

Agenda Item 1.H

RECOMMENDATION

**Staff recommends that the City Council adopt a Resolution**

- (1) Waiving the review of the Tracy Homelessness Advisory Committee per Section 4.3.1 and 4.3.2 in the Council Meeting Protocols and Rules of Procedure adopted by revised Resolution number 2023-102 for approving a contract amendment and related ancillary action for the Professional Service Agreement (PSA) with Health Management Associates, Inc. (HMA); and**
- (2) Approving an Amendment No. 1 to the PSA to increase the not-to-exceed amount to \$59,450 and extending the term from December 31, 2025, to June 30, 2026, to cover Fiscal Year 2025-2026 and approving payments for the invoices in the amounts of \$10,389, \$12,305 and \$11,995 for services provided through August 31, 2025; and**
- (3) Accepting the Technical Assistance Grant in the form of services funded by the California Department of Health Care Services (DHCS) with a dollar amount equivalent to \$149,824 and authorizing HMA, a DHCS-approved vendor, to receive reimbursements from this grant for services rendered pursuant to the above-mentioned PSA.**

EXECUTIVE SUMMARY

On August 19, 2025, at the Regular City Council Meeting, due to the time sensitivity of the work, Council Member Bedolla, with a second from Mayor Pro Tem Abercrombie (per Section 4.3.1 and 4.3.2 of the Council Meeting Protocols and Rules of Procedure), requested that this item be placed on the agenda for Council approval.

This agenda item seeks the adoption of a resolution from the City Council waiving the requirements of Sections 4.3.1 and 4.3.2 of the Council Meeting Protocols and Rules of Procedure for review by the Tracy Homelessness Advisory Committee. The request to waive the requirement is due to the time constraint for approving Amendment No.1 to the existing PSA with HMA. Staff also seeks Council approval to increase the not to exceed amount from \$24,999 to \$59,450 to account for services provided through August 31, 2025.

Staff is also requesting the City Council accept the Technical Assistance Grant in the form of services funded by the California Department of Health Care Services (DHCS) with a dollar amount equivalent to \$149,824 and authorizing HMA, a DHCS-approved vendor to receive reimbursements from this grant for services rendered pursuant to the above-mentioned PSA. With the execution of this amendment, the funding needed for these services will be provided by this grant. The consultant will receive the funds directly from DHCS, and the City will no longer be responsible for any reimbursement to the Consultant under this PSA.

## BACKGROUND AND LEGISLATIVE HISTORY

The 2024 San Joaquin Continuum of Care Point in Time (PIT) Count of Sheltered and Unsheltered Homeless individuals reflects 200 sheltered/unsheltered homeless individuals living within Tracy's city limits, with 98 of these individuals currently sheltered. Recognizing the importance of responding to quality-of-life issues, including the human services needs of the City's unsheltered population, the City has devoted significant resources to both build and operate a temporary emergency housing facility to address the impacts of homelessness within the community. Staff oversight of shelter operations has included staff coordinating efforts between various departments to conduct bi-weekly clean-ups of public spaces, foster partnerships with non-profit organizations to share information on services and programs with the unsheltered, secure grants to support homeless services, and continue with the construction activities of the Temporary Emergency Housing Facility, CIP 71112. City staff have worked vigorously to balance the circumstances of the unsheltered, as well as the needs of the community.

Pursuant to the Council's reaffirmation of the emergency shelter crisis in August of 2022, the City Manager authorized staff to identify permanent and emergency alternative housing options for the unsheltered population within the city limits. This effort not only focuses on housing and support but also prepares the residents for self-sufficiency. As a result, the development of a "Campus Concept" emerged where temporary housing and supportive services would be provided to the unsheltered population at the 370 Arbor Avenue, Tracy location.

On May 2, 2025, the Parks, Recreation and Community Services Director authorized Health Management Associates, Inc. to provide comprehensive support to the City in the implementation of CalAIM in alignment with the Department of Health Care Services Path Cited application. This ongoing support includes but is not limited to strategic engagement with Managed Care Plans and other partners, service planning, and additional technical assistance to advance the City's Community Supports goals beyond the submission of the Path Cited application.

## ANALYSIS

In February of 2025, the City Council was presented with a workshop regarding recommendations for the full site plan of the Arbor Avenue shelter project, one of which included the onboarding of the CalAIM Initiative through the DHCS. This initiative seeks to work with organizations in communities who are providing services to the lowest-income residents. Some of these services include recuperative care, short-term post-hospitalization, and housing supports. Staff hired the Consultant to utilize a portion of the Kaiser Medical Respite Planning grant funds to begin the contracting process and planning of a Medical Respite program. Part of the contracting process consists of working with Managed Care Plans, which will provide the ability to bill for contracted services at the shelter site.

In May of 2025, the city applied for Technical Assistance through the DHCS during the drafting of the Path Cited Round 4 grant application to assist the City in developing a Medical Respite program. While awaiting approval from the state (DHCS), the city has worked with the Consultant to draft policies and procedures and work on the program development for the Medical Respite program implementation.

On July 11, 2025, the Technical Assistance application was approved by DHCS. Upon receiving notice of approval from DHCS, the Consultant drafted a Scope of Work and a budget to assist the City in program development. Some of the project services outlined in the Scope of Work are as follows: Community Supports and Workplan Development that includes a gap analysis, Program Design and Coaching, Financial Modeling Assessment and Training, and Documentation Development. The budget for the Scope of Work is 349 hours, totaling \$149,824, for Technical Assistance support through the DHCS. The project start date will be September 1, 2025, through April 30, 2026. Therefore, an amendment to the Agreement is required as the City and Consultant desire to amend the term of the Agreement by extending the expiration date of such term from December 31, 2025, to June 30, 2026. This will ensure that the program has the available Technical Assistance during implementation and for six (6) months after the projected start date of November 1, 2025.

This Technical Assistance grant will ensure the city is meeting the DHCS standards in the implementation of the CalAIM Initiative. These additional services and funding sources were not included in the original scope of work and compensation. The Amendment will allow HMA to continue providing Technical Assistance and strategic support to the City of Tracy in launching its Community Supports (CS) services, in particular, recuperative care. The TA Marketplace initiative provides resources for community-based organizations, cities, and counties to access technical assistance resources through DHCS-approved consultants to build the infrastructure needed to implement CS services and manage the billable TA support through the DHCS, as HMA is among the approved consultants.

Additionally, an amendment to the Agreement is required for the Consultant to be compensated for consulting services already provided. Consultant's total compensation under this Agreement, as amended, shall not exceed \$59,450. City staff were working on a deadline to align with the award of the Path Cited grant through the Department of Health Care Services. The city was awarded the additional funds for the technical assistance grant to support the implementation of the Medical Program, with the potential to receive the Path Cited grant. The city should know in October if they will receive the additional grant. This increase provides the additional funds needed for Fiscal Year 2025-2026, including payments for invoices in the amounts of \$10,389, \$12,305, and \$11,995 for services provided through August 31, 2025.

