



August 21, 2025

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 HEALTH¹** will be held **MONDAY, AUGUST 25, 2025, AT 12:00 P.M., DOWNING RESOURCE CENTER, ROOMS A, B, & C, 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/>.)

A handwritten signature in black ink, appearing to read "Allen Radner", is positioned above the printed name.

Allen Radner, MD
President/Chief Executive Officer

Committee Voting Members: **Victor Rey, Jr.**, Chair, **Joel Hernandez Laguna**, Vice-Chair, **Allen Radner, MD**, President/CEO; **Scott Cleveland**, Interim Chief Financial Officer; and **Tarun Bajaj, M.D.**, Medical Staff Member.

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

**FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH¹**

**MONDAY, AUGUST 25, 2025, 4:00 P.M.
DOWNING RESOURCE CENTER, ROOMS A, B & C**

**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 July 21, 2025 (REY)

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

4. Consider Recommendation for Board Approval of the Alliance HealthCare Services (Alliance), Inc. MRI Service Contract Addendum E (MILLER)

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

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

5. Consider Recommendation for Board of Directors Approval of Project Budget and Construction Contract Award for Phase One and Partial Phase Two of the Salinas Valley Health Thermal Fluid Heating Replacement Project (MILLER)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
6. Consider Recommendation for Board of Directors to Award Ultrasound Equipment Capital Purchase contract to Canon Medical Systems and Award 4-year Service Agreement to Canon Medical Systems (MILLER)
 - 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 Outsourcing Outstanding Accounts Receivables Aged Greater than 90 Days (CLEVELAND)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
8. Financial and Statistical Review (CLEVELAND)
9. FY Ended June 30, 2025 Balanced Scorecard (CLEVELAND)
10. Closed Session
11. Reconvene Open Session / Report on Closed Session
12. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, September 22, 2025** at 4:00 p.m.

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

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 Salinas Valley Health (SVH) Committee packet is available at the Committee Meeting, electronically at <https://www.salinasvalleyhealth.com/about-/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2025/>, and in the SVH Human Resources Department located at 611 Abbott Street, Suite 201, Salinas, California, 93901. All items appearing on the agenda are subject to action by the SVH Board.

Requests for a disability related modification or accommodation, including auxiliary aids or Spanish translation services, in order to attend or participate in-person at a meeting, need to be made to the Board Clerk during regular business hours at 831-759-3050 at least forty-eight (48) hours prior to the posted time for the meeting in order to enable the District to make reasonable accommodations.

**FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH**

AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

REPORT INVOLVING TRADE SECRET

(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility): Trade secrets, strategic planning/proposed new programs and services

Estimated date of public disclosure: (Specify month and year): Unknown

ADJOURN TO OPEN SESSION

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

PUBLIC COMMENT

DRAFT SALINAS VALLEY HEALTH¹
FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES JULY 21, 2025

Committee Member Attendance:

Voting Members Present: **Victor Rey, Jr.**, Chair, **Joel Hernandez Laguna**, Vice-Chair, **Allen Radner, M.D.**, President/CEO, and **Scott Cleveland**, Interim CFO;

Voting Members Absent: None;

Advisory Non-Voting Members Present:

In person: Clement Miller, COO, and Gary Ray, CLO;

Via WebEx: Alysha Hyland, CAO, Carla Spencer, CNO, and Sanjeev Tandon, Subject Matter Expert;

Other Board Members Present, Constituting Committee of the Whole:

Via teleconference: Rolando Cabrera, M.D.

Tarun Bajaj, M.D. attending via WebEx as a non-voting member.

Joel Hernandez Laguna arrived at 4:06 p.m.

1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Victor Rey, Jr., called the meeting to order at 4:01 p.m. in the Heart Center Teleconference Room.

1.1 PROPOSED ADDITION TO THE AGENDA

A request was made pursuant to Government Code Section 54954.2(b)(2) to add the following to the Closed Session Agenda:

REPORT INVOLVING TRADE SECRET: Trade Secret, Strategic Planning, Proposed New Programs and Services (Government Code §37606 & Health and Safety Code § 32106). Estimated date of public disclosure: Unknown.

The matter came to the attention of the Board subsequent to the posting of the Agenda. The addition to the Closed Session Agenda requires a 2/3rds vote of the members present at the meeting.

PUBLIC COMMENT: None.

BOARD MEMBER DISCUSSION: None.

MOTION:

Upon motion by Committee Member Cleveland, second by Committee Member Dr. Radner, the Finance Committee, citing the need to add one (1) agenda item which came to the attention of the Committee subsequent to publishing of the Committee agenda, the Board of Directors approves adding a Closed Session with the topic *Report Involving Trade Secret: Trade Secret, Strategic Planning, Proposed New Programs and Services*.

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

ROLL CALL VOTE:

Ayes: Dr. Radner, Cleveland, Rey;

Nays: None;

Abstentions: None;

Absent: Dr. Bajaj and Hernandez Laguna.

Motion Carried

2. PUBLIC COMMENT:

None.

3. MINUTES OF THE FINANCE COMMITTEE JUNE 23, 2025

Approve the minutes of the June 23, 2025 Finance Committee meeting. The information was included in the Committee packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: None.

MOTION:

Upon motion by Committee Member Dr. Radner, and second by Committee Member Cleveland, the minutes of the June 23, 2025 Finance Committee are approved as presented.

ROLL CALL VOTE:

Ayes: Dr. Radner, Cleveland, Rey;

Nays: None;

Abstentions: None;

Absent: Dr. Bajaj and Hernandez Laguna.

Motion Carried

4. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE SHORT TERM LEASE AGREEMENT FOR EPIC INPATIENT TRAINING SPACE AT 928 EAST BLANCO ROAD, SUITE 121, SALINAS BETWEEN SALINAS VALLEY HEALTH AND RANCHO LLANO DEVELOPMENT, LLC

Gary Ray, Chief Legal Officer, reported that as part of the multi-year implementation plan for the Epic Inpatient System, SVH requires additional space for training purposes. Very recently, 1,914 square feet of office space became available at 928 East Blanco Road, Suite 121 in Salinas. This additional space is located in the same building as the SVH IT and Enterprise Informatics Offices and can be leased under a modified gross month-to-month lease. At this time, the plan is to lease the space for four to six months. If needed, there may be an opportunity to add this space on a longer-term basis. The landlord is very flexible in working with SVH to meet its space needs.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: None.

MOTION:

Upon motion by Committee Member Dr. Radner, and second by Committee Member Cleveland, the Finance Committee recommends the Board of Directors approve the Short-Term Lease Agreement for Epic Inpatient Training Space at 928 East Blanco Road, Suite 121 Salinas Between Salinas Valley Health and Rancho Llano Development, LLC

ROLL CALL VOTE:

Ayes: Dr. Radner, Cleveland, Rey;

Nays: None;

Abstentions: None;

Absent: Dr. Bajaj and Hernandez Laguna.

Motion Carried

5. FINANCIAL PERFORMANCE REVIEW

An update was received from Scott Cleveland, Interim CFO, on the Financial Performance Review for the month of June 2025. Highlights included Income from Operations \$7.2M, Net Income \$15.2M, and Days Cash on Hand of 375.

A full report including the June Summary Financials, Financial Statements, Budget Comparison, and Statistics was included in the packet for review.

COMMITTEE MEMBER DISCUSSION: Contract labor will go up through the Epic go-live. Mr. Tandon commented on the excellent financial performance, stating “it takes a capable leadership team to accomplish this.”

6. WORKDAY PROJECT AND FUTURE IMPLICATIONS

Scott Cleveland, Interim CFO, reported that the switch to the Workday platform will go live September 1st and is a major upgrade for finance, accounting and supply chain management. The first full month on this platform will end September 30th. The turn-around time for the month-end close of financial statements will be delayed for the first two to three months. The September month-end financial statements will be reported to the Finance Committee in November.

COMMITTEE MEMBER DISCUSSION: A delay of reporting is normal for implementation of a new platform. Government and other public healthcare districts often report financial statements one-month delayed. Workday is a dynamic platform with the ability to build a report library in addition to month-end financial statements.

7. CAPITAL SPENDING YTD JUNE 30, 2025 UPDATE

An update was received from Meredith Peterson, Director Financial Planning & Decision Support, and Brad McCoy, Vice President of Facilities, Construction & Real Estate, on FY25 YTD June Capital Project Spending stating that all projects are trending on budget with the exception of the Workday Financial and Supply Chain Software. All projects have a Board approved amount of

\$191,002,028. The total Fiscal Year 2025 spend was \$28,611,711. A full report was included in the packet.

COMMITTEE MEMBER DISCUSSION: What is the status of the Seismic Retrofit? Plans are proceeding on the Seismic Retrofit Project.

8. CLOSED SESSION

Chair Rey announced that the item to be discussed in Closed Session per the revised Agenda is *Report Involving Trade Secret – Trade Secret, Strategic Planning, Proposed New Programs and Services*.

The meeting recessed into Closed Session under the Closed Session Protocol at 4:32 p.m.

9. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Board reconvened Open Session at 5:11 p.m. Chair Rey announced that in Closed Session, the Board received *Report Involving Trade Secret – Trade Secret, Strategic Planning, Proposed New Programs and Services*. No action was taken.

10. ADJOURNMENT

There being no other business, the meeting was adjourned at 5:11 p.m. The next Finance Committee Meeting is scheduled for **Monday, August 25, 2025**.

Victor Rey, Jr., Chair

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of the Alliance HealthCare Services (Alliance), Inc. MRI Service Contract Addendum E

Executive Sponsor: Clement Miller, Chief Operating Officer

Date: August 12, 2025

Executive Summary

Salinas Valley Health (SVH) has successfully renegotiated its current agreement with Alliance Imaging through Master Agreement Addendum “E”. As part of this renegotiation, ownership of the MRI scanner and the imaging building located at 444 E. Romie Lane will transfer to SVH, effective September 2025. At the time of transfer, the existing MRI system—manufactured by GE Healthcare—will have surpassed its OEM-supported service life. To ensure uninterrupted imaging services and operational continuity, Addendum “E” also secures a 24/7 on-site mobile MRI unit for a period of 24 months. This strategic addition provides a critical operational bridge while SVH advances two capital projects aimed at installing and commissioning two permanent, SVH-owned MRI systems on the medical campus.

Background/Situation/Rationale

In February 2024, Salinas Valley Health (SVH) entered into a renegotiated service agreement with Alliance Imaging for the provision of MRI services, outlining a phased exit over a three-year period concluding in December 2026. The proposed Addendum “E” accelerates this timeline, advancing the contract termination date to September 2025. This amendment aligns with SVH’s strategic initiative to internalize MRI services by replacing aging equipment and onboarding SVH-employed imaging staff. This transition will bring to a close SVH’s long-standing outsourced MRI service model. Under the revised agreement, SVH will assume operational and staffing responsibilities beginning January 2026, while benefiting from a significantly reduced monthly service rate during the interim period. This approach provides a cost-effective and operationally sound path toward full integration of MRI services within the organization.

Timeline/Review Process to Date:

1/2025 – Contract renegotiation requested

5/2025 – Contract renegotiation commenced

7/2025 – Contract finalized and assessed by contracting department and legal counsel

7/2025 – Cost of potential MRI rental assessed to ensure proposed rate is at or less than FMV

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

MRI services are necessary tools to help our physicians diagnose and treat illness in our patient population.

Pillar/Goal Alignment:

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

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	Vendor: Alliance Healthcare Services, Inc.
1. Proposed effective date	September 1, 2025
2. Term of agreement	Through December 1, 2027
3. Renewal terms	N/A
4. Termination provision(s)	As stated in the Master Agreement under Section 8.1 Termination (a) Material Breach or (b) Bankruptcy.
5. Payment Terms	\$73,000 monthly with reduced rate of \$32,000 monthly effective January 1, 2026 when SVH takes over MRI staffing.
6. Annual cost	September 1, 2025 through December 2025 (abbreviated period) - \$292,000 Beginning January 2026, the annual cost - \$384,000
7. Cost over life of agreement	Maximum of \$1,060,000.00
8. Budgeted (indicate y/n)	Yes

Recommendation

Consider Recommendations for Board approval of the Alliance Healthcare Services, Inc. MRI contract Addendum "E" for the maximum amount of \$1,060,000.00 over the course of the contract.

Attachments

(1) Alliance Addendum "E"

**ADDENDUM "E" TO
THE
MASTER SERVICES AGREEMENT**

This Addendum modifies the Master Services Agreement (the "Agreement"), fully executed on March 25, 2022, as amended, between Alliance HealthCare Services, Inc., d/b/a Alliance HealthCare Radiology, a Delaware corporation, located at 18201 Von Karman, Suite 600, Irvine, California 92612 ("Alliance") and Salinas Valley Memorial Healthcare System, located at 450 East Romie Lane, Salinas, California 93901-4098 (the "Client").

The provisions of this Addendum shall become effective on or about September 1, 2025. When properly executed below this Addendum shall be added to the above named Agreement.

This Addendum pertains to the MRI service portion of the Agreement, as previously modified in Addendum "C"

Effective on or about September 1, 2025, Client will take ownership of both the modular and fixed GE 23X MRI Unit under this Agreement and the modular building in which it is housed. This older modular and fixed MRI Unit will be replaced with a Siemens Espree mobile MRI Unit. On or about September 1, 2025, Client fees for the Siemens Espree mobile MRI Unit shall be \$73,000 per month upon delivery of such Unit which shall be staffed by Alliance. Effective January 1, 2026, Client shall staff the Siemens Espree mobile MRI Unit, Alliance shall no longer staff the Siemens Espree mobile MRI Unit, at which time Client fees shall be changed to \$32,000 per month for continued rental of the Siemens Espree mobile MRI Unit without staffing services from Alliance.

Section 5(a)(i) is hereby added to the Agreement Cover Page as follows:

5(a)(i) **MRI Term Extension.** The term of this Agreement as it pertains to MRI service is extended through December 1, 2027. This Agreement as it pertains to MRI service shall not automatically renew.

Except as herein above provided, no other change, amendment or modification of the Agreement is hereby intended or implied, including but not limited to any prior drafts of this Addendum that have not been fully executed. Capitalized terms used in this Addendum shall have the same meanings as are set forth in the Agreement, except as otherwise indicated in this Addendum.

Alliance and Client acknowledge that they and their respective legal counsel have had the opportunity to participate equally in the drafting of this Addendum and that in the event of a dispute, no party shall be treated, for any purpose, as the author of this Addendum nor have any ambiguity resolved against it on account thereof.

By their signatures to this Addendum, each of the signatories to this Addendum represent that they have the authority to execute this Addendum and to bind the party on whose behalf their execution is made. This Addendum constitutes the legal, valid and binding obligation of the parties enforceable in accordance with its terms.

This Addendum 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. Delivery of an executed counterpart of this Addendum may be made by facsimile or other electronic transmission. Any such counterpart or signature pages sent by facsimile or other electronic transmission shall be deemed to be written and signed originals for all purposes, and copies of this Addendum containing one or more signature pages that have been delivered by facsimile or other electronic transmission shall constitute enforceable original documents. As used in this Addendum, the term "electronic transmission" means and refers to any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient of the communication, and that may be directly reproduced in paper form by such a recipient through an automated process.

Alliance and Client have duly executed this Addendum as of the last date written below.

Alliance HealthCare Services, Inc. d/b/a Alliance HealthCare Radiology	Salinas Valley Memorial Healthcare System
_____ Authorized Signature Printed Name: <u>Tom Gaston</u> Title: <u>EVP, Mobile Division</u> Date: _____	_____ Authorized Signature Printed Name: _____ Title: _____ Date: _____
FOR CONTRACTS USE ONLY: Contract #: 009423 Customer #: 11268 (MRI)/12648 (PET/CT) Client Type: Hospital DO: DRocovich Requestor: NAMann	

A fully executed document must be received prior to service commencement.

To Email a Signed Document: Contracts@nha.Akumin.com / To Fax a Signed Document: 602-345-7637

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board of Directors Approval of Project Budget and Construction Contract Award for Phase One and Partial Phase Two of the Salinas Valley Health Thermal Fluid Heating Replacement Project

Executive Sponsor: Clement Miller, Chief Operating Officer
Brad McCoy, Vice President of Facilities, Construction and Real Estate

Date: August 15, 2025

Executive Summary

The Medical Center's Central Utility Plant (CUP) is experiencing critical infrastructure failures due to aging systems installed in 1998. Key issues include a failed underground condensate pipe and a failing three-unit thermal fluid heater (TFH) system— both of which compromise steam supply, system reliability, and regulatory compliance. One of the three thermal fluid heaters has permanently failed and cannot be refurbished. To facilitate the full replacement of the system and eliminate potential source equipment failure, the design and construction team developed a two phased plan. The first phase includes installation of two interim boiler units on the exterior of the building to provide source heating systems immediately to the medical center's distribution system. The work in phase one includes scope that will be leveraged short term to facilitate the replacement of the plant equipment during phase two and provides future resiliency for temporary redundant boiler connections.

Background/Situation/Rationale

This project will upgrade and modernize Salinas Valley Health's CUP infrastructure, increase infrastructure resiliency during maintenance or system downtime, and comply with current rules and regulations enforced by all agencies having jurisdiction including HCAI and MBARD (Air Pollution Control District) to have N+1 redundancy (N+1 is a system has "N" components to handle is normal workload, plus one additional component as a backup or redundant component). Ancillary improvements necessary to implement the project include repairs and upgrades to fire life safety, architectural, structural, electrical, mechanical, and plumbing building elements, and enhancements to building management systems, while also bringing the suites into compliance with current building codes. Salinas Valley Health will be responsible for securing the HCAI approvals necessary to execute the work.

The first phase of the project has secured HCAI permits to execute the work while phase 2 is awaiting approvals from Salinas Valley Health to commence design and permitting activities. To expedite on-site installations and facilitate operations of critical onsite infrastructure, it is necessary to engage a uniquely experienced plumbing contractor without a traditional bidding process to commence procurement efforts as agency approval efforts were on-going (precluding an ability to issue a formal request for proposal) and complete the project faster than would have been possible with a traditional design-bid-build process. Upon completion of phase one of the project, facilities management will conduct a formal request for phase two construction bids complying with the health and safety code requirements.

Pillar/Goal Alignment

✓ Service People ✓ Quality ✓ Finance Growth Community

Financial Implications

Budget Projections

Schedule: August 2025 – Construction Commences on Interim Phase 1 (Emergent Condition)
September 2025 – Commence Phase 2 of design for permanent replacement of infrastructure
November 2025 – Complete Phase 1 construction and commission interim boilers
August 2026 – Commence Phase 2 construction
May 2027 – Complete Phase 2 construction and commission of permanent infrastructure

Budget: As currently programmed, the phase 1 project budget is \$1,900,000. The project cost includes design and engineering fees, permitting, project contingency, program management, rental boilers and construction services required to complete phase 1 of the project and design of Phase 2.

