October 17, 2024

TO: Legal Counsel

News Media
Salinas Californian
El Sol
Monterey County Herald
Monterey County Weekly
KION-TV
KSBW-TV/ABC Central Coast
KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE** of **SALINAS VALLEY HEALTH**[1] will be held **MONDAY, OCTOBER 21, 2024, AT 4:30 P.M., HEART CENTER TELECONFERENCE ROOM, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.** (*For Public Access Information Visit* https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/board-committee-meetings-virtual-link/.)

Allen Radner, MD
President/Chief Executive Officer



[1] Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

Committee Voting Members: **Joel Hernandez Laguna**, Chair, **Juan Cabrera**, Vice-Chair, **Allen Radner, M.D.**, President/CEO; **Augustine Lopez**, Chief Financial Officer; and **Tarun Bajaj, M.D.**, Medical Staff Member.

Advisory Non-Voting Members: Sanjeev Tandon and Harry Wardwell, Community Members, Administrative Executive Team.

**FINANCE COMMITTEE**
**COMMITTEE OF THE WHOLE**
**SALINAS VALLEY HEALTH[1]**

**MONDAY, OCTOBER 21, 2024, 4:30 P.M.**
**HEART CENTER TELECONFERENCE ROOM**

**Salinas Valley Health Medical Center**
**450 E. Romie Lane, Salinas, California**

**(Visit SalinasValleyHealth.com/virtualboardmeeting for Public Access Information)**

# AGENDA

1. Call to Order / Roll Call

2. Public Comment

   This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

3. Approve Minutes of the Finance Committee Meeting of August 19, 2024 (HERNANDEZ LAGUNA)

   - Motion/Second
   - Public Comment
   - Action by Committee/Roll Call Vote

4. Approve Minutes of the Finance Committee Meeting of September 23, 2024 (HERNANDEZ LAGUNA)

   - Motion/Second
   - Public Comment
   - Action by Committee/Roll Call Vote

5. Consider Recommendation for Board Approval of Stryker Power Upgrade. (HYLAND/ HEUBNER)

   - Staff Report
   - Committee Questions to Staff
   - Public Comment
   - Committee Discussion/Deliberation
   - Motion/Second
   - Action by Committee/Roll Call Vote

[1]Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

6. Consider Recommendation for Board Approval of Amendment Number One to Lease Agreement to Expand the Space for Epic Inpatient Training Space at 928 East Blanco Road, Salinas Between SVH and Rancho Llano Development, LLC. (RAY/HYLAND)

   - Staff Report
   - Committee Questions to Staff
   - Public Comment
   - Committee Discussion/Deliberation
   - Motion/Second
   - Action by Committee/Roll Call Vote

7. Consider Recommendation for Board Approval of the MetTel Carrier Services Contract for Three Years as Sole Source Justification and Contract Award. (HYLAND/PARKS)

   - Staff Report
   - Committee Questions to Staff
   - Public Comment
   - Committee Discussion/Deliberation
   - Motion/Second
   - Action by Committee/Roll Call Vote

8. Consider Recommendation for Board Approval of the Artificial Intelligence Empowered Clinical Documentation for Epic Solution through Competitive Solicitation and Contract Award. (HYLAND/FERGUSON)

   - Staff Report
   - Committee Questions to Staff
   - Public Comment
   - Committee Discussion/Deliberation
   - Motion/Second
   - Action by Committee/Roll Call Vote /Roll Call Vote

9. Consider Recommendation for Board Approval of Preliminary Project Budget and Awarding Contract for Design and Engineering Services in conjunction with the MRI Installation Project. (MILLER/KAZEL)

   - Staff Report
   - Committee Questions to Staff
   - Public Comment
   - Committee Discussion/Deliberation
   - Motion/Second
   - Action by Committee/Roll Call Vote /Roll Call Vote

10. Consider Recommendation for Board of Directors Approval of Construction Budget to furnish, install, and activate a temporary emergency department overflow trailer facility to replace 'covid-era' tents at 450 E. Romie Lane. (MILLER)

    - Staff Report
    - Committee Questions to Staff
    - Public Comment
    - Committee Discussion/Deliberation
    - Motion/Second
    - Action by Committee/Roll Call Vote /Roll Call Vote

11. Financial & Statistical Review (CLEVELAND)

12. Capital Spending Year-to-Date September 30, 2025 (CLEVELAND/NORMAN/SULLIVAN)

13. Adjournment
    The next Finance Committee Meeting is scheduled for **Monday, November 18, 2024** at **4:30 p.m.**

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Committee packet is available at the Committee Meeting, at https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2024/, and in the Human Resources Department of the District located at 611 Abbott Street, Suite 201, Salinas, California, 93901. All items appearing on the agenda are subject to action by the Committee.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Clerk during regular business hours at 831-759-3050. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

*CALL TO ORDER*
*ROLL CALL*

*(Chair to call the meeting to order)*

*PUBLIC COMMENT*

**SALINAS VALLEY HEALTH**[1]
**FINANCE COMMITTEE**
**COMMITTEE OF THE WHOLE**
**MEETING MINUTES AUGUST 19, 2024**

Committee Member Attendance:

Voting Members Present: **Joel Hernandez Laguna,** Chair; **Augustine Lopez**, Chief Financial Officer; **Allen Radner, M.D.**, President/CEO and **Tarun Bajaj, M.D.**, Medical Staff Member;

Voting Members Absent: **Juan Cabrera**, Vice-Chair;

Advisory Non-Voting Members Present:
Via teleconference: Harry Wardwell and Michelle Childs, CHRO.
In person: Clement Miller, COO, and Gary Ray, CLO.

Other Board Members Present, Constituting Committee of the Whole:
Via teleconference: Juan Cabrera, Catherine Carson and Victor Rey.

*Juan Cabrera attended as a non-voting member via teleconference.*

## 1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Joel Hernandez Laguna, called the meeting to order at 12:05 p.m. in the Heart Center Teleconference Room.

## 2. PUBLIC COMMENT:

None.

## 3. MINUTES OF THE FINANCE COMMITTEE JULY 22, 2024

Approve the minutes of the July 22, 2024 Finance Committee meeting. The information was included in the Committee packet.

**COMMITTEE MEMBER DISCUSSION:** None.

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee Member Dr. Radner, and second by Committee Member Dr. Bajaj, the minutes of the July 22, 2024 Finance Committee were approved as presented.

**ROLL CALL VOTE:**
Ayes: Chair Hernandez Laguna, Dr. Radner, Lopez, and Dr. Bajaj;
Nays: None;
Abstentions: None;
Absent: Vice-Chair Cabrera.

**Motion Carried**

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## 4. CONSIDER RECOMMENDATION TO THE BOARD OF DIRECTORS TO AWARD A CONSTRUCTION CONTRACT TO MCLAUGHLIN PAINTING & WATERPROOFING FOR THE MEDICAL CENTER CAMPUS EXTERIOR REPAINTING PROJECT

Clement Miller, COO, reported that Salinas Valley Health implemented a comprehensive re-branding campaign, rolling out new logo and signage installations. Concurrently, leadership requested the development of a fresh color scheme consistent with re-branding goals and characteristics that will result in a new visual presentation of campus structures to the community. Several different color schemes were proposed, one was selected by the Executive Leadership Alignment Committee and subsequently approved by the Board in September of 2023.

WRD Architects prepared detailed plans and specifications. The City of Salinas reviewed the project and issued a minor modification to the Conditional Use Permit to allow execution of the project. Salinas Valley Health publicly advertised a request for contractor bids to complete the construction services required for the project. The advertisement was circulated in the Californian and Central Coast Builder's Exchange. At the close of bid period, on July 31 2024, eleven bids from painting contractors were received and publicly opened. After staff review of the bid packages submitted, Facilities Management identified McLaughlin Painting & Waterproofing as the lowest responsible, responsive bidder. The project is expected to be implemented in 8 phases on a building-by-building basis, completing one building before moving to the next building. Project duration is anticipated to take up to 10 months, dependent upon the weather.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** A Smaller portion of the work will begin within the near future; the remainder of the work will continue after the rainy season.

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee member Lopez and second by Committee member Dr. Radner, the Finance Committee recommends Board of Directors award McLaughlin Painting & Waterproofing the contract for SVH Medical Center Campus Exterior Building Repainting at 450 E. Romie Lane in the amount of $669,580.00.

**ROLL CALL VOTE:**
Ayes: Chair Hernandez Laguna, Dr. Radner, Lopez, and Dr. Bajaj;
Nays: None;
Abstentions: None;
Absent: Vice-Chair Cabrera.

**Motion Carried**

## 5. CLOSED SESSION

Chair Hernandez Laguna announced that items to be discussed in Closed Session as listed on the posted Agenda are *Report Involving Trade Secrets: Trade secret, strategic planning/proposed new programs and services*. The meeting recessed into Closed Session under the Closed Session Protocol at 12:11 p.m.

## 6. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Board reconvened Open Session at 1:31 p.m. Chair Hernandez Laguna announced in Closed Session, the Board received a *Report Involving Trade Secrets: Trade secret, strategic planning/proposed new programs and services*. No action was taken.

## 7. CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS' APPROVAL OF PROJECT BUDGET FOR THE SALINAS VALLEY HEALTH X-RAY ROOMS 1 AND 2 REPLACEMENT PROJECT, AND FOR AWARD OF CONTRACT TO PHILIPS FOR THE X-RAY EQUIPMENT SYSTEM AND SERVICE AGREEMENT

Clement Miller, COO, and John Kazel, Director Imaging Services reported that Salinas Valley Health is pursuing x-ray equipment replacements to upgrade the hospital systems' capabilities to the latest standards in radiography. The Imaging department currently relies on two Siemens X-ray rooms, each surpassing 20 years of age. These systems are now considered outdated due to their antiquated computer processing, software, radiation dose efficiency, and image quality. The vendor no longer provides new parts or hardware/software updates, necessitating repairs with third-party refurbished parts, which are increasingly scarce. The aging systems also operate on an obsolete third-party Digital Radiography (DR) conversion system, heightening the risk of irreparable failures. A number of planning and review sessions involving the Diagnostic Imaging evaluation team were held weighing solutions from multiple vendors including Samsung and Philips. The Philips equipment package earned the most consideration for overall equipment and service features over time with state-of-the-art DR X-ray systems promising significant enhancements.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee member Lopez and second by Committee member Dr. Bajaj, the Finance Committee recommends Board of Directors approval of (i) the total estimated project cost for the Salinas Valley Health X-Ray Rooms 1 and 2 Equipment Replacement projects in the budgeted amount of $1,528,181 and $1,471,820 respectively, and (ii) award equipment supply to Philips in the amount of $562,616 and (iii) approve service agreement with Philips Healthcare in the amount of $745,004.

**ROLL CALL VOTE:**
Ayes: Chair Hernandez Laguna, Dr. Radner, Lopez, and Dr. Bajaj;
Nays: None;
Abstentions: None;
Absent: Vice-Chair Cabrera.

**Motion Carried**

## 8. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF CAPITAL FUNDING FOR THE REPLACEMENT THE HOSPITAL BASED CARDIAC

**NUCLEAR MEDICINE CAMERA (D-SPECT) AND FIVE (5) YEAR SERVICE AGREEMENT WITH SPECTRUM DYNAMICS MEDICAL**

Clement Miller, COO, reported that The Nuclear Medicine department at Salinas Valley Health operates two cameras to conduct all necessary imaging exams. One camera is dedicated to inpatient cardiac nuclear medicine imaging, while the other supports non-cardiac nuclear medicine studies. The dedicated cardiac imaging camera requires replacement due to its age, sun-setting service support, lack of available parts, and increasing downtime. Consequently, Salinas Valley Health is pursuing the replacement of this essential piece of imaging equipment.

The current cardiac nuclear medicine camera (D-SPECT), installed in May 2012, has exceeded its planned useful life by two years. This system performs an average of four inpatient cardiac stress test exams daily, Monday through Friday. As of August 31, 2024, the equipment vendor, Spectrum Dynamics Medical, will no longer support this model, resulting in unavailability of OEM parts and the inability to renew the service contract.

In the past six months (February 2024 through July 2024), the system experienced 14 significant downtimes, totaling approximately one month of non-operational periods. While the project scope is limited, replacing the nuclear medicine camera will involve project management, architectural design, and minimal construction, necessitating HCAI engagement for permitting. The associated costs have been comprehensively scoped in the proposed project plan and included in the total project budget.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee member Dr. Bajaj and second by Committee member Dr. Radner, the Finance Committee recommends Board of Directors approval of (i) capital funding in the amount of $852,418 for the replacement of the medical-center based D-SPECT Nuclear Medicine camera to include associated project/construction costs and (ii) sole source equipment purchase in the amount of $435,773 from Spectrum Dynamics Medical and (iii) the five (5) year service agreement in the amount of $195,505 with Spectrum Dynamics Medical.

**ROLL CALL VOTE:**
Ayes: Chair Hernandez Laguna, Dr. Radner, Lopez, and Dr. Bajaj;
Nays: None;
Abstentions: None;
Absent: Vice-Chair Cabrera.

**Motion Carried**

## 9. FINANCIAL PERFORMANCE REVIEW

An update was received from Augustine Lopez, CFO, on the Financial Performance Review for the month of July 2024. Highlights included Income from Operations ($0.6)M, Net Income $6.0M, and Days Cash on Hand of 371. A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None.

## 10. BALANCED SCORECARD

The Balanced Scorecard Summary for FY2024, was included in the Committee packet for committee review. Mr. Lopez provided a review of year-end metrics and progress.

**COMMITTEE MEMBER DISCUSSION:** None.

## 11. ADJOURNMENT

There being no other business, the meeting was adjourned at 1:41 p.m. The next Finance Committee Meeting is scheduled for **Monday, September 23, 2024.**

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Joel Hernandez Laguna, Chair

**SALINAS VALLEY HEALTH**[1]
**FINANCE COMMITTEE**
**COMMITTEE OF THE WHOLE**
**MEETING MINUTES SEPTEMBER 23, 2024**

Committee Member Attendance:

Voting Members Present: **Juan Cabrera**, Vice-Chair, appearing via teleconference pursuant to Government Code Section 54953(f)(2)(A)(i), **Augustine Lopez**, CFO, appearing via teleconference pursuant to Government Code Section 54953(f)(2)(A)(i), **Allen Radner, M.D.**, President/CEO, and **Tarun Bajaj, M.D.**, Medical Staff Member.

Voting Members Absent: **Joel Hernandez Laguna,** Chair.

Advisory Non-Voting Members Present:
In person: Gary Ray, CLO.
Via teleconference: Michelle Childs, CHRO.

Other Board Members Present, Constituting Committee of the Whole:
Via teleconference: Victor Rey.

## 1. CALL TO ORDER/ROLL CALL

A quorum was not present, pursuant to Government Code Section 54953(f)(1).

Vice-Chair Juan Cabrera, called the meeting to order at 4:31 p.m. in the Downing Resource Center, Rooms A, B, and C.

## 2. PUBLIC COMMENT:

None.

## 3. MINUTES OF THE FINANCE COMMITTEE AUGUST 19, 2024

Approve the minutes of the August 19, 2024 Finance Committee meeting. The information was included in the Committee packet. As a quorum was not present, the minutes will be approved in the October meeting.

## 4. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE TERMS PRESENTED FOR A VIRTUAL HEALTH SERVICES AGREEMENT WITH KEYCARE INC.

Dr. Radner, President/CEO reported Molly Heacox, Director Clinic Services, is available for questions regarding the KeyCare Inc. agreement. Since Ms. Heacox has another meeting to attend, it was requested and granted this agenda item be considered next on the agenda.

Dr. Radner, President/CEO reported that in order to address multiple challenges for Salinas Valley Health including increasing provider access, ongoing provider recruitment/satisfaction and appropriate utilization of healthcare resources, there is a request for approval of funding for the after-hours telehealth resources provided by KeyCare telehealth (video or telephone) services. At present, there exists telehealth options for patients followed in our primary care clinics, however,

[1]Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

these are generally limited to traditional weekday office hours. Administration believes this has led to discontinuity of care, inappropriate ED/urgent care utilization (which has had a significantly negative affect on our risk-based provider arrangements) and provider dissatisfaction.

After review of multiple vendors, Administration believes KeyCare (which allows review/documentation with our ambulatory EPIC platform - inclusive of previous visit data, patient preferences, pharmacy, and other important information) will mitigate inappropriate ED/urgent care utilization, and benefit our recruitment and retention challenges. Additionally, this may be an eventual vehicle to expand introduction of our clinic services to patients outside our system. (These benefits, as well as a recommendation to implement expanded telehealth services, were called out in the Guidehouse Project Sustainable Success Report.)

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** The Finance Committee members present reviewed and endorsed the recommendation.

**PUBLIC COMMENT:**
None.

**5. CONSIDER RECOMMENDATION FOR BOARD APPROVAL TO AWARD FTG BUILDERS THE CONTRACT FOR CONSTRUCTION OF THE MONTEREY BAY G.I. CONSULTANTS MEDICAL GROUP OFFICE SPACE EXPANSION AT 212 SAN JOSE STREET 2ND FLOOR.**

Gary Ray, Chief Legal Officer, reported SVMHS and Monterey Bay G.I. Consultants Medical Group have been partners in the endoscopy center, Monterey Bay Endoscopy LLC, since February of 2018. In 2019, SVMHS acquired 212 San Jose Street which had ambulatory surgery suites on the first floor in suite 100 and administrative office space that could be reconfigured into medical office space on the second floor in suite 200. The success of the endoscopy center and the GI practice has resulted in a need to expand administrative support (office) areas to allow the practice to maximize its potential. Suites 201 and 202 (the balance of available tenant space on the 2nd floor) will be leased to Monterey Bay GI Consultants Medical Group, Inc. under a current fair market value lease agreement. The project includes tenant improvements in two unfinished suites in an existing building located at 212 San Jose Street, Salinas, CA, for the Monterey Bay G.I. Consultants Medical Group to increase office space on the second floor. The improvements for the second level consist of a B occupancy type and do not have any special regulatory agencies involving beyond the City of Salinas planning, building, and fire departments. The cost of the tenant improvements will be amortized over the term of the lease agreement.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** The construction will strictly be for office space. The Finance Committee members present reviewed and endorsed the recommendation.

**PUBLIC COMMENT:**
None.

## 6. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE TERMS FOR A LEASE AGREEMENT WITH MONTEREY BAY G.I. CONSULTANTS MEDICAL GROUP FOR 212 SAN JOSE STREET, 2ND FLOOR.

Gary Ray, Chief Legal Officer, reported SVH and Monterey Bay G.I. Consultants Medical Group have been partners in the endoscopy center, Monterey Bay Endoscopy LLC, since February of 2018. In 2022, Monterey Bay G.I. leased office/clinic space on the 2nd floor of 212 San Jose Street which has the endoscopy center located on the first floor of the building. The success of the endoscopy center and the GI practice has resulted in a need to expand its administrative support (office) space to allow the practice to maximize its growth. Suites 201 and 202 (the balance of available tenant space on the 2nd floor) will be leased to Monterey Bay GI Consultants Medical Group, Inc. under a proposed fair market value lease agreement.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** This lease solidifies the partnership with Monterey Bay G.I. Consultants Medical Group, which has been a positive contributor to Salinas Valley Health. The cost will be consolidated into a lease for the entire space. The Finance Committee members present reviewed and endorsed the recommendation.

**PUBLIC COMMENT:**
None.

## 7. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF TERMS FOR A LEASE AND SERVICES AGREEMENT BETWEEN SVH AND JOHNNY BLANCHARD, M.D., INC.

Gary Ray, Chief Legal Officer, reported that since 2015, Dr. James Dacus has operated a concierge medical practice in Monterey County through an agreement with SVH. Under the agreement, Dr. Dacus leased space and contracted for certain practice support services including staff. As Dr. Dacus is moving into retirement, he is transferring his concierge medical practice to Dr. Johnny Blanchard. Dr. Blanchard is entering into a similar fair market value Lease and Services Agreement under which he will lease certain SVH space and receive support services from SVH Clinics staff. It is a lengthy process for Dr. Blanchard to complete the transfer of the concierge practice, and securing this proposed agreement is a necessary initial step.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** The exact start date is not yet determined. The Finance Committee members present reviewed and endorsed the recommendation.

**PUBLIC COMMENT:**

None.

## 8. CLOSED SESSION

Vice-Chair Cabrera announced that items to be discussed in Closed Session as listed on the posted Agenda are *Report Involving Trade Secrets: Trade secret, strategic planning/proposed new programs and services*. The meeting recessed into Closed Session under the Closed Session Protocol at 4:53 p.m.

## 9. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Board reconvened Open Session at 5:06 p.m. Vice-Chair Cabrera announced in Closed Session, the Board received a *Report Involving Trade Secrets: Trade secret, strategic planning/proposed new programs and services*. No action was taken.

## 10. FINANCIAL PERFORMANCE REVIEW

An update was received from Augustine Lopez, CFO, on the Financial Performance Review for the month of August 2024. Highlights included Income from Operations 2.9M, Net Income $8.0M, and Days Cash on Hand of 367. Outpatient revenues were stronger than expected.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None.

## 11. ADJOURNMENT

There being no other business, the meeting was adjourned at 5:08 p.m. The next Finance Committee Meeting is scheduled for **Monday, October 21, 2024.**

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Juan Cabrera, Vice-Chair

# Board Paper: Finance Committee

| | |
|---|---|
| Agenda Item: | Consider Recommendation for Board Approval of Stryker Power Upgrade |
| Executive Sponsor: | *Alysha Hyland, CAO* |
| | *Aisha Huebner RN, Perioperative Services Director* |
| Date: | *October 10, 2024* |

## Executive Summary

The current inventory of Stryker power drill sets at Salinas Valley Health has reached the end of its service life. As these drills become irreparable, maintaining adequate functionality in the operating room has become increasingly difficult. To sustain the high standards of patient care, it is recommended to implement the Stryker Power 9 system. This system has a proven track record with orthopedic and podiatry surgeons, offering durability, ergonomic design to reduce surgeon fatigue, and innovative features such as battery charging through sterile wrap, which minimizes downtime. Upgrading to the Stryker Power 9 will ensure the availability of reliable, high-performance equipment to support surgical services and enhance patient outcomes.

## Background/Situation/Rationale

Salinas Valley Health is currently facing a critical situation regarding its power drill sets. The large and small power drill sets and the electric micro power drill sets have reached the end of their service life and are no longer repairable.

These power drill sets are vital to the orthopedic service, and their current state significantly affects the hospital's ability to manage the increasing volume of orthopedic surgical cases. Reliable, functioning power drill sets are essential to maintaining smooth operations in the orthopedic service line. The use of old, end-of-life surgical equipment poses challenges for surgeons and puts the facility at risk of being unable to provide the necessary care for patients.

Investing in the Stryker Power 9 system is strongly recommended to maintain high-quality patient care during surgical procedures. The Stryker Power 9 system is known for its durability and effectiveness in orthopedic and podiatry cases. Its ergonomic design helps reduce surgeon fatigue, and a new feature allows the batteries to charge through sterile blue wrap, reducing downtime during sterile processing.

### Strategic Plan Alignment:

The Stryker Power 9 system is critical for delivering high-quality orthopedic care to surgical patients. Immediate investment in the system will support the orthopedic service line's long-term success and enhance patient care outcomes.

### Pillar/Goal Alignment:

**X Service X People X Quality ☐ Finance ☐ Growth ☐ Community**

Financial/Quality/Safety/Regulatory Implications:

| Key Contract Terms | Vendor: Stryker |
|---|---|
| 1. Proposed effective date | November 1, 2024 |
| 2. Term of agreement | 2 Year Agreement |
| 3. Renewal terms | Two-year agreement, prorated to include 1-year warranty for System 9 |
| 4. Termination provision(s) | 60-day notice of termination without penalty |
| 5. Payment Terms | Net 30 days |
| 6. Annual cost | $550,562.00 (Capital Purchase, including tax, excluding freight) + $12,119 (Service Contract, 2 months)<br>$72,716.00 (Yr. 1) (Service)<br>$72,716.00 (Yr. 2) (Service) |
| 7. Cost over life of agreement | $550,562.00 (Capital Purchase)<br>$157,551.00 |
| 8. Budgeted (indicate y/n) | Yes (2025-042). Equipment amount of $550,562.00 was budgeted in 2025 capital. |

Recommendation

Consider recommendation for Board of Directors to approve the purchase of the Stryker Power 9 in the amount of $708,113.00. Capital purchase cost of the Stryker Power 9 is $550,562.00 with two (2) months prorated service in the amount of $12,119.00 and a two (2) year service agreement in the amount of $157,551.00 with ProCare.

Attachments

(1) Stryker Power Upgrade Quote
(2) SVH ProCare Renewal Q4
(3) Stryker T9 Capital & Consolidated Service

Quote Number: 10632648
Prepared For: SALINAS VALLEY MEMORIAL HLTHCR SYSTEM
Quote Date: 10/08/2024
Division: Instruments

| Ship To | From |
|---|---|
| Name: SALINAS VALLEY MEMORIAL HLTHCR SYSTEM | Rep: Katie Kipp |
| Account #: 210360 | Email: katie.kipp@stryker.com |
| Address: 450 E ROMIE LN | |
| SALINAS, California 93901-4029 | |
| Phone: +18317591905 | |
| Fax: +18314221645 | |

## Equipment Products:

| Product | Description | Qty | Sell Price |
|---|---|---|---|
| | **System 9 Cordless Driver Next (Newest Tech)** | | |
| 4607-000-000 | SYSTEM 9 CD NXT HANDPIECE | 6 | $21,185.00 |
| 4605-000-000 | SYSTEM 9 CORDLESS DRIVER HANDPIECE | 6 | $11,279.38 |
| 4100-400-000 | Sagittal Saw Attachment | 6 | $1,365.94 |
| 4100-131-000 | 1/4" DRILL WITH KEY | 6 | $752.28 |
| 4100-135-000 | Hudson/Modified Trinkle Drill | 6 | $752.28 |
| 4100-110-000 | AO Small Drill | 6 | $752.28 |
| 4100-126-000 | Adjustable Pin Collet (2.0-3.2mm) | 6 | $752.28 |
| 4100-062-000 | WIRE COLLET | 6 | $752.28 |
| 4505-133-000 | 1/4" LOCKING KEYLESS CHUCK | 6 | $1,081.40 |
| 4100-235-000 | Hudson/Modified Trinkle Reamer | 6 | $800.31 |
| 4405-235-000 | POWEReam Hudson Modified Trinkle | 6 | $3,898.67 |
| 4100-231-000 | Reamer | 6 | $696.63 |
| 4100-210-000 | AO Large Reamer | 6 | $800.31 |
| 9212-000-000 | SYSTEM 9 SMALL BATTERY | 18 | $1,050.13 |
| 4405-652-000 | Cordless Driver & SABO Solid Container BUNDLE | 6 | $2,849.00 |
| | **System 9 Battery Charger** | | |
| 9110-120-000US | System 9 Sterile Battery Charger w/ (B) NEMA Power Cord | 1 | $15,848.83 |
| | **TPX - Small Corded Power** | | |
| 7400-015-000 | TPX MICRO DRILL | 4 | $5,013.12 |
| 7400-034-000 | TPX SAGITTAL SAW | 4 | $5,013.12 |
| 7400-037-000 | TPX RECIP SAW | 4 | $5,013.12 |
| 7400-062-000 | TPX WIRE DRIVER | 4 | $8,822.78 |


Stryker Instruments - Accounts Receivable · accountsreceivable@stryker.com · PO BOX 70119 · Stryker Sales, LLC21343 Network Place Chicago, IL 60673-1213 USA

Quote Number: 10632648
Prepared For: SALINAS VALLEY MEMORIAL HLTHCR SYSTEM
Quote Date: 10/08/2024
Division: Instruments

| | | | |
|---|---|---|---|
| 7400-099-000 | TPX UNIVERSAL DRIVER | 4 | $8,138.07 |
| 7400-004-000 | TPX CABLE | 8 | $560.78 |
| 7400-009-000 | TPX HANDSWITCH | 8 | $539.01 |
| 4100-131-000 | 1/4" DRILL WITH KEY | 4 | $752.28 |
| 4100-110-000 | AO Small Drill | 4 | $752.28 |
| 5100-015-250 | MICRODRILL STRAIGHT ATTACHMENT | 4 | $632.78 |
| 4500-126-000 | Universal Pin/Wire Collet | 4 | $1,963.80 |
| 4100-126-000 | Adjustable Pin Collet (2.0-3.2mm) | 4 | $752.28 |
| 6400-654-000 | Small Bone Solid Container | 4 | $2,506.00 |
| 5400-052-000US | CORE 2 - UNITED STATES | 2 | $11,556.80 |
| 5100-008-000 | FOOTSWITCH | 1 | $571.92 |

## Price Totals:

| | |
|---|---|
| **Total Sell Price:** | **$510,981.77** |
| **Grand Total:** | **$510,981.77** |
| **Third Party Directed Payment:** | **($7,035.00)** |
| **Net Customer Purchase Order Amount:** | **$503,946.77** |

**Pricing does not include applicable taxes and shipping. Quote includes estimates of the value of Customer-owned equipment to be purchased by an independent third party. Customer is responsible for payment in full of the Grand Total indicated in quote.**

**Comments:**

System 7 Cordless Driver - Sales & Service Obsolete December 2022

Core 1 Consoles - Sales & Service Obsolete as of July 2021

RemB - Sale Obsolete as of June 2020 & Service Obsolete Dec. 2024

Trade-In Value Expires November 8th, 2024

STRYKER REPRESENTATIVE SIGNATURE

AUTHORIZED CUSTOMER SIGNATURE


Stryker Instruments - Accounts Receivable · accountsreceivable@stryker.com · PO BOX 70119 · Stryker Sales, LLC21343 Network Place Chicago, IL 60673-1213 USA

Confidentiality Notice: *Recipient will not disclose to any third party the terms of this quote or any other information, including any pricing or discounts, offered to be provided by Stryker to Recipient in connection with this quote, without Stryker's prior written approval, except as maybe requested by law or by lawful order of any applicable government agency.*


Stryker Instruments - Accounts Receivable · accountsreceivable@stryker.com · PO BOX 70119 · Stryker Sales, LLC21343 Network Place Chicago, IL 60673-1213 USA

# SERVICE AGREEMENT

These terms and conditions, consisting of this cover page and any attached and referenced exhibits and schedules (collectively, this "**Agreement**"), is entered into by and between Stryker Sales, LLC, acting through its Instruments division ("**Stryker**") and SALINAS VALLEY MEMORIAL HLTHCR SYSTEM ("**Institution**") and, if applicable, its owned and operated acute health care facilities as listed in Exhibit A (each individually referred to as a "**Participant**," and collectively with Institution, as the "**Customer**"). Stryker and Customer are individually referred to herein as a "**Party**" and collectively as the "**Parties**."

| | |
|---|---|
| **Overview and Background:** | This Agreement sets forth the terms and conditions upon which Stryker will provide support and maintenance services as set forth in this Agreement (the "**Services**"). This Agreement shall also indicate the capital equipment or software set forth on an applicable Equipment Service Plan which is set forth on Exhibit B of this Agreement (collectively, the "**Equipment**") being covered by such Services. |
| **Effective Date and Term:** | The term of this Agreement shall commence on the date this Agreement is executed by the last Party (the "**Effective Date**") and shall continue so long as Services are being provided under a Service Plan (the "**Term**"). |

**Signatures**: By executing this Agreement, each signatory represents and warrants that such person is duly authorized to execute this Agreement on behalf of the respective party.

| **SALINAS VALLEY MEMORIAL HLTHCR SYSTEM** | **STRYKER SALES, LLC.** |
|---|---|
| **Signature:** _____ | **Signature:** _____ |
| **Name:** _____ | **Name:** _____ |
| **Title:** _____ | **Title:** _____ |
| **Date:** _____ | **Date:** _____ |
| **Address:**<br>450 E ROMIE LN<br>SALINAS California 93901-4029 | **Address:**<br>1941 Stryker Way<br>Portage, MI 49002<br>Attn:<br><br>**With a Copy to**:<br>Stryker Sales LLC.<br>1901 Romence Road Parkway<br>Portage, MI 49002<br>Attn: Legal Counsel |

Notices will be sent to the Parties at the addresses listed herein.

1. **Services**. Stryker shall provide to Customer the Services indicated on the applicable Service Plan. This Agreement and the Service Plan is ancillary to and not a complete substitute for the requirements of Customer to adhere to the routine maintenance instructions provided by Stryker, its equipment and operations manuals, and accompanying labels and/or inserts for each item of Equipment. Customer covenants and agrees that its personnel will follow the instructions and contents of those manuals, labels and inserts. Stryker reserves the right to hire subcontractors to perform the Services provided under this Agreement.

2. **Customer Obligations.** Customer shall use commercially reasonable efforts to cooperate with Stryker in connection with Stryker's performance of the Services. Customer understands and acknowledges that Stryker

employees will not provide surgical or medical advice, will not practice surgery or medicine, will not come in physical contact with the patient, will not enter the “sterile field” at any time, and will not direct equipment or instruments that come in contact with the patient during surgery. Customer’s personnel will refrain from requesting Stryker employees to take any actions in violation of these requirements or in violation of applicable laws, rules or regulations, Customer policies, or the patient’s informed consent. A refusal by Stryker employees to engage in such activities shall not be a breach of this Agreement. Customer consents to the presence of Stryker employees in its operating rooms, where applicable, in order for Stryker to provide Services under this Agreement and represents that it will obtain all necessary consents from patients.

3. **Insurance**. Stryker shall maintain the following insurance coverage during the applicableService PlanTerm: (i) commercial general liability insurance, including coverage for products and completed operations liability, with limits of $1,000,000.00 per occurrence and $2,000,000.00 annual aggregate applying to Stryker’s liability for bodily injury, personal injury, and property damage; (ii) automobile liability insurance with a combined single limit of $1,000,000.00 each accident covering Stryker’s use of owned, hired, and non-owned vehicles; and (iii) worker’s compensation insurance as required by applicable law subject to statutory limits and employer’s liability insurance with limits of $1,000,000.00 each accident and/or $1,000,000.00 each employee and policy limit for disease covering Stryker’s employees. At Customer’s written request, certificates of insurance shall be provided by Stryker prior to commencement of the Services at any premises owned or operated by Customer. Notwithstanding any other requirements within this Agreement to the contrary, to the extent permitted by applicable laws and regulations, Stryker shall be permitted to meet the above insurance requirements through a program of self-insurance.

4. **Discount Disclosure and Reporting**. Stryker, as supplier, hereby informs Customer, as buyer on behalf of itself and each purchasing Participant, of each Participant’s obligation to make all reports and disclosures required by law or contract, including without limitation properly reporting and appropriately reflecting actual prices paid for each item supplied hereunder net of any discount (including rebates and credits, if any) applicable to such item on each Participant’s Medicare cost reports, and as otherwise required under the Federal Medicare and Medicaid Anti-Kickback Statute and the regulations thereunder (42 C.F.R. 1001.952(c) and 42 CFR Part 1001.952(h)). Pricing under this Agreement and each Service Plan may constitute discounts on the purchase of Services or on the rental of equipment in connection with this Agreement. Institution represents that (i) it shall make on behalf of each Participant, or cause such Participant to make on its own behalf, all required cost reports, and (ii) it has the corporate power and authority to make or cause such cost reports to be made.

5. **HIPAA Compliance**. Stryker is not a “business associate” of Customer, as the term “business associate” is defined by HIPAA (the Health Insurance Portability and Accountability Act of 1996 and 45 C.F.R. parts 142 and 160-164, as amended). To the extent the Parties mutually agree that Stryker becomes a business associate of Customer, the Parties agree to negotiate to amend the Service Plan or this Agreement as necessary to comply with HIPAA, and if an agreement cannot be reached the applicable Service Plan will immediatelyterminate. All medical information and/or data concerning specific patients (including, but not limited to, the identity of the patients), derived incidentally during the course of this Agreement, shall be treated by both Parties as confidential, and shall not be released, disclosed, or published to any party other than as required or permitted under applicable laws.

6. **Warranties**. Stryker represents and warrants that the Services shall be performed in a workmanlike manner and with professional diligence and skill. Services will comply with all applicable laws and regulations. Stryker currently has, or prior to the commencement thereof, will obtain, pay for, and maintainany and all licenses, fees, and qualifications required to perform the Services. In addition, if the Services are to be performed on Customer’s premises, Stryker represents and warrants that Stryker shall comply with all applicable safety laws and Customer’s then-current published safety and other applicable regulations. When Equipment or a component is replaced, the item provided in replacement will be the Customer’s property (if Customer owns the Equipment) and the replaced item will be Stryker’s property. If a refund is provided by Stryker, the Equipment for which the refund is provided must be returned to Stryker and will become Stryker’s property. TO THE FULLEST EXTENT PERMITTED BY LAW, THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION ARE THE ONLY WARRANTIES APPLICABLE TO THE SERVICES AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTY BY STRYKER, EXPRESSED OR

IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, NONINFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

7. **Indemnity**. Stryker shall indemnify Customer from any third-party liability and/or damages which Customer suffers directly as a result of the gross negligence or willful misconduct of Stryker or its employees or agents in the course ofproviding Services. The foregoing indemnification will not apply to any liability arising solely from: (i) an injury or damage due to the negligence of any person other than Stryker's employee or agent; (ii) the failure of any person other than Stryker's employee or agent to follow any instructions outlined in the labeling, manual, and/or instructions for use of the Equipment; (iii) the use of any equipment or part not purchased from Stryker or any equipment or any part thereof that has been modified, altered or repaired by any person other than Stryker's employee or agent; or (iv) any actions taken or omissions made by any Stryker employee while under the direction or control of Customer's staff. Customer agrees to hold Stryker harmless from and indemnify Stryker for any claims or losses or injuries arising from (i)-(iv) above resulting from Customer's or its employees' or agents' actions.

8. **Limitation of Liability**. EXCEPT FOR THIRD PARTY DAMAGES RELATED TO STRYKER'S INDEMNITY OBLIGATIONS UNDER THE SECTION HEREOF ENTITLED "INDEMNITY," STRYKER'S LIABILITY ARISING UNDER THIS AGREEMENT WILL NOT EXCEED THE AMOUNT OF SERVICE FEES PAID UNDER THE APPLICABLE SERVICE PLANDURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE THE CLAIM AROSE. IN NO INSTANCE WILL STRYKER BE LIABLE TO CUSTOMER FOR INCIDENTAL, PUNITIVE, SPECIAL, COVER, EXEMPLARY, MULTIPLIED OR CONSEQUENTIAL DAMAGES OR ATTORNEYS' FEES OR COSTS FOR ANY ACTIONS UNDER OR RELATED TO THIS AGREEMENT.

9. **Confidentiality**. Stryker and Customer: (a) shall hold in confidence this Agreement and the terms and conditions contained herein (including Services pricing) and any information and materials which are related to the business of the other or are designated as proprietary or confidential, herein or otherwise, or which a reasonable person would consider to be proprietary or confidential information; and (b) hereby covenant that they shall not disclose such information to any third party without prior written authorization of the one to whom such information relates. The rights and remedies available to a Party hereunder shall not limit or preclude any other available equitable or legal remedies.

10. **Agreement Coverage**. Stryker shall perform the Services more particularly described in the applicable Service Plan. The Services will cover the Equipment identified in aService Plan. At any time during the term of a Service Plan, Customer may request to have additional Stryker equipment covered under the Service Plan. Any such change must be approved in writing by Stryker and may be subject to additional charges. Service Plans are applicable only to Equipment which has been determined by Stryker personnel to be in good operating condition upon his/her initial inspection thereof. If, upon inspection, initial repairs are required to put any Equipment back into good operating condition, the cost of such initial repairs will not be covered under this Agreement or any Service Plan, and will be separately invoiced at Stryker's then-current list price. If ProCare Prevent service is purchased, then on each scheduled on-site service call, Stryker personnel will inspect and adjust each available item of Equipment as requiredin accordance with Stryker's then-current maintenance procedures for the Equipment (the **"Preventative Maintenance"**). Preventative Maintenance inspections will be scheduled by Customer or Stryker at a mutually agreed upon time with Customer. Equipment not made available at the mutually agreed upon time will be serviced during the next scheduled service call or at another specified date. Any maintenance service call scheduled outside of Stryker's normal working hours, (Monday through Friday, 7:00 AM to 5:00 PM local time, excluding federal holidays) may carry an additional charge.

11. **Service Plan Term.** The term of each Service Plan shall be as statedtherein ("**Service Plan Term**"). Stryker, Institution or a Participant may cancel aService Plan for convenience by giving not less than sixty (60) days prior written notice to the other Party. Stryker shall promptly refund any unused prepaid Service fees upon any such termination. To the extent there are outstanding charges, Institution or Participant shall be responsible for all costs incurred by Stryker through the effective date of termination. Termination or expiration of the Agreement shall not affect the term of a Service Plan and the terms and conditions of the Agreement shall survive during the pendency of any Service Plan Term and be deemed incorporated herein by reference.

12. **Loaner Policy**. During the Service Plan Term, Stryker may provide to Customer at Stryker's sole discretion and based on availability, a complimentary item of equipment on loan ("**Loaner**") during the period in which Stryker is servicing, repairing and/or replacing Customer's Equipment ("**Loaner Period**"). The Loaner will remain the property of Stryker during the Loaner Period. At the end of the Loaner Period, Customer will have seven (7) days (unless a date soon thereafter is mutually agreed upon) to return the Loaner to Stryker ("**Return Period**"). If Customer does not return the Loaner by the end of the Return Period, Customer agrees to pay the purchase price of the Loaner ("**Loaner Purchase Price**"), which shall be equal to its current fair market value (as determined by Stryker). The Loaner Purchase Price shall be invoiced against the Customer's current purchase order on file. Upon payment of the Loaner Purchase Price ("**Payment**"), title to the Loaner shall transfer to the Customer. If, within a reasonable time after Payment, Customer wishes to return the Loaner to Stryker, then Stryker, in its sole discretion, may purchase the Loaner from Customer at its then-current fair market value.

13. **Advanced Exchange Program**. During the Service Plan Term, Stryker may at Stryker's sole discretion and based on availability, swap out Customer Equipment for repair ("**Repairable Equipment**") and provide Customer with a functionally equivalent equipment (the "**Replacement Equipment**"), Stryker will either (i) replace the Equipment during an On-site Visit or (ii) ship Replacement Equipment to Customer. In such an event, unless the Equipment is subject to a Flex Financial agreement, title to the Replacement Equipment shall be transferred from Stryker to Customer and Customer shall transfer title of the Repairable Equipment to Stryker and in connection therewith. Customer represents and warrants that it has good and valid ownership and title to the Repairable Equipment prior to such transfer and that the Repairable Equipment is transferred to Stryker free and clear of all mortgages, deeds of trust, liens, loans and encumbrances or other restrictions or limitation on their subsequent use. Repairable Equipment must be shipped by Customer to Stryker using a Stryker provided FedEx label within seven (7) days of receipt of the Replacement Equipment. (unless a date soon thereafter is mutually agreed upon) ("**Advanced Exchange Return Period**"). If Customer does not ship the Repairable Equipment by the end of the Advanced Exchange Return Period, Customer agrees to pay the purchase price of the Replacement Equipment ("**Replacement Equipment Purchase Price**"). Stryker shall ship Replacement Equipment by FedEx next day delivery when inventory supply allows. Customer shall not reuse a FedEx label; more than one item may be placed into any return shipment, but each FedEx label shall only be used the one time. Notwithstanding the foregoing, this Section 13 shall only apply to Equipment covered under ProCare Protect and ProCare Prevent with the Advanced Exchange Program.

14. **ProCare Protect**

a. ProCare Protect Coverage. Stryker shall provide the Services for Equipment set forth in the applicable Service Plan, subject to the limitations and exclusions containedherein ("**ProCare Protect Coverage**"):

i. An unlimited number of repairs or replacements of the Equipment, due to damage associated with normal use, and wear, including all parts and labor associated with mail-in services;
ii. Repair or replacement of the Equipment at Stryker's sole discretion;
iii. If applicable, Loaner Equipment during the period that Equipment is in Stryker's possession for repair, except that all such loaner Equipment is subject to availability and Stryker's Loaner Policy (set forth in the Agreement);
iv. All freight costs associated with shipments of repairs and loaner Equipment to Customer's facility;
v. Prioritized repairs over non-contracted customers, with no additional administration or approval process;
vi. Training to Participant personnel and surgeons in the safe and effective use of the Equipment; and
vii. Other assistance reasonably requested by Participant in connection with the Equipment.

15. **ProCare Prevent**

a. ProCare Prevent Coverage. Stryker shall provide the ProCare Protect Coverage for the Equipment set forth in the applicable Service Plan, in addition to the Services below, subject to the limitations and exclusions containedherein:

i. On-site Preventative Maintenance inspections (as set forth in Section 10 of the Agreement) and associated documentation (i.e., the Joint Commission, CMS or DNV equipment checklists), for the Equipment; and

ii. Stryker may perform preventative maintenance and repairs in Customer's facility or at the applicable Stryker repair facility in Stryker's sole discretion.
iii. All travel expenses associated with scheduled preventative maintenance inspections

16. **Invoices/Payments**. Stryker will submit to Customer an invoice for Services, and Customer shall pay the invoice in full within thirty (30) days from the date of invoice. In the event Customer wishes to dispute an invoice or portion thereof, Customer must notify Stryker in writing within fifteen (15) days of its receipt. The writing must provide Stryker with sufficient detail regarding the basis and amount of the dispute. If Customer does not dispute an invoice within fifteen (15) days of its receipt of same, the invoice will be deemed to have been accepted by Customer. If payment is overdue, Stryker reserves the right to: (a) suspend any or all Customer'sService until full payment is made; and/or terminate this Agreement upon written notice to the Customer.

17. **Non-Solicitation**. Customer agrees that, while a Service Plan is in effect hereunder, and for a period of one (1) year following the termination or expiration of the last Service Plan, it will not solicit any employees of Stryker to terminate their employment with Stryker, unless Stryker consents in writing. Nothing herein shall prohibit Customer from hiring employees of Stryker who respond to a general employment solicitation such as a newspaper advertisement.

18. **Background Check**. Stryker warrants that all of its employees who will be at Customer's facility to perform Services will have undergone a criminal background check as part of Stryker's hiring practice. The background check will consist of the following:

- Education verification, which includes a review of employee's submitted educational institutions to ensure proper accreditation;
- Drug Screen
- Employment history verification;
- SSN trace, including address history verification;
- FDA Debarment and Disqualified/Restricted List search;
- OIG/HHS Exclusion List check;
- SAM/GSA Exclusion List check;
- Criminal history search, including a national and county search and a national sex offender registry search and a search of all jurisdictions where the employee has lived or worked during the last seven years; and
- Motor vehicle check.

During a Service Plan Term, Customer may request a conference with Stryker at any reasonable time regarding the performance, behavior or expectations of any Stryker service personnel who are assigned to Customer's facility. Any Stryker service personnel who willingly and knowingly violate Customer's rules, procedures, or polices may be removed immediately at Customer's option and will be replaced by Stryker promptly.

19. **Limitations and Exclusions from Service Plan.** Notwithstanding any other provision of this Agreement, the Service Plan(s) do not cover the following, as determined by Stryker in its sole discretion: (1) abnormal wear or damage caused by reckless or intentional misconduct, abuse, neglect or failure to perform normal and routine maintenance as set out in the applicable maintenance manual or operating instructions provided with the Equipment; (2) catastrophe, fire, flood or act(s) of God; (3) damage resulting from faulty maintenance, improper storage, repair, handling or use, damage and/or alteration by non-Stryker-authorized personnel; (4) equipment on which any original serial numbers or other identification marks have been removed or destroyed; (5) damage caused as a result of the use of the Equipment beyond the useful life, if any, specified for such equipment in the user manual; (6) service Stryker cannot perform because the Equipment has been discontinued or its parts have been discontinued or made obsolete; (7) service to the Equipment if the Equipment or the Equipment site is contaminated with potentially infectious substances; (8) Equipment that has been repaired or used with any unauthorized or non-Stryker components or by an unauthorized or non-Stryker third party; or (9) any Services provided for Equipment used for navigation does not include: (a) parts, labor & travel associated with hardware or instrument upgrades needed to

accommodate software upgrades, and (b) products associated with or required for use to accommodate software upgrades.

In addition, in order to ensure safe operation of the Equipment, only Stryker accessories should be used. Stryker reserves the right to refuse service to Equipment, terminate this Agreement and the Service Plan(s), and recall any Loaner if the Equipment is used with accessories or consumables not manufactured by Stryker. If, at any time, upon inspection of the Equipment, Stryker deems any single unit of Equipment to be unserviceable, a record and report of such will be made, and provided to the Customer.

20. **Miscellaneous**. No Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and no Party shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes reasonably beyond the control of such Party. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan and the Parties consent and agree that any and all litigation arising from this Agreement will be conducted by state or federal courts located in State of Michigan. This Agreement shall inure to the benefit of, and be binding upon, Customer and Stryker and their respective successors and assigns. Neither Party may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party. Any purported assignment in violation of the preceding sentence will be void. This Agreement constitutes the entire agreement between the Parties concerning the subject matter of this Agreement and supersedes all prior negotiations and agreements between the Parties concerning the subject matter of this Agreement. In the event of an inconsistency or conflict between this Agreement and any purchase order, invoice, or similar document, this Agreement will control. Any inconsistency or conflict between the terms of this Agreement and a Service Plan shall be resolved in favor of the Service Plan. The sections entitled Discount Disclosure and Reporting, Warranties, Indemnity, Limitation of Liability, Confidentiality and Miscellaneous of this Agreement shall survive its termination or expiration.

**EXHIBIT A**
**PARTICIPANT LIST**

| Participant Name | Address | Telephone and Name of Contact(s) including Accounts Payable Contact | ID # |
|---|---|---|---|
| SALINAS VALLEY MEMORIAL HLTHCR SYSTEM | 450 E ROMIE LN | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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Portage, MI 49024
t: 1-800-253-3210
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**EXHIBIT B**
**FORM OF SERVICE PLAN**

Pursuant to the terms of the Service Agreement (the "**Agreement**") entered into as of 11-01-2024 by and between SALINAS VALLEY MEMORIAL HLTHCR SYSTEM ("**Customer**"), and Stryker Sales LLC. ("**Stryker**"), the undersigned Participant desires to obtain the Services selected below, which, if applicable, will cover the Equipment indicated on Schedule 1 attached hereto. All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

| | | |
|---|---|---|
| SERVICE PLAN EFFECTIVE DATE (if left blank, then the last-signed date below): | 11-01-2024 | |
| SERVICE PLAN TERM (in months): | 24 | |
| PARTICIPANT NAME/ ACCT #: | SALINAS VALLEY MEMORIAL HLTHCR SYSTEM | ACCT#: 210360 |
| BILLING ADDRESS: | PO BOX 3827 POBox 3827<br>SALINAS, California, 93912-3827 | PHONE : |
| SHIP TO NAME AND ADDRESS: | SALINAS VALLEY MEMORIAL HLTHCR SYSTEM<br>450 E ROMIE LN<br>SALINAS, California, 93901-4029 | CUSTOMER PO# :<br>PO must match Agreement Term |
| SELECTED SERVICE COVERAGE(S): | ☐ Protect<br>☒ Prevent<br>Navigation<br>Airo | |
| SELECT PAYMENT PLAN:<br>All payments due net 30 and do not include applicable tax. | ☐ Monthly payment: | $6,059.63 |
| ADDITIONAL SERVICES (if applicable): | | |
| ACCEPTED BY STRYKER:<br>**Stryker Sales, LLC., acting through its Instruments Division**<br>BY:_____<br>DATE:_____ | SALINAS VALLEY MEMORIAL HLTHCR SYSTEM<br>SIGNATURE: _____<br>NAME: _____<br>TITLE: _____<br>DATE: _____ | |

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| | | |
|---|---|---|
| Quote Number: | 10868741 | CUSTOMER'S COPY |
| Prepared For: | SALINAS VALLEY MEMORIAL HLTHCR SYSTEM | **Proposal** |
| Account Number: | 210360 | |
| Quote Date: | 10/09/2024 | |

| Proposal Submitted To | | From |
|---|---|---|
| Name: | SALINAS VALLEY MEMORIAL HLTHCR SYSTEM | Katie Kipp |
| Address: | 450 E ROMIE LN<br>SALINAS, California 93901-4029 | katie.kipp@stryker.com |
| Phone: | +18317591905 | Work #<br>Mobile # |
| Email: | | **We are pleased to submit our quotation on the following Stryker Instruments products.** |

## PROCARE COVERAGE

### Existing Equipment

| Product | Description | Yrs. | Qty |
|---|---|---|---|
| SS62W | Speed Spray62 ProCare | 2.00 | 1 |
| | √ Advanced Exchange | | |
| 7110-120-000W | Universal Charger ProCare | 2.00 | 1 |
| | √ Depot Repair | | |
| 8205-000-000W | System 8 Dual Trigger ProCare (Per Obsolescence Schedule) | 2.00 | 10 |
| | √ Diagnostic Visits√ Depot Repair √ SEM | | |
| 8206-000-000W | System 8 Recip Saw ProCare (Per Obsolescence Schedule) | 2.00 | 10 |
| | √ Diagnostic Visits√ Depot Repair √ SEM | | |
| 8207-000-000W | System 8 Sternum Saw ProCare (Per Obsolescence Schedule) | 2.00 | 5 |
| | √ Diagnostic Visits√ Depot Repair √ SEM | | |
| 8208-000-000W | System 8 Sagittal Saw ProCare (Per Obsolescence Schedule) | 2.00 | 13 |
| | √ Diagnostic Visits√ Depot Repair √ SEM | | |
| 8000-000-000W | System 8 Attachment ProCare | 2.00 | 7 |
| | √ Diagnostic Visits√ Advanced Exchange | | |

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| | | | |
|---|---|---|---|
| 8215-000-000W | System 8 Large Battery ProCare | 2.00 | 6 |
| √ SEM | √ Advanced Exchange | | |
| 0416-600-000W | T7 SURGICAL HELMET PROCARE | 2.00 | 9 |
| | √ Advanced Exchange | | |
| 0416-610-000W | T7 SURGICAL HELMET W/LED PROCARE | 2.00 | 3 |
| | √ Advanced Exchange | | |
| 0408-660-000W | Flyte Power Pack ProCare | 2.00 | 20 |
| | √ Advanced Exchange | | |
| 0408-655-000W | Flyte Charger ProCare | 2.00 | 1 |
| | √ Depot Repair | | |
| 9000-200-000W | ProCare Diagnostic Services Tier 1 | 2.00 | 2 |
| √ Diagnostic Visits | | | |

**New Equipment**

| Product | Description | Yrs. | Qty |
|---|---|---|---|
| 4607-000-000W | System 9 CD NXT Handpiece ProCare (1st Year of Service Included) | 2.00 | 6 |
| √ Diagnostic Visits<br>√ SEM | | | |
| 4605-000-000W | SYSTEM 9 CORDLESS DRIVER PROCARE (1st Year of Service Included) | 2.00 | 6 |
| √ Diagnostic Visits<br>√ SEM | | | |
| 4000-000-000W | Cordless/Rotary Attch ProCare (1st Year of Service Included) | 2.00 | 12 |
| √ Diagnostic Visits | √ Advanced Exchange | | |
| 4400-000-000W | POWEReam Attachment ProCare (1st Year of Service Included) | 2.00 | 3 |
| √ Diagnostic Visits | √ Advanced Exchange | | |
| 9212-000-000W | SYSTEM 9 SMALL BATTERY PROCARE | 2.00 | 3 |
| √ SEM | √ Advanced Exchange | | |
| 9110-120-000W | System 9 Sterile Charger ProCare (1st Year of Service Included) | 2.00 | 1 |
| 7400-015-000W | TPX Micro Drill ProCare (1st Year of Service Included) | 2.00 | 4 |
| √ Diagnostic Visits | | | |
| 7400-034-000W | TPX Sagittal Saw ProCare (1st Year of Service Included) | 2.00 | 4 |
| √ Diagnostic Visits | | | |
| 7400-037-000W | TPX Reciprocating Saw ProCare (1st Year of Service Included) | 2.00 | 4 |
| √ Diagnostic Visits | | | |
| 7400-062-000W | TPX Electric Wire Driver ProCare (1st Year of Service Included) | 2.00 | 4 |
| √ Diagnostic Visits | | | |
| 7400-099-000W | TPX Universal Driver ProCare (1st Year of Service Included) | 2.00 | 4 |
| √ Diagnostic Visits | | | |

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| | | Instruments | |
|---|---|---|---|
| 7400-000-000W | TPX Attachment ProCare (1st Year of Service Included)<br>√ Diagnostic Visits √ Advanced Exchange | 2.00 | 8 |
| 5400-052-000W | CORE 2 Console ProCare (1st Year of Service Included) | 2.00 | 2 |

| | |
|---|---|
| **Monthly Payment** | $6,059.63 |

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# SCHEDULE 1 to EXHIBIT 1
# EQUIPMENT

Quote Number: 10868741

Prepared For: SALINAS VALLEY MEMORIAL HLTHCR SYSTEM

Account Number: 210360

Quote Date: 10/09/2024

## Repair Items Schedule 1 - Section A

| Product # | Description | Serial # |
|---|---|---|
| 4607-000-000W | System 9 CD NXT Handpiece ProCare (1st Year of Service Included) | N/A |
| 4605-000-000W | SYSTEM 9 CORDLESS DRIVER PROCARE (1st Year of Service Included) | N/A |
| 9212-000-000W | SYSTEM 9 SMALL BATTERY PROCARE | N/A |
| 7110-120-000W | Universal Charger ProCare | 1331708553 |
| 8205-000-000W | System 8 Dual Trigger ProCare | 2012807513 |
| 8205-000-000W | System 8 Dual Trigger ProCare | 2012807533 |
| 8205-000-000W | System 8 Dual Trigger ProCare | 2012807553 |
| 8205-000-000W | System 8 Dual Trigger ProCare | 2012808213 |
| 8205-000-000W | System 8 Dual Trigger ProCare | 1833804773 |
| 8205-000-000W | System 8 Dual Trigger ProCare | R9274 |
| 8205-000-000W | System 8 Dual Trigger ProCare | 1934648623 |
| 8205-000-000W | System 8 Dual Trigger ProCare | R10233 |
| 8205-000-000W | System 8 Dual Trigger ProCare | R6840 |
| 8205-000-000W | System 8 Dual Trigger ProCare | 1824303163 |
| 8206-000-000W | System 8 Recip Saw ProCare | 2021202883 |
| 8206-000-000W | System 8 Recip Saw ProCare | 2021202983 |
| 8206-000-000W | System 8 Recip Saw ProCare | 2021203083 |
| 8206-000-000W | System 8 Recip Saw ProCare | 2021203113 |
| 8206-000-000W | System 8 Recip Saw ProCare | 2021203023 |
| 8206-000-000W | System 8 Recip Saw ProCare | 1928413783 |
| 8206-000-000W | System 8 Recip Saw ProCare | R9682 |
| 8206-000-000W | System 8 Recip Saw ProCare | 1819915143 |
| 8206-000-000W | System 8 Recip Saw ProCare | 2112007033 |
| 8206-000-000W | System 8 Recip Saw ProCare | 1810826203 |
| 8207-000-000W | System 8 Sternum Saw ProCare | 2024402863 |
| 8207-000-000W | System 8 Sternum Saw ProCare | 2019214743 |

| | | |
|---|---|---|
| 8207-000-000W | System 8 Sternum Saw ProCare | 1933950583 |
| 8207-000-000W | System 8 Sternum Saw ProCare | 1727602573 |
| 8207-000-000W | System 8 Sternum Saw ProCare | 1803302493 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2017009683 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2019513103 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2019903933 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2019904283 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2019904483 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2019904503 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2019906763 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2019907253 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2019907313 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2020407493 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 1821408903 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 1706109533 |
| 8208-000-000W | System 8 Sagittal Saw ProCare | 2035310313 |
| 0408-655-000W | Flyte Charger ProCare | N/A |
| 9110-120-000W | System 9 Sterile Charger ProCare (1st Year of Service Included) | N/A |
| 7400-015-000W | TPX Micro Drill ProCare (1st Year of Service Included) | N/A |
| 7400-034-000W | TPX Sagittal Saw ProCare (1st Year of Service Included) | N/A |
| 7400-037-000W | TPX Reciprocating Saw ProCare (1st Year of Service Included) | N/A |
| 7400-062-000W | TPX Electric Wire Driver ProCare (1st Year of Service Included) | N/A |
| 7400-099-000W | TPX Universal Driver ProCare (1st Year of Service Included) | N/A |
| 5400-052-000W | CORE 2 Console ProCare (1st Year of Service Included) | N/A |
| 9000-200-000W | ProCare Diagnostic Services Tier 1 | N/A |

## Replacement Items Schedule 1 - Section B

| Product # | Description |
|---|---|
| SS62W | Speed Spray62 ProCare |
| 4000-000-000W | Cordless/Rotary Attch ProCare (1st Year of Service Included) |
| 4400-000-000W | POWEReam Attachment ProCare (1st Year of Service Included) |
| 8000-000-000W | System 8 Attachment ProCare |
| 8215-000-000W | System 8 Large Battery ProCare |
| 0416-600-000W | T7 SURGICAL HELMET PROCARE |
| 0416-610-000W | T7 SURGICAL HELMET W/LED PROCARE |
| 0408-660-000W | Flyte Power Pack ProCare |

1941 Stryker Way
Portage, MI 49024
t: 1-800-253-3210
www.stryker.com



| | |
|---|---|
| 7400-000-000W | TPX Attachment ProCare (1st Year of Service Included) |

| | Description | Contract | (Current) Monthly | (11/1) Monthly | (Nov/Dec) 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|
| Service | ProCare Service Agreement for T7 Ortho Equipment | 1001.4585 | $837.40 | $0.00 | $0.00 | $0.00 | $0.00 |
| | ProCare Service Agreement for RemB Ortho Equipment | 1001.4586 | $607.85 | $0.00 | $0.00 | $0.00 | $0.00 |
| | ProCare Service Agreement for System 8 Power Equipment | 1001.4587 | $5,073.52 | $0.00 | $0.00 | $0.00 | $0.00 |
| | Total | | $6,518.77 | $0.00 | $0.00 | $0.00 | $0.00 |
| Capital | System 9 Purchase (Quote 10632648); excludes taxes & freight | | n/a | n/a | $503,946.77 | n/a | n/a |
| Service | Stryker Procare Service, System 9 and current contracts (1001.4585, 1001.4586, 1001.4586) as noted (Quote 10868741) | | $0.00 | $6,059.63 | $12,119.26 | $72,715.56 | $72,715.56 |
| | | | | $6,059.63 | $516,066.03 | $72,715.56 | $72,715.56 |

11/1 - Coverage begins under System 9 Service (Quote 10868741)

11/1 - Coverage terminates moves to Sys 9 Service (Quote 10868741)

11/1 - Coverage terminates; RemB obsolete/no coverage with purchase of TPX

11/1 - Coverage terminates; Sys 8 transfers to Sys 9 (Quote 10868741)
Neptune 2 & 3, Rem B Attachment become obsolete/no coverage

# Finance Committee Board Paper

Agenda Item: **Consider Recommendation for Board Approval of Amendment Number One to Lease Agreement to Expand the Space for Epic Inpatient Training Space at 928 East Blanco Road, Salinas Between SVH and Rancho Llano Development, LLC**

Executive Sponsor: Gary Ray, Chief Legal Officer
Alysha Hyland, Chief Administrative Officer

Date: October 21, 2024

## Executive Summary

As part of the multi-year implementation plan for the Epic Inpatient System, SVH requires additional space for Epic Inpatient Analysts. Very recently, an additional 3,058 square feet of office space became available at 928 East Blanco Road in Salinas. This additional space is located on the same floor as the SVH IT and Enterprise Informatics Offices and can be added to one of SVH's existing lease agreements for space in the building.

## Timeline

October 21, 2024 – Request SVH Finance Committee Recommendation for Board Approval
October 24, 2024 – SVH Board of Directors Meeting/Consider Recommendation for Approval
October 25, 2024 – Anticipated Completion of Tenant Improvements by Landlord
November 1, 2024 – Commencement Date of Amended Lease Agreement

## Meeting our Mission, Vision, Goals—Strategic Plan Alignment

This transaction is aligned with the strategic initiatives in support of the implementation of the Epic Inpatient system.