The amendment also approves a change in the funding source with the Consultant, effective September 1, 2025, through April 30, 2026, in which the Consultant acknowledges and agrees that funding for this Agreement will come from DHCS in the amount of \$149,824 covering approved billable TA hours. This Agreement will no longer be funded by the City of Tracy. This ensures alignment with DHCS standards and reduces City costs. The total compensation changes will be included as set forth in Exhibit "B-1".

### FISCAL IMPACT

Amendment No. 1 to the Professional Services Agreement with Health Management Associates, Inc. to increase the Consultant's total compensation to a not-to-exceed amount from \$24,999 to \$59,450, which provides the additional funds needed for Fiscal Year 2025-2026 to approve payments for the invoices in the amounts of \$10,389, \$12,305, and \$11,995 for services provided through August 31, 2025. Funds will come from the City of Tracy Kaiser Medical Respite Planning grant through August 31, 2025.

Effective September 1, 2025, through April 30, 2026, the Agreement also approves a change in the funding source with the Consultant, which will be fully funded by DHCS in the amount of \$149,824. Consultant acknowledges and agrees that funding for this Agreement will come from DHCS, eliminating the City's funding obligation. Upon approval of this agreement, Health Management Associates will be invoicing Department of Health Care Services for consulting services provided to the City of Tracy for implementation of a Medical Respite Program.

### CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Facility on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier Navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c) for (Emergency Projects). No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

San Joaquin County, as the responsible entity under the National Environmental Protection Act (NEPA) for the federal grants related to this Project, conducted an Environmental Assessment in 2023 and released a Finding of No Significant Impact on January 18, 2024, in compliance with NEPA and applicable federal regulations.

### STRATEGIC PLAN

This agenda item is consistent with the City Council's adopted 2023-2025 Strategic Priorities: Quality of Life Strategy Plan, Goal No. 5: Continue to implement the Council-Adopted Homelessness Strategic Plan.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution

- (1) Waiving the review of the Tracy Homelessness Advisory Committee per Section 4.3.1 and 4.3.2 in the Council Meeting Protocols and Rules of Procedure adopted by revised Resolution number 2023-102 for approving a contract amendment and related ancillary action for the Professional Service Agreement (PSA) with Health Management Associates, Inc. (HMA); and
- (2) Approving an Amendment No. 1 to the PSA to increasing the not-to-exceed amount to \$59,450 and extending the term from December 31, 2025, to June 30, 2026, to cover Fiscal Year 2025-2026 and approving payments for the invoices in the amount of \$10,389, \$12,305 and \$11,995 for services provided through August 31, 2025; and
- (3) Accepting the Technical Assistance Grant in the form of services funded by the California Department of Health Care Services (DHCS) with a dollar amount equivalent to \$149,824 and authorizing HMA, a DHCS-approved vendor, to receive reimbursements from this grant for services rendered pursuant to the above-mentioned PSA.

Prepared by: Virginia Carney, Homeless Services Manager

Reviewed by: Sara Castro, Director of Finance  
Brian MacDonald, Director of Parks, Recreation and Community Services  
Arturo M. Sanchez, Assistant City Manager  
Kamal Gill, Assistant City Attorney

Approved by: Midori Lichtwardt, City Manager

ATTACHMENTS

Attachment A- Amendment No. 1 to PSA- Health Management Associates, Inc.  
Attachment B-PSA-Health Management Associates, Inc. effective May 2, 2025

**Amendment No. 1  
To Professional Services Agreement**

This Amendment No. 1 (**Amendment**) to the Professional Services Agreement (**Agreement**) entered between the City of Tracy, a municipal corporation (**City**), and Health Management Associates, Inc a Corporation (**Consultant**) is entered into as of the date of last signature below. City and Consultant are referred to individually as “**Party**” and collectively as “**Parties.**”

**Recitals**

- A. The Agreement was executed on May 13, 2025 pursuant to Tracy Municipal Code Section 2.20.100(a)(b).
- B. The term of the original Agreement expires on December 31, 2025.
- C. In May of 2025, the city applied for Technical Assistance (TA) through the California Department of Health Care Services (DHCS) during the drafting of the Providing Access and Transforming Health (PATH) Capacity and Infrastructure Transition, Expansion, and Development (CITED) Round 4 grant application to assist the City in developing a Medical Respite program. This process was initiated by the Consultant and funded through the Kaiser Medical Respite Planning grant. While awaiting approval from the California DHCS, the city has worked with the Consultant to draft policies and procedures and work on the program development for the Medical Respite program implementation.
- D. On July 11, 2025, the Technical Assistance application was approved by DHCS. Upon receiving the notice of approval from DHCS, the Consultant drafted a revised Scope of Work and Budget to assist the City in program development. Some of the project services outlined in the Scope of Work are as follows: Community Supports and Workplan Development that includes a gap analysis, Program Design and Coaching, Financial Modeling Assessment and Training and Documentation Development. The budget for the Scope of Work is \$149,823.25 of Technical Assistance support through the DHCS with a project start date of September 1, 2025 through April 30, 2026.
- E. The City and Consultant desire to amend the term of the Agreement by extending the expiration date of such term from December 31, 2025 to June 30, 2026. This will ensure that the program has the available Technical Assistance during implementation and for six (6) months after the projected start date of November 1, 2025.
- F. The City and Consultant agree to amend the compensation by increasing the total not-to-exceed amount to \$59,450, which covers additional funds for Fiscal Year 2025-2026, including \$24,300.00 for services in July and August 2025 funded through the City of Tracy’s Kaiser Medical Respite Planning grant. Effective September 1, 2025 to April 30, 2026, the Consultant acknowledges and agrees that technical assistance support will be funded by the California Department of Health Care Services (DHCS) in the amount up to \$149,823.25 through the CalAIM PATH TA Marketplace Grant and the City will no longer be funded all work through the City of Tracy’s Kaiser Medical Respite Planning Grant. The Consultant acknowledges and agrees that the City shall be responsible only for payment of invoices related to services rendered through August 31, 2025, and that the City shall have no financial responsibility for any payment of any invoices or costs for services rendered on or after September 1, 2025. However, the City will continue to comply with all requirements of the three-way contract between DHCS, Consultant, and

the City of Tracy, including reviewing and approving invoices for which the DHCS is responsible for payment to the Consultant.

- G. This Amendment is being executed pursuant to Resolution No. \_\_\_\_\_ approved by Tracy City Council on \_\_\_\_\_.

