

**MEMORANDUM OF AGREEMENT
BETWEEN CITY OF DURHAM
AND ALLIANCE BEHAVIORAL HEALTHCARE**

THIS AGREEMENT is made and entered into effective this ____ day of _____, 2014, by and between CITY OF DURHAM (hereinafter referred to as "City"), and **ALLIANCE BEHAVIORAL HEALTHCARE**, a Local Management Entity/Managed Care Organization existing under N.C.G.S. Chapter 122C, having a mailing address of 4600 Emperor Blvd. Durham, NC 27713 (hereinafter referred to as "**Alliance**") (individually referred to as a "Party" and collectively as the "Parties").

WITNESSETH:

WHEREAS, Alliance has been established by joint resolution of the Cumberland, Durham and Wake County Boards of Commissioners and authorized by the Secretary of the North Carolina Department of Health and Human Services to operate as a multi-county area authority LME/MCO pursuant to N.C.G.S. §122C-115; and

WHEREAS, Alliance is a sub-recipient of a federal grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) to support "BECOMING", a mental health program targeting high-risk 16-21 year olds in Durham County who have mental health challenges and have become disconnected from services and supports that would support their transition to adulthood; and

WHEREAS, Durham Public Schools ("DPS"), Alliance, Durham County, and the City of Durham ("City") desire to create two new positions to lead a Youth Opportunity Initiative expanding the reach of the BECOMING program model to more disconnected youth in Durham; and

WHEREAS, DPS, the County, and the City of Durham are each entering into similar agreements with Alliance to provide one-third of the funding required for support of those two new positions.

NOW THEREFORE, for and in consideration of mutual covenants herein and the mutual benefits to result therefrom, the Parties hereby agree as follows:

1. TERM AND TERMINATION. This Agreement will take effect as of the date of the last party's signature and continue in effect until twelve (12) months thereafter, subject to section 5 below. The parties may renew this agreement for one additional 12 month period only by separate written agreement or addendum hereto. Any party may terminate its participation in this agreement by providing thirty (30) days' written notice to the other party. Notice of termination shall also be given to DPS and the City of Durham.

2. OBLIGATIONS OF ALLIANCE.

- a. In consultation with the City, Alliance will finalize job descriptions, salary and the hiring process for two new positions, a Youth Services Director and a Youth Opportunity Coordinator. Both positions will be considered employees of Alliance.
- b. Alliance will lead the hiring process for the two new positions and will make ultimate hiring decisions. The City will have a representative on the hiring committee, and Alliance will consider input from the City representative during the hiring process.
- c. Alliance will use the funds provided by the City exclusively for the purposes listed in Section 5, "Use of Funds."
- d. Alliance will comply with all grant requirements associated with the BECOMING grant.
- e. Alliance will, in consultation with DPS, Durham County, and the City of Durham, establish membership for a Youth Opportunity Steering Committee.
- f. Building upon the recommendations of the IBM Smarter Cities Challenge recommendations, Alliance will conduct a gap analysis/strategic plan focusing on the design of a Youth Service Delivery model. The recommendations will include prevention, intervention and recovery strategies, service access and capacity and increasing successful life transitions (middle school, high school, college and work.)
- g. Building upon the recommendations of the IBM Smarter Cities Challenge, Alliance will explore strategies to implement a Youth Services Care System that would include integrated case management, a link to an Early Warning System and an on-line resource directory as well as data warehouses to track service and system outcomes.
- h. Alliance will provide the City with such records and other information regarding the operations of the Youth Opportunity Initiative upon request. At minimum, Alliance will provide monthly updates on program activities and findings.
- i. Alliance shall provide DPS with such financial records including the hire dates of the new positions, vacancies, costs of salary and benefits and use of funding on at least a monthly basis. Any vacancies in either of the new positions shall be immediately reported to the City.

3. OBLIGATIONS OF THE CITY.

- a. The City will provide sixty-six thousand dollars (\$66,000) in funding per each 12 month term, with the understanding that DPS and the County of Durham will also be contributing sixty-six thousand dollars (\$66,000) each in funding per each 12 month term. Provision of funds will be subject to the schedule and additional provisions in section 4, "Funding Schedule" and section 5, "Use of Funds."
- b. The City will have a representative on the hiring committee who will participate by providing input to Alliance in the hiring process for the Youth Opportunity Initiative positions. Final decisions regarding hiring will be made by Alliance in its discretion.

- c. The City will consult in the establishment of the Youth Opportunity Steering Committee.
4. FUNDING SCHEDULE. Funding will be provided in quarterly installments, with the first installment due within 30 days of the effective date of this agreement and each subsequent installment due no later than 90 days after provision of the previous installment, subject to section 5 and 6, below.
5. USE OF FUNDS. Funds provided by the City to Alliance under this MOU shall be used solely for:
 - a. The payment of salary and benefits for the positions of Youth Opportunity Coordinator and Youth Services Director.
 - b. The funding of necessary expenses related to those two positions, including but not limited to equipment, supplies, marketing materials, and special Youth Opportunity Initiative events. "Necessary expenses" will be more specifically defined, including a maximum annual expense budget amount, in writing by the parties in subsequent negotiations and appended to this MOU.
 - c. The funding of other programs, initiatives, and/or operational costs of the Youth Opportunity Initiative, including but not limited to facilitating stakeholder meetings, conducting focus groups and surveys, and creating long-term strategic plans. Appropriate costs and expenses will be more specifically defined, including a maximum annual amount, in writing by the parties in subsequent negotiations and appended to this MOU.