Pillar/Goal Alignment: ☐ Service ☐ People ▪ Quality ☑ Finance ☑ Growth ☐ Community

## Financial/Quality/Safety/Regulatory Implications

Amendment Number One to Lease Agreement consolidates the existing lease for Suite 235 with the expansion space for Suite 210 at 928 East Blanco Road, Salinas:

| | |
|---|---|
| 1. Lease Commencement Date | November 1, 2024 |
| 2. Term of Lease | Five (5) Years through May 31, 2029 |
| 3. Option to Extend | One (1) five-year option to extend the Lease. |
| 4. Payment Terms | Monthly/NNN |
| 5. Initial Rent (per sq. ft.) | $1.85 per square foot |
| 6. Rentable square feet | Original: 4,900 sf; Expansion: 3,058 sf; Total: 7,958 |
| 7. Initial Rent | $14,760.81 Monthly (November 1, 2024 through May 31, 2025) |
| 8. Annual Increases | 3.0 percent per year (beginning June 1, 2025 |
| 9. Renewal of Existing/New | Adding additional space to existing lease agreement |
| 10. Tenant Improvements | Landlord making minor tenant improvements prior to occupancy |

## Recommendation

**Administration requests that the Finance Committee make a recommendation to the Board of Directors for approval of Amendment Number One to Lease Agreement to Expand the Space for Epic Inpatient Training Space at 928 East Blanco Road, Salinas Between SVH and Rancho Llano Development, LLC**

Docusign Envelope ID: 83025B8C-9E08-4840-AEAC-73E95A0691EC

# AMENDMENT NUMBER ONE TO LEASE AGREEMENT

This Amendment Number One to Lease Agreement ("Amendment") is entered into and effective on November 1, 2024 ("Effective Date") by and between **Rancho Llano Development, LLC**, a California Limited Liability Company, having an address of 27810 Mesa Del Toro Road, Salinas, CA 93908 ("Landlord") and **Salinas Valley Memorial Healthcare System**, a California Local Health Care District, operating as Salinas Valley Health having an address of 450 East Romie Lane, Salinas, CA 93901 ("Tenant").

## RECITALS

A. Landlord and Tenant entered into a Lease Agreement, commencing June 1, 2019 ("Lease"), for approximately 4,900 rentable square feet of space known as Suite 235 ("Premises") in the building located at 928 East Blanco Road, Salinas, CA 93901, as more particularly described in the Lease.

B. Tenant exercised its Five (5) Year Option to Renew pursuant to Section 19.a. of the Lease to extend the term of the Lease through May 31, 2029.

C. Landlord and Tenant wish to amend the Lease to (i) expand the Premises by an additional three thousand fifty-eight (3,058) rentable square feet of office space identified as Suite 210 ("Expansion Premises"), (ii) adjust the Base Rent and Tenant's Prorata Share, (iii) construct improvements to Suite 210, and (iv) amend certain terms and conditions of the Lease as set forth in this Amendment.

In consideration of the mutual covenants contained in this Amendment and for other good and valuable consideration, Landlord and Tenant hereby agree as follows:

1. **Defined Terms.** All capitalized terms used in this Amendment that are not defined herein shall have the meanings as set forth in the Lease.

2. **Effective Date.** The "Effective Date" November 1, 2024

3. **Expansion Premises.** Landlord hereby leases Tenant, and Tenant herby leases from Landlord, the Expansion Premises on all of the terms and conditions set forth in the Lease. Subject to the term and conditions of this Amendment, and as otherwise set forth in section 7 of this Amendment, the Expansion Premises will be delivered to Tenant in its "As-is, Where Is, With All Faults" condition.

4. **Premises.** From and after the Effective Date, the new total rentable square footage of the Original and the Expansion Premises shall be seven thousand nine hundred fifty-eight (7,958) rentable square feet and shall be referred to as the "Premises." Tenant's Prorata Share under the Lease shall be 12.83%.

5. Commencing on November 1, 2024, and continuing throughout the balance of the term, Tenant shall pay base Monthly Rent as follows:

| | |
|---|---|
| November 1, 2024 – May 31, 2025 | $14,760.81 Monthly |
| June 1, 2025 – May 31, 2026 | $15,203.63 Monthly |
| June 1, 2026 – May 31, 2027 | $15,659.74 Monthly |
| June 1, 2027 – May 31, 2028 | $16,129.53 Monthly |
| June 1, 2028 – May 31, 2029 | $16,613.42 Monthly |

In addition, Tenant shall continue to be responsible for Tenant's prorated share of Operating Expenses as stipulated in the Lease, however, Tenant's prorated share of Operating Expenses shall be adjusted to $0.64 per square foot to reflect Landlord's good faith estimate of current Operating Expenses.

6. Article 19. Option to Renew. Landlord hereby grants to Tenant the right to extend the Lease Term ("Extension Option") for one (1) additional five (5) year term ("Extension Option Period"), upon and subject to all the same terms and conditions as are contained in the Lease, except that the Base Rent for the Extension Option Period shall be as set forth in below.

| | |
|---|---|
| June 1, 2029 – May 31, 2030 | $17,111.82 Monthly |
| June 1, 2030 – May 31, 2031 | $17,625.17 Monthly |
| June 1, 2031 – May 31, 2032 | $18,153.93 Monthly |
| June 1, 2032 – May 31, 2033 | $18,698.55 Monthly |
| June 1, 2033 – May 31, 2034 | $19,259.50 Monthly |

There shall be no further options to renew under the Lease.

7. Landlord, at Landlord's sole cost and expense, shall, in the Expansion Premises, (i) remove pony wall in reception area, (ii) shampoo carpets and replace any damaged or heavily soiled carpet tiles, (iii) touch-up paint, and (iv) provide a detailed janitorial clean-up. Tenant, at Tenant's cost, shall be responsible for any costs associated with its IT networking. Tenant shall be provided early access to the Expansion Premises on no later than October 16, 2024 for its IT wiring and furniture set up as long as Tenant shall minimizes any disruption to Landlord's work.
8. This Amendment may be executed in multiple counterparts, DocuSign and facsimile copies, each of which shall be deemed and original, but all of which, together, shall constitute one and the same document.
9. Landlord and Tenant each warrant and represent that this Amendment has been executed on their respective behalf with the full and proper authority.
10. Except as set forth in this Amendment, all of the terms and conditions of the Lease shall remain unchanged and in full force and effect. In the event of any conflict between the provisions of this Amendment and the provisions of the Lease, this Amendment shall control.

**Landlord**
Rancho Llano Development, LLC, a California Limited Liability Company

By: Signed by: Henry J. Franscioni, Jr. 8A7A242BD5E04AD...

Its: Managing member

Date: 10/10/2024

**Tenant**
Salinas Valley Memorial Healthcare Systems, a California Local Health Care District

By: _____
Allen Radner, MD, President/CEO

Date: _____

# Board Paper: Review and Approval by Board

| | |
|---|---|
| Agenda Item: | Consider Recommendation for Board Approval of the MetTel Carrier Services Contract for Three Years as Sole Source Justification and Contract Award. |
| Executive Sponsor: | Alysha Hyland, CAO<br>Audrey Parks, CIO |
| Date: | October 14, 2024 |

## Executive Summary

Salinas Valley Health receives telecommunications services predominantly from AT&T and Comcast. Due to our existing, large AT&T carrier environment, we found opportunities to move lines from AT&T that do not require premium services to a phone line and services aggregator, MetTel. In addition to lower cost we continue to have improved management and visibility of our AT&T lines through MetTel's proprietary utilization management portal, Bruin. MetTel is a leading wholesale carrier aggregator and a four-time leader in the 2023 Gartner Strategic Quadrant for Managed Services. MetTel's unique contract management software, the Bruin Portal, will reduce overhead costs for the IT Communications team to manage our carrier contracts, track our service tickets, and monitor our expenses. This contract renewal is for our existing telephone and fax lines with MetTel.

## SAVINGS SUMMARY

| | | | |
|---|---|---|---|
| Contract Term: | 36 Month | | |
| Date Requested: | Sep 26, 2024 | | |
| Date Fulfilled: | Sep 26, 2024 | Quoted By: | MetTel |
| Expiration Date: | Oct 26, 2024 | Quote ID: | SQ-00354817 |

| | |
|---|---|
| CURRENT SPEND | $ 21056.96 |
| PROPOSED RENEWAL MONTHLY SPEND | $ 13800 |
| MONTHLY SAVINGS | $ 7256.96 |
| MONTHLY SAVINGS IN % | 34 % |

The contract proposed is for all our current MetTel plain old telephone service (POTS) lines at a cost of $13,800/month, down from the $21,056.96/month which we avoid by renewing through MetTel.

The current estimated savings over 3 years is 34% or $261,250.56.

| Key Contract Terms | Vendor: Carousel Industries |
|---|---|
| 1. Proposed contract signing date | October 25, 2024 |
| 2. Term of agreement | September 26, 2024 – September 25, 2025 |
| 3. Renewal terms | month-to-month at end of term |
| 4. Termination provision(s) | Early termination possible, but fiscal liability for contract value remains |
| 5. Payment Terms | Monthly payments in the amount of $13,800.<br>Net 30 per master agreement. |
| 6. Annual cost(s) | $165,600 |
| 7. Cost over life of agreement | $496,800 |
| 8. Budgeted (yes or no) | Yes. Net savings of $261,250.56 over 3 years |
| 9. Contract | 1001.3884 |

https://svmh.freshservice.com/a/tickets/183812?current_tab=details

## Recommendation

Consider recommendation for Board approval of the MetTel contract in the amount of $496,800 over a three-year term as sole source and contract award.

## Attachments

- Quote, dated September 26, 2024, SQ-00354817.

# Justification for Sole Source Form

**Item Request:** Telecommunications Aggregator

**To:** Proposal Evaluation Panel

**From:** **Audrey Parks, IT**

**Type of Purchase:**

- ☐ Materials/Supplies
- ☒ Data Processing/Telecommunication Goods > $25,000
- ☐ Medical/Surgical – Supplies/Equipment > $25,000
- ☐ Purchased Services
- ☐ Other – Describe: _____

| | |
|---|---|
| *Cost Estimate $* | $496,800 |
| *Business Name* | MetTel Communications |
| *Vendor/Consultant Information* | Carousel Industries |
| *Contact Name and Position* | Matthew Bridgen |
| *Contact Email* | mgridgen@carouselindustries.com |
| *Contact Phone Number* | 510-304-4204 |

**Statement of Need:** My department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the SVMHS. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

**Describe how this selection results in the best value to SVMHS. See typical examples below.**

☐ Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe why it is mandatory to use this licensed or patented product or service:**

☒ Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe. If product is off-the-shelf, list efforts to find other vendors (i.e. web site search, contacting the manufacturer to see if other dealers are available to service this region, etc.).**

Salinas Valley Health receives telecommunications services predominantly from AT&T and Comcast. Due to our existing, large AT&T carrier environment, we were looking for a AT&T voice aggregation partner for our voice services. Based on our business objectives to simplify our telecommunications carrier management and reduce total monthly telecommunication spend, we consolidated and switched procurement of select AT&T lines under MetTel Communications to provide voice wireline aggregation and reduce costs.

☐ Uniqueness of the service. **Describe.**

☐ SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Attach documentation from manufacturer to confirm that only one dealer provides the product.**

☐ Factory-authorized warranty service available from only this single dealer. Sole availability at the location required. **Describe.**

☐ Used item with bargain price (describe what a new item would cost). **Describe.**

## Justification for Sole Source Form

☐ Other -The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, **Describe:**

**By signing below, I am attesting to the accuracy and completeness of this form.**

Submitter Signature: _____ Date: _____

# MetTel Communications Solution

**Prepared For**
Salinas Valley Health

**Presented On**
September 26, 2024

**Presented By**
MetTel

Dear Salinas Valley Health,

Thank you for the opportunity to propose a MetTel solution for your business communications needs. At MetTel, we strive to achieve the best value for our customers by providing a comprehensive suite of telecommunications solutions. From traditional voice services to software-defined networks and mobility solutions, MetTel is the preferred solution provider of enterprise and government customers.

We are committed to delivering immediate and sustainable cost and operational efficiencies to our customers:

- Significant hard and soft dollar savings
- Cloud-based communications management platform with detailed invoicing, reporting and help desk functionality
- Service availability for all communications solutions across the United States, Canada, and Puerto Rico
- Superior, 24/7/365 U.S.-based customer care

I look forward to reviewing the enclosed proposal with you and addressing any questions you may have.

Thank you.

MetTel

**SOLUTION PORTFOLIO**

**Data & Network Solutions**
Ethernet Services
MPLS
Data T1
Cable Internet
SD-WAN
Business Fiber
Managed Router
Managed Firewall
Managed Wi-Fi
IPsec & SSL VPN

**Advanced Voice Solutions**
Cloud PBX
Unified Communications (UC)
SIP Trunking
SIP PRI
Digital Phone

**Cloud Managed Solutions**
Hosted Exchange
Online Backup
IP Business
Patching & Antivirus
IT Management Services

**Mobility Solutions**
Mobile Device Management (MDM)
Nationwide Mobility
Fixed Wireless/Mobility
Push-to-Talk (PTT)
Mobile Help Desk
Internet of Things (IoT)
Mobile POTS

**Professional & Consulting Solutions**
Communications Management Platform (Bruin)
Professional Services
Managed Services

**Traditional Solutions**
Business Lines
Local & Long Distance
Toll-Free
High Speed Internet
ISDN PRI
PRI
Point-to-Point Private Lines
Centrex
PBX Trunks

# SAVINGS SUMMARY

| | | | |
|---|---|---|---|
| **Contract Term:** | 36 Month | | |
| **Date Requested:** | Sep 26, 2024 | | |
| **Date Fulfilled:** | Sep 26, 2024 | **Quoted By:** | MetTel |
| **Expiration Date:** | Oct 26, 2024 | **Quote ID:** | SQ-00354817 |

| | |
|---|---|
| **CURRENT SPEND** | **$ 21056.96** |
| **PROPOSED RENEWAL MONTHLY SPEND** | **$ 13800** |
| **MONTHLY SAVINGS** | **$ 7256.96** |
| **MONTHLY SAVINGS IN %** | **34 %** |

**Prepared For**
Salinas Valley Health
**Expiration Date**
Oct 26, 2024
**Authorized By**

**Date**
September 26, 2024

**Quote ID**
SQ-00354817
**Opportunity ID**
006TQ00000CuPsrYAF
**Term**
36 Month

**Total Locations**
51

**Total Current MRC**
$21,056.96

**Total Proposed MRC**
$13,800.00

## Monthly Charges Details

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317582845 | 8317582845 | MetPak Plus Bundled Combo Unltd Local | 1033 Los Palos Dr, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582845 | 8317582848 | MetPak Plus Bundled Combo Unltd Local | 1033 Los Palos Dr, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582997 | 8317582997 | MetPak Plus Bundled Combo Unltd Local | 1033 Los Palos Dr, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582997 | 8317587817 | MetPak Plus Bundled Combo Unltd Local | 1033 Los Palos Dr, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314241857 | 8314241857 | MetPak Plus Bundled Combo Unltd Local | 1326 Natividad Rd, Salinas, CA 93906 USA | 1 | $50.00 | $50.00 |
| 8317750202 | 8317750202 | MetPak Plus Bundled Combo Unltd Local | 212 San Jose St SUIT 209, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317750202 | 8317750347 | MetPak Plus Bundled Combo Unltd Local | 212 San Jose St SUIT 209, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317588642 | 8317588642 | MetPak Plus Bundled Combo Unltd Local | 212 San Jose St Unit Mech, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582032 | 8317582032 | MetPak Plus Bundled Combo Unltd Local | 254 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8316229037 | 8316229037 | MetPak Plus Bundled Combo Unltd Local | 26542 Carmel Rancho Blvd, Carmel, CA 93923 USA | 1 | $50.00 | $50.00 |
| 8316229037 | 8316264276 | MetPak Plus Bundled Combo Unltd Local | 26542 Carmel Rancho Blvd, Carmel, CA 93923 USA | 1 | $50.00 | $50.00 |
| 8317582909 | 8317582909 | MetPak Plus Bundled Combo Unltd Local | 3 Rossi Cir Unit D Unit D, Salinas, CA 93907 USA | 1 | $50.00 | $50.00 |
| 8317582909 | 8317582918 | MetPak Plus Bundled Combo Unltd Local | 3 Rossi Cir Unit D Unit D, Salinas, CA 93907 USA | 1 | $50.00 | $50.00 |
| 8314222975 | 8314222975 | MetPak Plus Bundled Combo Unltd Local | 321 E Romie Ln Fl 2, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314246580 | 8314246580 | MetPak Plus Bundled Combo Unltd Local | 321 E Romie Ln Fl 2, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |

The foregoing services are being purchased in accordance with the terms and conditions of the Master Service Agreements entered into by and between customer and MetTel. Above rates do not include taxes, surcharges, features and usage. Federal, state and local taxes and other items not quoted are in addition to the above services. Unless otherwise noted, equipment and installation are not included. Ethernet circuits may be delivered as Copper or Fiber. Build out charges may apply to Fiber circuits.

Initial here

MetTel Confidential Information

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317571286 | 8317571286 | MetPak Plus Bundled Combo Unltd Local | 321 E Romie Ln Fl 2, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571323 | 8317571323 | MetPak Plus Bundled Combo Unltd Local | 321 E Romie Ln Fl 2, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314222024 | 8314222203 | MetPak Plus Bundled Combo Unltd Local | 321 E Romie Ln Fl 2, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314222024 | 8314222024 | MetPak Plus Bundled Combo Unltd Local | 321 E Romie Ln Fl 2, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314243473 | 8314243473 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240658 | 8314240658 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240658 | 8314243974 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536416 | 8317536416 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317517050 | 8317517050 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317517050 | 8314240992 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317517050 | 8314244670 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317517050 | 8314244718 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317517050 | 8314244737 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317530228 | 8317530228 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314221624 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314221645 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314242110 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314243820 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314244645 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314244757 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314244832 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314246542 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8314247961 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317530228 | 8317510277 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317530241 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317530341 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317530768 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317530812 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317536489 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317536532 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317539810 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317542840 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317542902 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317570289 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317570827 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317571685 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317572656 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317572673 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317572766 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317572870 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317573128 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317576823 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317577010 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317577754 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317577871 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317577955 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317530228 | 8317577965 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317578641 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317580203 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317581701 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317582219 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317583421 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317583935 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317585031 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317586437 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317588728 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317729832 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317750385 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317831356 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317530228 | 8317831392 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317553046 | 8317553046 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317570955 | 8317570955 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8313721795 | 8313721795 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721795 | 8313339489 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721795 | 8313724891 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721795 | 8313724892 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721795 | 8316579756 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721795 | 8316579757 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721795 | 8316579758 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8313721795 | 8316579761 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721795 | 8316579762 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721795 | 8316579763 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8316492441 | 8316492441 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8316492441 | 8316492448 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8316492441 | 8316492451 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8316492441 | 8316492473 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8316492334 | 8316492334 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr Ste 100 Ste 100, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8316492334 | 8316492339 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr Ste 100 Ste 100, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8316492326 | 8316492326 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr Ste 102 Ste 102, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721192 | 8313721192 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr Ste 102 Ste 102, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8313721192 | 8313721901 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr Ste 102 Ste 102, Monterey, CA 93940 USA | 1 | $50.00 | $50.00 |
| 8317582768 | 8317582768 | MetPak Plus Bundled Combo Unltd Local | 505 E Romie Ln Ste A Ste A, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582768 | 8317582771 | MetPak Plus Bundled Combo Unltd Local | 505 E Romie Ln Ste A Ste A, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317587818 | 8317587818 | MetPak Plus Bundled Combo Unltd Local | 505 E Romie Ln Ste A Ste A, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548752 | 8317548752 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548752 | 8317548762 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548752 | 8317548782 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548752 | 8317548785 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548752 | 8317548813 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548752 | 8317548814 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548752 | 8317548820 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548752 | 8317548841 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317536524 | 8317536524 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314227313 | 8314227313 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571897 | 8317571897 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571280 | 8317571280 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571280 | 8317571284 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571309 | 8317571309 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571720 | 8317571720 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582734 | 8317582736 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582734 | 8317582734 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582734 | 8317582753 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317588608 | 8317588608 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $110.00 | $50.00 |
| 8314221428 | 8314221428 | MetPak Plus Bundled Combo Unltd Local | 60 Malarin St Ste C, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317550606 | 8317550606 | MetPak Plus Bundled Combo Unltd Local | 626 Brunken Ave, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571318 | 8317571318 | MetPak Plus Bundled Combo Unltd Local | 626 Brunken Ave, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582832 | 8317582832 | MetPak Plus Bundled Combo Unltd Local | 626 Brunken Ave, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582832 | 8317582844 | MetPak Plus Bundled Combo Unltd Local | 626 Brunken Ave, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753601 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753029 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753094 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753128 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753145 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753161 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753164 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8316753601 | 8316753226 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753287 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753602 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753603 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753966 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8316753601 | 8316753967 | MetPak Plus Bundled Combo Unltd Local | 850 5th Ave, Los Angeles, CA 90005 USA | 1 | $50.00 | $50.00 |
| 8317536968 | 8317536994 | MetPak Plus Bundled Combo Unltd Local | 250 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536968 | 8317536971 | MetPak Plus Bundled Combo Unltd Local | 250 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536968 | 8317536968 | MetPak Plus Bundled Combo Unltd Local | 250 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536968 | 8317536970 | MetPak Plus Bundled Combo Unltd Local | 250 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536968 | 8317571751 | MetPak Plus Bundled Combo Unltd Local | 250 San Jose St, Salinas, CA 93901 USA | 1 | $85.00 | $50.00 |
| 8317536988 | 8317536988 | MetPak Plus Bundled Combo Unltd Local | 250 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314222708 | 8314222708 | MetPak Plus Bundled Combo Unltd Local | 225 E Romie Ln, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317542032 | 8317542032 | MetPak Plus Bundled Combo Unltd Local | 252 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317542032 | 8317577066 | MetPak Plus Bundled Combo Unltd Local | 252 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317542032 | 8317577247 | MetPak Plus Bundled Combo Unltd Local | 252 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317542032 | 8317577249 | MetPak Plus Bundled Combo Unltd Local | 252 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317585001 | 8317585001 | MetPak Plus Bundled Combo Unltd Local | 928 E Blanco Rd Ste 235, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317585001 | 8317585003 | MetPak Plus Bundled Combo Unltd Local | 928 E Blanco Rd Ste 235, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317585001 | 8317585005 | MetPak Plus Bundled Combo Unltd Local | 928 E Blanco Rd Ste 235, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582231 | 8317582231 | MetPak Plus Bundled Combo Unltd Local | 1260 S Main St Ste 101 Ste 101, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571292 | 8317571293 | MetPak Plus Bundled Combo Unltd Local | 236 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571292 | 8317571296 | MetPak Plus Bundled Combo Unltd Local | 236 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317571292 | 8317571302 | MetPak Plus Bundled Combo Unltd Local | 236 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571292 | 8317571292 | MetPak Plus Bundled Combo Unltd Local | 236 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571708 | 8317571708 | MetPak Plus Bundled Combo Unltd Local | 236 San Jose St, Salinas, CA 93901 USA | 1 | $147.00 | $50.00 |
| 8317570332 | 8317570332 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317570333 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317570334 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317570335 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317570337 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317574048 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317579270 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317579273 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317585765 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317570332 | 8317582036 | MetPak Plus Bundled Combo Unltd Local | 120 Wilgart Way, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317587856 | 8317587856 | MetPak Plus Bundled Combo Unltd Local | 230 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536938 | 8317536961 | MetPak Plus Bundled Combo Unltd Local | 230 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536938 | 8317536967 | MetPak Plus Bundled Combo Unltd Local | 230 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536938 | 8317536965 | MetPak Plus Bundled Combo Unltd Local | 230 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536938 | 8317536938 | MetPak Plus Bundled Combo Unltd Local | 230 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582298 | 8317582704 | MetPak Plus Bundled Combo Unltd Local | 230 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582298 | 8317582298 | MetPak Plus Bundled Combo Unltd Local | 230 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582298 | 8317582760 | MetPak Plus Bundled Combo Unltd Local | 230 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317830316 | 8317830316 | MetPak Plus Bundled Combo Unltd Local | 240 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317830316 | 8317830620 | MetPak Plus Bundled Combo Unltd Local | 240 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317830316 | 8317830894 | MetPak Plus Bundled Combo Unltd Local | 240 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317830316 | 8317831476 | MetPak Plus Bundled Combo Unltd Local | 240 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317830316 | 8317831670 | MetPak Plus Bundled Combo Unltd Local | 240 San Jose St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317548995 | 8317548995 | MetPak Plus Bundled Combo Unltd Local | 241 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317729848 | 8317729848 | MetPak Plus Bundled Combo Unltd Local | 252 San Jose St Apt B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317592437 | 8317592437 | MetPak Plus Bundled Combo Unltd Local | 440 E Romie Ln, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317592437 | 8317592582 | MetPak Plus Bundled Combo Unltd Local | 440 E Romie Ln, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314222393 | 8314222393 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $50.00 | $50.00 |
| 8317583762 | 8317583762 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317583762 | 8317585213 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314222274 | 8314222274 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317587883 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317700904 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317701018 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317701120 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317701197 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317701229 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317711507 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317831784 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701120 | 8317571754 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $85.00 | $50.00 |
| 8317701120 | 8317571757 | MetPak Plus Bundled Combo Unltd Local | 501 E Romie Ln Ste B, Salinas, CA 93901 USA | 1 | $85.00 | $50.00 |
| 8317831324 | 8317831324 | MetPak Plus Bundled Combo Unltd Local | 515 E Romie Ln, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317831324 | 8317831346 | MetPak Plus Bundled Combo Unltd Local | 515 E Romie Ln, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317831362 | 8314222223 | MetPak Plus Bundled Combo Unltd Local | 558 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317831362 | 8317530273 | MetPak Plus Bundled Combo Unltd Local | 558 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317831362 | 8317831362 | MetPak Plus Bundled Combo Unltd Local | 558 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317831362 | 8317831365 | MetPak Plus Bundled Combo Unltd Local | 558 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317831362 | 8317831366 | MetPak Plus Bundled Combo Unltd Local | 558 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317831362 | 8317831367 | MetPak Plus Bundled Combo Unltd Local | 558 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317543057 | 8317543057 | MetPak Plus Bundled Combo Unltd Local | 590 Work St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317543057 | 8317544782 | MetPak Plus Bundled Combo Unltd Local | 590 Work St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317543057 | 8317545637 | MetPak Plus Bundled Combo Unltd Local | 590 Work St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571734 | 8317571734 | MetPak Plus Bundled Combo Unltd Local | 590 Work St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317545969 | 8317545969 | MetPak Plus Bundled Combo Unltd Local | 611 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317545969 | 8317548849 | MetPak Plus Bundled Combo Unltd Local | 611 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317545969 | 8317571546 | MetPak Plus Bundled Combo Unltd Local | 611 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317545969 | 8317571548 | MetPak Plus Bundled Combo Unltd Local | 611 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317545969 | 8317582086 | MetPak Plus Bundled Combo Unltd Local | 611 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317545969 | 8317582137 | MetPak Plus Bundled Combo Unltd Local | 611 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317571379 | 8317571399 | Nationwide Premium Flat Bundled Plan Combo | 611 Abbott St, Salinas, CA 93901 USA | 1 | $357.49 | $50.00 |
| 8317571379 | 8317571389 | Nationwide Premium Flat Bundled Plan Combo | 611 Abbott St, Salinas, CA 93901 USA | 1 | $357.49 | $50.00 |
| 8317571379 | 8317571379 | Nationwide Premium Flat Bundled Plan Combo | 611 Abbott St, Salinas, CA 93901 USA | 1 | $357.49 | $50.00 |
| 8317571379 | 8317571602 | Nationwide Premium Flat Bundled Plan Combo | 611 Abbott St, Salinas, CA 93901 USA | 1 | $357.49 | $50.00 |
| 8317571786 | 8317571786 | MetPak Plus Bundled Combo Unltd Local | 611 Abbott St Ste 101 Ste 101, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317516393 | 8317516393 | MetPak Plus Bundled Combo Unltd Local | 627 Brunken Ave Ste A, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317701675 | 8317701675 | MetPak Plus Bundled Combo Unltd Local | 627 Brunken Ave Ste A, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8317960147 | 8317960147 | MetPak Plus Bundled Combo Unltd Local | 627 Brunken Ave Ste A, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317577208 | 8317577208 | MetPak Plus Bundled Combo Unltd Local | 955 Blanco Cir Ste A, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8314240391 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8314244760 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8314244806 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8314246215 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8317517053 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8317517083 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8317550935 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8317571667 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8314240391 | 8317574237 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536995 | 8317511697 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536995 | 8317536995 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536995 | 8317571202 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536995 | 8317511694 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582978 | 8317582989 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317582978 | 8317582978 | MetPak Plus Bundled Combo Unltd Local | 355 Abbott St, Salinas, CA 93901 USA | 1 | $50.00 | $50.00 |
| 8317536944 | 8317536952 | MetPak Plus Bundled Combo Unltd Local | 212 San Jose St Ste 301 Ste 301, Salinas, CA 93901 USA | 1 | $130.00 | $50.00 |
| 8317536944 | 8317536953 | MetPak Plus Bundled Combo Unltd Local | 212 San Jose St Ste 301 Ste 301, Salinas, CA 93901 USA | 1 | $130.00 | $50.00 |
| 8317536944 | 8317536944 | MetPak Plus Bundled Combo Unltd Local | 212 San Jose St Ste 301 Ste 301, Salinas, CA 93901 USA | 1 | $130.00 | $50.00 |
| 8317536944 | 8317536948 | MetPak Plus Bundled Combo Unltd Local | 212 San Jose St Ste 301 Ste 301, Salinas, CA 93901 USA | 1 | $130.00 | $50.00 |
| 8317582923 | 8317582924 | MetPak Plus Bundled Combo Unltd Local | 505 E Romie Ln Ste A Ste A, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8317582923 | 8317582923 | MetPak Plus Bundled Combo Unltd Local | 505 E Romie Ln Ste A Ste A, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8314222227 | 8314222227 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8314222227 | 8314222228 | MetPak Plus Bundled Combo Unltd Local | 559 Abbott St, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8316494999 | 8316449085 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316494999 | 8316494911 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316494999 | 8316494912 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316494999 | 8316494999 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316494999 | 8316496728 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316419240 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316419243 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316419245 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316419318 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316419388 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316419430 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316440783 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316570524 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316570524 | 8316570526 | MetPak Plus Bundled Combo Unltd Local | 5 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316551052 | 8316551052 | MetPak Plus Bundled Combo Unltd Local | 21 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8316551052 | 8316551054 | MetPak Plus Bundled Combo Unltd Local | 21 Lower Ragsdale Dr, Monterey, CA 93940 USA | 1 | $215.00 | $50.00 |
| 8317511545 | 8317511545 | MetPak Plus Bundled Combo Unltd Local | 240 San Jose St Fl Ground, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8317511523 | 8317511523 | MetPak Plus Bundled Combo Unltd Local | 252 San Jose St, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8314220151 | 8314220151 | MetPak Plus Bundled Combo Unltd Local | 928 E Blanco Rd Fl 2, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8314220151 | 8314220152 | MetPak Plus Bundled Combo Unltd Local | 928 E Blanco Rd Fl 2, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8314220151 | 8314220154 | MetPak Plus Bundled Combo Unltd Local | 928 E Blanco Rd Fl 2, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |

| BTN | WTN | Current Plan | Location | Qty | Current Rate | Proposed Renewal Rate |
|---|---|---|---|---|---|---|
| 8314221012 | 8314221012 | MetPak Plus Bundled Combo Unltd Local | 232 Monterey St Ste 230SAN, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8314221012 | 8314221013 | MetPak Plus Bundled Combo Unltd Local | 232 Monterey St Ste 230SAN, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8314221012 | 8314221018 | MetPak Plus Bundled Combo Unltd Local | 232 Monterey St Ste 230SAN, Salinas, CA 93901 USA | 1 | $215.00 | $50.00 |
| 8314221697 | 8314221697 | MetPak Plus Bundled Combo Unltd Local | 450 E ROMIE LN, SALINAS, CA 93901 | 1 | $215.00 | $50.00 |
| 8316752517 | 8316752517 | MetPak Plus Bundled Combo Unltd Local | 850 5th St, Gonzales, CA 93926 USA | 1 | $215.00 | $50.00 |
| 8316752517 | 8316752518 | MetPak Plus Bundled Combo Unltd Local | 850 5th St, Gonzales, CA 93926 USA | 1 | $215.00 | $50.00 |
| 8316752517 | 8316752523 | MetPak Plus Bundled Combo Unltd Local | 850 5th St, Gonzales, CA 93926 USA | 1 | $215.00 | $50.00 |
| 8316752517 | 8316752532 | MetPak Plus Bundled Combo Unltd Local | 850 5th St, Gonzales, CA 93926 USA | 1 | $215.00 | $50.00 |
| **Total** | | | | **276** | **$21,056.96** | **$13,800.00** |

# Master Service Agreement
## Voice, Data & IP Services and Products

This Agreement (as further defined in Section 12) is entered into this date of _____ ("Effective Date"), by and between Manhattan Telecommunications Corporation LLC, having its principal place of business at 55 Water Street, 32nd Floor, New York, NY 10041 (hereinafter referred to as "MetTel"), and Salinas Valley Health, having its principal place of business at 450 East Romie Lane, Salinas, CA 93901-4029 (hereinafter referred to as "Customer").

**1. PRODUCTS AND SERVICES / TERM.** Customer agrees to acquire from MetTel the services ("Services"), software ("Software") and equipment ("Equipment") identified on the schedules to this Agreement ("Schedules"), for a thirty-six (36) month period, unless a different term is specified on the Schedules (as applicable, the "Initial Term"). Services, Software and Equipment are collectively referred to as "Products." The effective date of the Initial Term for any Product will be the date that the applicable Product is installed, delivered and/or available for use, as applicable, or, for existing Products, the date hereof. Customer will take all actions necessary to effectuate the Initial Term in a timely fashion.

**2. RENEWAL.** The Initial Term will automatically extend on a month-to-month basis ("Additional Term" and, together with the Initial Term, the "Term") at the same Monthly Equipment Rental Charges for Equipment (as established by Section 18 below), and MetTel's then standard month-to-month term rates for other Products (subject to Section 17 for Software), unless either party gives the other party written notice of non-renewal at least thirty (30) days prior to the expiration of the then-current Term.

**3. PAYMENT.** Customer shall pay the rates and charges for Products provided under this Agreement and all applicable taxes and surcharges that may be authorized or required under laws, regulations, or tariffs in connection therewith. Except for taxes based on MetTel's net income, Customer will be responsible for all taxes, regulatory costs, fees and surcharges arising from or in connection with an order, rule or regulation of any governmental or quasi-governmental authorities imposed on or incident to the provision, sale or use of Products, whether on Customer, MetTel, MetTel Providers or any of their affiliates. MetTel will bill Customer each month and all invoices are due and payable thirty (30) days after the invoice date. . Customer agrees to accept electronic invoicing, and Customer will receive an electronic invoice within three (3) business days of the monthly billing date and the payment interval will be extended by one business day for each business day it is delayed, if not received within this timeframe, as shown by electronic records. Customer shall send payments to the address specified on the invoice. In the event that MetTel incurs costs (collection and/or attorney fees) to recover amounts owed under this Agreement, MetTel may add these costs to any amounts outstanding. MetTel, in addition to any other remedies available to it, may impose a late fee in the amount of the lesser of one percent (1.0%) per month or the highest amount allowed by law on any charges not paid by the due date. In addition, MetTel may suspend Products, in whole or in part, if amounts owed hereunder are past due.

**4. LOCATION(S) / ADDITIONAL PRODUCTS.** The Products shall be provided under the terms of this Agreement to the Customer locations specified on the Schedules. Other Customer locations, renewals or additional Products may become subject to this Agreement by submission of additional Schedules (including orders submitted via email) by or on behalf of Customer and accepted by MetTel. Each Schedule or order accepted by MetTel will commence a new Initial Term for the Products covered by the Schedule or order. Except as expressly set forth therein rate cards (Schedules with indefinite quantities) may be discontinued by MetTel at any time other than for previously-activated Products. Equipment under a Schedule is subject to availability and pricing is subject to periodic change.

**5. LIMITS ON LIABILITY.** Neither party will be responsible to the other for any delay, failure in performance, loss or damage due to fire, explosion, power blackout, earthquake, volcanic action, cable cuts by third parties, flood, weather elements, strike, embargo, labor disputes, civil or military authority, war, acts of God, acts or omissions of carriers or suppliers, software bugs, viruses and the like, acts of regulatory or governmental agencies, or other causes beyond their reasonable control (collectively, "Force Majeure"), except for the obligation to pay amounts due under this Agreement. As used in this Agreement, "service failure" means a failure to comply with a direction or obligation to install, restore or terminate Services, a failure to provide Services and failures, mistakes, omissions, interruptions, degradation, delays, errors, defects or the like occurring in the course of the provision of Services. The total maximum aggregate liability hereunder, if any, of MetTel and its affiliates and suppliers and their officers, directors, agents and employees for damages arising out of this Agreement, the relationship created hereby or out of the furnishing of Products shall be limited to: (i) for service failures: a repair or re-performance of the Service, and a pro-rata refund of any prepaid fees for continuous service failures in excess of 24 hours, (ii) unless directly caused by the willful misconduct or gross negligence of MetTel, no liability for injury to persons or property, losses (including any loss of business), damages, claims or expenses of any kind caused by Equipment or Software, and (iii) in all other cases proven direct damages in an amount limited to the Service charges paid by Customer under this Agreement during the three months preceding the date of accrual of the first claim, even if the other limitations of liability set forth herein fail of their essential purpose. In addition, none of MetTel or its affiliates and suppliers or any of their officers, directors, agents or employees will be liable to the Customer for any consequential, indirect, incidental, reliance, exemplary, special, punitive or other like damages including without limitation loss of use, profits, revenue, business or goodwill with respect to any claims arising under this Agreement or regarding the Products to be provided hereunder, even if MetTel has been advised of the possibility of such damages. Without limiting the foregoing, it is expressly understood and acknowledged that the underlying service provider shall have no liability whatsoever for Customer losses, claims or damages for any cause whatsoever, including but not limited to any service failure, regardless of the form of action, whether in contract or in tort or otherwise.

**6. LETTER OF AUTHORIZATION/AGENCY.** MetTel will act as Customer's authorized agent for all matters related to obtaining connectivity service records and to the provisioning of local and long distance communications services associated with all Customer's telephone numbers. MetTel has the authority to order local, regional, and long distance changes on all numbers associated with the accounts listed on the attachments to this Agreement. MetTel shall not release any information regarding Customer's telecommunications services without obtaining the Customer's written approval except where required pursuant to subpoena or court order. To the extent possible, MetTel shall freeze Customer's services so that a third party (including another carrier) cannot complete a change without having the Customer contact MetTel and authorize the change.

**7. CONFIDENTIAL INFORMATION.** Each party shall hold in confidence and not use, except to perform its obligations hereunder, information received from the other party that is designated confidential or proprietary or that a reasonable person would treat as confidential based upon the nature of the information disclosed or the circumstances of the disclosure ("Confidential Information") for the Term and a period of 2 years thereafter. The parties agree that Confidential Information shall include the pricing and terms and conditions of this Agreement, any proposals or requests for proposals, and information relating to the disclosing party's technology, business affairs, and marketing or sales plans. Neither party shall use Confidential Information for any purpose other than in furtherance of performance under this Agreement or disclose Confidential Information to any third party other than to entities that are bound by non-disclosure obligations that are substantially similar to those set forth in this Agreement. The fact that the parties are engaged in a business relationship is not Confidential Information. Customer must obtain MetTel's written permission prior to disclosing any MetTel Confidential Information to any competitor of MetTel. The foregoing restrictions shall not apply to information that: (a) is or becomes publicly available through no act or omission of the receiving party; (b) was already in the lawful possession of the receiving party without an obligation of confidentiality; (c) is lawfully disclosed to the receiving party by a third party that is not restricted from making such disclosure; (d) is required to be disclosed by law, subpoena or other legal process, limited to the extent required by the terms of such subpoena or other legal process; (e) is approved in writing by the disclosing party for further disclosure; (f) is independently developed without reference to the Confidential Information and is so documented by the receiving party; or (g) is required to port telephone numbers. Receiving party acknowledges that the unauthorized use or disclosure of any such Confidential Information is likely to cause irreparable injury to disclosing party for which there is no adequate remedy at law. Accordingly, receiving party acknowledges that disclosing party may seek injunctive relief against it to prevent or remedy any breach of the confidentiality obligation described herein without disclosing party being required to post bond.

**8. TERMINATION.**

**8.1. Default.** A party shall be deemed in default of this Agreement (a "Default") upon the occurrence of any one or more of the following events:

(a) except with respect to payment defaults, such party materially fails to perform its material obligations under this Agreement and such nonperformance is not remedied within thirty (30) days after receipt of written notice thereof, provided that if the breach is of such a nature that it cannot be cured within thirty (30) days, then such party shall not be in Default so long as it commences to cure within such period of time and thereafter diligently and continuously pursues such cure to completion; or

(b) such party fails to make any payment under this Agreement when due and such failure is not remedied within ten (10) days after receipt of written notice thereof.

Upon the occurrence of a Default and subject to the applicable notice and cure periods and Section 8.2 below: (i) the aggrieved party may terminate or suspend the applicable Services affected by such uncured Default, and (ii) with respect to Licensed Software and/or Rented Equipment, MetTel may terminate the applicable Product. Notwithstanding the foregoing, Customer understands and agrees that Customer cannot terminate Customer's payment obligations with respect to Software or Equipment in a Schedule, which obligations are more specifically addressed in Section 17 relating to Software and Section 18 relating to Equipment prior to the end of the applicable Initial Term for any reason. The foregoing shall be in addition to any other rights and remedies that MetTel may have under this Agreement or at law, in equity or otherwise.

**8.2. Effect of Termination.** If Customer discontinues any Service before the expiration of the applicable Initial Term or applicable Additional Term, or if MetTel terminates this Agreement or any Service for Customer's Default, Customer will be liable to MetTel for termination charges equal to the monthly recurring charges for the applicable discontinued Services, multiplied by the number of months remaining in the Term, plus any charges MetTel incurs from third parties because of Customer's early termination of the applicable Services and for any charges that may have been waived. Upon written request, MetTel will credit back termination charges incurred for disconnection of POTS and Centrex Services in the US: (a) at a facility that has closed, upon notice to MetTel given within 30 days after such event; (b) as a result of downsizing; or (c) that are ported from one MetTel service to a different MetTel service (e.g., POTS to PRIs); provided in each case that such Services are disconnected and are not moved to, replaced with or consolidated with the services of a provider other than MetTel. Customer must give MetTel prior written notice of any Service termination (using MetTel standard forms), and, in addition to the amounts set forth above, will be responsible for all charges for such Service up to the date such Service is disconnected, as well as any charges in connection with the termination. Additionally, if MetTel terminates Service, Licensed Software and/or Rented Equipment for Customer's Default, and/or Customer is in default under any Schedule, and/or any Service is discontinued before the expiration of the applicable Initial Term or applicable Additional Term without contracting for a replacement Service where any Licensed Software and/or Rented Equipment, as applicable, utilized in connection with the discontinued Service will be redeployed, in addition to the amounts set forth above, Customer will pay MetTel an amount equal to (a) any Monthly Licensed Software Charges (as established by Section 17 below), multiplied by the number of months remaining in the applicable Term, discounted at 3% per annum, related to any Licensed Software utilized in connection with the discontinued Service, plus (b) any Monthly Equipment Rental Charges (as established by Section 18 below), multiplied by the number of months remaining in the applicable Term, discounted at 3% per annum, relating to any Rented Equipment utilized in connection with the discontinued Service, plus (c) any applicable taxes; and Customer will be required to return any Rented Equipment and any other equipment supplied by MetTel in connection with the discontinued Service to the location designated by MetTel (at Customer's expense) in good working condition and free from all liens, charges and encumbrances within 10 days after termination of the Service for which it was used or of this Agreement, or Customer will pay MetTel's purchase price for the equipment as invoiced by MetTel. If MetTel assigned the Rented Equipment and right to receive Monthly Equipment Rental Charges and/or Monthly Licensed Software Charges to a third-party for financing purposes, then the assignee may exercise any of MetTel's rights and remedies independently from MetTel.

**9. INTERNET & IP VOICE SERVICES DISCLOSURE.**

**9.1. 911Disclosure.** The Federal Communications Commission ("FCC") requires MetTel to obtain Customer's acknowledgement that it has received the following disclosures regarding possible circumstances that COULD IMPAIR YOUR ABILITY TO ACCESS E911 SERVICE: (1) if you utilize equipment that relies on electricity, you will lose E911 service (and service generally) if such devices lose access to electricity such as in a power failure. To reduce the risk of disruption, Customer should deploy a back-up power supply to operate phones and related equipment; (2) if you move your location you must notify us at least 30 days in advance so that we may program the correct information into the E911 system. Otherwise, the E911 system will not contain your correct information; (3) you may

be unable to complete calls to 911 or otherwise in the event of network failures or congestion; (4) if you obtain telephone numbers that are not associated with your calling area, you may not be able to reach E911 services; (5) you must notify MetTel of any change in your designated key personnel for E911 notifications, otherwise notifications that an end-user has placed a 911 call will not be deliverable. By executing this Agreement, Customer acknowledges that it understands and accepts the above limitations, and that it will convey these limitations to all persons who may have occasion to use the Services. *California multiline customers*: please view additional important disclosures and informative brochure at: https://www.mettel.net/about-mettel/legal/legal-regulatory-notices/.

**9.2. VoIP 911 Service and Acknowledgement.** Please read the VoIP Schedule on the MetTel website at http://www.mettel.net/company/voip-911.html which is incorporated herein by reference and made a part of this agreement. If you are subscribing to VoIP Service (hosted PBX, VoIP or SIP Trunking), Customer (you) agree to the terms of the VoIP Schedule and further agree that: (1) you have received and have read and understood the terms and conditions relating to VoIP Service, including 9-1-1 service; (2) you and all users of your Service understand the nature and limits of 9-1-1 service associated with VoIP; and (3) if you change the location in which you use Service in any way, including operating Service outside of the address that you have given to MetTel, you must immediately contact MetTel, and that failure to do so may adversely affect your 9-1-1 service.

**9.3. Alarm Systems and Internet Voice Application Disclosure.** Please view additional important disclosures at our Policies URL concerning interoperability of VoIP and POTS replacement products with alarms systems and other legacy equipment.

**10. NOTICES.** Notices under this Agreement shall be sent to MetTel, Legal Department, 101 Crawfords Corner Road, Suite 4-311, Holmdel, NJ, 07733, and to Customer at the above address. Either Party may change their mailing and/or billing address by written notice in accordance with this Section. Notices may be sent by first-class U.S. mail, postage prepaid, certified, return receipt requested, or by an overnight carrier, and shall be deemed effective five (5) business days after mailing by first-class U.S. mail, one (1) business day after mailing by an overnight carrier or upon receipt.

**11. MISCELLANEOUS.** MetTel may perform its obligations under this Agreement through its affiliates, agents, suppliers or subcontractors (the "MetTel Providers"), but MetTel shall not be relieved of its obligations by using the MetTel Providers. MetTel may assign all or part of this Agreement to any of its affiliates or successors. MetTel may assign its rights to payments hereunder, and its rights in the Equipment and Software, to a third party for financing purposes as provided for in the Licensed Software and Equipment Rental Sections below. With reasonable prior notice, Customer may assign this Agreement to any entity that is the successor to substantially all of its assets or business, subject to MetTel's acceptance of the assignee and execution and delivery of MetTel standard assignment forms. All other attempted assignments shall be void without MetTel's prior written consent. This Agreement shall be governed by the laws of New York, without regard to its choice of law principles, and the venue for any legal action or litigation involving this Agreement and all proceedings held in such action or litigation will be exclusively the courts of the State of New York, or the federal courts of the United States of America, in each case located within New York County. Each party agrees that any cause of action or claim will be resolved individually and Customer agrees that it will not consolidate or seek class treatment for any claims in connection with this Agreement, unless previously agreed to in writing by both parties. If any part of this Agreement is rendered invalid or unenforceable, the rest of the Agreement will remain valid and enforceable. Provisions of this Agreement that by their terms or nature must survive expiration or termination of this Agreement, will survive expiration or termination of this Agreement, including, but not limited to Sections 3, 5, 7, 8, 11 – 18 and 20 – 22. Failure to insist on strict performance of any of the terms and conditions of this Agreement will not operate as a waiver thereof or of any subsequent default or failure of performance, and no waiver by either party of any breach shall be construed as a waiver of any subsequent breach or as a waiver of the provision itself or any other provision. Purchase orders or other non-MetTel ordering documents relating to Products issued by Customer containing different or additional terms will be construed solely as evidence of Customer's internal business processes and will have no effect on this Agreement or any Products except to the extent evidencing acceptance of a Schedule. If objection is not received by MetTel within three (3) months after an invoice is rendered, the items and charges appearing thereon shall be determined to be correct and binding upon Customer. Customer authorizes MetTel to monitor and record calls to or from MetTel concerning the Services for MetTel's training and quality control purposes.

**12. TARIFFS, SERVICE PUBLICATIONS, ENTIRE AGREEMENT.** This Agreement consists of: (i) the terms in the body of this Master Service Agreement ("MSA"), (ii) any attachments incorporated herein by reference (iii) any attachments and Schedules later added to this agreement ((ii) and (iii), collectively, "Attachments") (iv) MetTel product guides, price lists and product use terms (collectively, "Service Publications") and (v) any applicable tariffs ((i) – (v) collectively, the "Agreement"). This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other representations, understandings or agreements that are not expressed herein, whether oral or written. The rates, terms and conditions that apply pursuant to applicable tariffs are subject to change in accordance with the rules of applicable state regulatory commission and/or Federal Communications Commission. Service Publications are found on the MetTel website (https://www.mettel.net/about-mettel/legal/tariffs-product-guides/ as of the date of this Agreement, referred to hereafter as the "Policies URL"), are subject to change from time to time when updated on the MetTel website and are incorporated herein by reference to the extent they do not conflict with the terms of the MSA or any Attachment. Except as otherwise set forth herein, no amendment, waiver or modification of this Agreement shall be valid unless in writing and signed by both parties. Handwritten changes to this Agreement (including without limitation any Attachment) are not valid. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

**13. USE OF PRODUCTS.** Products purchased under this contract cannot be resold. Customer agrees that it is responsible and accepts full liability for all use of the Products, with or without its permission, and will not resell the Products purchased under this Agreement or distribute/ transfer the Products purchased under this Agreement to any person or entity other than its employees. The Products may not be used for any unlawful, abusive, or fraudulent purpose, in violation of the then-current acceptable use policy ("AUP") located at the Policies URL or another designated url, to support illegal robocalling activity, or in any way that violates or infringes upon the rights of others. Customer agrees to promptly reply, and assist MetTel to reply, to a request from law enforcement or a traceback administrator authorized by USTelecom's Traceback Group for information about suspicious robocalls that have been sent to a downstream provider. Customer shall defend, indemnify and hold harmless MetTel and its affiliates and suppliers and their respective officers, directors, agents, affiliates, and employees from and against any claims, liabilities, losses, costs, or damages, (including legal fees and costs) arising out of any user's use or attempted use of Products. Broadband speed claim(s) represent maximum downstream and/or upstream speed

capabilities which may vary and are not guaranteed. Factors including line quality and Customer's distance from the exchange may limit available bandwidth.

**14. WARRANTIES**. CUSTOMER AGREES THAT THE PRODUCTS ARE PROVIDED ON AN "AS IS" OR "AS AVAILABLE" BASIS, WITH ALL FAULTS, AND THAT METTEL DOES NOT WARRANT THAT THE PRODUCTS WILL BE WITHOUT FAILURE, DELAY, INTERRUPTION, ERROR, DEGRADATION OF QUALITY OR LOSS OF CONTENT, DATA OR INFORMATION, AND SPECIFICALLY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES AS TO ANY PRODUCTS, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NONINFRINGEMENT OF THIRD PARTY RIGHTS. METTEL IS NOT THE MANUFACTURER OF ANY EQUIPMENT. WITH RESPECT TO METTEL, CUSTOMER PURCHASES OR RENTS THE EQUIPMENT, AS APPLICABLE, "AS IS." EQUIPMENT SHALL BE SUBJECT TO THE WARRANTIES, IF ANY, PROVIDED TO CUSTOMER BY THE EQUIPMENT MANUFACTURER. MODIFICATIONS MAY VOID OR OTHERWISE LIMIT ANY WARRANTY APPLICABLE TO THE EQUIPMENT. WITH RESPECT TO SECURITY PRODUCTS INCLUDING WITHOUT LIMITATION CLOUD FIREWALL & SASE, CUSTOMER HEREBY ACKNOWLEDGES AND AGREES THAT NO VENDOR CAN ASSURE COMPLETE SECURITY AND NOTHING HEREIN OR ELSEWHERE SHALL BE DEEMED TO IMPLY A SECURITY GUARANTEE OR ASSURANCE.

**15. UNAUTHORIZED USAGE.** It is understood that MetTel is under no obligation to investigate the authenticity of calls charged to Customer's account and shall not be liable for any fraudulent or unauthorized calls processed by MetTel and billed to Customer's account. Notwithstanding, in the event MetTel discovers or reasonably suspects fraudulent calls are being made, or that the Services are being used in connection with (i) illegal, fraudulent or abusive activity, (ii) activity that places MetTel's (or its providers') network at risk or could subject MetTel (or its providers) to liability to a third party or (iii) in a manner that violates this Agreement, the AUP or infringes the rights of a third party (including without limitation, to support illegal robocalling activity), nothing contained herein shall prohibit MetTel from taking immediate action, without notice to Customer, that is reasonably necessary to prevent such calls or transmissions from taking place, but is under no obligation to do so.

**16. HOSTED PRODUCTS.** This section applies solely to MetTel-hosted Services, including hosted PBX. MetTel will provide Customer with password-protected access to its hosted Service(s). Passwords are selected by Customer or its end-users, and Customer shall be solely and exclusively responsible for protecting all account passwords and the use and control of access to Customer's account.

**17. LICENSED SOFTWARE.** This section applies to all SD-WAN services and any other Products listed on a Schedule designated as "Licensed Software" on such Schedule. By Customer's acceptance of the terms of such Schedule, Customer thereby agrees to pay MetTel the monthly amounts set forth on the Schedule relating to the Licensed Software, plus applicable taxes (the "Monthly Licensed Software Charges") for the Initial Term of the applicable Licensed Software. The Initial Term for Licensed Software will commence on the earlier of (i) the date of activation of the Licensed Software, or (ii) ninety (90) days after the date of shipment of the Equipment associated with the Licensed Software (if any). Notwithstanding anything to the contrary, Customer understands and agrees that Customer is unconditionally obligated to pay all Monthly Licensed Software Charges for the applicable Initial Term, and is not entitled to withhold any Monthly Licensed Software Charges or reduce or set-off against any amounts owed relating to the Licensed Software for any reason. Licensed Software cannot be discontinued before the expiration of the applicable Initial Term for any reason. At the conclusion of the Term, Licensed Software and Customer's obligation to pay Monthly Licensed Software Charges relating thereto will automatically terminate without further action required by either party, unless MetTel in its sole discretion allows a limited month to month extension, subject to authorization from the underlying provider. Customer understands that MetTel may assign Customer's payment obligations relating to any Licensed Software to a third-party for financing purposes and that, if assigned, the assignee will have all of MetTel's rights to receive the Monthly Licensed Software Charges, but will not be subject to any claim, defense, or set-off assertable against MetTel or anyone else.

**18. RENTED EQUIPMENT.** This section applies to any Equipment listed on a Schedule designated as "Rented Equipment" on such Schedule and all Equipment provided under a Schedule for a monthly fee. By Customer's acceptance of the terms of the Schedule, Customer thereby agrees to rent the Rented Equipment and pay MetTel the monthly amounts set forth on the Schedule relating to the rental of the Rented Equipment, plus applicable taxes (the "Monthly Equipment Rental Charges") for the Initial Term designated on the Schedule for the applicable Rented Equipment. The Initial Term for any Rented Equipment will commence on the date the applicable Rented Equipment is delivered to Customer or any later date designated by MetTel. Notwithstanding anything to the contrary, Customer understands and agrees that Customer is unconditionally obligated to pay all Monthly Equipment Rental Charges for the Initial Term, and is not entitled to withhold Monthly Equipment Rental Charges or reduce or set-off against any amounts owed relating to the rental of the Rented Equipment for any reason. Customer's obligations with respect to Rented Equipment cannot be discontinued before the expiration of the applicable Initial Term for any reason. Customer agrees to keep the Rented Equipment in good working order, use it for business purposes only, not modify or move it from its initial location without MetTel's consent and to keep the Rented Equipment fully insured against loss at its replacement cost, with MetTel named as loss payee, and to provide proof of such insurance satisfactory to MetTel upon MetTel's request. Customer will be responsible for any damage to or loss of the Rented Equipment, and understands that no such loss or damage to the Rented Equipment will relieve Customer from its obligation to make all Monthly Equipment Rental Charges for the entire Initial Term. MetTel owns the Rented Equipment. Customer agrees to pay when due, either directly or by reimbursing MetTel, for all taxes and fees relating to the Rented Equipment (including, but not limited to, sales or use tax due upfront which will be payable over the Initial Term with a finance charge). Customer's obligations with respect to the Rented Equipment (including, but not limited to, Customer's obligation to pay Monthly Equipment Rental Charges) shall continue on a month to month basis after the end of the Initial Term, or any subsequent Additional Term, unless Customer (A) provides MetTel at least thirty (30) days prior written notice that Customer has determined to return the Rented Equipment at the end of the applicable Initial Term or Additional Term and (B) Customer timely returns the Rented Equipment to the location designated by MetTel, at Customer's expense. If the returned Rented Equipment is not immediately available for use by another customer without need of repair, Customer will reimburse MetTel for all repair costs. Customer understands that MetTel may assign the Rented Equipment and Customer's payment obligations relating to the Rented Equipment to a third-party for financing purposes and that, if assigned, the assignee will have all of MetTel's rights with respect to the Rented Equipment and Customer's payment obligations relating to the Rented Equipment, but will not be subject to any claim, defense, or set-off assertable against MetTel or anyone else. All Schedules, orders or attachments that include equipment are subject to review and approval by MetTel credit, and

may require a deposit. Equipment prices do not include shipping charges, which will be the responsibility of Customer. Risk of loss or damage to any Equipment (including portions thereof) and Software purchased outright passes to Customer on delivery to the freight carrier. Notwithstanding the foregoing, if MetTel and Customer enter into a separate rental or finance agreement relating to any equipment provided by MetTel (an "Equipment Use Agreement"), Customer's obligations with respect to such equipment (payment or otherwise) shall be solely governed by the Equipment Use Agreement, and any modification or termination of this Agreement or the Services shall not operate to modify or relieve Customer from any of Customer's obligations under the Equipment Use Agreement. An Equipment Use Agreement may be required for orders with significant Equipment. Amounts owed MetTel under any Equipment Use Agreement are not included in the charges for the Services, Software or Equipment under this Agreement, though such amounts may be invoiced along with the charges owed by Customer to MetTel under this Agreement for Customers convenience.

**19. INSTALLATIONS.** Installation means Service delivery to the demarcation point (the MetTel designated physical interface between the MetTel Service and Customer's telecommunications equipment) which is generally at the MPOE (minimum point of entry). Service, wiring (including extensions of the demarcation point) and equipment for use on Customer's side of the demarcation point are the responsibility of Customer and may be provided by MetTel at an additional cost. Installation does not include buildout or the construction of facilities (if applicable). Cloud-based Services like cloud firewall or SIP call paths are installed and active when the service has been enabled for use in the cloud. Software and Equipment (including Equipment provided in connection with a Service like Starlink) does not include installation except as specified in a Schedule.

**20. METTEL SOFTWARE.**

**(A) Use.** The following terms apply to any software application embedded in CDS Products and any software application provided to Customer for use with the Service for which there is not a specified monthly payment provided for in a Schedule including, without limitation, the Bruin portal at app.Bruin.com (including any successor, "Portal"), in each case, provided by or on behalf of MetTel ("MetTel Software"). Subject to compliance with this Agreement, and except where a separate license is provided, MetTel hereby grants to Customer a non-exclusive, non-transferable, non-sublicensable, revocable license to use such MetTel Software in object code form only and solely by Customer for Customer's internal business purposes in connection with the Services during the Term. MetTel Software will be deemed a Service under this Agreement but not subject to a Term unless otherwise identified and provided as a separate Service under a Schedule to this Agreement or embedded in another Product. Customer may not and may not permit others to (i) provide, disclose or make MetTel Software available to any third party, or (ii) copy, decompile, reverse engineer, disassemble, modify, rent, lease, loan, distribute, or create derivative works (as defined by the U.S. Copyright Act) or improvements (as defined by U.S. patent law) from, the MetTel Software or any portion thereof, or otherwise attempt to discover the source code or underlying ideas, algorithms, structure or organization of, or reproduce the design of, the MetTel Software or components thereof. Customer agrees that MetTel Software contains proprietary content, design, information and material that is protected by applicable intellectual property and other laws, including but not limited to copyright, and will not use or permit use of such proprietary content, information or materials in any way whatsoever except for permitted use of the MetTel Software provided under this Section. Customer shall be solely and exclusively responsible for protecting all account passwords and the use and control of access to Customer's account. Except for limited rights to use MetTel Software, no license under patents, copyrights, trademarks, service marks, trade names or other indicia of origins or other right is granted to Customer in the MetTel Software or in MetTel's trademark, copyright, patent, trade secret or other proprietary rights nor shall any such rights be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

**(B) Feedback.** Customer or its employees may communicate to MetTel suggested modifications, design changes, or improvements to the MetTel Software ("Feedback"). Customer agrees that MetTel will have any and all rights and interests in any Feedback without the payment of any consideration, and that any Feedback will be considered Confidential Information.

**21. CUSTOMER PROPRIETARY NETWORK INFORMATION ("CPNI").** Pursuant to federal law, CPNI is (A) information that relates to the quantity, technical configuration, type, destination, location, and amount of use of a telecommunications service subscribed to by Customer, and that is made available to MetTel by Customer solely by virtue of the carrier-customer relationship; and (B) information contained in the bills pertaining to telephone service received by Customer. MetTel will not use, disclose, or permit access to Customer's CPNI except in its provision of services from which such information is derived, or as authorized or required by federal law, or as expressly authorized by Customer. To protect customers' CPNI from inappropriate disclosure to unauthorized third parties, MetTel has implemented strict safeguards that restrict the ability of MetTel representatives to disclose certain information to or permit certain changes to accounts by inbound callers or visitors to MetTel's offices and that regulate MetTel's ability to provide customers with account access over online portals. The FCC permits business customers and their telephone service providers to agree to flexible customer authentication methods that are suited to an efficient business relationship. Customer hereby agrees that its MetTel dedicated account representative and MetTel customer support personnel who are responsible for commercial accounts may disclose Customer CPNI or make changes to Customer's account at the request of persons that they reasonably believe to be Customer's authorized representatives and that MetTel may provide online access to Customer CPNI via the Portal or in any commercially reasonable manner, and that third parties authorized in writing to MetTel may have access to Customer's CPNI. Customer may at any time contact its dedicated account representative to request access to its CPNI. Customer hereby authorizes MetTel to share Customer CPNI with Customer's agents and employees as though such persons were the Customer hereunder; such authorization may be withdrawn as to any person or entity at any time upon written notice to MetTel. Customer agrees that MetTel may share CPNI with its affiliates, agents, and partners relating to business operations, and with businesses acting on MetTel's behalf, to determine if Customer could benefit from the wide variety of MetTel and Affiliate, agent, partner products and services, and in its marketing and sales activities. Customer may withdraw its authorization at any time by informing MetTel in writing. Customer's decision regarding MetTel's use of CPNI will not affect the quality of Service MetTel provides to Customer.