**Now therefore, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:**

1. **Option to Extend.** Pursuant to Section 2.1 of the Agreement, the City hereby extends the Term by six (6) months and, accordingly, Section 2.1 of the Agreement is hereby modified to reflect that the Term expires on June 30, 2026 or earlier by termination pursuant to Section 6 of this Agreement (“Term”).
2. **Scope of Work.** Section 1 of the Agreement is hereby modified to reflect that Consultant shall perform the professional services, tasks, and scope of work described in **Exhibit “A-1”** attached hereto and incorporated herein by this reference (“Scope of Work”). The Scope of Work shall be performed by, or under the direct supervision of, Consultant’s “Authorized Representative”: Nai Kasick, MPH, Principal. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit A-1, nor shall Consultant use or replace any subcontractor or subconsultant, without the City’s prior written consent. The City may terminate this Agreement if Consultant makes any such change or uses or replaces any such subcontractor or subconsultant. Unless otherwise stated on **Exhibit A-1**, Consultant shall furnish, at its own expense, the materials, equipment, supplies, and other resources necessary to perform the Scope of Work. The City reserves the right to contract with other firms and/or consultants during the term of this Agreement to provide the City with the same or similar Scope of Work as described in **Exhibit A-1**.
3. **Compensation.** Pursuant to Section 3 of the Agreement, the City shall pay Consultant on a time and expense basis for Scope of Work performed under this Agreement at the billing rates set forth in **Exhibit B-1**, which is attached hereto and incorporated herein by this reference.
4. **Not to Exceed Amount.** Accordingly, Section 3.1 of the Agreement is hereby modified to reflect that Consultant’s total compensation under this Agreement shall not exceed \$59,450 (fifty-nine thousand four hundred and fifty) Dollars. Notwithstanding the foregoing, the payment of any funds under this Agreement shall be subject to the City of Tracy appropriation of funds for the Scope of Work. This Agreement shall automatically terminate in the event that such funds are not appropriated. Unless specifically stated otherwise or agreed to in writing and approved by City Council, the fees proposed by Consultant, as set forth in **Exhibit B-1** hereto, shall remain unchanged for the entire term of this Agreement and any extensions of this Agreement. It is understood and agreed that Consultant may not receive compensation up to the Not-to-Exceed Amount (or any other amount), and Consultant’s total compensation under this Agreement will depend on the Scope of Work requested and approved by the City. Consultant’s billing rates shall cover all costs and expenses for Consultant’s performance of this Agreement. No work shall be performed by Consultant in excess of the “Not-to-Exceed Amount” provided in this section without the City’s prior written approval.

City of Tracy – Amendment No. \_ to Agreement with [Consultant]

- 5. **Effect.** The Parties hereto ratify the Agreement and, except as expressly modified by this Amendment, all provisions of the Agreement will remain unchanged and in full force and effect.
- 6. **Entire Agreement.** This Amendment represents the entire agreement and understanding of the Parties and shall supersede any prior agreement—written or oral—between the Parties. This Amendment will not be valid and enforceable until executed by all of the Parties hereto. This Amendment may not be modified or altered except through a subsequent writing signed by both Parties.
- 7. **Severability.** If any term of this Amendment is held invalid by a court of competent jurisdiction, this Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.
- 8. **Signatures.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity, and authority to enter and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Amendment may be executed in one or more counterparts. All counterparts so executed shall constitute one contract, binding on all Parties, even though all Parties are not signatory to the same counterpart.

The Parties agree to the full performance of the terms set forth here.

**City of Tracy, a Municipal Corporation**

By: \_\_\_\_\_  
Dan Arriola  
Title: Mayor

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
April Quintanilla, City Clerk

Approved as to form:

\_\_\_\_\_  
L. David Nefouse, City Attorney

**Health Management Associates, Inc., a Corporation**

By:   
\_\_\_\_\_  
Kelly Johnson

Title: Chief Administrative Officer

Date: September 19, 2025 | 11:21 PDT

Federal Employer Tax ID No. 38-2599727

By:   
\_\_\_\_\_  
Jeff Wink

Title: Chief Financial Officer

Date: September 19, 2025 | 11:31 PDT

Exhibits:

- A-1 Scope of Work:
  - 1. Original Scope of Work
  - 2. TA Assistance
- B-1 Compensation

**Exhibit A-1 Scope of Work**

**1. Original Scope of Work:**

**Proposed Approach and Deliverables**

The following sections outline our understanding of your needs, our approach to meeting those needs, the deliverables we will produce, the proposed project timeframes, and certain assumptions we have made in creating this approach.

**Our Understanding of Your Needs**

HMA will provide comprehensive support to The City of Tracy in the development of the California Department of Health Care Services (DHCS) Providing Access and Transforming Health (PATH) CITED round four application.

**Proposed Approach**

HMA will partner with The City of Tracy team to:

- Develop the proposal responses and budget.

It is expected that The City of Tracy will input and upload the budget, narrative responses, all supporting documents, as well as respond to the organizational specific questions.

**Deliverables**

HMA will provide comprehensive support to The City of Tracy in the development of the DHCS PATH CITED round four application. This will specifically include development of the following required elements of the proposal:

	Deliverable	Description	Date
1.	Budget	HMA will assist The City of Tracy in developing the budget for the CITED application. This will involve completing the budget worksheet based on an existing gap analysis, county gaps, DHCS priorities, and input from The City of Tracy team. HMA will ensure the budget is aligned with the program’s needs and includes all relevant costs. The City of Tracy will provide any necessary data or documentation to support the budget development, and their assigned staff will collaborate with HMA team to gather supporting documents. The City of Tracy staff will be responsible for outreaching and estimating the cost for required services from applicable vendors. HMA will incorporate this input on the budget.	May 2, 2025 – June 30,2026
2.	Narrative	HMA will support The City of Tracy in crafting responses to the narrative section of the application. This will involve working closely with The City of Tracy to ensure the proposal responds effectively to the grantor’s priorities and requirements. HMA will advise on the development of narrative	May 2, 2025 - June 30,2026

	Deliverable	Description	Date
		responses, drawing from existing data, previous narratives, and other data and/or gap analysis provided by The City of Tracy. The City of Tracy will contribute by sharing any relevant information, updates, and other content, while also designating staff to assist in reviewing drafts and ensuring the proposal is complete, accurate, and compelling.	
3.	Continued Support	HMA will continue to support the City of Tracy with CalAIM implementation in alignment with the PATH CITED scope of work outlined in the existing agreement. This ongoing support includes but is not limited to: strategic engagement with Managed Care Plans and other partners, service planning and additional technical assistance to advance the City's Community Supports goals beyond the submission of the PATH CITED application.	May 2, 2025 – June 30, 2026

### Project Timeframes

This project will continue until June 30, 2026

### Assumptions and Limitations

The proposed services, staffing arrangements, and proposal are valid for 10 days from the date of this proposal, after which the project fees and staff availability may be subject to change. If you accept this proposal as is, we will initiate our contracting process. Our proposal does not constitute a formal bid and does not contractually bind either party.