Procurement: Salinas Valley Health solicited for uniquely qualified trade contractors to perform the Phase 1 scope of work necessary to replace critical hospital infrastructure. Upon securing permits from HCAI for Phase 2, facilities management plans to request approvals from the Board following receipt of formal bids for Phase 2 of the project scope.

Recommendation

Consider recommendation for Board of Directors to approve (i) the total estimated project cost for the Salinas Valley Health Phase One scope and design work for Phase 2 in the budgeted amount of \$1,900,000 and (ii) award a construction contract to Val's Plumbing and Heating in the amount of \$563,520 under a sole source procurement process.

Attachments

(A) Predesign Budget prepared 8/19/2025

Salinas Valley Health Medical Center	
Project Cost Model: Thermal Fluid Heating Replacement Project	
Architect/Engineer: Treanor	
Subject: Budget prepared during predesign	
Date Printed:	8/19/2025
Budget Amount:	\$0
Budget Approved Date:	FY 2026
Version 1	
Anticipated Completion (Phase 1):	12/1/2025
Prepared by: DS	

Budget Summary			
Line Item		A	B
		Budget	Comments
	1	Construction	
100		Construction	Phase 1 Only
	2	Design	
200		Design Professionals	Phase 1 and Phase 2 Design Phases
	3	Inspections & Consultations	
300		Inspector of Record	
301		Geotech	
303		Hazmat Survey	
	4	Permits & Fees	
400		HCAI + MBARD + City	Limited to Phase 1 Only
	5	Soft Costs	
502		Program Management	Limited to Phase 1 and Phase 2 Design Only
	7	FF&E	
702		Rental Equipment (2) Boilers	Allowance
	9		
9900		Project Contingency	
Totals		\$1,900,000	

(B) Val's Plumbing and Heating Construction Contract prepared 8/6/2025

BRIEF-FORM CONTRACT
for
Construction Services
At
[THERMAL FLUID PLANT - 01.1250.3925](#)



SVH
450 E Romie Lane
Salinas, California 93901



Table of Contents

Applicable Specifications

List of Subcontractors

Agreement

General Conditions

Supplemental Conditions

LIST OF SUBCONTRACTORS

Contractor Name: Vals Plumbing and Heating

The Contractor will use Subcontractors for the Work: YES X NO

If yes, the information below must be provided for all first-tier Subcontractors that will provide labor, equipment, or materials valued in excess of one-half of one percent (0.5%) of the Proposal and that will perform Work at the Project site. If Contractor does not list a Subcontractor or lists more than one Subcontractor for a Work activity that exceeds 0.5% of the Proposal, Contractor agrees that it is fully qualified to perform and that it shall perform that Work activity.

<u>Subcontractor</u>		
Subcontracted Work Activity	Name & License No.	Address (City and State)
Insulation	Performance Contracting - 474795	Livermore, CA
Structural Steel	PF Metals - 429675	Turlock, CA

(Note: Add additional pages if required)

AGREEMENT

THIS AGREEMENT IS made as of the 6th of August, 2025 between the District,

District: Salinas Valley Health

whose facility is: 450 E Romie Lane

Salinas, California 93901

and Contractor: Val's Plumbing and Heating, Inc

whose address is: 413 Front Street, Salinas CA 93901

for the Project: THERMAL FLUID PLANT - 01.1250.3925

District and Contractor hereby agree as follows:

ARTICLE 1 - THE WORK. Contractor shall provide labor required to perform and complete all work in accordance with the Contract Package as follows:

Scope of Work

Plumbing, Sheet Metal, Seismic Anchorage and Structural Steel per HCAI Permitted Set of Documents (S250061-27) "Temporary Boiler Trailer Install and Tie-in" prepared 6/27/2025 (Version 6/27/2025).

1. Includes but not limited to:
 - i. Furnish and install distribution piping and components
 - ii. All structural steel and miscellaneous metals to seismically support distribution piping and source equipment
 - iii. All insulation on distribution piping
 - iv. Exhaust flues for interim boilers
 - v. All wastewater distribution piping for two new floor drains
 - vi. Engineering and shop drawings for seismic calculations on distribution piping for approval by HCAI plan review staff
2. Include all travel labor time, lodging, meals, tolls, parking and transportation fees, and material handling/surcharge/shipping (ground) fees.
3. Includes Performance and Payment Bond.

ARTICLE 2 - CONTRACT DOCUMENTS. "Contract Documents" consist of this Agreement, General Conditions, Supplementary Conditions, Exhibits, General Requirements, Specifications, Drawings, Certificates of Insurance, Notice to Proceed, Change Orders, Field Orders, and Notice of Completion, if applicable. By executing this Contract, the Contractor acknowledges its receipt and review of the Contract Documents; based upon this review, the Contractor confirms that the Work can be completed for the Contract Sum and within the Contract Time.

ARTICLE 3 - CONTRACT SUM.

Five Hundred Sixty Three Thousand Five Hundred Twenty Dollars (\$563,520.00)

(Contract sum shall include all applicable sales taxes)

ARTICLE 4 - CONTRACT TIME. 90 calendar days.

ARTICLE 5 – THE DISTRICT’S REPRESENTATIVE. The District’s Representative is:

**Bogard Construction
Owner’s Representative
Salinas Valley Health
450 East Romie Lane
Salinas, CA 93901**

IN WITNESS WHEREOF, this Agreement has been duly executed by the District and the Contractor as of the date set forth above.

"DISTRICT"
Salinas Valley Health

"CONTRACTOR"
Vals Plumbing and Heating

Salinas Valley Health

By: _____
President

By: Claude Bastianelli
(Name) President
(Title)

APPROVED AS TO FORM

Clement Miller, COO
Salinas Valley Health

GENERAL CONDITIONS

ARTICLE 1 - SUBCONTRACTORS. Contractor shall provide to the District, prior to commencement of the Work, a list of all Subcontractors to be used to perform the Work. No substitution of Subcontractors shall be made without the District's written consent.

ARTICLE 2 - CHANGES IN THE WORK. The District may order changes in the Work. Contractor shall not make any change in the Work or be entitled to any adjustment of the Contract Sum or Contract Time, except as provided in a written Field Order or Change Order signed by the District. The District may issue a Field Order without Contractor's signature to order a change in the Work before all of the terms of the change are fully agreed upon by the District and Contractor.

ARTICLE 3 - PAYMENT. The District will pay to Contractor the amount of the application for payment approved by The District within forty-five (45) days after receipt of Contractor's Application for Payment and supporting data required by the District. The District reserves the right to withhold payments for Defective Work, stop notices, third party claims, failure to pay Subcontractors or suppliers, amounts owing by Contractor to the District, or as otherwise provided by the Contract Documents. If prior written approval is obtained from the District, an invoice may be submitted in lieu of application for payment.

The District will make payment of the Contract Price upon completion of the Work, the Contractor's full performance of all other obligations under this Contract and the Contractor's submission of a properly itemized invoice. Upon receipt of the Contractor's invoice, the District Representative will promptly verify that the Work has been completed and that the Contractor has performed all other obligations hereunder. Within forty-five (45) days of the District Representative confirmation of the completion of Work and the Contractor's performance of other obligations hereunder, the District will make payment of the Contract Price. The District may withhold payment of the Contract Price if: (a) there are claims or the probability of claims being submitted by Subcontractor, Material Suppliers or others in connection with the Work; (b) defective or non-conforming Work which is not remedied; or (c) there are any uncured Contractor defaults.

ARTICLE 4 - RESOLUTION OF CLAIMS. Unresolved claims between the District and Contractor, for which prompt written notice has been given followed by adequate supporting data within a reasonable time, shall be settled by mediation, if agreed to by both parties, or by arbitration conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. Unless otherwise directed by District, Contractor shall proceed with the Work regardless of any dispute or claim.

ARTICLE 5 - PROTECTION OF PERSONS AND PROPERTY. Contractor shall take adequate precautions for the safety and protection of persons and property in the areas of the Work.

ARTICLE 6 - USE OF SITE AND CLEAN UP. Contractor shall confine its operations to areas permitted by the Contract Documents and keep the Project site clean and free from unreasonable accumulation of excess dirt, materials, or waste caused by Contractor.

ARTICLE 7 - INDEMNIFICATION BY CONTRACTOR. Contractor shall indemnify, defend, and hold District harmless from and against all losses resulting from liability for damages due to bodily injury, personal injury, and property damage caused by a negligent act, omission, or willful misconduct of Contractor or any of its Subcontractors, agents, or employees.

ARTICLE 8 - INSURANCE. Contractor shall furnish and maintain insurance in the coverage and amounts specified in the Supplementary Conditions. Contractor shall require all Subcontractors to maintain Worker's Compensation and Employer's Liability Insurance. Certificates for all required insurance shall be completed and submitted to District prior to District signing the Agreement.

ARTICLE 9 - CORRECTION OF DEFECTIVE WORK AND GUARANTEE TO REPAIR PERIOD.

"Defective Work" means any Work or portion thereof which is defective or otherwise does not conform to the requirements of the Contract Documents. "Guarantee to Repair Period" means a period of 1 year after the date of final completion of the Work or any longer period specified in the Contract Documents. Contractor shall, within (10) days after receipt of notice from District, (1) correct any Defective Work to District's satisfaction and (2) replace any other property which is damaged by the correction of Defective Work.

ARTICLE 10 - TERMINATION. District reserves the right to terminate this Contract for violation of any provisions herein or for performance of Work that remains uncorrected or unacceptable to District.

ARTICLE 11 - CONSTRUCTION BY DISTRICT OR SEPARATE CONTRACTORS. District may perform work on the Project site with District's own forces or with separate contractors.

ARTICLE 12 - STATUTORY REQUIREMENTS. Contractor shall perform the Work in accordance with laws, statutes, the most recent building codes, ordinances, rules, regulations, and lawful orders of all public authorities having jurisdiction over Contractor, District, or the Project, including, without limitation, the following:

1. Nondiscrimination. Contractor shall not willfully discriminate against any employee or applicant for employment because of race, color, religion, sex, age, ancestry, national origin, local custom, habit, sexual orientation, handicap, veteran's status, medical condition (as defined in Section 12926 of the State of California Government Code), marital status, or citizenship (within the limits imposed by law or District's policy). Contractor and all Subcontractors shall give written notice of their nondiscrimination obligations under the Contract Documents to all labor organizations with which they have a collective bargaining or other agreement.
2. Prevailing Wages. Contractor and all Subcontractors shall pay prevailing per diem wages and comply with all requirements of State of California Labor Code Section 1770, and the applicable sections that follow, including Section 1775.
3. Payroll Records. Contractor shall, and cause all Subcontractors to, keep accurate payroll records, and comply with all requirements of State of California Labor Code Section 1776. Payroll records must accompany each request for payment. If requested by the District, provide Certified Payroll Records.
4. Apprentices. Contractor shall, and cause all Subcontractors to, comply with all requirements of State of California Labor Code Sections 1777.5, 1777.6, and 1777.7 and State of California Code of Regulations, Title 8, Section 200, and the applicable sections that follow, regarding apprentices.
5. Work Day. Contractor shall not permit any worker to labor more than eight (8) hours during any one (1) day or more than 40 hours during any one (1) calendar week, except as permitted by law and in accordance with conditions provided by law. Contractor shall forfeit to District, as a penalty, twenty-five dollars (\$25.00) for each worker employed in the execution of the Work by Contractor or any Subcontractor, for each day during which each worker is required or permitted to work more than eight (8) hours in any one (1) day and 40 hours in any one (1) calendar week in violation of the provisions of any law of the State of California. Contractor and each Subcontractor shall keep, or cause to be kept, an accurate record showing the actual hours worked each day and each calendar week by each worker employed on the Project, which record shall be kept open at all reasonable hours to the inspection of District, its officers, and agents, and to the inspection of the appropriate enforcement agency of the State of California.

ARTICLE 13 - RIGHT TO AUDIT. District and entities designated by District shall have the right to inspect, copy, and audit all books and records of Contractor relating to the Work. Contractor shall preserve all such books and records for a period of at least seven (7) years after the date of final payment to Contractor.

ARTICLE 14 - MISCELLANEOUS

- 14.1 Disputes. Each dispute or claim of \$375,000 or less arising out of this Contract shall be resolved in accordance with Public Contract Code §20104 et seq. A dispute or claim exceeding \$375,000 shall be resolved by binding arbitration conducted under the auspices of the American Arbitration Association and its Construction Industry Arbitration Rules in effect at the time that a Demand for Arbitration is filed. Notwithstanding any claim or dispute arising out of this Contract or the Work, the Contractor shall continue to diligently perform the Work and prosecute the same to completion. The confirmation, enforcement, vacation or correction of an arbitration award rendered hereunder shall be the Superior Court of the State of California for the county in which the Site is situated (Monterey County).
- 14.2 Governing Law; Interpretation. This Contract shall be governed by the laws of the State of California. This Contract shall be interpreted as a whole and not in favor of the District or the Contractor.
- 14.3 Successor. This Contract shall be binding upon and inure to the benefit of the respective successors-in-interest of the District and the Contractor. The foregoing notwithstanding, the Contractor shall not assign this Contract, any right or obligation hereunder or any portion thereof.
- 14.4 Permits; Approvals. Unless otherwise expressly provided in the Contract Documents, the Contractor shall obtain and pay for all fees, permits or approvals necessary to complete the Work.
- 14.5 Days. Unless otherwise stated in the Contract Documents, all references to "days" shall be deemed references to calendar days.
- 14.6 Severability. If any term, condition, or provision of this Contract is deemed invalid, illegal or unenforceable by a Court of competent jurisdiction, such term, condition or provision shall be deemed severed here from, but all other terms, conditions and provisions hereof shall remain unaffected and in full force and effect.

ARTICLE 15 – ENTIRE AGREEMENT. This Contract and the Contract Documents constitute the entire agreement and understanding of the District and the Contractor concerning the subject matter hereof.

END OF SECTION

SUPPLEMENTAL CONDITIONS

1. 1. Application of Supplemental Conditions. These Supplemental Conditions apply to the Work commonly described as **THERMAL FLUID PLANT - 01.1250.3925.**
2. District Provided Drawings and Specifications. The District will provide the Contractor with one (1) set of the Drawings and Specifications without charge. The Contractor can obtain additional sets from the District at the cost of reproduction.
3. Penalties.

No Liquidated Damages will be assessed for this contract.
4. Contractor Insurance.

Minimum Requirements
 - A. Builders Risk Insurance: Owner will provide full coverage.
 - B. Seismic Coverage under Builders Risk Insurance: Owner will provide full coverage.
 - C. COMPREHENSIVE OR COMMERCIAL FORM GENERAL LIABILITY – covering bodily injury, personal injury, property damage, and contractual liability (if on “claims made” basis, coverage shall survive not less than 3 years after termination of contract).

Each Occurrence – combined single	\$1,000,000.00
Limit for bodily injury and property damage	
Products – Completed Operations Aggregate	\$1,000,000.00
Personal and Advertising Injury	\$1,000,000.00
General Aggregate – not applicable to Comprehensive Form	\$2,000,000.00
 - D. Business Automobile Liability \$1,000,000.00
Covering owned, hired, leased, and non-owned automobiles, and providing bodily injury and property damage coverage. Limits of liability shall be per occurrence, combined single limit.
 - E. Worker’s Compensation and Employer’s Liability – (as required by Federal and State of California law).
 - F. Subcontractor Insurance. Each Subcontractor shall obtain and maintain the insurance coverage specified in Paragraph 4, C above.
5. Mark-Up on Changes to the Work.
The mark-up for all overhead (home office and field office) general conditions costs and profit, shall not exceed the percentage of allowable direct actual costs for performance of the Change as set forth below. For the portion of any Change performed by a Subcontractor, the percentage mark-up shall be Ten percent (10%) of the allowable actual direct costs of the Change. In addition, for the portion of the Change performed by a Subcontractor, the Contractor may add a mark-up equal to Five percent (5%) of the allowable actual direct costs of the Change. For the portion of the Change performed by the Contractor’s own forces, the mark-up shall be Fifteen percent (15%) of the allowable actual direct costs of the Change. The mark-up for all overhead (home office and field office) general conditions costs and profit shall not exceed Fifteen percent (15%) of allowable direct actual costs for performance of the Change, regardless of the number of Subcontractors performing the Change.

6. Tests/Inspections. The Work shall be subject to tests/inspections as required by the Contract Documents. The Contractor shall be liable for excessive costs of tests/inspections the result from the Work not being ready for tests/inspections when requested, or failure to comply with the applicable test/inspection standards. The Work is subject to the jurisdiction of local and state jurisdictions and all Work shall be subject to inspection/observation by the District's Inspector retained under local and state regulations. The District's Inspector shall have access at all times to the Work, whether in place or in progress.
7. Rain Days. Not Applicable.
8. Permits, Fees and Approvals. Except as noted below, permits, fees and approvals necessary to complete the Work will be obtained and paid for by the District.
9. Contract Time: The Contract Time for achieving Substantial Completion of the Work is the number of days after the date for commencement of construction as set forth in the written Notice to Proceed issued by the District to the Contractor, as stated in the Agreement. If Substantial Completion of the Work is delayed by Excusable Delays, the Contract Time shall be subject to adjustment for such reasonable period of time as determined by the Owner's Agent; Excusable Delays shall not result in any increase in the Contract Price. Excusable Delays refer to unforeseeable and unavoidable casualties or other unforeseen causes beyond the control, and without fault or neglect, of the Contractor, any Subcontractor, Material Supplier or other person directly or indirectly engaged by the Contractor in performance of any portion of the Work. Excusable Delays include unanticipated and unavoidable labor disputes, unusual and unanticipated delays in transportation of equipment, materials or Construction Equipment reasonably necessary for completion and proper execution of the Work, unanticipated unusually severe weather conditions or IOR directive to stop the Work. Neither the financial resources of the Contractor or any person or entity directly or indirectly engaged by the Contractor in performance of any portion of the Work shall be deemed conditions beyond the control of the Contractor.
10. Payment: District will pay to Contractor in Full, Net-45 days for submission of invoice.