**22. FIXED-RATE SERVICES.** For purposes of this Agreement, "Fixed-Rate Services" means Services for which MetTel's underlying rates and charges do not change during the applicable Term. Rates, discounts and terms for any Services for which MetTel's underlying costs from the underlying carrier change are subject to change from time to time, subject to any applicable tariffs.

**23. PRIVATE LINE / MPLS.** Where Customer is ordering private line or MPLS service from MetTel, the end points for which are located in the same state, Customer agrees that MetTel will classify such services as jurisdictionally interstate and pass through applicable taxes and surcharges accordingly, such as the federal Universal Service Fund surcharge, unless by checking this box □ [Initials ____] Customer

warrants and certifies that ten percent (10%) or less of the traffic across each such service is and will be interstate. Under FCC rules, it is the nature of the traffic itself, and not the physical endpoints of the facility provided by MetTel, that determines jurisdiction. For example, Internet traffic is interstate when used to connect to content delivered from a different state or country. Customer shall notify MetTel within 15 days if the foregoing certification is no longer valid.

**24. LEGAL AND REGULATORY CHANGES.** If any law, regulation or other action of a government authority (collectively a "Government Action") after the Effective Date affects the charges or allocation or collection of costs under this Agreement, the parties agree that MetTel may adjust the charges under this Agreement to conform to such Government Action while collecting the same charges that would have been collected absent the Government Action.

**25. SUNSET AND TECHNOLOGY TRANSITION.** MetTel will not sunset any Services during the Term without providing Customer at least thirty (30) days prior written notice or, if longer, such period required by applicable law, prior to the sunset date and will continue to provide the sunsetting Services at the rate provided in this Agreement through the sunset date, after which such Services will be disconnected. No Service disconnected in connection with a sunset by MetTel will incur termination charges. Customer may elect to terminate the sunsetting Services at any time during the period preceding the sunset date, at which time MetTel will provide reasonable assistance in coordinating cutover to Services provided by other carriers. In addition, MetTel may transition Products to alternatives providing substantially similar functionality provided the aggregate monthly recurring charges for the new Products are not greater than such charges for the Product being replaced. Such replacements will not be a sunset within the meaning of this Section.

**26. CREDIT REVIEW.** Service acceptance by MetTel is subject to MetTel's initial and continuing credit approval procedures and policies. MetTel reserves the right to withhold initiation or full implementation of any or all Services or delivery of any equipment under this Agreement pending MetTel's satisfactory review and approval thereof which may be conditioned upon terms specified by MetTel, including but not limited to security for payments due hereunder.

**27. TECHNOLOGY MIGRATION.** Customer has retained MetTel to assist with technology migration and replacement of its TDM voice Services such as POTS, Centrex, PRI and BRI (collectively, "Legacy Services") with new technology. As such, Customer agrees and hereby requests that wherever reasonably possible MetTel replace any Legacy Services provided under this Agreement with alternate Products (including without limitation, Services using Voice over IP) providing substantially similar functionality, provided in each case that the aggregate monthly recurring charges for the replacement Products (excluding taxes and surcharges) are not greater than such charges for the replaced Legacy Service, and that such charges will not be increased over a new thirty-six month Initial Term that the parties agree will begin upon activation of the replacement Product ("Replacement Product"). Upon either party's request the parties will prepare and execute a Schedule setting forth the Replacement Product and will work in good faith to complete conversion to the Replacement Product, including without limitation, by providing site access to complete the installation.

**28. SERVICE LEVEL AGREEMENTS.** MetTel Service Level Agreements attached hereto as Exhibit A are incorporated herein by reference.

**29. ACCESS TO RECORDS**. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980, MetTel agrees that the books and records of MetTel pertaining to the subject matter of this Agreement and the provision of Services hereunder will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of Services provided hereunder.

**30. EXCLUDED PROVIDER.** To its knowledge, neither MetTel nor its employees performing Services under this Agreement have been excluded from participation in federal or state healthcare programs. If MetTel becomes aware that an employee performing Services under this Agreement is excluded, MetTel will replace that employee within a reasonable time.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their respective duly authorized officers, each copy of which will for all purposes be deemed to be an original.

**AGREED AND ACCEPTED:**

Customer: Salinas Valley Health

Billing Address: 450 East Romie Lane, Salinas, CA 93901-4029

Signature By _____

Print Name and Title _____

Contact Tel _____ E-mail _____

Fed. Tax ID _____

Manhattan Telecommunications Corporation LLC

Signature By _____

Print Name: _____

Title _____

Date _____

**Exhibit A**

**SERVICE LEVEL AGREEMENTS**

**Service Level Agreement**
**(POTS & Centrex Services)**

MetTel is committed to providing our customers the highest level of satisfaction in their dealings with our account management, network support and customer care teams. At MetTel we understand the importance of telecommunications services to the health and growth of your business. We are dedicated to establishing and maintaining efficient and cost effective communications solutions for your business operation. This Service Level Agreement applies to MetTel US DS0 voice products (POTS and Centrex) within the 48 contiguous United States ("Services") for customers with minimum two-year term commitments.

We commit the following to **Salinas Valley Health ("Customer")**:

**1. Billing**
MetTel guarantees that a designated individual at Customer will receive an electronic invoice within three (3) business days of the monthly billing date. If it is not received in this time-frame, the payment interval will be extended by one business day for each business day it is delayed.

**2. Customer Support**
Customer support is available 24 hours a day, 7 days a week. Customer can reach its Dedicated Account Manager [backed up by team members and the Major Account department] at a toll free number, from 8 AM (EST) to 9 PM (EST) with questions regarding service or billing matters. An emergency toll free number will be provided for contact at other times. Customer will receive a customized escalation list, as follows:

| Level | Name | Office | Cell |
|---|---|---|---|
| New Client Services | TBD | TBD | TBD |
| 1st Level – Dedicated Account Manager | TBD | TBD | TBD |
| 2nd Level – Executive Director – Customer Care | Mark Marshall | 212-359-5113 | 201-293-9172 |
| 3rd Level – Executive Director – NCS | Doug Parobeck | 212-607-2103 | 917-836-4805 |
| 4th Level – Vice President, Customer Operations | Will Prince | 212-607-2125 | 914-329-8384 |
| Chief Operating Officer | Andoni Economou | 212-607-2004 | 917-494-7991 |

**3. Repair**
A repair ticket will be generated within three (3) hours of notification. MetTel will work to have all service interruptions back in service within eight (8) business hours. Customer shall receive an update of the repair within four (4) hours of initial Customer notification. For each day a Service is not operational, MetTel will give Customer a credit in an amount equal to the pro-rated charges for two days of the MetTel monthly recurring charge applicable to the affected Service, on the following month's bill (not to exceed a full month's recurring charges). To obtain the credit, Customer must notify MetTel of the Service Outage and request the applicable credit in writing within 30 days of the occurrence of the qualifying Service Outage.

**4. Chronic Conditions**
A line out of service for more than four (4) business hours shall be deemed a "Service Outage." If more than three related Service Outages with the same root cause occur over any thirty (30) consecutive day period, the affected Service shall be deemed to have experienced a "Chronic Outage," and the Customer shall have the option to (a) obtain credits as set forth herein; or (b) terminate the affected Service without incurring any termination fee upon written notice to MetTel within ten days of the qualifying Service Outage.

A Service Outage is an outage that is within MetTel's sole control (terminating at the edge of the carrier network) and shall not include outages that are related to customer premise equipment, activities on customer premises or third parties such as customer's telephone equipment vendors. In addition, a Service Outage shall not include an interruption in service arising from a cable cut, major disaster, act of God or other events beyond the reasonable control of MetTel, including without limitation those events identified under "Limits on Liability" in the Master Service Agreement. Service Outages are measured from the time a trouble ticket is opened with MetTel to the time the Service is restored.

This SLA becomes effective when incorporated into a related Master Service Agreement for the Services covered hereby. MetTel reserves the right to alter this SLA upon 30 days written notice to Customer prior to the change taking effect. Remedies under this SLA will not apply if: (i) Customer is in breach of its Agreement with MetTel; (ii) Customer has a past due balance with MetTel under the Agreement; or (iii) Customer is otherwise not in good financial standing with MetTel. Customer's rights hereunder are exclusive; in no event shall any failure to meet any service levels constitute, or be deemed to constitute, a breach by MetTel of the Agreement with Customer.

MetTel welcomes the opportunity to provide you with high quality telecommunications services and dedicated customer care.

# MetTel SDWAN - Service Level Agreement

This MetTel Service Level Agreement ("SLA") applies to the products described below delivered within the 48 contiguous United States then under minimum two-year term commitments. This SLA will be considered in effect on the first day of the first full month following the 30 day grace period after initial installation and applies to MetTel Software Defined Wide Area Network ("SDWAN") Network Aggregation and Applications Performance products ("Service").

We commit the following to **Salinas Valley Health** ("Customer"):

## A. Software Defined Wide Area Network "SDWAN."

### 1. Network Availability

#### 1.1 Customer Service

Customer support is available 24 / 7 via the MetTel Customer Service Center at 866.312.0911 to report a problem or open a repair ticket. Customer shall also have online access to MetTel's app.Bruin.com (or its successor) to report and track all trouble tickets.

#### 1.2 Network Downtime

The availability of the Service ("Network Availability") is measured by "Network Downtime", which exists when Customer is unable to send or receive data traffic to or from the SDWAN cloud gateway as a result of a failure within the MetTel network. Network Downtime is measured from the time a trouble ticket is opened in the MetTel trouble management system to the time the affected service is again able to transmit and receive data.

| Goal | Service Availability Remedy |
|---|---|
| 99.999% | Each consecutive 4-hour period of Network Downtime qualifies Customer for one (1) day's charges prorated from the applicable monthly recurring charge ("MRC") on the affected SDWAN Service at the location. |

## B. Remedies & General

1. **Service Credits.** Provided Customer is in good standing with MetTel and current in its obligations under the related Master Service Agreement, Customer shall be eligible to receive service credits set forth in Article A, Section 1. Credits are applied to the month in which the event giving rise to the credit occurred. Credits under Article A are calculated by excluding local access circuit charges, subject to the maximum service credits issued in any one calendar month not to exceed seven days' charges pro-rated for the affected Service. Customer must notify MetTel of the performance failure within five (5) business days of the end of the month in which the failure occurred. If Customer fails to notify MetTel in the manner set forth herein with respect to the applicable SLA credits, Customer will have waived its right to such SLA credits for that month. Customer should report and make claims via the MetTel Customer Service Center, 866.312.0911.
2. **Exceptions.** Remedies under this Article B are not available where the SLA has not been met as a result of: (a) the acts or omissions of Customer, its employees, contractors, agents or end users; (b) Customers' unauthorized or unlawful use of services; (c) the failure, malfunction or incompatibility of local access, internet, network connections to the MetTel switching center or any customer premise equipment; (d) force majeure events (including but not limited to events that would excuse failure of performance under the limitation of liability provisions of the Master Service Agreement of which this SLA is a part); (e) access restraints or inability to access Customer locations caused by a party other than MetTel or its affiliates; (f) email mis-delivery or unavailability; (g) Customer does not release Services for testing or repair and continues to use impaired service; or (h) unavailability of appropriate Customer personnel or inaccurate contact information for such personnel.
3. **Network Maintenance.** Normal network maintenance is scheduled between 11 PM–4 AM eastern times. Normal scheduled network maintenance and any associated degradation of service will not be applicable to the determination of remedies set forth in this document.
4. **Miscellaneous.** This SLA shall not be effective unless incorporated into a related Master Service Agreement for the Services covered hereby. MetTel reserves the right to alter this SLA upon 30 days written notice to Customer prior to the change taking effect. Remedies under this SLA will not apply if: (i) Customer is in breach of its Agreement with MetTel; (ii) Customer has a past due balance with MetTel under the Agreement; or (iii) Customer is otherwise not in good financial standing with MetTel. In no event shall any failure to meet any Service Levels constitute, or be deemed to constitute, a breach by MetTel of the Agreement with Customer.

# Service Level Agreement
# (Advanced Voice, Data & IP Services)

MetTel is committed to providing our customers the highest level of satisfaction in their dealings with our account management, network support and customer care teams. At MetTel we understand the importance of telecommunications services to the health and growth of your business. We are dedicated to establishing and maintaining efficient and cost effective communications solutions for your business operation. This Service Level Agreement applies to MetTel US data service products (other than MPLS, broadband (including without limitation DSL, Cable and EoC) and point to point) rated DS1 or greater within the 48 contiguous United States ("Services") for customers with minimum two-year term commitments.

We commit the following to **Salinas Valley Health ("Customer"):**

**1. Billing**
MetTel guarantees that a designated individual at Customer will receive an electronic invoice within three (3) business days of the monthly billing date. If it is not received in this time-frame, the payment interval will be extended by one business day for each business day it is delayed.

**2. Customer Support**
Customer support is available 24 hours a day, 7 days a week. Customer can reach their Dedicated Account Manager (backed up by team members and the Major Account department) at a toll free number, from 8 AM (EST) to 9 PM (EST) with questions regarding service or billing matters. An emergency toll free number will be provided for contact at other times. Customer will receive a customized escalation list, as follows:

| Level | Name | Office | Cell |
|---|---|---|---|
| New Client Services | TBD | TBD | TBD |
| 1st Level – Dedicated Account Manager | TBD | TBD | TBD |
| 2nd Level – Executive Director – Customer Care | Mark Marshall | 212-359-5113 | 201-293-9172 |
| 3rd Level – Executive Director – NCS | Doug Parobeck | 212-607-2103 | 917-836-4805 |
| 4th Level – Vice President, Customer Operations | Will Prince | 212-607-2125 | 914-329-8384 |
| Chief Operating Officer | Andoni Economou | 212-607-2004 | 917-494-7991 |

**3. Repair**
A repair ticket will be generated immediately upon notification during business hours and within three (3) hours of notification at all other times of day. Customer shall also have online access to MetTel's app.Bruin.com (or its successor) to report and track all trouble tickets. A Service unable to transmit or receive data for more than four (4) continuous business hours shall be deemed a "Service Outage" (subject to the limitations below). For each day a Service experiences a Service Outage, MetTel will give Customer a credit in an amount equal to the pro-rated charges for two days of the MetTel monthly recurring charge applicable to the affected Service, on the following month's bill (not to exceed fourteen (14) days pro-rated for the affected Service for such month). Only those facilities on the interrupted portion of the Service will receive a credit. To obtain the credit, Customer must notify MetTel of the Service Outage and request the applicable credit in writing within 30 days of the occurrence of the qualifying Service Outage.

Should any location experience a Service Outage on a substantial number of Services at one time, that trouble shall be immediately escalated to 4th level and handled by the Vice President, Customer Operations. Under these circumstances, the Vice President, Customer Operations shall provide updates to Customer at least once each hour.

**4. Chronic Conditions**
If a line or circuit experiences more than three related Service Outages with the same root cause, over any thirty (30) consecutive day period, the affected Service shall be deemed to have experienced a "Chronic Outage", and the Customer shall have the option to (a) obtain Service Outage credits as set forth herein; or (b) terminate the affected Service without incurring any termination fee upon written notice to MetTel within ten days of the qualifying Service Outage.

A Service Outage is an outage that is within MetTel's sole control (terminating at the edge of the carrier network) and shall not include outages that are related to customer premise equipment or activities on customer premises, third parties such as customer's telephone equipment vendors or unavailability of services provided over or dependent on the Services. In addition, a Service Outage shall not include an interruption in service arising from a cable cut, major disaster, act of God or other events beyond the reasonable control of MetTel, including without limitation those events identified under "Limits on Liability" in the Master Service Agreement. Service Outages are measured from the time a trouble ticket is opened with MetTel to the time the Service is restored.

This SLA becomes effective when incorporated into a related Master Service Agreement for the Services covered hereby. MetTel reserves the right to alter this SLA upon 30 days written notice to Customer prior to the change taking effect. Remedies under this SLA will not apply if: (i) Customer is in breach of its Agreement with MetTel; (ii) Customer has a past due balance with MetTel under the Agreement; or (iii) Customer is otherwise not in good financial standing with MetTel. Customer's rights hereunder are exclusive; in no event shall any failure to meet any service levels constitute, or be deemed to constitute, a breach by MetTel of the Agreement with Customer.

MetTel welcomes the opportunity to provide you with high quality telecommunications services and dedicated customer care.

# MetTel Session Initiation Protocol Service Level Agreement

This MetTel Service Level Agreement ("SLA") applies to MetTel customers served by MetTel hosted Session Initiation Protocol ("SIP") termination and origination voice products including without limitation SIP termination and POTS Transformation voice service ("Service"). The SLA applies to Services delivered within the 48 contiguous United States and customers with minimum two-year term commitments. This SLA will be considered in effect on the first day of the first full month following the 30 day grace period after initial installation.

We commit the following to **Salinas Valley Health** ("Customer"):

## 1. Network Availability

### 1.1 Customer Service

Customer support is available 24 / 7 via the MetTel Customer Service Center at 866.312.0911 to report a problem or open a repair ticket. Customer shall also have online access to MetTel's app.Bruin.com (or its successor) to report and track all trouble tickets.

### 1.2 Network Downtime

The availability of the Service ("Network Availability") is measured by "Network Downtime", which exists when Customer is unable to terminate or receive SIP traffic as a result of a failure within the MetTel network switch(es) providing the Service. Network Downtime is measured from the time a trouble ticket is opened by MetTel in the MetTel trouble management system to the time the affected service is again able to transmit and receive data.

| Goal | Service Availability Remedy |
|---|---|
| 100% | Each consecutive 4-hour period of Network Downtime qualifies Customer for one (1) day's charges prorated from the applicable monthly recurring charge ("MRC") on the affected Service. |

## 2. Remedies

**2.1 Service Credits.** Provided Customer is in good standing with MetTel and current in its obligations under the related Master Service Agreement, Customer shall be eligible to receive service credits as set forth in Section 1 of this SLA. Credits are calculated by excluding local access circuit charges and will be applied only to the month in which the event giving rise to the credit occurred. The maximum service credits issued in any one calendar month will not exceed seven days' charges pro-rated for the affected Service with respect to Network Availability. Customer must notify MetTel of the performance failure within five (5) business days of the end of the month in which the failure occurred. If Customer fails to notify MetTel in the manner set forth herein with respect to the applicable SLA credits, Customer will have waived its right to such SLA credits for that month. Customer should report and make claims via the MetTel Customer Service Center, 866.312.0911.

**2.2 Chronic Outage Termination.** Customer may terminate and/or replace the affected Service without incurring any termination fee if Network Downtime for such Service exceeds 48 hours in the aggregate over three or more occurrences in any single calendar month. Customer must provide written notice of its intent to terminate to the MetTel Customer Service Center within five (5) business days of the end of the month in which the Network Downtime occurred. Such termination will be effective 45 days after receipt of written notice by MetTel. If Customer fails to notify MetTel in the manner described herein with respect to the applicable termination right, Customer will have waived its right to such termination right. Customer should report and make claims via the MetTel Customer Service Center, 866.312.0911.

**2.3 Exceptions.** Remedies under this Section 2 are not available where the SLA has not been met as a result of: (a) the acts or omissions of Customer, its employees, contractors, agents or end users; (b) Customers' unauthorized or unlawful use of services; (c) the failure, malfunction or incompatibility of local access, internet, network connections to the MetTel switching center, services provided over or dependent on the Services or any customer premise equipment; (d) force majeure events (including but not limited to events that would excuse failure of performance under the limitation of liability provisions of the Master Service Agreement of which this SLA is a part); (e) access restraints or inability to access Customer locations caused by a party other than MetTel or its affiliates; (f) Customer does not release Services for testing or repair and continues to use impaired service; or (g) unavailability of appropriate Customer personnel or inaccurate contact information for such personnel.

## 3. Network Maintenance

Normal network maintenance is scheduled between 11 PM–4 AM eastern time. Normal scheduled network maintenance and any associated degradation of service will not be applicable to the determination of remedies set forth in this document.

## 4. Miscellaneous

This SLA shall not be effective unless incorporated into a related Master Service Agreement for the Services covered hereby. MetTel reserves the right to alter this SLA upon 30 days written notice to Customer prior to the change taking effect. Remedies under this SLA will not apply if: (i) Customer is in breach of its Agreement with MetTel; (ii) Customer has a past due balance with MetTel under the Agreement; or (iii) Customer is otherwise not in good financial standing with MetTel. Customer's rights hereunder are exclusive; in no event shall any failure to meet any service levels constitute, or be deemed to constitute, a breach by MetTel of the Agreement with Customer.

# Board or CEO – Packet Submission Checklist
## MetTel Telecommunications Carrier: Renewal, 2024 – 2027

***The original of this completed/fully signed checklist and all required supporting documents are to be hand-delivered to Assistant to CFO by 4:00 p.m. on the Tuesday that falls three (3) weeks before Board week.***

☒ **BOARD/CEO PAPER** – required for all submissions; see attached instructions/sample

☒ **KEY CONTRACT TERMS** – required for all submissions – see table in Board/CEO Paper

☒ **CONTRACT** – negotiated final with vendor signature 1001.3884

☒ **PROCUREMENT PROCESS DOCUMENTATION** – required for all submissions requiring Board review/approval per Procurement Management Policy (see policy for details; indicate which sub-category is applicable):

☐ If for **data processing/telecommunications goods/services** of more than $25,000, check applicable option and include documentation: CIO must review.
- ☐ RFP documentation
- ☒ If sole source – provide detailed justification (see attachment)
- ☐ If GPO, submit qualifying verification from Materials Management

☐ If for **professional/other services or medical/surgical equipment and supplies** more than $350,000, check applicable option and include documentation:
- ☐ RFP documentation
- ☐ If GPO, submit qualifying verification from Materials Management
- ☐ If emergency – as designated by Board

☐ If for **non-medical materials/supplies** more than $25,000, check applicable option and include documentation:
- ☐ Invitation for bids documentation
- ☐ If sole source – provide detailed justification (see Attachment 3B)
- ☐ If GPO, submit qualifying verification from Materials Management

**Legal counsel/Contract Administrator reviewed: No or ☒ Yes, By Whom: Natalie James; pre-existing MSA UPDATED from 2021 MSA.**

**SUBMITTED BY DEPARTMENT DIRECTOR OR DEPARTMENT ADMINISTRATOR:**

| Signature | Title/Department | Date |
|---|---|---|
| | | |

**REVIEWED BY:**

CIO (if applicable): _____ Date: _____

Director of MM, in lieu of Audit/Compliance: _____ Date: _____

# Board Paper: Review and Approval by President/CEO

| | |
|---|---|
| Agenda Item: | **Consider Recommendation for Board Approval of the Artificial Intelligence Empowered Clinical Documentation for Epic Solution through Competitive Solicitation and Contract Award** |
| Executive Sponsor: | Alysha Hyland, CAO<br>Catherine Ferguson, MD, CMIO |
| Date: | October 10, 2024 |

## Executive Summary

Physician burnout related to documentation time is one of the most pressing issues identified by the American Medical Association (AMA)[1] and the American Medical Informatics Association (AMIA).[2] Recent studies have shown that a generative artificial intelligence (AI) scribe can decrease the amount of time a physician spends at the computer by an average of an hour each day. [3] Generative AI scribing systems can also improve the patient experience. 81% of patients in a study at Kaiser Permanente found that using an AI scribe reported more physician and patient face to face conversation time and 71% reported that they spent more time speaking to their physician during their visit. [4]

Abridge is an advanced AI platform for clinical conversations that take place during a patient encounter. Using an application that is embedded within Epic Haiku, Abridge allows physicians to more quickly compose clinical notes. Abridge also provides a complete transcript of the patient encounter within an Epic window and allows the provider to reference the source of information in a clinical note to the conversation with the patient. This provides a superior level of reliability compared to its competitor platforms. Unique to Abridge, conversations can also take place in as many as fourteen (14) languages, with more than one language being used in each patient encounter. This functionality is especially valued given the high number of patients who are Spanish speaking at Salinas Valley Health.

This proposal allows for ten (10) ambulatory physicians to pilot Abridge for three (3) months. During that period, we will be collecting data on their use, time spent in clinical notes and burnout scores.

[1] Burnout is a health crisis for doctors—and patients | American Medical Association (ama-assn.org)
[2] AMIA Survey Underscores Impact of Excessive Documentation Burden | AMIA - American Medical Informatics Association
[3] AI scribe saves doctors an hour at the keyboard every day | American Medical Association (ama-assn.org)
[4] Ambient Artificial Intelligence Scribes to Alleviate the Burden of Clinical Documentation | NEJM Catalyst

| Key Contract Terms | Abridge AI, Inc. |
|---|---|
| 1. Proposed contract signing date | December 1, 2024 |
| 2. Term of agreement | December 1, 2024 – November 30, 2025 |
| 3. Renewal terms | Auto-renewing; 60 days' notice for non-renewal |
| 4. Termination provision(s) | 60 days' notice prior to renewal period |
| 5. Payment Terms | Invoiced annually, net 30 |

ABRIDGE Salinas Valley HEALTH

| Annual | | Monthly | Year 1 |
|---|---|---|---|
| providers | 150 | - | - |
| subscription per provider | 435 | 65,250 | $ 783,000 |
| | | | |
| **One-time** | | | |
| pilot fee* | 13,000 | | 13,000 |
| implementation | 25,000 | | 25,000 |
| | | | $ 25,000 |
| * Abridge may credit the pilot fee. | | | |
| | | | |
| TOTAL | | | $ 808,000 |

| | |
|---|---|
| 6. Annual cost(s) | $808,000<br>➢ $783,000 in annual subscription ($435/month/provider, 150 providers)<br>➢ $13,000, one-time implementation fee during the pilot (90 days, Abridge may credit),<br>➢ $25,000 fee for implementation during the service period (one-year following pilot period). |
| 7. Cost over life of agreement | $808,000 |
| 8. Budgeted (yes or no) | No. |
| 9. Contract | 1001.5057 |

## Recommendation

**Consider recommendation for Board approval of the artificial intelligence empowered clinical documentation for Epic solution through competitive solicitation and contract award in the amount of $808,000 for a 15-month term.**

## Attachments

- Sole Source Justification
- Abridge AI, Inc non-disclosure agreement (signed)
- Abridge AI, Inc Business Associate Agreement
- Abridge AI, Inc Master Services Agreement
- Abridge AI, Inc Statement of Work

# Justification for Sole Source Form

**To:** Proposal Evaluation Panel

**From:** Alysha Hyland, CAO
Catherine Ferguson, MD, CMIO

**Type of Purchase:** (check one)

- ☐ Materials/Supplies
- ☒ Data Processing/Telecommunication Goods > $25,000
- ☐ Medical/Surgical – Supplies/Equipment > $25,000
- ☐ Purchased Services

| | |
|---|---|
| Cost Estimate ($): | Eight Hundred Eight Thousand Dollars ($808,000.00) |
| Vendor Name: | Abridge AI, Inc. |
| Item Title: | Abridge: Clinical Conversation Documentation for Epic, 2024 – 2025 |

**Statement of Need:** The recommendation for sole source is based upon a review of the product/service required and appears to be in the best interest of the SVH. I am not aware of any conflict of interest pertaining to this request. No gratuities, favors, or compromising action have taken place. My personal familiarity with particular brands, types of equipment, materials, or firms has not influenced on my request to sole source this purchase when there are other known suppliers to exist.

**Describe how this selection results in the best value to SVMHS. See typical examples below.**

- ☐ Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe why it is mandatory to use this licensed or patented product or service:**
- ☐ Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe. If product is off-the-shelf, list efforts to find other vendors (i.e. web site search, contacting the manufacturer to see if other dealers are available to service this region, etc.).**
- ☒ Uniqueness of the service. Abridge is an advanced AI platform for clinical conversations that take place during a patient encounter. Using an application that is embedded within Epic Haiku, Abridge allows physicians to more quickly compose clinical notes. Abridge also provides a complete transcript of the patient encounter within an Epic window and allows the provider to reference the source of information in a clinical note to the conversation with the patient. This provides a superior level of reliability compared to its competitor platforms. Unique to Abridge, conversations can also take place in as many as 14 languages, with more than one language being used in each patient encounter. This functionality is especially valued given the high number of patients who are Spanish speaking at Salinas Valley Health. Salinas Valley Health also evaluated two other top solutions in this space and selected Abridge.
- ☐ SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Attach documentation from manufacturer to confirm that only one dealer provides the product.**
- ☐ Factory-authorized warranty service available from only this single dealer. Sole availability at the location required. **Describe.**
- ☐ Used item with bargain price (describe what a new item would cost). **Describe.**
- ☐ Other -The above reasons are the most common and established causes for an eligible sole source. If you have a different reason.

**This form is accurate and complete:**

Submitter Signature: _____ Date: _____

Catherine Ferguson, MD, CMIO

DocuSign Envelope ID: CA4A9EAE-B04E-4BAF-B1CF-117F4153DE1C

# MUTUAL NONDISCLOSURE AGREEMENT

This Mutual Nondisclosure Agreement ("Agreement") is made by and between **Abridge AI Inc.**, a Delaware corporation, with offices located at 500 Grant Street, Suite 2900, Pittsburgh, PA 15219 and **Salinas Valley Memorial Healthcare System**, a California local health care district operating as Salinas Valley Health, with offices located at 450 East Romie Lane, Salinas, CA 93901, as of May 1, 2024 ("Effective Date").

A. The parties have had discussions or anticipate having discussions regarding a potential commercial relationship ("Potential Transaction").

B. It is anticipated that each party will disclose certain Confidential Information of such party ("Disclosing Party") to the other party ("Recipient") in connection with the Potential Transaction, and the parties desire to protect the confidentiality of their respective Confidential Information.

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Definition of Confidential Information. "Confidential Information" means, with respect to Disclosing Party, all secret, proprietary or confidential information of or relating to Disclosing Party or its business which is not generally available to the public, including all technical information, including methods, know-how, formulae, processes, discoveries, inventions or research; business or financial information; information which Disclosing Party treats as confidential; all patent applications, business plans, customer lists, notes, analyses, compilations, studies and interpretations; and any other material prepared by Disclosing Party or its employees which contains or reflects or is based upon, in whole or in part the foregoing, whether disclosed before or after the date of this Agreement. "Confidential Information" of Disclosing Party does not include information which (a) was in the public domain at the time of Disclosing Party's communication thereof to Recipient, (b) entered the public domain through no fault of Recipient subsequent to the time of Disclosing Party's communication thereof to Recipient, (c) was in Recipient's possession free of any obligation of confidence to Disclosing Party at the time of Disclosing Party's communication thereof to Recipient, (d) was independently developed by Recipient, or (e) is obtained by the Recipient from a third party who is not under an obligation of confidentiality or non-disclosure to Disclosing Party.

2. Obligation of Confidentiality. Recipient will not disclose any Confidential Information of the Disclosing Party, whether obtained by Recipient before or after the Effective Date, without the Disclosing Party's prior written consent, and shall disclose Confidential Information of the Disclosing Party only to those employees of Recipient and of its affiliates and wholly owned subsidiaries who need to know such information for the sole purpose of evaluating and consummating the Potential Transaction, provided that such employees agree to be bound by the terms hereof. Recipient will be responsible for any breach of this Agreement by one or more of its employees, its affiliates or wholly owned subsidiaries, or any of their respective employees. Recipient will use the Confidential Information of the Disclosing Party solely for the purpose of evaluating and consummating the Potential Transaction. Without prior written consent of the Disclosing Party, Recipient will not copy or reproduce any portion of the Confidential Information of the Disclosing Party or attempt to modify, disassemble, reverse engineer, or emulate the functionality or create derivative works of any information contained in or derived from the Confidential Information of the Disclosing Party. Recipient will notify the Disclosing Party in writing of any misuse or misappropriation of the Confidential Information of the Disclosing Party that may come to Recipient's attention, whether conducted by Recipient or any person to whom Confidential Information has been disclosed.

3. Scope of Covenants and Obligations. Recipient acknowledges that the nature of the information that makes up the Confidential Information of Disclosing Party extends worldwide. Accordingly, the obligations of Recipient contained in paragraph 2 hereof extend to the actions of Recipient worldwide. If the length of any covenant(s) or obligation(s) as defined in this Agreement will be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, such court will have the authority to revise the illegal, invalid, or unenforceable provision(s) in a manner that will provide Disclosing Party with the maximum amount of protection contemplated under this Agreement while making such provision(s) legal, valid, and enforceable.

4. Ownership. Disclosing Party is and will remain the exclusive owner of the Confidential Information of Disclosing Party, including all patent, copyright, trade secret, trademark and other intellectual property rights therein. No license or conveyance of any such rights to Recipient is granted or implied under this Agreement. Recipient acknowledges that it has no right to disclose or use for any purpose the Residuals resulting from Recipient's access to, or work with, any Confidential Information of Disclosing Party. "Residuals" means information in tangible, electronic or non-tangible form, which may be retained by persons who have had access to the Confidential Information of Disclosing Party, including memoranda, electronic records, ideas, concepts, know-how, or techniques contained therein. Recipient will promptly disclose to Disclosing Party any inventions or developments conceived or made during the term of this Agreement relating to or derived in any way from the Confidential Information of Disclosing Party and any such inventions or developments will be the sole property of Disclosing Party. Recipient will assign to Disclosing Party all such inventions and developments and assist the Disclosing Party in every necessary way to obtain, maintain, and enforce any patents, copyrights, trademarks, or other proprietary rights in such inventions or developments.

5. Compliance with the Law. If Recipient becomes legally compelled to disclose any Confidential Information of Disclosing Party, Recipient will provide Disclosing Party with prompt notice of that request(s) so that Disclosing Party may seek an appropriate protective order or other appropriate remedy and/or waive Recipient's compliance with the provisions of this Agreement. If that protective order or other remedy is not obtained by the date that Recipient must comply with the request, or if Disclosing Party

waives compliance with the provisions of this Agreement, Recipient will provide only that portion of the Confidential Information of Disclosing Party which is legally required in the reasonable opinion of its counsel (after consultation with the Recipient's counsel), and will exercise commercially reasonable efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded to that portion of the Confidential Information of Disclosing Party which is being furnished or disclosed.

6. Return of Materials. Promptly upon written request of Disclosing Party, Recipient will deliver to Disclosing Party all documents or other materials provided by Disclosing Party to Recipient constituting Confidential Information of Disclosing Party, without retaining any copies of them. Recipient will then destroy all other documents or matters constituting Confidential Information of Disclosing Party (including all electronic records containing or describing any Confidential Information of Disclosing Party), and will confirm in writing to Disclosing Party that all Confidential Information of Disclosing Party and records have been returned or destroyed. The obligations of confidentiality and agreements contained in this Agreement will survive any return or destruction of materials containing Confidential Information and any termination of this Agreement (or discussions regarding a Potential Transaction).

7. No Representation or Warranty. Neither party makes any representation or warranty as to its Confidential Information. Neither party will have any liability based upon their Confidential Information.

8. Binding Obligation; Authority. Each of the parties hereby represents that this Agreement has been duly authorized, executed and delivered to the other party, and constitutes a binding obligation of such party.

9. Governing Law and Jurisdiction. This Agreement will be interpreted in accordance with the internal laws of the Commonwealth of Pennsylvania, without regard to the conflict of laws principles thereof. If either party institutes any legal action, suit or proceeding against the other, arising under or relating to this Agreement, it will do so in the state or federal courts located in Allegheny County, Pennsylvania, and the party against whom the action is instituted hereby waives any objection to the laying of such suit, action or proceeding in such courts.

10. Remedies. Each of the parties acknowledges that its obligations hereunder are necessary and reasonable in order to protect the other party and the other party's business, and expressly acknowledges that monetary damages are inadequate to compensate the other party for a breach or threatened breach of any covenants and obligations set forth herein. Accordingly, each party acknowledges that any such breach or threatened breach will cause irreparable injury to the other party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the other party will be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages. The Disclosing Party will be entitled to recover court costs and reasonable attorneys' fees after issuance of a final judgment in its favor in any judicial action or arbitration to enforce this Agreement.

11. Miscellaneous. The paragraph headings contained in this Agreement will not be deemed to affect the meaning or construction of any of its provisions. This Agreement constitutes the entire understanding of the parties with respect to the subject matter of this Agreement. All prior agreements, understandings, proposals or representations dealing with the subject matter of this Agreement are terminated and canceled entirely. This Agreement may only be modified in a written document executed by both parties. Subject to the limitations set forth in this Agreement, this Agreement will inure to the benefit of and be binding upon the parties, their successors and assigns. If any provision of this Agreement will be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions will remain in full force and effect. All notices, requests, consents and other communications required or permitted to be delivered hereunder will be made in writing and will be delivered by hand, via overnight delivery service or by registered or certified mail, postage prepaid, addressed to the recipient's last known address. This Agreement may be executed by email or facsimile signatures, which will be as effective as original signatures. This Agreement may be executed in one or more counterparts, none of which need contain the signatures of all parties, each of which will be deemed an original, and all of which together will constitute one and the same instrument. As used in this Agreement, the term "including" will be deemed to be followed by the words "without limitation." The recitals hereto are incorporated into and made a part of this Agreement. This Agreement shall not bind either party to enter into the Potential Transaction, which may be entered into by each party, in each party's sole and absolute discretion.

The parties hereto have executed this Agreement as of the Effective Date.

**ABRIDGE AI INC.**

By: DocuSigned by: 29251AB273CC43D...

Name: Brian Wilson

Title: Chief Commercial Officer

**SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

By: Gary Ray, SVH CLO
Gary Ray, SVH CLO (Apr 26, 2024 14:17 PDT)

Name: Gary Ray

Title: Chief Legal Officer

# ABRIDGE STATEMENT OF WORK (SOW) – PILOT + SUBSCRIPTION

This is a Statement of Work ("SOW") effective July 24, 2024 ("Effective Date") to the Abridge Master Services Agreement dated July 24, 2024 ("Agreement"), between **Salinas Valley Memorial Healthcare District**, a California local health care district, operating as Salinas Valley Health ("Customer") on behalf of itself and its Affiliates; and Abridge AI, Inc. ("Abridge").

All capitalized terms not otherwise defined in this SOW will have the meanings assigned to them in the Agreement. Unless modified herein by mutual agreement of the parties, all terms in the Agreement shall remain unchanged and in full force and effect.

## 1. CUSTOMER BUSINESS SEGMENT(S) RECEIVING ACCESS TO THE ABRIDGE PLATFORM

Customer Providers

## 2. PURPOSE

Assist Customer Clinicians with documentation of medical conversations and services provided through the Abridge Platform.

## 3. THE ABRIDGE PLATFORM

In the Agreement, Abridge provides Customer with a limited, non-exclusive, non-transferable, non-sublicensable, revocable license to use the Abridge Platform. The Abridge Platform is a purpose-built healthcare technology platform, including application programmable interfaces, for recording medical conversations to help support healthcare professionals with administrative tasks. Users access various tools through the Abridge Platform as detailed in Section 9 below ("Service" or "Services"). This SOW governs the Implementation and activation of the Abridge Platform with the Customer for the contemplated Service or Services.

No other deliverables or work product of any kind will be provided or developed by Abridge within the scope of this SOW. Except for those rights expressly granted in this Statement of Work and the Agreement, Customer acquires no other rights, express or implied, in or to the Abridge Materials or other Intellectual Property Rights of Abridge. The Services and all Intellectual Property Rights embodied therein and thereto are and shall remain the exclusive property of Abridge and its licensors. All rights not expressly granted by Abridge under this SOW or the Agreement shall be expressly reserved by Abridge.

## 4. TECHNICAL DEPENDENCIES AND REQUIREMENTS:

*a. Patient Schedule*

i. Abridge and Customer will integrate the appointment information for participating Customer Users, in advance of those appointments, for the purpose of enabling Abridge to allow Customer Users to associate appointments and recordings. This integration will leverage the following Epic APIs: GetProviderAppointments, Patient.Search, and Appointment.Search.

ii. Customer shall provide at minimum the required fields in order to successfully use the Platform: Patient name, appointment time, encounter ID, medical record number, provider identifier, patient date of birth.

iii. Abridge will enable an interface within the Abridge Clinician mobile application that will enable a clinician to associate a recording with a particular appointment.

*b. Transcript and Note*

i. Abridge will deliver the transcript and draft clinical note for successfully recorded encounters to Abridge Platform.

ii. Abridge and Customer will integrate the transcript and draft clinical note for each encounter for the purpose of enabling Customer to ingest the data and store it in appropriate fields within Customer's systems. This integration will leverage the following Epic API: SetSmartDataValues.

iii. Customer will be responsible for ingesting the data provided by Abridge and storing it within Customer's systems.

iv. Clinical judgment that may result from the use of the Abridge Platform shall remain the responsibility of the Customer.

c. *Customer EMR Integration*

i. If applicable, Customer will provide system set-up and integration support with customer EMR, such as:

1. Feedback on mapping fields from Abridge to the EMR
2. Technical support integrating to the EMR
3. Clinical feedback on integrating to the EMR
4. Proof of concept testing with EMR sandbox environment

*d. Minimum System Requirements*

i. Participating Customer Users will need access to iPhones using iOS 15.4 or later or Android devices using Android OS 10 or later, reliable Wi-Fi or data-enabled cellular connection, and computers with internet access to access the Abridge dashboard and related documentation. Customer shall also provide reasonable information technology support to Abridge in line with Customer policies to facilitate any necessary firewall and network configurations for the Services. Customer Users will need access to secure and reliable Wi-Fi or data-enabled cellular connectivity, with a minimum of 10 Megabits per second download speed and 1 Megabits per second upload speed.

*e. Application Deployment*

i. The Abridge application will be distributed to Users via a method that Abridge chooses (e.g. App Store, Google Play)

## 5. IMPLEMENTATION AND SUPPORT SERVICES

5.1 **Implementation Services**: Abridge shall provide professional services to configure, integrate and deploy the Abridge Platform to Customer. These services include, but are not limited to: initial setup, API configuration, system integration, user training, and project management. Collectively, these services are referred to as the "Implementation".

5.2 **Support Services**: Abridge shall provide (1) a project management resource, (2) a named developer/engineering resource, (3) onsite training of clinical Users (can be virtual if Customer prefers) with a train-the-trainer model, and (4) go-live support (onsite or virtual).

5.3 **Service Level Agreement**: During the Service Term of this SOW, Abridge shall provide the Abridge Platform under the Service Level Agreement included herein as Attachment B.

## 6. TERM AND TIMELINE

6.1 **Term**: The term of this SOW will begin as of the Effective Date of the SOW and continue through the Pilot Term. A Service Term may follow, but only upon issuance of prior written notice by Customer and upon approval by the Customer's Board of Directors. The Pilot Term shall commence as of the Pilot Activation Date and end ninety (90) days later ("Pilot Term"). The Service Term, if elected by Customer and approved by Customer's Board of Directors, shall commence as of the end of the Pilot Term and continue for twelve (12) months ("Service Term"). The period from the Effective Date to the end of the Service Term (or last Renewal Term, as applicable) shall be the full term of this SOW ("Term") unless otherwise terminated in accordance with this SOW.

6.2 **Activation Date**: The "Activation Date" shall be the day on which the Abridge Platform is made available to Clinicians of Customer. In the event that the Activation Date (or Go-Live) does not occur by October 1, 2024, for reasons outside of Customer control, Customer shall be entitled to a twenty-five percent (25%) refund of the Implementation Fee. Completion of technical prerequisites and information-gathering (collectively Go-Live Pre-Reqs) shall be considered to be under Customer control. Abridge will make best efforts to support Customer in timely completion of these Go-Live Pre-Reqs. The Parties agree that Go-Live Pre-Reqs must be completed at least four weeks prior to Go-Live. For clarity, to the extent a delay in the Activation Date occurs due to a failure on the part of the Customer to provide necessary information or other reasons within Customer control, a refund will not apply.The initial Activation Date following the implementation shall be known as the "Go-Live Date".

6.3 **Press Release**: In the event Customer and Abridge enter into a Service Term, Customer will execute a mutually agreed to joint press release with Abridge announcing the selection of Abridge as a partner of Customer for Abridge's ambient listening technologies within fifteen (15) days of the Go-Live Date.

6.4 **Renewal**: Following the initial Term, this SOW shall automatically renew for successive terms of the same length as the Service Term pursuant to the terms of the Agreement (each of these periods referred to as a "Renewal Term"), unless either party provides written notice of termination at least sixty (60) days' prior to the start of the Renewal Term.

## 7. PILOT

7.1 **Pilot Scope**: Abridge shall collaborate with Customer in the implementation and activation of the Abridge Platform to provision access for up to ten (10) Customer Clinicians solely during the Pilot Term ("Pilot Users").

7.2 **Success Criteria**: During the Pilot Term, Abridge and Customer will track success criteria across multiple domains as a mechanism to determine the effectiveness of the Abridge Platform in the Customer's environment ("Success Criteria"). The Success Criteria shall be as follows:

| Domain | Metric | Measurement Source |
|---|---|---|
| Adoption | # of notes generated using Abridge | Abridge |
| | # of active and engaged Users | Abridge |
| Clinician Experience | Likelihood to recommend (NPS) | Client Survey |
| | Burn-out assessment | Client Survey |
| | Cognitive load assessment | Client Survey |
| | Work Outside of Work (WoW) | Epic Signal |
| Note Quality | Avg. note star rating (1-5) | Abridge |

| | | |
|---|---|---|
| | Avg. note turnaround time | Abridge |
| | % of note generated by AI | Abridge |
| Operational Efficiency | Same-day close rate | Epic Signal |
| | Time in notes per encounter | Epic Signal |
| | Same-day patient availability | Client Survey |

Abridge and Customer may collaborate to define and measure additional Success Criteria throughout the Pilot Term.

7.3 **Acceptance**: Upon the end of the Pilot Term, Customer shall have the option to accept a subsequent Service Term of this SOW ("Acceptance"), but such Acceptance shall be contingent on approval from the Customer's Board of Directors and subsequent issuance of written notice by Customer to Abridge of such Acceptance. Following Acceptance, the Service Term shall take effect and Parties shall continue to abide by the terms of this SOW in accordance with the Agreement.

7.4 **Decline**: The Customer shall have been deemed to have declined the subsequent Service Term of this SOW ("Decline"), unless Acceptance has been separately given under Section 7.3. In the event this SOW is Declined, this SOW shall terminate as of the conclusion of the Pilot Term as detailed in Agreement Section 15.3. No further fees beyond the Pilot Fee shall be owed to Abridge in the event this SOW is Declined.

## 8. USERS

8.1 **Users:** Users are Customer Clinicians with access to the Abridge Platform (1) granted by a Subscription, as designated through an Order Form during the Service Term, or (2) granted as part of the Pilot Term as Pilot Users. Pilot Users shall be jointly agreed upon by Abridge and Customer prior to the Go-Live Date.

8.2 **Subscription:** The means through which a User is granted access to the Abridge Platform for a defined period of time as described in an applicable Order Form.

8.3 **Order Forms:** Pursuant to the Fees and Payment Schedule outlined in this SOW; an accompanying form will be utilized to administer deployment of all Subscriptions for the Abridge Platform ("Order Form" as appended in Attachment A) in the Service Term. If Customer's internal operational processes require a specific purchasing document to be issued (a "Purchase Order") to authorize payment of fees against an invoice, Customer must notify Abridge and place the Purchase Order in a timely manner following the execution of an applicable SOW or Order Form.

8.4 **Initial Order Quantity:** The Initial Order Quantity (IOQ) is the number of Subscriptions to be maintained, deployed, or added at the conclusion of the Pilot Term entering the initial Service Term.

## 9. FEES AND PAYMENT SCHEDULE

Fees listed below outline the Customer's payment obligations during the Term, pursuant to the Master Services Agreement:

| | |
|---|---|
| **Service** | Conversation to Clinical Note is a Service delivered from the Abridge Platform that assists Clinicians with documentation of medical conversations through AI-assisted summarization, note generation and transcription. |

| | |
|---|---|
| **Pilot Fee** | $13,050 one-time fee due as of the Effective Date, covering the use of the Abridge Platform during the Pilot Term |
| **Subscription Pricing at Initial Order Quantity (IOQ)** | $435 per Clinician per month due as of the start of the Service Term and each anniversary of the Annual Billing Term thereafter |
| **Initial Order Quantity (IOQ) in Service Term** | 160 |
| **Initial Annual Subscription Fees** | $783,000 |
| **Implementation Fees** | $25,000 one-time fee due as of the Effective Date, covering the Implementation |

The following terms shall apply to the payment of these fees:

9.1 **Annual Billing Term**: The "Annual Billing Term" is each 12-month period during the term of this SOW, commencing on the beginning of the Service Term and ending 12 months later. Unless specifically modified in the Order Form, fees are paid annually in advance and due as of the commencement of the Annual Billing Term each year.

9.2 **Pro Rata Payments**: In the event that an Order Form is executed to add Subscriptions during the Annual Billing Term, such Subscriptions shall be prorated for the remainder of the applicable Annual Billing Term.

9.3 **No Travel or Incidental Expenses**: For the avoidance of doubt, Customer will not reimburse Abridge for any travel or incidental expenses incurred in connection with this SOW.

9.4 **Fair Market Value**: Abridge and Customer agree that the fees detailed in this SOW represent the fair market value for the services provided and for the mutual value of collaborating on the solution's design and growth strategy and continuance of a mutually beneficial relationship. All factors included in Abridge's Master Service Agreement and this SOW are contemplated in the calculation of the fees and pricing herein.

9.5 **Other Disclaimers**: No compensation shall be related to the volume of patients or value of services provided, and the Customer's Clinicians shall at all times exercise independent clinical judgment.

9.6 **Implementation Fees Credit**: Abridge may credit the Implementation Fees at its discretion in the event that Customer provides Acceptance at the end of the Pilot Term and the parties enter into the Service Term.

## 10. STRATEGIC DESIGN PARTNER (SDP) PROGRAM

Execution of this SOW constitutes Customer's eligibility to participate in Abridge's SDP Program. As such, Customer shall have access to benefits as described in this Section 10 of the SOW.

a. Pricing Benefits:

i. Subscription Fee Tiers: Customer is eligible to procure Subscriptions at the SDP Pricing Matrix levels outlined below in Table 1 based on the corresponding volumes, provided that Customer meets the IOQ outlined in Section 9.

**Table 1**

| Pricing Tiers | Number of Subscriptions | Subscription (per month) |
|---|---|---|
| 1 | 1 - 100 | $510 |
| 2 | 101 - 250 | $435 |
| 3 | 251 - 500 | $410 |

## 11. CASE STUDY AND RESEARCH COLLABORATIONS

Abridge and Customer may from time to time mutually agree in writing on certain Research that shall be deemed an Authorized Purpose consistent with Section 3.6 of the Agreement, including research related to the benefits and efficacy of ambient listening technologies.

## 12. MILESTONES

Customer agrees to meet the total Subscription amounts ("Subscription Thresholds") by the corresponding dates as outlined below ("Milestones"). Subscription Thresholds will be calculated as the total number of Subscriptions for which duly executed Order Form(s) have been completed. Customer's failure to meet the Milestones shall allow Abridge the right to terminate the Customer's eligibility to procure Subscriptions based on the pricing table in Section 10, and all current and future Subscriptions will be adjusted to the prevailing rate associated with the IOQ.

| Milestone | Subscription Threshold | Date |
|---|---|---|
| 1 | 150 | Within 90 days of the start of the Service Term |

**ACCEPTED AND AGREED:**

| **SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM** | **ABRIDGE AI, INC.** |
|---|---|
| By: Allen Radner<br>Allen Radner (Jul 25, 2024 19:15 PDT) | By: |
| Name: Allen Radner, MD | Name: |
| Title: President/CEO | Title: |
| Date: | Date: |

ABRIDGE

**ORDER FORM**

**Offer Valid Through**: 06/28/24
**Abridge Contact**: Matt Barlup
**Email:** matt@abridge.com
**Phone Number:** (310) 384-3815
**Address**: Abridge AI Inc., 30 S 14th St Ste 1550 PMB 41901
Philadelphia, PA 19102-4826

**Contact Information**

| **Customer Business Information** | **Customer Billing Contact** |
|---|---|
| Company Name: | Name: |
| Business Contact: | Email Address: |
| Business Contact Email: | Billing Phone: |
| Business Contact Number: | Billing Fax: |
| Address: | |
| | |
| | |
| Sales Tax Exempt? | [YES] / [NO] |

Is a Purchase Order (PO) required for the purchase or payment of the products on this Order Form? [YES] / [NO]

**PO Number**: [IF APPLICABLE]
**PO Amount**: [IF APPLICABLE]

**Services and Fees**

The Customer shall pay the following fees for access to the Abridge Platform:

| **Service** | **Subscriptions** | **Monthly Unit Price** | **Months in Billing Term** | **Total Amount** |
|---|---|---|---|---|
| | | | | |
| Conversation to Clinical Note | 10 | $435 | 3 | $13,050 |
| Implementation Fee | | | | $25,000 |
| **Subscription Fees** | | | | $38,050 |

**Pro Rata Invoice:** Abridge shall invoice Customer a pro rata amount to reflect fees on the period from the Order Form Activation Date (defined below) to the end of the current Annual Billing Term for any

Subscriptions added under this Order Form. This shall be invoiced as of the Order Form Activation Date, or the Order Form Effective Date if later.

**Order Form Activation Date:** The Order Form Activation Date reflects the mutual understanding and expectation between Abridge and Customer on when the Subscriptions under this Order Form may be brought live for Clinicians.

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**Terms and Conditions**

| | |
|---|---|
| **Order Form Effective Date:** | |
| **Annual Billing Term:** | |
| **Order Form Activation Date:** | |
| **Billing Frequency:** | Annual |
| **Payment Terms:** | Net 45 |

This Order Form is entered into pursuant to the Master Services Agreement signed between Customer and Abridge dated July 24, 2024 (the "Master Agreement") and the Statement of Work signed between Customer and Abridge dated July 24, 2024 (the "SOW"). All capitalized terms not otherwise defined in this SOW will have the meanings assigned to them in the Agreement.

All terms and conditions detailed in the Master Agreement and SOW apply to Customer and shall govern this Order Form.

---

Upon signature by Customer and submission to Abridge, this Order Form shall become legally binding.

**Signed,**

| | |
|---|---|
| By: Allen Radner<br>Allen Radner (Jul 25, 2024 19:15 PDT) | By: |
| Name: | Name: |
| Title: | Title: |
| Date: | Date: |
| *For Customer* | *For Abridge* |

## ATTACHMENT B – SERVICE LEVEL AGREEMENT

**1. Definitions.**

A. "**System Availability**" means total minutes in a calendar month, measured on a 24/7/365 basis, minus Unscheduled Downtime divided by the total minutes in a month.

B. **"Scheduled Downtime"** equals the aggregate total of all minutes of planned and scheduled maintenance performed during the month (as measured on a 24/7/365 basis) to provide any necessary hardware, OS, network, database, application software maintenance, repair, upgrades, or updates. Abridge shall work with Customer to determine and use commercially reasonable efforts to schedule downtime after regular Business Hours and during times that minimize the disruption to operations.

C. "**Unscheduled Downtime**" shall mean the total number of minutes during the calendar month during which the Abridge Platform is not available, in whole or in part, for connectivity and use by Authorized Users in accordance with the Agreement, applicable SOW, and Documentation, other than due to Scheduled Downtime, as defined in Section 6 above.

D. **"Updates"** to the Abridge Platform (including but not limited to service packs, patches, and functionality updates) will be applied to the Customer environment by Abridge after regular Business Hours and during times that minimize the disruption to operations.

2. **Uptime Commitment**. System Availability for Abridge Platform will equal or exceed 99.5%. For purposes of tracking downtime duration, the Unscheduled Downtime shall begin at the time the impact is first identified and ends at the point in time when Abridge demonstrates that the issue has been resolved

A. **Credits; Refund**. In recognition of the diminution in value of the Abridge Platform to improving the quality of care and efficiencies in Customer operations based on a failure of Abridge to satisfy its System Availability commitments under this Section, the parties agree that the following service level credits ("Credit(s)") shall apply to service level failures. Credits are cumulative and shall be refunded to Customer by Abridge within thirty (30) days of the end of the month earned, or at Customer's sole option, deducted from the next Abridge invoice. Any Credits due upon termination or expiration of the term shall be paid to Customer by Abridge within thirty (30) days of the termination or expiration date.

B. If the availability of the Abridge Platform falls below 99.5% during any calendar month, Abridge will provide Customer a Credit to account for such Unscheduled Downtime as follows:

| Uptime Availability % | Monthly Credit Amount (% of the prior month fees, as determined on a pro-rated basis) |
|---|---|
| Less than 99.5% and greater than or equal to 99.0% | 5% |
| Less than 99.0% and greater than or equal to 98.5% | 7% |
| Less than 98.5% and greater than or equal to 98.0% | 10% |
| Less than 98.0% and greater than or equal to 95.0% | 15% |
| Less than 95.0% and greater than or equal to 80% | 20% |
| Less than 80% | 35% |

3. **Termination.** In the event that (i) the monthly availability of the Abridge Platform falls below 99.5%, for more than four (4) times in any rolling twelve (12) month period; or (ii) monthly availability falls below 80% for any month, Customer will have the option, but not the obligation, to terminate the SOW and/or the Agreement upon Customer providing written notice to Abridge of its intent to terminate. Notwithstanding any provision of the MSA, termination under this Section 3 shall entitle Customer to a pro-rated refund of any pre-paid fees for the remaining unused Service Term.

4. **Help Desk.** Abridge shall maintain a help desk to receive Abridge Platform-related inquiries from Customer between the hours of 9am to 6pm Eastern, Monday through Friday, excluding holidays ("Business Hours"). Notwithstanding the foregoing, Abridge will provide Customer extended support at no additional charge to Customer outside of Business Hours for Critical Defects, defined as a failure of the Abridge Platform to conform to the Agreement, the SOW, and/or applicable published documentation ("Documentation") that materially impacts Customer's business operations. Non-Critical Defects reported outside of Business Hours will be responded to during the following business day.

**ABRIDGE MASTER SERVICES AGREEMENT**

This Abridge Master Services Agreement ("**Agreement**") is entered into and effective between **Abridge AI Inc**., a Delaware Corporation ("**Abridge**"), and **Salinas Valley Memorial Healthcare District**, a California local health care district, operating as Salinas Valley Health ("**Customer**") as of June 24, 2024 ("**Effective Date**").

**WHEREAS**, Abridge provides ambient clinician documentation solutions ("Abridge Platform") that, among other features, allows healthcare providers to selectively record the patient-provider conversations and produces clinical notes based on these conversations;

**WHEREAS**, Customer is a health care provider in the business of providing healthcare services to patients;

**WHEREAS**, Customer desires to allow its clinicians to use the Abridge Platform during the Term (as defined below);

**NOW THEREFORE**, in consideration of the mutual promises and agreements set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed by the parties, the parties agree as follows:

1. **DEFINITIONS**.

1.1 **"Abridge Content"** means, collectively, the Documentation and other information and content provided by Abridge via the Abridge Platform.

1.2 **"User Account(s)"** means accounts of clinicians or providers provisioned and approved by Customer so that they may use the Abridge Platform for the Authorized Purpose under this Agreement ("Clinician(s)"). After gaining access to the Abridge Platform, Clinicians are referred to herein as "**User(s)**").

1.3 "**Affiliate(s)**" means an entity that, directly or indirectly, owns, is owned by or is under common ownership with a party. As used herein, "ownership" means the beneficial ownership of fifty percent (50%) or more of the voting equity securities or other equivalent voting interests of an entity.

1.4 "**Authorized Purposes**" means Customer and its Clinician's use and access of the Abridge Platform for (1) the sole purpose of providing documentation services to its Clinicians in the provision of healthcare services to Patients, as set forth herein, or (2) as part of a research study evaluating ambient listening technology or any other topic, regardless of whether for internal consumption or external publication ("Research"), conducted in accordance with Section 3.6.

1.5 "**Customer Data**" means Encounter Data and other data submitted, stored, or otherwise transmitted by or on behalf of Customer or any User, and received and analyzed by the Abridge Platform.

1.6 "**Customer System**" means the Customer owned or controlled website(s), servers and other equipment and software used in the conduct of Customer's business.

1.7 "**Documentation**" means the printed, paper, electronic or online user instructions and help files made available by Abridge for use with the Abridge Platform, as may be updated from time to time by Abridge.

1.8 **"Encounter Data"** means the recorded conversations made by Users using the Abridge Platform with a Patient as well as transcripts and other information related to such conversations between Users and Patients made available to Users via the Abridge Platform, that includes personal and health-related data, including without limitation "Protected Health Information" ("**PHI**") as defined by 45 C.F.R. § 160.103, as amended, that is collected, stored, processed by Abridge in connection with the Abridge Platform, as set forth herein.

1.9 "**Intellectual Property Rights**" means all intellectual property rights or similar proprietary rights, including (a) patent rights and utility models, (b) copyrights and database rights, (c) trademarks, trade names, domain names and trade dress and the goodwill associated therewith, (d) trade secrets, (e) mask works, and (f) industrial design rights; in each case, including any registrations of, applications to register, and renewals and extensions of, any of the foregoing in any jurisdiction in the world.

1.10 "**Malicious Code**" means viruses, worms, time bombs, Trojan horses and other harmful or malicious code, files, scripts, agents or programs.

1.11 "**Open-Source Software**" means all software that is available under the GNU Affero General Public License (AGPL), GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), Apache License, BSD licenses, or any other license that approved by the Open Source Initiative (www.opensource.org).

1.12 **"Order Form"** means the mechanism through which Customer shall specify the manner in which Customer Users shall access the Abridge Platform during an extended term of service, and the pricing structure associated with such access. In the event Customer requests to increase the number of Users or modify the applicable pricing structure, the Customer shall submit a new, subsequent Order Form, through which the Parties shall mutually agree to any additional terms, including but not limited to, a change in fees.

1.13 "**Patient(s)**" means individual patients of Customer or Clinician.

1.14 **"Personally Identifiable Information"** or **"PII"** means any information provided to Abridge, or controlled, possessed, stored, transmitted or processed by Abridge under this Agreement that identifies an individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual either alone or when combined with other personal or identifying information. For purposes hereof, PII does not include any PHI.

1.15 "**Platform Privacy Statement**" means the Abridge Platform Privacy Statement that is attached hereto as Exhibit A).

1.16 "**Services**" means collectively, the Abridge Platform and Support Services.

1.17 **"SOW"** means the Statement of Work where Parties shall agree to fees, order forms, pricing, and additional terms in connection with this Agreement.

1.18 "**Support Services**" means the support and maintenance services provided by Abridge pursuant to this Agreement.

1.19 **"Users"** means Customer Clinicians with access to the Abridge Platform, as designated through an Order Form or applicable SOW.

1.20 "**Vendors**" means third parties that deliver certain software or services required for the operation of the Abridge Platform. Such Vendors include, though are not limited to, hosting and serving platforms, cloud computing services, and service reliability infrastructure providers.

**2. PROJECT MANAGEMENT.** Each party shall appoint an individual to represent their interests and coordinate with the other party in the conduct of the activities contemplated by this Agreement (each such individual referred to as a party's "Project Manager"). A party may change their Project Manager in such party's sole discretion upon providing notice (email being sufficient) to the other party.

**3. ENROLLMENT; LICENSES; RESTRICTIONS.**

**3.1 Enrollment and Users**. Subject to the terms and conditions of this Agreement, during the Term, Customer may enroll Clinicians for access and use of the Abridge Platform (as Users) pursuant to the account provisioning process set forth in the applicable Documentation and subject to any limitations set forth in the applicable SOW or Order Form. User Accounts are for designated Clinicians only and cannot be shared or used by more than one Clinician. Customer shall maintain the responsibility to inform Abridge of any changes in Users or required access.

**3.2 Community Connect Users.** Customer shall inform Abridge in writing if any Users accessing the Abridge Platform are Clinicians associated with the Customer via the Epic Community Connect program ("Community Connect Users"). Community Connect Users shall remain the full responsibility of Customer consistent with any agreements between Customer and Epic, and Community Connect Users shall be billed by Abridge to Customer as regular Users under the applicable SOW or Order Form.

**3.3 Access and Use License**. Subject to Customer's compliance with the terms and conditions contained in this Agreement, Abridge hereby grants to Customer, during the Term, a limited, non-exclusive, non-sublicensable, non-transferable right for its Clinicians to access and use the Abridge Platform from and within the United States, in accordance with the Documentation and solely for the Authorized Purposes and not for the benefit of any other person or entity. Customer agrees it will obtain no rights to the Services except for the limited rights to use the Services expressly granted by this Agreement.