HMA often serves multiple clients within a certain industry or market, including those with potentially opposing interests, and HMA's relationship with you will not be an exclusive relationship. Accordingly, HMA may have served, may currently be serving, or may in the future serve, other companies whose interests may be adverse to yours. In all such situations, HMA is committed to maintaining the confidentiality of each client's information, and ensuring that your interests, proprietary and otherwise, are protected. To that end, HMA strictly adheres to our Policy and Guidelines Related to Conflicts of Interest and Proprietary Information which contain nondisclosure procedures (such as firewall protocols and other safeguards) for the purpose of maintaining each client's confidential information and ensuring that your interests are protected.

## Team and Qualifications

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The greatest value HMA brings to every project is the collective experience and expertise of the individuals on our team.

Nai Kasick will serve as the project director and will ensure timely completion of deliverables, coordinate team activities, and provide consistent communication with you. Mary Ader will be the primary staff on this project. Additional HMA staff will provide services for the project as appropriate.

### **HMA Team**

**Nai Kasick, MPH, Principal**

**Mary Adèr, MPH, MPP, Senior Consultant**

## Exhibit A-1 Continued

### 2. Scope of Work for Technical Assistance:

Technical Assistance (TA) through the California Department of Health Care Services (DHCS) during the drafting of the Providing Access and Transforming Health (PATH) Capacity and Infrastructure Transition, Expansion, and Development (CITED) Round 4 grant application to assist the City in developing a Medical Respite program. Through this initiative, HMA will be able to continue providing Technical Assistance and strategic support to the City of Tracy in launching its Community Supports (CS) services, in particular recuperative care. The TA Marketplace initiative provides resources for community-based organizations, cities and counties to access technical assistance resources through DHCS-approved consultants to build the infrastructure needed to implement CS services. HMA is among these approved consultants.

#### **Project Summary:**

The City of Tracy seeks Hands-on Technical Assistance (TA) to expand essential community support services for San Joaquin County, a rural area with limited access to social services. Currently, the City provides temporary housing for up to 86 individuals experiencing homelessness and partners with the county's Continuum of Care, Health Plan of San Joaquin, and Health Net to enhance its service offerings to their Members. There is a critical need to expand services, particularly Recuperative Care, Short-Term Post Hospitalization Housing, and Housing Navigation, Housing Deposit, Housing Tenancy and Sustaining Services as there are no other providers in the south county and overall limited community support providers in this Central Valley County. These gaps in care affects vulnerable populations, and the City of Tracy's expansion efforts will help address this urgent need.

#### **Project Goals and Objectives (include the domain of the project):**

With HMA's support, City of Tracy aims to achieve the following goals:

1. Conduct a Community Support readiness assessment and gap analysis for Recuperative Care, Short-Term Post Hospitalization Housing, and Housing Navigation, Housing Deposit and Housing Tenancy and Sustaining Services;
2. Develop a remediation plan and develop resources such as policies and procedures, program description documents, assessment tool and care plan templates, staff training and others to meet Medi-Cal Managed Care Plans (MCPs) compliance;
3. Coach and support with Program Design, MCP engagement and contract negotiations. This includes but not limited to providing guidance to help City of Tracy understand contractual terms and service obligations required for CS delivery, ensuring clear comprehension and alignment with expectations; assisting in the creation and implementation of a comprehensive contract management process, including timelines, compliance tracking mechanisms, and efficient renewal protocols to ensure seamless ongoing management; outlining and clarifying staffing requirements necessary for meeting MCP contracting expectations and service delivery standards; assisting with the preparation and submission of the certification application required for contracting with the MCP; and facilitating and supporting with the contract negotiations with the MCP.
4. Perform a financial pro forma for CS services to ensure service sustainability

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**Non-Duplication of Funding (explanation required for all clients with multiple TA Marketplace projects):**

There will be no duplication between the hands-on TA Marketplace assistance and the City of Tracy’s anticipated CITED Round 4 funding request, as each initiative serves a distinct and complementary purpose. The TA Marketplace support will focus exclusively on providing customized technical assistance to guide the City of Tracy through CS readiness activities, including comprehensive needs assessments, gap analyses, and targeted remediation planning. This technical support is designed to build the foundational infrastructure and operational capacity required to launch and sustain CS services effectively. In contrast, the CITED Round 4 request will be used to secure tangible, on-the-ground resources necessary to implement the services informed by the TA Marketplace work. These resources include salaries for CS services staff such as a program director, housing navigators, and other tangible resources. While TA Marketplace support will focus on strategic planning and system development, CITED funds will be directed toward implementation and staffing, ensuring that both streams of support are aligned but non-overlapping.

**Sustainability:**

For TA Projects with work products meant to be updated and used beyond the period of performance, please describe what on-going costs are associated with these products, and what the TA Recipient’s plans are for sustainability of the project products and outputs. Please indicate N/A if this does not apply to this TA Project.

The City of Tracy is strategically coordinating and leveraging CalAIM resources to strengthen its infrastructure and capacity as a CS provider in San Joaquin County. Through an anticipated agreement with Health Plan of San Joaquin, the City of Tracy is laying the groundwork to deliver high-quality, sustainable services for Medi-Cal members. With support from HMA through TA Marketplace, the City of Tracy is receiving hands-on technical assistance to complete a comprehensive readiness assessment and develop essential program compliance. This includes finalized workflows, a full suite of P&Ps and other compliance documentation aligned with MPC and DHCS requirements.

The City of Tracy’s aim is to provide high-quality housing support services for Medi-Cal members. To achieve this, comprehensive CS readiness assessment that identifies gaps in our current infrastructure. This assessment along with the financial pro forma will inform our strategies for building capacity, allowing us to refine workflows, policies, and assessment tools to streamline operations and improve care coordination.

**Project Management and Communication Plan:**

Initial Project Launch meeting with City of Tracy to review and clarify the project goals, desired outcomes, and timelines, identify points of contact for the HMA and the City of Tracy teams, and set date for sharing the project workplan. Once approved, Ongoing Progress Reports will take place through biweekly interim progress updates to ensure alignment by both parties with project timelines and scope and allow for the identification of risk areas or changes to the initial workplan that need to be elevated. Agendas and follow-up activities from these regular updates will be jointly developed and communicated by identified communications coordinators on both sides. HMA will conduct a Close Out Meeting with the full project team to discuss what was accomplished, lessons learned, and what will happen next.

