May 26, 2015

Honorable Board of Supervisors
Administration Building
Oakland, California 94612

Dear Board Members:

SUBJECT: ACCEPT GRANT AWARD FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT VIA QUANTECH, INC. FOR A PAY FOR SUCCESS ASTHMA DEMONSTRATION PROJECT IN ALAMEDA COUNTY

RECOMMENDATIONS:

1. Accept grant award of $75,000 for the term 6/9/2015 through 2/11/2016 from the U.S. Department of Housing and Urban Development (HUD) via QuanTech, Inc. for the design and development of a Pay for Success (PfS) Asthma Demonstration Project in Alameda County; and

2. Authorize the Community Development Agency Director, or his designee, upon review and approval by County Counsel, to execute grant agreements, amendments and all other documents necessary to implement the grant.

DISCUSSION/SUMMARY:

On April 24, 2015, HUD awarded the Community Development Agency’s (CDA) Healthy Homes Department a grant award to design and develop a PfS Asthma Demonstration Project in Alameda County. The Alameda County PfS Pilot Project is an 18 month project focusing on reducing asthma-related emergency visits and hospitalizations for children up to age 18 in Alameda County. The pilot project seeks to validate cost savings for asthma related hospitalizations by utilizing a comprehensive approach for home-based interventions.

Alameda County was selected by the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) as one of two pilot locations currently pursuing a PfS Project. OLHCHH is providing program development resources to foster further development of the PfS model and enable the Healthy Homes Department to actively engage philanthropic and other investors to raise the necessary capital to scale-up the programs. QuanTech, Inc. operating as a contractor to HUD, will oversee the project. At the end of the current contract term, HUD may extend the project for another 12 month term in the amount of $75,000.
The deliverables for this grant agreement include identifying necessary program partners including hospitals/health centers/asthma clinics, evaluators, and home rehabilitation providers for program implementation; fostering and creating partnerships between these agencies and funders to allow the PfS model to operate and attract investors; developing protocols for intervention covering patient identification, home assessments, home-based asthma trigger education, and rehabilitation/materials; identifying all potential beneficiaries and quantify the potential for financial returns; developing evaluation methodology that can accurately assess the impact of the home interventions in terms of effectiveness on health and the cost of pediatric asthma treatment; and attracting investors to bring the PfS program to scale.

FINANCING:

Funds for this contract ($75,000) are included in CDA’s 2015-2016 Budget. There is no Net County Cost as a result of this action.

Very truly yours,

Chris Bazar, Director
Community Development Agency

cc:   Susan Muranishi, County Administrator
      Steve Manning, Auditor-Controller
      Donna Ziegler, County Counsel
      Richard Conway, County Administrator’s Office
      Heather Littlejohn, Office of the County Counsel
      U.B. Singh, CDA Finance Director
      Maricela Foster, CDA Healthy Homes Department Director
SUBCONTRACT AGREEMENT

This Agreement ("Agreement"), dated , is between QuanTech, Inc. (hereinafter "QuanTech" or "Prime"), a Maryland corporation with offices located at 6110 Executive Blvd Suite 480, Rockville MD 20852 and the Alameda County CA Healthy Homes Department (hereinafter “Alameda” or “Subcontractor”) located at 2000 Embarcadero Suite 300, Oakland CA 94606 ("the Parties").

WHEREAS, QuanTech was awarded Task Order 10 under Contract No. C-PHI-01043 by the U.S. Department of Housing and Urban Development to provide support to the Office of Lead Hazard Control and Healthy Homes (OLHCHH) Pay for Success (PfS) Asthma Demonstration Projects and has a need for participation from locations engaged in PfS asthma program development.

WHEREAS, Subcontractor has begun development of a PfS Asthma Project and is willing to participate with QuanTech in Task Order 10.

WHEREAS, The Parties, each having carefully assessed the interests of the other, have concluded that an agreement between them for such participation would be mutually beneficial.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

1. **SUBCONTRACT NUMBER: C-PHI-01043-10-ALAMEDA**

2. **PURPOSE**
   2.1 The purpose of this subcontract is to provide support for the design and development of a PfS Asthma Demonstration Project by Subcontractor.

3. **TERM OF AGREEMENT**
   3.1 This Agreement shall be in effect from June 9, 2015 through February 11, 2016. It may be extended by mutual written agreement of the parties when, and to the extent that, Task Order 10 is extended by the U.S. Government.