**3.4 Abridge Platform.** The Abridge Platform provides to Customers and its Clinicians access to Encounter Data. This shall include (a) audio recordings collected through the Abridge Platform, (b) transcripts of such recordings generated by the Abridge Platform, and (c) notes generated by the Abridge Platform based on such transcripts. Any further data to be provided by Abridge to Customer shall be specified in the SOW.

**3.5 Restrictions**. Customer shall not, directly or indirectly, and Customer shall not assist or authorize any User, Patient or third party to: (a) reverse engineer, decompile, disassemble or otherwise attempt to discover the object code, source code or underlying ideas or algorithms of the Abridge Platform; (b) modify, translate, or create derivative works based on any element of the Abridge Platform or any related Documentation; (c) except as otherwise set forth in this Agreement, rent, lease, distribute, sell, resell, assign, or otherwise transfer its rights to use the Abridge Platform; (d) use the Abridge Platform for timesharing purposes or otherwise for the benefit of any person or entity other than for the benefit of Customer and its Patients; (e) remove any proprietary notices from the Abridge Platform or Documentation; (f) publish or disclose to third parties any benchmarking or evaluation of the Abridge Platform; (g) interfere with or disrupt the integrity or performance of the Abridge Platform; (h) introduce any Open Source Software or Malicious Code into the Abridge Platform; or (i) attempt to gain unauthorized access to the Abridge Platform or their related application or systems.

**3.6 Research Protocol.** Research facilitated through Customer or Clinician use or access to the Abridge Platform shall not be an Authorized Purpose unless conducted in accordance with this Section 3.4. Customer and Clinicians engaging in Research shall: (1) provide written notice to Abridge on the commencement of any Research being conducted by an employee, contractor, associate, or affiliate of the Customer or any related organization, (2) clearly identify to Abridge, if applicable, which Users registered with Abridge Platform are engaged in Research, (3) provide a draft of any Research to Abridge for review, comment, and approval for publication with reasonable advance notice but no less than thirty (30) days in advance of publication with approval not to be unreasonably withheld by Abridge, and (4) includes explicit recognition of the Abridge product in any publication, presentation, or other materials describing the Research. Research conducted in violation of this Section 3.6 shall be a material breach of this Agreement.

**3.7 Reservation of Rights**. Except as expressly granted in this Agreement, there are no other licenses or rights granted to Customer, or any Users or Patients, express, implied or by way of estoppel, and all such rights not expressly granted are reserved by Abridge.

**4. VENDOR COMPONENTS**. The Abridge Platform may contain components facilitated by Vendors, and if used by Customer, in that case, Customer acknowledges that Abridge may allow those Vendors to access Customer Data as required for the interoperation and support of such components with the Abridge Platform. Abridge shall execute all necessary BAAs with Vendors as appropriate to ensure compliance under the law. Such Vendor components include, though are not limited to, hosting and serving platforms, cloud computing services, and service reliability infrastructure.

**5. ACCOUNTS; SECURITY**.

**5.1 Accounts**. During the Term, Customer will be able to authorize Clinicians to create User Accounts by way of Abridge's user provisioning credentials (i.e., two-factor authentication, etc.) and use the Abridge Platform. Customer shall not be entitled to allow Clinicians of any of its Affiliates or any of their patients to use the Abridge Platform without Abridge's prior written consent. To the extent such consent is provided, Customer shall be responsible and liable for any access or use by any such Affiliates and/or their respective Clinicians and Patients including for their compliance. Customer is solely responsible and liable for any and all access and use of the Abridge Platform that occurs by User Accounts issued under this Agreement. Customer agrees to immediately notify Abridge of any unauthorized use of any account or login and password issued to its or its Affiliates' Users, or any other breach of security known to Customer. Abridge shall have no liability for any loss or damage arising from Customer or its Affiliates' failure to comply with the terms set forth in this Section 6.

**5.2 No Circumvention of Security**. Neither Customer nor any of its Affiliates nor any User or Patient may circumvent or otherwise interfere with any user authentication or security of the Abridge Platform. Customer will immediately notify Abridge of any breach, or attempted breach, of security known to Customer.

**5.3 Security**. Abridge will comply with the reasonable policies and procedures with respect to access to and security for any Customer System required in connection with the Services, provided that Customer make such policies and/or procedures available to Abridge with reasonable advance notice.

**6. CUSTOMER OBLIGATIONS**.

**6.1 Customer System**. Customer is responsible at all times for (a) obtaining, deploying and maintaining any

Customer System, including all hardware, software, modems, routers and other communications equipment necessary for Customer, its Affiliates and their respective Users to access and use the Abridge Platform via phone and/or the Internet; (b) contracting with third party ISP, telecommunications and other service providers to access and use the Abridge Platform via phone and/or the Internet; and (c) paying all third party fees and access charges incurred in connection with the foregoing.

**6.2 Compliance with Law.** Customer shall comply with all applicable laws, rules and regulations, including HIPAA, with regard to the creation of Encounter Data and Patients' rights to Encounter Data stored by Abridge from Customer under this Agreement.

**6.3 Acceptable Use Policy.** Customer shall be solely responsible for its actions and the actions of its Users while using the Abridge Platform. Customer shall provide Abridge with notice within twenty-four (24) hours of any Clinician who is no longer affiliated with Customer or who has violated this Agreement so that the applicable Account may be deactivated. Any such Clinician shall have no right to remove or retain any Customer Data. Further, Customer acknowledges and agrees: (a) to abide by all local, state, national, and international laws, rules and regulations applicable to Customer's use of the Abridge Platform, including without limitation the provision and storage of Customer Data; (b) not to send or store data on or to the Abridge Platform which violates the rights of any individual or entity established in any jurisdiction; (c) not to upload in any way any information or content that contain Malicious Code or data that may damage the operation of the Abridge Platform or a computer or mobile device or Abridge or any of its licensors or suppliers; (d) not to use the Abridge Platform for illegal, fraudulent or unethical purposes; (e) not to interfere or disrupt networks connected to the Abridge Platform or interfere with other ability to access or use the Abridge Platform; (f) not to distribute, promote or transmit through the Abridge Platform any unlawful, harmful, obscene or pornographic material of any kind or nature; (g) to comply with all regulations, policies and procedures of networks connected to the Abridge Platform and Abridge's service providers; (h) not to use the Abridge Platform except in accordance with the Documentation. Customer acknowledges and agrees that Abridge neither endorses the contents of Customer or its Users' communications or Customer Data, nor assumes any responsibility for any offensive material contained therein, any infringement of third party Intellectual Property Rights arising therefrom or any illegal activity facilitated thereby. Further, Abridge does not guarantee, and does not and is not obligated to verify, authenticate, monitor or edit any Customer Data that is provided by or on behalf of Customer or any User, or any other information or data uploaded to or stored in the Abridge Platform, for completeness, integrity, quality, accuracy or otherwise.

**6.4 Business Associate Agreement.** The parties will enter into the business associate agreement in substantially the form attached hereto as Exhibit B ("**BAA**"). Notwithstanding anything in the BAA, Abridge's rights to use the Customer Data and any Normalized Data (as defined below) shall be set as forth in this Agreement and the provisions herein regarding such rights shall control over any inconsistent provisions in the BAA.

**6.5 Feasibility Review; Implementation Cooperation**. Customer agrees to review the functionality and limitations of the solutions to make an independent determination of suitability and feasibility for Customer's use. Customer shall, and shall cause any of its agents, vendors or subcontractors to promptly respond to and comply with all implementation-related requests, timelines or project milestones as communicated by Abridge during the implementation process and as further described in the SOW, as applicable. Customer expressly agrees that any failure to respond to one or more implementation-related requests, timelines or project milestones during the implementation process for a period of thirty (30) days or more may be considered a material breach of this Agreement. It shall not be a breach of this Agreement by Abridge for failure to implement based on Customer's or Customer's agents', vendors', or subcontractors' lack of cooperation.

**7. SUPPORT SERVICES.** The parties shall, within the applicable SOW or Order Form, mutually agree in writing to the Support Services to be provided by Abridge to Customer pursuant to this Agreement.

**8. INSURANCE.** Each party shall secure and maintain at all times during the Term, at such party's own expense, the following insurance: (a) Commercial General Liability, at the following limits: One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) general aggregate; (b) Professional Liability, Errors and Omissions Coverage, at the following limits: Five Million Dollars ($5,000,000) general aggregate; and (c) Cyber Liability coverage at the following limits: Five Million Dollars ($5,000,000) general aggregate.

**9. FEES AND PAYMENT; TAXES**.

**9.1 Fees**. Customer shall pay to Abridge the fees as specified in any executed SOWs and Order Forms. All

fees will be quoted and payable in United States dollars, and payment obligations will be non-cancelable, and fees paid are non-refundable.

**9.2 Invoices and Payment**. All fees will be invoiced in accordance with the applicable SOWs and Order Forms. Except as otherwise set forth in the applicable SOW or Order Form, Customer agrees to pay all invoiced amounts within forty-five (45) calendar days of the invoice receipt date.

**9.3 Taxes**. "**Taxes**" means all taxes, levies, imposts, duties, fines or similar governmental assessments imposed by any jurisdiction, country or any subdivision or authority thereof including, but not limited to federal, state or local sales, use, property, excise, service, transaction, occupation, gross receipts or similar taxes, in any way connected with this Agreement or any instrument, SOW, Order Form or agreement required hereunder, and all interest, penalties or similar liabilities with respect thereto, except such taxes imposed on or measured by a party's net income. Notwithstanding the foregoing, Taxes shall not include payroll taxes attributable to the compensation paid to workers or employees and each party shall be responsible for its own federal and state payroll tax collection, remittance, reporting and filing obligations. Fees and charges imposed under this Agreement or under any SOW, Order Form, or similar document ancillary to or referenced by this Agreement shall not include Taxes except as otherwise provided herein. Customer shall be responsible for all of such Taxes. If, however, Abridge has the legal obligation to pay Taxes and is required or permitted to collect such Taxes for which Customer is responsible under this section, Customer shall promptly pay the Taxes invoiced by Abridge unless Customer has furnished Abridge with valid tax exemption documentation regarding such Taxes at the execution of this Agreement or at the execution of any subsequent instrument, SOW, Order Form, or agreement ancillary to or referenced by this Agreement. In the event the Customer maintains tax exempt status, Customer shall be required to provide documentation of such status prior to the start of any SOW or Order Form, or otherwise be subject to accepting all applicable taxes.

**9.4 Late Payment.** If Customer fails to make any payment within forty-five (45) days of the date on an invoice, Customer agrees that such outstanding payments shall bear interest from the date an invoice is due until paid at a rate of one-half percent (0.5%) per month or at the highest rate allowed by state law, whichever is lower. Inaction on the part of Abridge to demand payment of any interest shall not constitute a waiver of its rights to receive such interest.

## 10. REPRESENTATIONS AND WARRANTIES; DISCLAIMER.

**10.1 Representations and Warranties**. Each party represents, warrants and covenants that: (a) it has the full power and authority to enter into this Agreement and to perform its obligations hereunder, without the need for any consents, approvals or immunities not yet obtained; and (b) its acceptance of and performance under this Agreement shall not breach any oral or written agreement with any third party or any obligation owed by it to any third party to keep any information or materials in confidence. Abridge represents and warrants that it will provide the Abridge Platform in a professional manner consistent with applicable industry standards, and that the Abridge Platform will substantially conform to the Documentation maintained by Abridge for the Abridge Platform. If Customer reports a breach of the foregoing warranty to Abridge in writing, Abridge will, without charge, promptly correct or repair the Abridge Platform so that it substantially conforms to the Documentation.

**10.2 Disclaimer.** EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN SECTION 11.1, ABRIDGE DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL WARRANTIES, EXPRESS, STATUTORY AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, SATISFACTORY QUALITY, ACCURACY OR NONINFRINGEMENT OF THE ABRIDGE PLATFORM AND ANY VENDOR SERVICES. ABRIDGE DOES NOT WARRANT THAT THE ABRIDGE PLATFORM WILL BE ERROR-FREE OR UNINTERRUPTED. EXCEPT AS EXPRESSLY SET FORTH HEREIN, ABRIDGE DOES NOT REVIEW, MONITOR, EVALUATE, OR ANALYZE ANY INFORMATION GENERATED FROM OR BY THE ABRIDGE PLATFORM OR PATIENTS INCLUDING FOR ANY MEDICAL PURPOSE. ABRIDGE DOES NOT ENGAGE IN THE PRACTICE OF MEDICINE AND DOES NOT PROVIDE ANY MEDICAL ADVICE OR DIAGNOSES TO PATIENTS OR OTHERWISE. IT IS CUSTOMER AND ITS USERS SOLE RESPONSIBILITY TO DISPENSE MEDICAL ADVICE TO OR MAKE DIAGNOSES OR EVALUATIONS FOR ITS PATIENTS BASED ON ITS OR THEIR INDEPENDENT PROFESSIONAL JUDGMENT, FOR THE ACCURACY OF ANY ENCOUNTER DATA WHETHER WITHIN OR OUTSIDE OF THE ABRIDGE PLATFORM. NO AGENT OF ABRIDGE IS AUTHORIZED TO ALTER OR EXPAND THE WARRANTIES SET FORTH HEREIN. THE ABRIDGE PLATFORMMAY BE SUBJECT TO LIMITATIONS, DELAYS, AND

OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. ABRIDGE IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGES RESULTING FROM SUCH PROBLEMS.

**11. INDEMNIFICATION**.

**11.1 Abridge Indemnity**.

(a) Abridge, at its expense, shall defend Customer and its Affiliates and their respective officers, directors and employees (the "**Customer Indemnified Parties**") from and against all actions, proceedings, claims and demands by a third party (a "**Third-Party Claim**") alleging that the Abridge Platform infringes any third party Intellectual Property Rights or misappropriates any trade secret and shall pay all damages, costs and expenses, including reasonable attorneys' fees (whether by settlement or award of damages by a final judicial judgment) paid to the Third Party bringing any such Third-Party Claim. Abridge's obligations under this Section 11.1 are conditioned upon (i) Abridge's being promptly notified in writing of any claim under this Section 11.1, except that a failure to promptly notify Abridge only affects the obligations of Section 11.1 to the extent the delay prejudices Abridge, (ii) Abridge having the sole and exclusive right to control the defense and settlement of the claim using counsel of its choice, except that any settlement of a claim shall not subject Customer to any additional obligations beyond those already set forth in this Agreement without Customer's consent, and (iii) Customer providing all reasonable assistance (at Abridge's expense and reasonable request) in the defense of such claim. In no event shall Customer settle any claim without Abridge's prior written approval. Customer may, at its own expense, engage separate counsel to advise it regarding a claim and to participate in the defense of the claim, subject to Abridge's right to control the defense and settlement.

(b) If any claim which Abridge is obligated to defend has occurred, or in Abridge's determination is likely to occur, Abridge may, in its sole discretion and at its option and expense (a) obtain for Customer the right to use the Abridge Platform, (b) substitute a functionally similar, non-infringing replacement for the Abridge Platform, or (c) modify the Abridge Platform to make it non-infringing and functionally similar. If Abridge reasonably determines that none of the foregoing options is practicable, Abridge shall have the right to require that Customer work with Abridge in good faith to effect an orderly and prompt termination of this Agreement in a manner that minimizes the adverse effect on the parties and refund to Customer any prepaid amounts attributable the period of time between the date Customer was unable to use the Abridge Platform due to such claim and the remaining days in the applicable Term.

(c) Notwithstanding anything to the contrary in this Agreement, the foregoing obligations shall not apply with respect to a claim of infringement if such claim arises out of (i) Customer Data, (ii) use of the Abridge Platform in combination with any software, hardware, network or system not supplied by Abridge where the alleged infringement relates to such combination, (iii) any modification or alteration of the Abridge Platform other than by Abridge, (iv) Customer's continued use of the Abridge Platform after the parties have effected an orderly termination pursuant to Section 12.1(b) above, (v) Customer's violation of applicable law, rules or regulations, where such violation is the proximate cause of the claim, or (vi) any Customer System.

(d) THE FOREGOING STATES THE ENTIRE LIABILITY OF ABRIDGE AND CUSTOMER'S EXCLUSIVE REMEDY WITH RESPECT TO ANY THIRD-PARTY CLAIM FOR THE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS BY THE ABRIDGE PLATFORM OR OTHERWISE.

**11.2 Customer Indemnity**. Customer shall defend Abridge and its Affiliates, licensors and their respective officers, directors and employees ("**Abridge Indemnified Parties**") from and against any and all Third-Party Claims which arise out of or relate to (a) a claim or threat that the Customer Data or Customer System (and the exercise by Abridge of the rights granted herein with respect thereto) infringes, misappropriates or violates any third party's Intellectual Property Rights, (b) Customer's use or alleged use of the Abridge Platform, (c) the occurrence of any excluded infringement claim described in Section 11.1(c) above, or (d) Customer's failure to comply with applicable legal and regulatory requirements for Abridge to collect, transmit and deliver the Abridge Platform using Encounter Data.

Customer shall pay all damages, costs and expenses, including attorneys' fees and costs (whether by settlement

or award of by a final judicial judgment) paid to the Third Party bringing any such Third-Party Claim. Customer's obligations under this Section 11.2 are conditioned upon (x) Customer being promptly notified in writing of any claim under this Section 11.2, (y) Customer having the sole and exclusive right to control the defense and settlement of the claim, except that any settlement of a claim shall not subject Abridge to any additional obligations beyond those already set forth in this Agreement without Abridge's consent, and (z) Abridge providing all reasonable assistance (at Customer's expense and reasonable request) in the defense of such claim. In no event shall Abridge settle any claim without Customer's prior written approval. Abridge may, at its own expense, engage separate counsel to advise it regarding a Third-Party Claim and to participate in the defense of the claim, subject to Customer's right to control the defense and settlement.

## 12. CONFIDENTIALITY.

**12.1 Confidential Information**. **"Confidential Information"** means any and all non-public technical and non-technical information disclosed by one party (the "**Disclosing Party**") to the other party (the **"Receiving Party"**) in any form or medium, whether oral, written, graphical or electronic, pursuant to this Agreement, that is marked confidential and proprietary, or that the Disclosing Party identifies as confidential and proprietary, or that by the nature of the circumstances surrounding the disclosure or receipt ought to be treated as confidential and proprietary information, including but not limited to: (a) techniques, sketches, drawings, models, inventions (whether or not patented or patentable), know-how, processes, apparatus, formulae, equipment, algorithms, software programs, software source documents, APIs, and other creative works (whether or not copyrighted or copyrightable); (b) information concerning research, experimental work, development, design details and specifications, engineering, financial information, procurement requirements, purchasing, manufacturing, customer lists, business forecasts, sales and marketing plans; (c) proprietary or confidential information of any third party who may disclose such information to the Disclosing Party in the course of the Disclosing Party's business; and (d) the terms of this Agreement and any SOW.

**12.2 Non-Disclosure**. Each party acknowledges that in the course of the performance of this Agreement, it may obtain the Confidential Information of the other party. The Receiving Party shall, at all times, keep in confidence all of the Disclosing Party's Confidential Information received by it under this Agreement. The Receiving Party shall not use the Confidential Information of the Disclosing Party other than as necessary to fulfill the Receiving Party's obligations or to exercise the Receiving Party's rights under this Agreement. Each party agrees to secure and protect the other party's Confidential Information with the same degree of care and in a manner consistent with the maintenance of such party's own Confidential Information (but in no event less than reasonable care), and to take appropriate action by agreement with its employees, Affiliates or other agents who are permitted access to the other party's Confidential Information to satisfy its obligations under this Section 13. The Receiving Party shall not disclose Confidential Information of the Disclosing Party to any person or entity other than its officers, employees, Affiliates and agents who need access to such Confidential Information in order to effect the intent of this Agreement and who are subject to confidentiality obligations at least as protective of the parties as the obligations set forth in this Agreement.

**12.3 Exceptions to Confidential Information**. The obligations set forth in Section 13.2 above shall not apply to the extent that Confidential Information includes information which: (a) was known by the Receiving Party prior to receipt from the Disclosing Party either itself or through receipt directly or indirectly from a source other than one having an obligation of confidentiality to the Disclosing Party; (b) was independently developed by the Receiving Party without use of or reference to the Disclosing Party's Confidential Information and without any violation of this Agreement; or (c) becomes publicly known or otherwise ceases to be secret or confidential, except as a result of a breach of this Agreement or any obligation of confidentiality by the Receiving Party. Nothing in this Agreement shall prevent the Receiving Party from disclosing Confidential Information to the extent the Receiving Party is legally compelled to do so by any governmental investigative or judicial agency pursuant to proceedings over which such agency has jurisdiction or court order; provided, however, that prior to any such disclosure, the Receiving Party shall (x) assert the confidential nature of the Confidential Information to the agency or by way of legal process; (y) immediately notify the Disclosing Party in writing of the agency or court order or request to disclose; and (z) cooperate fully with the Disclosing Party in protecting against any such disclosure and in obtaining a protective order narrowing the scope of the compelled disclosure and protecting its confidentiality.

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**12.4 Injunctive Relief**. The Parties agree that any unauthorized disclosure of Confidential Information or violation of the Restrictive Covenants provision may cause immediate and irreparable injury to the Disclosing Party and that, in the event of such breach, the Receiving Party will be entitled, in addition to any other available remedies, to seek immediate injunctive and other equitable relief, without bond and without the necessity of showing actual monetary damages.

## 13. OWNERSHIP RIGHTS.

**13.1 Abridge Platform**. As between Abridge and Customer, all right, title and interest in and to the Abridge Platform, Documentation, Abridge Content, Abridge Confidential Information and any other Abridge materials furnished or made available hereunder, and all derivatives, updates, upgrades, modifications and enhancements thereof, and all suggestions, ideas and feedback proposed by Customer that pertain to the Abridge Platform, including all copyright rights, patent rights and other Intellectual Property Rights in each of the foregoing, are exclusively owned by and are retained solely by Abridge or its licensors and providers, as applicable. Customer hereby does and will irrevocably assign to Abridge all evaluations, ideas, feedback and suggestions made by Customer and its Users to Abridge that pertain solely to the Abridge Platform (collectively, "**Feedback**") and all Intellectual Property Rights in the Feedback. Abridge shall retain all right, title, and interest to all maintenance releases, customization, updates, upgrades and workarounds, which may be provided to Customer for its internal use in accordance with the terms of this Agreement.

**13.2 Customer Data.** As between Abridge and Customer, all right, title and interest in (a) the Customer Data, (b) the Normalized Data (as defined below), and (c) all Intellectual Property Rights in each of the foregoing, are exclusively owned by and are retained solely by Customer. Customer hereby grants to Abridge a limited, non-exclusive, royalty- free, worldwide license to use the Customer Data and to perform all acts with respect to the Customer Data as may be necessary for Abridge to provide the Services to Customer or, in the case of information specific to an applicable individual User or Patient, as such individual User or Patient may request solely in the context of the applicable individual's healthcare needs and not for commercial use or resale. To the extent that receipt of the Customer Data requires Abridge to utilize any Account information, Customer shall be responsible for obtaining and providing relevant Account information. Customer and not Abridge is responsible for the accuracy, quality, integrity, legality, reliability, and appropriateness of Customer Data that Abridge receives from or on behalf of Customer. For avoidance of doubt, access to and use of the Customer Data by Abridge shall be in accordance with this Agreement, the Platform Privacy Statement, the BAA, and any applicable laws, rules and regulations.

**13.3 Normalized Data**. Notwithstanding anything to the contrary herein, subject to applicable laws, Abridge may normalize PHI that it receives as part of Customer Data in connection with this Agreement (such normalized PHI referred as to "Normalized Data" and this process referred to as "Normalization"). Normalization shall entail (1) de-identification of Customer Data such that Normalized Data are not individually identifiable information as provided in 45 C.F.R. § 164.514, as amended, (2) stripping Normalized Data of any metadata or other express indicators noting the identity of the Customer or the source of the Normalized Data, (3) aggregating Normalized Data with Normalized Data generated from other sources. Customer grants Abridge a nonexclusive, worldwide, paid-up, royalty-free, perpetual right and license to such Normalized Data, together with any compilations, abstracts, summaries, studies or other information derived by Abridge therefrom, to create derivative works of the Normalized Data and to use, copy, process, analyze, execute, reproduce, display, perform, transfer, distribute, and sublicense the Normalized Data to troubleshoot, improve, and extend the Services. Subject to Customer's sole continuing ownership of Customer Data and Normalized Data, Abridge shall own all products, solutions and services that it creates using such Normalized Data (including but not limited to any derivative works of the Normalized Data), and all of the Intellectual Property Rights embodied in and related to such products, solutions and services. Further, Customer shall not be entitled to any revenue, royalties, or other compensation for Abridge's own use or disclosure of the Normalized Data in accordance with the license set forth above in this Section 14.3. The rights to, and continued use of, the Normalized Data survives the termination of this Agreement.

**13.4 Abridge Data**. Notwithstanding anything else in this Agreement or otherwise, Abridge may use, analyze, reformat, process and derive data and information related to Customer's use of the Abridge Platform, and use such data and information, and derivatives therefrom, in an aggregate, de-identified, anonymous or pseudo-anonymized manner, including but not limited to compiling statistical and performance information related to the provision and operation of the Abridge Platform (collectively, the "**Abridge Data**"). The Abridge Data shall be owned by Abridge and use thereof will be in compliance with this Agreement, all applicable laws and the BAA.

**14. LIMITATION OF LIABILITY.** NEITHER CUSTOMER NOR ABRIDGE NOR ABRIDGE'S LICENSORS OR SUPPLIERS SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, OR ANY DAMAGES FOR LOST DATA, BUSINESS INTERRUPTION, LOST PROFITS, LOST REVENUE OR LOST BUSINESS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF CUSTOMER, ABRIDGE, OR ABRIDGE'S LICENSORS OR SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ABRIDGE WILL NOT BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. NEITHER ABRIDGE NOR ITS LICENSORS OR SUPPLIERS SHALL BE LIABLE UNDER THIS AGREEMENT FOR DAMAGES IN THE CUMULATIVE, AGGREGATE AMOUNT GREATER THAN THE AMOUNTS PAID BY CUSTOMER TO ABRIDGE UNDER THIS AGREEMENT DURING THE PERIOD OF TWELVE (12) MONTHS PRECEDING THE DATE ON WHICH THE CLAIM FIRST AROSE. EACH PARTY ACKNOWLEDGES THAT THIS SECTION 15 SHALL APPLY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AND SHALL APPLY EVEN IF AN EXCLUSIVE OR LIMITED REMEDY STATED HEREIN FAILS OF ITS ESSENTIAL PURPOSE WITHOUT REGARD TO WHETHER SUCH CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE. THIS SECTION 15 SHALL NOT APPLY TO A PARTY'S OBLIGATIONS SET FORTH IN SECTION 13 (CONFIDENTIALITY)..

**15. TERM AND TERMINATION**.

**15.1 Term**. This Agreement commences on the Effective Date and shall be in effect so long as an applicable SOW or Order Form is executed and in effect between the Customer and Abridge ("Term"). This Agreement shall terminate with the expiration or termination of the last SOW or Order Form between the parties.

**15.2 Termination**. A party may terminate this Agreement upon written notice to the other party in the event the other party (a) commits a material breach of any provision of this Agreement and does not remedy such breach within thirty (30) days after receipt of notice from the other party or such other period as the parties may agree, including, but not limited to, Customer's failure to timely pay Fees to Abridge, or (b) files a petition for bankruptcy or has a petition for bankruptcy filed against it that is not dismissed within sixty (60) days after filing or admits its inability to pay its debts as they mature, makes an assignment for the benefit of its creditors or ceases to function as a going concern or to conduct its operations in the normal course of business and such termination shall occur immediately upon notice (collectively, "**Bankruptcy Event**").

**15.3 Effect of Termination**. Upon expiration or termination of this Agreement, (a) Customer's use of and access to the Abridge Platform and Abridge's performance of all Support Services shall cease; (b) all SOWs and the BAA shall terminate; and (c) all fees and other amounts owed to Abridge shall be immediately due and payable by Customer. In addition, within ten (10) days of the effective date of termination each Receiving Party shall: (a) return to the Disclosing Party, or at the Disclosing Party's option, the Receiving Party shall destroy, all items of Confidential Information then in the Receiving Party's possession or control, including any copies, extracts or portions thereof, and (b) upon request shall certify in writing to Disclosing Party that it has complied with the foregoing. Further, upon termination, Customer will have thirty (30) days from the date of termination to request in writing the audio portion of the Encounter Data collected in connection with the Abridge Platform on behalf of Customer's Users up to thirty (30) days prior to the date of termination; thereafter, such data will be destroyed.

**15.4 Survival**. This Section 15 and Sections 1, 3, 6, and 9 - 16 shall survive any termination or expiration of this Agreement.

**16. MISCELLANEOUS.**

**16.1 Notices**. All notices which any party to this Agreement may be required or may wish to give may be given by addressing them to the other party at the addresses set forth below (or at such other addresses as may be designated by written notices given in the manner designated herein) by (a) personal delivery, (b) sending such notices by commercial overnight courier with verification of actual receipt, (c) by email at the email address set forth below, effective (A) when the sender receives an automated message from the recipient confirming delivery or (B) on the next Business Day after the day sent, or (d) sending them by overnight delivery or registered or certified mail. If so sent or otherwise delivered, such notices shall be deemed and presumed to have been given on the earlier of the date of actual receipt or three (3) days after sending. All communications and notices to be made or given pursuant to this Agreement shall be in the English language.

**16.2 Governing Law**. This Agreement and the rights and obligations of the parties to and under this Agreement shall be governed by and construed under the laws of the State of California as applied to agreements entered into and to be performed in such State without giving effect to conflicts of laws rules or principles. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement.

**16.3 Alternative Dispute Resolution; Binding Arbitration**. This Agreement is considered a transaction in interstate commerce. As such, the Federal Arbitration Act (Title 9 of the US Code) governs the interpretation and enforcement of this arbitration provision. The Parties knowingly and voluntarily waive the right to bring an action in court and their respective rights to a jury trial to decide any disputes relating to or arising out of this Agreement, where the amount in controversy exceeds $25,000.00 (Twenty-five Thousand and 00/100). Therefore, except for an action solely seeking injunctive or equitable relief, any issue, dispute, controversy, or claim arising out of or relating to this Agreement exceeding such amount shall, without limitation, be substantively and procedurally governed by the Federal Arbitration Act (FAA). To the extent state law is applicable under the FAA, the law of the state shall apply. References to state law shall not be construed as a waiver of any rights under the FAA. The parties further agree to delegate all issues including issues concerning the validity or enforcement of this arbitration provision, or whether it applies to a specific issue, claim, of this provision, the arbitrability of any issue, dispute, controversy or claim, or the waiver of a right by either party, shall be determined by the arbitrator. The arbitration shall be by a single arbitrator. Judgment on the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction as outlined herein.

**16.4 Publicity**. Subject to Customer's prior written consent, Abridge may reference and use Customer's name and disclose the nature of the Services provided hereunder in each case in Abridge's business development and marketing efforts, including without limitation on its website.

**16.5 Non-Solicitation.** Customer agrees that during the Term and continuing for a period of one (1) year following any expiration or termination of this Agreement the Customer shall not directly solicit for employment the employees or contractors of the other party without Abridge's prior written consent (provided, however, that the foregoing prohibition shall not preclude the solicitation by a party of any individual who responds to a general solicitation or advertisement, whether in print or electronic form, only job postings and social networking sites).

**16.6 Export Control.** Customer acknowledges and agrees that the Services shall not be used, and none of the underlying information, software, or technology may be transferred or otherwise exported or re-exported to countries as to which the United States maintains an embargo (collectively, "**Embargoed Countries**"), or to or by a national or resident thereof, or any person or entity on the U.S. Department of Treasury's List of Specially Designated Nationals or the U.S. Department of Commerce's Table of Denial Orders (collectively, "**Designated Nationals**"). The lists of Embargoed Countries and Designated Nationals are subject to change without notice. By using the Abridge Platform, Customer represents and warrants that it is not located in, under the control of, or a national or resident of an Embargoed Country or Designated National. Abridge Platform may use encryption technology that is subject to licensing requirements under the U.S. Export Administration Regulations, 15 C.F.R. Parts 730-774 and Council Regulation (EC) No. 1334/2000. Customer agrees to comply strictly with all applicable export laws and assume sole responsibility for obtaining licenses to export or re-export as may be required. Abridge and its licensors make no representation that the Abridge Platform is appropriate or available for use in other locations.

**16.7 Anti-Corruption**. Customer has not received or been offered any illegal or improper bribe, kickback, payment, gift, or thing of value from an employee or agent of Abridge in connection with this Agreement. If Customer learns of any violation of the above restriction, it will use reasonable efforts to promptly notify Abridge. Customer represents and warrants to Abridge that none of (a) Customer and its Affiliates, (b) each person or entity owning an interest in any of them nor (c) their respective personnel are (x) currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, U.S. Department of the Treasury ("**OFAC**") nor on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, and (y) a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States.

**16.8 Waiver**. No term or provision of this Agreement shall be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether express or implied, shall constitute consent to, waiver of, or excuse of any other, different, or subsequent breach by either party.

**16.9 Severability**. If any provision of this Agreement is held invalid or unenforceable for any reason, the remainder of the provision shall be amended to achieve as closely as possible the economic effect of the original term and all other provisions shall continue in full force and effect.

**16.10 Assignment**. Neither party may assign this Agreement or any rights hereunder, whether by assignment, transfer or otherwise, without the prior written consent of the other party in each instance. Notwithstanding the foregoing, either party may assign the Agreement without such consent (i) to any Affiliate, (ii) to any successor by way of merger, consolidation or other corporate reorganization of such party or (iii) in connection with the sale of all or substantially all of the assets of such party, or to an entity that assumes, by sale, license or otherwise, the business activities that are the subject of this Agreement, provided that such subsidiary or parent company or successor assumes or is otherwise fully bound by all of the obligations of the assigning party under the Agreement.

**16.11 Relationship of the Parties**. Each party is an independent contractor of the other party and there is no relationship of agency, partnership, joint venture, employment, or franchise between the parties. Neither party has the authority to bind the other or to incur any obligation on its behalf.

**16.12 Attorneys' Fees**. In any action to enforce this Agreement, the prevailing party shall be awarded all court costs and reasonable attorneys' fees incurred, including such costs and attorneys' fees incurred in enforcing and collecting any judgment.

**16.13 Force Majeure**. Except for any payment obligations pursuant to this Agreement, neither party shall be liable for any failure or delay in performance under this Agreement due to fire, explosion, earthquake, storm, flood, pandemic or weather, unavailability of necessary utilities or raw materials, Internet service provider failures or delays, or denial of service attacks, war, civil unrest, acts of terror, insurrection, riot, acts of Nature or the public enemy, strikes or other labor problems, any law, act, order, proclamation, decree, regulation, ordinance, or instructions of government or other public authorities, or judgment or decree of a court of competent jurisdiction (not arising out of breach by such party of this Agreement), or any other event beyond the reasonable control of the party whose performance is to be excused (a "**Force Majeure Event**"). If a Force Majeure Event causes a material failure in the performance by a party of more thirty (30) days, the other party shall have a right to terminate this Agreement in connection with such Force Majeure Event.

**16.14 Entire Agreement**. This Agreement, including all exhibits hereto and any applicable SOW, and other documents hereunder, together with the BAA, constitute the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous understandings, representations, discussions, negotiations, and agreements, whether written or oral.

**16.15 Order of Precedence**. To the extent any term or provision of an applicable SOW conflicts with this Agreement, the SOW shall control. Except as otherwise outlined herein, to the extent any term or provision of the BAA conflicts with this Agreement, the BAA shall control. If an SOW is terminated, this Agreement shall remain in full force and effect unless otherwise agreed upon by the parties.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have signed this Abridge Master Services Agreement as of the Effective Date.

| **ABRIDGE AI INC.** | **SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM:** |
|---|---|
| Signature: _____ | Signature: Allen Radner<br>Allen Radner (Jul 25, 2024 19:15 PDT) |
| Print Name: _____ | Print Name: Allen Radner, MD |
| Print Title: _____ | Print Title: President/CEO |
| Notice Address: _____ | Notice Address: Salinas Valley Health |
| _____ | 450 E. Romie Lane |
| _____ | Salinas, CA 93901 |
| Attention: _____ | Attention: Office of the President/CEO |
| Email Address: _____ | Email Address: |

ABRIDGE



# Enterprise Platform Privacy Statement

EXHIBIT A

This **Privacy Statement** describes the privacy practices of Abridge AI, Inc. ("**we**", "**us**", or "**our**") and how we handle personal information that we process as a service provider, processor, or business associate on behalf of our health care provider customers in connection with our enterprise platform (the "**Service**" or "**Services**").

Our processing of personal information in connection with the Services is governed by this Privacy Statement and our agreements (including business associate agreements) with each enterprise customer. In the event of any conflict between this Privacy Statement and the corresponding customer agreement, the customer agreement will control to the extent permitted by applicable law.

Please note that some of the information we process (e.g., patient information) constitutes protected health information ("**PHI**") governed by the Health Insurance Portability and Accountability Act ("**HIPAA**"). Individuals may receive a separate HIPAA privacy notice from their health care provider ("**Notice of Privacy Practices**"), which will govern the collection, use, and disclosure of PHI. To the extent there are inconsistencies between the Notice of Privacy Practices and this Privacy Statement, the Notice of Privacy Practices will govern.

## 1. PERSONAL INFORMATION COLLECTION

The information we collect may belong to our enterprise customers' patients, clinicians, or other authorized users (collectively "end users"), and may include:

**Information enterprise customers or their end users provide to us:**

- **Contact and account information**, such as first and last name, email address, mailing address, phone number, professional title, company or organization, username, password, and single sign-on information.
- **Identification numbers,** such as employee, health record, and clinician IDs that end users submit to the Services.
- **Conversations and health Information**, when clinicians record discussions with patients, which may contain patient health information. We collect the conversation's audio and use machine learning to process the audio into a readable transcript and summary for our enterprise customer's, the clinician's, and the patient's use.
- **Feedback or correspondence**, such as information provided when end users contact us with questions, feedback, or otherwise correspond with us.
- **Usage information**, such as information about how end users use the Services and interact with us, including information associated with any content uploaded to the Services or otherwise submitted, and information provided when end users use any interactive features of the Services.

- **Other information** that we may collect, which is not specifically listed here, but which we will use in accordance with this Privacy Statement or as otherwise disclosed at the time of collection.

**Automatic data collection.** We and our service providers may automatically log information about end users, their computer or mobile device, and their interaction over time with the Services, our communications, and other online services, such as:

- **Device data,** such as computer or mobile device operating system type and version, manufacturer and model, browser type, screen resolution, RAM and disk size, CPU usage, device type (e.g., phone, tablet), IP address, language settings, mobile device carrier, radio/network information (e.g., WiFi, LTE, 3G), and general location information such as city, state, or geographic area.

- **Online activity data**, such as pages or screens viewed, time spent on a page or screen, the website visited before browsing to the Services, navigation paths between pages or screens, information about activity on a page or screen, access times, and duration of access, and whether end users have opened our emails or clicked links within them.

**We use the following tools for automatic data collection:**

- **Cookies**, which are text files that websites store on a visitor's device to uniquely identify the visitor's browser or to store information or settings in the browser for the purpose of helping individuals navigate between pages efficiently, remembering preferences, enabling functionality, and helping us understand user activity and patterns.

- **Local storage technologies**, like HTML5, that provide cookie-equivalent functionality but can store larger amounts of data, including on a device outside of the browser in connection with specific applications.

- **Web beacons**, also known as pixel tags or clear GIFs, which are used to demonstrate that a webpage or email was accessed or opened, or that certain content was viewed or clicked.

## 2. PERSONAL INFORMATION USE

We use personal information for the following purposes:

**To operate our Services:**

- Provide our Services to our enterprise customers and their end users.

- Operate, maintain, secure, and improve our Services.

- Communicate with end users about our Services, including by sending announcements, updates, security alerts, and support and administrative messages.

- Personalize end users' experiences with our Services and our communications.
- Respond to requests, questions, and feedback.

**Research and development**. As part of these activities, we may create aggregated, de-identified or other anonymous data from personal information we collect. We may use this anonymous data and share it with third parties for our lawful business purposes, including to analyze and improve the Services.

**Compliance and protection,** including to:

Comply with applicable laws, lawful requests, and legal process, such as to respond to subpoenas or requests from government authorities.

Protect our, end users', customers', or others' rights, privacy, safety, or property (including by making and defending legal claims).

Audit our internal processes for compliance with legal and contractual requirements and internal policies.

Enforce the terms and conditions that govern our Services.

Prevent, identify, investigate, and deter fraudulent, harmful, unauthorized, unethical, or illegal activity, including cyberattacks and identity theft.

Privacy Standards or Security Standards, that any subcontractor conducting standard transactions on Business Associate's behalf will comply with the applicable EDI Standards.

3. **PERSONAL INFORMATION SHARING**

We may share personal information with:

- **Our enterprise customers**, to the extent the information pertains to the particular customer's end users.
- **Service providers.** Companies and individuals that provide services on our behalf or help us operate our Services or our business (such as hosting, information technology, customer support, email delivery, and website analytics services).
- **Professional advisors.** Professional advisors, such as lawyers, auditors, bankers, and insurers, where necessary in the course of the professional services that they render to us.
- **Authorities and others.** Law enforcement, government authorities, and private parties, as we believe in good faith to be necessary or appropriate for the compliance and protection purposes described above.
- **Business transferees.** Acquirers and other relevant participants in business transactions (or negotiations for such transactions) involving a corporate divestiture, merger, consolidation, acquisition, reorganization, sale, or other disposition of all or any portion of the business or

assets of, or equity interests in Abridge AI, Inc. (including, in connection with a bankruptcy or similar proceedings).

4. **LINKS TO OTHER SERVICES**

The Services may contain links to or integrations with other services not operated or controlled by us. The information shared with these third-party services will be governed by the specific privacy policies and terms of the third-party services and not by this Privacy Statement. By providing these links, we do not imply that we endorse or have reviewed these services. Please contact the third-party services directly for information on their privacy practices and policies.

5. **RETENTION**

We keep personal information for as long as reasonably necessary for the purposes described in this Privacy Statement, while we or our enterprise customers have a business need to do so, or as required by law (e.g., for tax, legal, accounting, or other purposes), whichever is longer.

6. **DATA SECURITY**

We employ a number of technical, organizational, and physical safeguards designed to protect the personal information we collect. However, no security measures are failsafe. Therefore, while we strive to protect the data we process, we cannot guarantee the security of personal information.

7. **CHANGES TO THIS PRIVACY STATEMENT**

We reserve the right to modify this Privacy Statement at any time. If we make material changes to this Privacy Statement, we will notify our enterprise customers by updating the date of this Privacy Statement and making it available to our customers, or as otherwise required by law.

8. **CONTACT US**

You can reach us by email at **privacy@abridge.com** or by post:

**Abridge**
**Attn: Legal – Privacy**
**30 S 15th St Ste 1550**
**PMB 41901**
**Philadelphia, PA 19102**

**EXHIBIT B**

**BUSINESS ASSOCIATE CUSTOMER AGREEMENT**

**THIS BUSINESS ASSOCIATE AGREEMENT** ("**BAA**") is made and entered into as of the last date signed below ("**Effective Date**") between Abridge AI, Inc. ("**Business Associate**") and Salinas Valley Memorial Healthcare District, a California local health care district, operating as Salinas Valley Health ("**Covered Entity**"). This BAA amends and is incorporated into the Services Agreement (as such may be amended from time to time, the "**Underlying Agreement**"), dated June 1, 2024, executed between Business Associate and Covered Entity. To the extent there are conflicts between the Underlying Agreement and this BAA, the BAA shall prevail. Business Associate and Covered Entity are referred to herein individually as "Party" and collectively as "Parties".

**RECITALS**

A. Business Associate provides certain services for, or on behalf of, healthcare providers who are considered "**Covered Entities**" within the meaning of the Health Insurance Portability and Accountability Act of 1996 (as amended, the "**HIPAA Act**"), and the Privacy Standards and Security Standards and other rules and regulations promulgated thereunder, the Health Information Technology for Economic and Clinical Health Act ("**HITECH Act**"), and the rules and regulations promulgated thereunder (HIPAA Act, HITECH Act, the Privacy Standards, the Security Standards and such other rules and regulations, collectively, "**HIPAA**").

B. Business Associate has contracted with Covered Entity to provide services, pursuant to the Underlying Agreement, which may require access to, collection or maintenance of, Use or Disclosure of, or other processing of Protected Health Information on the Covered Entity's behalf under HIPAA.

C. The Parties desire to enter into this BAA in order to ensure compliance with the requirements of HIPAA. This BAA will apply only to the extent Business Associate is acting as a "Business Associate" of Covered Entity, and excluding all functions or activities of Business Associate that do not require under HIPAA a Business Associate Agreement.

**In** consideration of the foregoing, the mutual promises, and other consideration contained in the Underlying Agreement and contained herein, the receipt and sufficiency of which for this BAA is acknowledged by the Parties, the Parties agree as follows:

## 1. DEFINITIONS

Capitalized terms used but not otherwise defined in this BAA or the Underlying Agreement shall have the meaning assigned by HIPAA.

**1.1.** "**Applicable Law**" means the laws and regulations applicable to the processing of information pursuant to this BAA.

**1.2.** **"Breach**" has the same meaning as the term "breach" in 45 CFR § 164.402.

**1.3.** "**Business Associate**" has the same meaning as the term "business associate" in 45 CFR § 160.103.

**1.4.** "**Business Associate Agreement**" or "**BAA**" means an agreement satisfying HIPAA requirements for contracts with "business associates", including 45 CFR § 164.504(e)(1).

**1.5.** "**Covered Entity**" has the same meaning as the term "covered entity" in 45 CFR § 160.103.

**1.6.** "**Data Aggregation**" has the same meaning as the term "data aggregation" in 45 CFR § 164.501.

**1.7.** "**Designated Record Set**" has the same meaning as the term "designated record set" in 45 CFR § 164.501.

**1.8.** "**Disclose**" or "**Disclosure**" has the same meaning as the term "Disclosure" in 45 CFR § 160.103.

**1.9.** "**Electronic Protected Health Information**" or "**ePHI**" has the same meaning as the term "electronic protected health information" in 45 CFR § 160.103, limited to the information created, received, maintained or transmitted by Business Associate for, or on behalf of, Covered Entity.

**1.10.** "**Individual**" has the same meaning as the term "individual" in 45 CFR § 160.103 and includes any person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

**1.11.** "**Privacy Standards**" means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E, as amended by the HITECH Act and as may otherwise be amended from time to time.

**1.12.** "**Protected Health Information**" or "**PHI**" has the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created, received, maintained, or transmitted by Business Associate for, or on behalf of, Covered Entity. As used in this BAA and where otherwise specified, Protected Health Information includes Electronic Protected Health Information.

**1.13.** "**Required by Law**" has the same meaning as the term "required by law" in 45 CFR § 164.103.

**1.14.** "**Secretary**" means the Secretary of the U.S. Department of Health and Human Services or his or her designee.

**1.15.** "**Security Incident**" has the same meaning as the term "security incident" in 45 CFR § 164.304.

**1.16.** "**Security Standards**" means the regulations found at 45 CFR Part 160 and Part 164, Subparts A and C, as amended by the HITECH Act and as may otherwise be amended from time to time.

**1.17.** "**Unsecured Protected Health Information**" has the same meaning as the term "unsecured protected health information" in 45 CFR § 164.402.

**1.18.** "**Use**" has the same meaning as the term "use" in 45 CFR § 160.103.

## 2. USE OR DISCLOSURE OF PROTECTED HEALTH INFORMATION

**2.1. Permitted Uses or Disclosures.** Pursuant to this BAA, Business Associate may only Use or Disclose Protected Health Information as necessary to perform its duties, obligations, and functions under the Underlying Agreement; as Required by Law; or as otherwise permitted by this BAA, or authorized by Covered Entity in writing, unless any such Use or Disclosure violates HIPAA or other Applicable Law. Business Associate will only Use and Disclose Protected Health Information if such Use or Disclosure complies with each applicable requirement of 45 CFR § 164.504(e) and would not otherwise violate the requirements of the Privacy Standards if done by Covered Entity.

**2.2. Management & Administration.** Business Associate may Use or Disclose Protected Health Information for its own proper management and administration or to carry out its legal responsibilities, provided that any such Disclosures are Required by Law or any third Party to which Business Associate Discloses Protected Health Information provides reasonable assurances that such Protected Health Information will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was Disclosed to the third Party, and the third Party agrees to notify Business Associate immediately of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

**2.3. De-identification.** Business Associate may de-identify Protected Health Information in accordance with the Privacy Standards, including 45 CFR § 164.514, and Use and Disclose such de-identified information as permitted by the Privacy Standards, or other Applicable Law, including 45 CFR § 164.506(c).

**2.4. Data Aggregation.** Business Associate may Use or Disclose Protected Health Information to perform Data Aggregation for the Health Care Operations of Covered Entity.

**2.5. Minimum Necessary.** Business Associate will use reasonable efforts to limit Uses of, Disclosures of, or Requests for, Protected Health Information to the minimum necessary to accomplish the intended purpose of such Use, Disclosure, or request, in accordance with the minimum necessary standards at 45 CFR § 164.502(b) and in any guidance issued by the Secretary.

**2.6. Marketing, Sales, and Fundraising.** Business Associate will not Sell Protected Health Information, or Disclose Protected Health for purposes of Marketing or Fundraising, unless expressly authorized by Covered Entity in writing and then only as permitted under HIPAA.

**2.7. Electronic Data Interchange Standards.** Business Associate will satisfy all applicable provisions of HIPAA "**Electronic Data Interchange Standards**" or "**EDI Standards**", in accordance with 45 CFR Part 162. Business Associate will require, in writing or by contract where required under the Privacy Standards or Security Standards, that any subcontractor conducting standard transactions on Business Associate's behalf will comply with the applicable EDI Standards.

## 3. ADDITIONAL OBLIGATIONS OF BUSINESS ASSOCIATE

**3.1. Security Standards & Safeguards.** Business Associate shall use and maintain appropriate administrative, physical, and technical safeguards, and comply with the applicable Security Standards with respect to any Electronic Protected Health Information it creates, receives, maintains, or transmits on behalf of Covered Entity, to prevent the Use or Disclosure of such

information other than as permitted by this BAA and to ensure the integrity and availability of such information.

**3.2. Subcontractors and Agents.** Business Associate will ensure that any "subcontractor" (within the meaning of 45 CFR § 160.103) or agent that creates, receives, maintains, transmits, or otherwise processes Protected Health Information on behalf of Business Associate agree in a writing compliant with 45 CFR § 164.504(e)(2) through (e)(4), that it will comply with no less restrictive restrictions and conditions that apply to Business Associate with respect to such information. Business Associate shall also ensure that any such "subcontractor" or agent that creates, receives, maintains or transmits Electronic Protected Health Information on behalf of Business Associate agrees to comply with the applicable requirements of the Security Standards with respect to such information.

**3.3. Duty to Mitigate.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect known to Business Associate of a Use or Disclosure, or Breach, of Protected Health Information by Business Associate, not authorized or otherwise in violation of the applicable Privacy Standards or Security Standards, or this BAA.

**3.4. Books and Records.** Business Associate will make its internal practices, books, and records relating to its Use and Disclosure of Protected Health Information on behalf of Covered Entity available to the Secretary for the purposes of determining the Parties' compliance with HIPAA. Where legally permissible and reasonable, prior to responding to a request received by Business Associate from the Secretary subject this Section, Business Associate will provide notice to Covered Entity of the Secretary's request. Notwithstanding the above, no attorney-client or other legal privilege will be deemed waived by the Parties by virtue of this provision.

**3.5. Access Requests.** If Business Associate maintains Protected Health Information in a Designated Record Set, Business Associate will provide in a prompt and reasonable way to Covered Entity, or, as directed by Covered Entity, to an Individual (or Individual's designee), access to such information at reasonable times, if requested by Covered Entity, in accordance with the requirements under 45 CFR § 164.524.

**3.6. Amendment Requests.** At the request of Covered Entity or an Individual (or Individual's designee), Business Associate will make in a prompt and reasonable way any amendment(s) to Protected Health Information in a Designated Record Set, if applicable, agreed to by Covered Entity, pursuant to 45 CFR § 164.526, within fifteen (15) business days after such request.

**3.7. Accounting Requests.** Except for disclosures excluded from the accounting obligations under HIPAA, Business Associate agrees to document and make available to Covered Entity, or as directed by Covered Entity, to an Individual (or Individual's designee), information relating to Disclosures made by Business Associate of Protected Health Information as would be required for Covered Entity to satisfy its obligations under 45 CFR § 164.528 and Section 13405(c) of the HITECH ACT, and any regulations issued pursuant thereto. The information provided by Business Associate under this Section will cover a period for up to six (6) years preceding the request for the information, except that the Business Associate need not have any information for disclosures occurring before the effective date of this BAA, or with respect to Disclosures required

by HITECH, the effective date of the HITECH regulations. This Section will survive termination of this BAA.

**3.8. Restriction Requests.** Business Associate will reasonably comply with any technically feasible communicated restrictions in the Use and Disclosure of Protected Health Information to which Covered Entity has agreed pursuant to 45 CFR § 164.522, and will further comply with any Individual's request for restrictions on Protected Health Information Disclosures that Covered Entity or Business Associate is Required by Law to honor, including without limitation, requests for restrictions on disclosures to a health plan if the Disclosure is for payment or health care operations and pertains solely to a health care item or service for which the Individual has paid his or her health care provider out of pocket in full, unless such Disclosure is otherwise Required by Law.

**3.9. Request Administration.** For a request made to Business Associate subject to Sections of 3.5-3.8 of this BAA, Business Associate will notify Covered Entity of the Request within five (5) business days after receiving the request from an Individual, and Covered Entity will determine whether to grant or deny such requests.

**3.10. Performance of Covered Entity Obligations.** To the extent Business Associate is to carry out any obligation of Covered Entity pursuant to this BAA, or the Underlying Agreement, Business Associate will comply with the same Privacy Standard requirements that apply to Covered Entity in its performance of such obligation.

## 4. REPORTING

**4.1. Duty to Report.** If Business Associate becomes aware of any Use or Disclosure of Protected Health Information in violation of this BAA, Business Associate will, within twenty (20) calendar days after becoming aware, report such information in writing to Covered Entity.

**4.2. Breach Reporting.** If Business Associate becomes aware of any known or reasonably suspected Breach of Unsecured Protected Health Information, Business Associate will report to Covered Entity without unreasonable delay, but in no event more than twenty (20) business days after becoming aware of the Breach, if and to the extent known at the time of reporting: a description of the breach, including the occurrence date and circumstances surrounding discovery, and all such other information Covered Entity may request of Business Associate in order for Covered Entity to meet its obligations under 45 CFR Part 164, Subpart D, or other applicable state breach notification laws.

**4.3. Security Incidents.** Business Associate agrees to implement and maintain reasonable systems for the discovery and prompt reporting of Security Incidents. Business Associate will report to Covered Entity any Security Incident of which it becomes aware, within twenty (20) business days of discovery of the Security Incident.

The Parties acknowledge that Business Associate may, from time to time, experience trivial and "**Unsuccessful Security Incidents**", which shall mean (for purposes of this BAA) pings and other broadcast attacks on firewalls, port scans, unsuccessful log-on attempts, denials of service, or any combination of the above, where regardless of the means used no unauthorized access, Use, or Disclosure of Electronic Protected Health Information occurs. This BAA will be sufficient notice of such trivial and Unsuccessful Security Incidents, and no further notice of the same will be

required. Business Associate will mitigate, to the extent practicable, any harmful effect that is known to Business Associate of any such Security Incident(s).

## 5. TERM & TERMINATION

**5.1. Term.** This BAA will become effective as of the Effective Date and, unless otherwise terminated as provided herein, will expire when the Underlying Arrangement expires or terminates and all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity. In the event it is infeasible to return or destroy the Protected Health Information, protections are extended to such information, in accordance with the termination provisions in Section 5.4 below.

**5.2. Termination due to Breach.** Either Party, upon discovering the other Party has materially breached its obligations under this BAA, may terminate the BAA, effective immediately, provided that the breaching Party has failed to cure such breach within thirty (30) days of being notified by the other Party of the breach.

**5.3. Effect of Termination.** Upon termination of this BAA for any reason, Business Associate will, within thirty (30) business days after the effective date of the termination, return or destroy, as directed by Covered Entity, all Protected Health Information received from Covered Entity, or collected or created by Business Associate on behalf of Covered Entity, and shall not retain any copies thereof. If such return or destruction is not feasible, Business Associate will extend the protections of this BAA to such Protected Health Information and will limit further Uses and Disclosures of such information to those purposes which make the return or destruction of such information infeasible. For purposes of this BAA, de-identified information does not constitute Protected Health Information and is not subject to return or destruction under this Section.

## 6. INDEMNIFICATION & LIMITATIONS OF LIABILITY

**6.1 LIMITS OF LIABILITY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, BUSINESS ASSOCIATE'S TOTAL LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT FOR ANY CLAIMS OF ANY NATURE WILL NOT EXCEED THE AMOUNT OF FEES RECEIVED BY BUSINESS ASSOCIATE PURSUANT TO THE UNDERLYING AGREEMENT DURING THE PRECEDING 12-MONTH PERIOD. IN NO EVENT WILL BUSINESS ASSOCIATE BE LIABLE FOR ANY INDIRECT, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE BREACH THEREOF, INCLUDING LOST PROFITS, LOST DATA, BUSINESS INTERRUPTION OR OTHER ECONOMIC LOSS. THE LIMITATION OF LIABILITY SET FORTH IN THIS SECTION 6.1 WILL APPLY EVEN IF BUSINESS ASSOCIATE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS SECTION 6.1 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

**6.2 Indemnification**. Each party ("Indemnifying Party") shall, to the full extent permitted by law, indemnify and hold harmless the other party and its directors, officers and employees from and against any and all losses, out-of-pocket costs, claims, penalties, fines, or liabilities in association with third-party claims from or related to the acts or omissions of the

Indemnifying Party or its employees, directors, or agents, related to the performance or nonperformance of this BAA or a breach of HIPAA requirements. In the event the other Party does not accept a legitimate offer of settlement, the Indemnifying Party shall be responsible for such liability; damages, out-of-pocket costs and expenses in the amount contained in the offer, in a subsequent settlement, to the amount ultimately awarded by a court or tribunal whichever is less. This indemnification provision shall survive termination of this BAA and/or the Agreement for any reason.

## 7. MISCELLANEOUS

**7.1. Entire Agreement.** This BAA and the Underlying Arrangement (and the exhibits and schedules thereto) constitute the complete agreement between the Parties relating to the matters specified in this BAA, and supersedes all prior representations or agreements, whether oral or written, with respect to such matters. This BAA is for the benefit of, and will be binding upon the Parties, their Affiliates and respective successors and assigns.

**7.2. Severability.** Any provision of this BAA that is determined to be invalid or unenforceable will be ineffective to the extent of such determination without invalidating the remaining provisions of this BAA or affecting the validity or enforceability of such remaining provisions.

**7.3. Conflicts.** In the event of any conflict between the terms of this BAA and the terms of the Underlying Arrangement or any such later agreement(s), the terms of this BAA will control unless the terms of such Underlying Arrangement are more strict with respect to Protected Health Information and comply with HIPAA, or the Parties specifically otherwise agree in writing.

**7.4. Amendment.** To be effective, any amendment or modification of this BAA must be in writing and signed by or on behalf of each of the Parties hereto. Such amendment, alteration or change will in no way affect the other terms and conditions of this BAA, which in all other respects will remain in full force and effect in accordance with its terms.

**7.5. Changes to HIPAA.** If after the Effective Date of this BAA, should HIPAA or the rules and regulations promulgated thereunder be amended, or, in the opinion of the respective counsel to the Parties, be interpreted to require changes in the obligations of the Parties under this BAA, the Parties agree to promptly confer and negotiate in good faith amendments to this BAA, limited to changes reasonably necessary for compliance with HIPAA, Applicable Law, and, as nearly as possible, the intent of the Parties as expressed herein and the economic arrangements and positions of the Parties hereunder, per the BAA and the Underlying Agreement. If the Parties are unable to resolve the matter through good faith negotiations within sixty (60) calendar days thereafter, then either Party may initiate the dispute resolution procedures set forth in Section 7.13. Any ambiguity in this BAA shall be resolved to permit the Parties to comply with HIPAA and other Applicable Law.

**7.6. Waiver; Consents.** No consent or waiver, express or implied, by either Party hereto or of any breach or default by the other Party in the performance by the other of its obligations hereunder will be valid unless provided in a writing signed by the Party to be charged thereby, and no such consent or waiver will be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligations of such Party hereunder. Failure of either Party to complain of any act, or failure to act, of the other

Party, or to declare the other Party in default, regardless of how long such failure continues, will not constitute a waiver by such Party of its rights hereunder. The granting of any consent or approval in any other instance by or on behalf of any Party will not be construed to waive or limit the need for such consent in any other or subsequent instance.

**7.7. Assignability; Binding Effect.** Neither this BAA nor any interest herein may be assigned in whole or in part by either Party without obtaining the prior written consent of the other Party; provided, however, that Business Associate may assign, delegate, transfer or convey its rights, benefits and/or obligations hereunder (whether by merger, consolidation, operation or otherwise) to a parent, subsidiary or Affiliate thereof or to an entity into which Business Associate is merged or with which Business Associate is consolidated or to a purchaser of all or substantially all of its assets or capital stock or as part of a corporate reorganization, and Business Associate may collaterally assign its rights and benefits hereunder to any lender, for security purposes or as collateral, from which Business Associate or its affiliate obtains financing. The provisions of this BAA will be binding upon and will inure to the benefit of the Parties' successors and permitted assigns, respectively, but this provision will not constitute a consent by either Party to assignment by the other Party otherwise prohibited by the preceding sentence.

**7.8. Headings; Interpretation.** The headings of the Sections and Articles of this BAA are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything herein contained or govern the rights or liabilities of the Parties hereto. The terms "include" and "including" will be deemed to be followed by the words "without limitation." Each Party has read this BAA in full, has had the opportunity for independent review by its legal and other counsel, and has had opportunity to consult with and be advised by such counsel, and the terms and conditions contained herein have been arrived at by arm's length negotiations between the Parties. The Parties intend that rules of interpretation or construction of contracts that would construe any ambiguity herein against the draftsman, by virtue of being the draftsman, will not apply.

**7.9 Notices.**

**7.9.1. Deference to Underlying Agreement.** All notices and other communications required or permitted under this BAA must be in writing and shall be done in accordance with the treatment of notices in the Underlying Agreement.

**7.9.2. Alternative.** Should the Underlying Agreement not sufficiently specify notice instructions, pursuant to 7.9.1., the following alternative terms shall apply:

> All notices, requests, demands, claims and other communications required or permitted under this BAA, must be in writing and will be deemed effectively given if and when: (i) delivered personally to the recipient (in which case, it will be effective upon delivery); (ii) by facsimile or email during normal business hours (in which case, it will be effective upon receipt of confirmation of good transmission); or (iii) by overnight delivery by a nationally recognized courier service (in which case, it will be effective on the business day after being deposited with such courier service).
>
> If submitting to COVERED ENTITY:
>
> Can mail, send by fax, or email to: Salinas Valley Health

Office of the President/CEO
450 E. Romie Lane
Salinas, CA 93901

If submitting to BUSINESS ASSOCIATE:

Can mail, send by tax, or email to: Abridge AI Inc.
Attn: Legal
500 Grant St. Suite 2900
Pittsburgh, PA 15219 Abridge AI Inc.

with a copy emailed to: legal@abridge.com.

Each Party may change its address or any portion thereof for purposes of this Section 7 by giving notice to the other Party as provided above, but such notice of change in address will be effective only upon actual receipt by the other Party.

**7.10. Counterparts.** This BAA may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. In making proof with respect to this BAA, it will be necessary to produce only one copy hereof signed by the Party to be charged. The Parties may deliver executed counterpart signature pages to this BAA by facsimile transmission, by electronic mail in .pdf form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, and such delivery will have the same effect as physical delivery of the paper document bearing an original signature.