TA Marketplace Deliverable/Task Description	
Project Deliverable	Task Description
1. Project Launch	Co-Facilitated Project Launch call and completion of initial project workplan with City of Tracy leadership and other stakeholders. Level setting of engagement; Introduction of HMA & City of Tracy teams; Project plan discussion; Establishing meeting and project status updates cadence; Information gathering
2. Comprehensive CS Assessment & Gap Analysis	Comprehensive CS (housing trio, recuperative care services, and short term post hospital housing) readiness assessment of the organization’s capacity and infrastructure, including development of a workplan to evaluate quality and identify programmatic gaps to meet Program and MCP requirements. CS (recuperative care services, housing navigation, and day habitation services) Readiness Assessment Tools; Gap Analysis Report; and Workplan to Address Any Gaps (e.g., staff training, policies and procedures, workflows, referrals pathways, organizational structure and claims billing).
3. Documentation & Other Resources Development	Comprehensive CS readiness assessment of the organization’s capacity and infrastructure, including development of a workplan to address gaps (e.g., staff training, policies and procedures, workflows, referrals pathways, organizational structure and claims billing) to meet Program and MCP requirements.
4. CS Program Design Support	Provide SME technical expertise with program design, implementation and continuous improvement. This includes guidance on workflows, staff training, systems integration, and others
5. Financial Pro Form	Conduct comprehensive assessment, Final Summary Report with recommendations and Conduct training and education
6. Project Close Out	TA Marketplace Support and Project management of deliverables, timeline and budget

**Project Period of Performance:**

*Please use a future date as the project start date. Signed TA Project SOWs/Budgets cannot be backdated to have a retroactive start date.*

*Please identify project length in either weeks or months, whichever is most appropriate for the project.*

<b>Project Start Date:</b>	9/2/2025
<b>Project End Date:</b>	4/30/2026
<b>Project Length:</b>	34 Weeks
<b>Project not-to-exceed amount:</b>	\$150,000
<b>Final invoice date:</b>	5/1/2026

**Project Staff:**

Name	Role
Nai Kasick	Project Director
Anthony Federico	Senior Consultant
Noah Evans	Research Assistant
Helen DuPlessis	Physician Principal
Reina Hudson	Senior Consultant
Aaron Ranthum	Associate Principal
MaryEllen Mathis	Project Manager

## Exhibit B-1 Compensation

### 1. Original Scope of Work:

### Proposed Cost

HMA proposes to conduct this work on a time-and-materials basis using the hourly professional and travel rates indicated in the table below. We estimate the cost of the project will not exceed \$59,450. Included within this amount is the complete cost of doing business with HMA, including indirect costs such as overhead, general, and administrative costs.

HMA expects to conduct this project virtually and does not anticipate on-site travel, so no costs have been included for labor or expenses related to travel. Should you request on-site travel, we will work with you to adjust pricing accordingly.

#### 2025 HMA HOURLY RATES

Title	Professional Services	Travel Time
Physician Principal	\$555	\$555
Managing Principal/Director/Vice President	\$485	\$485
Principal	\$475	\$475
Associate Principal	\$430	\$430
Senior Consultant	\$385	\$385
Consultant/Associate	\$265	\$265
Research Associate	\$205	\$205
Administrative, Clerical, and Support Staff	\$125	\$125

HMA billing rates increase on January 1 of each calendar year unless agreed otherwise in writing.

We will issue monthly invoices detailing hours spent and expenses incurred in the previous month.

**3. Technical Assistance:**

<b>2025 Role Title (for all new and incoming projects as of 11/22/2024)</b>	<b>2025 Rate (for all new and incoming projects as of 11/22/2024)</b>
Physician Principal	\$570.00
Managing Director	\$500.00
Managing Principal	\$500.00
Principal	\$485.00
Associate Principal	\$440.00
Senior Consultant	\$395.00
Consultant	\$275.00
Research Associate	\$210.00
Certified Project Manager	\$165.00

**PAYMENT TERMS**

1. The City and Consultant desire to amend the Compensation by increasing the total not-to-exceed amount to \$59,450 which provides the additional funds needed for Fiscal Year 2025-2026, including \$24,300 for July and August 2025 funded through the City of Tracy Kaiser Medical Respite Planning grant.

Project	Description of Work	Project Period	Funding Source	City Funded	Total Hours	Total NTE
1. HMA- Original Scope of Work	Provide comprehensive support to the City in the implementation of CalAIM in alignment with the DHCS PATH CITED application. This ongoing support includes but is not limited to: strategic engagement with Managed Care Plans and other partners, service planning and additional technical assistance to advance the City's Community Supports goals beyond the submission of the PATH CITED application.	May 2, 2025 through August 31, 2025	City of Tracy Kaiser Medical Respite Planning Grant	Yes	N/A	\$ 59,450.00

2. Effective September 1, 2025, through June 30, 2026, Consultant acknowledges and agrees that funding for Technical Assistance support through the DHCS noted in this Agreement will come from DHCS in the amount of \$149,823.25, covering approved billable TA hours, and this Agreement will no longer be funded by the City of Tracy Kaiser Medical Respite Planning grant.

Project	Description of Work	Project Period	Funding Source	City Funded	Total Hours	Total NTE
2. Scope of Work for Technical Assistance	HMA will provide Technical Assistance and strategic support to the City of Tracy in launching its Community Supports (CS) services, in particular recuperative care. The TA Marketplace initiative provides resources for community-based organizations, cities and counties to access technical assistance resources through DHCS-approved consultants to build the infrastructure needed to implement CS services. Funding for Technical Assistance support through the DHCS noted in this Agreement will come from DHCS, covering approved billable TA hours, and this Agreement will no longer be funded by the City of Tracy Kaiser Medical Respite Planning grant.	September 1, 2025 through June 30, 2026	DHCS Technical Assistance Grant	No	349 Hours	\$ 149,965.00

**CITY OF TRACY**  
**PROFESSIONAL SERVICES AGREEMENT WITH**  
*Health Management Associates, Inc.*

This Professional Services Agreement (“Agreement”) is entered into between the City of Tracy, a municipal corporation (“City”), and Health Management Associates, Inc., a Corporation (“Consultant”). City and Consultant are referred to individually as “Party” and collectively as “Parties.”

**Recitals**

- A.** City desires to retain the professional services of Consultant to provide comprehensive support to the City in the implementation of the California Advancing and Innovating Medi-Cal (CalAIM) in alignment with the California Department of Health Care Services (DHCS) Providing Access and Transforming (PATH) Capacity and Infrastructure Transition, Expansion, and Development (CITED) application. This ongoing support includes but is not limited to: strategic engagement with Managed Care Plans and other partners, service planning and additional technical assistance to advance the City’s Community Supports goals beyond the submission of the PATH CITED application as further described herein and in Exhibit A.
- B.** On May 2, 2025, Consultant submitted its proposal to the City to provide support with the Capacity and Infrastructure Transition, Expansion, and Development (CITED) round four proposal submission. Pursuant to Tracy Municipal Code Sections 2.20.270(c), services of Consultants and similar professionals are exempt from competitive bidding and the Consultant demonstrated that it fits the City’s needs for competence and professional qualifications necessary for the satisfactory performance of the Scope of Work defined below.
- C.** After negotiations between the City and Consultant, the Parties have reached an agreement for Consultant’s professional services as set forth in this Agreement.
- D.** This Agreement was approved on May 13, 2025 pursuant to Tracy Municipal Code Section 2.20.100(a)(b).