4. **SCOPE OF WORK**
   4.1 The Scope of Work and associated budget are shown in the Scope of Work table below.
   4.2 Subcontractor may further subcontract work to the consultants or vendors identified in the Scope of Work below, or to other consultants or vendors upon written approval by QuanTech of such change.

5. **INCREMENTAL FUNDING**
   5.1 Funding provided to Subcontractor under this agreement is limited to $75,000 through February 11, 2016. Subcontractor shall not incur costs exceeding $75,000 without prior authorization by QuanTech.
### Statement of Work

**OLHCHH Pay for Success Alameda County Asthma Demonstration Project**

<table>
<thead>
<tr>
<th>Task</th>
<th>Date Due</th>
<th>Outcome or product</th>
<th>Staffing</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Solidify team roles and responsibilities</td>
<td>June 2015</td>
<td>Key team members and roles and responsibilities documented.</td>
<td>Maricela Foster, HHD Director; $1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>2. Conduct preliminary potential savings analysis.</td>
<td>November 2015</td>
<td>Preliminary savings analysis completed.</td>
<td>Maricela Foster: $1,500 Maricela Foster, Project Coordinator: $1,500 UC Berkeley Evaluators: $20,000</td>
<td>$23,000</td>
</tr>
<tr>
<td>3. Actuarial analysis of insurance claims data to select target population, establish baseline costs and conduct financial modeling of cost savings opportunity.</td>
<td>November 2015</td>
<td>Actuarial analysis of insurance claims data completed.</td>
<td>Impact4 Health: $5,000 Turner Consulting (Actuary): $20,000 Maricela Foster: $1,500</td>
<td>$26,500</td>
</tr>
<tr>
<td>4. Design evaluation methodology and validation process. Design 1-year comprehensive home-based asthma program for maximum impact on health and financial outcomes.</td>
<td>January 2016</td>
<td>Program design completed for home-based asthma program.</td>
<td>Impact4 Health: $4,000 UC Berkeley (Evaluators): $20,000</td>
<td>$24,000</td>
</tr>
</tbody>
</table>

**Total Budget** $75,000
6. INVOICING AND PAYMENT

6.1 Subcontractor shall invoice QuanTech upon completion of each task in the Scope of Work. Subcontractor may also invoice QuanTech upon completion of specific activities that are portions of each task described in the Scope of Work. Upon request, Subcontractor will submit to QuanTech proof of payments made to its vendors and consultants (Impact4Health, Turner Consulting and U.C. Berkeley).

6.2 Subcontractor shall provide, with each invoice, a short report documenting the work performed on the corresponding task.

6.3 Upon receipt of a proper invoice from Subcontractor, QuanTech will promptly submit an invoice to HUD including Subcontractor's invoice and any other documentation or information required by HUD. QuanTech will pay each invoice submitted by Subcontractor within two weeks of approval and payment of QuanTech's corresponding invoice to HUD.

6.4 Paragraph 6.3 notwithstanding, payment of each Subcontractor invoice by QuanTech is contingent on approval of the work and invoice by HUD.

7. REPORTING

7.1 Subcontractor will provide input to Quarterly Progress Reports and the Final Report as requested by QuanTech. Input to quarterly reports will be due to QuanTech 15 days after the end of each calendar quarter, beginning July 15, 2015. Input to the Final Report will be due on a reasonable date to be determined by QuanTech.

8. RECORDS

8.1 Subcontractor shall maintain complete and accurate records of all work performed and expenses incurred under the Agreement. Records will be retained for at least three (3) years after completion of all work.

8.2 Subcontractor will provide QuanTech reasonable access to records for purposes of inspection as may be required by HUD from time-to-time under Contract No. C-PHI-01043.

9. ASSIGNMENT

9.1 Subcontractor may not assign or transfer any of its rights or obligations under the Agreement without prior written approval by QuanTech.

10. TERMINATION

10.1 QuanTech may terminate this Agreement for convenience if Alameda's portion of the work is terminated by HUD for the convenience of the U.S. Government. Alameda will be paid for work completed up to the date of termination and approved and paid to QuanTech by HUD.

10.2 Either party may terminate the Agreement for cause if the other party commits a material breach of the Agreement including, but not limited to, failure to complete the tasks in the Scope of Work in a manner and time frame satisfactory to HUD or failure to invoice and pay according to Paragraph 6. Alameda will be paid for work completed up to the date of termination and approved and paid to QuanTech by HUD.
11. INDEPENDENT CONTRACTORS

11.1 The Parties understand and agree that each is at all times acting and performing as an independent contractor with respect to the other. Except as expressly set forth in the Agreement, neither party, nor any of its employees, shall be construed to be the agent, employee or representative of the other for any purpose, or liable for any acts or omissions of the other.