**7.11. No Third Party Beneficiaries.** Except as otherwise provided herein or in the Underlying Arrangement, no third party will be considered a third-party beneficiary under this BAA, nor will any third party have any rights as a result of this BAA.

**7.12. Governing Law; Venue.** This BAA will be governed and construed in accordance with the laws of the State of California to the fullest extent permitted by law without regard to the application of conflict of laws rules.

**7.13 Independent Contractor Status.** For the purposes of this BAA, Business Associate is an independent contractor of Covered Entity, and shall not be considered an agent of Covered Entity.

**7.14. Dispute Resolution.** This Agreement is considered a transaction in interstate commerce. As such, the Federal Arbitration Act (Title 9 of the US Code) governs the interpretation and enforcement of this arbitration provision. The Parties knowingly and voluntarily waive the right to bring an action in court and their respective rights to a jury trial to decide any disputes relating to or arising out of this Agreement, where the amount in controversy exceeds $25,000.00 (Twenty-five Thousand and 00/100). Therefore, except for an action solely seeking injunctive or equitable relief, any issue, dispute, controversy, or claim arising out of or relating to this Agreement exceeding such amount shall, without limitation, be substantively and procedurally governed by the Federal Arbitration Act (FAA). To the extent state law is applicable under the FAA, the law of the state shall apply. References to state law shall not be construed as a waiver of any rights under the FAA. The parties further agree to delegate all issues including issues concerning the validity or enforcement of this arbitration provision, or whether it applies to a

specific issue, claim, of this provision, the arbitrability of any issue, dispute, controversy or claim, or the waiver of a right by either party, shall be determined by the arbitrator. The arbitration shall be by a single arbitrator. Judgment on the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction as outlined herein.

**The** Parties have executed and entered into this BAA as of the Effective Date.

**COVERED ENTITY**
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

SIGNATURE: Allen Radner
Allen Radner (Jul 25, 2024 19:15 PDT)

PRINTED NAME: Allen Radner, MD

ROLE: President/CEO

DATE: _____

**BUSINESS ASSOCIATE**
Abridge AI, Inc.

SIGNATURE: _____

PRINTED NAME: _____

ROLE: _____

DATE: _____

abridge

# Salinas Valley Health

## Subscription Model Proposal

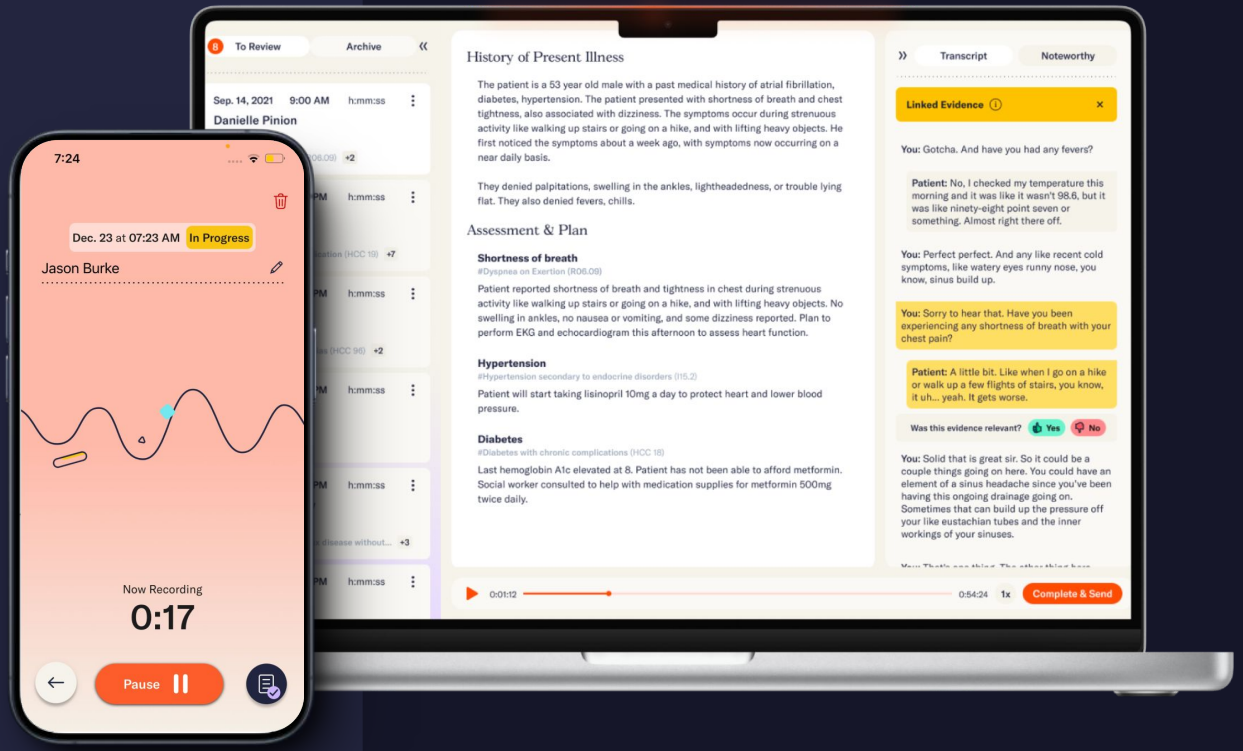
March 11, 2024





## Introducing Abridge

**The most advanced, enterprise-grade AI platform for clinical conversations.**




Confidential and Proprietary - Salinas Valley Health

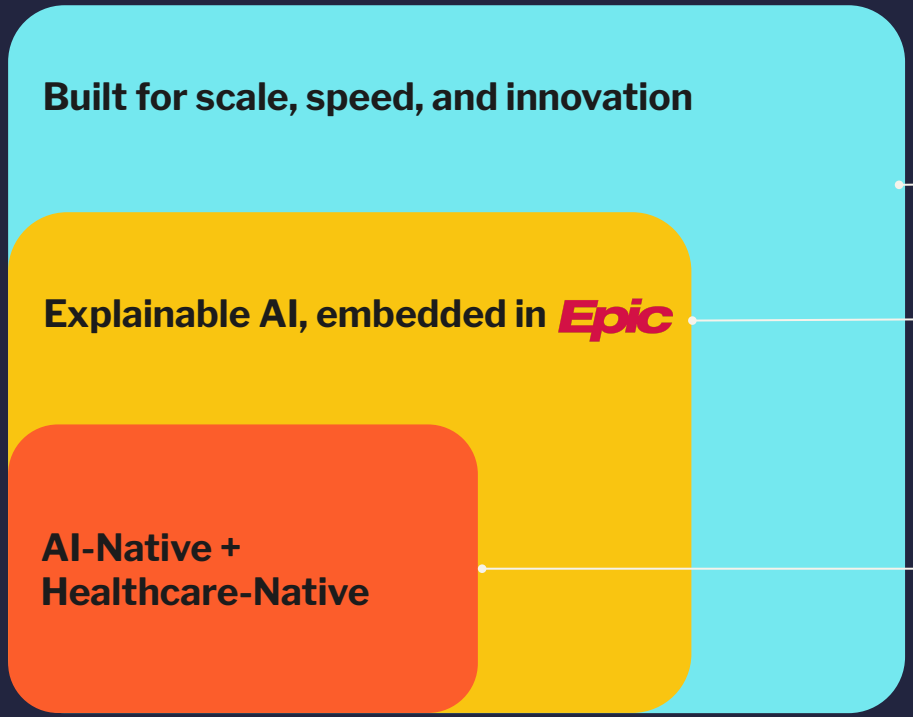
CONFIDENTIAL & PROPRIETARY

# About Abridge

- We are a team of **clinicians, creatives, and computer scientists** with **deep healthcare experience** across both clinical settings and digital health.
- We structure and summarize medical conversations using **best-in-class AI**, based on a **training dataset of >4M annotations**.
- With **deep computer science DNA from Carnegie Mellon University**, we have published more peer reviewed papers on these topics than any other entity.



# Enterprise-grade AI you can trust & verify




## Key Benefits

**100% tech** is scalable across the system, with **>90% of final note AI-drafted**.

Tight feedback loops ensure that the product is **continuously improved** based on usage and partnership alignment.

Tech that **meets your patients where they are** with multilingual support, omnichannel + specialty-agnostic solutions, and more.

**Track data provenance** with links to ground-truth evidence.

**Turnkey Epic integrations** improve workflows and implementation , from clinical notes to care management.

**Built by clinicians for clinicians** and with **world-class AI talent,** Abridge is built on solid foundations, including backing by blue-chip investors like USV and Bessemer.

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# Scalable and truly specialized clinical design.



**50+**
Specialties

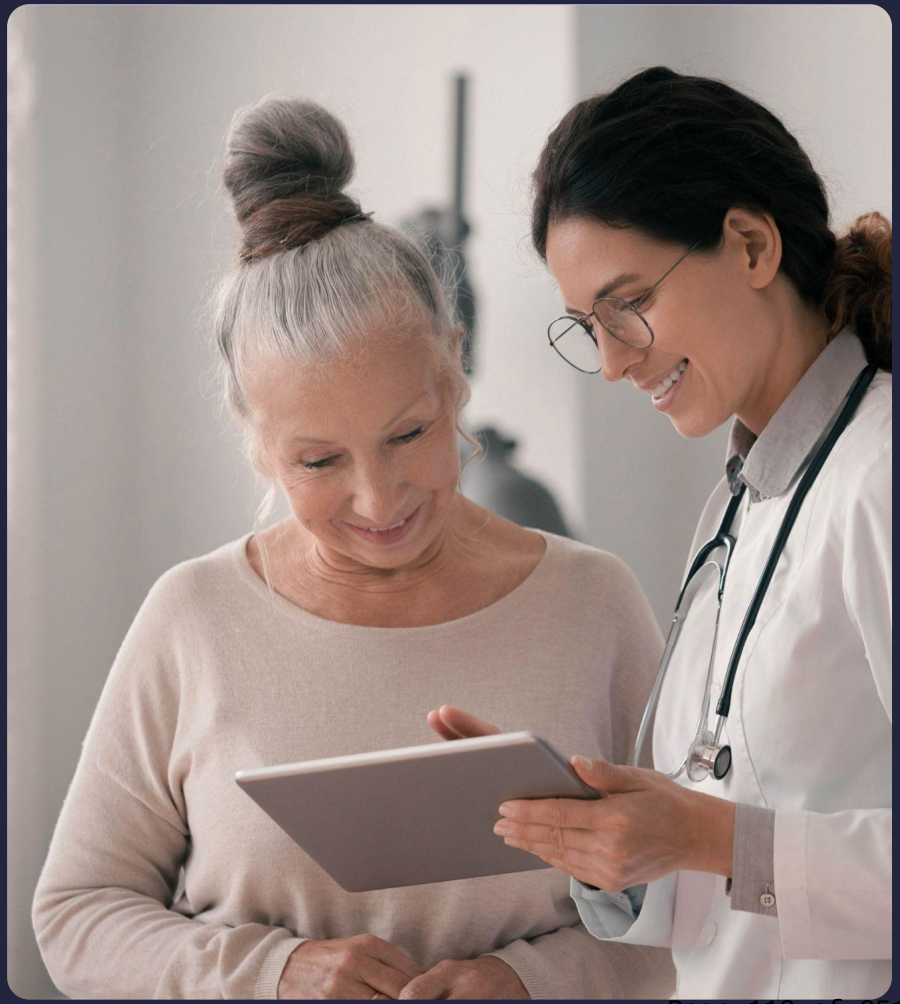
**30+**
Languages

**Trusted**
Auditable Technology

**Validated**
Tools to measure burnout and cognitive load

abridge

# Measuring Success



# Key Metrics

| DOMAIN | METRIC | MEASUREMENT SOURCE |
|---|---|---|
| **Adoption** | # of notes generated using Abridge | Abridge |
| | # of active and engaged users | Abridge |
| **Clinician Experience** | Likelihood to recommend (NPS) | Client Survey |
| | Burn-out assessment | Client Survey |
| | Cognitive load assessment | Client Survey |
| | Work Outside of Work (WoW) | Epic Signal |
| **Note Quality** | Avg. note star rating (1-5) | Abridge |
| | Avg. note turn around time | Abridge |
| | % of note generated by AI | Abridge |
| **Operational Efficiency** | Same-day close rate | Epic Signal |
| | Time in notes per encounter | Epic Signal |
| | Same-day patient availability | Client Survey |

# Cognitive load assessment

## Nasa Task Load Index (TLX) Method

Assesses workload across 3 domains.

Each domain is scored 0-20 (very low -> very high).

### Mental Demand

How mentally demanding was finishing your notes?

### Temporal Demand

How hurried or rushed was the pace of finishing your notes?

### Effort

How hard did you have to work to finish your notes?

NASA-Task Load Index (NASA-TLX) is a validated tool to measure cognitive load for clinicians, and was originally developed by NASA. It has been cited in thousands of studies and is used here to assess the cognitive load of writing notes. Each of its 3 questions are scored 0-20 with the NASA-TLX score viewed as one composite score that can be compared over time (0-60).

# Burnout assessment

## Mini Z Survey

Using your own definition of “burnout”, have clinicians choose one of the numbers below:

| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
| I enjoy my work. I have no symptoms of burnout. | I am under stress, and don’t always have as much energy as I did, but I don’t feel burned out. | I am beginning to burn out and have one or more symptoms of burnout, e.g. emotional exhaustion. | The symptoms of burnout that I’m experiencing won’t go away. I think about work frustrations a lot. | I feel completely burned out. I am at the point where I may need to seek help. |

Mini-Z is a validated, frequently used burnout tool developed by the Institute for Professional Worklife for use in healthcare. Out of all the tools, we chose Mini-Z because it is short and can measure impact in a short-time frame.

# A bridge between research and reality.

- **Consolidated reports** with actionable insights
- **Access to evidence-based data** to maximize adoption and clinical impact
- **Opportunity to share your success** and showcase your best practices industry-wide



abridge

YOUR GENERATIVE AI HEALTHCARE PARTNER

# We take care of clinicians, so they can take care of us.

# Pricing Models - Subscription vs. Enterprise

**SUMMARY**

**In an academic medical institution, if the user base is large and diverse, a site-wide enterprise license may offer greater simplicity and potential cost savings at scale. However, if users are uniform and discrete, a subscription model could provide the flexibility to grow more economically.**

| | SUBSCRIPTION | ENTERPRISE |
|---|---|---|
| **Agreement Type** | Subscription Agreement | Enterprise License Agreement (ELA) |
| **Economic Driver** | # of Subscriptions | Institution Profile (Clinicians + Encounters) |
| **Unit of Account** | Subscription | Institutional License - (Users allocated) |
| **Unit of Account Definition** | A **Subscription** is any employee who has **activated an account** with Abridge. | A **User** is any clinician in the Institution **granted access** to Abridge. |
| **Best for...** | Customers with a discrete and homogeneous usage profile. | Institutions with several different user profiles, all of whom need access to Abridge but for whom utilization may vary. |
| **Administration** | Customers pay an annual fee per provider to access Abridge for a set number of Subscriptions. This model often has different tiers with varying pricing based on volume. Subscriptions provide flexibility to customers, allowing them to activate Subscriptions based on their needs. This often enables smaller customers to grow into their investment. | With a Enterprise license, the institution pays for a license that covers all Users, irrespective of the number, subject to certain parameters. This simplifies administration, and provides for maximum flexibility in terms of use of Abridge. It is particularly efficient for large institutions where the number of Users is high, but utilization may differ due to varying roles in patient care. |

# Subscription Pricing Model

| | | |
|---|---|---|
| **Pilot Term** | **90 Days of Use - up to 10 clinicians**<br>• Includes Implementation, Integration, Onboarding. Training | **$37,300 in Total Fees**<br>• $12,300 - User Fees<br>• $25,000 - Professional Services |
| **Post Pilot Subscription Fees** | **Per clinician per month billed annually** | **Based on tiered structure below with minimum order quantity of 50** |
| **Subscription Term** | **Opt-Out Acceptance at end of Pilot Term** | **36 month agreement** |

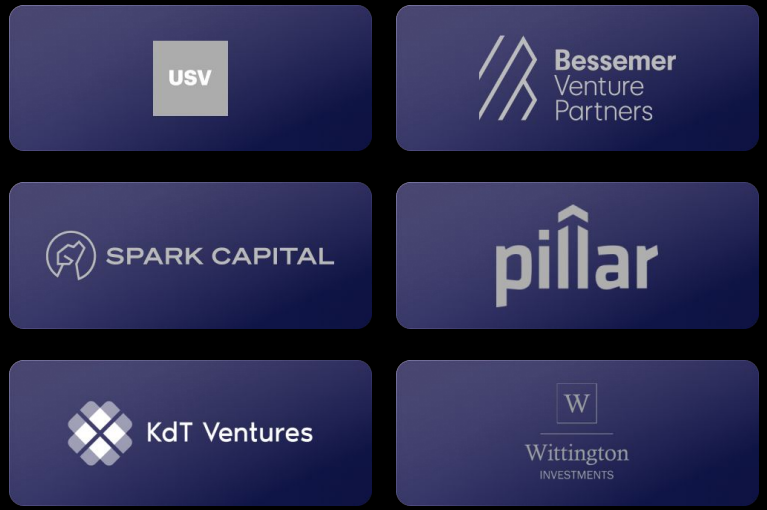
| Pricing Tiers | Number of Subscriptions | Subscription (per month) |
|---|---|---|
| 1 | 1 - 100 | $510 |
| 2 | 101 - 250 | $435 |
| 3 | 251 - 500 | $410 |
| 4 | 501 - 1,000 | $355 |
| 5 | 1,000+ | $305 |

# Stark product differentiation.

| CLINICAL NOTE FEATURES | ABRIDGE | NUANCE |
|---|---|---|
| Auditability (Linked Evidence) | ✅ | ⛔ |
| Multi-lingual | ✅ | ⛔ |
| Used across 55+ specialties | ✅ | ⛔ |
| Physical exam documented | ✅ | ⛔ |
| After visit summary (for patients) | ✅ | ⛔ |
| Customizable note styles | ✅ | ⛔ |
| Native integration in Epic | ✅ | ⛔ |
| Native Android support | ✅ | ⛔ |

| EPIC INTEGRATION FEATURES | ABRIDGE | NUANCE |
|---|---|---|
| Dedicated tab inside Epic | ✅ | ⛔ |
| Order entry | ✅ | ⛔ |
| Problem-based charting | ✅ | ⛔ |
| Managing multiple patients at once | ✅ | ⛔ |
| Multi-provider workflow | ✅ | ⛔ |
| Pre-charting / chart biopsy | ✅ | ⛔ |

# Backed by trusted tier 1 VCs and leading healthcare strategics.







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# Loved by physicians everywhere...



"I get love letters from clinicians telling me that Abridge has saved their practice, their marriage, their mental health."

EMORY

**Alistair Erskine, MD**
Chief Information and Digital Officer

# Board/CEO – Packet Submission Checklist
## Abridge: Clinical Conversation Documentation for Epic, 2024 - 2025

***The original of this completed/fully signed checklist and all required supporting documents are to be hand-delivered to the Chief Legal Officer two(2) weeks before Board week.***

☒ **BOARD/CEO PAPER** – required for all submissions; see attached instructions/sample

☒ **KEY CONTRACT TERMS** – required for all submissions – see table in Board/CEO Paper

☒ **CONTRACT** – negotiated final with vendor signature #1001.5057

☒ **PROCUREMENT PROCESS DOCUMENTATION** – required for all submissions requiring Board review/approval per Procurement Management Policy (see policy for details; indicate which sub-category is applicable):

☒ If for **data processing/telecommunications goods/services** of more than $25,000, check applicable option and include documentation: CIO must review.
- ☐ RFP documentation *(see attached RFP responses and scorecard from 3 respondents)*
- ☒ If sole source – provide detailed justification (see attachment)
- ☐ If GPO, submit qualifying verification from Materials Management

☐ If for **professional/other services or medical/surgical equipment and supplies** more than $350,000, check applicable option and include documentation:
- ☐ RFP documentation
- ☐ If GPO, submit qualifying verification from Materials Management
- ☐ If emergency – as designated by Board

☐ If for **non-medical materials/supplies** more than $25,000, check applicable option and include documentation:
- ☐ Invitation for bids documentation
- ☐ If sole source – provide detailed justification (see Attachment 3B)
- ☐ If GPO, submit qualifying verification from Materials Management

**Legal counsel/Contract Administrator reviewed:** ☐ **No or** ☒ **Yes, By Whom:**
**Natalie James and Gary Ray, CLO,**

**SUBMITTED BY DEPARTMENT DIRECTOR OR DEPARTMENT ADMINISTRATOR:**

| Signature (Catherine Ferguson, MD) | Title/Department (CMIO) | Date |
|---|---|---|

**REVIEWED BY:**

CIO (if applicable): _____ Date: _____

Director of MM/Designee in lieu of Compliance: _____ Date: _____

# Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board Approval of Preliminary Project Budget and Awarding Contract for Design and Engineering Services in conjunction with the MRI Installation Project**

Executive Sponsor: Clement Miller, Chief Operating Officer
John Kazel, Director, Diagnostic Imaging

Date: October 7, 2024

## Executive Summary

The MRI installation project's objective is to identify and renovate an existing space within the medical center envelope to facilitate the installation of the new MRI scanner. The main medical center campus has a detached building on the corner of East Romie and Wilgart housing a functioning MRI suite with a GE EchoSpeed HD owned and operated by Alliance/Akumin Imaging. The current GE MRI was installed in 2004. Current project planning encompasses renovations of existing conference and office areas to house a complete MRI suite. All planned renovations require plan approval and building permits from California's Department of Health Care Access and Information (HCAi). Facilities management circulated a request for proposal from qualified architectural firms to provide comprehensive design and engineering services necessary to complete construction documents and specifications for securing agency approvals and construction services from general contractors.

## Background/Situation/Rationale

Current planning has the new MRI to be housed in a new suite in the basement of the Cardiac Center. The conference rooms in the Cardiac Center have been recently relocated into the basement of the parking garage on campus. The project scope does not require replacement of the existing displaced conference rooms elsewhere on campus. The MRI suite will be required to contain services necessary to support inpatient and outpatient scans in a medical center environment. The Imaging department's goal is to leverage the existing first level Imaging department for patient waiting areas, staff work areas and other code-required programmatic features.

The design team shall identify code-required program elements that will be required to be located within the new MRI suite and/or contiguous to the suite. The new MRI suite shall be designed to efficiently process our inpatient and procedural volume in a state of the art environment. Besides the core elements to house the MRI procedure room and MRI's support equipment, current planning assumes two dedicated patient holding bays with code-required medical headwalls, and one patient dressing area. No new reading room is planned for the new suite. The design team proposed services include space programming, schematic design, design development, construction documentation, bidding support, agency permitting and construction administration.

During the RFP process, three (3) complete proposals were received by Salinas Valley Health. Each of the proposals were scored utilizing a tiered scoring structure. A core evaluation committee comprised of Salinas Valley Health clinical leadership and facilities management conducted a scoring of the written proposals. The three primary categories utilized in the evaluation process were:

(a) Qualifications and experience of firm
(b) Approach to providing services and project management
(c) Qualifications and experience of key personnel.

After evaluating all proposals in accordance with the criteria set forth in the RFP, the evaluation committee determined that Treanor was the highest-ranking proposer. As part of the response to the RFP and consistent with the Mini-Brooks Act qualification-based selection criteria, the proposers were required to submit a separately sealed cost proposal identifying the proposed fee for the requested scope of services. In accordance with the RFP procedures, Salinas Valley Health opened the cost proposal and negotiated the terms and conditions of the Professional Services Agreement. The current fee proposal is consistent with industry standards of similar projects of same size and complexity within the San Francisco Bay Area.

## Timeline/Review Process to Date:

November 2024 – January 2025 – Solicit equipment vendors
November 2024 – Commence design process to secure HCAI approvals
February 2025 – Review recommendation for equipment vendor package with Board
March 2025 – March 2026 – Design and Agency Permitting Process
February 2026 – April 2026 –Solicitation of Construction Bids
June 2026 – Anticipated Start of Construction
December 2027 – Construction Complete

** Current schedule indicated is preliminary project estimates at a pre-design stage of the project planning process. Following selection of equipment manufacturer, suite configuration, an updated project schedule will be presented to the Board in a subsequent meeting for review.*

## Pillar/Goal Alignment:

**☒ Service ☐ People ☒ Quality ☐ Finance ☒ Growth ☐ Community**

## Financial/Quality/Safety/Regulatory Implications:

The fiscal years 2025 through 2028 strategic capital budget allocated funding for planning, design and construction activities required to complete the design and construction process. Following interviews and negotiations with MRI equipment vendors, we will return to the Board for consideration of approval for equipment contract(s). After completion of the construction bidding process, we will return to the Board for consideration of the construction contract award. The following summarizes the design and engineering fees for schematic design, design documentation, permitting process, contractor bidding support and construction administration services:

**Total Planned Capital Budget**
Latest MRI Project Forecast
$300,000 over Fiscal Year 2025
$700,000 over Fiscal Year 2026
$2,000,000 over Fiscal Year 2027
$5,000,000 over Fiscal Year 2028

** Current budget figures indicated are preliminary project estimates at a pre-design stage of the project planning process. Following selection of equipment manufacturer and room configuration, an updated project budget will be presented to the Board in a subsequent meeting for review.*

**DESIGN PHASE**

| | |
|---|---|
| MRI Installation | |
| Design Services Fee | $514,425 |
| Reimbursable Allowance | $8,000 |
| Total Design Services Fee | **$522,425** |

## Recommendation

**Consider recommendation to Board of Directors to approve the overall preliminary project budget for MRI Installation in the amount of $8,000,000. In addition, we recommend approving the award of the professional services agreement to Treanor for the design and engineering of the MRI Installation Project, in the amount of $522,425, as presented.**

## Attachments

(A) Professional Services Agreement
(B) Treanor Response prepared August 9, 2024

**AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT IS MADE as of the ____ day of_____, 2024, by and between the Salinas Valley Health (hereinafter referred to as "DISTRICT") and Treanor (hereinafter referred to as "CONSULTANT").

WHEREAS, DISTRICT desires to obtain professional engineering design services in conjunction with the DISTRICT's MRI Installation ("Project"), and has issued a Request for Proposals dated June 20, 2024, attached as **Exhibit A** and incorporated herein by this reference; and

WHEREAS, CONSULTANT has represented that it is experienced and skilled in performing such services and has submitted a proposal dated August 9, 2024, including a cost proposal dated August 9, 2024, attached as **Exhibit B** and incorporated herein by this reference,

WHEREAS, on _____, 2024, the DISTRICT'S Board of Directors, awarded a Professional Services Agreement (AGREEMENT), to CONSULTANT, for design services related to the Project.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

## 1. RENDITION OF SERVICES

CONSULTANT agrees to provide professional services to DISTRICT in accordance with the terms and conditions of this AGREEMENT. In the performance of its work, CONSULTANT represents that it has and will exercise that degree of professional care, skill, efficiency and judgment ordinarily employed by engineering consultants with expertise in designing hospital Radiological Procedure Rooms; and preparing design plans, technical specifications and engineer's estimates for construction contracts. CONSULTANT further represents and warrants that it holds currently in effect all licenses, registrations, and certifications in good standing that may be required under applicable law or regulations to perform these services and agrees to retain such licenses, registrations, and certifications in active status throughout the duration of this engagement.

## 2. SCOPE OF SERVICES

2.1 The scope of services to be provided under this AGREEMENT shall consist of specific Services as generally described in the RFP, **Exhibit A**, and CONSULTANT's Scope of Services and Cost Proposal, attached as **Exhibit B**.

2.2 CONSULTANT's final plans and specifications prepared under this AGREEMENT shall be in accordance with the following design standards:

- 2022 California Electrical Code
- 2022 California Mechanical Code
- 2022 California Plumbing Code
- 2022 California Building Code
- 2022 California Fire Code

2.3 CONSULTANT shall cooperate with representatives of the State of California, and all other DISTRICT consultants working on Project. CONSULTANT shall provide the services for Project in close liaison with DISTRICT. All personnel acting on

behalf of CONSULTANT shall cooperate with DISTRICT staff during the course of this AGREEMENT. To ensure that CONSULTANT understands the requirements of this AGREEMENT, representatives of DISTRICT and CONSULTANT shall communicate as often as deemed necessary.

2.4 Throughout its performance of services under this AGREEMENT, CONSULTANT shall serve as an independent contractor to DISTRICT. Neither CONSULTANT nor any party contracting with CONSULTANT shall be deemed to be an agent or employee of DISTRICT.

2.5 CONSULTANT understands and agrees that it is solely responsible for the sufficiency, adequacy and completeness of all plans, specifications, calculations, and estimates prepared by CONSULTANT under this Agreement. CONSULTANT's final plans and specifications shall set forth the requirements for the construction of the Project in a clear, complete and accurate manner. CONSULTANT shall undertake all reasonable quality control measures to review, coordinate, and otherwise check its plans, specifications, calculations, and estimates for sufficiency, adequacy and completeness.

2.6 CONSULTANT's plans, specifications, calculations, and estimates shall be subject to DISTRICT's review. CONSULTANT acknowledges that DISTRICT will not be undertaking a detailed or comprehensive quality review of CONSULTANT's work product. DISTRICT will notify CONSULTANT of any errors or omissions that DISTRICT discovers in CONSULTANT's work product, but CONSULTANT shall not depend on DISTRICT to discover any errors or omissions in CONSULTANT's work product. Attention is directed to Section 2.5 of this Agreement.

2.7 CONSULTANT and its subconsultants shall not incorporate into the design any materials or equipment of single or sole-source origin without written approval of DISTRICT.

2.8 CONSULTANT's personnel shall keep accurate records and document the work as it progresses.

2.9 CONSULTANT's personnel shall become knowledgeable of all applicable local, state, and federal laws and regulations, and CONSULTANT's design shall comply therewith.

2.10 The Project Manager for CONSULTANT will be Stephen Lyon. The Project Manager for DISTRICT will be Bogard Construction Inc. CONSULTANT shall cooperate with and coordinate all of its activities with DISTRICT's Project Manager.

## 3. SCHEDULE AND TIME OF COMPLETION

3.1 The effective date of this AGREEMENT is_____, 2024. No work under this AGREEMENT shall begin prior to DISTRICT's issuance of a Notice to Proceed to CONSULTANT.

3.2 Time is of the essence in the performance of CONSULTANT's services under this AGREEMENT. All services to be provided pursuant to this AGREEMENT shall

be performed in a timely manner so as not to delay construction of Project. In the event that CONSULTANT incurs delays in completing the services within the aforementioned timeframe for reasons beyond the reasonable control of CONSULTANT, an appropriate extension of time may be granted by DISTRICT, at its sole discretion, following the timely submission of a written request by CONSULTANT

3.3 **Exhibit A** includes a schedule for CONSULTANT's performance of activities under this Agreement. CONSULTANT shall endeavor to complete each of the tasks set forth in the schedule in accordance with this schedule. The schedule shall be subject to revision as mutually agreed upon by DISTRICT and CONSULTANT.

## 4. DELIVERABLES

**THE DELIVERABLES TO BE PROVIDED UNDER THIS AGREEMENT SHALL CONSIST OF SPECIFIC DELIVERABLES AS GENERALLY DESCRIBED IN THE RFP UNDER THE SUMMARY OF ESTIMATED SCOPE OF WORK.**

### 4.1 Interim Milestone Deliverables

During the performance of its services under this Agreement, CONSULTANT shall deliver three (3) sets of documents and electronic files for the following milestone submittals:

A. 35%-Completion Submittal

CONSULTANT shall submit for DISTRICT's review 35%-completion design plans and space program.

B. 65%-Completion Submittal

CONSULTANT shall submit for DISTRICT's review 65%-completion design plans and Technical Special Provisions. CONSULTANT shall include in this package a list of responses to DISTRICT comments on the 35% submittal.

C. 95% Completion Submittal

CONSULTANT shall submit for DISTRICT's review electronic files of the 95%-completion design plans and Technical Special Provisions, list of bid items, construction estimate and bar chart representing estimated construction schedule for all portions of the design in the following formats:

- 95%-completion design plans – Adobe PDF files
- Technical Special Provisions - Adobe PDF and Microsoft Word files
- List of bid items - Adobe PDF and Microsoft Word files
- Bar chart representing estimated design schedule - Adobe PDF files.

CONSULTANT shall include in this package a list of responses to DISTRICT comments on the 65% submittal.

D. Draft 100% Completion Submittal

CONSULTANT shall submit for DISTRICT's review electronic files of the 100%-completion unsigned design plans, Technical Special Provisions, list

of bid items, construction estimate and bar chart representing construction schedule in the electronic file formats indicated in Section 4.1.C.

CONSULTANT shall include in this package a list of responses to the comments received from DISTRICT on the 95%-completion submittal.

Drawings shall be submitted on 11-inch by 17-inch paper size.

4.2 **Final Deliverables**

Prior to completion of its services under AGREEMENT, CONSULTANT shall deliver the following final deliverables to DISTRICT:

A. Electronic files of design drawings in the format specified below;

B. One (1) bound set of paper copies and one (1) unbound set of paper copies of reproducible quality of Technical Special Provisions in the format specified below;

C. An electronic file of Technical Special Provisions in the format specified below;

D. One (1) set of all other final technical documents produced during the course of this AGREEMENT not listed in Section. 4.2.

4.3 **Design Drawings Format**

The format of CONSULTANT's design drawings shall be in accordance with the following :

A. The design drawings (plans) shall be produced on AutoCAD Release 2011. Any other drafting software or third-party add-on software will not be permitted. If a newer version of AutoCAD is available that differs from the version referenced herein, CONSULTANT shall request a written authorization from DISTRICT prior to using the newer version.

B. The format of the drawings shall be Text Style Font – Simplex with minimum height of 1/8-inch and layering concept for all entities. All drawings shall have a District's Standard Title Block, which will be provided by DISTRICT. The Title block shall identify the project by name and number, subject matter of the drawing, drawing number, and the sequential sheet number with a revision block that contains the original issue date and date and number of each revision. All drawings shall have a graphic scale or scales and shall bear the signatures and seals of the Engineer of Record.

C. The final design drawings shall be complete, signed and sealed by CONSULTANT.

D. CONSULTANT shall furnish to DISTRICT uncompressed electronic files of the final signed design drawings.

4.4 **Design and Quantity Calculations**

Design calculations shall be prepared for all work indicated in CONSULTANT's design drawings and specifications. The design calculations shall be signed and stamped by the individual responsible for their preparation and who is licensed to practice their professional Engineering services in the State of California. The

names of the engineers who prepared the calculations shall be identified on the calculations.

All calculations shall be organized and indexed with volumes and pages numbered.

4.5 **Special Provisions Format**

CONSULTANT shall furnish Technical Special Provisions, typed single-spaced on white bond paper. CONSULTANT shall also furnish the Technical Special Provisions to DISTRICT on USB flash drive. The format shall be in Microsoft Word file format with left and right margins of one and one-tenth inches (1.1"), top and bottom margins of one inch (1.0"), Text Style Font: Times Arial 12, tabs set at 0.5".

CONSULTANT shall furnish with the final Technical Specifications a signature page(s) with professional stamps and signatures of each of the professional engineers responsible for preparation of specific engineering field of the specifications, e.g., civil, traffic, mechanical, electrical, etc.

4.6 **Other Documents**

CONSULTANT shall obtain DISTRICT's formatting instructions for other documents to be submitted to DISTRICT.

4.7 **General Requirements**

A. When CONSULTANT is required under this AGREEMENT to prepare and submit its studies, reports, plans, specifications, and other documents to DISTRICT, said documents shall be submitted in a draft form as scheduled, with the opportunity for the DISTRICT to review and comment upon said documents prior to final submission.

B. The plans, designs, estimates, calculations, reports and other documents furnished under this AGREEMENT shall be of a neat appearance, well-organized, technically and grammatically correct, checked and having the preparer and checker specifically identified. Each submittal to DISTRICT shall bear the approval stamp of CONSULTANT's Project Manager, with said approval representing that he/she has verified that the submittal is complete, clear and legible, and complies with the formatting requirements of this AGREEMENT.

C. The page that identifies the preparers of engineering reports, the title sheet for specifications and each sheet of plans shall bear the professional seal, certificate number, registration classification, expiration date of the certificate, and signature of the professional Engineers responsible for preparation.

D. DISTRICT's acceptance of any and all documents submitted by CONSULTANT shall not relieve CONSULTANT of its responsibility for any deficiencies, whether latent or patent, contained in said documents. Similarly, the stamp and signature of the District Engineer on CONSULTANT's plans and specifications shall not relieve CONSULTANT of its responsibility for its design.

## 5. CONSTRUCTION BIDDING PHASE

CONSULTANT's services will be required during the construction bidding stage of the Project as set forth in Exhibits A and B to provide support to DISTRICT during the bidding of the Project.

## 6. CONSTRUCTION PHASE

CONSULTANT's services will be required during the construction phase of the Project if a construction contract is awarded. During construction, CONSULTANT shall furnish to DISTRICT all corrected and additional drawings and special provisions required by any errors or omissions of CONSULTANT. Such drawings shall be furnished by CONSULTANT at no additional cost to DISTRICT.

CONSULTANT agrees that it will participate in any dispute resolution proceedings provided under the construction contracts covering the Project and will defend any issues asserted concerning the adequacy of CONSULTANT's design. The forum for resolution of disputes shall be as provided for in the construction contract. Upon exhaustion of those procedures, if the parties are unable to resolve the matter successfully, it shall be referred to the next step as outlined in the construction contract. If the construction contracts provide for submitting disputes to mediation under the then-current Construction Industry Mediation Rules of the American Arbitration Association, no party relinquishes or waives any of its procedural or substantive rights or remedies provided under this Agreement, the construction contracts, or applicable law, and expressly reserves such rights, remedies and contentions.

## 7. OWNERSHIP OF WORK

7.1 All communications, deliverables, and records originated, prepared, and in the process of being prepared, for the services to be performed by CONSULTANT under this AGREEMENT, including, but not limited to, findings, analyses, submittals, conclusions, opinions, engineering drawings, specifications, standards, process sheets, photographs, videos, manuals, technical reports and recommendations with respect to the subject matter of this AGREEMENT and raw and underlying data of such materials, regardless of format or media, including software, reports and other documentation (all of the foregoing, collectively, the "Work Product"), shall be delivered to and become the property of DISTRICT. DISTRICT shall be entitled to access and to copy the Work Product during the progress of the Work. Any Work Product remaining in the hands of CONSULTANT or in the hands of any subconsultant upon completion or termination of the work shall be immediately delivered to DISTRICT and not later than within two (2) weeks of completion or termination of the Work. If any materials are lost, damaged or destroyed before final delivery to DISTRICT, CONSULTANT shall replace them at its own expense, and CONSULTANT assumes all risk of loss, damage or destruction of or to such materials. CONSULTANT may retain a copy of such materials for use in its general business activities, subject to the restrictions of Section 16, RELEASE OF INFORMATION.

7.2 Any and all copyright, patent rights, and other intellectual property or proprietary rights to Work Product prepared under this AGREEMENT are hereby assigned to

DISTRICT. CONSULTANT agrees to execute any additional documents that may be necessary to evidence such assignment. CONSULTANT agrees not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such Work Product. Except for its own internal use as reasonably necessary for its provision of services and work under this AGREEMENT, CONSULTANT shall not publish or reproduce such Work Product in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of DISTRICT pursuant to Section 16, RELEASE OF INFORMATION, of this AGREEMENT.

7.3 Notwithstanding anything herein to the contrary, DISTRICT acknowledges that as part of CONSULTANT's provision of work hereunder, CONSULTANT may utilize CONSULTANT's Information. CONSULTANT's Information is defined as proprietary works of authorship including, without limitation, software, methodologies, tools, specifications, drawings, sketches, models, samples, records and documentation, as well as copyrights, trademarks, service marks, ideas, concepts, know-how, techniques, knowledge or data, that have been originated or developed by CONSULTANT or by third parties before and apart from this AGREEMENT, or which have been purchased by, CONSULTANT for use in the provision of services or work under this AGREEMENT with the DISTRICT's express written consent; and, copyrights, trademarks, software, methodologies, tools, samples, service marks, ideas, concepts, know-how, techniques, knowledge that have been originated or developed by CONSULTANT or by third parties under AGREEMENT. DISTRICT agrees that CONSULTANT's Information, as so narrowly defined and identified, is and shall remain the sole property of CONSULTANT or such third party, except for the exclusions due to provisions of Section 15.7, PATENT RIGHTS, of this AGREEMENT. CONSULTANT agrees that DISTRICT shall be entitled to use CONSULTANT's Information in connection with this AGREEMENT, and shall grant to DISTRICT a perpetual, royalty-free, irrevocable, worldwide, non-exclusive license to use all CONSULTANT's Information and to create and use derivative works of CONSULTANT'S Information in connection with the Project.

7.4 CONSULTANT represents and warrants that it has or will have all appropriate licenses, agreements and/or ownership pertaining to all intellectual property, including but not limited to patents and copyrights, used in connection with the performance of its obligations under this AGREEMENT. CONSULTANT further represents and warrants that it will have all necessary rights to patentable and copyrightable materials, equipment, devices or processes not furnished by DISTRICT used on or incorporated in the work and assumes all risks arising from the use of such patentable and copyrightable materials, equipment, devices, or processes.

7.5 CONSULTANT shall indemnify, defend and hold harmless DISTRICT, its directors, officers, agents and employees to the maximum extent permitted by law from and against any and all claims, liabilities, losses, damages or expenses (including attorneys' fees and related costs, whether or not litigation has commenced), whether direct or indirect, arising out of, relating to, or in connection with the ownership, possession or use of any materials, equipment, devices, or processes that are protected by intellectual property rights, including patent,

copyright and trade secret. In case such materials, equipment, devices or processes are held to constitute an infringement and their use enjoined, CONSULTANT, at CONSULTANT's sole cost and expense, shall: (a) secure for DISTRICT the right to continue using the materials, equipment, devices or processes by suspension of the injunction or by procuring a royalty-free license or licenses, or (b) replace such materials, equipment, devices, or processes with non-infringing materials, equipment, devices or processes that perform the same functions as the infringing item, or (c) modify them so that they become non-infringing or remove the enjoined materials, equipment, devices or processes and refund the sums paid therefore, without prejudice to any other rights of DISTRICT. If the amount of time necessary to proceed with one of these options is deemed excessive by DISTRICT, DISTRICT may direct CONSULTANT to select another option or risk default. The provisions of Section 10, RESPONSIBILITY: INDEMNIFICATION, shall also apply to the matters covered by this Section 6.5, to the maximum extent permitted by law.

## 8. SUBCONTRACTING

8.1 CONSULTANT shall not subcontract any services to be performed by it under this AGREEMENT without the prior written approval of DISTRICT, except for service firms engaged in drawing, reproduction, typing and printing and other firms as herein listed:

Architectural Treanor

Structural Buehler

Mechanical/Electrical/Plumbing Mazzetti

8.2 Nothing contained in this Agreement or otherwise, shall create any contractual relation between DISTRICT and any subconsultants/subcontractors, and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. Neither the CONSULTANT nor any party contracting with CONSULTANT shall be deemed an agent or employee of the DISTRICT. CONSULTANT is an independent entity, and the legal relationship of any person performing services for CONSULTANT shall be one solely between that person and CONSULTANT. CONSULTANT agrees to be as fully responsible to DISTRICT for the acts and omissions of its subconsultants/subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT's obligation to pay its subconsultants/subcontractors is an independent obligation from the DISTRICT'S obligation to make payments to CONSULTANT.

8.3 Any subcontract entered into as a result of this Agreement, shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants/subcontractors.

8.4 CONSULTANT is referred to Section 18 of this Agreement which includes Federal and State requirements for the prompt payment to subconsultants.

8.5 Any substitution of subconsultants/subcontractors must be approved in writing by DISTRICT'S Project Manager in advance of assigning work to a substitute subconsultant/subcontractor.

8.6 CONSULTANT shall incorporate Sections 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23 into all agreements with its subconsultants that are over $25,000.

## 9. CONSULTANT'S PERSONNEL

9.1 All individuals identified on the organizational chart in **Exhibit B** are necessary for the successful performance of services under this AGREEMENT due to their unique expertise, depth and breadth of experience, and knowledge of Project. There shall be no change in CONSULTANT's Tansy Bowermaster, all other engineers and technical staff of the project team as listed in **Exhibit B** without prior written approval by DISTRICT's Project Manager. CONSULTANT recognizes that the composition of this team was instrumental in DISTRICT's decision to award this AGREEMENT to CONSULTANT and that compelling reasons for substituting these individuals must be demonstrated before DISTRICT's approval may be granted. Any substitutes shall be persons of comparable or superior experience and expertise. Failure to comply with the provisions of this section shall constitute a material breach of CONSULTANT's obligations under this AGREEMENT and shall constitute a basis for termination of this AGREEMENT for cause.

9.2 All CONSULTANT staff utilized on Project will be subject to qualification review and approval by DISTRICT. DISTRICT reserves the right to reject proposed personnel that, as determined by DISTRICT at its sole discretion, do not meet any or all of the requirements stated in this AGREEMENT. DISTRICT also reserves the right to obtain references regarding previous assignments of CONSULTANT's and subconsultants' personnel assigned to Project.

Architect of Record – Tansy Bowermaster

Structural Engineer of Record - Warren R. Pottebaum

Electrical Engineer of Record – List Designated Individual

Civil Engineer of Record - List Designated Individual

Mechanical Engineer of Record - List Designated Individual

9.3 **CONSULTANT's Project Manager**

CONSULTANT shall provide a Project Manager to coordinate CONSULTANT's operations with DISTRICT's Project Manager. CONSULTANT's Project Manager shall be a licensed Professional Engineer in the State of California and shall demonstrate a proven successful track record in the management of design projects for major hospital projects and the production of plans and specifications.

CONSULTANT's Project Manager shall become thoroughly familiar with the Project background and design criteria for the Project

CONSULTANT's Project Manager shall be responsible for the administration and management of CONSULTANT's performance of services under this AGREEMENT, including the assignment and supervision of CONSULTANT's personnel to assure compliance with provisions of this AGREEMENT and the most efficient deployment of resources in view of the fiscal constraints of the Project. He/she shall be responsible for the accuracy and completeness of all submittals to DISTRICT. He/she shall also be responsible for coordination of schedule and efforts between CONSULTANT and its subconsultants to assure the most efficient use of resources. CONSULTANT's Project Manager shall be accessible to DISTRICT's Project Manager at all times during DISTRICT's regular working hours.

9.4 **CONSULTANT'S Project Engineer**

CONSULTANT shall provide a Project Engineer to assist CONSULTANT's Project Manager in coordination of CONSULTANT's operations under this AGREEMENT. CONSULTANT's Project Engineer shall be a licensed Professional Engineer in the State of California and shall demonstrate a proven technical experience with design projects for hospitals, and in the production of plans, and specifications. CONSULTANT's Project Engineer shall become thoroughly familiar with the Project background and design criteria for the Project. CONSULTANT's Project Engineer shall be accessible to DISTRICT's Project Manager at all times during DISTRICT's regular working hours.

9.5 **CONSULTANT's Engineers of Record**

A. As used in this AGREEMENT, the term "Engineer of Record" shall mean the individual licensed to practice engineering in the State of California who will sign and stamp the final plans, specifications, calculations, and other technical work product prepared by CONSULTANT under this AGREEMENT. As required under Business & Professions Code Section 6735, the plans, specifications, calculations, and other technical work product shall have been prepared by, or under the responsible charge of, CONSULTANT's Engineer of Record. Attention is directed to Section 404.1 of Title 16, Division 5 of the California Code of Regulations for the definition of "responsible charge" and the Engineer of Record's obligations regarding same.

B. Each of CONSULTANT's Engineers of Record shall have sufficient and relevant experience and qualifications to serve in such capacity for the applicable portion of CONSULTANT's work. At a minimum, an Engineer of Record shall meet the following levels of experience and qualifications:

1) The Engineer(s) of Record in charge of the electrical engineering design and whose signatures and stamps appear on the final plans shall be licensed Electrical Engineers in the State of California and shall demonstrate extensive experience and proven successful track records in the design of Hospitals as applicable to their assignments of the project, and in production of plans, specifications and

estimates. They shall become thoroughly familiar with the Project background and design criteria for the Project.

2) The Engineer(s) of Record in charge of the Mechanical design, if required, and whose signatures and stamps appear on the final plans shall be licensed Mechanical Engineers in the State of California and shall demonstrate experience and proven successful track records in the design of Hospitals, as applicable to their assignments on the project, and production of plans, specifications and estimates. They shall become thoroughly familiar with the Project background and design criteria for the Project.

9.6 **CONSULTANT's Design Engineers**

The engineering staff assigned to the Project shall be experienced in acute care facility design as required by their assignments on the Project. In addition, all engineering staff utilized shall become thoroughly familiar with the project background and design criteria for the Project.

9.7 **Consultant's Drafting Staff**

CONSULTANT's drafting staff shall be thoroughly proficient with AutoCAD Release 2011, become thoroughly familiar with project-specific CAD drafting standards and requirements, have experience and a proven successful track record in contract plan production, and have a good understanding of project final submittal format requirements.

## 10. CHANGES

10.1 DISTRICT may, at any time, by written order, make changes within the general scope of work and services described in this AGREEMENT. If such changes cause an increase to the ceiling price of or the time required for performance of the agreed-upon work or otherwise affect any other terms of this AGREEMENT, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 18, COMPENSATION, or in the time of required performance as set forth in Section 3, SCHEDULE AND TIME OF COMPLETION, or both. In the event that CONSULTANT encounters any unanticipated conditions or contingencies that may affect the scope of work or services and result in an adjustment in the amount of compensation specified herein, CONSULTANT shall so advise DISTRICT immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. This notice shall be given to DISTRICT prior to the time that CONSULTANT performs work or services related to the proposed adjustment in compensation. If approved by DISTRICT, the pertinent changes shall be expressed in a written supplement to this AGREEMENT prior to implementation of such changes.

CONSULTANT's failure to timely supply the written notice specified herein shall constitute a waiver of CONSULTANT's entitlement to an adjustment in compensation and/or time based on the unanticipated condition or contingency.

10.2 CONSULTANT shall carefully and regularly monitor the deployment of its resources so that the budgeted levels of effort for each task set forth in the Cost Proposal in **Exhibit B** are not exceeded. CONSULTANT shall not exceed the budget for any task without first obtaining the written approval of DISTRICT. Any and all costs of CONSULTANT that exceed the task amounts set forth in **Exhibit B** will not be paid by DISTRICT unless DISTRICT has first provided written approval of the overage. Such approval, if given, may not in any case authorize exceeding the overall not-to-exceed amount set forth in Section 17, COMPENSATION.

## 11. RESPONSIBILITY: INDEMNIFICATION

CONSULTANT shall indemnify, defend and hold harmless DISTRICT, its directors, officers, agents, and employees to the maximum extent permitted by law from and against any and all claims, demands, actions, causes of action, damages, liability, obligation, costs and expenses of any kind whatsoever, including (without limitation) those for personal injuries (including, but not limited to death, bodily injury, emotional or mental distress and loss of consortium), property damage or pecuniary, financial or economic loss of any kind whatsoever to the extent that they are caused by any breach of CONSULTANT's obligations under this AGREEMENT, willful misconduct, or the negligent provision or omission of services contemplated by this AGREEMENT by CONSULTANT or its employees, or parties contracting with CONSULTANT or agents. CONSULTANT further agrees to defend any such claims, demands, actions, or causes of actions for any damages, injuries or losses whatsoever, and pay charges of attorneys and other costs and expenses arising therefrom or incurred in connection therewith; and if any judgment be rendered against DISTRICT or any of the other individuals enumerated above in any such action, CONSULTANT shall, at CONSULTANT's expense, satisfy and discharge the same to the extent that they are covered by the above Agreement to indemnify.

To the extent permitted by Civil Code 2782.8, CONSULTANT's duty to defend shall further apply and be enforced even if it is contended the acts, omissions or failures to act of parties other than CONSULTANT, including DISTRICT and the individuals enumerated above, caused or contributed to the losses, injuries or damages claimed.

For the purposes of this Section, the term "losses" means all amounts paid to settle or satisfy any judgments or awards plus reasonable amounts paid on account of attorneys' fees, court costs and other costs and expenses relating to the investigation, defense, satisfaction and/or settlement of such claims.

This provision is intended to be applied to the fullest extent allowed under the law and, if any portion of it is found to be void or unenforceable, the remainder is to be severable and enforceable.

## 12. INSURANCE PROVISIONS

12.1 **Types of Insurance** The polices and minimum amount of insurance to be carried by CONSULTANT shall be as follows:

A. Workers' Compensation and Employer's Liability Insurance

1) CONSULTANT shall procure and maintain at all times during the performance of such work Workers' Compensation Insurance in

conformance with the laws of the State of California and federal laws where applicable. Employer's Liability Insurance shall not be less than One Million Dollars ($1,000,000) for each accident and One Million Dollars ($1,000,000) for each disease.

2) The policy shall contain a waiver of subrogation in favor of DISTRICT and its officers, directors, employees, volunteers and agents while acting in such capacity and their successors and assignees as they now or as they may hereafter be constituted, singly, jointly or severally.

B. Commercial General and Automobile Liability Insurance

1) *Commercial General Liability Insurance*. CONSULTANT shall, at its own cost and expense, also procure and maintain at all times during the performance of this Agreement Commercial General Liability Insurance providing bodily injury and property damage coverage with a combined single limit of at least One Million Dollars ($1,000,000) each occurrence or claim and a general aggregate limit of at least Two Million Dollars ($2,000,000). This insurance shall include but not be limited to premises and operations, contractual liability covering the indemnity provisions contained in this Agreement, personal injury, products and completed operations, and broad form property damage, and include a Cross Liability endorsement.

2) *Business Automobile Liability*. CONSULTANT shall, at its own cost and expense, procure and maintain at all times during the performance of this Agreement Business Automobile Liability Insurance providing bodily injury and property damage with a combined single limit of at least One Million Dollars ($1,000,000) per occurrence for all owned, non-owned and hired automobiles. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

C. Professional Liability Insurance. CONSULTANT shall maintain Professional Liability Insurance covering CONSULTANT's performance of services under this Agreement with a limit of liability of at least Five Million Dollars ($5,000,000) for any one claim and Five Million Dollars ($5,000,000) annual aggregate. This insurance shall be applicable to claims arising from the work performed under this Agreement and during construction and construction warranty periods. The insurance shall not include any prior acts exclusion.

12.2 **General Insurance Requirements**

A. Evidence of Insurance. Prior to commencing work or entering onto the property, CONSULTANT shall file a Certificate of Insurance with DISTRICT evidencing the foregoing coverages with respect to the insurance, including the following endorsements:

1) That the insurance company(ies) issuing such policy(ies) shall give written notice to DISTRICT of any material alteration or reduction

in aggregate limits, if such limits apply, and provide at least thirty (30) days' notice of cancellation or nonrenewal.

2) That the policy(ies) is(are) Primary Insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim that CONSULTANT is liable for under this section, up to and including the total limit of liability, without right of contribution from any other insurance effected or which may be effected by the DISTRICT.

3) That, with respect to coverages described in Section 12.1.A and B above, such insurance shall include as additional insured the DISTRICT and its respective directors, officers, employees and agents while acting in such capacity, and their successors or assignees, as they now or as they may hereafter be constituted, singly, jointly or severally.

4) That, with respect to coverages described in Section 12.1.A and B above, the policies shall also contain either a cross liability endorsement or severability of interests clause and stipulate that inclusion of the DISTRICT as additional named insured shall not in any way affect its rights either as respects any claim, demand, suit or judgment made, brought or recovered against CONSULTANT. Said policy shall protect CONSULTANT and DISTRICT in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

B. Acceptable Insurance. All policies shall be issued by insurers acceptable to DISTRICT. This insurance shall be issued by an insurance company or companies authorized to do business in the State of California with minimum "Best's" rating of B+ and with minimum policyholder surplus of Twenty Five Million ($25,000,000) or a company acceptable to District in its sole discretion. All policies shall be issued in a form satisfactory to the General Manager of DISTRICT and shall be issued specifically as primary insurance.

C. Failure to Procure or Maintain Insurance. The failure to procure or maintain required insurance and/or an adequately funded self-insurance program acceptable to DISTRICT will constitute a material breach of this AGREEMENT.

D. Terms of Policies. All insurance specified above shall remain in force until all work to be performed is satisfactorily completed unless as indicated otherwise in this AGREEMENT.

E. CONSULTANT shall not violate or permit to be violated any conditions or provisions of said policies of insurance, and at all times shall satisfy requirements of the insurer for the purpose of maintaining said insurance in effect.

F. If any claim is made by any third person against CONSULTANT on account of any incident, CONSULTANT shall promptly report the fact in writing to DISTRICT, giving full details of the claim.

G. CONSULTANT shall promptly notify DISTRICT of all professional liability claims asserted against CONSULTANT that have an estimated settlement value in excess of the policy. If the amount of professional liability insurance is reduced by other claims, CONSULTANT shall procure such additional insurance to restate the limits as required under this AGREEMENT.

H. Claims-Made Insurance. If any insurance specified in Section 11.1 is provided on a claims-made basis, then in addition to the specified coverage requirements, such policy shall provide that:

1) Policy retroactive date coincides with or precedes CONSULTANT's start of work (including subsequent policies purchased as renewals or replacements).

2) CONSULTANT will make every effort to maintain similar insurance for at least three (3) years following project completion, including any applicable requirement of including all additional insureds.

3) If insurance is terminated for any reason, CONSULTANT agrees to purchase an extended reporting provision of at least three (3) years to report claims arising from work performed in connection with this AGREEMENT.

4) Policy allows for reporting of circumstances or incidents that might give rise to future claims.

## 13. CONFLICT OF INTEREST

CONSULTANT shall not undertake any work under construction or construction management and inspection support contracts for the MRI Installation Project.

CONSULTANT shall comply with the Code of Professional Conduct for Professional Engineers set forth at California Code of Regulations, Title 16, Division 5, Section 475, as said Code may be amended from time to time.

CONSULTANT represents and warrants that it presently has no interest and agrees that it will not acquire any interest that would present a conflict of interest under California Government Code §§ 1090 *et seq.* or §§ 87100 *et seq.* during the performance of services under this AGREEMENT. CONSULTANT shall promptly disclose any actual or potential conflict of interest to DISTRICT as soon as CONSULTANT becomes aware of such conflict. CONSULTANT further covenants that it will not knowingly employ any person having such an interest in the performance of this AGREEMENT. Violation of this provision may result in this AGREEMENT being deemed void and unenforceable.

Depending on the nature of the work performed, CONSULTANT may be required to publicly disclose financial interests under DISTRICT's Conflict of Interest Code. CONSULTANT agrees to promptly submit a Statement of Economic Interest on the form provided by DISTRICT upon receipt.

No person previously in the position of Director, Officer, employee or agent of DISTRICT may act as an agent or attorney for, or otherwise represent, CONSULTANT by making any formal or informal appearance, or any oral or written communication, before DISTRICT or any Officer or employee of DISTRICT for a period of 12 months after leaving office or employment with DISTRICT if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award or revocation of a permit, license, grant or contract.

## 14. CIVIL RIGHTS REQUIREMENTS

In addition to other nondiscrimination requirements included in this AGREEMENT, CONSULTANT agrees to comply with the following:

### 14.1 Nondiscrimination

In accordance with Title VI of the Civil Rights Act, as amended, 42 USC §2000 (d), Section 303 of the Age Discrimination Act of 1975, as amended; 42 USC §6102, Section 202 of the Americans with Disabilities Act of 1990; 42 USC §12132; and 49 USC §5332, CONSULTANT agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, CONSULTANT agrees to comply with applicable federal implementing regulations and other implementing requirements the Federal Highway Administration (FHWA) may issue.

During performance of this agreement, CONSULTANT and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), medical history, age (over 40), genetic information, marital status, gender, gender identity, gender expression, and denial of family care leave. CONSULTANT and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 Title 2 of the California Code of Regulations, are incorporated into this AGREEMENT by reference and made a part hereof as set forth in full. CONSULTANT and its subconsultants shall give written notice of their obligations under this section to labor organizations with which they have a collective bargaining or other agreement. In addition, CONSULTANT agrees to comply with applicable federal implementing regulations and other implementing requirements the Federal Highway Administration (FHWA) may issue.

CONSULTANT shall include the nondiscrimination and compliance provisions of this section in all subcontracts to perform work under this AGREEMENT.

14.2 **Equal Employment Opportunity**

The following equal employment opportunity requirements apply to this AGREEMENT:

A. Race, Color, Creed, National Origin, Sex. In accordance with Title VII of the Civil Rights Act, as amended, 42 USC §2000(e), CONSULTANT agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, *Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,* 41 CFR Parts 60 *et seq.* (which implement Executive Order No. 11246, *Equal Employment Opportunity,* as amended by Executive Order No. 113 75, *Amending Executive Order 11246 Relating to Equal Employment Opportunity,* 42 USC §2000 (e) note), and with any applicable federal statutes, executive orders, regulations, and federal policies that may in the future affect construction activities undertaken in the course of the Project.

During the performance of this AGREEMENT, CONSULTANT agrees as follows:

1) CONSULTANT will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. CONSULTANT will take affirmative actions to ensure that applicants are employed and that employees are treated during their employment without regard to their race, religion, color, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

2) CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of CONSULTANT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

3) CONSULTANT will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of CONSULTANT's commitments under this section, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.

## 15. RELEASE OF INFORMATION

15.1 All financial, statistical, personal, technical, or other data and information relative to DISTRICT's operations, and specifically, the improvements contemplated by this AGREEMENT and made available to CONSULTANT in order to carry out this AGREEMENT, shall be protected by CONSULTANT from unauthorized use

and disclosure, and shall not be disclosed to any third parties without DISTRICT's express written permission.

15.2 Permission by DISTRICT to disclose information on one occasion relating to this AGREEMENT shall not authorize CONSULTANT to further disclose such information or disseminate the same on any other occasion.

15.3 CONSULTANT shall not comment publicly to third parties, including the press or any other media, regarding this AGREEMENT or DISTRICT's actions on the same, except to DISTRICT's staff, CONSULTANT's own personnel involved in the performance of this AGREEMENT, at public hearings, or in response to questions from a Legislative committee.

DISTRICT's Public Information Director is the authorized spokesperson for all media inquiries concerning DISTRICT. CONSULTANT shall refer any inquiry of the news media to the Public Information Director. CONSULTANT shall not communicate regarding DISTRICT, the Project and this AGREEMENT with any representatives of the media, including, but not limited to, journalists, reporters, technical writers, and freelance writers, without the prior written authorization of DISTRICT, as exercised in DISTRICT's sole discretion.

It is expressly understood and agreed that the above provisions equally pertain to all subconsultants to CONSULTANT with respect to their receipt of any inquiries from the media pertaining to DISTRICT, the Project or this AGREEMENT.

15.4 CONSULTANT shall not refer to DISTRICT, the Project or this AGREEMENT in any advertising or promotional materials without DISTRICT's prior written consent. CONSULTANT shall obtain DISTRICT's written consent prior to the publication of any materials prepared by CONSULTANT or any of its employees and agents pertaining to DISTRICT, the Project, or this AGREEMENT. CONSULTANT agrees that published information regarding such topics shall be factual only and in no way shall imply that DISTRICT endorses CONSULTANT's firm, service or product.

CONSULTANT and its employees and agents shall not use any images of DISTRICT, including its Work, with respect to this AGREEMENT in any current and future media format, including, but not limited to, promotional or business development photographs or videos, website postings, CD-ROMs, and any other form of publication (magazines, annual reports, etc.) without DISTRICT's prior written consent, as exercised in DISTRICT's sole discretion. If consent is granted, CONSULTANT shall comply with all requirements of DISTRICT regarding filming and still photography.

CONSULTANT and its employees and agents shall not make any speeches or presentations that mention Project or include images of Project without DISTRICT's prior written consent.

CONSULTANT and its employees and agents shall not author any technical papers or reports for publication or distribution that discuss the project without DISTRICT's prior written consent.

It is expressly understood and agreed that the above provisions pertain equally to all subconsultants and suppliers to CONSULTANT with respect to DISTRICT, the Project and this AGREEMENT.