NOW THEREFORE, for good and valuable consideration the sufficiency of which the Parties hereby acknowledge, the Parties mutually agree as follows:

- 1. Scope of Work.** Consultant shall perform the professional services, tasks, and scope of work described in Exhibit A attached hereto and incorporated herein by this reference (“Scope of Work”). The Scope of Work shall be performed by, or under the direct supervision of, Consultant’s “Authorized Representative”: Nai Kasick, MPH, Principal. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit A, nor shall Consultant use or replace any subcontractor or subconsultant, without the City’s prior written consent. The City may terminate this Agreement if Consultant makes any such change or uses or replaces any such subcontractor or subconsultant. Unless otherwise stated on Exhibit A, Consultant shall furnish, at its own expense, the materials, equipment, supplies, and other resources necessary to perform the Scope of Work. The City reserves the right to contract with other firms and/or consultants during the term of this Agreement to provide the City with the same or similar Scope of Work as described in Exhibit A.
- 2. Time of Performance.** Time is of the essence in the performance of the Scope of Work under this Agreement and the timing requirements set forth herein shall be strictly adhered to unless

Professional Services Agreement between:  
The City of Tracy and Health Management Associates, Inc.

otherwise modified in writing in accordance with this Agreement. If dates for performance are set out in Exhibit A, Consultant shall begin performance, and shall complete all required Scope of Work no later than the dates set forth in Exhibit A. Any services for which times for performance are not specified in this Agreement shall be started and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Consultant. If Exhibit A indicates that Scope of Work shall only be performed upon request, or if the City otherwise communicates the same to Consultant, Consultant shall not perform said Scope of Work until the City requests such performance. Consultant shall submit all requests for time extensions to the City in writing no later than ten (10) days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. The City may grant or deny such requests in its sole and absolute discretion.

**2.1 Term.** The term of this Agreement shall commence on May 2, 2025 and expire and terminate automatically on December 31, 2025 or earlier by termination pursuant to Section 6 of this Agreement ("Term"). Subject to the Not-To-Exceed Amount defined in Section 3.1, the Term of this Agreement may be extended with express written amendment incorporating this Agreement signed by both Parties and one of the following City approvals: (a) City Council approval or (b) City Manager approval. An administrative extension of this Agreement by City Manager shall be limited to an additional term of 1 (one) year(s) and require written determination by the City Manager that Consultant has satisfactorily met all the requirements of this Agreement.

**3. Compensation.** City shall pay Consultant on a time and expense basis for Scope of Work performed under this Agreement at the billing rates set forth in Exhibit B, which is attached hereto and incorporated herein by this reference.

**3.1 Not to Exceed Amount.** Consultant's total compensation under this Agreement shall not exceed \$24,999 (twenty-four thousand nine hundred and ninety-nine) Dollars. Notwithstanding the foregoing, the payment of any funds under this Agreement shall be subject to the City of Tracy appropriation of funds for the Scope of Work. This Agreement shall automatically terminate in the event that such funds are not appropriated. Unless specifically stated otherwise or agreed to in writing and approved by City Council, the fees proposed by Consultant, as set forth in Exhibit B hereto, shall remain unchanged for the entire term of this Agreement and any extensions of this Agreement. It is understood and agreed that Consultant may not receive compensation up to the Not-to-Exceed Amount (or any other amount), and Consultant's total compensation under this Agreement will depend on the Scope of Work requested and approved by the City. Consultant's billing rates shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the "Not-to-Exceed Amount" provided in this section without the City's prior written approval.

**3.1.1 City Budget Limitations.** This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year for this Agreement. If funds are appropriated for a portion of the fiscal year, this Agreement will automatically terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the City Council. Consultant's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

**3.2 Invoices.** Consultant shall submit monthly invoice(s) to the City that describe in detail satisfactory to the City: the services performed, the times and dates of performance, and the names of the person(s) performing the Scope of Work.

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**3.2.1** If Consultant is providing the Scope of Work in response to a development application, separate invoice(s) must be issued for each application and each invoice shall contain the City's designated development application number.

**3.2.2** Consultant's failure to submit invoice(s) in accordance with this Section may result in the City rejecting said invoice(s) and thereby delaying payment to Consultant.

**3.2.3** Consultant shall submit invoices no later than 90 days after completion of a portion of the Scope of Work. City has no obligation to pay invoices delivered greater than 90 days after the date of performance of the Scope of Work.

**3.3 Payment.** Within 30 days after the City's receipt of invoice(s), City shall make payment to the Consultant based upon the services and portions of Scope of Work described on the invoice(s) and approved by the City.

**3.4 Final Payment.** The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to Consultant's services or performance of the Scope of Work. Consultant agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant, its employees, subcontractors, agents and subconsultants.

**3.5 Books and Accounts.** Consultant agrees to maintain books, accounts, payroll records and other information relating to the performance of Consultant's obligations under the Agreement, which shall adequately and correctly reflect the expenses incurred by the Consultant in the performance of Consultant's work under the Agreement. Such books and records shall be open to inspection and audit by the City during regular business hours for three years after expiration or termination of this Agreement.

**4. Indemnification.** Consultant shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against, and reimburse the City for, any and all liabilities, obligations, losses, damages, injunctions, suits, actions, fines, penalties, claims, demands, administrative and judicial proceedings and order, judgments, remedial action requirements, costs and expenses of every kind or nature, and all costs and expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees and court costs ("**Claims**") arising directly or indirectly from or out of (including any and all related costs and expenses), relating or pertaining to or resulting from, in whole or in part, this Agreement; any act, omission, or event relating in any way to Consultant's obligations under this Agreement; and/or Consultant's breach of this Agreement, except to the extent such Claim is caused solely by the active negligence or willful misconduct of the City. In this Section 4, "City" means the City, its officials, officers, agents, employees and volunteers; "Consultant" means the Consultant, its employees, agents and subcontractors.

In the event there is a finding and/or determination that Consultant is not an independent contractor and/or is an employee of City, including but not limited to any such finding and/or determination made by the California Public Employees' Retirement System (CalPERS), the Department of Industrial Relations (DIR), or the Internal Revenue Service (IRS), Consultant shall, to the fullest extent permitted

*Professional Services Agreement between:  
The City of Tracy and Health Management Associates, Inc.*

by law, indemnify, defend, and hold harmless the City from and against any and all Claims relating to or in connection with such a finding and/or determination.