12. NOTICE

12.1 QuanTech’s Project Manager, David C. Cox, is the only representative of QuanTech who is authorized to approve changes in the Agreement, including any change to the payment terms or amounts. Changes made by Subcontractor without written authorization by QuanTech’s Project Manager shall be performed at Subcontractor’s sole risk and expense.

12.2 QuanTech’s Project Manager for this Agreement may be contacted at (240)397-2993 or dcox@quantech.com.

12.3 Notice given by any party shall be in writing and shall be deemed given five (5) calendar days from the date deposited with the United States Postal Service, postage prepaid, return receipt requested, with a commercial courier service for overnight delivery, or upon actual delivery to the other party at the address listed below:

QuanTech:
6110 Executive Blvd Suite 480
Rockville MD 20852
ATTN: David Cox

Alameda:
2000 Embarcadero Suite 300
Oakland CA 94606
ATTN: Maricela Foster

13. ENTIRE AGREEMENT

13.1 Both parties acknowledge that they have read this Agreement, understand it and agree to be bound by its terms, and further agree that it is the entire agreement between the parties hereto which supersedes all prior agreements, written or oral, relating to the subject matter hereof. No modification or waiver of any provision shall be binding unless in writing signed by the party against whom such modification or waiver is sought to be enforced.

14. INDEMNITY

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY (EACH AN “INDEMNITOR”) SHALL HOLD HARMLESS, DEFEND AND INDEMNIFY THE OTHER PARTY AND THEIR RESPECTIVE ELECTED AND APPOINTED OFFICERS, OFFICIALS, EMPLOYEES, CONTRACTORS AND AGENTS (COLLECTIVELY “INDEMNITEES”) FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES AND EXPENSES, INCLUDING REASONABLE ATTORNEYS’ FEES (COLLECTIVELY “CLAIMS”) ARISING AS A RESULT OF THE NEGLIGENT OR WILLFUL ACTS OR OMISSIONS OF THE INDEMNITOR OR THE INDEMNITOR’S OFFICERS, OFFICIALS, EMPLOYEES, CONTRACTORS OR AGENTS IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, CLAIMS ARISING IN CONNECTION WITH THE DEATH OF OR INJURY TO ANY PERSON OR DAMAGE TO ANY PROPERTY, EXCEPT TO THE EXTENT SUCH CLAIM IS PROXIMATELY CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE.
15. INSURANCE

THROUGHOUT THE TERM OF THIS AGREEMENT, EACH PARTY SHALL PROCURE AND MAINTAIN ITS OWN INSURANCE, AS SPECIFIED IN THIS SECTION, AGAINST CLAIMS FOR INJURIES TO PERSONS OR DAMAGE TO PROPERTY THAT MAY ARISE FROM OR IN CONNECTION WITH THIS AGREEMENT. AS AN ALTERNATIVE, A PARTY MAY SATISFY THE COVERAGE REQUIRED BY THIS SECTION IN WHOLE OR IN PART THROUGH PARTY’S PARTICIPATION IN A RISK MANAGEMENT PLAN, SELF-INSURANCE PROGRAM OR INSURANCE POOLING ARRANGEMENT, OR ANY COMBINATION OF THESE, IF CONSISTENT WITH THE COVERAGE REQUIRED BY THIS SECTION.

Commercial General Liability $1,000,000 per occurrence for bodily injury and property damage.

Automobile Liability $1,000,000 per occurrence, any auto, bodily injury and property damage

Workers’ Compensation Statutory minimum

Employer’s Liability $1,000,000 per accident for bodily injury or disease.

IN WITNESS WHEREOF, QuanTech and Alameda have caused this Agreement to be executed by their duly authorized representatives as of the last date written below.

FOR: QuanTech, Inc.

______________________________
Signature

David C. Cox
Name (Typed or Printed)

Title: _________________________

Date: _________________________

FOR: COUNTY OF ALAMEDA

By: ____________________________
President, Board of Supervisors

Date: _________________________

Approved as to Form:
Donna Ziegler, County Counsel

By: ____________________________
Heather Littlejohn, Deputy County Counsel