15.5 All information related to the construction estimate is confidential and shall not be disclosed by CONSULTANT to any entity other than DISTRICT.

15.6 Any subcontract entered into as a result of this AGREEMENT shall contain all the provisions of this Section 15.

## 16. INSPECTION OF WORK

CONSULTANT and any subconsultant shall permit DISTRICT and its representatives to review and inspect the project activities at all reasonable times during the performance period of this AGREEMENT.

## 17. COMPENSATION

17.1 The payment for services under this AGREEMENT will be based on time and materials with a not-to-exceed amount. The CONSULTANT agrees to perform all of the services included in Section 2 for a total all inclusive sum not-to-exceed amount of Five Hundred Fourteen Thousand Four Hundred Twenty Five ($514,425), in accordance with Exhibits A and B. The total all inclusive sum shall include all labor, materials, taxes, profit, overhead, insurance, subcontractor costs and all other costs and expenses incurred by the Consultant. The not-to-exceed amount is not guaranteed. Rather, payment will be for time actually worked. The hourly rate by personnel category shall be as set forth in Exhibit B. The DISTRICT will pay the CONSULTANT in accordance with Section 18.

17.2 CONSULTANT shall be reimbursed for actual allowable travel expenses incurred in the performance of this work upon submittal of receipts. Only coach class airfare will be reimbursed. Private cars shall be reimbursed at the current reimbursement mileage rate published by the U.S. Internal Revenue Service or, if a rental car is used, at the mid-range rental car rate while traveling away from CONSULTANT's headquarters, which are hereby designated as office locations listed in **Exhibit B**.

Lodging, meal and incidental expense costs shall not exceed the maximum reimbursable allowances published by U.S. General Services Administration (GSA) for each Federal Fiscal Year beginning October 1. The maximum reimbursable allowances published by GSA can be found at http://www.gsa.gov.

17.3 Total expenses reimbursed made under this AGREEMENT shall not exceed the sum of Eight Thousand Dollars and Zero Cents ($8,000).

17.4 CONSULTANT's attention is directed to Section 9, CHANGES, of this AGREEMENT regarding CONSULTANT's obligations with respect to any adjustment of the not-to-exceed maximum with regard to CONSULTANT's compensation for the Project.

## 18. MANNER OF PAYMENT

18.1 By the tenth ($10^{th}$) working day of the following month, CONSULTANT shall submit invoices and receipts to DISTRICT for services performed and reimbursable

expenses incurred during the previous month. DISTRICT shall render payment for all undisputed invoices within thirty (30) days following receipt of approved invoices.

Invoices shall describe in detail the services rendered by CONSULTANT and state the number of hours, and applicable hourly rate of each person. Hourly rates per personnel category shall be in accordance with the CONSULTANT's Cost Proposal in **Exhibit B.** The hourly labor rates set forth in **Exhibit B,** including those of CONSULTANT and subconsultants, shall remain in effect for the duration of this AGREEMENT.

For CONSULTANT's personnel assigned to the project, DISTRICT and CONSULTANT will jointly review, on an annual basis, proposed salary increases. CONSULTANT and its subconsultants shall submit to DISTRICT written justification supporting any proposed labor rate increases and shall obtain DISTRICT approval of such increases prior to billing them in CONSULTANT invoices under this AGREEMENT. Under this AGREEMENT, labor rate increases for CONSULTANT's personnel assigned to the Project, if any, may be made no more frequently than once a year.

18.2 In the event that DISTRICT disputes an invoice, it will pay only the undisputed amount and will notify CONSULTANT within ten days of receipt of invoice of any dispute. CONSULTANT must continue work during the pendency of any dispute over an invoice. The parties' Project Managers will meet and confer and attempt to resolve amicably any dispute over an invoice. If they are unable to resolve such a dispute, the matter will be elevated to management. DISTRICT management's determination over a disputed invoice will be final and additional dispute will be resolved pursuant to Section 25.

## 19. ORDER OF PRECEDENCE

In the event of an inconsistency among the components of this AGREEMENT, the following order of precedence shall apply:

1. Duly executed amendments to this AGREEMENT;
2. This AGREEMENT;
3. Exhibit A, the RFP;
4. Exhibit B, CONSULTANT's Proposal.

## 20. ASSIGNMENT

CONSULTANT shall not assign any rights or transfer any obligations under this AGREEMENT without the prior written consent of DISTRICT.

## 21. MAINTENANCE, AUDIT AND INSPECTION OF RECORDS

All CONSULTANT and subconsultant costs incurred in the performance of this AGREEMENT will be subject to audit. CONSULTANT and its subconsultants shall permit DISTRICT, the State Auditor, or their authorized representatives, to inspect, examine, make excerpts from, transcribe, and copy CONSULTANT's books, work, documents, papers, materials, payrolls records, accounts, and any and all data relevant to this AGREEMENT at any reasonable time, and to audit and verify statements, invoices or

bills submitted by CONSULTANT pursuant to this AGREEMENT. CONSULTANT shall also provide such assistance as may be required in the course of such audit.

For the purpose of determining compliance with Public Contract Code 10115, et seq., and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the contract pursuant to Government Code 8546.7; CONSULTANT, subconsultants and DISTRICT shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of services under this AGREEMENT, including but not limited to, the costs of administering AGREEMENT. All parties shall make such materials available at their respective offices at all reasonable times during the AGREEMENT period and for four (4) years from the date of final payment under AGREEMENT.

If, as a result of the audit, it is determined by DISTRICT that reimbursement of any costs including profit or fee under this AGREEMENT was in excess of that represented and relied upon during price negotiations or represented as a basis for payment, CONSULTANT agrees to reimburse DISTRICT for those costs within sixty (60) days of written notification by DISTRICT.

## 22. DISTRICT WARRANTIES

DISTRICT makes no warranties, representations, or agreements, either express or implied, beyond such as are explicitly stated herein.

## 23. SUSPENSION AND TERMINATION

DISTRICT shall have the right to suspend or to terminate this AGREEMENT at any time by giving written notice to CONSULTANT. In the event of suspension or termination for any reason other than the fault of CONSULTANT, CONSULTANT shall be compensated in accordance with the provisions of Section 19, MANNER OF PAYMENT, for the services performed to date of such suspension or termination, plus any reasonable costs and expenses resulting from such suspension or termination. If, in the event of suspension, the project is resumed after being suspended for more than three months, CONSULTANT's compensation shall be subject to renegotiation. If the project is resumed within the period of three months following notification of suspension, there shall be no change in CONSULTANT's compensation.

In the event of termination for reason of CONSULTANT's breach or default in the performance of any of CONSULTANT's obligations under this AGREEMENT, CONSULTANT shall be compensated in accordance with the provisions of Section 18, COMPENSATION, only for those services already performed and expenses incurred in full accordance with the requirements of this AGREEMENT up to the effective date of termination, less an estimate reasonably made by DISTRICT of the amount of damages DISTRICT has or will suffer as a result of CONSULTANT's breach or default.

Whether terminated for convenience or breach, the DISTRICT shall not in any manner be liable for the CONSULTANT's actual or projected lost profits had the CONSULTANT completed the services required by this Agreement.

## 24. NOTICES

All communications relating to the day-to-day activities of the Project shall be exchanged between DISTRICT's Project Manager, Stephen Lyon, and CONSULTANT's Project Manager, _____.

All notices and communications regarding interpretation of the terms of this AGREEMENT and changes thereto shall be in writing and may be given by personal delivery to a representative of the parties or by mailing the same, postage prepaid, addressed as follows:

If to DISTRICT:

**Stephen Lyon**, Assoc. AIA, LEED AP
Senior Project Manager
350-A Coral St. Santa Cruz, CA 95060
Cell: 831.601.4718 | www.bogardconstruction.com

BOGARD CONSTRUCTION, INC.
*Since 1947*

If to CONSULTANT:

Tansy Bowermaster AIA,
ACHA, NCARB
PRINCIPAL
tbowermaster@treanor.design
o 503.512.5809
d 415.238.0514

The address to which mailings are to be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

## 25. DISPUTE RESOLUTION

In the event of a dispute between DISTRICT and CONSULTANT concerning any question of fact in connection with the work performed under this AGREEMENT, the parties shall meet and confer and make good faith efforts to resolve the dispute before resorting to any legal action. CONSULTANT must file a Government Claim Form prior to initiating any legal action.

## 26. ATTORNEYS' FEES

If any legal proceeding should be instituted by either of the parties hereto to enforce the terms of this AGREEMENT or to determine the rights of the parties thereunder, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable attorneys' fees.

## 27. BINDING ON SUCCESSORS

All of the terms, provisions, and conditions of this AGREEMENT shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

## 28. APPLICABLE LAW

This AGREEMENT, its interpretation, and all work performed thereunder shall be governed by the laws of the State of California.

## 29. WAIVER

Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

## 30. SEVERABILITY

If any provision of this Agreement shall be deemed invalid or unenforceable, that provision shall be reformed and/or construed consistently with applicable law as nearly as possible to reflect the original intentions of this Agreement; and in any event, the remaining provisions of this Agreement shall remain in full force and effect.

## 31. NO THIRD PARTY BENEFICIARIES

This Agreement is not for the benefit of any person or entity other than the parties.

## 32. ENTIRE AGREEMENT; MODIFICATION

This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any prior understanding or agreement, oral or written, with respect to such subject matter. It may not be amended or modified except by a written amendment executed by authorized representatives by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT by their duly authorized officers as of the day and year first above written.

DISTRICT:
**SALINAS VALLEY HEALTH**

By:_____

President, Board of Directors

:

By:_____

SALINAS VALLEY HEALTH, Chief Executive Officer

CONSULTANT:
_____

By*:_____

By*:_____

** If CONSULTANT is a corporation, this AGREEMENT must be executed by two corporate officers, consisting of: (1) the President, Vice President or Chair of the Board, and (2) the Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer.*

*In the alternative, this AGREEMENT may be executed by a single officer or a person other than an officer provided that evidence satisfactory to District is provided demonstrating that such individual is authorized to bind the corporation (e.g., a copy of a certified resolution from the corporation's board or a copy of the corporation's bylaws).*

TREANOR

Salinas Valley Health Medical Center

REQUEST FOR PROPOSALS FOR
DESIGN & ENGINEERING SERVICES

# MRI INSTALLATION

CIP 01.1250.3780

ORIGINAL COPY
09 August 2024



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# 1.
# COVER LETTER

August 9, 2024

Dave Sullivan; Bogard Construction
535 E Romie, Suite 6
Salinas, CA 93901

**RE: Salinas Valley Health Medical Center - MRI INSTALLATION CIP 01.1250.3780**

Dear Members of the Selection Committee:

Treanor has provided healthcare planning and design services in the Bay Area for almost 40 years. We are focused, committed, and responsive to our client's small project needs. As part of a larger national Health studio, we also bring a deep bench of experience and support to every project.

I personally spent two days a week for several years working on projects at Salinas Valley and know the campus well. Our MRI-specific experience includes a multiple-site study for system-wide MRI Upgrades for Stanford Health Care and Lucile Packard Children's Hospital with Mazzetti. We also worked on an MRI project within the New Stanford Hospital and have completed scores of other imaging room projects throughout the Bay Area.

Our proposed team of Treanor, Mazzetti and Buehler has worked on many complex projects in existing California hospitals together.

The proposed team of Treanor, Mazzetti and Buehler has worked on many complex projects in existing hospitals together. We understand the due diligence required to make a project successful in older buildings such as the 1989 Cardiac Center North building. We have experience with older versions of the code, and how to work with conditions and demonstrate constraints to OSHPD / HCAI and the contractor for ease of plan review and construction.

We have ongoing work with Buehler in Santa Cruz, King City and Hollister, and excellent relationships with OSHPD / HCAI. We approach every project with the goal of creating a successful team that includes consultants, the hospital, equipment vendors, and the contractor. We pride ourselves in being responsive and always focused on what is best for the client and the project. We would love to work with you on this important project.

**As a partner of the firm with authority to negotiate and contractually bind the firm, I am acknowledging acceptance of the Sample Agreement and receipt of Addendum A. This proposal, including scope and cost, will be available for 90 calendar days for your consideration and approval. We have current capacity within our studio to accommodate this project and are not aware of any conflicts of interest.**

Best regards,



Tansy Bowermaster, AIA, ACHA, NCARB
PRINCIPAL | HEALTHCARE ARCHITECT
351 California Street, Suite 800
San Francisco, CA 94104
tbowermaster@treanorhl.com
415.238.0514

# SALINAS VALLEY HEALTH MEDICAL CENTER

SALINAS VALLEY HEALTH
Salinas, California

ADDENDUM A
TO THE
RFP FOR MRI INSTALLATION

ISSUED: July 23, 2024

This Addendum A must be signed by the proposer and included in the response documents submitted for this Project. Salinas Valley Health reserves the right to disregard any proposal, which does not include this Addendum. Salinas Valley Health may waive this requirement at its sole discretion.

**SEE ATTACHED ADDENDUM ITEM**

Prepared By:

David Sullivan Digitally signed by David Sullivan DN: C=US, E=dsullivan@bogardconstruction.com, O=Bogard Construction, CN=David Sullivan Date: 2024.07.23 13:51:24-07'00'

David Sullivan
Owner's Designated Representative

PROPOSER'S CERTIFICATION

I acknowledge receipt of this Addendum A and accept all conditions contained herein.

Proposer's Signature

7/24/24
Date

Treanor
Name of Company

**Please return this signed page to Dave Sullivan at SVH as soon as possible to confirm receipt of this addendum. Please email as a PDF to dsullivan@bogardconstruction.com.**

# 2.
# QUALIFICATIONS

# PROJECT TEAM

## TREANOR
### Architect

Treanor has been providing planning and design services to healthcare clients for more than 60 years, including almost 40 years in the Bay Area. With a client-focused approach to programming and design, we combine design best practices, care environment trends and evolving technologies to optimize efficiency and adaptability to future needs.

All subconsultants selected for this team have experience working in active hospitals on similar projects. This team works well together, and we know that the individuals on our team understand the complexities of this project.

**PROPOSED CONTRACTING RELATIONSHIP:**

We are proposing a standard team approach with the architect holding the prime contract with the client and sub-consultants tied to the contract through an AIA consultant agreement.

## BUEHLER ENGINEERING
### Structural Engineer

Buehler has been engineering structural healthcare solutions for more than four decades. Our staff of 50+ California-licensed Structural Engineers hold deep and comprehensive experience on healthcare projects of all types, including renovations, new hospitals, equipment anchorages, medical office buildings, Special Seismic Certifications for critical equipment, and structural plan reviews.

Buehler has held a Master Agreement with HCAI-OSHPD to provide structural plan review services since 1998. We know California healthcare processes and design standards.

Recent clients of Buehler include Salinas Valley Hospital, Community Hospital of the Monterey Peninsula, and Dominican Hospital, as well as Stanford Health, UCSF, Sutter Health, Indian Health Services, United Health Services, Kaiser, Dignity Health, Fremont-Rideout Health Group, Banner Health, Lodi Memorial, Eureka Methodist Hospital, Oroville Hospital, and Colusa Hospital.

## MAZZETTI
### MEP Engineer

Mazzetti is a global provider of MEP engineering design and technology consulting. Their vision is to make the world a better place by creating better (healthier) environments. Their deepest expertise is in Healthcare—energy-intensive, critical systems. The world is changing, and built environments need to adapt to those changes. Through their unique vision, they plan innovative, technologically advanced buildings rooted in local culture, climate, and economy. Mazzetti designs healthy, sustainable spaces that reflect clients' values resulting in resilient buildings far into the future.

*IR CT 2 Stanford Medical Center*



# KEY PERSONNEL

Salinas Valley HEALTH

DESIGN

TEAM LEADERSHIP



**Tansy Bowermaster**
Principal in Charge
ACHA
Treanor
*15% availability*



**Chuang-Ming Liu**
Principal / Technical Architect
ACHA
Treanor
*20% availability*



**Craig Friedman**
Project Manager/Medical Planner
Treanor
*42% availability in October*

SUBCONSULTANTS

**Mazzetti**
MEP Engineer

**Jesse Avery**
Principal Electrician
Mazzetti
*25% availability*

**Thomas Yu**
Senior Associate
Mechanical/Plumbing
Mazzetti
*35% availability*

**Buehler Engineering**
Structural Engineer

**Warren Pottebaum**
Principal
Buehler Engineering
*10% availability*

**TBD**
Structural Engineer/
Project Manager
Buehler Engineering
*33% availability*

**ATTACHMENT B**
**STATEMENT OF QUALIFICATIONS**
**MRI INSTALLATION PROJECT**

1. Firm name: Treanor, Inc.

2: Business Address: 351 California Street, Suite 800, San Francisco, CA 94104

3. Firm Established (year): 1981

Telephone: 415.773.0773
Fax: 888-831.5148
Email: tbowermaster@treanor.design
Website: treanor.design

4. Type of Organization: (check one)

| | |
|---|---|
| Sole Proprietorship | ( ) |
| Partnership | ( ) |
| Corporation | ( X ) |
| Joint Venture | ( ) |

5. Key Personnel

| Name | Title | Degree or Certification | Institution | Registration |
|---|---|---|---|---|

Tansy Bowermaster, Principal-in-Charge, AIA, ACHA, NCARB, Architectural Studies, College of Built Environments University of Washington, Seattle | Registered Architect CA, OR, WA

Chuang-Ming Liu, Associate Principal, AIA, ACHA, LEED AP, EDAC, MBA, Design Strategy California College of Arts, San Francisco Master of Architecture, University of Illinois at Urbana-Champaign Bachelor of Science, Construction Engineering National Taiwan University of Science and Technology | Registered Architect CA

6. Average staff employed in your home office (average of past 5 years):

| | |
|---|---|
| Architects: | 5 |
| Structural Engineers: | N/A |
| Mechanical Engineers: | N/A |
| Electrical Engineers: | N/A |
| Civil Engineers: | N/A |
| Drafting Technicians: | 3 |
| Clerical: | N/A |
| Other: | 7 |

7. Provide at least three (3) references that SALINAS VALLEY HEALTH may contact:

Michelle Nip, Stanford Health Care, mnip@stanfordhealthcare.org,
Rena Salamacha, CEO Mee Memorial Hospital, rsalamacha@meememorial.com
Frank Gee, Chinese Hospital San Francisco, frankg@chasf.org

8. Provide at least three (3) contractor references that SALINAS VALLEY HEALTH may contact:

Rodney Terra, FTG Builders, Rodney@FTGBuilders.com
Nicole Blakeney, Envision Construction & Design, Inc., nicoleb@envisioncdi.com
Anthony Rusca , Peacock Construction, arusca@peacockconstruction.com

Signature:  Date: August 07, 2024

Printed Name: Tansy Bowenmaster

Title: Principal

**ATTACHMENT B (CONT.)**
**PROJECT INFORMATION SHEET**
**MRI INSTALLATION PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

Project: MRI Upgrade
Completion Date: 2020
Location: Palo Alto, CA
Gross Sq. Feet: 1,060
Owner: Stanford Health Care
Number of Spaces: 3
Owner's Representative:
Construction Cost: $325,157

Description:
Completion of an MRI space in the New Stanford Hospital including new equipment
Treanor (as The Stinnett Group) and Mazzetti were on the project team.

Owner/Representative Phone Number: (650) 313-7965
Contract Method (lump sum, negotiated, design build, multiple-prime, other):
Pre-qualified Design-Bid-Build

General Contractor: Envison

Project Manager: Nicole Blakeney
Superintendent: Cyrus Metzger

Architect: The Stinnett Group (now Treanor)

Principal: Tansy Bowermaster
Project Manager: Thien Mac

Structural Engineer: Degenkolb

Principal: James Liu
Project Manager: Travis Chrupalo

Mechanical Engineer: Mazzetti

Principal: Brian Hans
Project Manager: Angelica Chow

Electrical Engineer: Mazzetti

Principal: Jesse Avery
Project Manager: Anjali Wale

Other (as appropriate):

Principal:
Project Manager:
(provide additional sheets if necessary)

**ATTACHMENT B (CONT.)**
**PROJECT INFORMATION SHEET**
**MRI INSTALLATION PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

Project: Dominican Radiology Department
Completion Date: 2024
Location: Santa Cruz, CA
Gross Sq. Feet: 536 SF
Owner: Dignity Health
Number of Spaces: 12
Owner's Representative: Chip Bogaard
Construction Cost: $3,207,080

Description: Phased remodel of an existing radiology department in a 1960's era hospital building including new CT rooms, shielding, and support spaces.
We have also looked at MRI opportunities on this campus with Buehler.

Owner/Representative Phone Number: Chip Bogaard - 831-246-2070
Contract Method (lump sum, negotiated, design build, multiple-prime, other):
Design-Build

General Contractor:

Project Manager: Rodney Terra
Superintendent: Tony Gonzales

Architect: Treanor

Principal: Tansy Bowermaster
Project Manager: Sharmin Pourmogadas

Structural Engineer: Buehler

Principal: Warren Pottebaum
Project Manager: Nathan Woo

Mechanical Engineer: Glumac

Principal: Daniel Harper
Project Manager:

Electrical Engineer: Glumac

Principal: Kyle Pace
Project Manager:

Other (as appropriate):

Principal:
Project Manager:
(provide additional sheets if necessary)

**ATTACHMENT B (CONT.)**
**PROJECT INFORMATION SHEET**
**MRI INSTALLATION PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

Project: Interventional Radiology CT Suite 2
Completion Date: April 2024 (projected)
Location: Palo Alto, CA
Gross Sq. Feet: 577 SF
Owner: Stanford Healthcare
Number of Spaces: 3
Owner's Representative: Michelle Nip
Construction Cost: $4.04M

Description: The department wanted to grow their Interventional capabilities to take on more caseloads and this project was to add another IR CT room to meet this goal. The IR CT-2 Procedure Room shares a control room with the IR CT-1 Procedure.

Owner/Representative Phone Number: (650) 779-7395
Contract Method (lump sum, negotiated, design build, multiple-prime, other):
Lump Sum

General Contractor: Envision Construction & Design

Project Manager: Nicole Blakeney
Superintendent: Cyrus Metzger

Architect: Treanor

Principal: Tansy Bowermaster
Project Manager: Thien Mac

Structural Engineer: Estructure

Principal: Tom Wismar
Project Manager: Heidi Schloegel

Mechanical Engineer: Oldham Engineering

Principal: Matt Denny
Project Manager: Adam Fernandes

Electrical Engineer: Cammisa & Wipf

Principal: Paul O'Connell
Project Manager: Mary Grace Canlas

Other (as appropriate):

Principal:
Project Manager:
(provide additional sheets if necessary)

**ATTACHMENT B**
**STATEMENT OF QUALIFICATIONS**
**MRI INSTALLATION PROJECT**

1. Firm name: Buehler Engineering

2: Business Address: 180 Montgomery Street, Suite 1500, San Francisco, CA 94104

3. Firm Established (year): 1946

Telephone: 415.495.1635
Fax: 916.443.0313
Email: wpottebaum@buehlerengineering.com
Website: buehlerengineering.com

4. Type of Organization: (check one)

| | |
|---|---|
| Sole Proprietorship | ( ) |
| Partnership | ( ) |
| Corporation | ( X ) |
| Joint Venture | ( ) |

5. Key Personnel

| Name | Title | Degree or Certification | Institution | Registration |
|---|---|---|---|---|
| Warren Pottebaum, SE | Principal | MS, Structural Engineering | University of California, Berkeley | Structural Engineer California \| No. 4791 |
| | | BS, Civil Engineering | University of Southern California | Civil Engineer California \| No. 59174 |

6. Average staff employed in your home office (average of past 5 years):

| | |
|---|---|
| Architects: | 0 |
| Structural Engineers: | 45 |
| Mechanical Engineers: | 0 |
| Electrical Engineers: | 0 |
| Civil Engineers: | 15 |
| Drafting Technicians: | 15 |
| Clerical: | 10 |
| Other: | 15 |

7. Provide at least three (3) references that SALINAS VALLEY HEALTH may contact:

FTG Builders | Rodney Terra | rodney@ftgbuilders.com | 408.710.2967

Avila Construction | Chris Chinn | chris@avilaconst.com | 831.582.8124

Rudolph & Sletten | Jane Lin | Jane.Lin@rsconst.com | 917.379.3196

8. Provide at least three (3) contractor references that SALINAS VALLEY HEALTH may contact:

Cedarblade Consulting | Frank Cedarblade | frank.cedarblade@gmail.com | 408.605.3343

Dominican Hospital Santa Cruz | Chip Bogaard | chip.bogaard@commonspirit.org | 831.246.2070

Ratcliff Architects | Douglas Strout | dstrout@ratcliffarch.com | 415.308.0970

Signature:  Date: 7/31/2024

Printed Name: Warren Pottebaum, SE

Title: Principal

**ATTACHMENT B (CONT.)**
**PROJECT INFORMATION SHEET**
**MRI INSTALLATION PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

Project: Montage Health Ryan Ranch Building D MRI
Completion Date: Design Phase Complete
Location: Monterey, CA
Gross Sq. Feet: 1,600
Owner: Montage Health Foundation
Number of Spaces: 1
Owner's Representative: Ryan McMahon
Construction Cost: $2.8 million

Description: This project consisted of the design of a new MRI suite in existing shell space.

Owner/Representative Phone Number: 831.625.4686
Contract Method (lump sum, negotiated, design build, multiple-prime, other):
Design-bid-build

General Contractor: TBD

Project Manager: _____ Superintendent: _____

Architect: Dreyfuss + Blackford Architecture

Principal: Scott B Shannon Project Manager: Sarah Bergman

Structural Engineer: Buehler Engineering, Inc.

Principal: Warren Pottebaum Project Manager: _____

Mechanical Engineer: Turley & Associates

Principal: John Thompson Project Manager: _____

Electrical Engineer: Aurum Consulting Engineers

Principal: Eldridge Bell Project Manager: _____

Other (as appropriate): _____

Principal: _____ Project Manager: _____
(provide additional sheets if necessary)

**ATTACHMENT B (CONT.)**
**PROJECT INFORMATION SHEET**
**MRI INSTALLATION PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

Project: Adventist Health Ukiah Valley MRI Equipment Installation
Completion Date: Design Phase Complete
Location: Ukiah, CA
Gross Sq. Feet: 1,900
Owner: Adventist Health
Number of Spaces: 1
Owner's Representative: Kyle Brooks
Construction Cost: $2.6 million

Description: This project consisted of upgrading an existing MRI suite with new equipment. The suite included a Magnet Room, Control Room, and Equipment Room. The design of framing support and equipment anchorage was required for the new equipment.

Owner/Representative Phone Number: 707.391.1346
Contract Method (lump sum, negotiated, design build, multiple-prime, other):
Design-bid-build

General Contractor: GMH Builders

Project Manager: Chuck Ferguson
Superintendent:

Architect: Ratcliff

Principal: Doug Strout
Project Manager:

Structural Engineer: Buehler Engineering, Inc.

Principal: Warren Pottebaum
Project Manager:

Mechanical Engineer: Gayner Engineers

Principal: Shuen Lo
Project Manager:

Electrical Engineer: Gayner Engineers

Principal: Benson Ngo
Project Manager:

Other (as appropriate):

Principal:
Project Manager:
(provide additional sheets if necessary)

**ATTACHMENT B (CONT.)**
**PROJECT INFORMATION SHEET**
**MRI INSTALLATION PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

Project: Kaiser Roseville Medical Center MRI Replacement
Completion Date: 2022
Location: Roseville, CA
Gross Sq. Feet: 1,760
Owner: Kaiser Permanente
Number of Spaces: 1
Owner's Representative: Aarti Lindahl
Construction Cost: $3.2 million

Description: This project consisted of a replacement of the previous MRI and a renovation of the existing MRI space, including the shared control room.

Owner/Representative Phone Number: 916.784.4269
Contract Method (lump sum, negotiated, design build, multiple-prime, other):
Design-bid-build

General Contractor: Unger Construction Company

Project Manager: Jackie Cecil
Superintendent:

Architect: Hibser Yamauchi Architects

Principal: Ken Yamauchi
Project Manager:

Structural Engineer: Buehler Engineering, Inc.

Principal: Brian Reil
Project Manager: Jason Passalacqua

Mechanical Engineer: R&A Engineering Solutions, Inc.

Principal: Harold Hougham
Project Manager:

Electrical Engineer: Edge Electrical Consulting, Inc.

Principal: Y.S. Donny Lee
Project Manager:

Other (as appropriate):

Principal:
Project Manager:
(provide additional sheets if necessary)

**ATTACHMENT B**
**STATEMENT OF QUALIFICATIONS**
**MRI INSTALLATION PROJECT**

1. Firm name: Mazzetti

2: Business Address: 220 Montgomery Street, Suite 640, San Francisco, CA

3. Firm Established (year): 1962

Telephone: 415.362.3266
Fax: n/a
Email: slin@mazzetti.com
Website: mazzetti.com

4. Type of Organization: (check one)

| | |
|---|---|
| Sole Proprietorship | ( ) |
| Partnership | ( ) |
| Corporation | ( X ) |
| Joint Venture | ( ) |

5. Key Personnel

| Name | Title | Degree or Certification | Institution | Registration |
|---|---|---|---|---|

Stacey Lin, PE - Principal - MS Mechanical Engineering, Washington State University, BS, Mechanical Engineering, University of Science & Technology of China - PE: California, Oregon and Alaska

Jesse Avery, PE - Principal - BS Electrical Engineering, San Francisco State University - PE California

Thomas Yu, PE - Senior Associate - BS Mechanical Engineering, California Polytechnic State University - LEED AP

6. Average staff employed in your home office (average of past 5 years):

| | |
|---|---|
| Architects: | 0 |
| Structural Engineers: | 0 |
| Mechanical Engineers: | 10 |
| Electrical Engineers: | 3 |
| Civil Engineers: | 0 |
| Drafting Technicians: | 0 |
| Clerical: | 3 |
| Other: | 17 |

7. Provide at least three (3) references that SALINAS VALLEY HEALTH may contact:

Joint - UCSF and John Muir Health, Peter Spadia, Peter.Spadia@johnmuirhealth.com, 925.324.2251

Memorial Sloan Kettering Cancer Center, Carlos Villalva, Vice President of Design and Construction, villalvac@mskcc.org

Stanford University Medical Center, George Tingwald, MD, AIA, Director of Medical Planning, GTingwald@StanfordHealthCare.org, 650.721.5966

8. Provide at least three (3) contractor references that SALINAS VALLEY HEALTH may contact:

Swinerton, Brian Broadsky, BBrodsky@swinerton.com, 916.871.9033

ACCO Engineer Systems, Steve Glatt, sglatt@accoes.com, 510.346.4300

Perkins Eastman, Pam Kurtz, Principal, p.kurz@perkinseastman.com, 510.250.1418

Signature: _____ Date: August 07, 2024

Printed Name: Jesse Avery

Title: Principal

**ATTACHMENT B (CONT.)**
**PROJECT INFORMATION SHEET**
**MRI INSTALLATION PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

Project: UCSF Berry Street MRI #7 PET/CT Scans
Completion Date: 2020
Location: San Francisco, CA
Gross Sq. Feet: 4,000 SF
Owner: UCSF Health
Number of Spaces: n/a
Owner's Representative: Anna Levitt, Interim Director of Utilities and Infrastructure
Construction Cost: n/a

Description: MEP design for a 4,000 sf renovation of PET/CT suite spaces; delivered design-build. New work includes: 1 new MRI suite with control room, 1 new PET/CT suite with control room, PET/CT prep areas, 2 toilet rooms, 1 soiled utility room, and 1 janitor's closet

Owner/Representative Phone Number: UCSF Health, Anna Levitt, 858.568.8736
Contract Method (lump sum, negotiated, design build, multiple-prime, other):
Design-Build

General Contractor: ACCO Engineered Systems

Project Manager: Steve Glatt
Superintendent: n/a

Architect: n/a

Principal: n/a
Project Manager: n/a

Structural Engineer: n/a

Principal: n/a
Project Manager: n/a

Mechanical Engineer: Mazzetti

Principal: n/a
Project Manager: Brian Hans

Electrical Engineer: Mazzetti

Principal: Jesse Avery
Project Manager: Anjali Wale

Other (as appropriate): Plumbing Design/Mazzetti

Principal: n/a
Project Manager: Brian Hageman
(provide additional sheets if necessary)

# 3.
# RESUMES



## Tansy Bowermaster

AIA, ACHA, NCARB

PRINCIPAL IN CHARGE

EMPLOYMENT HISTORY
Total Years Experience: 24
Years Experience at Present Firm: 22, Including The Stinnett Group (acquired)

EDUCATION
Architectural Studies, College of Built Environments
University of Washington, Seattle

REGISTRATION
Registered Architect: CA, OR, WA

CERTIFICATIONS/AFFILIATIONS
American College of Healthcare Architects (ACHA)
National Council of Architectural Registration Boards (NCARB)
American Institute of Architects, Academy of Architecture for Health (San Francisco)

PERCENTAGE OF COMMITMENT OF TIME TO THIS PROJECT: 15%

Tansy has focused exclusively on healthcare for the past 22 years. She is skilled at working on complex projects in active hospitals and medical office buildings. Tansy manages the West Coast Health team and has worked on several MRI projects.

**MRI**
- Stanford HC MRI Study PM
- Stanford HC MRI Replacement PIC
- Stanford LPCH MRI Study PM
- CPMC MRI Study & Remodel PM
- CPMC MRI Temporary Trailer Study PM
- CPMC MRI Trailer PM
- Dominican Hospital MRI and Pet CT Study PM
- Chinese Hospital MRI Study PM
- PAMF MRI (1.5T MSK Extreme) PIC
- El Camino Hospital MRI PIC
- Navidad Medical Center MRI Trailer PIC

**Interventional Radiology Suite** PIC on all
- Dominican Hospital
- Stanford IR CT 2
- Stanford Tri-Valley

**Gamma Camera**
- Salinas Valley Health PM
- Replacement, CPMC Davies PM

**Radiology Department**
- CPMC PM
- Dominican Hospital PIC
- Mee Memorial PIC
- PAMF Santa Cruz PM
- Room A, D, CPMC Pacific MOB PM
- UCSF B-CHO PIC
- Rooms, CPMC PM
- Room 2, CPMC Davies PM
- Room, Seton PM
- Room, PeaceHealth PIC

**Cath Lab**
- Salinas Valley Health PM
- Dominican Hospital PIC
- Seton Medical Center PM
- WCH PIC

**CT Scanner Replacement** PM on all
- CPMC California
- CPMC Davies
- PAMF Santa Cruz

**Fluoroscopy**
- Stanford Redwood City PIC
- Room 6, CPMC Cali PM
- Chinese Hospital PIC



## Chuang-Ming Liu

AIA, ACHA, EDAC, LEED AP

PRINCIPAL / TECHNICAL ARCHITECT

EMPLOYMENT HISTORY
Total Years Experience: 21
Years Experience at Present Firm: 2

EDUCATION
MBA, Design Strategy
California College of Arts, San Francisco
Master of Architecture
University of Illinois at Urbana-Champaign
Bachelor of Science, Construction Engineering
National Taiwan University of Science and Technology

REGISTRATIONS
Registered Architect: CA

CERTIFICATIONS/AFFILIATIONS
American College of Healthcare Architects (ACHA)
Evidence Based Design Accreditation and Certification (EDAC)
LEED AP
Instructor of Design Thinking: San Francisco State University, Stanford Continuing Studies

PERCENTAGE OF COMMITMENT OF TIME TO THIS PROJECT: 20%

In the past couple of decades, Liu has built a strong reputation as a healthcare architect with proven abilities to analyze issues, sift through complex challenges, and develop effective paths to the right solutions. His experience includes many remodel projects in active hospitals, where he uses LEAN initiatives to drive efficiency and effectiveness.

**Stanford Health Care**
Bay Area, CA
- Temporary MRI Trailer Make Ready PIC
- STAT Lab & P-Tube PIC

**Lucille Packard Children's Hospital**
Palo Alto, CA
- CT/MRI Remodel PM

**MarinHealth Medical Center**
Greenbrae, CA
- Temporary MRI Trailer PIC
- Nuclear Medicine Suite* PIC

**San Leandro Hospital**
San Leandro, CA
- CT Scan and Ultrasound Remodel* PIC

**Chinese Hospital**
San Francisco, CA
- Infusion Design PIC

**Valley Care**
Pleasanton, CA
- Interventional and Diagnostic Radiology Platform Remodel* SR PM

**UCSF Medical Center**
San Francisco, CA
- Moffitt Long CT Expansion PIC

**Hazel Hawkins Memorial Hospital**
Hollister, CA
- NPC & SPC Evaluations PIC
- Clinical Lab Remodel PIC

**St. Mary's Medical Center**
San Francisco, CA
- CT Trailer PIC
- EOSC Installation* PIC
- Trash Compactor Installation* PIC

** completed at previous firm*



## Craig Friedman

PROJECT MANAGER

EMPLOYMENT HISTORY
Total Years Experience: 38
Years Experience at Present Firm: Current < 6 months.
Previously 4 years (2008-2012)

EDUCATION
Master of Science, Architecture, Kansas State University
Bachelor of Science, Urban Planning, The Pennsylvania State University

REGISTRATIONS
Registered Architect: CO, District of Columbia

PERCENTAGE OF COMMITMENT OF TIME TO THIS PROJECT: 42%

Craig has almost 40 years of varied architectural experience with an emphasis on healthcare. He has worked on MRI and other imaging projects in several states, including California. Craig has strong experience in programming, planning, Lean process, and evidence-based design and is a great asset to our team.

**Veterans Affairs Medical Center***
Denver, CO DESIGNER on all
- Imaging Department (incl. MRI)
- Patient Tower
- Ambulatory Medical Center
- Diagnostic and Treatment Building
- Spinal Cord Injury Center
- Research Building

**Salinas Valley Health**
Salinas, CA
- MOB Master Plan

· SR MEDICAL PLANNER

**Saint Joseph Hospital**
Denver, CO
- Imaging Department (incl. MRI) SR MEDICAL PLANNER
  Replacement Hospital
- Parking Garage SR MEDICAL PLANNER

**Sequoia Regional Cancer Center***
Visalia, CA
- Diagnostic Imaging Center (incl. MRI) Cancer Center PM

**University of Maryland Medical System***
Baltimore, Maryland
- Anna Gudelsky MRI Suite DESIGNER

**Providence St. Vincent Medical Center***
Portland, OR DESIGNER on all
- PET CT Replacement & Mobile
- PET CT Replacement & Suite

**Adventist Medical Center***
Portland, OR
- Infrastructure upgrades DESIGNER

**Adventist Health Primary Care***
Pacific City, OR
- XRay Suite DESIGNER

**4000 Vista Way**
Oceanside, CA
- Medical Office Building PM
- Ambulatory Surgery Center PM

**Walter Reed Medical Center**
Washington D.C.
- BSL-3 Research laboratory* DESIGNER



## Warren Pottebaum

STRUCTURAL PRINCIPAL-IN-CHARGE

EMPLOYMENT HISTORY
Total Years Experience: 27
Years Experience at Present Firm: 6

EDUCATION
Masters of Science, Structural Engineering,
University of California, Berkeley
Bachelor of Science, Civil Engineering,
University of Southern California

REGISTRATIONS
Structural Engineer California | No.4791
Professional Engineer California | No. 59174

PERCENTAGE OF COMMITMENT OF TIME TO THIS PROJECT: 10%

Warren is a Principal with Buehler who has nearly three decades of experience with renovations, new construction projects, and structural evaluations. He has experiencewithspecialized structural systems including those utilizing base-isolation and damping systems. His work spans several sectors of the built environment with a particular focus on healthcare and municipal projects. Warren's success stems from his ability to maintain quality control on his projects and the collaborative way that he works with design teams and contractors to improve constructability types.

**Salinas Valley Memorial Hospital**
- Imaging Department Renovation
- Diagnostic Imaging Room #3

**Sutter Tracy Community Hospital**
- MRI Equipment Upgrade

**Montage Health**
- Ryan Ranch Building D MRI

**Adventist Health**
- Ukiah Valley MRI Equipment Installation

**Dominican Hospital**
- Radiology Department Upgrade

**Stanford Hospital**
- 300P Hawkeye MRI Study



## Jesse Avery PE
ELECTRICAL LEAD

EMPLOYMENT HISTORY
Total Years Experience: 20
Years Experience at Present Firm: 15

EDUCATION
Bachelor of Science, Electrical Engineering
San Francisco State University

REGISTRATIONS
Professional Engineer: CA

CERTIFICATIONS
LEED AP

PERCENTAGE OF COMMITMENT OF TIME TO THIS PROJECT: 25%

Jesse has 20 years of experience in the engineering and construction fields with expertise in healthcare environments. He is a seasoned Electrical Design resource and Team Leader at Mazzetti. His team has worked on landmark projects like the $1B+ LEED Platinum Packard Children's Hospital and on various projects for portfolio clients like Kaiser Permanente and Stanford Health Care.

**Stanford Medicine**
Stanford, CA
- GE Signa Permier MRI System Upgrade Evaluations
- MRI Upgrades at 3155 Porter
- Lucas 7T MRI Upgrade
- MSLS 3T2 MRI
- MRI Replacement, MEP Design Services
- Hoover Pavilion Radiology
- 300P X-Ray 1 Remodel
- New Stanford Hospital

**NSH 1F040 GE Premier MRI Upgrade**
San Francisco, CA

**UCSF**
Mission Bay, CA
- UCSF MC MZ Post-Mission By Radiology

**UCSF**
San Francisco, CA
- UCSF Benioff Children's Hospital-Oakland X-Ray 1 Replacement
- UCSF Benioff Children's Hospital-Oakland X-Ray 3 Replacement
- UCSF Health Helen Diller Hospital

**UCSF**
Oakland, CA
- UCSF Benioff Children's Hospital-Oakland Mobile MRI Trailer



## Thomas Yu LEED AP
MECHANICAL LEAD

EMPLOYMENT HISTORY
Total Years Experience: 36
Years Experience at Present Firm: 20

EDUCATION
Bachelor of Science, Mechanical Engineering
California Polytechnic State University

PERCENTAGE OF COMMITMENT OF TIME TO THIS PROJECT: 35%

Thomas has 36 years of experience in mechanical designs for industries such as healthcare, commercial, higher education and historic renovations. His project experience also encompasses a broad range of heating, ventilating, air conditioning, plumbing and fire protection designs. In addition to his knowledge of the design of these facilities, Thomas is familiar with OSHPD and laboratory standards. He brings practical experience to his construction designs, always resulting in efficient, cost effective, functional projects.

**Salinas Valley Memorial Hospital**
Salinas, CA
- System Master Plan Implementation

**Sutter Mills Health Center**
San Mateo, CA
- New MRI Suite

**Watsonville Community Hospital**
San Francisco, CA
- Radiology

**Stanford Medicine**
Emeryville, CA
- Emeryville Hollis Imaging Expansions

**Stanford Medicine**
Stanford, CA
- New Stanford Hospital

**UC Davis Health**
Sacramento, CA
- California Tower

**Beverly Hospital**
Los Angeles, CA
- Proton Therapy Center

# 4.
# RESPONSE TO SELECTION CRITERIA FORM

# 1. Qualifications and Experience of Firm

The proposed Treanor and Mazzetti team performed a system wide study for Stanford and LPCH reviewing multiple sites for MRI upgrades. We also worked together on an efficient MRI project within the New Stanford Hospital. In addition, our proposed project manager has completed multiple MRI projects across the country.

We have decades of experience with the remodel of complete imaging departments. Treanor and Buehler recently completed an update to the Radiology Department at Dominican Hospital in Santa Cruz, which required navigating the remodel of a 1960's era building under HCAI/OSHPD jurisdiction. We diligently investigated and detailed field conditions during design, and quickly negotiated reasonable updates when OSHPD field staff disagreed with the office staff.

## DEMONSTRATED DESIGN EXPERTISE WORKING WITHIN AN OPERATING FACILITY

For four decades, our primary focus in the Bay Area has been the remodel of operational healthcare facilities. We understand the complexities of working in an active department, in an acute care hospital, under OSHPD/HCAI jurisdiction.

Renovation of occupied facilities requires special attention to detail associated with maintaining operations and ensuring the safety of patients, care providers, visitors, and staff. The team we are proposing for this project has decades of healthcare experience, they have completed hundreds of projects in operational facilities and know how to attentively plan phasing around active departments.

We believe that the key to project success, particularly when maintaining operations throughout construction, lies in fostering a trusting relationship among all stakeholders. We work closely with the contractor, owner, and Inspector of Record (IOR) to ensure effective collaboration.

Early coordination and planning with the OSHPD field staff regarding milestone sign-offs are crucial. Our strong relationships and proactive approach with the field staff ensures swift responses and increased flexibility during the ongoing project. By adopting this approach, we aim to minimize delays associated with OSHPD sign-off and expedite the restoration of the space to a usable state, thereby optimizing the overall project timeline.

## SIMILAR PROJECTS /CLIENTS IN SAME GEOGRAPHICAL AREA

### Stanford Health Care
- MRI Study, multiple sites
- MRI Suite
- IR CT 2

### Salinas Valley Health
- Cath Lab
- Pediatric Play Area
- MOB Study

### Dominican Hospital
- Radiology Department
- Dietary Remodel
- Boiler Burner Replacements
- Cath Lab
- Fire Alarm Upgrades
- IR Renovation Schematic Design
- Nurse Call Upgrade
- OSHPD 3 clinic
- OR Upgrades
- Medical Gas Storage

### Watsonville / Pajaro Valley
- Cath Lab Replacement
- Pyxis Anchorage
- Pharmacy Design
- Second Floor Security Design
- Radiology Design
- Crisis Stabilization Unit assistance

### Community Hospital of the Monterey Peninsula
- Cafeteria Menu Boards
- Hospital Reroof
- Surgery Lights and Medical Gas
- Computer Equipment Installation

### Mee Memorial Hospital
- Pediatrics Clinic
- Master Planning
- Material Testing / seismic compliance
- ED and Radiology Expansion
- Medical Air Compressor
- Lab Analyzer
- Roofing
- Pyxis and Data Drops
- Boiler Replacement
- Critical Access Designation

### EXPERIENCE WITH HCAI LEVEL I - EXPERIENCE DURING CONSTRUCTION AND CONTRACT ADMINISTRATION

We take pride in our track record of working swiftly, efficiently, and in a timely manner with HCAI/OSHPD on hundreds of successful projects spanning over several decades. Our wealth of experience reflects a deep familiarity with CBC requirements, Title 22, NFPA, as well as a comprehensive understanding of the OSHPD process, PINs, and CANs.

### DESIGN PHASE

During the design phase, we have strong confidence in code compliance and possess valuable insights into OSHPD review trends and the aspects that reviewers pay close attention to. We prioritize providing clarity in our drawings to effectively communicate design intent and compliance with reviewers. This level of expertise significantly streamlines the project workflow, mitigates potential issues, and ensures adherence to all necessary guidelines. Additionally, our quality control and interdisciplinary collaboration process allows all members of the design team to bring their past experiences to the table and support one another in meeting design and regulatory requirements.

We proactively engage in consultations with OSHPD reviewers during the design phase to ensure our submissions align with acceptable solutions. We also advocate for our design choices when necessary and have achieved numerous successes where OSHPD reviewers withdrew their comments or approved an alternative approach after our appeals.

### CONSTRUCTION PHASE

During the construction phase, our team is highly efficient in navigating OSHPD protocols and processes, enabling us to swiftly handle paperwork and changes (ACD/NMA). Our collaborative approach has earned us a reputation as a valued team member among field officers at OSHPD.

We are dedicated to delivering successful outcomes while upholding standards of compliance and collaboration throughout the project lifecycle.

# 2. Approach to Providing Services and Project Management

### EVALUATING EXISTING CONDITIONS

Thorough evaluation and documentation of existing conditions is key to project success. At the start of each project, we prioritize gaining a thorough understanding of the existing conditions. This involves conducting comprehensive reviews of available as-built drawings and documents, as well as conducting detailed surveys of the project areas.

Field investigations of existing conditions are important to identify obstructions as soon as it is feasible. Our team is experienced at exploring areas above ceilings to visually identify existing conditions, constraints, challenges, and risks. By directly witnessing the site conditions, we can accurately assess the project's requirements and tailor our design and construction approach accordingly.

### COLLABORATING WITH ENGINEERS

We will collaborate with facility engineers and the Bogard team during site visits. These visits provide us with invaluable opportunities to work closely with the experts who have an intricate understanding of the MEP systems within the facility. During these on-site assessments, we validate the accuracy of the existing documentation related to the MEP installations and cross-reference the information gathered from as-built drawings and records with the physical conditions observed on-site.

### PROJECT MANAGEMENT & CONSTRUCTION ADMINISTRATION

We embrace Lean and Agile methodologies in our design and project management process. To foster effective collaboration, our project managers facilitate

interdisciplinary reviews (IDRs) to ensure seamless integration and communication among team members.

By implementing tools such as the Last Planner System, pull planning, plus/delta, and Choose by Advantage, we enhance our ability to provide accurate, efficient, and effective design and documentation. This approach proves particularly valuable in accelerated design processes, allowing us to manage project risks, improve team-wide reliability, and deliver projects on time and within budget.

### UNDERSTANDING THE OPPORTUNITIES AND CONSTRAINTS OF THE SALINAS VALLEY HEALTH SITE

Our initial thoughts on potential challenges, which could turn into opportunities to get ahead if tackled appropriately:

- Timely equipment selection, contract processing, and a purchase order for the release of detailed vendor drawings in order to provide appropriate information for an efficient design process.
- Clear communication with the key stakeholders enables us to move through the design process in a way that is mindful of everyone's busy schedules while also advocating for timely decisions to meet the design schedule.

Mazzetti uniquely understands the opportunities and constraints of Salinas Valley Health Medical Center having done work in every building on campus as well as having performed master planning and a complete facility conditions assessment in the past. This allows us to understand the big picture and the details of the individual systems that we will need to interface with for the MRI project.

The MRI building in the parking lot near the main entrance is not ideal for inpatient use. A new MRI within the hospital in the basement of the Cardiac Center North (bldg 7), will enhance patient care as patients would not need to be transported from the hospital across the hospital entrance driveway in open air to the existing MRI for imaging services. An MRI program within the hospital could also improve staff efficiency and collaboration.

### CHALLENGES INVOLVED IN THIS PROJECT AND APPROACH TO ADDRESSING THEM.

At Stanford, we found that the electrical distribution system had to be updated to accommodate several of the MRI installations. This can be reviewed early in design and addressed.

The mechanical capacity will also be reviewed early in design so that new equipment, where appropriate, can be planned for.

A new emergency exhaust fan and cryogenic vent pipe will be required through the upper floor to the roof. We will work closely with the Bogard and Salinas Valley Health team to identify the best path early in design.

# 3. Qualifications and Experience of Key Personnel

### CAPABILITIES TO UNDERTAKE APPROPRIATE PROJECT MANAGEMENT EFFORTS, AND ANTICIPATE AND RESOLVE PROBLEMS SPECIFIC TO THE NEEDS OF THE PROJECT UNDER CONSIDERATION.

Tansy Bowermaster, the Principal-in-Charge, spent several years working on projects at Salinas Valley Health, including walking the entire hospital for updates to the statement of conditions drawings. She is also experienced at how to handle unusual fire-life-safety conditions in older buildings in a reasonable way. She has experience with the OSHPD field team can can communicate with them effectively. We believe her experience not only with MRI projects but also with this campus will help our team take a logical and efficient approach to the design.

Liu will act in a peer review role, making sure our documents are coordinated and our team is staying on task.

Craig and Tansy are working closely together on a Stanford IR suite and plan to utilize their successful team approach on the Salinas MRI project.



# 5.
# REQUEST FOR SUPPLEMENTAL INFORMATION - CLAIMS

ATTACHMENT C

**REQUEST FOR SUPPLEMENTAL INFORMATION - CLAIMS**

**MRI INSTALLATION PROJECT**

Please submit the following information. Failure to respond may affect consideration of your firm for this project. If the firm has more than one office or division, please provide this information for the office proposed for this project. Responses may be listed on separate pages.

1. Separately list each pending unresolved claim for construction disputes and each current arbitration(s), mediation or litigation in which construction disputes or breach of contract is alleged or indemnity is being sought (because of such alleged disputes or breach of contract) using the following claimant categories:

   a. SALINAS VALLEY HEALTH against your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

      None

   b. Any Owner, person or entity against your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

      None

   c. SALINAS VALLEY HEALTH against any of your proposed consultant (i.e. structural, mechanical, electrical, and any other consultant). If none, indicate none.

      None

   d. Any Owner, person or entity against any of your proposed consultants (indicate project, location and Owner). If none, indicate none.

      None

2. Separately list each resolved (settled, arbitrated, and litigated) claim for professional negligence or breach of professional services agreement or for indemnity (because of such alleged negligence or breach of contract) during the last five (5) years using the following categories:

   a. SALINAS VALLEY HEALTH and your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

      None

b. Any Owner, person, or entity, and your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

None.

**DECLARATION:**

The undersigned declares under penalty of perjury that all of the information submitted is true and correct, and that this declaration was executed in

San Francisco (County) County, California, on 09/07/2024 (Date).

Tansy Bowenmaster, Principal

Name and Title –Printed or Typed

351 California Street, Suite 800

Signature

Address

415.773.0773

Telephone Number

Firm Name –if a joint venture, state name of joint venture entity

San Francisco, CA 94104

City, State and Zip Code

888.831.5148

Facsimile Telephone Number

5833260.3

ATTACHMENT C

**REQUEST FOR SUPPLEMENTAL INFORMATION - CLAIMS**

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      None

b. Any Owner, person, or entity, and your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none. None

As a national firm and as a part of the larger design team, we are inevitably subjected to a number of claims and potential lawsuits from time to time. Over the past 10 years, we have not had any formal judgments rendered against us, and we work closely with our design partners to achieve dismissal or settle issues on terms that are mutually acceptable. While the details of such settlements may be confidential we can confirm that there are no claims that are pending in litigation or arbitration at this time, nor are there any brought w/in the last 10 years that are not adequately covered by the firm's insurance policies. If you have any questions or concerns, please do not hesitate to contact us.

**DECLARATION:**

The undersigned declares under penalty of perjury that all of the information submitted is true and correct, and that this declaration was executed in

San Francisco (County) County, California, on July 31, 2024 (Date).

Stacey Lin, PE, Principal

Name and Title –Printed or Typed



Signature

Firm Name –if a joint venture, state name of joint venture entity

220 Montgomery Street, Suite 640

Address

San Francisco, CA 94104

City, State and Zip Code

415-362.3266

Telephone Number

n/a

Facsimile Telephone Number

ATTACHMENT C

**REQUEST FOR SUPPLEMENTAL INFORMATION - CLAIMS**

**MRI INSTALLATION PROJECT**

Please submit the following information. Failure to respond may affect consideration of your firm for this project. If the firm has more than one office or division, please provide this information for the office proposed for this project. Responses may be listed on separate pages.

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      None

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      None

   c. SALINAS VALLEY HEALTH against any of your proposed consultant (i.e. structural, mechanical, electrical, and any other consultant). If none, indicate none.

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      None

b. Any Owner, person, or entity, and your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

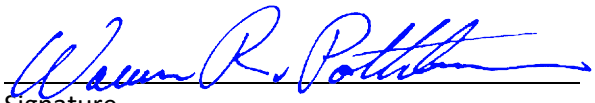
LAX Midfield Satellite Concourse | Los Angeles, CA | Los Angeles International Airport

**DECLARATION:**

The undersigned declares under penalty of perjury that all of the information submitted is true and correct, and that this declaration was executed in

Sacramento (County) County, California, on 7/31/2024 (Date).

Warren Pottebaum, SE | Principal
Name and Title –Printed or Typed


Signature

Buehler Engineering, Inc.
Firm Name –if a joint venture, state name of joint venture entity

180 Montgomery Street, Suite 1500
Address

San Francisco, CA 94104
City, State and Zip Code

415.495.1635
Telephone Number

916.443.0313
Facsimile Telephone Number

# 6. ACCEPTANCE OF TERMS AND CONDITIONS

# Acceptance of Terms and Conditions

We are prepared to accept the Agreement for Professional Services as written for the REQUEST FOR PROPOSALS FOR DESIGN & ENGINEERING SERVICES MRI INSTALLATION CIP 01.1250.3780, dated August 09, 2024 if awarded this project.

*Rocky Mountain Regional VA*



# 7.
# CERTIFICATE OF INSURANCE

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 07/22/2024

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

| PRODUCER | CONTACT NAME: WTW Certificate Center |
|---|---|
| Willis Towers Watson Midwest, Inc.<br>c/o 26 Century Blvd<br>P.O. Box 305191<br>Nashville, TN 372305191 USA | PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378<br>E-MAIL ADDRESS: certificates@wtwco.com |

| INSURER(S) AFFORDING COVERAGE | NAIC # |
|---|---|
| INSURER A : Continental Casualty Company | 20443 |
| INSURER B : Valley Forge Insurance Company | 20508 |
| INSURER C : Berkley Insurance Company | 32603 |
| INSURER D : | |
| INSURER E : | |
| INSURER F : | |

INSURED
Treanor, Inc.
1040 Vermont Street
Lawrence, KS 66044

**COVERAGES** **CERTIFICATE NUMBER:** W34331673 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS | |
|---|---|---|---|---|---|---|---|---|
| A | [X] COMMERCIAL GENERAL LIABILITY<br>[ ] CLAIMS-MADE [X] OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br>[ ] POLICY [X] PRO-JECT [ ] LOC<br>[ ] OTHER: | | | 7018151092 | 09/14/2023 | 09/14/2024 | EACH OCCURRENCE<br>DAMAGE TO RENTED PREMISES (Ea occurrence)<br>MED EXP (Any one person)<br>PERSONAL & ADV INJURY<br>GENERAL AGGREGATE<br>PRODUCTS - COMP/OP AGG | $ 1,000,000<br>$ 100,000<br>$ 15,000<br>$ 1,000,000<br>$ 2,000,000<br>$ 2,000,000 |
| A | AUTOMOBILE LIABILITY<br>[ ] ANY AUTO<br>[ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS<br>[X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY | | | 7018151108 | 09/14/2023 | 09/14/2024 | COMBINED SINGLE LIMIT (Ea accident)<br>BODILY INJURY (Per person)<br>BODILY INJURY (Per accident)<br>PROPERTY DAMAGE (Per accident) | $ 1,000,000<br>$<br>$<br>$ |
| A | [X] UMBRELLA LIAB [X] OCCUR<br>EXCESS LIAB [ ] CLAIMS-MADE<br>DED [X] RETENTION $ 10,000 | | | 7018151139 | 09/14/2023 | 09/14/2024 | EACH OCCURRENCE<br>AGGREGATE | $ 5,000,000<br>$ 5,000,000 |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: No<br>(Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below | N / A | | 7018151111 | 09/14/2023 | 09/14/2024 | [X] PER STATUTE [ ] OTH-ER<br>E.L. EACH ACCIDENT<br>E.L. DISEASE - EA EMPLOYEE<br>E.L. DISEASE - POLICY LIMIT | $ 1,000,000<br>$ 1,000,000<br>$ 1,000,000 |
| C | Professional Liability | | | AEC-9070547-05 | 09/14/2023 | 09/14/2024 | Per Claim<br>Aggregate | $2,000,000<br>$2,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER**

For Information Purposes Only

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Recycle

## CONTACT

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816.221.0900

**Lawrence, KS**
785.842.4858

**Lexington, KY**
859.519.3152

**Phoenix, AZ**
602.607.1882

**Vancouver, WA**
503.512.5809

**San Francisco, CA**
415.773.0773

**Topeka, KS**
785.235.0012

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TREANOR

# Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board of Directors Approval of Construction Budget to furnish, install, and activate a temporary emergency department overflow trailer facility to replace 'covid-era' tents at 450 E. Romie.**

Executive Sponsor: Clement Miller, Chief Operating Officer
Carla Spencer, Chief Nursing Office

Date: October 8, 2024

## Executive Summary

In recent years, SVMHS has utilized temporary facilities to expand emergency department capabilities beyond the existing footprint of the department and has temporarily re-purposed areas within the hospital to accommodate patient load that exceeds the carrying capacity of the existing emergency department. State-approved emergency legislative and licensing approvals that allowed operation of temporary overflow facilities during the recent pandemic have expired. SVH has applied for permission to erect a temporary (3-5 year) 2-trailer 'mobile unit' overflow facility in accordance with HCAi Policy Intent Notice (PIN) 34. Upon installation and activation, the mobile unit facility will allow removal of the existing ED tent facility and a reduction of overflow ED activities within the hospital outside the department footprint until a permanent ED expansion solution is developed and constructed.

## Background/Situation/Rationale

Since the onset of pandemic pressure on emergency service delivery, legislative and licensing rules associated with patient care have flexed in response to community need, and SVH utilized covid-era approvals to erect overflow tents to address the increased load on the department. Additionally, non-pandemic-related emergency service demand within the SVH service area has increased. Legislative approvals have returned to regular statutory regulation, and this project is meant to provide 'duplicate hospital services' as allowed by HCAi and CDPH. Mitigation measures to temporarily relieve pressure on the ED have gone through extensive planning and staff-review cycles, resulting in the currently configured project. Details of the proposed project were presented to the Board on June 27, 2024. Since then, SVH has entered into a lease agreement with Mobile Modular to rent 2 trailers that are being customized in Northern California and is currently awaiting approvals from HCAi and the City of Salinas to install the trailers adjacent to the ED ambulance drop-off porte-cochere.

Specialty needs of the Emergency Department and CDPH licensing statutes have informed the interior detailing of the two trailers, and access to the facilities must comply with ADA standards. The requested budget includes funding for jurisdictional approvals, modifications to utility infrastructure to support the trailers, the one-time costs associated with trailer delivery/set-up/removal, purchase of non-medical furnishings, the funding of information technology system expansion into the trailers, and the cost of site and interior modifications to match the staff-generated operational program. In July 2024 the Board approved the lease execution and up-front trailer improvement costs. The current budget request is for $1,783,683.00 for global project capital costs, including the trailer improvement costs, and the monthly rental rate that will apply throughout the lease period. This project cost was not included in FY planning budget models.