The provisions of this section survive the expiration or the termination of this Agreement and are not limited by the provisions of Section 5 relating to insurance.

**5. Insurance.** Consultant shall, throughout the duration of this Agreement, maintain insurance to cover Consultant, its agents, representatives, and employees in connection with the performance of the Scope of Work under this Agreement at the minimum levels set forth herein.

**5.1 Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than \$4,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

**5.2 Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

**5.3 Workers' Compensation** coverage shall be maintained as required by the State of California.

**5.4 Professional Liability** "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Consultant in an amount not less than \$1,000,000 per claim.

**5.5 Endorsements.** Consultant shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

**5.5.1** The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

**5.5.2** For any claims related to this Agreement, Consultant's coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be in excess of the Consultant's insurance and shall not contribute with it.

**5.6 Notice of Cancellation.** Consultant shall notify the City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation. Consultant shall immediately obtain a replacement policy.

**5.7 Authorized Insurers.** All insurance companies providing coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

**5.8 Insurance Certificate.** Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement and, in any event, within five (5) days of such request.

**5.9 Substitute Certificates.** Consultant shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

*Professional Services Agreement between:  
The City of Tracy and Health Management Associates, Inc.*

**5.10 Consultant's Obligation.** Maintenance of insurance by the Consultant as specified in this Agreement shall in no way be interpreted as relieving the Consultant of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Consultant may carry, at its own expense, such additional insurance as it deems necessary. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

**6. Termination.** The City may terminate this Agreement in its sole and absolute discretion, without cause, by giving ten (10) days' written notice to Consultant. Within five (5) days of such a termination, Consultant shall return and deliver to City all original documents relating to the Scope of Work in Consultant's possession or control, including, without limitation, preliminary drafts and supporting documents, and any other documents prepared by Consultant pursuant to this Agreement. The City shall pay Consultant for all services satisfactorily performed in accordance with this Agreement, up to the date the termination notice is given.

**7. Ownership of Work.** All original documents prepared by Consultant for this Agreement, whether complete or in progress, are the property of the City, and shall be given to the City at the completion of Consultant's Scope of Work, upon termination of this Agreement, or within five (5) days of any demand from the City. No such documents shall be revealed or made available by Consultant to any third party without the City's prior written consent.

**8. Independent Contractor Status.** Consultant is an independent contractor and is solely responsible for the acts of its employees or agents, including any negligent acts or omissions. Consultant is not City's employee and Consultant shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization. Consultant is free to work for other entities while under contract with the City. Consultant, and its agents or employees, are not entitled to City benefits. Consultant shall be solely responsible for, and shall save the City harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and subconsultants, including compliance with social security requirements, federal and state income tax withholding and all other regulations governing employer-employee relations.

**9. Conflicts of Interest.** Consultant (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Consultant maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Consultant's conflicting interest. The Consultant represents that it is familiar with the local and state conflict of interest laws, and agrees to comply with those laws in performing this Agreement. The Consultant represents and warrants that the representations made by the Consultant concerning unfair competitive advantage and conflicts of interest in connection with its submissions in response to the City's procurement for this Agreement were true and accurate both when made and as of the date of this Agreement. Consultant represents and warrants that it has not and shall not offer or deliver any City officer, public official, or employee any gifts or donations in violation of Federal, State and/or local law.

**10. Rebates, Kickbacks, or Other Unlawful Consideration.** Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For any breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price the value of the rebate, kickback, or other unlawful consideration; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

Professional Services Agreement between:  
The City of Tracy and Health Management Associates, Inc.

**11. Notices.** All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To the City:  
City of Tracy  
Attn: Brian MacDonald,  
Parks, Rec & Community Services Director  
333 Civic Center Plaza  
Tracy, CA 95376

To Consultant:  
Health Management Associates, Inc.  
Attn: Nai Kasick, Principal  
2501 Woodlake Circle, Suite 100  
Okemos, MI 48864

With a copy to:  
City Attorney  
333 Civic Center Plaza  
Tracy, CA 95376

**12. General Provisions.**

**12.1 Standard of Care.** Unless otherwise specified in this Agreement, the standard of care applicable to Consultant's performance of the Scope of Work will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

**12.2 Amendments.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

**12.3 Waivers.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. No waiver shall be effective unless it is in writing and signed by the waiving party.

**12.4 Assignment and Delegation.** Consultant may not assign, transfer or delegate this Agreement or any portion of it without the City's advance written consent. Any attempt to do so will be void. City's consent to one assignment, transfer or delegation shall not be deemed to be a consent to any subsequent assignment, transfer or delegation.

**12.5 Jurisdiction and Venue.** The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

**12.6 Compliance with the Law.** Consultant shall comply with all applicable local, state, and federal laws, including, without limitation, those identified below, whether or not such laws are expressly stated in this Agreement.

**12.6.1 Prevailing Wage Laws.** Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates;

*Professional Services Agreement between:  
The City of Tracy and Health Management Associates, Inc.*

employment of apprentices (§ 1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on “public works” and “maintenance” projects. If the services being performed under this Agreement are part of a “public works” or “maintenance” project, as defined in the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. These prevailing rates are on file with the City and are available online at <http://www.dir.ca.gov/DLSR>. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents, harmless from any and all claims, costs, penalties, or interests arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

**12.6.2 Non-discrimination.** Consultant represents and warrants that it is an equal opportunity employer, and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Consultant shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

**12.7 Business Entity Status.** Consultant is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Consultant. By entering into this Agreement, Consultant represents that it is authorized to do business in California, in good standing with the Secretary of State, and in good standing with all agencies having jurisdiction over Consultant (including any licensing agencies). If Consultant is a suspended entity at the time it enters into this Agreement, City may take steps to have this Agreement declared voidable.

**12.8 Business License.** Before the City signs this Agreement, Consultant shall obtain a City of Tracy Business License. Consultant shall maintain an active City of Tracy Business License during the term of this Agreement.

**12.9 Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

**12.10 Construction of Agreement.** Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

**12.11 Severability.** If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

**12.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto and Consultant’s proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant’s proposal (if any), the Exhibits shall control.

**12.13 Entire Agreement.** This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed and the matters contemplated herein. This Agreement supersedes all prior negotiations, representations or agreements (in each case, whether oral or in writing). All exhibits attached hereto are incorporated by reference herein.

*Professional Services Agreement between:  
The City of Tracy and Health Management Associates, Inc.*

**12.14 Counterparts.** City and Consultant agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

**12.15 Expenses for Enforcement.** Consultant and City agree that the prevailing party's reasonable costs, attorneys' fees and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

**13. Signatures.** The individuals executing this Agreement on behalf of Consultant represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Consultant.

