their own expense shall conduct an annual audit performed by an external accredited CPA auditing firm. The audit results shall be forwarded to the County no later than December 31 for the previous fiscal year.

VIRGINIA DMHMRSA Licensure Reports and Virginia DSS Licensure Inspections

The Contractor shall submit the Virginia DMHMRSA Licensure Reports and Virginia DSS Licensure Inspections including annual evaluations or any other...
reports associated with on-site inspections by Licensing Specialists. These reports shall be forwarded to the Project Officer within five (5) workdays of their receipt.

ANNUAL STAFF TRAINING REPORT

The Contractor shall submit a report that outlines all the staff training, by individual staff that they have conducted along with all the upcoming trainings. This report shall be forwarded to the Project Officer no later than August 15 for the previous fiscal year.

PROGRAM AND OR POLICIES AND PROCEDURES REVISIONS

The Contractor shall submit all Program Policies and Procedures, or changes in staffing patterns to the Project Officer within ten (10) workdays of approval.

The name of each staff along with her/his duty schedule shall be submitted to the Project Officer upon implementation of this Contract. When there are staff vacancies and/or new staff employed, the Contractor shall notify the Project Officer and the appropriate Case Manager via e-mail.

OTHER REPORTS

The Contractor shall submit upon request any other reports deemed necessary by the Project Officer.

<table>
<thead>
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<tr>
<td><strong>Document:</strong></td>
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<td>2. Medicaid Billing &amp; Reimbursement</td>
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<td>Misc. Facility Expense</td>
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<td>Other Miscellaneous</td>
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<td>G &amp; A Allocation</td>
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<td>TOTAL</td>
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SAMPLE MONTHLY INVOICE

FROM: COMMUNITY RESIDENCES, INC.

TO: Arlington County
   Department of Human Services
   Behavioral Healthcare Division

RE: MENTAL HEALTH RESIDENTIAL SERVICES

FO#: ______________________

CONTRACT #: ______________________

DATES OF SERVICE: ______________________

LEVEL OF SERVICE: (Intensive, Supervised) ______________________

NUMBER OF RESIDENTS SERVED: ______________________

NUMBER OF UNITS OF SERVICE (Bed Days): ______________________

AMOUNT: ______________________

Signature ______________________  Date ______________________

32 94-07-1