## Timeline

2023-2024 – Program Development and Facility Space Planning
June 2024 – Informational Board presentation, initiate approval process with Jurisdictions having Authority
August 2024 – Execute Lease Agreement with Trailer Vendor
Sept-Oct 2024 – Secure HCAi & City permits, modify utilities & infrastructure in advance of trailer delivery
November 2024 – Trailer delivery, complete site & interior installations
December 2024 - Licensing, activation, and 1st patient visit

## Capital versus Expense Breakdown

| Expense | FY25 | FY26 | FY27 | FY28 | FY29 |
|---|---|---|---|---|---|
| Trailer Lease | $33,216 | $49,824 | $49,824 | $16,608 | $0 |
| Utilities | $ 8,000 | $12,000 | $12,000 | $ 4,000 | $0 |
| Other | excludes other – presume in department operational budget | | | | |
| Subtotal | $41,216 | $61,824 | $61,824 | $20,608 | $0 |

| Capital | FY25 | FY26 | FY27 | FY28 | FY29 | Total |
|---|---|---|---|---|---|---|
| Site Improve | $284,744 | $0 | $0 | $0 | $0 | |
| Trailer Improve | $837,731 | $0 | $0 | $32,244** | $0 | |
| Permits/Fees | $298,200 | $0 | $0 | $0 | $0 | |
| Contingency | $145,292 | $0 | $0 | $0 | $0 | |
| Subtotal | $1,565,967 | | | $32,244 | | |
| TOTAL | $1,607,183 | $61,824 | $61,824 | $52,852 | $0 | **$1,783,683.** |

** trailer demobilization expense

## Financial/Quality/Safety/Regulatory Implications

| Key Contract Terms | Vendors: Vary – This authorization is for global budget |
|---|---|
| 1. Proposed effective date | On-site work completes December 2024, Lease extends through 2027 |
| 2. Term of agreement | 3-year lease for trailers |
| 3. Renewal terms | Month-to-month after lease term, unless otherwise negotiated |
| 4. Termination provision(s) | Outlined in Attachment 3 – approved in July ’24 board action |
| 5. Payment Terms | Construction: Pmt Net 45 days, based upon % complete at time of billing |
| 6. Annual cost | After initial installation costs, subsequent yearly costs +/-$62,000/Yr |
| 7. Cost over life of agreement | $1,783,683. |
| 8. Budgeted (indicate y/n) | Not in FY25 planning budget |

## Pillar/Goal Alignment

X Service X People X Quality ☐ Finance ☐ Growth X Community

## Recommendation

**Consider Recommendation to the SVH Board of Directors to fund the temporary two-trailer ‘mobile unit’ emergency department facility at 450 E. Romie in an amount Not-To-Exceed $1,783,683.00**

## Attachments

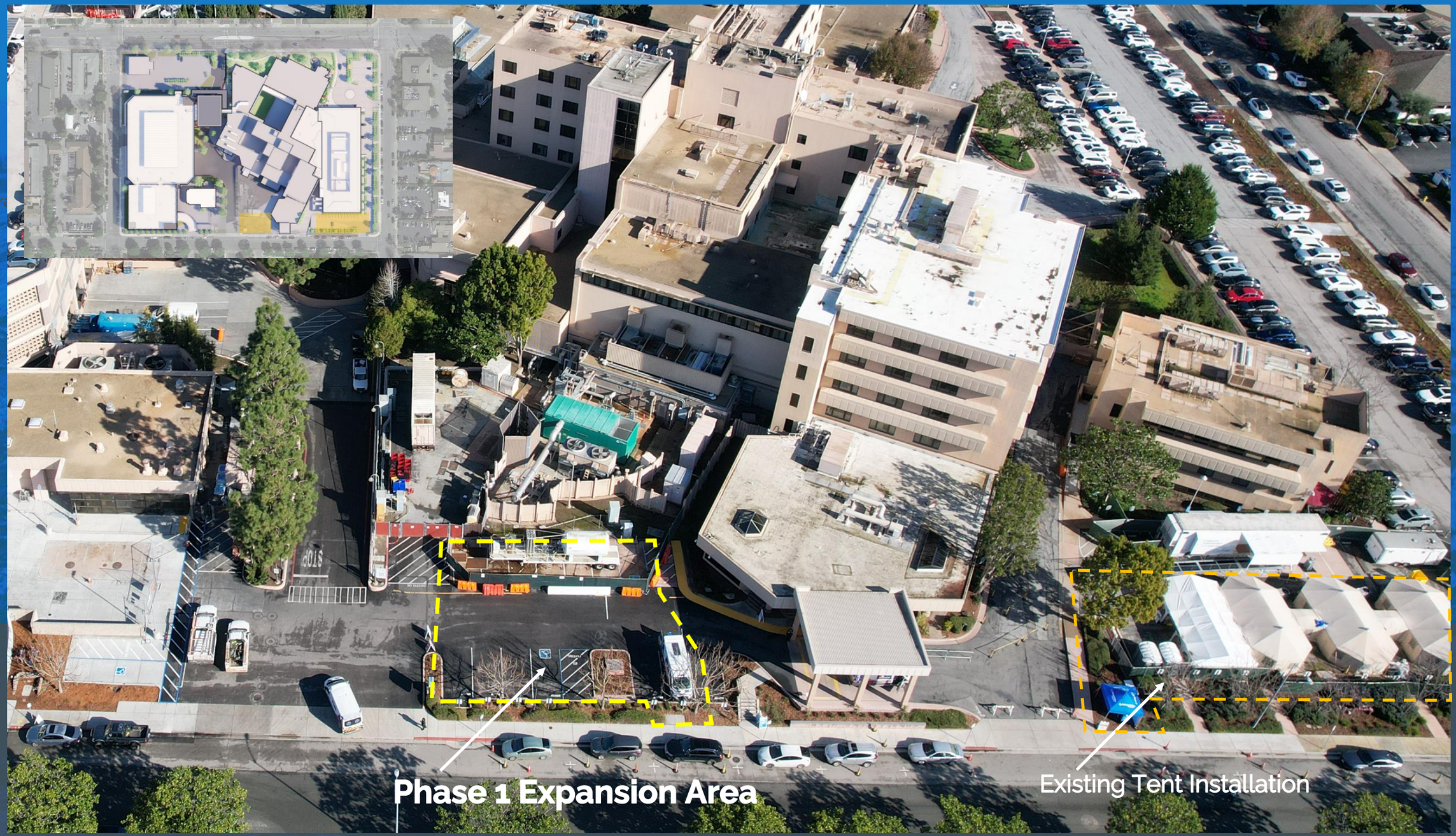
- Attachment 1: Informational Board Presentation – June 27, 2024
- Attachment 2: Estimated Project Cost Breakdown – August 12, 2024
- Attachment 3: July Board approval of lease – for reference
- Attachment 4: HCAi Pin 34 – for reference

Salinas Valley HEALTH

# Emergency Department Expansion – Phase 1 Update

JUNE 27, 2024

# HOSPITAL CAMPUS – AFFECTED AREA

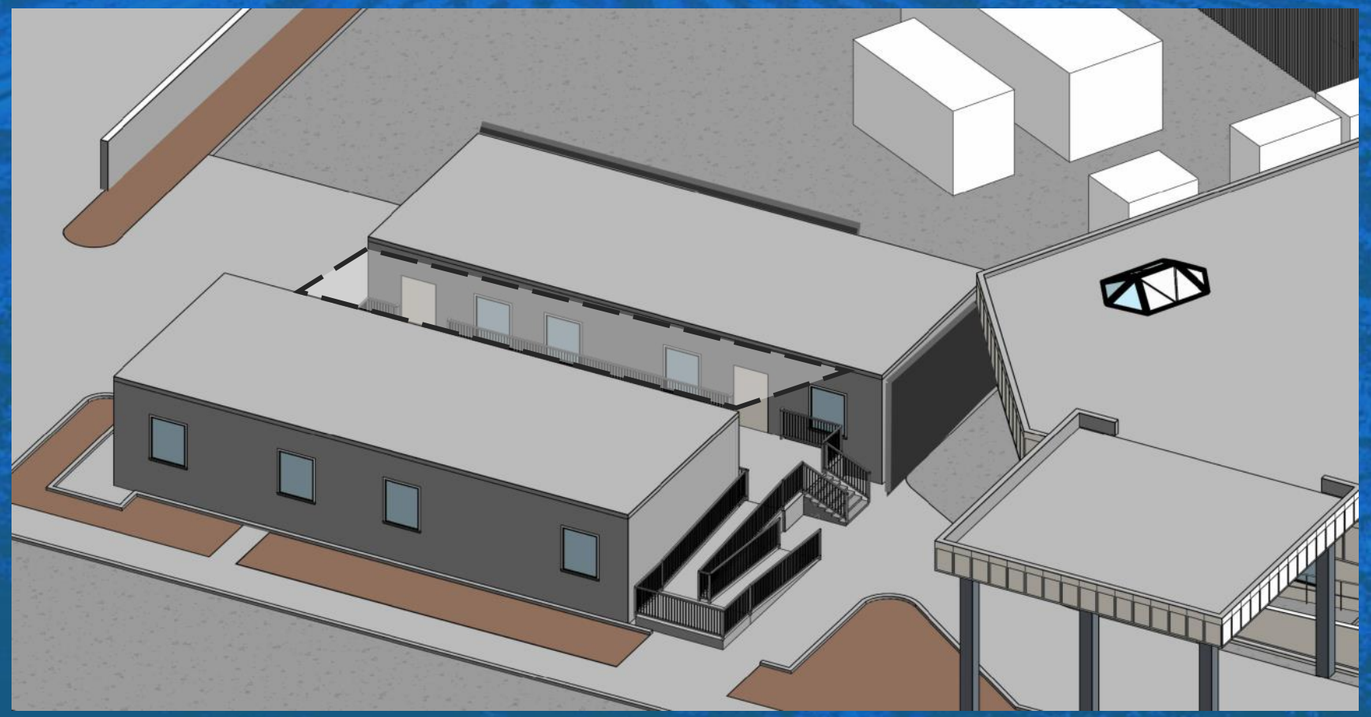


# EXECUTIVE SUMMARY

Covid-Era approvals for the Tent installation, both City and State, have expired. The need to manage overflow census through the ED remains and is expected to remain until a permanent ED Expansion Project is accomplished, a process likely to take 3-5 years for programming/design/permitting/construction.

**Phase-1: Modular Building Installation – Two 24' x 60' Modular Buildings (2,880 SF) with custom Interior Improvements, Access & Utility Upgrades**

- Complies with HCAi Policy Intent Notice (PIN) 34 – Allows for 'duplicate hospital services' described in Health & Safety Code Sec. 129730
- Service areas to be licensed through CDPH



**The Why:**

1. **Increased space to support increased volumes**
2. **Discontinue utilization of tents**
3. **To better protect patients and staff from the elements**
4. **Improve arrival process for patient safety and experience**
5. **Increases waiting room space**
6. **Move the Fast Track area up front for improved flow**
7. **Increase treatment space in Fast Track**
8. **Provide for a more cohesive team and improve communication**
9. **Added bathrooms**

# ED EXPANSION – RECENT PROJECT HISTORY

**Feb-Sep 2023**: initial ED Expansion Studies







September 2023: initial meeting with Huddy Consultants

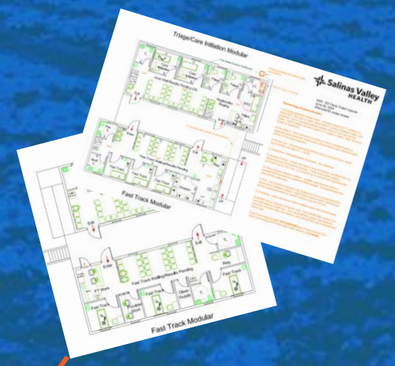



December 2023: modular location study to replace tents



January 2024: staff/Huddy interior use programming Kick-off

Jan-Mar 2024: staff outreach for programming feedback

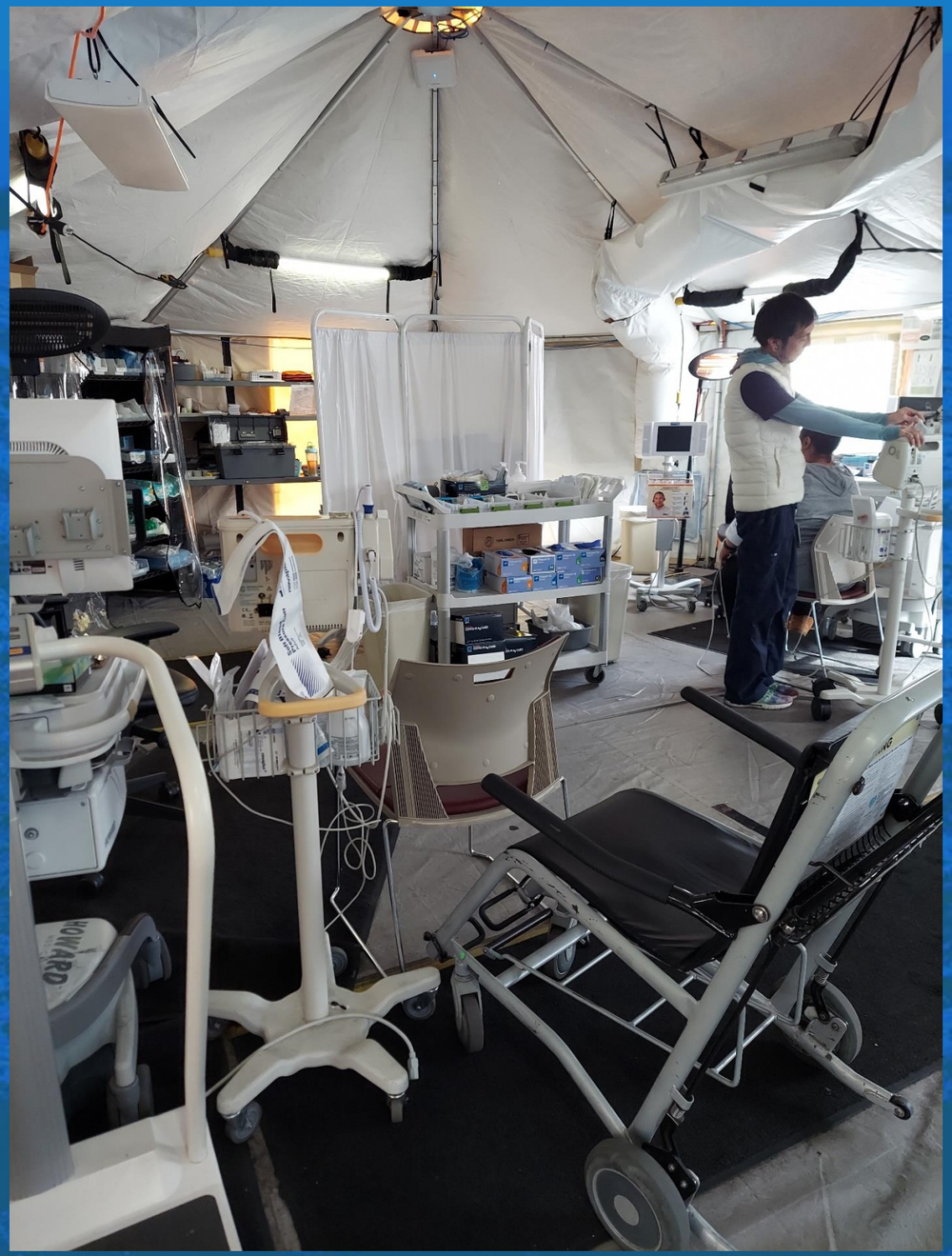



**Apr-June 2024:** program refinement and design detailing

# EXISTING OVERFLOW CONDITIONS





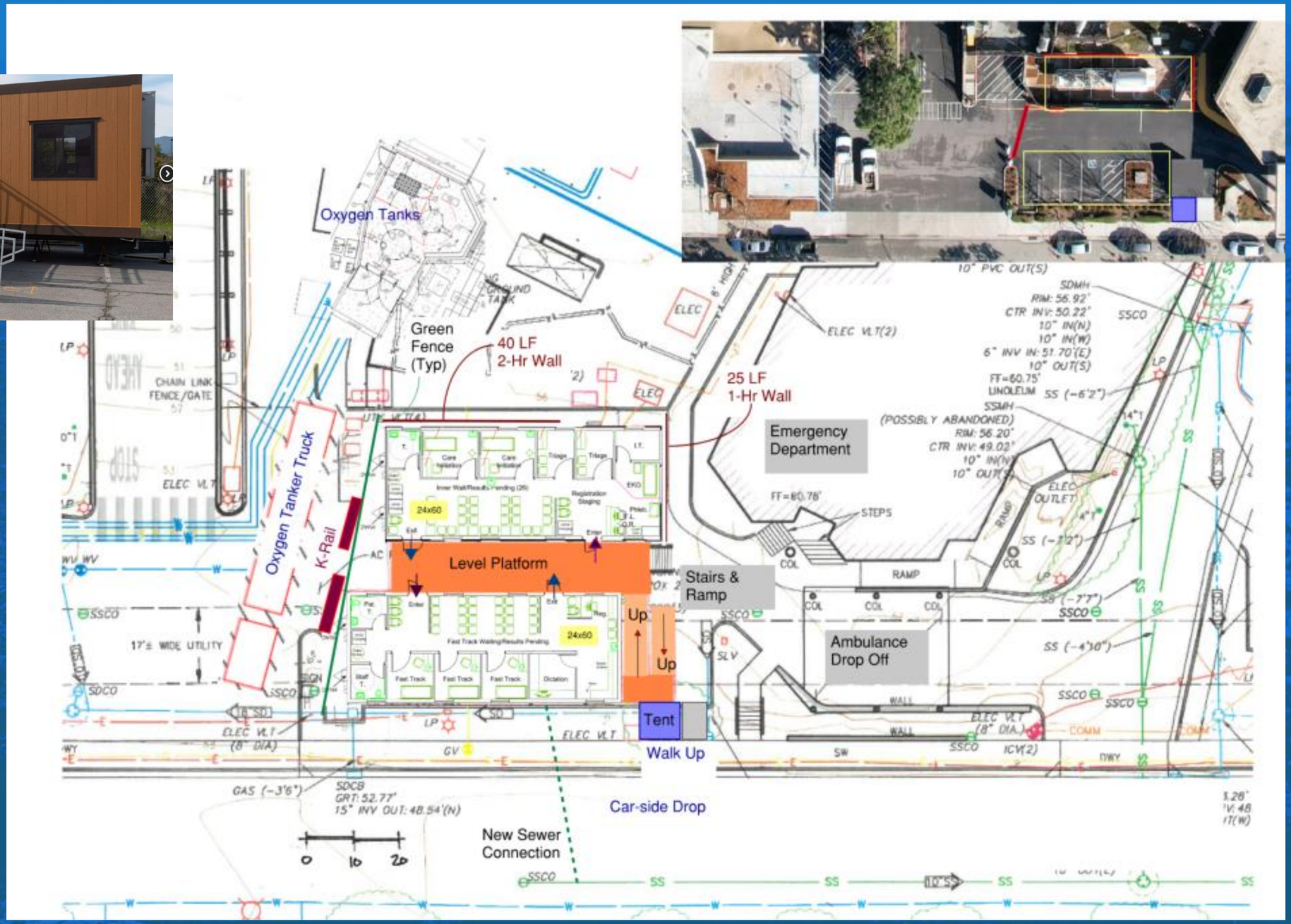




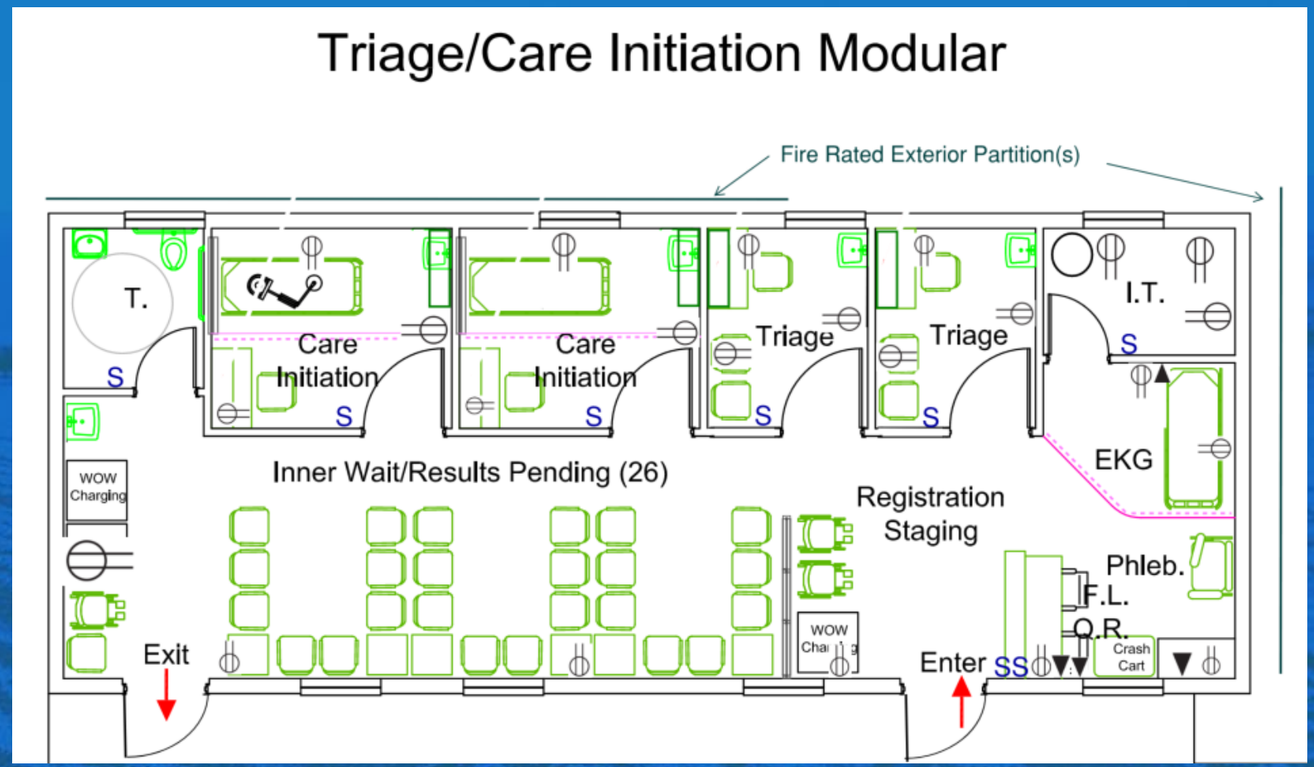


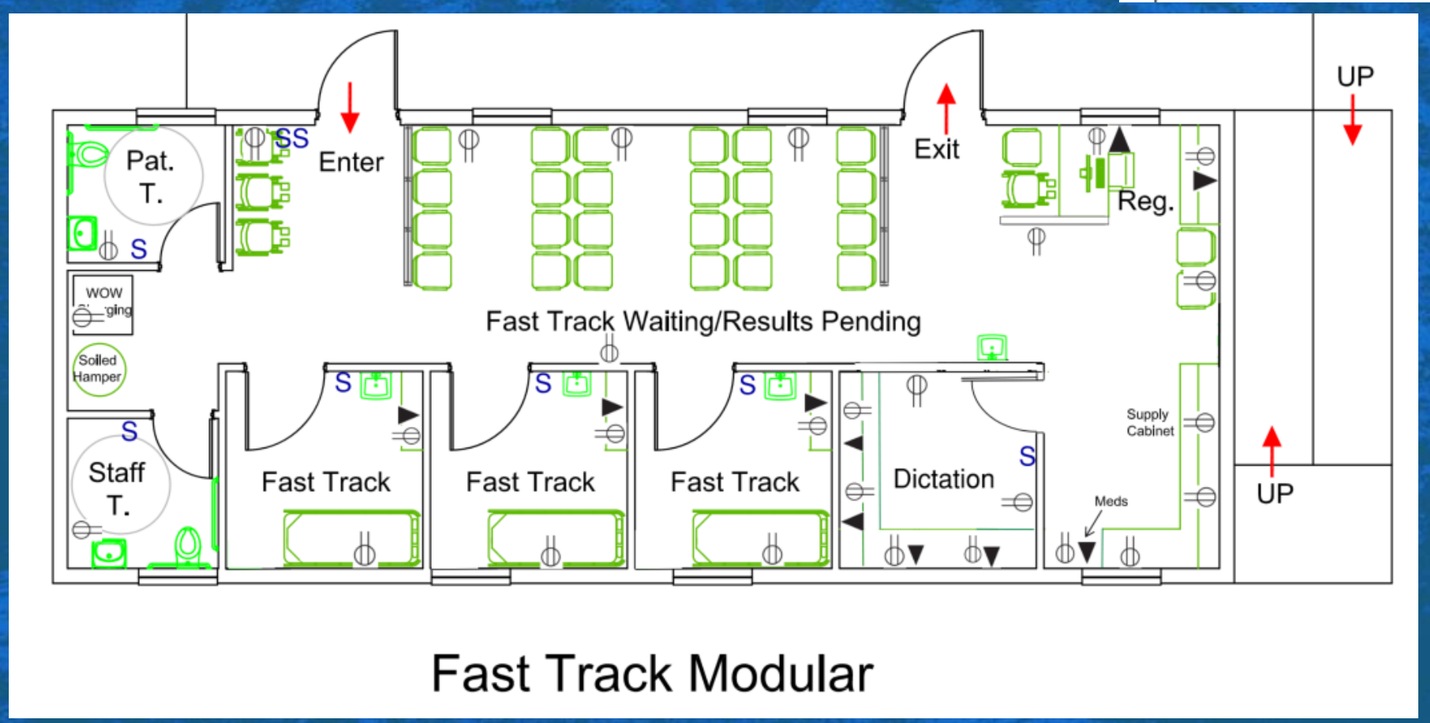
# MODULAR SITE PLAN



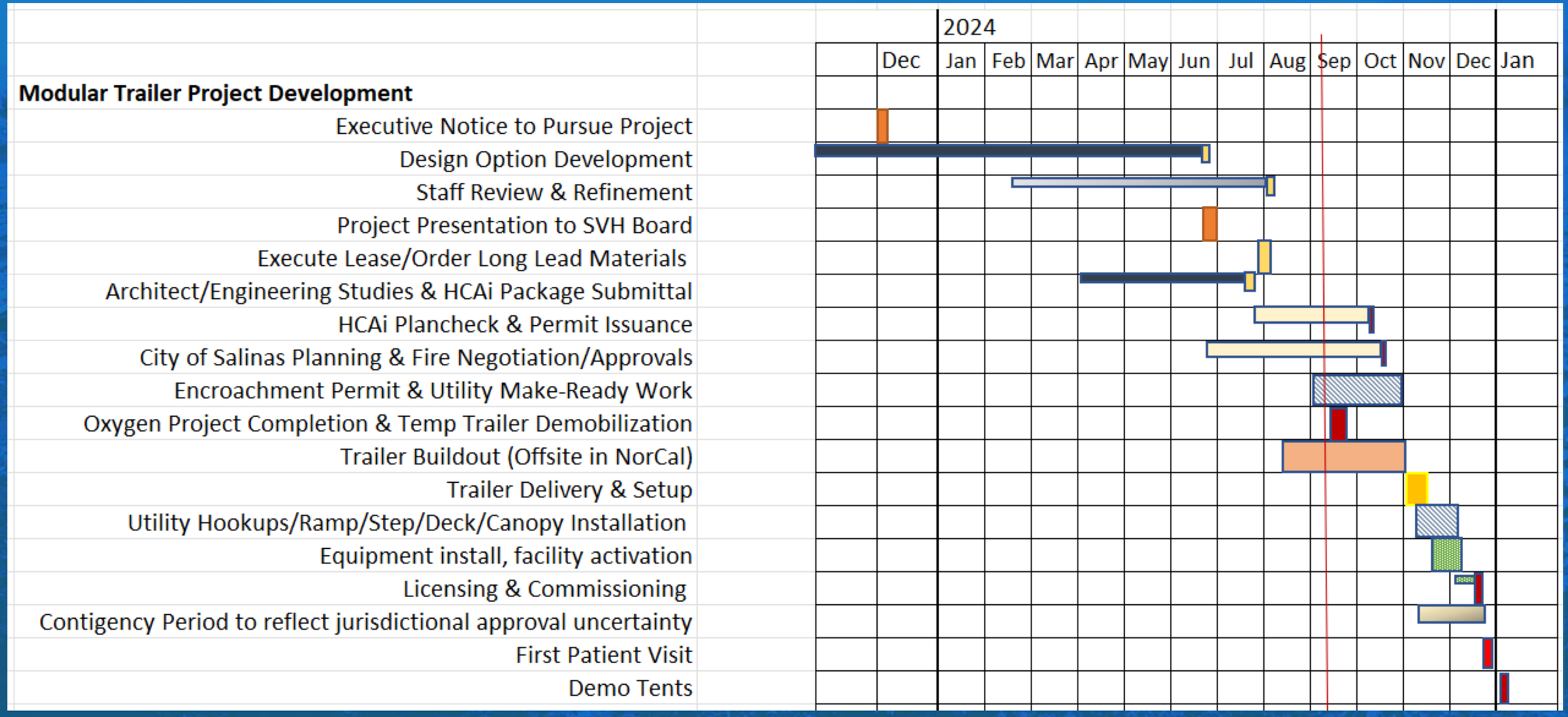



# INTERIOR LAYOUTS



# DEVELOPMENT SCHEDULE




Revised September 10, 2024

# SVH ED Overflow Trailer Project - Construction Budget

September 9, 2024 - based on 2-trailer scheme 5.23.24

CIP: 01.1250.3805

| Item | Description | | | Current Budget | Notes |
|---|---|---|---|---|---|
| | **CONSTRUCTION** | | | | |
| 1 | Make Ready - site prep/waste lateral/elect upgrade | | | $100,000 | |
| 2 | MobMod 2- trailer modification/delivery/setup | | | $494,975 | |
| 3 | MobMod 2-trailer De-Mob & return expenses | | | $32,244 | |
| 4 | Trailer Interior - Additions by SVH (onsite) | | | $75,000 | |
| 5 | Deck/Ramp/Steps on-site | | | $80,000 | |
| 6 | Protective Covering over Deck/Ramp | | | $50,000 | |
| 7 | Low Voltage Budget - Data/CodeBlue/Etc | | | $250,000 | |
| | SVH furniture package | | | $50,000 | |
| 8 | SVH add Medical Equipment - not in Capital Request | | | excluded | |
| 9 | Site Lighting - allowance | | | $10,000 | |
| 10 | Temp Fencing - allowance | | | $7,500 | |
| 11 | Signage - allowance | | | $5,000 | |
| | Subtotal | | | **$1,154,719** | |
| | **SOFT COSTS** | | | | |
| 12 | Permit Architecture/Engineering - WRD team | | | $75,000 | |
| 13 | HCAi Permit | | | $5,000 | |
| 14 | Consultant - for City CUP/Encroach - KimleyHorn | | | $43,700 | |
| 15 | City of Salinas Permit | | | $7,500 | |
| 16 | IOR | | | $12,000 | |
| 17 | Special Inspection | | | $5,000 | |
| 18 | Construction Management | | | $150,000 | |
| | Subtotal | | | **$298,200** | |
| | | | | | |
| | Subtotal | | | **$1,452,919** | |
| 19 | Project Contingency | 10 | % | $145,292 | |
| 20 | **Subtotal - Development & Construction** | | | **$1,598,211** | |
| 21 | 36 months - lease payments | | | $185,472 | |
| 22 | **Total Project Cost** | | | **$1,783,683** | |

# Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of the Lease Agreement between Salinas Valley Memorial Healthcare System (SVMHS) and Mobile Modular Management Corporation for the construction and lease of two (2) modular units.

Executive Sponsor: Clement Miller, Chief Operating Officer
Carla Spencer, Chief Nursing Officer
David Thompson, Interim Emergency Department Director

Date: July 22, 2024

## Executive Summary

As part of the strategy to provide an improved care setting for our growing Emergency Department population Salinas Valley Health Medical Center (SVHMC) is seeking to outfit and lease 2 24x60 modular units that will be configured to meet the needs of our Emergency Department. The placement of these modular units will allow the organization to eliminate the use of the ED tents in addition to returning the Whitney Waiting Room to its intended use, a surgical waiting area.

## Background/Situation/Rationale

At the height of the pandemic SVHMC determined that it was necessary to provide expanded emergency department space to meet the growing demand for emergency services. To accomplish this quick expansion the organization settled on erecting temperature controlled tents that have remained in service for the better part of the last 3 years. As with any tent structure, our current emergency room tents are not made for long term use. The tents are not impervious to rain, they often flood and maintaining an optimal temperature has proven to be difficult.

Over the past year the organization has sought out viable options to vacate the tent for a more suitable environment and after reaching out to multiple vendors we were able to locate a California based vendor that can meet our needs. Transitioning from the tents to the prefabricated modular units will allow the organization to provide care in a structure that meet's the current code, that is impenetrable of rain and wind, and is outfitted with an HVAC system to ensure that our staff and patients are comfortable when providing and receiving care

## Pillar/Goal Alignment:

☒ Service ☒ People ☒ Quality ☐ Finance ☒ Growth ☒ Community

## Financial Implications

The essential terms of the proposed Lease are as follows:

| Key Contract Terms | Mobile Modular Management Corporation |
|---|---|
| 1. Proposed effective date | August 2024 |
| 2. Term of agreement | Three (3) years commencing September 2024. |
| 3. Renewal terms | Market Rate |
| 4. Cost | Lease - $4,151.74 per month ($49,820.88 annually, $149,462.64 for the 3 year term<br>Construction & Delivery - $499,889.90<br>Pick up - $32,244 |
| 5. Budgeted (indicate y/n) | Yes |

Schedule: December 2023 – Executive approval to move forward with modular plan
June 2024 – Board presentation
July 2024 – Quote received

## Recommendation

Consider Recommendation for Board Approval of the Lease Agreement between Salinas Valley Memorial Healthcare System (SVMHS) and Mobile Modular Management Corporation for the construction and lease of two (2) modular units, pending final contract negotiations and legal counsel approval

## Attachments

- Attachment 1: June 2024 Board Presentation
- Attachment 2: Mobile Modular Lease Quote & Agreement – pending final contract review and approval
- Attachment 3: RFP Justification

Mobile Modular Management Corporation
5700 Las Positas Rd
Livermore, CA 94551
925-606-9000
www.mgrc.com

## Lease Quotation and Agreement

Quote # Q-452779
Date of Quote 12/18/2023
Quote Expiration Date:
Lease Term: 36 Months
**Lessee PO#:**

| Lessee Name and Billing Address | Site Information | Lessor Name |
|---|---|---|
| Bogard Construction ("Lessee")<br>350 Coral Street<br>Santa Cruz, CA 95060<br>Stephen Lyon<br>Phone: 1 (831) 601-4718<br>slyon@bogardconstruction.com | Stephen Lyon<br>450 East Romie Lane<br>Salinas, CA 93901<br>Cell: 1 (831) 601-4718<br>slyon@bogardconstruction.com | Mobile Modular Management Corporation<br>a Division of McGrath RentCorp ("Lessor")<br>**Questions?**<br>Contact: Matt Benas<br>Direct Phone: 1 (925) 453-3122<br>matt.benas@mobilemodular.com |

SVH

| Equipment and Accessories | Qty | Monthly Rent | Extended Rent | Taxable |
|---|---|---|---|---|
| **Office, 24x60 HCD (NonStd)** (Non-Standard Configuration.Size excludes 3' towbar.) | 1 | $1,597.00 | $1,597.00 | Y |
| Filter Replacement Program | 2 | $27.00 | $54.00 | Y |
| Damage Waiver | 2 | $75.00 | $150.00 | N |
| **Office, 24x60 HCD (Item1274)** (4 Offices.Size excludes 3' towbar.Vinyl wrap panel interior.) | 1 | $1,597.00 | $1,597.00 | Y |
| Filter Replacement Program | 2 | $27.00 | $54.00 | Y |
| Damage Waiver | 2 | $75.00 | $150.00 | N |
| | | **Equipment and Accessories Monthly Subtotal:** | | $3,602.00 |

| Charges Upon Delivery | Qty | Charge Each | Total One Time | Taxable |
|---|---|---|---|---|
| **Office, 24x60 HCD (NonStd)** (Non-Standard Configuration.Size excludes 3' towbar.) | | | | |
| Delivery | 2 | $1,247.00 | $2,494.00 | N |
| Delivery Pilot | 2 | $547.00 | $1,094.00 | N |
| Delivery Permit | 2 | $150.00 | $300.00 | N |
| Block and Level Building | 1 | $6,783.00 | $6,783.00 | N |
| Foundation, Installation | 16 | $261.00 | $4,176.00 | Y |
| Foundation, IC Provide Material | 16 | $224.00 | $3,584.00 | Y |
| Essential Material Handling Fee | 2 | $75.00 | $150.00 | N |
| Removal, Towbar/Hitch | 2 | $215.00 | $430.00 | N |
| Skirting, Install | 168 | $24.00 | $4,032.00 | Y |
| Modification (In House Labor) (Install sheet vinyl flooring) | 1 | $30,550.00 | $30,550.00 | Y |
| Drawings (Modification plans and foundation plans) | 1 | $5,130.00 | $5,130.00 | N |
| Service, Forklift On Delivery | 1 | $1,688.00 | $1,688.00 | N |
| Additional Labor, Rolling On Delivery | 1 | $878.00 | $878.00 | N |
| **Office, 24x60 HCD (Item1274)** (4 Offices.Size excludes 3' towbar.Vinyl wrap panel interior.) | | | | |
| Delivery | 2 | $1,247.00 | $2,494.00 | N |
| Delivery Pilot | 2 | $547.00 | $1,094.00 | N |

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## Lease Quotation and Agreement

| | |
|---|---|
| Quote # | Q-452779 |
| Date of Quote | 12/18/2023 |
| Quote Expiration Date: | |
| Lease Term: | 36 Months |
| **Lessee PO#:** | |

| | | | | |
|---|---|---|---|---|
| Delivery Permit | 2 | $150.00 | $300.00 | N |
| Block and Level Building | 1 | $6,783.00 | $6,783.00 | N |
| Foundation, Installation | 16 | $261.00 | $4,176.00 | Y |
| Foundation, IC Provide Material | 16 | $42.00 | $672.00 | Y |
| Essential Material Handling Fee | 2 | $75.00 | $150.00 | N |
| Removal, Towbar/Hitch | 2 | $215.00 | $430.00 | N |
| Skirting, Install | 168 | $24.00 | $4,032.00 | Y |
| Drawings (Modification plans and foundation plans) | 1 | $5,130.00 | $5,130.00 | N |
| Modification (In House Labor) (Install sheet vinyl flooring) | 1 | $30,550.00 | $30,550.00 | Y |
| Modifications | | | $344,375.00 | |
| | | **Charges Upon Delivery Subtotal:** | | $461,475.00 |

| Charges Upon Return | Qty | Charge Each | Total One Time | Taxable |
|---|---|---|---|---|
| **Office, 24x60 HCD (NonStd)** (Non-Standard Configuration.Size excludes 3' towbar.) | | | | |
| Return | 2 | $1,247.00 | $2,494.00 | N |
| Return Pilot | 2 | $547.00 | $1,094.00 | N |
| Return Permit | 2 | $150.00 | $300.00 | N |
| Prepare Equipment For Removal | 1 | $4,981.00 | $4,981.00 | N |
| Foundation, Removal | 16 | $80.00 | $1,280.00 | N |
| Cleaning Fee | 2 | $450.00 | $900.00 | N |
| Installation, Towbar/Hitch | 2 | $215.00 | $430.00 | N |
| Skirting, Removal | 168 | $20.00 | $3,360.00 | N |
| Service, Forklift On Return | 1 | $1,688.00 | $1,688.00 | N |
| Additional Labor, Rolling On Removal | 1 | $878.00 | $878.00 | N |
| **Office, 24x60 HCD (Item1274)** (4 Offices.Size excludes 3' towbar.Vinyl wrap panel interior.) | | | | |
| Return | 2 | $1,247.00 | $2,494.00 | N |
| Return Pilot | 2 | $547.00 | $1,094.00 | N |
| Return Permit | 2 | $150.00 | $300.00 | N |
| Prepare Equipment For Removal | 1 | $4,981.00 | $4,981.00 | N |
| Foundation, Removal | 16 | $80.00 | $1,280.00 | N |
| Cleaning Fee | 2 | $450.00 | $900.00 | N |
| Installation, Towbar/Hitch | 2 | $215.00 | $430.00 | N |
| Skirting, Removal | 168 | $20.00 | $3,360.00 | N |
| | | **Estimated Charges Upon Return Subtotal:** | | $32,244.00 |

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## Lease Quotation and Agreement

| | |
|---|---|
| Quote # | Q-452779 |
| Date of Quote | 12/18/2023 |
| Quote Expiration Date: | |
| Lease Term: | 36 Months |
| **Lessee PO#:** | |

### Total Estimated Charges

| | |
|---|---|
| Subtotal of Monthly Rent | $3,602.00 |
| Personal Property Expense | $223.60 |
| Taxes on Monthly Charges | $326.14 |
| **Total Charges per Month (including tax)** | $4,151.74 |
| Charges Upon Delivery (including tax) | $495,738.16 |
| Estimated Charges Upon Return (including tax)* | $32,244.00 |
| **Estimated Initial Invoice*** | $499,889.90 |

***Charges upon return will be charged at Lessor's then-current rates for lease terms greater than 12 months.**

### Special Notes

Two 24x60 modular building with sheet vinyl flooring, custom layouts (per the provided drawings), custom windows and the exterior painted your choice of colors. The modification charges is the cost to create the custom layouts from the existing buildings and includes the cost to restore back to standard and HCD state inspections and approvals. Ramps, decks, stairs, fire rated walls, and cabinetry have not been included.

Fire Related Items: Unless noted, fire related items (alarms, sprinklers, smoke & heat detectors, and fire-rated walls, etc.) are not included.

General: Customer's site must be dry, compacted, level and accessible by normal truck delivery. Pricing does not include any clearing or grading of sites, obstruction removal, site or final building clean up , any asphalt transitions, dolly, crane, forklift, electrical or plumbing connections, window coverings, furniture, casework, appliances, doorstops, phone or data lines, gutters, downspouts or tie-in, temporary power, temporary fencing, traffic control, flagmen, soil and/or pull test, custom engineering, fees associated with inspections, city or county submittals and/or use permits, security screens, door bars and any item not specifically listed as being included.

Yes - Prevailing Wage: Pricing includes prevailing wage and certified payroll for installation and dismantle work performed on site.

Buildings containing a restroom(s): Restrooms are not self-contained. Where applicable, manifolds are shipped loose and assembled and connected by others. Water & sewer stub-out locations may vary. Paper & soap dispensers, sanitary and trash receptacles are not provided.

HVAC Filter Replacement Program: Customer has selected the HVAC Filter Replacement Program. This service is incidental to the Lease of the Equipment and not included with any limited warranties. The additional charge for this service is included in the monthly rental rate reflected above. For this additional monthly charge, MMMC will mail three (3) HVAC filters on a quarterly basis. Customer shall be solely responsible for installation of the filters each month. Customer shall be responsible for charges that may result if Customer fails to properly replace HVAC filters on a monthly basis.

### Additional Information

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## Lease Quotation and Agreement

| | |
|---|---|
| Quote # | Q-452779 |
| Date of Quote | 12/18/2023 |
| Quote Expiration Date: | |
| Lease Term: | 36 Months |
| **Lessee PO#:** | |

- Quote is valid for 30 days.
- Lessee's site must be dry, compacted, level and accessible by normal truck delivery. Costs to dolly, crane, forklift, etc. will be paid by Lessee. Unless noted, prices do not include permits, ramp removal, stairs, foundation systems, foundation system removal, temporary power, skirting, skirting removal, engineering, taxes or utility hookups.
- Subject to equipment availability. Unless noted, equipment and related furnishings, finishes, accessories and appliances provided are previously leased and materials, dimensions, and specifications vary. Detailed specifications may be available upon request.
- For lease transactions, Lessor reserves the right to substitute equal or better equipment prior to delivery without notice.
- This transaction is subject to prior credit approval. Security deposit and payment in advance may be required.
- **Sales Tax will be calculated based on the tax rate at the time of invoicing.**
- **Unless otherwise noted, prices do not include prevailing wages, Davis-Bacon wages, or other special or certified wages.**

### Estimated Equipment Value

The Estimated Equipment Value is listed below. Lessee is solely responsible for complying with all insurance requirements set forth in the Lease Terms and Conditions attached hereto.

| Equipment Description | Qty | Estimated Equipment Value (each) |
|---|---|---|
| Office, 24x60 HCD (NonStd) | 1 | $171,600.00 |
| Office, 24x60 HCD (Item1274) | 1 | $172,400.00 |

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| Lease Quotation and Agreement | |
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| Date of Quote | 12/18/2023 |
| Quote Expiration Date: | |
| Lease Term: | 36 Months |
| **Lessee PO#:** | |

This Lease Quotation and Agreement is entered into by and between Lessor and Lessee effective as of the date signed by Lessee. This Lease Quotation and Agreement includes the terms and conditions set forth in the following two documents (collectively, the "Agreement"), each of which is incorporated herein by this reference:

1. **Lease Terms and Conditions** attached hereto; and
2. **Supplemental Lease Terms and Conditions** located at (https://www.mobilemodular.com/contractterms), as the same may be updated from time to time in the sole and absolute discretion of Lessor.

**IN THE EVENT THE LESSOR AND LESSEE HAVE ENTERED INTO A MASTER LEASE AGREEMENT, THE TERMS OF SUCH MASTER LEASE AGREEMENT ARE INCORPORATED HEREIN BY THIS REFERENCE, ARE DEEMED A PART OF THIS AGREEMENT, AND TAKE PRECEDENCE OVER ANY CONFLICTING TERMS IN THIS AGREEMENT.**

By signing below, Lessee: (1) acknowledges and agrees that it has received, read and understands the terms of this Agreement and agrees to be bound by the terms of this Agreement, including prices and specifications, and (2) instructs Lessor to make appropriate arrangements for the preparation and delivery of the Equipment identified herein. This Agreement may be executed in one or more counterparts (including through the use of electronic signatures), each of which shall be deemed an original and all of which shall constitute one and the same Agreement. Upon execution of this Agreement, Lessor shall generate a Lease Agreement Number, which shall be referenced on all Lessor invoices.

No document provided by Lessee, including, without limitation, Lessee's purchase orders, work orders, bills of lading, or forms for receipt or acknowledgment or authorization ("**Lessee Forms**"), nor the terms and conditions associated with such Lessee Forms, shall amend, modify, supplement, waive, or release any term or condition of this Agreement (or the Master Lease Agreement, as applicable) even if such Lessee Forms are signed by an agent or representative of Lessor. The terms and conditions of this Agreement (or the Master Lease Agreement, as applicable) shall prevail over any Lessee Forms, and any inconsistent or additional terms and conditions in Lessee Forms shall be deemed void *ab initio* and of no force or effect.

The individuals signing this Agreement affirm that they are duly authorized to execute this Agreement by and on behalf of the parties hereto.

| **LESSOR:** | **LESSEE:** |
|---|---|
| Mobile Modular Management Corporation | **Bogard Construction** |
| a Division of McGrath RentCorp | |
| Signature: _____ | Signature: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |

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|---|---|
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| Date of Quote | 12/18/2023 |
| Quote Expiration Date: | |
| Lease Term: | 36 Months |
| **Lessee PO#:** | |

## LEASE TERMS AND CONDITIONS

1. **LEASE.** Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Equipment (as defined below). The lease of any Equipment is governed by the terms of this Agreement. The Equipment is and shall remain the personal property of Seller.

2. **TERMS.** All capitalized terms used and not otherwise defined herein, will have the meanings set forth in this Agreement. As used in this Agreement, the following definitions shall apply: "**Accessories**" shall mean any additions, attachments, or accessories to the modular buildings, or ancillary services, provided by Lessor to Lessee and identified in this Agreement; "**Equipment**" shall mean the modular buildings, Accessories, and/or Services identified in this Agreement, together with any replacements, repairs, additions, attachments or accessories hereafter rented to Lessee under this Agreement.

3. **PAYMENTS AND PRICE ADJUSTMENTS.** Lessee agrees to pay to Lessor each payment specified herein on a net invoice basis. Payment terms are net due upon receipt unless otherwise agreed upon in writing. All payments due from Lessee pursuant to this Agreement shall be made by Lessee without any abatement or setoff of any kind whatsoever arising from any cause whatsoever. Prices will be increased by Lessor for unknown circumstances or conditions, including, but not limited to, driver waiting time, special transport permits, difficult site conditions and/or increases in fuel prices.

4. **LEASE TERM; EARLY TERMINATION.** The Lease Term and Monthly Rent, each of which are specified in this Agreement, shall commence on the date the Equipment is delivered to the Site (the "Start Rent Date"), unless a different date is mutually agreed upon in writing, and shall continue thereafter for the number of months specified in this Agreement as the Lease Term. Lessee agrees to pay the Total Charges per Month specified in this Agreement (as may be adjusted pursuant to Section 5 below) for each month during the Lease Term and any extensions thereof. A month is defined as thirty (30) calendar days; rent will be billed monthly unless otherwise specified in this Agreement (but rent shall be due and owing even in the absence of actual receipt by Lessee of an invoice or bill). In the event that Lessee terminates this Agreement prior to the expiration of the Lease Term, Lessor shall be entitled to charge an early termination fee, even if such termination occurs prior to delivery of the Equipment. Such fee shall be determined by Lessor, in its sole discretion, following the receipt of the termination request. Such early termination fee may include, but shall not be limited to, charges related to the preparation of the Equipment for delivery and/or the rental value of this Agreement. In no event shall any such early termination fee exceed the total value of this Agreement. Lessor shall not be liable to Lessee for any failure or delay in obtaining, delivering or setting up the Equipment. If Lessee delays delivery of the Equipment for any reason for thirty (30) days or longer from the original delivery date mutually agreed upon between both parties, Lessor may, in Lessor's sole discretion, charge Lessee a monthly storage fee equal to the Monthly Rent starting on the original delivery date, and/or terminate this Agreement, subject to the early termination provisions set forth above.

5. **EXTENSION OF LEASE TERM.** Upon expiration of the initial Lease Term set forth in this Agreement, the lease of the Equipment shall automatically be extended on a month-to-month basis until the Equipment is returned to Lessor. This Agreement does not expire and the terms and conditions hereof shall remain in full force and effect for any extension of the Lease Term, unless otherwise agreed upon by Lessor and Lessee in writing. Lessor may periodically revise the Total Charges per Month from those reflected in this Agreement if the lease of the Equipment is extended beyond the initial Lease Term. If the lease of the Equipment is extended beyond the initial Lease Term, Lessor may revise the charges for the Charges Upon Return from those specified in this Agreement to reflect Lessor's then-current market rates for such services.

6. **PREPARATION FOR REMOVAL OF THE EQUIPMENT.** Prior to the scheduled removal of the Equipment, Lessee shall, at a minimum: (a) provide clear access to the Equipment for Lessor to dismantle and remove the Equipment from the Site by industry-standard trucking methods; (b) disconnect all utilities; (c) remove all personal property of Lessee's from the Equipment; and (d) in the case of Equipment that includes plumbing, flush the plumbing lines clean and ensure that no foreign matter remains in any fixtures. Plumbing must be properly disconnected by Lessee at its sole cost and expense. Lessee will be responsible for costs of repair required by improper plumbing disconnection to the extent that the Equipment is damaged. Any components, parts or accessories supplied by Lessor must be returned with the Equipment. In the event that Lessee fails to meet the requirements herein, additional charges may be incurred by Lessee for additional labor, waiting time, or dry-runs in the event that Lessor is unable to return the Equipment as scheduled.

7. **RETURN OF EQUIPMENT.** Lessee must provide a minimum of thirty (30) days prior, written notice to Lessor when requesting to return the Equipment. Lessee is responsible for complying with the requirements set forth in the "Preparation for Removal of the Equipment" section of these Lease Terms and Conditions. Unless otherwise agreed upon by Lessor in writing, Lessee shall continue to be responsible for payment of the Total Charges per Month set forth in this Agreement (as may be adjusted pursuant to Section 5 hereto) until return of the Equipment to Lessor is completed. The Total Charges per Month will be prorated in one-half (1/2) month increments only. If the Equipment is returned within the first fifteen (15) days of the billing period, Lessee shall be responsible for paying half of the Total Charges per Month; if Equipment is returned between the sixteenth (16th) and thirtieth (30th) days of the billing period, Lessee shall be responsible for paying the entire amount of the Total Charges per Month. The charges reflected in this Agreement for Charges Upon Return will be adjusted for any Lease Term longer than twelve (12) months or if the Lease is extended beyond the initial Lease Term, pursuant to Section 5.

8. **WARRANTIES; DISCLAIMER.** Lessor warrants to Lessee that the Equipment, when delivered and set up and under normal use and regular service and maintenance by Lessee, shall be free from major defects in materials and workmanship that prevent any normal use and operation. Accessories supplied by Lessor pursuant to this Agreement but not owned by Lessor shall not be subject to the foregoing warranty, but shall carry the applicable warranty of the Accessory owner, which Lessor hereby assigns to Lessee to the extent transferable. Lessor's liability under this warranty shall be limited to the replacement or repair of the defective Equipment (during Lessor's normal working hours), at Lessor's option; provided, however, that Lessee shall provide written notice of any failure or defect to Lessor within four (4) days after discovery, and within the applicable warranty period, and failure to provide such notice in a timely manner may result in a limitation of this warranty at Lessor's sole option. If Lessee does not grant clear, unobstructed access for any such repairs between 8:00 a.m. and 5:00 p.m., Monday through Friday, Lessee shall bear the cost of repair rates for labor at the applicable overtime rates. This warranty does not

extend to any Equipment subjected to improper application, damaged by accident or abuse, or repaired or altered outside of Lessor's facilities without prior written authorization from Lessor. **THE EXPRESS WARRANTIES CONTAINED IN THIS AGREEMENT ARE LESSOR'S SOLE AND EXCLUSIVE WARRANTIES WITH RESPECT TO THE EQUIPMENT AND SERVICES, AND ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, GUARANTEES, PROMISES, AFFIRMATION OR REPRESENTATIONS OF ANY KIND, EXPRESSED OR IMPLIED, WHICH MAY BE DEEMED APPLICABLE TO THE EQUIPMENT OR SERVICES, INCLUDING WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, ANY WARRANTY AGAINST INFRINGEMENT OR AS TO TITLE, WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OR TRADE OR ANY OTHER MATTER. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, ALL EQUIPMENT AND SERVICES ARE BEING PROVIDED "AS IS", "WHERE IS, WITH ALL FAULTS". LESSOR SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, THERETO. LESSEE HAS SELECTED ALL EQUIPMENT FOR LESSEE'S INTENDED USE AND RECOGNIZES THAT LESSOR IS NOT A DESIGNER OR MANUFACTURER OF ANY EQUIPMENT.**

9. **TAXES.** Lessee agrees to be responsible for all charges, fees and taxes (local, state and federal) levied or assessed upon Lessee or Lessor relating to the ownership, leasing, rental, sale, possession, use or operation of the Equipment (including, without limitation, sales, use and personal property taxes); provided, however, that the foregoing obligation shall not apply to any local, state or federal income tax assessed against the Lessor as a result of this Agreement which shall continue to be the obligation of Lessor. Lessee shall pay all such taxes for which it is responsible to the appropriate taxing authorities or, if directed or invoiced by Lessor, pay such amounts to Lessor for remittance by Lessor to the appropriate taxing authorities.

10. **LOSS OR DAMAGE.** Upon delivery and until the Equipment is removed from the Site by Lessor or its authorized agent, Lessee assumes all risk of loss or damage to the Equipment. Should any Equipment damaged be capable of repair, the Equipment shall be repaired and restored to its condition existing prior to such damage, at Lessee's sole cost and expense. In the event any of the Equipment is damaged beyond repair or is lost, stolen or wholly destroyed, this Agreement shall cease and terminate as to such Equipment as of the date of the event, accident or occurrence causing such loss or destruction, and Lessee shall pay Lessor within forty-five (45) days thereafter, an amount equal to the full replacement value of the Equipment, which payment obligation shall survive the termination of this Agreement.

11. **INSURANCE.** Lessee shall procure and maintain, at its sole expense (including all premiums, deductibles and self-insured retentions), (i) property insurance covering the loss, theft, destruction, or damage to the Equipment in an amount not less than the full replacement value thereof (and with a deductible no higher than $25,000), naming Lessor as loss payee of the proceeds, and (ii) commercial general liability insurance (minimum of $1,000,000 per occurrence and $2,000,000 in the aggregate) (and with a deductible no higher than $25,000), naming Lessor and its designees as additional named insureds. Lessee's insurance shall be primary and non-contributory to any insurance maintained by Lessor or any other additional insureds or additional named insureds. The liability insurance policy shall contain coverage for all contractual indemnity obligations of Lessee set forth in this Agreement, cross-liability and waiver of subrogation provisions in favor of Lessor and any other additional insureds. All evidence of all required insurance shall be in a form reasonably acceptable to Lessor and with a company having an A.M. Best rating of A- (VII) or better, and shall not be subject to cancellation without thirty (30) days' prior written notice to Lessor. Lessee shall provide to Lessor insurance certificates and endorsements (including without limitation, additional insured and loss payee endorsements) evidencing compliance with the insurance requirements of this Agreement (including without limitation, the deductible amounts and waiver of subrogation) prior to delivery of the Equipment and shall maintain all required insurance coverage until the Equipment is returned to Lessee. Lessor will not and does not provide insurance for any of Lessee's personal property that may be in or on any Equipment.

12. **INDEMNIFICATION AND LIMITATION OF LIABILITY.**

(a) **LESSEE ON BEHALF OF ITSELF, ITS SUCCESSORS, ASSIGNS, PARENTS, SUBSIDIARIES, VENDORS, SUBCONTRACTORS, AND AFFILIATES, AND THEIR RESPECTIVE REPRESENTATIVES, DIRECTORS, OFFICERS, MANAGERS, VENDORS, MEMBERS, SHAREHOLDERS, PARTNERS, CONTRACTORS, EMPLOYEES, AGENTS, AND ASSIGNS (EACH, A "LESSEE PARTY," AND COLLECTIVELY, THE "LESSEE PARTIES") SHALL INDEMNIFY, DEFEND, RELEASE, AND HOLD HARMLESS LESSOR, ITS SUCCESSORS, ASSIGNS, PARENTS, SUBSIDIARIES, VENDORS, CONTRACTORS, AND AFFILIATES, AND THEIR RESPECTIVE REPRESENTATIVES, DIRECTORS, OFFICERS, MANAGERS, VENDORS, MEMBERS, SHAREHOLDERS, PARTNERS, CONTRACTORS, EMPLOYEES, AGENTS, AND ASSIGNS (EACH A "LESSOR INDEMNIFIED PARTY," AND COLLECTIVELY, THE "LESSOR INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL LOSSES, FEES, COSTS, EXPENSES, CLAIMS, LIABILITIES, DAMAGES, PENALTIES, FINES, FORFEITURES, AND SUITS (INCLUDING COSTS OF DEFENSE, SETTLEMENT AND REASONABLE ATTORNEYS' FEES, ENVIRONMENTAL CONSULTANTS AND EXPERT WITNESS FEES AT TRIAL AND ON APPEAL) (COLLECTIVELY, "LOSSES") RELATING TO, ARISING OUT OF OR IN CONNECTION WITH: (1) ANY BREACH OR NON-FULFILLMENT OF ANY COVENANT, AGREEMENT, OR OBLIGATION TO BE PERFORMED BY LESSEE PURSUANT TO THIS AGREEMENT, OR ANY INACCURACY IN OR BREACH OF ANY OF THE REPRESENTATIONS OF LESSEE SET FORTH IN THIS AGREEMENT; (2) THE OCCURRENCE OF ANY EVENT SET FORTH IN SECTION 13; (3) THE SELECTION, USE, POSSESSION, DELIVERY, RENTING, LEASING, SUBLEASING, OPERATION, TRANSPORT, MAINTENANCE, CONDITION, REPAIR, REPLACEMENT, REPOSSESSION, RETURN OR STORAGE OF ANY EQUIPMENT OR ANY SERVICES; (4) ANY FAILURE BY ANY LESSEE PARTY TO COMPLY WITH ANY APPLICABLE LAW IN CONNECTION WITH ANY EQUIPMENT OR THE SERVICES OR THIS AGREEMENT; (5) ANY DEATH OR BODILY INJURY TO ANY PERSON OR DESTRUCTION OR DAMAGE TO ANY PROPERTY TO WHICH THE ACTS OR OMISSIONS OF A LESSEE PARTY CONTRIBUTED; OR (6) ANY NEGLIGENT OR INTENTIONAL ACT OR OMISSION OF ANY LESSEE PARTY FOR ANY ACTION RELATED TO OR ANY USE OF ANY EQUIPMENT. THIS INDEMNITY SHALL APPLY EVEN IF SAID LOSSES ARE OCCASIONED, BROUGHT ABOUT OR CAUSED BY THE CONCURRENT NEGLIGENCE OF ANY LESSOR INDEMNIFIED PARTY, UNLESS A COURT OF COMPETENT JURISDICTION SHOULD DETERMINE THAT THE LOSSES WERE PROXIMATELY CAUSED BY THE SOLE NEGLIGENCE OR WILLFUL ACTS OR OMISSIONS OF A LESSOR INDEMNIFIED PARTY. IF THE FOREGOING**

**OBLIGATIONS ARE NOT ENFORCEABLE AGAINST LESSEE UNDER APPLICABLE LAW, LESSEE AGREES TO INDEMNIFY, DEFEND, RELEASE AND HOLD HARMLESS LESSOR INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL LOSSES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, INCLUDING, WITHOUT LIMITATION, TO THE EXTENT OF THE ACTS OR OMISSIONS OF THE LESSEE PARTIES' NEGLIGENT OR WORSE CONDUCT. THIS INDEMNIFICATION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.**

(b) **TO THE FULLEST EXTENT NOT PROHIBITED BY LAW, LESSOR'S LIABILITY, IF ANY, SHALL BE LIMITED TO THE VALUE OF RENTAL FEES AND ALL OTHER AMOUNTS PAID BY LESSEE AND RECEIVED BY LESSOR UNDER THIS AGREEMENT FOR THE EQUIPMENT AND/OR SERVICES, AND LESSOR SHALL HAVE NO LIABILITY TO LESSEE OR ANY THIRD-PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.**

13. **EVENTS OF DEFAULT; REMEDIES.** Each of the following shall constitute an "Event of Default": (1) failure by Lessee to make any payment within ten (10) days after its due date; (2) failure by Lessee to perform any other obligation under this Agreement, and the continuance of such default for ten (10) days after written notice thereof by Lessor to Lessee; (3) any material misrepresentation or false statement of fact by Lessee; (4) the loss, theft, damage, destruction or the attempted sale or encumbrance by Lessee of any of the Equipment; or (5) Lessee's dissolution, termination of existence, discontinuance of business, insolvency, or the commencement of any bankruptcy proceedings by or against, Lessee. Lessee acknowledges that any Event of Default will substantially impair the lease value of the Equipment hereof. Upon the occurrence of any Event of Default, Lessor may, without notice, exercise one or more of the following remedies: (1) declare all unpaid payments under this Agreement to be immediately due and payable; (2) terminate this Agreement as to any or all items of the Equipment; (3) take possession of the Equipment wherever found, and for this purpose enter upon any premises of Lessee and remove the Equipment, without any liability to Lessee; (4) direct Lessee at its expense to promptly prepare the Equipment for pickup by Lessor; (5) proceed by appropriate action either in law or in equity to enforce performance by Lessee of the terms of this Agreement or to recover damages for the breach hereof, including attorneys' fees and any other expenses paid or incurred by Lessor in connection with the repossession of the Equipment; (6) apply the security deposit specified in this Agreement ("Security Deposit") to payment of Lessor's costs, expenses and attorney fees in enforcing the terms of this Agreement and to indemnify Lessor against any damages sustained by Lessor; and/or (7) recover the replacement cost of any Equipment which Lessor is unable to repossess.. Lessor's waiver of any Event of Default shall not constitute a waiver of any other Event of Default or of any term or condition of this Agreement. No right or remedy referred to herein is intended to be exclusive and each may be exercised concurrently or separately and from time to time. In the event of repossession, Lessee waives any bond posting requirement.

Lease Terms and Conditions, Rev. 07/01/2022

Mobile Modular Management Corporation
5700 Las Positas Rd
Livermore, CA 94551
925-606-9000
www.mgrc.com

| Lease Quotation and Agreement | |
|---|---|
| Quote # | Q-452779 |
| Date of Quote | 12/18/2023 |
| Quote Expiration Date: | |
| Lease Term: | 36 Months |
| **Lessee PO#:** | |

## DAMAGE AND DESTRUCTION WAIVER

This Damage and Destruction Waiver is an agreement between Bogard Construction ("Lessee") and Mobile Modular Management Corporation, a division of McGrath RentCorp ("Lessor"), dated as of 12/18/2023 (the "Waiver"). This Waiver is hereby incorporated into and made a part of Lease Quotation and Agreement number Q-452779 (the "Lease Agreement").

Lessee and Lessor agree as follows:

Section 1. Defined Terms.

All terms that are capitalized in this Waiver shall have the meanings ascribed to such terms in the Lease Agreement unless otherwise defined in this Waiver.

Section 2. Modification to Lease Terms and Conditions (Attachment A).

This Waiver relates to and modifies certain provisions of the Lease Terms and Conditions (the "Lease Agreement") under which Lessee is leasing certain modular building(s) from Lessor (the "Equipment").

Section 3. Waiver.

(a) For and in consideration of the payment of a fee described in Section 4 (the "Waiver Fee"), and subject to payment of any applicable deductible as required in Section 5, and the limitations on coverage in Section 6, (i) Lessee is relieved of any obligation or liability for any loss or damage to the Equipment as required by Section 7 of the Lease Agreement, in the event of loss or damage to the Equipment by any of the causes in Section 3(b) and (ii) Lessee is relieved from the duty to maintain certain insurance insuri ng for loss, damage or destruction of the Equipment ("Property Insurance") as required by Section 8 of the Lease Agreement.