District will record a Notice of Completion after all of the following:
 - a. District's Representative has made a final inspection and determined that the work is complete and in accordance with the contract documents.
 - b. Contractor has delivered to District all warranties and guarantees required by the contract documents or otherwise obtained by Contractor in connection with the work, all operating manuals for installed equipment, complete record documents, and all other submittals required under the contract documents.
 - c. Contractor has performed all other requirements of the contract documents.
11. Beneficial Occupancy: The District reserves the right, at its option and convenience, to occupy or otherwise make use of all or any part of the Work ("Beneficial Occupancy") prior to completion of the work and upon 10 days written notice to Contractor. Beneficial Occupancy shall be on the following conditions:
 - a. District will use its best efforts to prevent its Beneficial Occupancy from interfering with Contractor's completion of work.
 - b. Contractor shall not be required to repair damage caused by District in its Beneficial Occupancy.
 - c. District will pay utility costs for that part of the work it occupies, but there shall be no other added cost to District due to Beneficial Occupancy.
 - d. The Guarantee to Repair Periods, as defined in Article 9 of the General Conditions, will commence upon the first dates of actual occupancy or use of portions of the work actually occupied and equipment or systems fully utilized.
 - e. Contractor shall continue to maintain all insurance required under this Contract.

12. Infection Control Risk Assessment (ICRA). Before beginning the Work, Contractor shall perform an Infection Control Risk Assessment (ICRA) in conjunction with appropriate Owner personnel, which shall define the precautions that must be implemented by Contractor to protect patients, staff, physicians and visitors from infection. A copy of the ICRA shall be maintained as part of the Contract Documents and Contractor and its employees and subcontractors must comply with the infection control requirements laid out in the ICRA at all times during the Work. At all times during the Work, Contractor shall also comply with the District Rules for Contractors included in the Contract Documents.
13. Vendormate Compliance. Salinas Valley Health has implemented a vendor program that includes a series of strict policies aimed at better managing the rising complexity of regulatory compliance issues. The policies were developed with patient safety in mind and will enforce protocols for a more professional and consistent relationship with vendors. The Salinas Valley Health Vendor Program allows the District to maintain a repository of contact, financial, legal, and product information from our vendors, in addition to a platform for policy and documentation exchange. There is a nominal fee for vendor registration which is per company registration, not per representative. The fee ranges from \$25 to \$250 per year and the actual fee is determined by the District based on the vendor's risk profile. The annual fee is paid to SVH partner, Vendormate, Inc. and is used to purchase 3rd party data perform screening and credentialing, store compliance information and documentation, notify vendors of training, policy changes, and compliance regulations, and monitor and alert company status throughout the year. The District expects each of the construction personnel representatives who interact with the District to register and provide his/her representatives details. Only the first representative to register will be charged the fee. Vendor Registration: svmh.vendormate.com Vendormate question? Email svmh@vendormate.com for answers or issues.
14. Contractor acknowledgement of Asbestos Notification. Prior to mobilizing onsite, the Contractor shall meet with Owner's Designated Representative to review the hospital's protocol for safely working in the hospital buildings which have asbestos containing materials. All protocols regarding working in or around the said asbestos containing materials shall follow EPA, OSHA, MBUAPCD, and OSHPD policies and procedures. Policies and procedures are located at the construction office or facility engineering offices at 450 E Romie Lane, Salinas, CA 93901.

END OF SECTION

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board of Directors to Award Ultrasound Equipment Capital Purchase contract to Canon Medical Systems and Award 4-year Service Agreement to Canon Medical Systems

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

Date: August 15, 2025

Executive Summary

Salinas Valley Health's (SVH) Ultrasound Department currently operates six (6) ultrasound units sourced from five different vendors, each with varying platforms and functionality. This fragmented equipment base has resulted in inconsistent image quality, operational inefficiencies, and variation in clinical performance.

All six units have exceeded their original equipment manufacturers' (OEM) recommended service life, limiting reliability, service support, and the ability to provide patients with the highest standard of diagnostic imaging. To address these challenges, SVH Diagnostic Imaging is seeking approval to replace the existing ultrasound fleet with a standardized, state-of-the-art platform.

This strategic replacement will align SVH with industry best practices, support clinical excellence, and sustain high-quality, cost-effective care delivery for our patients and community.

Background/Situation/Rationale

The Salinas Valley Health (SVH) Ultrasound Department performs over 16,000 general, vascular, and interventional imaging exams annually across inpatient, outpatient, and emergency settings. The current fleet of six (6) ultrasound units averages more than eight years in age and spans five vendors, resulting in inconsistent image quality, variable system functionality across systems, and increased training and maintenance burdens.

In 2025, Diagnostic Imaging conducted a comprehensive vendor evaluation of Canon, GE, Philips, and Samsung. Based on performance, image quality, and clinical functionality, Canon was selected as the vendor of choice. SVH Diagnostic Imaging requests capital funding of \$672,536 (including tax) to replace all six units with standardized Canon ultrasound systems.

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

Ultrasound services in SVH Diagnostic Imaging are necessary tools to support our physicians diagnose and treat inpatient, emergency patient, and our ambulatory patient populations.

Pillar/Goal Alignment:

Service ☒ People ☐ Quality ☒ Finance ☐ Growth ☐ Community

Key Contract Terms	Vendor: Canon
1. Proposed effective date	September 1, 2025
2. Term of agreement	Capital Purchase with 4-year extended warranty
3. Renewal terms	N/A
4. Termination provision(s)	N/A
5. Payment Terms	Ultrasound Unit(s) (6) cost including tax – \$672,536.00 4-year Service Agreement - \$194,400.00
6. Annual cost	Service Agreement - \$48,600.00
7. Cost over life of agreement	Maximum of \$866,936.00
8. Budgeted (indicate y/n)	Yes

Recommendation

Consider recommendation for Board of Directors to (i) award ultrasound equipment capital purchase contract to Canon Medical Systems in the amount of \$672,536.00, and (ii) award 4-year service agreement to Canon Medical Systems in the amount of \$194,400.00 for a total amount of \$866,936.00.

Attachments

- (1) Canon Medical Systems Ultrasound Equipment Quote
- (2) Canon Medical Systems Ultrasound Equipment Service Agreement Quote



CANON MEDICAL SYSTEMS USA, INC.

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PROPOSAL

DATE: 5/16/2025
PROPOSAL #: 25-05-005574

PRESENTED TO:

SALINAS VALLEY HEALTH MEDICAL CENTER
450 E ROMIE LN
SALINAS, CA. 93901

SPECIAL INFORMATION & TERMS

- If this proposal is not accepted by August 29, 2025, Canon Medical Systems USA, Inc. reserves the right to cancel this proposal.

This proposal shall remain valid until August 29, 2025.

All prices are F.O.B. destination.
Payment terms are: Cash - 0% down payment, 80% upon shipment net 45 days, 20% net 30 days upon completion of installation and/or availability for first use, whichever is earlier.

This proposal will be subject to and governed by the Agreement for Ultrasound equipment products between Vizient Supply, LLC and Canon Medical Systems USA, Inc., reference contract no. XR0913, effective October 1, 2022.

Please send signed proposal to Canon Medical Systems USA, Inc. by email OrderAdmin@us.medical.canon or fax 714-441-9320.

ACCEPTED AGREED AND ORDERED:

_____ PURCHASER'S SIGNATURE/TITLE	_____ DATE	_____ CANON MEDICAL SYSTEMS REP	_____ DATE
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All information contained in this proposal is confidential and may not be disclosed to any third party without Canon Medical Systems' prior written consent.



CANON MEDICAL SYSTEMS USA, INC.

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PROPOSAL SUMMARY:

SID #	REF #	PRODUCT	QTY	AMOUNT
30113691	188728-5	APLIO-ISERIES-I700.000 APLIO I700 ULTRASOUND SYSTEM	1	
		TOTAL SYSTEM PRICE		\$107,100.00
30113692	188729-5	APLIO-ISERIES-I700.000 APLIO I700 ULTRASOUND SYSTEM	1	
		TOTAL SYSTEM PRICE		\$107,100.00
30113693	188730-5	APLIO-ISERIES-I700.000 APLIO I700 ULTRASOUND SYSTEM	1	
		TOTAL SYSTEM PRICE		\$101,844.00
30113694	188731-5	APLIO-ISERIES-I700.000 APLIO I700 ULTRASOUND SYSTEM	1	
		TOTAL SYSTEM PRICE		\$101,844.00
30113695	188732-5	APLIO-ISERIES-I700.000 APLIO I700 ULTRASOUND SYSTEM	1	
		TOTAL SYSTEM PRICE		\$101,844.00
30113696	188733-5	APLIO-ISERIES-I700.000 APLIO I700 ULTRASOUND SYSTEM	1	
		TOTAL SYSTEM PRICE		\$95,580.00
TOTAL PROPOSAL PRICE				\$615,312.00
Applicable Sales Tax Additional				



CANON MEDICAL SYSTEMS USA, INC.

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EQUIPMENT SUMMARY FOR APLIO-ISERIES-I700.000

APLIO-ISERIES-I700.000	1	APLIO I700 ULTRASOUND SYSTEM
<u>PART NUMBER</u>	<u>QTY</u>	<u>DESCRIPTION</u>
APLIO-I700-V7.100	1	APLIO I700 PRISM ULTRASOUND SYSTEM
	1	APLIO I700 ULTRASOUND IMAGING SYSTEM
	1	PROTOCOL ASSISTANT
	1	GEL WARMER
UL-INTERNALWIFI	1	INTERNAL WIRELESS LAN (FIPS 140-2 COMPLIANT)
	1	STANDARD APPLICATIONS TRAINING
PLI-1205BX/FS	1	LINEAR ARRAY TRANSDUCER (I18LX5)
PLI-705BX/FS	1	MULTI FREQUENCY LINEAR ARRAY TRANSDUCER (I11LX3)
PVI-475BX/FS	1	CONVEX ARRAY TRANSDUCER (I8CX1)
PVI-574BX/FS	1	CONVEX ARRAY TRANSDUCER (I10CX1) (SP)
ENDO-AI700/4.100	1	EV/ER TRANSDUCER HOLDER KIT
	1	EV/ER TRANSDUCER HOLDER
PVT-781VTE/FS	1	MULTI-FREQUENCY ENDOCAVITARY TRANSDUCER (I1C3)
USPV-AI900A/EL	1	PANORAMIC VIEW
UA-LIVERPACKAGE/I700.100	1	LIVER PACKAGE
	1	SHEAR WAVE ELASTOGRAPHY (SWE)
	1	ATTENUATION IMAGING



CANON MEDICAL SYSTEMS USA, INC.

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APLIO-ISERIES-I700.000	1	APLIO I700 ULTRASOUND SYSTEM
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APLIO-I700-V7.100	1	APLIO I700 PRISM ULTRASOUND SYSTEM
	1	APLIO I700 ULTRASOUND IMAGING SYSTEM
	1	PROTOCOL ASSISTANT
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UL-INTERNALWIFI	1	INTERNAL WIRELESS LAN (FIPS 140-2 COMPLIANT)
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	1	APLIO I700 ULTRASOUND IMAGING SYSTEM
	1	PROTOCOL ASSISTANT
	1	GEL WARMER
UL-INTERNALWIFI	1	INTERNAL WIRELESS LAN (FIPS 140-2 COMPLIANT)
	1	STANDARD APPLICATIONS TRAINING
PVT-712BT	1	MULTI-FREQUENCY MICRO CONVEX TRANSDUCER NEONATAL HEAD (11MC4)
PLT-1202BT/FS	1	MULTI-FREQUENCY LINEAR TRANSDUCER HOCKEY STICK (17LH7)
PLI-1205BX/FS	1	LINEAR ARRAY TRANSDUCER (I18LX5)
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PVI-574BX/FS	1	CONVEX ARRAY TRANSDUCER (I10CX1) (SP)
ENDO-AI700/4.100	1	EV/ER TRANSDUCER HOLDER KIT
	1	EV/ER TRANSDUCER HOLDER
PVT-781VTE/FS	1	MULTI-FREQUENCY ENDOCAVITARY TRANSDUCER (I1C3)
USPV-AI900A/EL	1	PANORAMIC VIEW



CANON MEDICAL SYSTEMS USA, INC.

Made For life

FINANCE OPTIONS:

Finance options are available through Canon Medical Finance USA, a program of Canon Medical Systems USA, Inc.

CANON MEDICAL FINANCE USA OFFERINGS:

- Fair Market Value, \$1.00 Buy Out (Lease to Own), and Loan structures
- Finance terms ranging from 12 months to 84 months
- Financing for 3rd party assets (including, but not limited to leasehold improvements & I.T.)

CANON MEDICAL FINANCE USA BENEFITS:

- No progress payments. Payments begin after delivery and installation
- Upgrades to the current technology platform can be financed.
- Flexible finance structures, such as deferred payments, tiered repayments, and bridge financing, to meet cash flow needs

Finance options are subject to credit underwriting, approval, and a fully executed contract.

For more information, please contact Trish Malone, Sr. Dir. Financial Programs at:

tmalone@us.medical.canon or visit us at <https://us.medical.canon/service-and-support/financial-programs/>

COMPONENT SUMMARY FOR APLIO-ISERIES-I700.000:

<u>PART NUMBER</u>	<u>QTY</u>	<u>DESCRIPTION</u>
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APLIO-I700-V7.100	6	APLIO I700 PRISM ULTRASOUND SYSTEM
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Part of Canon Medical Systems' ultra-premium i-Series, the Aplio™ i700 PRISM Edition ultrasound system provides a wide range of clinical capabilities, making it a comprehensive solution for a wide range of clinical targets with consistent, robust performance. Powerful iBeam+ imaging technology and intelligent AI-enabled applications and workflows allow the user to gain even more confident clinical insights through consistent and efficient performance. The improved bandwidth and processing power of the iBeam+ beamformer results in images with better penetration and detail resolution, so you can see more.

Aplio i-series Prism Edition's design can help Sonographers scan more comfortably and boost productivity in daily routine as well as more complex cases. Aplio's system console is fully adjustable for seated or standing use and easily accommodates a variety of users. The rotating user interface allows alignment of elbow, wrist & trackball in an ergonomically sound and patient-engaging position. The system continues and extends Canon Medical Systems' industry-first imaging and visualization capabilities and delivers exceptional image quality with sophisticated ergonomics that elevate efficiency to higher levels.

STANDARD COMPONENTS

- Aplio i700 Ultrasound Imaging System with iBeam+ beamformer technology, is up to 4 times faster than non Prism version's hardware to provide sharper images with better penetration and thus optimal, more robust results for higher clinical confidence.
- High definition 23" LCD monitor with articulated arm and handle
- 12.1" Programmable, touch-command screen with 3-section design allowing easy and intuitive access to all controls via a simple swipe
- Electric Lift for easy up/down of the control panel
- Protocol Assistant for an automatic execution of user-programmable imaging sequences, including measurements and labelling
- 4D hardware. Permits select standard transducers to be used for freehand 3D, giving access to volume imaging without the need to purchase further software or hardware, and allowing visualization of areas of interest without the need for mechanical 4D transducers.
- Four active transducer ports for convenient transducer access
- Six transducer holders
- Windows 10, maintaining up-to-date cyber security
- DICOM
- OBR (On-Board Reporting) for OB
- Built-in DVD/CD drive with writer
- Up to 5 USB Ports (including USB 3.0)

- Raw data capabilities. Multiple parameters can be adjusted (including common modes like 2D and Color) as well as annotations and measurements. This may be done at any time, both during the exam for immediate correction, as well as in the days after the patient has left.
- Large capacity Cine Memory
- Scan depth of up to 50 cm (transducer dependent). The depth of 50 cm is industry-leading and allows penetration for large patients
- Dynamic Micro Slice – enables optional iDMS transducers to be used. These are often '2-in-1' transducers, covering the frequency bandwidth of 2 standard transducers which can help reduce examination time, as well as reduce costs
- Multiplexing kit – enables optional Quad View for CHI, Quad View for SWE, Shadow Glass, Smart Sensor 3D, Multi-reflection Canceller and iDMS. The sophisticated architecture in the Multiplexing kit helps drive the high speed processing of the very large data volumes provided using the i700. It also allows for multiple display options, such as providing 4-in-1 screens for viewing several imaging views at a single glance
- Software STC for depth as well as lateral gain adjustment. The ability to have lateral gain as well as the more common depth gain allows individual adjustment in areas that may be difficult to assess due to variations in attenuation across the image.
- Security Management Kit. In this age of ever increasing security risks, this may be used to provide various options for authentication of users, auditing, and allowing automatic de-identification of images. The antivirus software permits only registered executable files to be executed, preventing execution of malware. No Canon Ultrasound systems have been hacked in any of the recent cybersecurity breaches while protected under Canon's cybersecurity practices.
- Internal wireless communication, which is FIPS 140-2 certified ensuring the highest level of encryption using WPA2 Enterprise
- Gel Warmer

STANDARD IMAGING FEATURES

- ApliPure+™ - enhances the display of boundaries between tissues and reduces speckle noise and acoustic shadows, when used in conjunction with iBeam+, ApliPure+ improves B-mode imaging frame rates by up to 187% (>2.5X).
- Advanced Dynamic Flow™ (ADF) - enables blood flow imaging with detailed visualization and high frame rate
- Full Focus with iBeam+ function enables clear, uniform images from near and to far field without the need for focus adjustments. With fewer application steps and greater uniformity, this can be particularly useful to help shorten exam times.
- Auto-Intima Media Thickness (A-IMT)
- Biopsy Enhance Auto Mode (BEAM) – enhances visualization of the needle during linear transducer biopsies

- Differential Tissue Harmonic Imaging (D-THI) – simultaneously transmits two frequencies for better spatial resolution and penetration
- Precision Imaging - assists in reducing noise and speckle in the image and increases the visibility of tissue
- Tissue Doppler Imaging (TDI)
- Trapezoid Imaging
- Ultra Wide View - Canon's unique technology of Ultra Wide View enables the user to image more anatomy in one view, providing more information and perspective in a single image, while still maintaining high image quality.
- Tissue Specific Optimization (TSO) – adjusts for differing speeds of sound from tissue of various acoustic characteristics especially in breast imaging
- Quick Scan – automatic, real-time, adjustment of gain and TGC in 2D and spectral Doppler
- Smart 3D – Internal hardware to enable Smart 3D external hardware and additional software
- Vascularity Index – Displays multiple parameters for a Power/SMI image such as number of pixels, and the ratio in the Power/ SMI image and within the ROI
- Superb Micro-vascular Imaging (SMI) –Enhances the visualization of slow and microvascular flow (at high resolution and in both monochrome 'subtraction' and various color map displays) for assessment of all vascularity, but especially very fine vessels or in cases with very slow flow, that are not usually seen with color Doppler
- SMI G4 - expands the range of visible blood flow to visualize ultra-low to high speed blood flow with reduced clutter, reduced flash artifact, less noise and high sensitivity.
- Tissue Harmonic Imaging (THI)

Connectivity

Extensive communication and data management capabilities enable seamless integration into hospital and research environments including the following DICOM functions:

- DICOM data type
 - US Image (still image)
 - US Multi Frame (dynamic image)
 - SC Image (storage in a separate file)
 - Enhanced US Volume (Volume data image)
 - Structured Report (measurement result information)
- Server connection
 - Storage (Server/Media)
 - MWM (Modality Worklist Management)
 - MPPS (Modality Performed Procedure Step)
- Storage function
 - Storage Commitment
 - Query/retrieve

- Standard conformity check function
 - Verification (export/import)
- Print function
 - DICOM Print

Cybersecurity

- Windows 10 OS with Microsoft support for patches/updates
- Windows firewall configuration
- Password authentication for users, auditors, administrators and service access
- McAfee® Solidifier, a whitelist antivirus software for endpoint protection
- Follows NIST 800:37 Risk Management Framework (RMF)

Optional features at additional cost:

- ApliGate kit – collaboration tool that allows users to share images from the ultrasound system to a connected personal computer. Images transmitted using ApliGate can be de-identified according to HIPAA guidelines to remove protected health information (PHI).