Any portion of the funding provided by the City that is unspent at the end of the twelve month term of this MOU, or has been spent for purposes other than those authorized by this MOU, shall be returned to the City at the end of the twelve month term. The amount to be returned to the City shall be the pro rata portion of any remaining funds relative to funds contributed by DPS and the County of Durham (i.e. one-third) at the end of the twelve month term. Provided, however, that if there is a delay of ninety (90) days or less in the start date of either or both of the new positions funded by this MOU such that the twelve month term of those positions will continue past the end of the twelve month term of the MOU, Alliance may, with the written consent of the City, retain the portion of unspent funds necessary to pay the salary and benefits of the delayed position(s) through the end of the twelve month employment term. The rights and obligations set forth in this section 5 shall continue beyond the term of this agreement.

6. VACANCIES. In the event of a vacancy in either or both of the new positions created under this MOU, Alliance will immediately notify the City of the vacancy. The City will participate in the process to fill the vacancy in a similar capacity as in the initial hiring process. Funds not spent on salary and benefits as a result of the vacancy shall be considered unspent funds to be returned as described in section 5. Provided, however, that if the vacancy is filled in ninety (90) days or less, Alliance may, with the written consent of the City, retain the portion of unspent funds necessary to pay the salary and benefits of the position for a period of time, equal to the length of the vacancy, beyond the twelve month term of this MOU.

7. DISPUTE RESOLUTION. In the event of a conflict or dispute concerning the obligations of the Parties, they will work in good faith to resolve the conflict or dispute. The Parties may cancel this Agreement upon failure to resolve the conflict or dispute.
8. FUNDING. It is understood and agreed between the Parties that DPS's payment obligation under this Agreement is contingent upon the availability of appropriated funds from which payment for Agreement purposes can be made.
9. TAXES. Alliance shall pay all federal, state, and FICA taxes for the employees hired under this Agreement.
10. INSURANCE. Alliance agrees to maintain \$1,000,000 in general liability and other appropriate insurance, as well as Workers Compensation in the required statutory amount, for the employees hired as part of this Agreement. Certificates of such insurance shall be furnished by Alliance to the City and shall contain the provision that the City be given at least 10 days' written notice of any intent to cancel or terminate by either Alliance or the insuring company. Failure to maintain such insurance shall be a default under this Agreement and shall be grounds for immediate termination of this Agreement.
11. MONITORING AND AUDITING. Alliance shall cooperate with the City, or with any other person or agency as directed by the City, in monitoring, auditing, or investigating activities related to this Agreement. Alliance shall provide auditors retained by the City with access to any records and files related to the employees hired under this Agreement.
12. WAIVER. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a future waiver of the term or deprive that party of its right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing, and no waiver of any breach of any provision of this Agreement shall constitute a waiver of any other breach of such provision or of any other provision thereof.
13. ENTIRE AGREEMENT AND MODIFICATION. This Agreement constitutes the entire agreement among the Parties concerning its subject matter. No modification of this Agreement shall be binding unless amended in writing and signed by the authorized agent for each party. Each party shall act in good faith in responding to future proposed modifications in order to address effectively any circumstances which may be unforeseen at the time this Agreement is entered into.
14. NO THIRD PARTY BENEFICIARIES. This Agreement is not intended for the benefit of any third party. The rights and obligations contained herein belong exclusively to the parties hereto, and shall not confer any rights or remedies upon any person or entity other than the parties hereto.

15. SEVERABILITY. The Parties agree that if any provision of this Agreement, or portion thereof, shall be declared invalid or unenforceable for any reason, the remainder of the Agreement shall continue in full force and effect.
16. ASSIGNMENT. This Agreement shall not be assigned, in whole or in part, without the prior written consent of the Parties.
17. RELATIONSHIP OF PARTIES. Nothing herein shall be construed as creating a partnership or joint venture; nor shall any employee of Alliance be construed as an employee, agent, or principal of the City.
18. COMPLIANCE WITH APPLICABLE LAWS. The Parties shall comply with all applicable Federal, State and local laws, rules and regulations, as amended or supplemented, in performing their obligations under this Agreement. The implementation of this Agreement shall be carried out in strict compliance with all applicable Federal, State and local laws, rules and regulations.
19. E-VERIFY COMPLIANCE. Each Party covenants that if it enters into any subcontracts in order to perform any of its obligations under this Agreement, it shall require that the contractors and their subcontractors comply with the requirements of NC Gen. Stat. Article 2 of Chapter 64. In this E-Verify Compliance section, the words contractors, subcontractors, and comply shall have the meanings intended by applicable provisions of NC Gen. Stat. Chapters 153A and 160A.
20. SECTION HEADINGS. Section headings contained in this Agreement are included for convenience only and do not define, limit, or describe the scope of intent of this Agreement or in any way affect this Agreement.
21. APPLICABLE LAW. This Agreement shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this Agreement shall be brought in the General Court of Justice in the County of Durham and the State of North Carolina.
22. EXECUTION. The Parties agree to execute all documents, instruments, or further assurances as may be necessary or required to effectuate and complete all transactions contemplated by this Agreement.
23. NOTICE. Any and all notices, designations, consents, offers, acceptances, or any other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, to the respective Parties at the addresses listed below, unless each party has notified the others of a different address by means of the notification formalities described in this section.

If to Alliance:

Alliance Behavioral Healthcare
Attention: General Counsel
4600 Emperor Blvd., Suite 200
Durham, North Carolina 27713

If to City:

City of Durham
Attention: City Manager
101 City Hall Plaza
Durham, NC 27701

24. AUTHORITY. By execution hereof, the person signing for each Party below certifies that he/she has read this Agreement and that he/she is duly authorized to execute this Agreement on behalf of the Party.

[Remainder of Page Intentionally Blank. Signature Page Follows.]