(b) Subject to the provisions of Section 3(a), this Waiver relieves Lessee of any obligation or liability for loss or damage to the Equipment in the event the Equipment is damaged by any of the following causes:

i. Fire and smoke damage
ii. Lightning
iii. Windstorm/Tornado
iv. Flood
v. Hail
vi. Earthquake
vii. Explosions
viii. Collision with a vehicle

Section 4. Waiver Fee.

(a) The Waiver Fee specified in the Lease Agreement shall be payable monthly during each month of the Lease Term and any extensions thereof.

(b) This Waiver is effective upon payment of the Waiver Fee.

(c) The failure to make payment of the Waiver Fee each month shall cause this Waiver to be terminated immediately as of the date that such Waiver Fee was payable without further action or notice by Lessor ("Waiver Termination").

(d) In the event of a Waiver Termination, the obligations of the Lessee pursuant to Sections 10 and 11 of the Lease Agreement shall be immediately reinstated and applicable. Within five (5) days of such reinstatement of Section 11, Lessee shall provide proof of Property Insurance in which Lessee is named as an additional insured.

Section 5. Deductible.

Lessee shall pay a deductible on any damage to the Equipment per occurrence ("Deductible"). The applicable deductible amount shall be as set forth in the table below, based on the Estimated Insurance Value of the Equipment specified in the Lease Agreement. Provided that the cause of the damage to the Equipment results from a cause listed in Section 3(b) of the Waiver, Lessee shall not be liable for damage to the Equipment beyond the Deductible.

| Estimated Insurance Value | Deductible |
|---|---|
| Less than $50,000.00 | $2,500.00 |
| Between $50,001.00 and $100,000.00 | $5,000.00 |
| Between $100,001.00 and $250,000.00 | $10,000.00 |

| | |
|---|---|
| Above $250,000.00 | $50,000.00 |

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Section 6. Limitations on Waiver.

Notwithstanding the waiver for losses and damages enumerated in Section 3 of this Waiver, Lessee shall be liable for loss or damage to the Equipment as follows:

(a) damage caused by the gross negligence or intentional acts of Lessee or its agents and employees;
(b) damage to Equipment that is located within 15 miles of an ocean, gulf or bay, due to windstorms and floods, including but not limited to hurricanes;
(c) damage to Equipment caused by a windstorm, not including a tornado, resulting from Lessee failing to secure or tie down the Equipment as recommended by Lessor;
(d) damage to contents of the Equipment or any real or personal property attached to or adjacent to the Equipment;
(e) theft or disappearance of the Equipment;
(f) damages to the Equipment from Lessee's failure to limit or mitigate the continuation of damage to the Equipment;
(g) liability for death or injury to any person;
(h) damages for Lessee's unauthorized improvements or modifications or additions to the Equipment;
(i) damages from graffiti, or other paint contamination or paint damage by any means;
(j) damage to the Equipment caused by any condition or event not enumerated in Section 3(b) of this Waiver

Section 7. Liability Insurance.

This Waiver does not affect the obligation of Lessee to maintain General Liability insurance as specified in Section 8 of the Lease Agreement for any liability arising out of or relating to Lessee's Lease of the Equipment.

Section 8. Nature of Waiver.

This Waiver is not insurance. It is a contractual agreement that relieves Lessee from certain duties and liabilities upon the payment of the Waiver Fee. The Waiver does not extend to or relate to any damage or loss of property in, on or about the Equipment. The Waiver does not extend to any loss or damage to the Equipment caused by the intentional acts of Lessee. Lessee shall be responsible for and will pay to Lessor amounts equal to the loss or damage caused to or sustained by the Equipment as a result of the intentional acts of Lessee. The Waiver does not relieve or affect any liability that Lessee may have as a result of the use of the Equipment.

Section 9. Other Terms and Conditions of the Lease Agreement.

Except for the waiver of the provisions of Section 7 and Section 8 of the Lease Agreement, all other terms and conditions of the Lease Agreement remain in full force and effect and shall not be modified by this Waiver.

Section 10. Notice of Loss, Damage or Destruction of Equipment.

Lessee will promptly advise Lessor in writing of any loss, damage, or destruction of the Equipment. Such notice of loss must be made within one (1) business day of the day on which Lessee knows of or has reason to believe that the Equipment is the subject of any loss, damage or destruction.

Section 11. Termination of the Waiver.

Lessee and Lessor may each terminate this Waiver upon thirty (30) days prior written notice. The Waiver may also be terminated by Lessor upon the default of Lessee to pay the required Waiver Payment as provided by Section 2(b) and 2(c) of this Waiver.

Section 12. Counterparts.

This Waiver may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or with any electronic signature complying with the U.S. federal ESIGN Act of 2000, (e.g. execution of this Waiver may be through an e-sign service www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Mobile Modular Management Corporation
5700 Las Positas Rd
Livermore, CA 94551
925-606-9000
www.mgrc.com

| Lease Quotation and Agreement | |
|---|---|
| Quote # | Q-452779 |
| Date of Quote | 12/18/2023 |
| Quote Expiration Date: | |
| Lease Term: | 36 Months |
| **Lessee PO#:** | |

This Waiver is executed as of the day and year first above written.

**LESSOR:**
Mobile Modular Management Corporation
a Division of McGrath RentCorp

Signature: _____

Name: _____

Title: _____

Date: _____

**LESSEE:**
**Bogard Construction**

Signature: _____

Name: _____

Title: _____

Date: _____

# SVHMC ED Modular RFP Justification

The Salinas Valley Health construction team reached out to 3 vendors to seek their support with the development of a modular structure to offset the tent space and surgical waiting room currently utilized to support the emergency department volume.

Company 1: Scotsman – Based out of state and was unable to provide us with a workable and compliant option.

Company 2: Did not respond to requests for proposal

Company 3: Mobile Modular – California based company chosen based on their ability to meet our needs.

Company 3: Forts-Fold out shelters – The modular this vendor would supply did not meet the HCAI standards required for our purposes.

**Facilities Development Division**
**Office of Statewide Health Planning and Development**
**400 R Street, Suite 200 • Sacramento, CA 95811 • (916) 440-8300**
**700 N. Alameda Street, Suite 2-500 • Los Angeles, CA 90012 • (213) 897-0166**

**POLICY INTENT NOTICE (PIN)**

## SUBJECT

Review of Mobile Units Used for Outpatient Hospital Services

**PIN:** **34**

**Effective:** **3/08/2002**
**Revised:** **3/17/2017**

### PURPOSE

This Policy Intent Notice (PIN) provides guidelines for reviewing the installation of "mobile units" that are to be used for outpatient clinical services or duplicate hospital services, as described in Health and Safety Code (HSC) §129730. The guidelines identify what elements of the installation OSHPD will review when a mobile unit is located on a hospital campus.

The term "mobile unit," as used in this PIN, includes "special purpose commercial coach," as defined in HSC § 18012.5, and "commercial modular," as defined in HSC §18001.8, if they are to be used to provide medical, diagnostic or treatment services. Such services must be approved as a service of a licensed "health facility," as defined in HSC §1250. Mobile unit services are not to be used as a primary source for basic hospital service(s), except in response to a natural disaster or other emergency event, pursuant to HSC §1765.165 (a).

A "mobile unit" does not include a modular, relocatable, or transportable unit that is designed to be placed on a foundation when it reaches its destination. When used to provide medical, diagnostic or treatment services these units must comply with code requirements for buildings.

### BACKGROUND

Special purpose commercial coaches and commercial modulars are excluded from the California Building Code (CBC) definition of a "building"; therefore, these units are not subject to Title 24, California Building Standards Code requirements and are not under OSHPD jurisdiction.

These mobile units are often used to provide outpatient clinical services or duplicate hospital services and may be located in proximity to a hospital building. The installation of the unit could potentially result in fire and life safety hazards or impede means of egress from the hospital. Although OSHPD has no authority to regulate the mobile unit or its contents, it does have the authority and responsibility to ensure the hospital building is protected from adjacent hazards. OSHPD's jurisdiction is therefore limited to the installation of a mobile unit and the impact in relation to a hospital building.

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### POLICY

The Office will review drawings for the installation of a mobile unit to be located on a hospital campus when the unit is to be used to provide outpatient clinical services or duplicate hospital services, only as allowed by HSC §129730.

**PROCEDURE**

**Guidelines for Review of Mobile Unit Installation**

1. The project package submitted for OSHPD review will be presented from the hospital building perspective for site utilities, accessible path of travel between the hospital and the mobile unit, opening protection, egress, pedestrian walkways and connecting structures.

2. When a mobile unit is located proximate to a hospital building, the Office will review it to the requirements of the CBC for **buildings on the same lot**.

3. When the mobile unit is linked to the hospital building with a pedestrian walkway, the Office will review to the requirements of the CBC for **pedestrian walkways**.

4. The Office will review **connecting structures** such as walkways or weather protection structures between the mobile unit and the hospital building to the requirements of the CBC on an individual basis.

5. OSHPD will review **utility connections** for mobile units that originate in, pass through, or pass under buildings regulated by OSHPD.

6. OSHPD will not review the mobile unit for conformance with Title 24, California Building Standards Code requirements, including seismic anchorage of the unit and location of the unit as it relates to required side yards.

7. Mobile units shall not obstruct the required means of egress from the hospital building or obstruct fire department access, or access to fire protection equipment including fire hydrants, sprinkler control valves and fire department hose connections.

8. All appropriate approvals must be obtained prior to usage of a mobile unit. Approvals may include Department of Public Health, License and Certification and local fire, planning and zoning authorities. For additional information regarding licensure of mobile units, refer to HSC §1765.101 through §1765.175.

| Original signed | 3/22/17 |
|---|---|
| Paul Coleman | Date |

# Financial Performance Review

# September 2024

## Finance Committee

Scott Cleveland

For the Chief Financial Officer

# Consolidated Financial Summary
# For the Month of September 2024

| $ in Millions | For the Month of September 2024 | | | |
|---|---|---|---|---|
| | | | Variance fav (unfav) | |
| | Actual | Budget | $VAR | %VAR |
| Operating Revenue | $ 68.2 | $ 61.0 | $ 7.2 | 11.9% |
| Operating Expense | $ 64.8 | $ 62.1 | $ (2.7) | -4.3% |
| **Income from Operations *** | **$ 3.5** | **$ (1.1)** | **$ 4.6** | **417.5%** |
| *Operating Margin %* | *5.1%* | *-1.9%* | *7.0%* | *368.42%* |
| Non Operating Income ** | $ 7.2 | $ 3.0 | $ 4.2 | 140.0% |
| **Net Income** | **$ 10.7** | **$ 1.9** | **$ 8.8** | **462.7%** |
| *Net Income Margin %* | *15.7%* | *3.1%* | *12.6%* | *406.5%* |

**Non Operating Income was above budget due to:

- **$3.8M** Favorable Investment Income

# Executive Summary:  Financial Performance

***Salinas Valley Health Income from Operations was $3.5 million for the month which was favorable to budget by $4.6M.*** The favorable financial performance for the month was driven by the following:

**Key Favorable Performance Highlights:**

- **Outpatient revenue** was very strong compared to budget by $20M (14%), due to higher than budgeted patient volumes in the following areas:
  - **OP surgeries** were over budget by 13% (33 cases)
  - **OP Infusion cases** were over budget by 12% (116 cases)
  - **CT Scans** were over budget by 15% (270 scans)
  - **MRI Scans** were over budget by 13% (32 scans)
- **Inpatient  Surgeries** were over budget by 14% (17 cases)
- **Deliveries** were over budget by 15% (17 cases)
- **Total inpatient admissions** were 10% (84 admits) above budget
- **Non-Operating Revenue** was favorable by $4.2M, primarily as the result of favorable investment performance

# Executive Summary: Financial Performance – Cont'd

- **Key Favorable Performance Highlights (Continued):**
  - **Average Daily Census** was 118 patients compared to a budget target of 117
  - **Average Length of Stay** was 9% favorable to budget at 3.68. All payor average length of stay CMI adjusted was favorable to budget by 3% at 2.4
  - **Payor Mix** was favorable with higher than budget utilization of gross revenue for Commercial; up 13%
- **Key Unfavorable Performance Highlights:**
  - ✓ **Mammography** cases were below budget 7% (183 cases)
  - ✓ **Medi-Cal utilization** was up 8% from budget

# Consolidated Financial Summary
# YTD September 2024

| $ in Millions | FY 2024 September YTD | | | |
|---|---|---|---|---|
| | | | Variance fav (unfav) | |
| | Actual | Budget | $VAR | %VAR |
| Operating Revenue | $ 198.2 | $ 186.6 | $ 11.6 | 6.2% |
| Operating Expense | $ 192.5 | $ 189.7 | $ (2.8) | -1.5% |
| **Income from Operations *** | **$ 5.8** | **$ (3.1)** | **$ 8.9** | **286.8%** |
| *Operating Margin %* | *2.9%* | *-1.7%* | *4.6%* | *270.6%* |
| Non Operating Income ** | $ 18.9 | $ 9.1 | $ 9.8 | 107.7% |
| **Net Income** | **$ 24.7** | **$ 6.0** | **$ 18.7** | **311.5%** |
| *Net Income Margin %* | *12.4%* | *3.2%* | *9.2%* | *287.5%* |

**Non Operating Income favorable budget impact includes**
**$10.1M** Favorable Investment Income

# Labor Productivity – September 2024

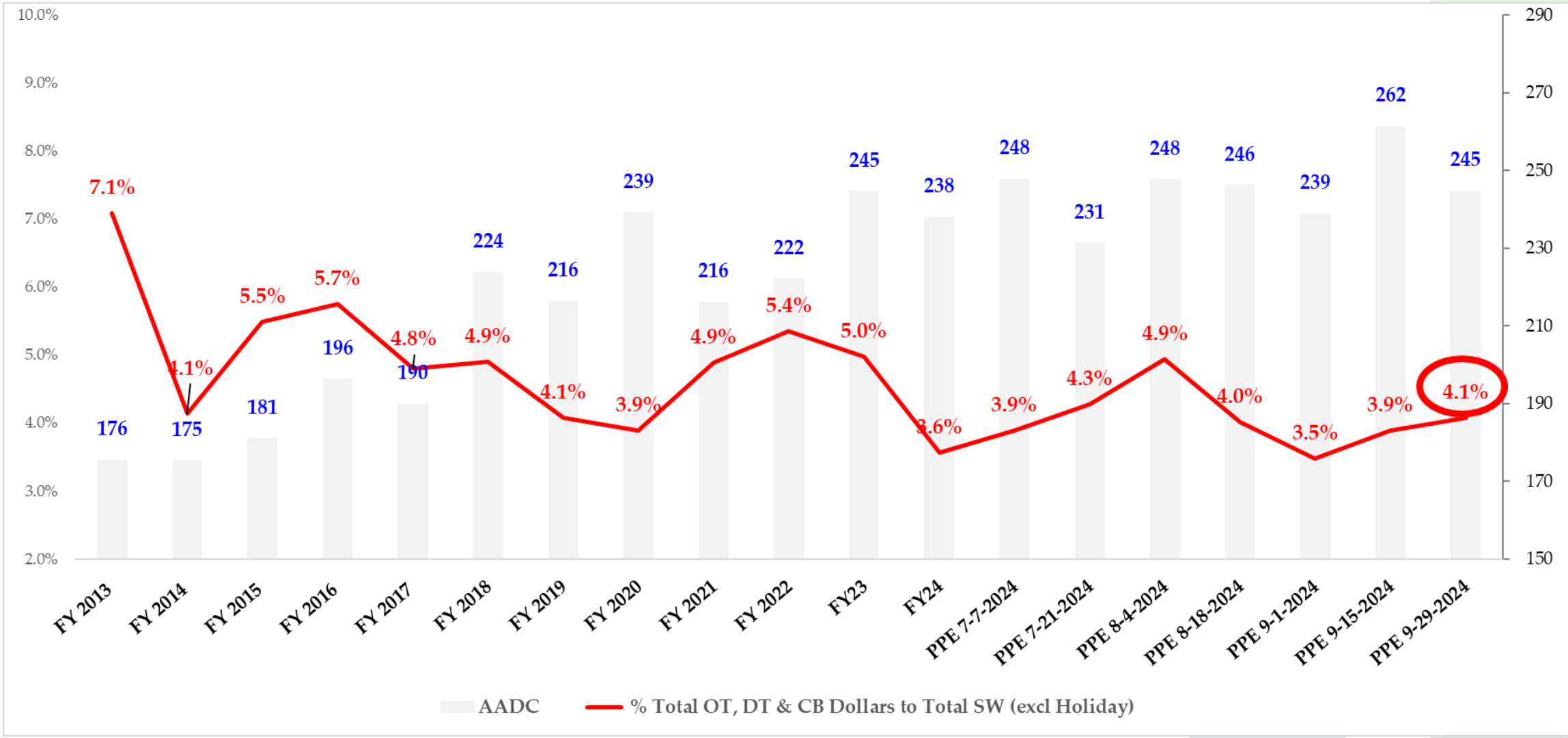
1. **Worked FTEs:** During the month of September, worked FTEs on a PAADC basis were 5.7% favorable at **6.2** with a target of **6.6**. *When reviewed on a unit by-unit level, the variance was **38.3** FTEs Positive **($545k).***

2. **Worked FTEs** decreased from 1,537 in August to 1,536 in September. Average daily census increased compared to prior month at 118 (1% above budget).

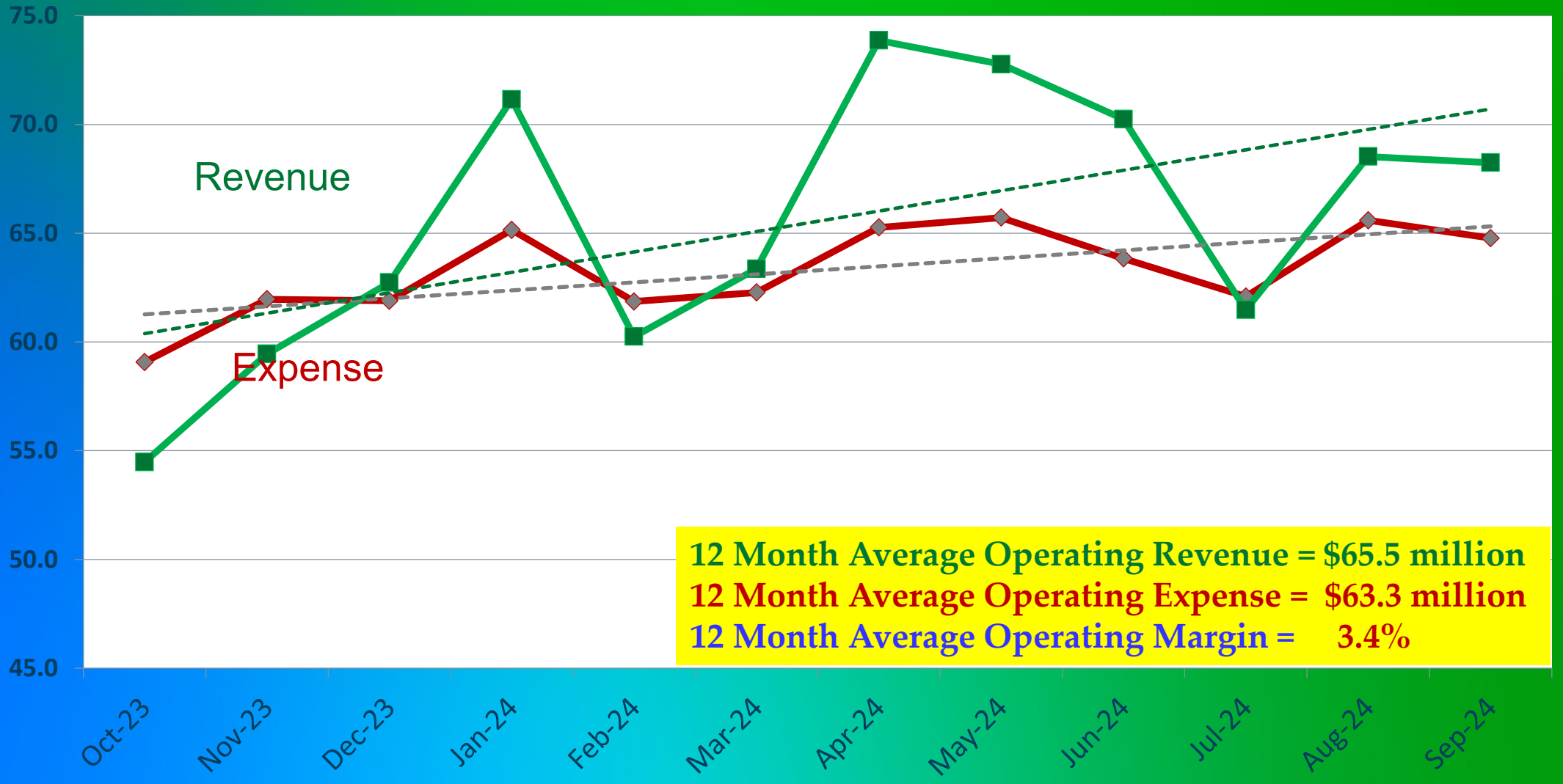
3. **Paid FTEs:** On a PAADC basis paid FTEs were **6.8%** favorable to budget at **7.3 actual vs. 7.9 budget.** Paid FTE increased from 1,805 in August to 1,814 in September.

# % of Total OT, DT & CB Dollars to Total S&W

## Updated Thru PPE 9-29-24



# SVH Consolidated Revenues & Expenses
# Rolling 12 Months: Oct 23 to Sep 24




**12 Month Average Operating Revenue = $65.5 million**
**12 Month Average Operating Expense = $63.3 million**
**12 Month Average Operating Margin = 3.4%**

# Salinas Valley Health Key Financial Indicators

| Statistic | YTD 09/30/24 | SVH Target | +/- | S&P A+ Rated Hospitals | +/- | YTD 9/30/23 | +/- |
|---|---|---|---|---|---|---|---|
| Operating Margin* | 2.9% | 5.0% | | 4.0% | | -5.2% | |
| Total Margin* | 12.4% | 6.0% | | 6.6% | | -0.2% | |
| EBITDA Margin** | 7.4% | 7.4% | | 13.6% | | -1.0% | |
| Days of Cash* | 368 | 305 | | 249 | | 344 | |
| Days of Accounts Payable* | 45 | 45 | | - | | 50 | |
| Days of Net Accounts Receivable*** | 61 | 45 | | 49 | | 53 | |
| Supply Expense as % NPR | 14.4% | 14.0% | | - | | 14.0% | |
| SWB Expense as % NPR | 53.1% | 53.0% | | 53.7% | | 57.7% | |
| Operating Expense per APD* | 6,712 | 6,739 | | - | | 6,725 | |

All metrics above are consolidated for SVH except Operating Expense per APD

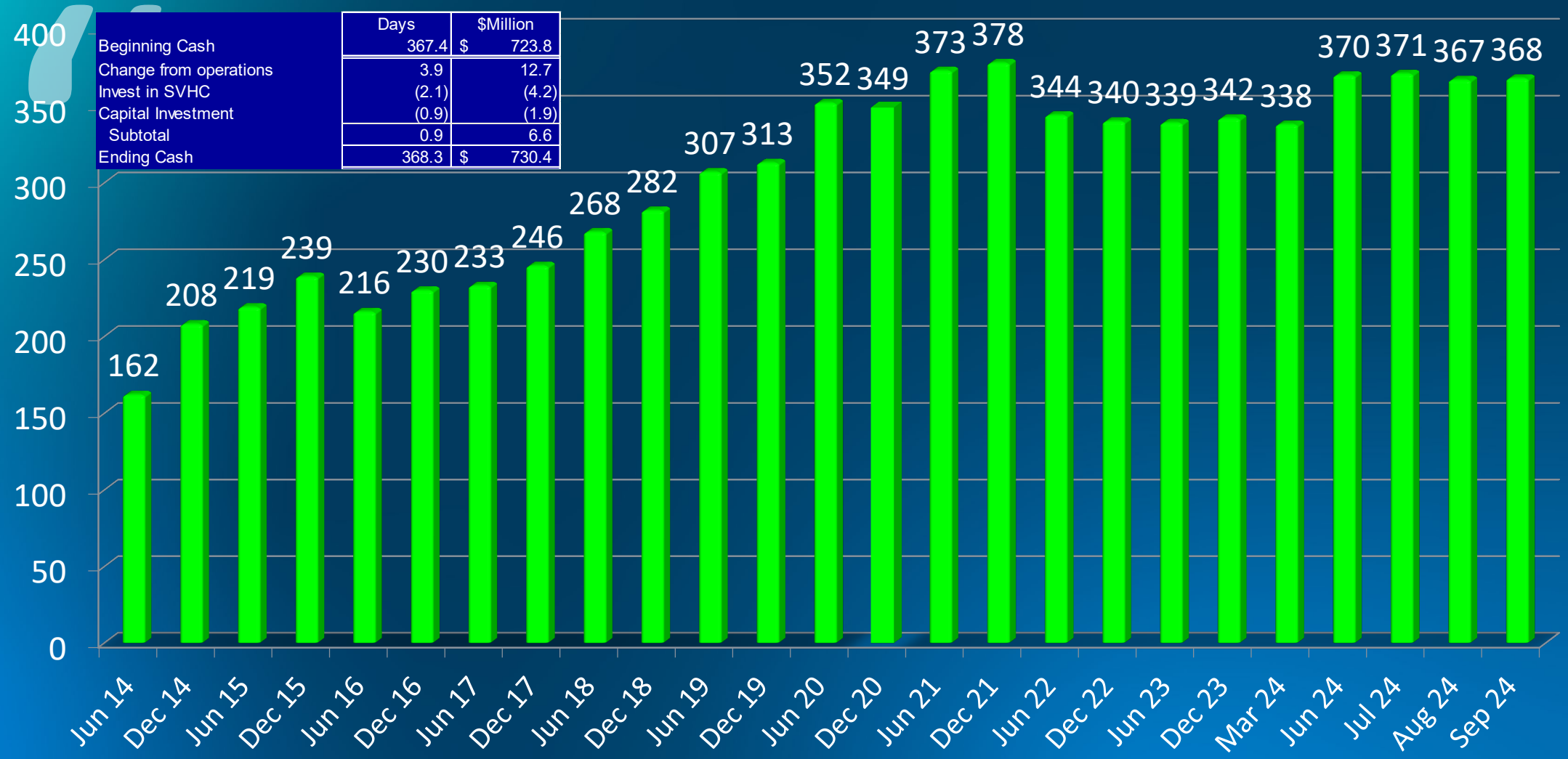
*These metrics have been adjusted for normalizing items

**Metric based on Operating Income (consistent with industry standard)

***Metric based on 90 days average net revenue (consistent with industry standard)

# Salinas Valley Health
## Days Cash on Hand = 368 Days ($730M) - September 2024

| | Days | $Million |
|---|---|---|
| Beginning Cash | 367.4 | $ 723.8 |
| Change from operations | 3.9 | 12.7 |
| Invest in SVHC | (2.1) | (4.2) |
| Capital Investment | (0.9) | (1.9) |
| Subtotal | 0.9 | 6.6 |
| Ending Cash | 368.3 | $ 730.4 |



# Questions/Comments

SALINAS VALLEY HEALTH MEDICAL CENTER
SUMMARY INCOME STATEMENT
September 30, 2024

| | Month of September, | | Three months ended September 30, | |
|---|---|---|---|---|
| | current year | prior year | current year | prior year |
| Operating revenue: | | | | |
| Net patient revenue | $ 56,596,510 | $ 46,012,594 | $ 164,526,098 | $ 141,523,756 |
| Other operating revenue | 1,583,880 | 1,092,460 | 4,450,918 | 3,320,858 |
| Total operating revenue | 58,180,390 | 47,105,054 | 168,977,016 | 144,844,614 |
| Total operating expenses | 50,202,538 | 46,704,544 | 148,959,387 | 141,312,135 |
| Total non-operating income | 2,433,633 | (2,862,253) | 3,870,026 | (4,099,043) |
| Operating and non-operating income | $ 10,411,485 | $ (2,461,743) | $ 23,887,655 | $ (566,564) |

SALINAS VALLEY HEALTH MEDICAL CENTER
BALANCE SHEETS
September 30, 2024

| | Current year | Prior year |
|---|---|---|
| ASSETS: | | |
| Current assets | $ 403,758,194 | $ 343,091,060 |
| Assets whose use is limited or restricted by board | 171,640,720 | 159,161,047 |
| Capital assets | 251,409,345 | 247,619,275 |
| Other assets | 307,173,646 | 288,170,715 |
| Deferred pension outflows | 85,734,219 | 116,911,125 |
| | $ 1,219,716,124 | $ 1,154,953,222 |
| LIABILITIES AND EQUITY: | | |
| Current liabilities | 89,724,968 | 92,709,567 |
| Long term liabilities | 20,285,894 | 22,301,104 |
| Lease deferred inflows | 1,741,055 | 2,391,461 |
| Pension liability | 90,863,576 | 118,792,064 |
| Net assets | 1,017,100,631 | 918,759,026 |
| | $ 1,219,716,124 | $ 1,154,953,222 |

**SALINAS VALLEY HEALTH MEDICAL CENTER**
**SCHEDULES OF NET PATIENT REVENUE**
**September 30, 2024**

| | Month of September, | | Three months ended September 30, | |
|---|---|---|---|---|
| | current year | prior year | current year | prior year |
| Patient days: | | | | |
| By payer: | | | | |
| Medicare | 1,699 | 1,558 | 5,109 | 5,211 |
| Medi-Cal | 986 | 934 | 3,068 | 2,881 |
| Commercial insurance | 640 | 747 | 1,725 | 1,999 |
| Other patient | 158 | 171 | 357 | 375 |
| Total patient days | 3,483 | 3,410 | 10,259 | 10,466 |
| Gross revenue: | | | | |
| Medicare | $ 119,207,382 | $ 98,943,078 | $ 371,480,360 | $ 323,155,388 |
| Medi-Cal | 76,820,884 | 65,009,550 | 237,211,543 | 193,252,953 |
| Commercial insurance | 60,177,883 | 54,980,549 | 173,022,836 | 156,981,893 |
| Other patient | 11,562,294 | 10,046,899 | 33,223,846 | 29,039,726 |
| Gross revenue | 267,768,443 | 228,980,076 | 814,938,585 | 702,429,959 |
| Deductions from revenue: | | | | |
| Administrative adjustment | 280,113 | 103,717 | 1,107,538 | 650,042 |
| Charity care | 31,105 | 275,573 | 1,413,813 | 2,202,258 |
| Contractual adjustments: | | | | |
| Medicare outpatient | 40,577,813 | 30,706,988 | 125,321,284 | 102,634,602 |
| Medicare inpatient | 43,554,378 | 39,450,671 | 139,945,972 | 135,260,412 |
| Medi-Cal traditional outpatient | 1,932,272 | 2,806,770 | 4,711,278 | 7,915,786 |
| Medi-Cal traditional inpatient | 6,239,352 | 3,318,265 | 19,956,409 | 13,102,625 |
| Medi-Cal managed care outpatient | 37,013,501 | 29,060,443 | 114,545,433 | 86,685,237 |
| Medi-Cal managed care inpatient | 24,282,868 | 22,828,838 | 74,841,498 | 66,104,711 |
| Commercial insurance outpatient | 25,190,978 | 23,767,568 | 77,314,207 | 65,714,927 |
| Commercial insurance inpatient | 23,816,247 | 23,981,186 | 69,428,810 | 62,932,393 |
| Uncollectible accounts expense | 5,341,125 | 4,233,461 | 15,840,500 | 12,720,931 |
| Other payors | 2,912,181 | 2,434,003 | 5,985,745 | 4,982,278 |
| Deductions from revenue | 211,171,933 | 182,967,482 | 650,412,487 | 560,906,203 |
| Net patient revenue | $ 56,596,510 | $ 46,012,594 | $ 164,526,098 | $ 141,523,756 |
| Gross billed charges by patient type: | | | | |
| Inpatient | $ 127,083,410 | $ 117,121,416 | $ 387,574,720 | $ 354,642,336 |
| Outpatient | 108,305,543 | 83,818,583 | 330,900,512 | 258,157,289 |
| Emergency room | 32,379,490 | 28,040,078 | 96,463,353 | 89,630,334 |
| Total | $ 267,768,443 | $ 228,980,076 | $ 814,938,585 | $ 702,429,959 |

**SALINAS VALLEY HEALTH MEDICAL CENTER**
**STATEMENTS OF REVENUE AND EXPENSES**
**September 30, 2024**

| | Month of September, | | Three months ended September 30, | |
|---|---|---|---|---|
| | current year | prior year | current year | prior year |
| Operating revenue: | | | | |
| Net patient revenue | $ 56,596,510 | $ 46,012,594 | $ 164,526,098 | $ 141,523,756 |
| Other operating revenue | 1,583,880 | 1,092,460 | 4,450,918 | 3,320,858 |
| Total operating revenue | 58,180,390 | 47,105,054 | 168,977,016 | 144,844,614 |
| Operating expenses: | | | | |
| Salaries and wages | 17,378,044 | 15,957,942 | 52,069,744 | 48,393,068 |
| Compensated absences | 2,643,970 | 2,761,043 | 9,693,098 | 8,706,705 |
| Employee benefits | 8,918,863 | 8,071,962 | 25,348,968 | 25,937,521 |
| Supplies, food, and linen | 8,103,526 | 6,647,977 | 25,089,913 | 20,566,727 |
| Purchased department functions | 4,081,477 | 4,534,538 | 11,496,401 | 12,358,909 |
| Medical fees | 2,759,834 | 2,624,703 | 7,151,865 | 7,669,865 |
| Other fees | 2,011,541 | 2,034,277 | 5,020,631 | 6,421,924 |
| Depreciation | 2,500,920 | 2,231,809 | 7,457,897 | 5,843,409 |
| All other expense | 1,804,363 | 1,840,293 | 5,630,870 | 5,414,007 |
| Total operating expenses | 50,202,538 | 46,704,544 | 148,959,387 | 141,312,135 |
| Income from operations | 7,977,852 | 400,510 | 20,017,629 | 3,532,479 |
| Non-operating income: | | | | |
| Donations | 773,392 | 0 | 1,046,513 | 1,132,687 |
| Property taxes | 476,714 | 333,333 | 1,430,143 | 1,000,000 |
| Investment income | 5,426,658 | 1,148,556 | 15,022,572 | 5,689,294 |
| Taxes and licenses | 0 | 0 | 0 | 0 |
| Income from subsidiaries | (4,243,131) | (4,344,142) | (13,629,202) | (11,921,024) |
| Total non-operating income | 2,433,633 | (2,862,253) | 3,870,026 | (4,099,043) |
| Operating and non-operating income | 10,411,485 | (2,461,743) | 23,887,655 | (566,564) |
| Net assets to begin | 1,006,689,146 | 921,220,769 | 993,212,976 | 919,325,590 |
| Net assets to end | $ 1,017,100,631 | $ 918,759,026 | $ 1,017,100,631 | $ 918,759,026 |
| Net income excluding non-recurring items | $ 10,411,485 | $ (2,461,743) | $ 23,887,655 | $ (566,564) |
| Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items | 0 | 0 | 0 | 0 |
| Operating and non-operating income | $ 10,411,485 | $ (2,461,743) | $ 23,887,655 | $ (566,564) |

**SALINAS VALLEY HEALTH MEDICAL CENTER**
**SCHEDULES OF INVESTMENT INCOME**
**September 30, 2024**

| | Month of September, | | Three months ended September 30, | |
|---|---|---|---|---|
| | current year | prior year | current year | prior year |
| Detail of income from subsidiaries: | | | | |
| Salinas Valley Health Clinics | | | | |
| Pulmonary Medicine Center | $ (182,194) | $ (205,991) | $ (593,854) | $ (565,980) |
| Neurological Clinic | (73,281) | (60,052) | (180,252) | (195,483) |
| Palliative Care Clinic | (103,170) | (86,344) | (346,477) | (232,998) |
| Surgery Clinic | (36,217) | (176,189) | (498,368) | (576,556) |
| Infectious Disease Clinic | (47,225) | (33,095) | (108,409) | (94,544) |
| Endocrinology Clinic | (189,130) | (211,593) | (636,475) | (630,153) |
| Early Discharge Clinic | 0 | 0 | 0 | 0 |
| Cardiology Clinic | (276,679) | (595,432) | (1,342,323) | (1,592,397) |
| OB/GYN Clinic | (483,333) | (352,727) | (1,243,918) | (1,051,643) |
| PrimeCare Medical Group | (884,485) | (1,012,388) | (2,623,983) | (2,510,265) |
| Oncology Clinic | (347,348) | (303,853) | (1,171,330) | (922,274) |
| Cardiac Surgery | (482,414) | (428,015) | (1,040,144) | (918,192) |
| Sleep Center | (96,759) | (46,075) | (254,000) | (118,431) |
| Rheumatology | (59,818) | (57,820) | (225,553) | (188,765) |
| Precision Ortho MDs | (400,783) | (404,490) | (1,226,551) | (1,206,252) |
| Precision Ortho-MRI | 0 | 0 | 0 | 0 |
| Precision Ortho-PT | (71,149) | (29,389) | (239,228) | (131,259) |
| Vaccine Clinic | 0 | 0 | 0 | 0 |
| Dermatology | (37,835) | (54,681) | (133,745) | (104,450) |
| Hospitalists | 0 | 0 | 0 | 0 |
| Behavioral Health | (33,231) | (36,384) | (125,264) | (110,185) |
| Pediatric Diabetes | (33,551) | (51,652) | (145,934) | (143,266) |
| Neurosurgery | (129,828) | (21,600) | (353,972) | (81,954) |
| Multi-Specialty-RR | 22,638 | 4,216 | 33,717 | 15,632 |
| Radiology | (176,561) | (103,764) | (1,000,344) | (530,727) |
| Salinas Family Practice | (68,194) | (119,391) | (312,720) | (385,155) |
| Urology | (241,228) | (251,025) | (609,328) | (489,277) |
| Total SVHC | (4,431,775) | (4,637,734) | (14,378,455) | (12,764,574) |
| Doctors on Duty | (63,776) | 113,982 | 123,561 | 300,313 |
| LPCH NICU JV | 0 | 0 | 0 | 0 |
| Central Coast Health Connect | 0 | 0 | 0 | 0 |
| Monterey Peninsula Surgery Center | 187,767 | 130,531 | 527,449 | 356,288 |
| Coastal | (2,735) | 21,306 | (101,474) | 108,687 |
| Apex | 0 | 0 | 0 | 0 |
| 21st Century Oncology | 0 | (22,618) | 0 | (21,601) |
| Monterey Bay Endoscopy Center | 67,388 | 50,390 | 199,717 | 99,862 |
| Total | $ (4,243,131) | $ (4,344,142) | $ (13,629,202) | $ (11,921,024) |

**SALINAS VALLEY HEALTH MEDICAL CENTER**
**BALANCE SHEETS**
**September 30, 2024**

| | Current year | Prior year |
|---|---|---|
| A S S E T S | | |
| Current assets: | | |
| Cash and cash equivalents | $ 263,540,497 | $ 233,398,034 |
| Patient accounts receivable, net of estimated uncollectibles of $47,707,001 | 116,734,506 | 87,402,981 |
| Supplies inventory at cost | 8,587,084 | 7,929,121 |
| Current portion of lease receivable | 1,399,852 | 1,634,496 |
| Other current assets | 13,496,254 | 12,726,429 |
| Total current assets | 403,758,194 | 343,091,060 |
| Assets whose use is limited or restricted by board | 171,640,720 | 159,161,047 |
| Capital assets: | | |
| Land and construction in process | 47,412,443 | 65,515,184 |
| Other capital assets, net of depreciation | 203,996,902 | 182,104,091 |
| Total capital assets | 251,409,345 | 247,619,275 |
| Other assets: | | |
| Right of use assets, net of amortization | 7,005,059 | 5,202,770 |
| Long term lease receivable | 372,390 | 919,422 |
| Subscription assets, net of amortization | 9,004,109 | 10,754,599 |
| Investment in Securities | 265,671,311 | 246,887,410 |
| Investment in SVMC | 1,861,777 | 9,501,122 |
| Investment in Coastal | 1,775,896 | 1,790,328 |
| Investment in other affiliates | 21,734,135 | 16,544,240 |
| Net pension asset | (251,031) | (3,429,176) |
| Total other assets | 307,173,646 | 288,170,715 |
| Deferred pension outflows | 85,734,219 | 116,911,125 |
| | $ 1,219,716,124 | $ 1,154,953,222 |
| L I A B I L I T I E S A N D N E T A S S E T S | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 57,667,419 | $ 63,338,192 |
| Due to third party payers | 3,689,071 | 5,374,716 |
| Current portion of self-insurance liability | 22,207,689 | 17,525,546 |
| Current subscription liability | 3,595,446 | 4,630,742 |
| Current portion of lease liability | 2,565,343 | 1,840,371 |
| Total current liabilities | 89,724,968 | 92,709,567 |
| Long term portion of workers comp liability | 12,752,056 | 13,027,333 |
| Long term portion of lease liability | 4,511,988 | 3,558,864 |
| Long term subscription liability | 3,021,850 | 5,714,907 |
| Total liabilities | 110,010,862 | 115,010,671 |
| Lease deferred inflows | 1,741,055 | 2,391,461 |
| Pension liability | 90,863,576 | 118,792,064 |
| Net assets: | | |
| Invested in capital assets, net of related debt | 251,409,345 | 247,619,275 |
| Unrestricted | 765,691,286 | 671,139,751 |
| Total net assets | 1,017,100,631 | 918,759,026 |
| | $ 1,219,716,124 | $ 1,154,953,222 |

# SALINAS VALLEY HEALTH MEDICAL CENTER
# STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
## September 30, 2024

| | Month of September, | | | Three months ended September 30, | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Variance | % Var | Actual | Budget | Variance | % Var |
| Operating revenue: | | | | | | | |
| Gross billed charges | $ 267,768,443 | $ 18,152,054 | 7.27% | $ 814,938,585 | $ 765,441,564 | 49,497,021 | 6.47% |
| Dedutions from revenue | 211,171,933 | 11,754,271 | 5.89% | 650,412,487 | 612,319,045 | 38,093,442 | 6.22% |
| Net patient revenue | 56,596,510 | 6,397,784 | 12.74% | 164,526,098 | 153,122,519 | 11,403,579 | 7.45% |
| Other operating revenue | 1,583,880 | 131,211 | 9.03% | 4,450,918 | 4,358,007 | 92,911 | 2.13% |
| **Total operating revenue** | **58,180,390** | **6,528,995** | **12.64%** | **168,977,016** | **157,480,526** | **11,496,490** | **7.30%** |
| Operating expenses: | | | | | | | |
| Salaries and wages | 17,378,044 | 465,531 | 2.75% | 52,069,744 | 51,452,177 | 617,567 | 1.20% |
| Compensated absences | 2,643,970 | (585,294) | -18.12% | 9,693,098 | 10,120,524 | (427,426) | -4.22% |
| Employee benefits | 8,918,863 | 985,216 | 12.42% | 25,348,968 | 24,242,943 | 1,106,025 | 4.56% |
| Supplies, food, and linen | 8,103,526 | 1,037,342 | 14.68% | 25,089,913 | 21,670,736 | 3,419,177 | 15.78% |
| Purchased department functions | 4,081,477 | 256,195 | 6.70% | 11,496,401 | 11,475,849 | 20,552 | 0.18% |
| Medical fees | 2,759,834 | 274,197 | 11.03% | 7,151,865 | 7,456,912 | (305,047) | -4.09% |
| Other fees | 2,011,541 | 289,174 | 16.79% | 5,020,631 | 5,235,224 | (214,593) | -4.10% |
| Depreciation | 2,500,920 | 156,280 | 6.67% | 7,457,897 | 7,049,564 | 408,333 | 5.79% |
| All other expense | 1,804,363 | (151,881) | -7.76% | 5,630,870 | 5,971,373 | (340,503) | -5.70% |
| **Total operating expenses** | **50,202,538** | **2,726,759** | **5.74%** | **148,959,387** | **144,675,302** | **4,284,085** | **2.96%** |
| **Income from operations** | **7,977,852** | **3,802,235** | **91.06%** | **20,017,629** | **12,805,224** | **7,212,405** | **56.32%** |
| Non-operating income: | | | | | | | |
| Donations | 773,392 | 565,059 | 271.23% | 1,046,513 | 625,000 | 421,513 | 67.44% |
| Property taxes | 476,714 | (0) | 0.00% | 1,430,143 | 1,430,143 | (0) | 0.00% |
| Investment income | 5,426,658 | 3,535,485 | 186.95% | 15,022,572 | 5,673,519 | 9,349,052 | 164.78% |
| Income from subsidiaries | (4,243,131) | 880,091 | -17.18% | (13,629,202) | (15,369,666) | 1,740,464 | -11.32% |
| **Total non-operating income** | **2,433,633** | **4,980,634** | **-195.55%** | **3,870,026** | **(7,641,004)** | **11,511,029** | **-150.65%** |
| **Operating and non-operating income** | **$ 10,411,485** | **$ 8,782,870** | **539.28%** | **$ 23,887,655** | **$ 5,164,220** | **18,723,434** | **362.56%** |

# SALINAS VALLEY HEALTH MEDICAL CENTER
## PATIENT STATISTICAL REPORT
**For the month of September and three months to date**

| | Month of September | | Three months to date | | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2023-24 | 2024-25 | Variance |
| NEWBORN STATISTICS | | | | | |
| Medi-Cal Admissions | 30 | 31 | 101 | 109 | 8 |
| Other Admissions | 79 | 76 | 250 | 252 | 2 |
| Total Admissions | 109 | 107 | 351 | 361 | 10 |
| Medi-Cal Patient Days | 55 | 120 | 162 | 248 | 86 |
| Other Patient Days | 139 | 54 | 415 | 331 | (84) |
| Total Patient Days of Care | 194 | 174 | 577 | 579 | 2 |
| Average Daily Census | 6.5 | 5.8 | 6.3 | 6.3 | 0.0 |
| Medi-Cal Average Days | 1.9 | 3.9 | 1.7 | 2.4 | 0.7 |
| Other Average Days | 1.4 | 0.7 | 1.7 | 1.3 | (0.4) |
| Total Average Days Stay | 1.8 | 1.6 | 1.7 | 1.6 | (0.1) |
| ADULTS & PEDIATRICS | | | | | |
| Medicare Admissions | 335 | 391 | 1,098 | 1,106 | 8 |
| Medi-Cal Admissions | 248 | 280 | 723 | 855 | 132 |
| Other Admissions | 369 | 303 | 861 | 974 | 113 |
| Total Admissions | 952 | 974 | 2,682 | 2,935 | 253 |
| Medicare Patient Days | 1,288 | 1,496 | 4,456 | 4,224 | (232) |
| Medi-Cal Patient Days | 977 | 981 | 2,995 | 3,283 | 288 |
| Other Patient Days | 1,012 | 714 | 2,802 | 2,369 | (433) |
| Total Patient Days of Care | 3,277 | 3,191 | 10,253 | 9,876 | (377) |
| Average Daily Census | 109.2 | 106.4 | 111.4 | 107.3 | (4.1) |
| Medicare Average Length of Stay | 3.9 | 3.8 | 4.1 | 3.8 | (0.3) |
| Medi-Cal AverageLength of Stay | 3.9 | 3.2 | 3.6 | 3.3 | (0.2) |
| Other Average Length of Stay | 2.8 | 1.9 | 2.5 | 1.9 | (0.6) |
| Total Average Length of Stay | 3.5 | 2.9 | 3.4 | 3.0 | (0.4) |
| Deaths | 18 | 37 | 69 | 76 | 7 |
| Total Patient Days | 3,471 | 3,365 | 10,830 | 10,455 | (375) |
| Medi-Cal Administrative Days | 0 | 0 | 5 | 0 | (5) |
| Medicare SNF Days | 0 | 0 | 0 | 0 | 0 |
| Over-Utilization Days | 0 | 0 | 0 | 0 | 0 |
| Total Non-Acute Days | 0 | 0 | 5 | 0 | (5) |
| Percent Non-Acute | 0.00% | 0.00% | 0.05% | 0.00% | -0.05% |

# SALINAS VALLEY HEALTH MEDICAL CENTER
## PATIENT STATISTICAL REPORT
**For the month of September and three months to date**

| | Month of September | | Three months to date | | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2023-24 | 2024-25 | Variance |
| PATIENT DAYS BY LOCATION | | | | | |
| Level I | 270 | 271 | 709 | 721 | 12 |
| Heart Center | 329 | 313 | 996 | 986 | (10) |
| Monitored Beds | 616 | 570 | 1,839 | 1,737 | (102) |
| Single Room Maternity/Obstetrics | 308 | 303 | 950 | 1,069 | 119 |
| Med/Surg - Cardiovascular | 718 | 820 | 2,374 | 2,504 | 130 |
| Med/Surg - Oncology | 261 | 271 | 818 | 819 | 1 |
| Med/Surg - Rehab | 364 | 469 | 1,270 | 1,364 | 94 |
| Pediatrics | 126 | 98 | 371 | 337 | (34) |
| Nursery | 194 | 174 | 577 | 579 | 2 |
| Neonatal Intensive Care | 164 | 76 | 386 | 339 | (47) |
| PERCENTAGE OF OCCUPANCY | | | | | |
| Level I | 69.23% | 69.49% | 59.28% | 60.28% | |
| Heart Center | 73.11% | 69.56% | 72.17% | 71.45% | |
| Monitored Beds | 76.05% | 70.37% | 74.03% | 69.93% | |
| Single Room Maternity/Obstetrics | 27.75% | 27.30% | 27.91% | 31.40% | |
| Med/Surg - Cardiovascular | 53.19% | 60.74% | 57.34% | 60.48% | |
| Med/Surg - Oncology | 66.92% | 69.49% | 68.39% | 68.48% | |
| Med/Surg - Rehab | 46.67% | 60.13% | 53.09% | 57.02% | |
| Med/Surg - Observation Care Unit | 0.00% | 0.00% | 0.00% | 0.00% | |
| Pediatrics | 23.33% | 18.15% | 22.40% | 20.35% | |
| Nursery | 39.19% | 35.15% | 19.01% | 19.07% | |
| Neonatal Intensive Care | 49.70% | 23.03% | 38.14% | 33.50% | |

# SALINAS VALLEY HEALTH MEDICAL CENTER
## PATIENT STATISTICAL REPORT
**For the month of September and three months to date**

| | Month of September | | Three months to date | | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2023-24 | 2024-25 | Variance |
| DELIVERY ROOM | | | | | |
| Total deliveries | 105 | 123 | 341 | 370 | 29 |
| C-Section deliveries | 32 | 31 | 109 | 111 | 2 |
| Percent of C-section deliveries | 30.48% | 25.20% | 31.96% | 30.00% | -1.96% |
| OPERATING ROOM | | | | | |
| In-Patient Operating Minutes | 14,247 | 20,885 | 48,163 | 59,211 | 11,048 |
| Out-Patient Operating Minutes | 32,012 | 29,584 | 89,279 | 96,108 | 6,829 |
| Total | 46,259 | 50,469 | 137,442 | 155,319 | 17,877 |
| Open Heart Surgeries | 9 | 12 | 30 | 37 | 7 |
| In-Patient Cases | 105 | 134 | 351 | 381 | 30 |
| Out-Patient Cases | 305 | 301 | 877 | 933 | 56 |
| EMERGENCY ROOM | | | | | |
| Immediate Life Saving | 36 | 31 | 111 | 90 | (21) |
| High Risk | 654 | 838 | 2,097 | 2,671 | 574 |
| More Than One Resource | 2,770 | 2,736 | 8,542 | 8,204 | (338) |
| One Resource | 2,030 | 1,672 | 5,588 | 5,033 | (555) |
| No Resources | 104 | 62 | 329 | 221 | (108) |
| Total | 5,594 | 5,339 | 16,667 | 16,219 | (448) |

# SALINAS VALLEY HEALTH MEDICAL CENTER
## PATIENT STATISTICAL REPORT
**For the month of September and three months to date**

| | Month of September | | Three months to date | | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2023-24 | 2024-25 | Variance |
| CENTRAL SUPPLY | | | | | |
| In-patient requisitions | 12,139 | 12,955 | 39,927 | 39,216 | -711 |
| Out-patient requisitions | 10,151 | 11,223 | 31,301 | 32,794 | 1,493 |
| Emergency room requisitions | 888 | 707 | 2,641 | 2,497 | -144 |
| Interdepartmental requisitions | 6,360 | 6,717 | 18,923 | 19,855 | 932 |
| Total requisitions | 29,538 | 31,602 | 92,792 | 94,362 | 1,570 |
| LABORATORY | | | | | |
| In-patient procedures | 33,797 | 34,599 | 105,329 | 105,778 | 449 |
| Out-patient procedures | 10,924 | 42,097 | 33,383 | 131,570 | 98,187 |
| Emergency room procedures | 12,633 | 12,503 | 39,080 | 37,544 | -1,536 |
| Total patient procedures | 57,354 | 89,199 | 177,792 | 274,892 | 97,100 |
| BLOOD BANK | | | | | |
| Units processed | 273 | 341 | 938 | 806 | -132 |
| ELECTROCARDIOLOGY | | | | | |
| In-patient procedures | 997 | 1,038 | 3,093 | 3,317 | 224 |
| Out-patient procedures | 344 | 391 | 1,166 | 1,173 | 7 |
| Emergency room procedures | 1,210 | 1,263 | 3,669 | 3,812 | 143 |
| Total procedures | 2,551 | 2,692 | 7,928 | 8,302 | 374 |
| CATH LAB | | | | | |
| In-patient procedures | 97 | 119 | 337 | 389 | 52 |
| Out-patient procedures | 97 | 140 | 290 | 389 | 99 |
| Emergency room procedures | 0 | 0 | 0 | 0 | 0 |
| Total procedures | 194 | 259 | 627 | 778 | 151 |
| ECHO-CARDIOLOGY | | | | | |
| In-patient studies | 337 | 385 | 1,020 | 1,229 | 209 |
| Out-patient studies | 233 | 287 | 726 | 1,006 | 280 |
| Emergency room studies | 0 | 1 | 0 | 4 | 4 |
| Total studies | 570 | 673 | 1,746 | 2,239 | 493 |
| NEURODIAGNOSTIC | | | | | |
| In-patient procedures | 120 | 150 | 376 | 414 | 38 |
| Out-patient procedures | 13 | 27 | 55 | 68 | 13 |
| Emergency room procedures | 0 | 0 | 0 | 0 | 0 |
| Total procedures | 133 | 177 | 431 | 482 | 51 |

# SALINAS VALLEY HEALTH MEDICAL CENTER
## PATIENT STATISTICAL REPORT
**For the month of September and three months to date**

| | Month of September | | Three months to date | | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2023-24 | 2024-25 | Variance |
| SLEEP CENTER | | | | | |
| In-patient procedures | 0 | 0 | 0 | 0 | 0 |
| Out-patient procedures | 202 | 287 | 636 | 825 | 189 |
| Emergency room procedures | 0 | 0 | 0 | 0 | 0 |
| Total procedures | 202 | 287 | 636 | 825 | 189 |
| RADIOLOGY | | | | | |
| In-patient procedures | 1,278 | 1,166 | 3,746 | 3,823 | 77 |
| Out-patient procedures | 377 | 375 | 1,235 | 1,238 | 3 |
| Emergency room procedures | 1,489 | 1,534 | 4,478 | 4,710 | 232 |
| Total patient procedures | 3,144 | 3,075 | 9,459 | 9,771 | 312 |
| MAGNETIC RESONANCE IMAGING | | | | | |
| In-patient procedures | 136 | 177 | 441 | 565 | 124 |
| Out-patient procedures | 113 | 103 | 391 | 338 | -53 |
| Emergency room procedures | 5 | 8 | 25 | 20 | -5 |
| Total procedures | 254 | 288 | 857 | 923 | 66 |
| MAMMOGRAPHY CENTER | | | | | |
| In-patient procedures | 4,231 | 3,625 | 12,234 | 9,958 | -2,276 |
| Out-patient procedures | 4,197 | 3,610 | 12,136 | 9,923 | -2,213 |
| Emergency room procedures | 4 | 2 | 4 | 3 | -1 |
| Total procedures | 8,432 | 7,237 | 24,374 | 19,884 | -4,490 |
| NUCLEAR MEDICINE | | | | | |
| In-patient procedures | 17 | 10 | 56 | 55 | -1 |
| Out-patient procedures | 95 | 127 | 317 | 383 | 66 |
| Emergency room procedures | 0 | 2 | 0 | 2 | 2 |
| Total procedures | 112 | 139 | 373 | 440 | 67 |
| PHARMACY | | | | | |
| In-patient prescriptions | 78,767 | 79,308 | 240,760 | 242,171 | 1,411 |
| Out-patient prescriptions | 16,001 | 16,745 | 48,060 | 49,474 | 1,414 |
| Emergency room prescriptions | 9,056 | 10,185 | 27,329 | 29,326 | 1,997 |
| Total prescriptions | 103,824 | 106,238 | 316,149 | 320,971 | 4,822 |
| RESPIRATORY THERAPY | | | | | |
| In-patient treatments | 17,170 | 13,679 | 45,080 | 43,210 | -1,870 |
| Out-patient treatments | 1,129 | 903 | 3,914 | 2,663 | -1,251 |
| Emergency room treatments | 548 | 559 | 1,236 | 1,288 | 52 |
| Total patient treatments | 18,847 | 15,141 | 50,230 | 47,161 | -3,069 |
| PHYSICAL THERAPY | | | | | |
| In-patient treatments | 2,569 | 2,512 | 7,345 | 7,195 | -150 |
| Out-patient treatments | 270 | 218 | 767 | 746 | -21 |
| Emergency room treatments | 0 | 0 | 0 | 0 | 0 |
| Total treatments | 2,839 | 2,730 | 8,112 | 7,941 | -171 |

# SALINAS VALLEY HEALTH MEDICAL CENTER
## PATIENT STATISTICAL REPORT
**For the month of September and three months to date**

| | Month of September | | Three months to date | | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2023-24 | 2024-25 | Variance |
| OCCUPATIONAL THERAPY | | | | | |
| In-patient procedures | 1,554 | 1,325 | 4,511 | 4,397 | -114 |
| Out-patient procedures | 212 | 183 | 687 | 604 | -83 |
| Emergency room procedures | 0 | 0 | 0 | 0 | 0 |
| Total procedures | 1,766 | 1,508 | 5,198 | 5,001 | -197 |
| SPEECH THERAPY | | | | | |
| In-patient treatments | 508 | 423 | 1,395 | 1,433 | 38 |
| Out-patient treatments | 15 | 36 | 88 | 99 | 11 |
| Emergency room treatments | 0 | 0 | 0 | 0 | 0 |
| Total treatments | 523 | 459 | 1,483 | 1,532 | 49 |
| CARDIAC REHABILITATION | | | | | |
| In-patient treatments | 0 | 0 | 2 | 2 | 0 |
| Out-patient treatments | 424 | 601 | 1,508 | 1,927 | 419 |
| Emergency room treatments | 0 | 1 | 0 | 1 | 1 |
| Total treatments | 424 | 602 | 1,510 | 1,930 | 420 |
| CRITICAL DECISION UNIT | | | | | |
| Observation hours | 280 | 263 | 891 | 757 | -134 |
| ENDOSCOPY | | | | | |
| In-patient procedures | 72 | 101 | 209 | 269 | 60 |
| Out-patient procedures | 56 | 55 | 151 | 164 | 13 |
| Emergency room procedures | 0 | 0 | 0 | 0 | 0 |
| Total procedures | 128 | 156 | 360 | 433 | 73 |
| C.T. SCAN | | | | | |
| In-patient procedures | 673 | 734 | 2,075 | 2,277 | 202 |
| Out-patient procedures | 325 | 517 | 1,287 | 1,452 | 165 |
| Emergency room procedures | 692 | 787 | 2,258 | 2,352 | 94 |
| Total procedures | 1,690 | 2,038 | 5,620 | 6,081 | 461 |
| DIETARY | | | | | |
| Routine patient diets | 21,324 | 16,362 | 63,649 | 46,194 | -17,455 |
| Meals to personnel | 27,758 | 31,934 | 84,391 | 100,075 | 15,684 |
| Total diets and meals | 49,082 | 48,296 | 148,040 | 146,269 | -1,771 |
| LAUNDRY AND LINEN | | | | | |
| Total pounds laundered | 94,184 | 96,343 | 287,593 | 286,056 | -1,537 |

# Capital Spending Update
# Active Projects Approved By The Board
# Status As Of: September 2025 YTD

Rolf Norman & Dave Sullivan

## Board Approvals Capital Projects From BOD Minutes Through September 2025

| | (1) Project Name | (2) Board Approved Month | (3) Board Approved Amount | (4) FY2025 Spend | (5) Total Project Spend Since Inception | (6) Under / (Over) Spend Since Inception |
|---|---|---|---|---|---|---|
| 1 | Medical Center Campus Painting | September 2023 | $3,500,000 | $15,400 | 90,830 | $3,409,170 |
| 2 | Surgery Addition + Seismic Retrofit, Master Plan | Aug 2019 & Sep 2019 & April 2022 | $12,821,264 | $138,018 | 8,177,738 | $4,643,526 |
| 2a | Surgery Addition/Patient Tower (included in #2) | | | $0 | 1,013,491 | |
| 2b | Seismic Retrofit (included in #2) | | | $140,406 | 1,812,776 | |
| 2c | Welcome Center (included in #2) | | | $0 | $0 | |
| 3 | Renovations to 559 Abbott Street for Urology Services | Sep. 2022 | $3,379,628 | $9,697 | 2,880,540 | $499,088 |
| 4 | CT Equipment Replacement Project, | Capital will be reallocated on completion. Total is currently on track to meet augmented total. | $3,624,433 | $62,372 | 1,892,152 | $1,732,281 |
| 5 | Nuclear Medicine Equipment Replacement | | $3,354,074 | $484,441 | 4,428,441 | ($1,074,367) |
| 6 | Elevator Modernization | December 2021 | $2,600,000 | $125,892 | 2,138,657 | $461,343 |
| 7 | Bulk Oxygen tank replacement project | Aug 2022, Oct 2022 | $2,800,000 | $362,031 | 1,322,558 | $1,477,442 |
| 8 | SVH Rebranding (Capital Portion - Signage) | | $1,878,690 | $211,406 | 842,127 | $1,036,563 |
| 9 | Cath Lab 3 Replacement | October 2023, May 2024 | $4,300,526 | $4,421 | 94,012 | $4,206,514 |
| 10 | Angio Suite Replacement | October 2023, May 2024 | $4,140,627 | $12,266 | 93,763 | $4,046,864 |
| 11 | 212 San Jose Street Renovation Cardio/Vascular | October 2023 | $500,000 | $60,475 | 367,997 | $132,003 |
| 12 | BD Infusion, IV Pump Replacement | April 2024 | $1,182,987 | $159,789 | 1,233,526 | ($50,539) |
| 13 | Epic IP Electronic Health Record (5 YR Capital Portion) | May 2024 | $57,359,817 | $1,674,934 | 1,674,934 | $55,684,883 |
| 14 | 559 Abbot Street Imaging Center X Ray System | June 2024 | $450,000 | $15,716 | 25,548 | $424,452 |
| 15 | Workday Financial and Supply Chain Software (Capital) | July 2024 | $3,074,618 | $1,058,308 | 1,058,308 | $2,016,310 |
| 16 | ED Mobile Units (capital) | July 2024 | $499,890 | $2,355 | 2,355 | $497,535 |
| 17 | X-Ray Rooms 1 & 2 | August 2024 | $3,000,001 | $4,977 | 15,022 | $2,984,979 |
| 18 | Nuclear Medicine Camera (D-Spect) | August 2024 | $656,913 | $0 | - | $656,913 |
| 19 | 212 San Jose Street Renovation for Endoscopy Offices | September 2024 | $754,916 | $61,072 | 72,658 | $682,258 |
| | **Total** | | **$109,878,384** | **$4,463,570** | **$26,411,166** | **$83,467,218** |
| | **Other projects:** | | | | | |
| 20 | IT Switches, Servers, Network, Computers, AV Upgrades. | N/A | | $1,078,820 | | |
| 21 | All Other SVMH/SVMC Capital Spending | N/A | | $1,819,612 | | |
| | **Grand Total** | | | **$7,362,002** | | |

# *QUESTIONS / COMMENTS?*

# ADJOURNMENT