APPLICATIONS SUPPORT

Developed with customer input, Canon Medical Systems' innovative support programs have resulted in increased customer satisfaction. These include the following:

Technical Assistance

Customer support specialists are available 24/7 to help resolve technical issues in real time. Application support specialists are also available to assist staff with protocol and image-quality issues.

Local Customer Teams

A single call mobilizes a local team of Canon Medical Systems customer engineers. With an average of 10 years of Canon Medical Systems experience and 105 hours of specialized training per team member, they can resolve almost any performance issue.

Parts Support

A complete inventory of product parts is ready for shipment when and where they are needed, any time of day or night.

6 APLIO I700 ULTRASOUND IMAGING SYSTEM

6 PROTOCOL ASSISTANT

A sequence of operations is registered, and each operation is executed by single switch operation. Enables automated workflow when performing complex ultrasound exams. Featuring one-click operation, Protocol Assistant helps increase consistency and maintain standards from start-to-finish and patient-to-patient.

6 GEL WARMER

UL-INTERNALWIFI 6 INTERNAL WIRELESS LAN (FIPS 140-2 COMPLIANT)

Internal Wireless Lan (FIPS 140-2 Compliant)

Intel chipset with Wi-Fi 6 certification

Dual band 2.4Ghz/5Ghz

FIPS 140-2 & FISMA security compliance

2x2 MU-MIMO technology

WPA, WPA2 & WPA3 - Wi-Fi Protected Access Standard security protocol

6 STANDARD APPLICATIONS TRAINING

Training

Included with the purchase of Aplio is training conducted by Canon Medical Systems applications specialists registered with the American Registry of Diagnostic Medical Sonographers (ARDMS).

Training includes:

- Two days of on-site applications training
- One day of on-site follow-up applications training
- Free access to www.healthysonographer.com website for the latest information on how to optimize your scanning environment and minimize your risk of WRMSDs, particularly using Canon systems (the Healthy Sonographer Platform™).
- Optional on-site HealthySonographer Certification program (additional cost)

The training is offered to the Customer at no charge, providing that it is completed no later than one (1) year after the warranty start date.

Additional On-Site Training

Available for purchase.

PLI-1205BX/FS

6 LINEAR ARRAY TRANSDUCER (I18LX5)

Model: PLI-1205BX

Imaging Frequencies: 4.0 – 18.0MHz

Footprint/Curvature: Approx. 46mm

Use: Small parts, MSK, peripheral vascular

Biopsy kit/adapter: 680-139, 680-138, 610-608, 680-149, 680-148, 610-1500, 680-132, 680-133, 610-1017, 610-1018, 610-1019

Reusable biopsy adapter: N/A

Fusion adapter: UAFS-008A

Prerequisite: Aplio i-series V1.0 or later (i700, i800, i900)

PLI-705BX/FS

6 MULTI FREQUENCY LINEAR ARRAY TRANSDUCER (I11LX3)

Model: PLI-705BX

Imaging Frequencies: 3.5 – 8.5MHz

Footprint/Curvature: Approx. 46mm

Use: Peripheral vascular, Small parts, MSK

Biopsy kit/adapter: 680-150, 680-151, 610-1500

Reusable biopsy adapter: N/A

Fusion adapter: UAFS-008A

Prerequisite: Aplio i-series V2.0 or later (i700, i800, i900)

PVI-475BX/FS

6 CONVEX ARRAY TRANSDUCER (I8CX1)

Model: PVI-475BX

Imaging Frequencies: 1.8 – 6.2MHz

Footprint/Curvature: Approx. 50mm

Field of View: Approx. 70 degrees

Use: Abdominal, fetal, pediatric

Biopsy kit/adapter: 680-143, 680-142, 610-608, 680-153, 680-152, 610-1500

Reusable biopsy adapter: N/A

Fusion adapter: UAFS-007A (included with UIFR-AI900A)

Prerequisite: Aplio i-series V1.0 or later (i700, i800, i900)

PVI-574BX/FS

6 CONVEX ARRAY TRANSDUCER (I10CX1) (SP)

Model: PVI-574BX

Imaging Frequencies: 2.0 – 7.6 MHz

Footprint/Curvature: Approx. 40mm

Field of View: Approx. 70 degrees

Use: Abdominal, fetal, pediatric

Biopsy kit/adapter: 680-166, 680-167, 610-1500

Reusable biopsy adapter: N/A

Fusion adapter: N/A

Prerequisite:

Aplio i-series V3.1 or later (i700, i800, i900)

ENDO-AI700/4.100 6 EV/ER TRANSDUCER HOLDER KIT

6 EV/ER TRANSDUCER HOLDER

EV/ER Transducer Holder for Aplio iSeries. Adds a dedicated holder for endocavitary transducers.

PVT-781VTE/FS 6 MULTI-FREQUENCY ENDOCAVITARY TRANSDUCER (11C3)

Model: PVT-781VTE

Imaging Frequencies:

- i-series: 3.6 – 10.5 MHz
- Aplio 300/500: 3.0 – 11.0 MHz

Footprint/Curvature: Approx. 10mm

Field of View: Approx. 180 degrees

Use: Transvaginal uterus, ovary

Biopsy kit/adapter: 680-121

Reusable biopsy adapter: UAGV-035A

Fusion adapter: UAFS-006A

Prerequisite:

Aplio i-series V1.0 or later (i700, i800, i900), i600 V2.0 or later

Aplio 300/500 V6.0 or later

USPV-AI900A/EL 6 PANORAMIC VIEW

B/W images can be obtained with a wider field of view by moving the transducer in the lateral direction.

UA-
LIVERPACKAGE/I7
00.100 2 LIVER PACKAGE

2 SHEAR WAVE ELASTOGRAPHY (SWE)

This kit allows tissue stiffness to be visualized by generating images that show shear wave propagation.

2 ATTENUATION IMAGING

This kit enables visualization of ultrasound frequency-dependent attenuation coefficient within tissue.

Prerequisite: Aplio iSeries i800, i900 V3.1 or later is required.

Prerequisite: Aplio iSeries i600, i700 V4 or later is required.

Prerequisite: Aplio aSeries a550 V2.0 or later is required.

PVT-712BT 3 MULTI-FREQUENCY MICRO CONVEX TRANSDUCER NEONATAL HEAD (11MC4)

Model: PVT-712BT

Imaging Frequencies:

- i-series: 4.3 – 11.0 MHz
- Aplio 300/500: 3.3 – 11.0 MHz

Footprint/Curvature: Approx. 15mm

Field of View: Approx. 100 degrees

Use: Neonatal head, abdominal, pediatric

Biopsy kit/adaptor: 680-127, 680-126, 610-608

Reusable biopsy adapter: N/A

Fusion adapter: N/A

Prerequisite:

Aplio i-series V1.0 or later (i700, i800, i900), i600

Aplio 300/500 V2.02 or later

PLT-1202BT/FS 3 MULTI-FREQUENCY LINEAR TRANSDUCER HOCKEY STICK (17LH7)

Model: PLT-1202BT

Imaging Frequencies:

- Aplio i-series: 4.5 – 17.0 MHz
- Aplio 300/500: 6.1 – 17.0 MHz

Footprint/Curvature: Approx. 25.6mm

Use: Small parts (superficial), MSK, intraoperative

Biopsy kit/adaptor: N/A

Reusable biopsy adapter: N/A

Fusion adapter: UAFS-010A

Prerequisite:

Aplio i-series V2.0 or later (i700, i800, i900), i600 V2.0 or later

Aplio 300/500 V7.0 or later

PRODUCT WARRANTY AND SERVICE COVERAGE

SYSTEM WARRANTY TERMS

Canon Medical Systems warrants that the Equipment will be free from defects in material and workmanship, for the duration and subject to the terms and conditions stated below. Any part furnished to Customer during the warranty period (stated in the table below) to correct a warranty failure will be warranted to the extent of the unexpired term of the warranty applicable to the Equipment.

The warranty period will commence on the date the installation of the product is complete. Notwithstanding the foregoing, in the event that the installation of the product is delayed for a total of thirty (30) days or more from the date of delivery for any reason or reasons for which Canon Medical Systems is not responsible, the warranty period for such product may, at Canon Medical Systems' option, commence on the thirtieth (30th) day from the date such product is delivered to Customer.

WARRANTY EXCLUSIONS

Warranty coverage does not include any defect which results, in whole or in part, from (1) negligent storage or handling of the product by Customer, its employees, agents, or contractors, (2) failure of Customer to prepare the site or provide power requirements or operating environmental conditions in compliance with any applicable instructions or recommendations of Canon Medical Systems, (3) absence of any product, component, or accessory recommended by Canon Medical Systems but omitted at Customer's direction, (4) any design, specification or instruction furnished by Customer, its employees, agents, or contractors, (5) any alteration of the product by persons other than Canon Medical Systems, (6) combining Canon Medical Systems' product with any product furnished by others that is not approved by Canon Medical Systems, (7) combining incompatible products of Canon Medical Systems, without Canon Medical Systems' prior approval, (8) improper use of the product, improper maintenance of the product by a party other than Canon Medical Systems, or failure to comply with any applicable instructions or recommendations of Canon Medical Systems, or (9) acts of God, fires, floods, strikes or other labor disturbances, or other causes beyond the reasonable control of Canon Medical Systems.

Canon Medical Systems does not warrant any products not manufactured by Canon Medical Systems such as, without limitation, monitors, and computer equipment. Such items will be furnished subject only to the manufacturer's warranty, if any, and without any warranty whatsoever by Canon Medical Systems.

Warranty coverage also excludes consumables, including but not limited to accessories, batteries, storage media, power units, and printer consumables.

REMEDIES

If Canon Medical Systems determines that any product fails to meet the above-mentioned warranty during the applicable warranty period, Canon Medical Systems will correct any such failure by either, at its option, repairing, adjusting, or replacing without charge to Customer any defective or nonconforming parts of the product. Canon Medical Systems will have the option to furnish either new or remanufactured replacement parts or assemblies. However, remanufactured parts will meet the manufacturer's specifications for new components as of the date of completion of installation. All defective parts replaced by Canon Medical Systems will become the property of Canon Medical Systems.

SOFTWARE UPDATES

Canon Medical Systems will furnish to Customer, free of charge for the life of the Equipment, all Canon Medical Systems software or hardware upgrades to the Equipment purchased by Customer, which are intended to correct a safety risk. Software updates offering enhancements to previously purchased software features will be provided during the term of the warranty, if they do not require hardware modifications or additions. Software upgrades providing new features or capabilities not originally purchased, will be made available for purchase by Customer upon request when compatible with the originally purchased hardware. Canon Medical Systems retains the sole right to determine whether a software release is considered an update or an upgrade for which Customer will be charged. The above items will be performed only during the Covered Hours stated in the warranty. Service required outside these hours will be billed at Canon Medical Systems' differential rates in effect at the time such items are provided to Customer.

WARRANTY SERVICE

Warranty service during the applicable warranty period will be performed without charge to Customer during Canon Medical Systems' normal business hours, Monday through Friday, excluding Canon Medical Systems holidays. Subject to the availability of personnel, after-hours service is available upon request at an additional charge.

Customer must promptly notify Canon Medical Systems within the applicable warranty period of any defect that is covered by the warranty, and make the Equipment promptly available for repair and maintenance.

DISCLAIMERS AND LIMITATIONS ON LIABILITY

Canon Medical Systems' obligations stated above will be Customer's sole and exclusive remedy for a breach of the warranty set forth above. SUCH WARRANTY WILL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Canon Medical Systems does not warrant that the operation of the Equipment will be uninterrupted.

WARRANTIES BY PRODUCT LINE

ITEM TYPE	ULTRASOUND
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EQUIPMENT	12 Months
ACCESSORY OPTIONS	6 Months
REPLACEMENT & OPTIONAL PARTS*	90 Days
UPGRADE COMPONENTS	12 Months
TRANSDUCERS	12 Months

* The above 90-day period applies only to parts that are not furnished pursuant to a warranty repair for the Equipment. Any part furnished to Customer during the warranty period to correct a warranty failure will be warranted to the extent of the unexpired term of the warranty applicable to the System.

TERMS AND CONDITIONS OF SALE

1. **TITLE AND RISK OF LOSS.** Title and risk of loss to the Equipment purchased under this Agreement will pass to Customer: (a) if Canon Medical Systems is to provide installation, upon Canon Medical Systems' completion of installation, or (b) if Canon Medical Systems will not provide installation, upon delivery by Canon Medical Systems to Customer.

2. **TERMS OF PAYMENT.** Prices stated are F.O.B. Customer's facility. All taxes which are payable by Canon Medical Systems in connection with the sale, use, or possession of the Equipment (excluding income taxes), will be paid by Customer in addition to the proposal price. Terms of payment will be as stated in the first page of this Proposal. All invoices paid after due date will be assessed a late payment charge of the lesser of 1 1/2% per month or the maximum rate permitted by law.

3. **DELAYS.** If Customer changes the scheduled delivery date during the period of 120 days preceding the delivery date, Customer will nevertheless pay the installment of the purchase price which would have been payable upon delivery, on the Scheduled Delivery Date as if delivery had been made on such date. In addition, Customer will pay all extra costs incurred by Canon Medical Systems as a result of such delay, including, without limitation, storage and transportation. Storage fees will be charged at commercially comparable rates for storage on Canon Medical Systems' site. If delivery is delayed by 12 months or more from the Scheduled Delivery Date, except through the fault of Canon Medical Systems, the price set forth in this Agreement may be increased by Canon Medical Systems to a level equal to the prevailing price in effect at the time of the revised delivery date.

4. **EQUIPMENT INSTALLATION.** Canon Medical Systems will provide, at no additional cost, standard labor and rigging services to unload the Product from the transport vehicle and move to the final position. The shoring of floors, the widening of doorways, and other nonstandard rigging requirements will be negotiated between the Canon Medical Systems and Customer separately if it is determined they are required. Canon Medical Systems will install all Equipment purchased under this Agreement and connect them to existing power and/or plumbing lines at no additional charge to Customer. Customer will be responsible for electrical wiring, plumbing, carpentry, plastering, painting, or all other site preparation required prior to installation and connection of the Equipment by Canon Medical Systems. Customer will provide space at the installation site for the safe storage of Canon Medical Systems' tools, test equipment and other materials used for installation at no charge to Canon Medical Systems. Customer shall, at its cost, obtain all permits and licenses required by governmental authorities in connection with the installation and operation of the Equipment. Customer acknowledges that the System and Software are designed to operate within certain power, temperature, airborne contamination, and humidity ranges. Customer will be responsible for, without limitation: (i) preparing and maintaining the Customer facility in conformance with the Site Preparation Guide; (ii) maintaining its network infrastructure; (iii) providing Canon Medical Systems, access to a network connection in or near the area of the System being serviced by the equipment service staff; and (iv) supplying computer grade AC power. The Equipment relies upon a stable grounded connection to the main power grid in order to function effectively. Customer acknowledges that AC power supply quality may be a problem in old facilities or in those facilities receiving poor quality utility service and that power conditioning may be necessary in such cases.

5. **EQUIPMENT OPERATION.** Customer agrees that all Equipment purchased under this Agreement will be operated exclusively by duly qualified technicians and/or medical doctors in a safe and reasonable manner in accordance with Canon Medical Systems' written instructions, applicable laws and regulations, and for the purposes for which such Equipment was intended.

6. **LIMITED WARRANTY AND REMEDY.** A. For the warranty period described below by product, Canon Medical Systems, as its only obligation, will replace or repair, without charge to Customer during Canon Medical Systems' normal working hours (if Customer requests warranty service outside such hours, Customer will pay overtime premium for labor), any component of the Equipment that is defective in materials or workmanship, provided such defect is reported to Canon Medical Systems within the warranty period. Canon Medical Systems' warranty period is as follows: (a) Systems and Major Components - one year from date of completion of installation; (b) Accessories/Options (except glassware) - six months from date of completion of installation. Components not manufactured by Canon Medical Systems will be furnished subject only to the manufacturer's warranty, if any, and without any warranty whatsoever by Canon Medical Systems. During the warranty period, Canon Medical Systems will furnish free of charge any parts, including software required to correct any defect in the Equipment or as required under applicable laws.

B. Canon Medical Systems does not warrant that the operation of the Equipment of the System will be uninterrupted. All defective parts replaced by Canon Medical Systems will become the property of Canon Medical Systems. Replacement parts may be re-manufactured. However, such parts will meet the manufacturer's specifications for new components as of the date of completion of installation. CANON MEDICAL SYSTEMS' OBLIGATION TO REPAIR OR REPLACE DEFECTIVE PARTS OR SOFTWARE WILL BE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR A BREACH OF THE WARRANTY SET IN THIS AGREEMENT. SUCH WARRANTY WILL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The warranty set forth in this Agreement will not apply to, and Canon Medical Systems will not be liable for any defects resulting from misuse, repairs performed by unauthorized third parties, accidents, acts of God, or neglect of anyone other than Canon Medical Systems.

7. LATEST HARDWARE AND SOFTWARE AT TIME OF DELIVERY. Canon Medical Systems agrees that the Equipment ordered by Customer will, at the time of delivery to Customer, contain, at no additional charge to Customer, the latest hardware and software manufactured by Canon Medical Systems for such Equipment that are commercially available in the United States and which are provided as part of Canon Medical Systems' standard configuration for such Equipment at the time of delivery. This commitment applies only to components and not an upgrade to the entire system. Furthermore, it is limited to hardware and software that (a) have been ordered by Customer, and not any optional or other items that were not ordered by Customer, and (b) are cleared by the FDA as of the date of delivery of the Equipment. This clause does not apply to Assure, Demonstration or Used Equipment.