*[Signature Page to Follow]*

Professional Services Agreement between:  
The City of Tracy and Health Management Associates, Inc.

As of the date of last signature below, the undersigned Parties agree to the full performance of the terms set forth in this Agreement and have caused this Agreement to be duly executed.

**City of Tracy, a Municipal Corporation**

By: DocuSigned by:  
Brian MacDonald  
Brian MacDonald

Title: Parks, Rec & Community Services Director

Date: 5/8/2025 | 5:26 PM PDT

**Attest:**

Signed by:  
April B. A. Quintanilla  
F16D0308C28B196...

April Quintanilla, City Clerk  
5/13/2025 | 10:06 AM PDT

**Approved as to form:**

Signed by:  
Kamalpreet Gill  
9515285B1705121...  
Kamal Gill, Deputy City Attorney  
5/13/2025 | 10:04 AM PDT

**Health Management Associates, Inc., a Corporation**

By: Signed by:  
Kelly Johnson  
7533E7CBA7A5470  
Kelly Johnson

Title: Chief Administrative Officer

Date: 5/7/2025 | 11:02 AM PDT

Federal Employer Tax ID No. 38-2599727

By: DocuSigned by:  
Jeff Wink  
7155003ED6E14A8  
Jeff Wink

Title: Chief Financial Officer

Date: 5/7/2025 | 1:53 PM EDT

**Exhibits:**

- A Scope of Work
- B Compensation

## EXHIBIT A - Scope of Work

### Proposed Approach and Deliverables

The following sections outline our understanding of your needs, our approach to meeting those needs, the deliverables we will produce, the proposed project timeframes, and certain assumptions we have made in creating this approach.

#### Our Understanding of Your Needs

HMA will provide comprehensive support to The City of Tracy in the development of the California Department of Health Care Services (DHCS) Providing Access and Transforming Health (PATH) CITED round four application.

#### Proposed Approach

HMA will partner with The City of Tracy team to:

- Develop the proposal responses and budget.

It is expected that The City of Tracy will input and upload the budget, narrative responses, all supporting documents, as well as respond to the organizational specific questions.

#### Deliverables

HMA will provide comprehensive support to The City of Tracy in the development of the DHCS PATH CITED round four application. This will specifically include development of the following required elements of the proposal:

	Deliverable	Description	Date
1.	Budget	HMA will assist The City of Tracy in developing the budget for the CITED application. This will involve completing the budget worksheet based on an existing gap analysis, county gaps, DHCS priorities, and input from The City of Tracy team. HMA will ensure the budget is aligned with the program’s needs and includes all relevant costs. The City of Tracy will provide any necessary data or documentation to support the budget development, and their assigned staff will collaborate with HMA team to gather supporting documents. The City of Tracy staff will be responsible for outreaching and estimating the cost for required services from applicable vendors. HMA will incorporate this input on the budget.	May 2, 2025 – December 31, 2025
2.	Narrative	HMA will support The City of Tracy in crafting responses to the narrative section of the application. This will involve working closely with The City of Tracy to ensure the proposal responds effectively to the grantor’s priorities and requirements. HMA will advise on the development of narrative	May 2, 2025 - December 31, 2025

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**EXHIBIT A - Scope of Work (Continued)**

	Deliverable	Description	Date
		responses, drawing from existing data, previous narratives, and other data and/or gap analysis provided by The City of Tracy. The City of Tracy will contribute by sharing any relevant information, updates, and other content, while also designating staff to assist in reviewing drafts and ensuring the proposal is complete, accurate, and compelling.	
3.	Continued Support	HMA will continue to support the City of Tracy with CalAIM implementation in alignment with the PATH CITED scope of work outlined in the existing agreement. This ongoing support includes but is not limited to: strategic engagement with Managed Care Plans and other partners, service planning and additional technical assistance to advance the City's Community Supports goals beyond the submission of the PATH CITED application.	May 2, 2025 – December 31, 2025

Additionally, HMA will continue to support the City of Tracy with CalAIM implementation in alignment with the PATH CITED scope of work outlined in the existing agreement. This ongoing support includes but is not limited to: strategic engagement with Managed Care Plans and other partners, service planning and additional technical assistance to advance the City's Community Supports goals beyond the submission of the PATH CITED application.

**Project Timeframes**

This project will continue until December 31, 2025.

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The City of Tracy and Health Management Associates, Inc.*

## **EXHIBIT A - Scope of Work (Continued)**

### **Assumptions and Limitations**

The proposed services, staffing arrangements, and proposal are valid for 10 days from the date of this proposal, after which the project fees and staff availability may be subject to change. If you accept this proposal as is, we will initiate our contracting process. Our proposal does not constitute a formal bid and does not contractually bind either party.

HMA often serves multiple clients within a certain industry or market, including those with potentially opposing interests, and HMA's relationship with you will not be an exclusive relationship. Accordingly, HMA may have served, may currently be serving, or may in the future serve, other companies whose interests may be adverse to yours. In all such situations, HMA is committed to maintaining the confidentiality of each client's information, and ensuring that your interests, proprietary and otherwise, are protected. To that end, HMA strictly adheres to our Policy and Guidelines Related to Conflicts of Interest and Proprietary Information which contain nondisclosure procedures (such as firewall protocols and other safeguards) for the purpose of maintaining each client's confidential information and ensuring that your interests are protected.

### **Team and Qualifications**

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The greatest value HMA brings to every project is the collective experience and expertise of the individuals on our team.

Nai Kasick will serve as the project director and will ensure timely completion of deliverables, coordinate team activities, and provide consistent communication with you. Mary Ader will be the primary staff on this project. Additional HMA staff will provide services for the project as appropriate.

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**EXHIBIT B - Compensation**

**Proposed Cost**

HMA proposes to conduct this work on a time-and-materials basis using the hourly professional and travel rates indicated in the table below. We estimate the cost of the project will not exceed \$24,999. Included within this amount is the complete cost of doing business with HMA, including indirect costs such as overhead, general, and administrative costs.

HMA expects to conduct this project virtually and does not anticipate on-site travel, so no costs have been included for labor or expenses related to travel. Should you request on-site travel, we will work with you to adjust pricing accordingly.

**2025 HMA HOURLY RATES**

Title	Professional Services	Travel Time
Physician Principal	\$555	\$555
Managing Principal/Director/Vice President	\$485	\$485
Principal	\$475	\$475
Associate Principal	\$430	\$430
Senior Consultant	\$385	\$385
Consultant/Associate	\$265	\$265
Research Associate	\$205	\$205
Administrative, Clerical, and Support Staff	\$125	\$125

HMA billing rates increase on January 1 of each calendar year unless agreed otherwise in writing.

We will issue monthly invoices detailing hours spent and expenses incurred in the previous month.