8. LIMITATION OF LIABILITY. A. NEITHER CANON MEDICAL SYSTEMS NOR CUSTOMER WILL UNDER ANY CIRCUMSTANCES BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR EXEMPLARY DAMAGES OR ECONOMIC LOSS ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT, EVEN IF EITHER PARTY IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

B. IN NO EVENT WILL CANON MEDICAL SYSTEMS' LIABILITY TO THE CUSTOMER (WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT EXCEED THE AGGREGATE AMOUNT ACTUALLY PAID BY CUSTOMER TO CANON MEDICAL SYSTEMS UNDER THIS AGREEMENT. THE LIMITATION OF LIABILITY SET FORTH ABOVE WILL NOT APPLY TO CLAIMS FOR PERSONAL INJURY OR PROPERTY DAMAGE CAUSED BY EQUIPMENT DEFECTS.

9. SECURITY INTEREST. Canon Medical Systems hereby reserves and Customer grants to Canon Medical Systems a security interest pursuant to the Uniform Commercial Code, in and to the Equipment (and all products and proceeds of it) until full payment of the purchase price is received. In the event that Customer finances its acquisition of the Equipment through a lease, conditional sale contract, secured loan agreement or other financing agreement (collectively, "Lease") with Canon Medical Systems, then the security interest in the Equipment (and all products and proceeds thereof) shall secure all obligations of Customer due and to become due under the Lease.

10. REMOVAL OF EQUIPMENT. Until Canon Medical Systems has received full payment of the purchase price, Customer will not remove all or any part of the Equipment from Customer's premises, nor will Customer sell, lease, transfer or otherwise part with the possession of, or permit any lien or encumbrance to be placed on all or any part of the Equipment.

11. TRADE-IN. If this proposal includes the trade-in of Customer's existing equipment and the removal date of the trade-in equipment is delayed due to no fault of Canon Medical Systems or if the trade-in equipment is damaged or its condition deteriorates from the date of this proposal through the date of removal, Canon Medical Systems reserves the right to increase the pricing of the new equipment in an amount equal to the reduction in the resale price of the trade-in equipment. Customer must convey free and clear title to the trade-in equipment. If there are any liens or encumbrances on the trade-in equipment, Canon Medical Systems cannot accept the trade-in. Canon reserves the right to adjust trade-in values for equipment not removed by the agreed upon date. The trade-in equipment shall include any associated parts or accessories, included but not be limited to: backup software, manuals, service dongles, positioning pads, straps, CD's, chillers, coils, transducers, UPS systems, and other ancillary items. The trade-in equipment needs to be maintained to OEM specifications up until the time of removal and is subject to inspection by Canon or a Canon designated third party. Equipment must be available for inspection at least 30 days prior to removal. Customer is responsible for a clear removal path to include removal of any walls or doorways, if necessary, as well as responsible for removal of all patient information from the system prior to the removal date. HARD DRIVES MUST BE INCLUDED, INTACT, FUNCTIONAL, AND IRREVERSABLY WIPE OF ALL DATA. For CT system trade-ins: if the CT tube is replaced prior to removal of the CT system, the tube must either be documented as a new tube or documented used tube and less than 100k scan seconds, 40 million mAs, or 100k slices each. For MR system trade-ins: MRI cryogen level must be at a minimum of 70% at the time of removal. Equipment found to be performing below OEM specifications will be subject to a reduced trade-in amount.

12. REMEDIES OF CANON MEDICAL SYSTEMS. If Customer fails to make any payment when due under this Agreement, or becomes insolvent or makes an assignment for the benefit of creditors, or if a petition in Bankruptcy is filed by or against Customer, or if the financial responsibility of Customer becomes impaired, or if Customer otherwise breaches any of the terms and conditions of this Agreement, then Canon Medical Systems may, without prior notice or demand, defer shipments, cancel the balance of the order, suspend performance of any obligation (including without limitation, all obligations set forth under Limited Warranty And Remedy above), and/or take immediate possession of the Equipment delivered, until the full purchase price of the Equipment is paid by Customer or, at Canon Medical Systems' discretion, until security satisfactory to Canon Medical Systems is given by Customer. Any costs incurred by Canon Medical Systems as a result of suspending performance or repossession or collection will be payable by Customer. Canon Medical Systems may sell repossessed Equipment with proceeds to be applied to unpaid balance and expenses incurred in sale, repossession and collection. Customer will pay any remaining deficiency. Canon Medical Systems may exercise any other rights available to it by law.

13. EXCUSED PERFORMANCES. Except for Customer's payment obligations hereunder, neither party will be liable to the other for non-performance or delay in performance resulting directly or indirectly from any occurrences beyond such party's control, including without limitation, strikes or other labor troubles, acts of God, war, accidents, fires, floods, other catastrophes, inclement weather, transportation, delays caused by suppliers, or laws, regulations, or acts of any governmental agency.

14. SOFTWARE. All rights and interest in any software that may be furnished under this Agreement, and any updates and enhancements to it, will remain the property of Canon Medical Systems. Such software is being furnished to Customer under a non-exclusive license. Customer will not, or allow others to decompile, modify, copy, reproduce, or transcribe the software nor allow third parties to use the same without Canon Medical Systems' prior written consent. In the event a third party's software is furnished to Customer, Customer may be required to execute a software license agreement as requested by such third party as a condition to delivery and/or purchase of the third party's product. Canon Medical Systems will furnish Customer with a copy of such license agreement for its review and execution. In the event Customer sells the Equipment to a third party, the purchaser thereof will have the same rights and obligations with respect to any Canon Medical Systems software as Customer. Customer will need to make its own determination whether it needs to obtain any consent from a third party for non-Canon Medical Systems software. Any Canon Medical Informatics, Inc. products proposal herein are conditioned on and subject to the Software License located: <https://us.medical.canon/download/CMi-Capital-License-Agreement>. Any Dell, Inc. software, which may be imbedded in Canon products are conditioned and subject to the Software License located: https://i.dell.com/sites/csdocuments/Legal_Docs/en/us/reseller-terms-of-sale.pdf. Both the CMI and Dell licenses are incorporated herein by reference.

15. CANCELLATION. Customer may not cancel the order subject to this Agreement except with Canon Medical Systems' prior written consent. Canon Medical Systems will allow Customer to modify the product one time, as long as such request is approved by Canon Medical Systems in accordance with timeline below:

- a. CT: No later than 120 days before scheduled delivery date:
- b. MR: No later than 150 days before scheduled delivery date:
- c. VL: No later than 150 days before scheduled delivery date:
- d. XR (excluding Mobile XR): No later than 120 days before scheduled delivery date:

In the event of cancellation without Canon Medical Systems' written consent, Canon Medical Systems will be entitled to recover liquidated damages in an amount equal to twenty percent (20%) of the purchase price of the Equipment

16. ASSIGNMENT. Neither party may assign any of its obligations under this Agreement without the prior written consent of the other party. However, some of the obligations stated in this Agreement, such as the ones relating to installation of items not manufactured by Canon Medical Systems and the warranty thereof may be performed by Canon Medical Systems' contractors or suppliers.

17. EXPORT REGULATIONS. This Agreement involves products, and/or technical data that may be controlled under the U.S. Export Administration Regulations and may be subject to the approval of the U.S. Department of Commerce prior to export. Any export or re-export by Customer, directly or indirectly, in contravention of such Regulations is prohibited.

18. ATTORNEY'S FEES . COSTS. In the event of any legal proceeding involving any party to this Agreement against the other relating to the subject matter of this Agreement, the prevailing party in such proceeding will be entitled to recover reasonable attorney's fees, expert fees, and court costs against the non-prevailing party

19. ACCEPTANCE BY CANON MEDICAL SYSTEMS. This Proposal will not be binding on Canon Medical Systems even if signed by a Canon Medical Systems' employee, until Customer's order for the Equipment is booked by Canon Medical Systems' Headquarter office.

20. END USER CERTIFICATION. Purchaser represents, warrants and covenants that it is acquiring the Products for its own end use and not for reselling, leasing or transferring to a third party (except for leaseback financing).

21. CONFIDENTIALITY. The parties agree that the use of the Equipment purchased and any associated output (including but not limited to binary data files) shall remain confidential between the parties and shall not be shared externally with any third party without the express written permission of Canon Medical Systems.

22. ENTIRE AGREEMENT. This proposal contains the entire agreement between the parties and supersedes all prior and contemporaneous agreements between the parties, whether oral or written, relating to its subject matter, including, without limitation, all different or additional terms and conditions which may be contained in Customer's bid documents, purchase order or any other documents furnished by Customer. The provisions of this Agreement may not be modified unless in writing and executed by both parties.



CANON MEDICAL SYSTEMS USA, INC.

Made For life

SERVICE AGREEMENT

DATE: 5/16/2025 SVC QT#:/SLS QT#: SEE PAGE TWO
SYSTEM: APLIO-ISERIES-I700.000-
UL

CUSTOMER LOCATION: (COMPLETE LEGAL NAME)

BILLING ADDRESS:

SALINAS VALLEY HEALTH MEDICAL CENTER
450 E ROMIE LN
SALINAS, CA 93901

Type: INTOUCH IN-HOUSE - XR0913 UL 2022 - VIZIENT

Length Of Contract: 48 Months, 0 Days

Start Date: TBD

End Date: TBD

Payments are made 30 days in advance as follows (Please choose one):

☐ **Monthly \$675.00**

☐ **Annually \$8,100.00**

Total Service Agreement Price: \$194,400.00

Canon Medical Systems will provide the following services for the equipment listed in Attachment "A", for the duration of this Agreement. All services will be provided in accordance with the attached Terms and Conditions of Service. Any changes to system configuration or services coverage noted in this agreement will require a revised quotation.

Coverage Hours: MONDAY THROUGH FRIDAY, 8:00 AM - 5:00 PM, EXCLUDING FEDERAL HOLIDAYS

Preventive Maintenance: BIOMED TO PERFORM ALL PMS

Response Time: BIOMED TO PERFORM 1ST CALL

Uptime Guarantee: N/A

Labor and Travel Charges: PREFERRED RATES FOR LABOR AND TRAVEL OUTSIDE OF COVERAGE HOURS.

Parts Replacement: PARTS WILL BE REPLACED WHEN DEEMED NECESSARY BY CANON MEDICAL SYSTEMS, EXCLUDING DISPOSABLES, ACCESSORIES, OPTIONS OR UPGRADES NOT LISTED IN THE TERMS AND CONDITIONS OF THIS AGREEMENT.

****Probe Pooling:** SEE PAGE TWO

InTouch Center: TECHNICAL AND APPLICATIONS SUPPORT ACCESSIBLE WITH ONE PHONE CALL TO OUR U.S. BASED 24/7 ASSIST CENTER (800) 421-1968.

Software Updates: FMI AND PERFORMANCE RELATED SOFTWARE UPDATES INCLUDED

This Service Agreement quotation is valid so long as it is signed by authorized representatives of Canon Medical Systems USA, Inc. and Customer prior to the Start Date noted above. If no Start Date is identified, then this Service Agreement quotation must be signed by authorized representatives of Canon Medical Systems USA, Inc. and Customer within sixty (60) days of the date of this quotation. Additional terms and conditions appear at the end of this quotation.

Please return signed quotation to: Erik Bennett /Contracts Admin c/o Canon Medical Systems USA, Inc.
Email: ServiceWestPacific@us.medical.canon

CUSTOMER ACCEPTANCE:

CANON MEDICAL SYSTEMS ACCEPTANCE:

PRINT NAME / TITLE

PRINT NAME / TITLE

PURCHASER'S SIGNATURE

DATE

SERVICE MANAGER

DATE



CANON MEDICAL SYSTEMS USA, INC.

Made For life

SERVICE AGREEMENT

DATE: 5/16/2025 SVC QT#:/SLS QT#: SEE PAGE TWO
SYSTEM: APLIO-ISERIES-I700.000-
UL

CUSTOMER LOCATION: (COMPLETE LEGAL NAME)

BILLING ADDRESS:

SALINAS VALLEY HEALTH MEDICAL CENTER
450 E ROMIE LN
SALINAS, CA 93901

Attachment A, Equipment List

This agreement includes coverage for the following items. All other options, including but not limited to lasers, injectors, sources, power conditioners (PCDUs, VRDUs, UPSs, etc.) and other non-Canon Medical Systems options, are not covered by this agreement. For additional options not listed, please contact your local Service Manager.

SYSTEM

APLIO-ISERIES-I700.000 (APLIO I700 ULTRASOUND SYSTEM) - QTY 6

SID	SALES QUOTE	SERVICE QUOTE
30113691	188728-5	631281-1
30113692	188729-5	631283-1
30113693	188730-5	631284-1
30113694	188731-5	631285-1
30113695	188732-5	631286-1
30113696	188733-5	631287-1

**PROBE POOLING

UP TO SIX (6) STANDARD OR SIX (6) SPECIALTY PROBES MAY BE REPLACED ANNUALLY BETWEEN THE ABOVE MENTIONED SIDS, AT NO CHARGE TO THE CUSTOMER PROVIDED REPLACEMENT IS NOT DUE TO CUSTOMER NEGLIGENCE. ADDITIONAL PROBES, INCLUDING SPECIALTY, PLATINUM, & PLATINUM PLUS PROBES WILL BE REPLACED AT A 40% DISCOUNT OFF LIST PRICE. UNUSED PROBE REPLACEMENTS ARE NOT CARRIED OVER TO THE FOLLOWING YEAR.

SHOULD THE CUSTOMER PURCHASE ADDITIONAL ELITE CONTRACTS FOR ADDITIONAL ULTRASOUND SYSTEMS, ONE (1) ANNUAL STANDARD OR SPECIALTY PROBE REPLACEMENT, PER SID ADDED, WILL BE ADDED TO THIS PROBE POOL.

SHOULD THE CUSTOMER CHOOSE TO REMOVE A SYSTEM FROM THIS PROBE POOL, ONE (1) ANNUAL STANDARD OR SPECIALTY PROBE REPLACEMENT, PER SID REMOVED, WILL BE DEDUCTED FROM THIS PROBE POOL.

ADDITIONAL COMMENTS

- 1) Bio-Med Engineer to perform 1st call
- 2) Customer must maintain a trained Engineer to service the covered equipment
- 3) Essentials Training requirement must be completed prior to activation
- 4) Tuition for one service engineer will be provided at NO CHARGE with the purchase of this Agreement. Tuition for Essentials retraining or for a 2nd or 3rd service engineer will be provided at \$9,000 per class. Tuition does not include airfare, lodging, meal expenses, etc.



CANON MEDICAL SYSTEMS USA, INC.

Made For life

SERVICE AGREEMENT

DATE: 5/16/2025 SVC QT#:/SLS QT#: SEE PAGE TWO
SYSTEM: APLIO-ISERIES-I700.000-
UL

CUSTOMER LOCATION: (COMPLETE LEGAL NAME)

BILLING ADDRESS:

SALINAS VALLEY HEALTH MEDICAL CENTER
450 E ROMIE LN
SALINAS, CA 93901

ADDITIONAL COMMENTS (cont.)

On the anniversary of the Effective Date of this Service Agreement the Customer may change to any of the current Service Agreement options offered by Canon at the time. To make this change, Canon requires the Customer to provide a written request ninety (90) days prior to the end of either a) the twelve (12) month system warranty; b) the anniversary of the Effective Date of the existing Service Agreement; or c) as a result of a change in Customer manpower for Inhouse or Partnership agreements.

A new, mutually agreed upon, Service Agreement will be provided and must have a term equal to, or greater than, the remaining term of the current signed Service Agreement and must be executed by both the customer and Canon Medical Systems to be in force and effect. Any subsequent system upgrades may result in an increase in contract pricing.

In cases where a customer is converting from a non-Full Service Agreement, an inspection must be completed by Canon and the system must be brought up to manufacturer's specification, at the prevailing time and material rates, at customer expense, prior to accepting the system back under a Full Service or In House Agreement. Please submit this request to the address listed below.

Upon acceptance, please forward the signed Agreement to:

CANON MEDICAL SYSTEMS USA, INC.
SERVICE CONTRACTS ADMINISTRATION
Attn: Erik Bennett

E-mail: ServiceWestPacific@us.medical.canon

Voice: 714-669-3015 Fax: 714-242-7483

A countersigned copy will be returned to you for your reference.

**IN-TOUCH ELITE SERVICES AGREEMENT
TERMS AND CONDITIONS**

1. COVERAGE. The following items are included in this Agreement.

- a. Planned Maintenance Service,** as specified by Canon. Customer will provide Canon service personnel with full access at the agreed upon time. Otherwise, any makeup service will be separately billed by Canon to Customer at Canon's applicable hourly rate then in effect, including round trip travel.
- b. Routine System Calibration Tests,** as specified by Canon. Customer will perform normal operator adjustments specified in the Equipment Operation Manual.
- c. Remedial Maintenance Labor** required to maintain the system at manufacturer's specifications during Covered Hours specified on the face of this document. Labor requested outside of the Covered Hours will be billed at Canon's applicable hourly rate then in effect.
- d. Quality Assurance Evaluations,** as specified by Canon. Canon will routinely perform quality assurance evaluations in order to assure optimum performance. Customer will provide Canon service personnel full access for such purposes at times mutually agreed to in advance. If applicable, Customer will run simplified Quality Assurance tests utilizing the Canon Cybersecurity Program remote diagnostics.
- e. Replacement of Parts,** at Canon's cost, which fail during the term of this Agreement with the exception of the parts specified on the face of this document. Parts that are cosmetic in nature or expendable will be replaced at Customer's cost, including items such as patient pads, head cushions, and acrylic parts. Replaced parts will become the property of Canon. Parts replaced may be refurbished.
- f. Travel and Living Expenses Incurred by Canon's Customer Engineers** during Covered Hours.
- g. Uptime Guarantee** as specified on the face of this document. Uptime guarantees are measured based on covered hours, excluding Federal recognized holidays. Uptime will be calculated using the following formula: Uptime = (Base Time – Downtime) / Base Time

Definitions. Base Time: Total covered hours. **Downtime:** Time when the specified imaging equipment is unavailable for scanning or diagnosing images due to Equipment malfunction, and is immediately available for service repairs. Downtime will be calculated during the Covered Hours and commence when the Customer's call is logged into the InTouch Center. Downtime concludes once repairs are completed and the imaging system is available for clinical use. Downtime does not include time spent for preventive maintenance, routine part replacements or repair of any malfunction caused by operator error, accidents or other elements outside the control of Canon, such as accidents, fires, floods, and Acts of God. The Uptime Guarantee will be voided if Canon is not given access to the Equipment for preventive maintenance or other types of service required during the term of this Agreement.

Uptime statistics will be measured over a 12-month period. If the Equipment fails to achieve the specified uptime percentage, the following year's services contract will be reduced by the uptime discount specified under the specific Services Agreement plan, up to a maximum of 15%.

Software Updates / Upgrades. Canon will furnish to Customer, free of charge for the life of the Equipment, all Canon software or hardware updates to the Equipment purchased by Customer, which are intended to correct a safety risk. Software updates offering enhancements to previously purchased software features are covered under this service agreement, if they do not require hardware modifications or additions. Software upgrades providing new features or capabilities not originally purchased, will be made available for purchase, by Customer, upon request when compatible with the originally purchased hardware. Canon retains the sole right to determine whether a software release is considered an update or an upgrade for which the Customer will be charged.

The above items will be performed only during the Covered Hours stated on the face of this document. Service required outside these hours will be billed at Canon's differential rates in effect at the time such items are provided to Customer.

2. ITEMS EXCLUDED. The following items are excluded from this Agreement unless otherwise indicated on the face of this document.

- a. Customer operation instructions.
- b. Adding or removing accessories, attachments, or other devices, and remedial services necessary to repair accessories.
- c. Services connected with Equipment movement or relocation.
- d. Problems caused by external sources, including the incoming power supply.
- e. Increase in service time resulting from operator neglect or failure to follow operation instructions.
- f. Repair or damage from accident or any cause other than ordinary use.
- g. Rigging and handling, removal, modification or reconstruction of a wall, partition, ceiling or any other portion of the facility arising from repair, replacement or substitution of Equipment or parts of it.
- h. Chiller maintenance or repair.
- i. Expendable materials or accessories (for example, straps, foam cushions, and other similar items).
- j. Problems caused by modifications, maintenance or repairs of the equipment or software not performed by Canon.
- k. Storage facilities for spare parts, tools and supplies.

Performance of services not included in this Agreement will be charged in accordance with Canon's prices in effect at the time such services are provided to Customer.

3. CUSTOMER RESPONSIBILITIES. During the term of this Agreement, Customer agrees to maintain the site and environment (including temperature and humidity control, incoming power quality, and fire protection system) in a condition suitable for operation of the Equipment; ensure the Equipment is used at all times in accordance with the requirements of the Equipment Operation Manual by properly qualified and appropriately licensed personnel; and make normal operator adjustments to the Equipment as specified in the Equipment Operation Manual. In addition and where applicable, Customer agrees to allow and maintain a Canon Medical Systems USA, Inc. supported connection and allow access for Canon's use of the Canon Cybersecurity Program. Failure to provide a Canon Medical connection may result in a reduction in the uptime guarantee commitment and may incur a disposition charge for the Equipment. Where applicable, Customer agrees to allow customer data to be sent to a 3rd party for service and utilization analytics.

4. REMOTE DIAGNOSTICS/ CYBERSECURITY (CYBERSECURITY PROGRAM). During the term of this Agreement, Customer will support the Canon Cybersecurity Program connectivity, including InnerVision® Plus and will allow Canon to install and maintain Canon 360° Connect™ (collectively "Cybersecurity Program", i.e.: Cybersecurity Standard or Cybersecurity Premium), to facilitate the performance of remote diagnostics on the Equipment. The Cybersecurity Program also allows Canon to pull utilization data for the Equipment (number of scans, time of scan, etc.) to provide reporting to the customer. Canon retains rights and title to Cybersecurity Program. Customer will not remove, modify, or use or allow third parties to use the Cybersecurity Program without Canon's prior written consent. Customer will be responsible and will promptly pay for any loss or damage to the Cybersecurity Program unless caused by Canon's sole negligence. Canon will remove the Cybersecurity Program connectivity at the point it is no longer providing service on the Equipment or Customer is no longer a party to a Canon Medical subscription agreement. Canon agrees that customer data that is provided to a 3rd party will never contain Protected Health Information (PHI). Canon also agrees that customer data will never be shared with other customers.

5. GEOGRAPHICAL EQUIPMENT OR COVERAGE. Canon must be notified in writing at least ninety (90) days prior to relocation of Equipment to a site that is fifty (50) miles or greater from the unit's base site specified on the face of this document so that Canon may adequately address manpower needs to maintain the site.

6. ACCEPTANCE BY CANON. This Agreement will not be binding on Canon unless and until it is accepted by Canon as evidenced by the signature of an authorized representative of Canon on the face of this document. Canon's acceptance is expressly made conditional upon Customer's assent to the terms and conditions in this document. All different or additional terms and conditions which may be contained in the Customer's bid documents,

purchase order or any other documents furnished by Customer are hereby objected to and deemed material unless accepted in writing by an authorized representative of Canon. Canon will give Customer a fully executed copy of this Agreement upon acceptance by Canon. Canon's service of Equipment under this Agreement is available only if the effective date of this Agreement follows within 15 calendar days of (a) the expiration of an applicable warranty period covering such Equipment, or (b) the expiration of an applicable Canon Services Maintenance Agreement. If the effective date is outside such 15-day period, Canon must be given the right to inspect the Equipment and repair and restore the Equipment to proper working order in accordance with Canon's specifications before this Agreement may become effective. All service labor and parts furnished for such repair and restoration will be charged to Customer at Canon's prevailing rates.

7. TERMINATION. This Agreement will terminate upon the expiration date specified on the face of this document. Customer may not terminate this Agreement before its expiration unless (a) Customer sells, discards or otherwise completely discontinues using the Equipment, or (b) Customer exchanges the Equipment for another new Canon Equipment, or (c) Canon substantially fails to perform any of its material obligations specified in this Agreement. In the case of termination for the reasons stated in (a) or (b) above, the termination will be effective 90 days from the date of Customer's written notice to Canon of termination. If Customer elects to terminate for the reasons stated in (c) above, before such termination, customer must notify Canon in writing of the breach and of its intent to terminate this Agreement if such breach is not corrected within thirty (30) days from Canon's receipt of the notice of breach. If Customer elects to terminate this Agreement before its expiration for any reason other than the reasons set forth in (a) through (c) above, or if Canon terminates this Agreement due to Customer's default pursuant to Section 15, Customer must pay Canon, as liquidated damages, an amount equal to 25% of the total service amounts payable under this Agreement for the term remaining as of the date of termination.

8. ACCESS TO EQUIPMENT. Customer will afford unrestricted and safe access to the Equipment for Canon's representatives and will cooperate with Canon's representatives in their performance of the services under this Agreement. If Customer fails to provide such access and cooperation, Canon will be relieved of its obligations under this Agreement, including, without limitation, the Uptime Guarantee.

9. CONSUMABLE ITEMS. Customer will provide necessary consumable items and processing facilities required by Canon in performance of the services under this Agreement at no charge to Canon.

10. END OF MAINTENANCE SUPPORT ANNOUNCEMENT. In the event that Canon makes a future general commercial announcement that services contracts will no longer be offered for an item of Equipment or Equipment component covered by this Agreement, then upon no less than 12 months prior written notice to the Customer, Canon may, at their option, remove any such item(s) of Equipment or Equipment component(s) from service coverage under this Agreement, with an appropriate adjustment of charges hereunder, without otherwise affecting this Agreement.

11. COMPENSATION AND TAXES. For the services and materials provided under the Agreement, Customer will pay Canon the total amounts specified on the face of this document for each system covered. For fixed contracts, this sum will be paid in advance, based on the chosen installments specified on the face of this document. For variable contracts, Canon representatives will be given access to usage information and the Equipment for the purpose of measuring variable use. Each month Canon will invoice Customer and Customer will pay the higher of the minimal or actual usage for the preceding period based upon the data from the site. The amounts specified on the face of this document do not include sales, use or other similar taxes. Customer will pay any such taxes, unless a tax exemption certificate acceptable to the applicable taxing authorities is provided to Canon. All invoices paid after due date will be assessed a late payment charge of the lesser of 1 ½% per month or the maximum rate permitted by law.

12. CPI ADJUSTMENT. The service fees payable under this Agreement may be increased up to three percent annually, at Canon's sole discretion. The increase is effective on the anniversary date of the Agreement starting with the first anniversary. The customer will be notified by Canon at least 60 days prior to any adjustment. The increase will then be automatically added to the first payment following the anniversary date.

13. ASSIGNMENT. Neither Customer nor Canon may assign this Agreement without the prior written consent of the other.

14. SOFTWARE. All rights and interest in any software that may be furnished under this Agreement, and any updates and enhancements to it, will remain the property of Canon. Such software is being furnished to Customer under a non-exclusive license. Customer will not decompile, modify, copy, reproduce, or transcribe the software, nor allow third parties to use the same without Canon's prior written consent. Upon Canon's request, Customer will execute a software license contract, in a form designated by Canon.

15. DEFAULT. Upon default by Customer, any affiliate or parent of Customer, any partner of Customer, or any principal of Customer in payment or performance of any obligation under this Agreement or any other agreement with Canon, whether entered into before or after the date of this Agreement (including, without limitation, any agreement for sale of equipment to Customer) will, at the sole option of Canon, if default is not cured within ten (10) days after written notice of the default, constitute a default of this Agreement. In such event, Canon may at its option (a) suspend performance under this Agreement until all such defaults have been cured, (b) terminate this Agreement in which case Customer shall pay Canon all amounts that are due for the period prior to the termination date (or the suspension date if the Agreement was suspended prior to termination), as well as liquidated damages equal to 25% of the total service amounts payable under this Agreement for the term remaining as of the termination date (or suspension date if the Agreement was suspended prior to termination), and/or (c) exercise any other remedies allowed by law. If this Agreement is suspended, Customer will be required to pay the following as a condition to Canon resuming service: (i) all past due amounts for the period prior to the suspension, and (ii) the liquidated damages amount set forth in Section 7 above for the period of the suspension.

16. ATTORNEY'S FEES AND COSTS. In the event of any legal proceeding involving any party to this Agreement against the other relating to the subject matter of this Agreement, the prevailing party in such proceeding will be entitled to recover attorney's fees, expert fees, collection agency fees and court costs against the non-prevailing party.

17. CIRCUMSTANCES BEYOND CONTROL. Canon will not be liable for non-performance or delay in performance resulting directly or indirectly from any occurrences beyond Canon's control, including without limitation, strikes or other labor actions, Acts of God, war, accidents, fires, floods, other catastrophes, inclement weather, transportation, delays caused by Canon's suppliers, inability to obtain replacement parts, or laws, regulations, or acts of any governmental agency. The foregoing provision will apply even though such cause may occur after performance of the obligations of Canon under this Agreement has been delayed for other causes.

18. DISCLAIMER OF WARRANTIES. CANON MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, OR WARRANTY OF FITNESS FOR PARTICULAR PURPOSE WITH RESPECT TO ANY OF THE SERVICES AND PARTS FURNISHED UNDER THIS AGREEMENT.

19. LIMITATION OF LIABILITY AND OF REMEDY. CANON WILL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR EXEMPLARY DAMAGES OR ECONOMIC LOSS ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF CANON IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. THIS LIMITATION WILL NOT APPLY TO CLAIMS FOR PERSONAL INJURY OR DEATH CAUSED BY CANON.

20. EXPORT RESTRICTIONS. This Agreement involves products, and/or technical data that may be controlled under the U.S. Export Administration Regulations and may be subject to the approval of the U.S. Department of Commerce prior to export. Any export or re-export by Customer, directly or indirectly, in contravention of such Regulations is prohibited.

21. FACSIMILE SIGNATURES. This agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same Agreement. Facsimile signatures (signed copies transmitted via fax or electronic file) shall be of equal effect and validity as signatures on original copies, so long as the electronically transmitted copy includes the printed name, date, and title of the signatory of the Agreement.

22. ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties and supersedes all prior or concurrent agreements between the parties, whether oral or written, relating to its subject matter. The provisions of this Agreement may not be modified unless in writing and executed by both parties.

23. NON-SOLICITATION OF EMPLOYEES. Customer acknowledges that Canon Medical Systems USA, Inc. commits considerable time, money and effort to train its Service personnel to perform their jobs. As such, Customer agrees that during the term Canon Medical Systems USA, Inc. provides services to Customer and for one additional year, Customer will not influence any Service personnel to leave Canon Medical Systems USA, Inc., solicit or hire any Service personnel (other than through general advertisement not targeting Canon Medical Systems USA, Inc. Service personnel).

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of Outsourcing outstanding Accounts Receivables aged greater than 90 days
Executive Sponsor: Scott Cleveland, Interim Chief Financial Officer
Date: August 21, 2025

Executive Summary

Background/Situation

In order to properly prepare for the EPIC go live set for November 8, 2025, Patient Financial Services (PFS) is looking to outsource accounts receivables (A/R) greater than 90 days from date of service.

Timeline/Review Process to Date:

March – June 2025: PFS attempted to bargain with National Union of Healthcare Workers (NUHW) for current staff to continue working the inventory, however, was unable to successfully bargain. Also during this time, PFS Management was exploring outsourcing opportunities, until NUHW requested we pause while bargaining.
07.14.25: Notice of implementation sent to NUHW and PFS again pursued exploring outsourcing opportunities
08.2025: PFS Management received proposals from existing vendors who already do business with the Hospital

Strategic Plan Alignment:

The purposes of this request is be prepared for the EPIC go live, support staff with legacy inventory in order for there to be a healthy balance between working down the legacy system and learning a new system. This will also improve cash flow, A/R days while accessing specialized experts in the industry. We will be using Medical Data Exchange, our existing Billing Clearinghouse, to assist with our Medi-Cal data. We will be using FinThrive, our existing vendor who handles contract management, charge master and patient estimates. Both vendors have healthy experience in claims reviews and A/R clean-up projects.

Pillar/Goal Alignment: [mark as many as are appropriate]
☐ Service ☐ People ☐ Quality ☒ Finance ☒ Growth ☐ Community

Financial/Quality/Safety/Regulatory Implications: [fill in table, add any additional pertinent information]

Key Contract Terms	Vendor: FinThrive
1. Proposed effective date	09/02/2025
2. Term of agreement	One year from effective date
3. Renewal terms	N/A
4. Termination provision(s)	N/A
5. Payment Terms	30% of collected A/R; \$5 per account reviewed
6. Annual cost	N/A – this is a one-time data dump
7. Cost over life of agreement	\$2,829,595
8. Budgeted (indicate y/n)	N

Key Contract Terms	Vendor: Medical Data Exchange
1. Proposed effective date	09/02/2025
2. Term of agreement	One year from effective date
3. Renewal terms	N/A
4. Termination provision(s)	N/A
5. Payment Terms	15% of collected A/R; \$5 per account reviewed
6. Annual cost	N/A – this is a one-time data dump
7. Cost over life of agreement	\$420,960
8. Budgeted (indicate y/n)	N

FinThrive		Total Cost			
	Accounts	Net AR	Analysis Fee (\$5 per Claim)	Profit Share (28% per Paid Claim)	Total Cost
Medicare & Commercial	5,919	\$39,627,428	\$29,595	\$2,800,000	\$2,829,595

Medical Data Exchange		Total Cost			
	Accounts	Net AR	Analysis Fee (\$5 per Claim)	Profit Share (15% per Paid Claim)	Total Cost
CCAH & Medi-Cal	6,608	\$2,586,133	\$33,040	\$387,920	\$420,960

Both Vendors		Grand Totals for both vendors			
	Accounts	Net AR	Analysis Fee (\$5 per Claim)	Profit Share	Total Cost
All Data (as above)	12,527	\$42,213,561	\$62,635	\$3,187,920	\$3,250,555

Note:

Medical Data Exchange: Cost estimate assumes 100% of claims are paid. In reality, a portion of the aged A/R will be denied for a variety of reasons and it is likely that the cost (and cash collections) will be lower.

FinThrive: Cost estimate assumes \$10m of the net A/R is collectible

Recommendation

Consider recommendation to Board of Directors to (i) approve the total estimated project cost associated with outsourcing A/R aged greater than 90 days in the amount of \$3,250,555 and (ii) award the contracts for this work to Medical Data Exchange and FinThrive.

Attachments

- (1) FinThrive amendment for project
- (2) Medical Data Exchange amendment for project

Justification for Sole Source Form

To: Contract Review Committee

From: Charlotte Wayman, Director, Patient Financial Services & Registration
Tiffany Rodriguez, Asst. Director, Patient Financial Services & Registration

Type of Purchase: (Check One)

- ☒ Non-Medical, Non-Surgical Equipment/Supplies >= \$25,000
- ☐ Data Processing/Telecommunication Goods >= \$25,000
- ☐ Medical/Surgical – Supplies/Equipment >= \$25,000
- ☐ Purchased Services >= \$400,000

<i>Total Cost \$:</i>	\$3,250,555
<i>Vendor Name:</i>	Medical Data Exchange & FinThrive
<i>Agenda Item:</i>	Outsourcing outstanding Accounts Receivables aged greater than 90 days

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 SVMHS. The procurements proposed for acquisition through sole source are the only ones that can meet the district's need. 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.**

☒ Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe.**

SVH is already contracted with both vendors mentioned above. Each vendor already receives/houses our claims data and remittance advice data. There are also standing BAA's on file for each of the vendors, which will allow them proper access to Meditech. Each vendor has the experience and expertise in handling revenue capture. With the hospital needing to move swiftly and quickly in capturing as much revenue as possible, it makes sense to move forward with existing vendors.

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

☐ SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Describe.**

☐ 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, please **describe**:

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

Submitter Signature_____Date:_____



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801 NORTH BRAND BOULEVARD, SUITE 650
GLENDALE, CALIFORNIA 91203
(855) MDX-NET1
(562) 534-2601

AMENDMENT #1 TO STANDARD AGREEMENT

Reference is made to that certain Agreement ("Agreement"), effective April 6, 2001, made and entered into by and between **SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM** hereinafter referred to as "**SALINAS VALLEY HEALTH MEDICAL CENTER**" and **MEDICAL DATA EXCHANGE** ("Contractor") a California corporation hereinafter referred to as "**MDX**". Said Amendment is hereby effective on September 1, 2025("Effective Date"):

The Custom System Agreement Dated April 6, 2001, States on Page 2, Section 1. **DUTIES, REPRESENTATIONS AND WARRANTIES OF MDX** – Subsection 1.4 - MDX will provide claims.

Whereas, **Salinas Valley Health Medical Center** and **MDX** have mutually decided to add to their original contract, **follow-up billing**:

Vendor Scope of Work Procedures

1. Claim Review and Follow up:

MDX will receive and analyze claim(s) in the MDX/MAX II system based on an Aged Trial Balance (ATB) provided by the Client. The ATB will include claims older than 90 days. MDX will compare the ATB against its system to determine the status of the claims (e.g., Error, Transmission, History, or Deleted).

If MDX determines that a claim is not eligible for follow-up, it will return the claim(s) to the Client with an explanation for non-processing.

If the claim is eligible for follow-up based on the available information in the MDX/MAX II system, MDX will proceed as follows:

- a) Work accounts listed on the ATB that are older than 90 days.
- b) Review claims in both MediTech and the MDX/MAX II system. MDX will electronically update MediTech with bill notes as needed.
- c) Review denied claims:
 - 1c) If the denial is within Medi-Cal or CCAH timely filing guidelines, MDX will follow up accordingly.
 - 2c) If the denial is outside of Medi-Cal or CCAH timely filing limits, the claim will be returned to the Client for write-off.

2. System Access and Training

Salinas Valley Health Medical Center will provide MDX with access to the MediTech system and will train MDX staff on how to:

- 2a) Request supporting documentation (e.g. medical records)
- 2b) Look up payer Remittance Advices.

3. Claim Resubmission

If a claim has not been adjudicated paid or denied, MDX will resubmit the claim(s) provided they fall within the payer's timely filing guidelines.

FINANCIAL AGREEMENT

MDX will charge a one-time analysis fee of Five (\$5) dollars for each claim.

MDX will report back to Client all findings (i.e. write-offs, Charity etc.)

Those claims that can be submitted to the respective payers and adjudicated for payment will then be charged an additional Fifteen percent (15%) per paid claim.

EXECUTION

Except as added herein this amendment, the Agreement shall remain in full force and in effect for one year from the Effective Date of this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as indicated below, to be effective on the Effective Date.

MEDICAL DATA EXCHANGE

SALINAS VALLEY HEALTH MEDICAL CENTER

By: 
Nabil (Bill) Haddad
President & CEO

By: *Scott Cleveland*

Scott Cleveland
Interim Chief Financial Officer

Date: *3/12/2025*

Date: 08/12/2025

**EIGHTH AMENDMENT TO THE MASTER AGREEMENT
BETWEEN SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
AND FINTHRIVE REVENUE SYSTEMS, LLC**

Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code, operating as Salinas Valley Health, on behalf of its Hospital, Salinas Valley Health Medical Center ("SVMHS") and FinThrive Revenue Systems, LLC ("Vendor") entered into an agreement to facilitate the use of the Vendor Services (originally the Master Agreement dated December 23, 2019 (the "Original Agreement"), as mirrored and duplicated in relevant part by the Mirroring Agreement dated October 8, 2020). The Original Agreement with the subsequent amendments entered into by the Parties hereto shall collectively be referred to hereafter as the "Agreement".

SVMHS and Vendor agree to modify the Agreement with this additional amendment (the "Eighth Amendment") effective on the last date signed below (the "Eighth Amendment Effective Date") as follows:

1. Section 4.4, Data Purge shall be added to the Agreement as follows:

4.4 Data Purge. Vendor reserves the right to purge any data older than two years.

2. The Agreement is modified to include the attached SOW for A/R Optimizer Modules. The pricing set forth in the SOW is only valid until September 30, 2025. If the parties do not fully execute this Eighth Amendment by September 30, 2025, then the pricing will be adjusted, and the SOW will be updated to reflect new pricing.

3. All defined terms used in this Eighth Amendment shall have the meaning ascribed to them in the Agreement unless otherwise defined herein. Except as expressly modified by this Eighth Amendment, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Eighth Amendment to be duly executed by their authorized representatives as of the Eighth Amendment Effective Date.

FINTHRIVE REVENUE SYSTEMS, LLC

**SALINAS VALLEY MEMORIAL HEALTHCARE
SYSTEM, A LOCAL HEALTH CARE DISTRICT
ORGANIZED AND OPERATING PURSUANT TO
DIVISION 23 OF THE CALIFORNIA HEALTH AND
SAFETY CODE, OPERATING AS SALINAS
VALLEY HEALTH, ON BEHALF OF ITS
HOSPITAL, SALINAS VALLEY HEALTH
MEDICAL CENTER**

Signature

Signature

Printed Name

Printed Name

Title

Date

Title

Date

SOW FOR A/R OPTIMIZER MODULES

1. Term. The Module(s) provided under this SOW ("A/R Optimizer") will commence on the Eighth Amendment Effective Date (the "A/R Optimizer Effective Date") and continue for 12 months (the "A/R Optimizer Initial Term").

A/R Optimizer will not automatically renew, but may be renewed by dually executed extension of this SOW. Collectively, the A/R Optimizer Initial Term and any renewals thereafter will be called the "A/R Optimizer Term".

In the event Vendor permits continued access to the Modules provided hereunder past the then-current term and SVMHS continues to access such services ("Out of Term Utilization"), then the terms of the Agreement, any applicable BAA and this SOW (excluding pricing) will remain in full force and effect until such time as SVMHS either provides 30 days written notice of its' intent to cease utilization of the services or a mutually agreed upon extension, in writing, is signed by the Parties. As to pricing, during any such Out of Term Utilization SVMHS's cost will equal any and all fees due and owing pursuant to the terms in effect on the last day prior to expiration plus 10%.

2. Client List. SVMHS has such Clients, as listed on the Client list below, which Clients are authorized by SVMHS to access Vendor Data, Technology or Services pursuant to the terms and conditions of the Agreement. SVMHS will notify Vendor in writing of any additions to or deletions from the Client List. SVMHS represents and warrants that it has the authority to enter into the Agreement and this SOW on behalf of its Clients. Moreover, SVMHS represents and warrants that it will ensure that it has appropriate legal authority from each such Client that binds each such Client to the provisions of the Agreement and this SOW, including, without limitation, all attachments hereto, as if each such Client were a signatory to this Agreement. SVMHS certifies that all Clients participating under the Agreement and this SOW will be instructed as to their obligations under the Agreement and this SOW, including but not limited to the certification of permissible purpose contained therein, if applicable. Therefore, SVMHS and each Client will be jointly and severally liable under the terms of the Agreement and this SOW.

In the event SVMHS, or subsequently any Client, assigns the Agreement or this SOW to a Client, then upon any and each such assignment, such assignee Client hereby represents and warrants that it has the authority to assume all rights and obligations under the Agreement and this SOW on behalf of itself and all other Clients listed below and that such assignee Client further represents and warrants that it will ensure that it has appropriate legal authority from each of its Clients listed below that binds each such Client to the provisions of the Agreement and this SOW, including, without limitation, all attachments hereto, as if each such Client were a signatory to the Agreement and this SOW. SVMHS (or any such Client, as applicable) will promptly notify Vendor in writing of any and each such assignment. For purposes of this SOW SVMHS will refer as SVMHS and each Client listed in the table below.

User Management. Client will designate an individual within Client's organization to administer and manage Client's access to the Modules (the "Company Administrator"). The Company Administrator may designate an administrator for each Client authorized to access the Modules ("Location Administrator(s)"), and Client employees authorized to use Modules ("User(s)").

CLIENT LIST				
Client ID	Client Name	Client City, State	Staffed Beds	Patient Accounting System
90068	Salinas Valley Health Medical Center	Salinas, CA	251	Meditech Client Server

3. Definitions. The following definitions are in addition to those contained in the Agreement and will pertain only to the A/R Optimizer (as defined in this Section 3):

A/R means account receivables.

Live Date means completion of the setup deliverables of the respective Module and the delivery date of live status notification e-mail unless Client has submitted to Vendor a written list of issues within 10 days following receipt of the live status notification in which case the Live Date will commence upon the receipt of a signed document stating the issues have been resolved or the Parties have mutually agreed to a resolution and estimated date of completion. Client will not be put into production until they deliver sign off on live status. Each Client's or Central Business Office's ("CBO") Live Date for each Module will be identified separately.

Module Start Date means the date or event listed in the table(s) in Section 4.1 below

Module(s) means, for the purposes of this SOW, those products or services set forth within this SOW.

Services means the consumer reporting and other data services as further described herein.

Underpayments means payments where providers receive less reimbursement from payers than the contracted or eligible amount for medical services rendered.

4. Fees and Payment Terms.

4.1 Fees. The fees for the A/R Optimizer Module(s) will be set forth below.

4.1.1 A/R Optimizer – Outsourcing – Workdown. A/R Optimizer – Outsourcing – Workdown fee details:

Contingency Fee*
28% contingency fee for amounts recovered due to Vendors' Service; Day 91

*Excludes Blue Cross Blue Shield, Workers compensation, Self-Pay and MVA.

Additional Fee Terms. In the event Client fails to send accounts to Vendor in accordance with the criteria set forth below, the Parties agree to mutually renegotiate the fees for the services to reflect the scope and nature of the accounts sent to Vendor.

4.2 Cleanup Fee. The cleanup fee equals \$5.00 per account and is only charged for accounts assigned where no residual payment is due from insurance and Vendor assists Client in properly posting transactions to account and/or flipping the remaining insurance to patient responsibility such that accounts are successfully closed out of insurance financial class. This will help Client keep their AR clean, reduce insurance and self-pay AR days, and get payments faster from patients. This flat fee will never be charged for an account where Vendor has charged a contingency fee.

4.3 Payment Terms.

4.3.1 Contingency Fee Payment Terms. Vendor will invoice Client for its Fees monthly. Client agrees to remit Fees as indicated on the invoice in accordance with the provisions of the Agreement.

4.3.2 Timing of Billing. Should the Fees for any of the A/R Optimizer Modules not be calculable within six months of the A/R Optimizer Effective Date, Vendor may begin invoicing Client a fixed monthly fee of \$10,000.

4.4 Conversion Time and Material Billing. In the event any work related to the conversion from an Client Patient Accounting System ("PAS") to another PAS, or to another version of the same PAS which requires additional work of a material nature, as reasonably determined by Vendor, then terms of such conversion or modification will be set forth in a separate SOW entered into by the Parties hereto and is not covered by this SOW or the fees set forth hereunder.

4.5 Custom Requests. Any custom requests or non-standard work requests outside the scope of deliverables outlined in Section 5 of the SOW will require Vendor to approve the request via a functional specification request form or an additional SOW before such work will be completed. Vendor will invoice Client a fee of \$250 per hour based upon the agreed upon scope for approved projects.

5. Description, Deliverables and Obligations by Module.

5.1 A/R Optimizer – Outsourcing – Workdown.

5.1.1 A/R Optimizer – Outsourcing – Workdown Description. Vendor will provide insurance A/R Optimizer services for Client solely for the types of accounts set forth below.

"Legacy Accounts" will consist of all accounts in Client's legacy patient accounting system as defined and assigned as mutually agreed upon by the Parties.

5.1.2 A/R Optimizer – Outsourcing - Workdown Vendor Deliverables. Vendor deliverables include:

(i) Vendor will identify payments due to Client from third party payers and communicate with

- such payers regarding payment of amounts that may be due to Client. Client acknowledges that performance of Vendor Services is not a guarantee of payment or reimbursement for healthcare services provided by Client to its patients;
- (ii) Vendor will provide appropriate staffing and project management resources to provide the Vendor Services; and
- (iii) Vendor will provide reports to Client as mutually agreed upon by the Parties.

5.1.3 A/R Optimizer – Outsourcing - Workdown Assumptions. Assumptions include:

- (i) One-Time volume 5,919 accounts with a net due of \$39,627,428; and
- (ii) Vendor will be staffing project with Vendor's domestic and global resources.

The assumptions outlined in this Section are integral to the fees provided under this SOW. Should there be any material changes to these assumptions during the A/R Optimizer Term, the Parties agree to promptly meet and negotiate in good faith to discuss and implement equitable adjustments to the fee structure and the staffing of resources as necessary to reflect such changes.

5.2 Ongoing Client Project Responsibilities. In addition to any Client obligations detailed in this SOW, Client acknowledges responsibility for the following in accordance with the agreed upon project timeline:

- (i) Client will provide names and contact information for the project roles in SOW, Exhibit A within 14 days of the A/R Optimizer Effective Date;
- (ii) Client will provide Vendor with access to interfaces as requested by Vendor to complete its responsibilities set forth herein;
- (iii) Client shall commit to providing the following data sets for each facility and each PAS in the project scope:
 - a) Patient Encounter Data – Historical (12 months) and daily incremental;
 - b) Claims Data (837 Files) – Historical (12 months) and daily incremental;
 - c) Remits Data (835 Files) - Historical and daily incremental;
 - d) Transactions Data - Historical and daily incremental;
 - e) Notes file from PAS – Historical;
 - f) Payer Contracts, Fee Schedules, and IPlan mapping table – Base contracts and subsequent amendments; and
 - g) Access to client billing and PAS systems and payer portals.
- (iv) Client will train personnel who will use the Services, and designate one individual as its “End-User Support Coordinator” who will be the liaison between Client and Vendor for support purposes;
- (v) If applicable, Client is responsible for installing the Service on Client's network and writing any programs required to allow an interface between the Service and Client's information systems;
- (vi) To the extent Vendor may need to send one or more of its staff on-site to Client's facilities for activities that can only be performed on-site (including but not limited to document requests, billing and re-billing, correspondence processing and scanning), Client agrees to accommodate and provide appropriate access to Vendor on-site staff, as necessary. Any required Services on-site will be subject to the travel and expenses fees set forth in Section 4 above. Client will defend, indemnify and hold harmless Vendor from and against any and all claims, demands, costs, expenses, liabilities, penalties, damages, and losses, including attorneys' fees and punitive damages, arising out of or in connection with Vendor' employees' or contractors' provision of services at Client's facilities;
- (vii) Client will provide reasonable support on matters such as medical records, coding and clinical issues, contract interpretation, etc., where Client's assistance is required for the resolution of accounts;
- (viii) Client agrees that it will not share any reports provided by or made using the Services to any third party;
- (ix) Client will send Vendor the data and permit Vendor access to the systems specified in Vendors' data specifications file, as may be amended from time to time;
- (x) Client will send the data files daily, or as otherwise mutually agreed upon by the parties in writing;
- (xi) Client shall owe the above fee for all accounts for which Client and the applicable payor engage in a legal settlement or other arrangement for payment for accounts where Vendor performed Services; and
- (xii) Client shall owe fee for accounts recalled by Client if payment is made by the applicable payer

within 60 days of recall, provided that vendor performed its Services for such accounts.

5.3 Client Deliverables. Client is committed to ensuring that Vendor has access to appropriate resources, data, and information in order to ensure a successful implementation. This includes commitment to the following:

- (i) Project Resources. Name(s) and Contact Information provided within one week of the A/R Optimizer Effective Date;
- (ii) Project Kick-off. Kick-off date set within two weeks of the A/R Optimizer Effective Date;
- (iii) Client Deliverables. All required Client deliverables are provided within two weeks of project kick-off;
- (iv) Data Delivery. Data delivered in accordance with provided data specifications within four weeks of the A/R Optimizer Effective Date;
- (v) Testing and Validation. Testing, validation, and audits must be completed within two weeks of documented module readiness; and
- (vi) Training. Training scheduled within one week of testing/validation.

Product	Project Team Hours	Training Hours	Transition Hours (Post Live Status)
A/R Optimizer	350	5	30

*Based on the Modules included, Vendor estimates hours associated with the implementation project. Vendor reserves the right to charge additional fees if the project extends past the estimated hours.

**If the scope is greater than five facilities, Vendor will review and document the estimated project hours at the onset of the implementation.

6. Additional Terms and Conditions.

6.1 Primary Vendor. Client will use Vendor as the primary vendor for the performance of Vendor Services and will not send any accounts, as described above, to any other vendor which performs services similar to Vendor until after Vendor has completed providing the Vendor Services. For the avoidance of doubt, Client will neither send accounts included within the scope of this Addendum to multiple vendors nor will Client recall accounts from Vendor without Vendors' prior written consent.

6.2 Client Warranty. Client warrants that accounts processed through the Vendor Services meet the compliance or other applicable requirements of each individual payer(s) and are supported by adequate and appropriate clinical documentation as to the provision and medical necessity of services rendered.

6.3 Effect of Termination. In the event of termination, the parties will continue to act in accordance with this SOW as to any account referred to Vendor prior to termination, including but not limited to the following terms: (i) Client will allow Vendor to complete processing on any and all accounts Client referred as of the termination date, and for those purposes the provisions of this SOW will survive termination; and (ii) Client will give Vendor access to all records on accounts that Vendor is working such that Vendor can verify a payment or process an active account. Client agrees to continue paying Vendor within the time period set forth in the Agreement.

6.4 Third-Party Software and Data Transmission. Client agrees to use third party software reasonably necessary for accessing the Module's, including, but not limited to, "browser" software that supports a data security protocol compatible with the protocol used by Vendor. Until notified otherwise by Vendor, Client agrees to use software that supports the Secure Socket Layer ("SSL") protocol or other protocols accepted by Vendor and to follow logon procedures for services that support such protocols. Client agrees that Vendor is not responsible for notifying Client of any updates, fixes or enhancements to any such third party software; or for any compromise of data transmitted across computer networks or telecommunications facilities, including, but not limited to, the Internet, which are not owned or operated [or controlled] by Vendor.

6.5 Warranty. For purposes of this SOW, Vendor's requirements to re-perform the services in the event of a defect will be limited to re-running the job(s) and/or recreating the data or program files which are not in compliance with the terms of this SOW.

6.6 Confidentiality. Client acknowledges that that the Vendor Modules and pricing information, including without limitation the object code and source code form and supporting documentation, is proprietary to Vendor and as such, Client agrees to hold all information it receives from Vendor pertaining to the Module's in confidence. Client further agrees to abide by the provision of state and federal statutes and Medicaid and Medicare regulations regarding confidentiality.

6.7 Security. Client represents and warrants that it will use its best reasonable efforts to ensure that: (i) all Vendor-supplied identification codes (each a "User ID") and associated passwords (each a "Password") are kept confidential and secure (e.g., Client will ensure that Passwords are not stored on any desktop and/or portable workstation/terminal nor other storage and retrieval system and/or media, that Internet browser caching functionality is not used to store Passwords and that appropriate firewalls or other electronic barriers are in place); and, (ii) each User ID and Password is used solely by individuals Client has authorized to use such User IDs and Passwords. In the event of any unauthorized use, misappropriation or other compromise of User IDs and/or Passwords, Client will promptly (but in no event later than 48 hours after the occurrence of any of the foregoing) notify Vendor by phone and in writing.

Client will fully cooperate with Vendor in mitigating any damages due to any misappropriation or unauthorized use or disclosure of any non-public personal information (including, but not limited to, any required security code, access code, or password that would permit access to an individual's financial account and other consumer credit information). Such cooperation will include, but not necessarily be limited to, allowing Vendor to participate in the investigation of the cause and extent of such misappropriation and/or unauthorized disclosure. Such cooperation will not relieve Client of any liability it may have as a result of such a misappropriation and/or unauthorized disclosure. Client agrees, that to the extent any such unauthorized use, unauthorized disclosure, misappropriation, or other event is due to Client's negligence, intentional wrongful conduct or breach of this SOW, Client will be responsible for any required consumer, public and/or other notifications, and all costs associated therewith; provided however, that other than except to the extent required to comply with applicable law, Client will make no public notification, including but not limited to press releases or consumer notifications, of the potential or actual occurrence of such misappropriation and/or unauthorized disclosure without Vendor's prior written consent, and, with respect to any such notifications required by law, Client will not use any Vendor trade name, trademark, service mark, logo, in any such notifications without the prior written approval of Vendor.

6.8 Authorized Request. Client will use the Services and Services Information: (i) solely for the Client's certified use(s); (ii) solely for Client's exclusive one-time use; and, (iii) subject to the terms and conditions of this Agreement. Client will not request, obtain or use Vendor Services and/or Vendor Technology for any other purpose including, but not limited to, for the purpose of selling, leasing, renting or otherwise providing information obtained under this Agreement to any other party, whether alone, in conjunction with Client's own data, or otherwise in any service which is derived from Vendor Services. Vendor Services will be requested by, and Vendor Services will only disclosed by Client to, Client's designated and authorized employees and agents having a need to know and only to the extent necessary to enable Client to use the Vendor Services and Vendor Technology in accordance with this Agreement, and, with respect to agents, only those who are bound by written obligations sufficient to limit use of such Vendor Services and Vendor Technology strictly for Client's benefit in accordance with the use and other restrictions contained in this Agreement. Client will ensure that such Client designated and authorized employees and agents will not attempt to obtain any Vendor Services on themselves, associates, or any other person except in the exercise of their official duties.

7. **Exhibit.** The following exhibit is attached thereto and is to be considered an integral part hereof and is incorporated into this SOW by reference:

SOW, Exhibit A: Project Roles

**SOW, EXHIBIT A
PROJECT ROLES**

Vendor Resources	
Title	Definition
Executive Project Sponsor(s)	The project sponsor(s) is responsible for the overall success of the project in alignment with Client.
Program Manager	The program manager owns multi-product, cross-functional planning and reporting to ensure consistent value realization.
Project Manager	The project manager is the primary contact who leads all project activities, communications, and deliverables.
Technical Team	The technical team includes product, data, and technical experts responsible for completing onboarding activities throughout the project.
Product Trainer	The product trainer designs and deploys the education strategy for the product(s) in scope for the implementation.
Solution Manager	The solution manager provides Client support once the project is complete, and the solution is live.
Client Relationship Director	The Client relationship director owns identifying existing and future business needs to support the Client's operational goals.
Client Success Manager	The CSM is the Client advocate and relationship manager.
Program Manager	The program manager owns multi-product, cross-functional planning and reporting to ensure consistent value realization.

CLIENT RESOURCES	
Title	Definition
Executive Project Sponsor(s)	The project sponsor(s) is the primary advocate for the project on the Client side and serves as a vital escalation point.
Project Manager	The project manager is the primary contact on the Client side who will partner with Vendor's project manager to ensure a successful project.
Technical Resource(s)	Each project will require IT resources to partner with Vendor's technical team on connectivity, data, and/or configuration.

BOARD or CEO Packet Submission Checklist
Outsourcing outstanding Accounts Receivables aged greater than 90 days

The original of this completed/fully signed checklist and all required supporting documents are to be hand-delivered to reviewer listed below:

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

- ☐ If for **data processing/telecommunications goods/services** of \$25,000 or more, check applicable option and include documentation: VP IT **must review**.
 - ☐ RFP documentation *unless sole source or GPO applies*.
 - ☐ If Sole source – provide detailed justification
 - ☐ If GPO, submit qualifying verification from Materials Management
- ☐ If for **professional/other services or medical/surgical equipment and supplies** \$350,000 or more, check applicable option and include documentation:
 - ☐ RFP documentation *unless sole source or GPO applies*.
 - ☐ If Sole source – provide detailed justification
 - ☐ If GPO, submit qualifying verification from Materials Management
- ☒ If for **non-medical materials/supplies/Public Works** \$25,000 or more, check applicable option and include documentation:
 - ☐ RFP/Invitation for bids documentation
 - ☒ If Sole source – provide detailed justification
 - ☐ If GPO, submit qualifying verification from Materials Management

Legal counsel/Contract Administrator reviewed: No ☐ or Yes ☒ By Whom: Natalie James

SUBMITTED BY DEPARTMENT DIRECTOR OR DEPARTMENT ADMINISTRATOR:

Signature

Title/Dept.

Date

REVIEWED BY: (In the following order) – If Capital; Axiom approval in lieu of signature.

VP IT: (if applicable) _____

Date: _____

Director of Audit/Compliance: _____

Date: _____



Financial Performance Review

July 2025

Finance Committee

Scott Cleveland

Interim Chief Financial Officer

Consolidated Financial Summary For the Month of July 2025

\$ in Millions	For the Month of July 2025			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 76.7	\$ 69.8	\$ 6.9	9.9%
Operating Expense	\$ 71.8	\$ 68.2	\$ (3.6)	-5.3%
Income from Operations	\$ 4.9	\$ 1.6	\$ 3.3	206.3%
Operating Margin %	6.4%	2.4%	4.0%	166.67%
Non Operating Income	\$ 1.1	\$ 2.5	\$ (1.4)	-56.0%
Net Income	\$ 6.0	\$ 4.1	\$ 1.9	46.3%
Net Income Margin %	7.9%	5.9%	2.0%	33.9%

No Normalizing Items

Executive Summary: Financial Performance

Salinas Valley Health's Income from Operations was \$4.9 million for the month which was favorable to budget by \$3.3M. The favorable financial performance for the month was driven by the following:

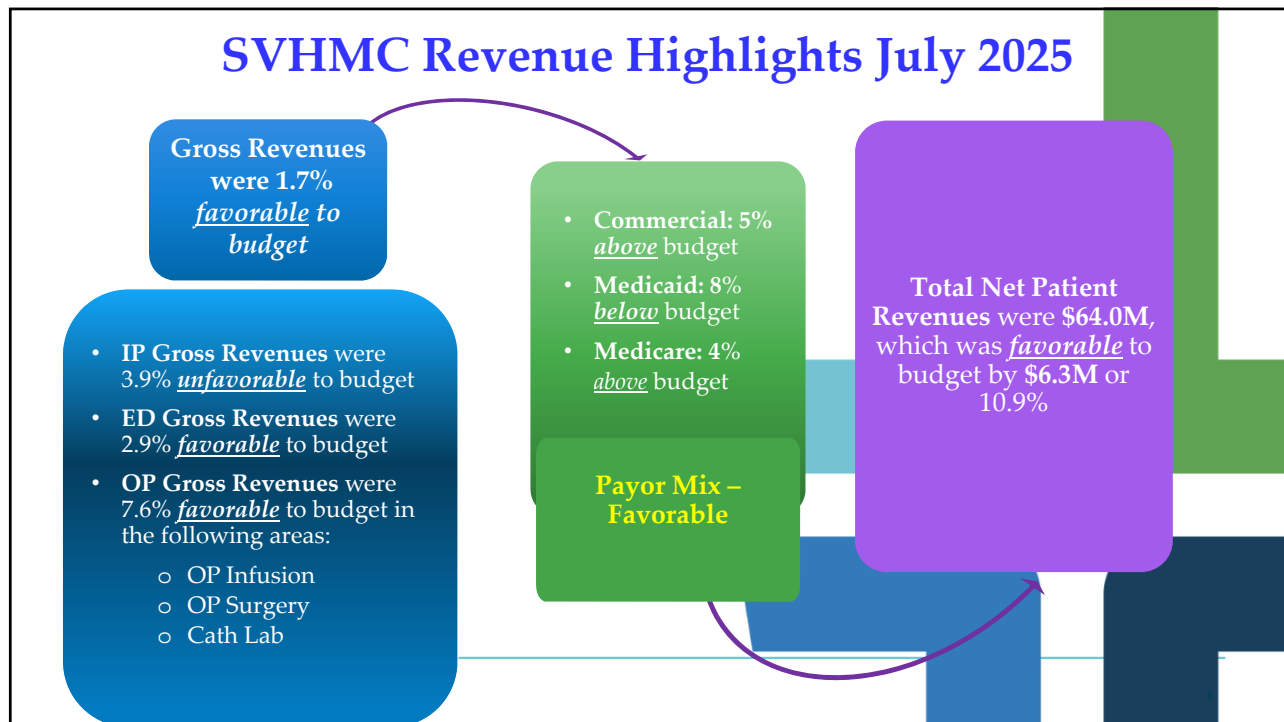
- ✓ **Strong Outpatient Revenues** - favorable to budget by \$10M (6%), Key services driving this variance were:
 - **OP Infusion Program** - cases were over budget by 13% (146 cases)
 - **OP Surgeries** – cases were over budget by 8% (24 cases)
 - **Cath Lab** – cases were over budget by 11% (37 cases)
- ✓ **Inpatient Surgeries** were over budget by 15% (22 cases)
- ✓ **Average Length of Stay** was 10% favorable to budget at 3.4 days
- ✓ **Payor Mix** was favorable with higher than expected Commercial revenue, up 5%. Medicare was also up 4%; While Medi-Cal was under budget by 8%
- ✓ **All Payor Case Mix** of 1.60 was 3% over budget
- ✓ **Medicare Case Mix Adjusted Average Length of Stay** was favorable by 14% at 2.0 days
- ✓ **Cash collections** at \$60.3 million were favorable by 13%

Executive Summary: Financial Performance – Cont'd

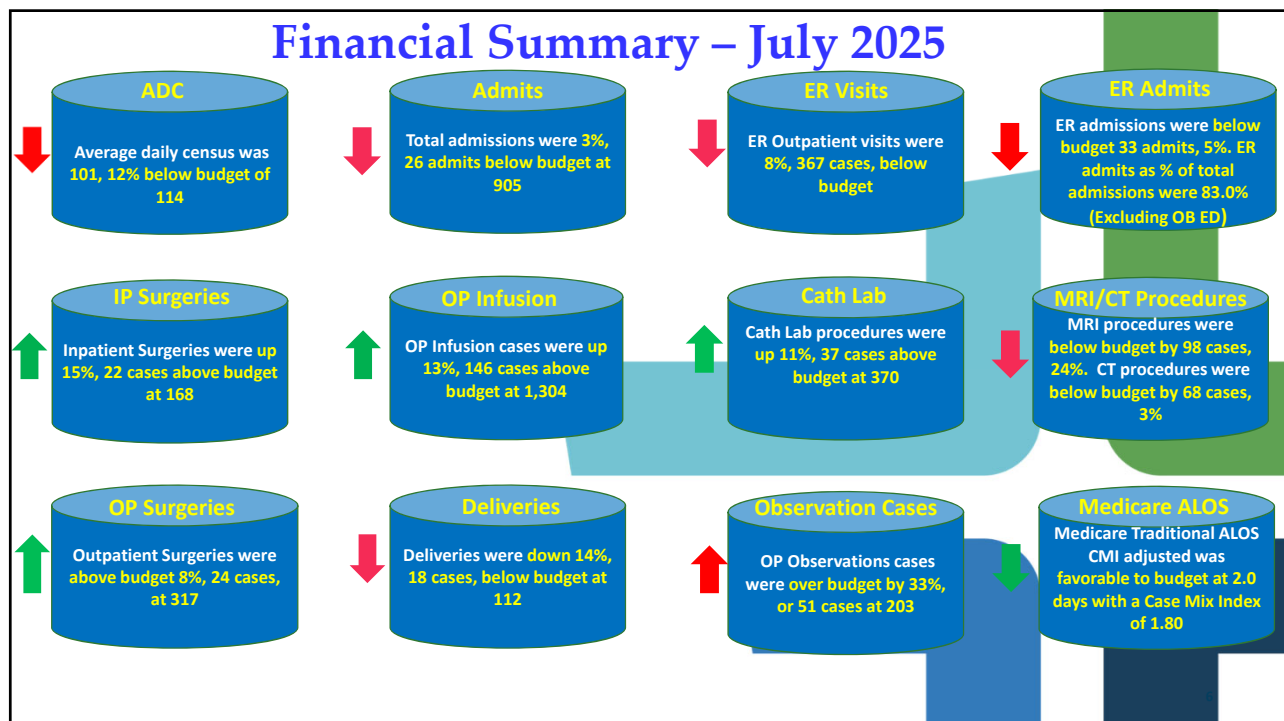
▪ **Key Unfavorable Performance Highlights:**

- ✓ **Total Admissions** were under budget by 3% (26 cases)
- ✓ **Observation cases** were over budget by 33% (51 cases)
- ✓ **ER Outpatient Visits** were under budget by 8% (367 cases)
- ✓ **MRI Procedures** were under budget by 24% (98 cases)
- ✓ **Deliveries** were under budget by 14% (18 cases)
- ✓ **Paid FTEs per Adjusted ADC** were -6% unfavorable to budget at 8.3 actual vs. 7.9 budget
- ✓ **Days in AR** at 68 is still trending over target due to slow paying insurance providers

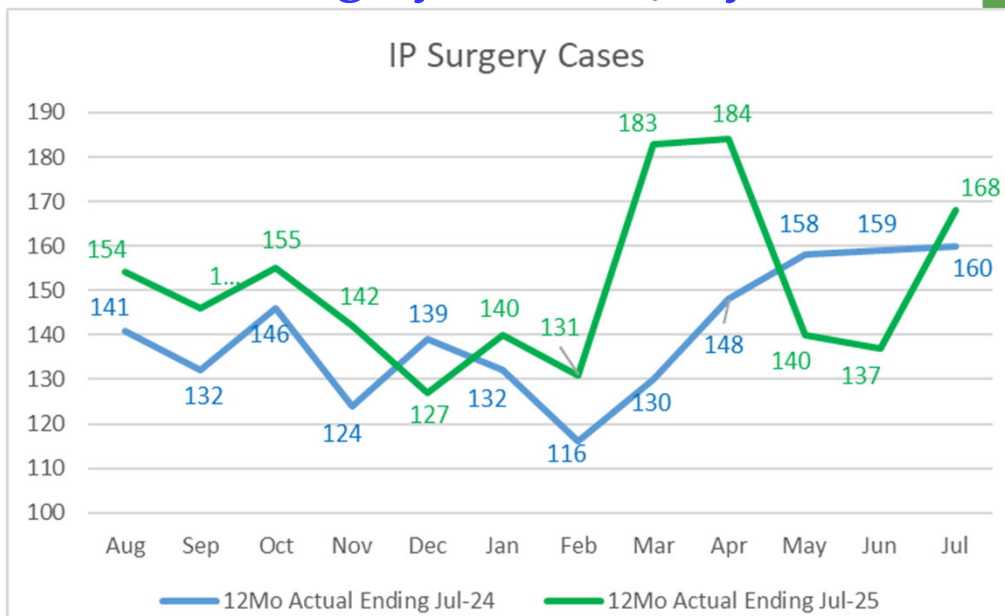
SVHMC Revenue Highlights July 2025



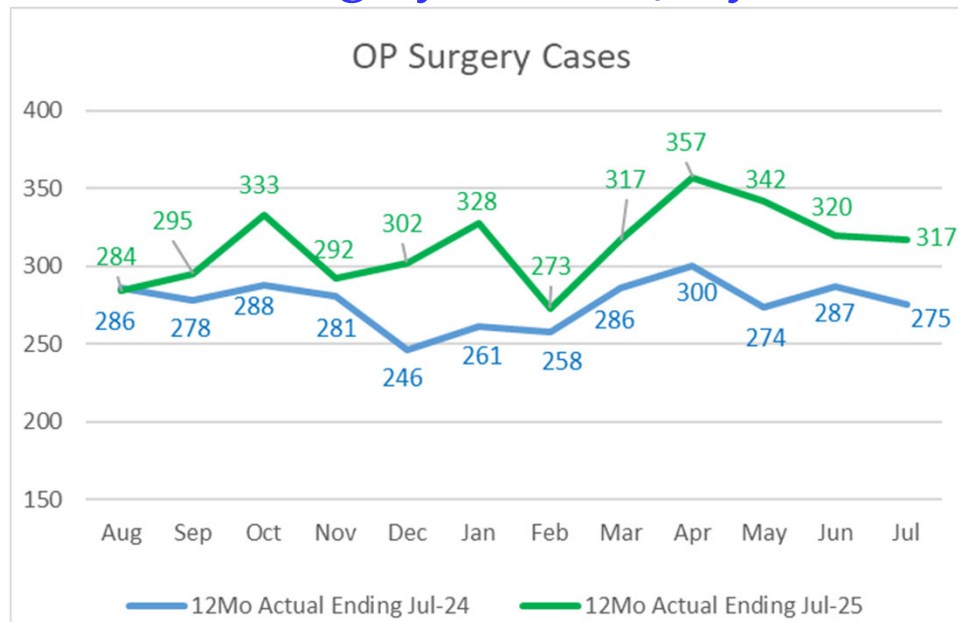
Financial Summary – July 2025



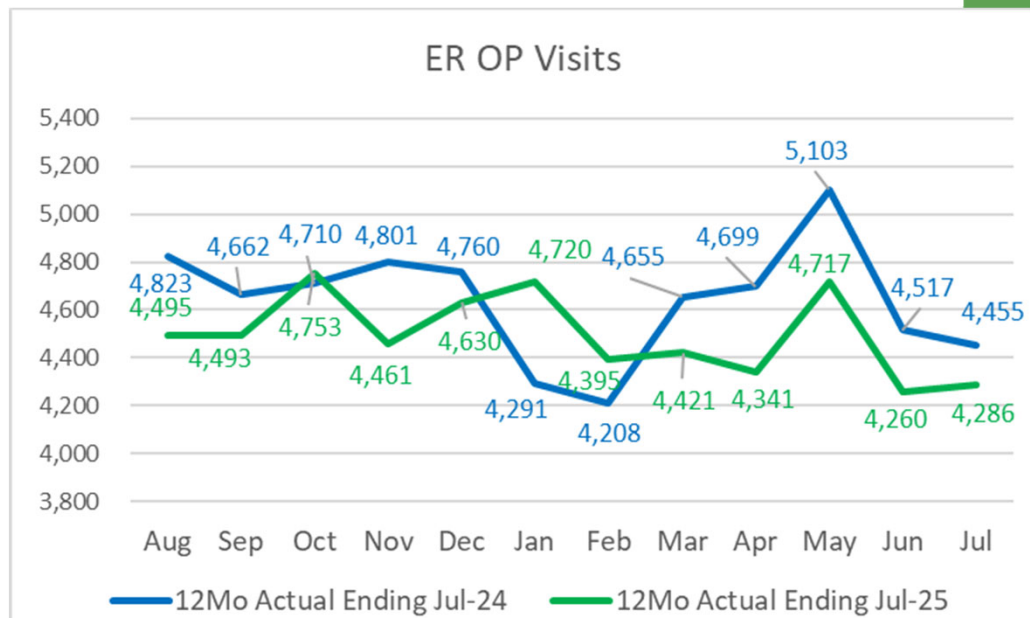
IP Surgery Cases - July 2025



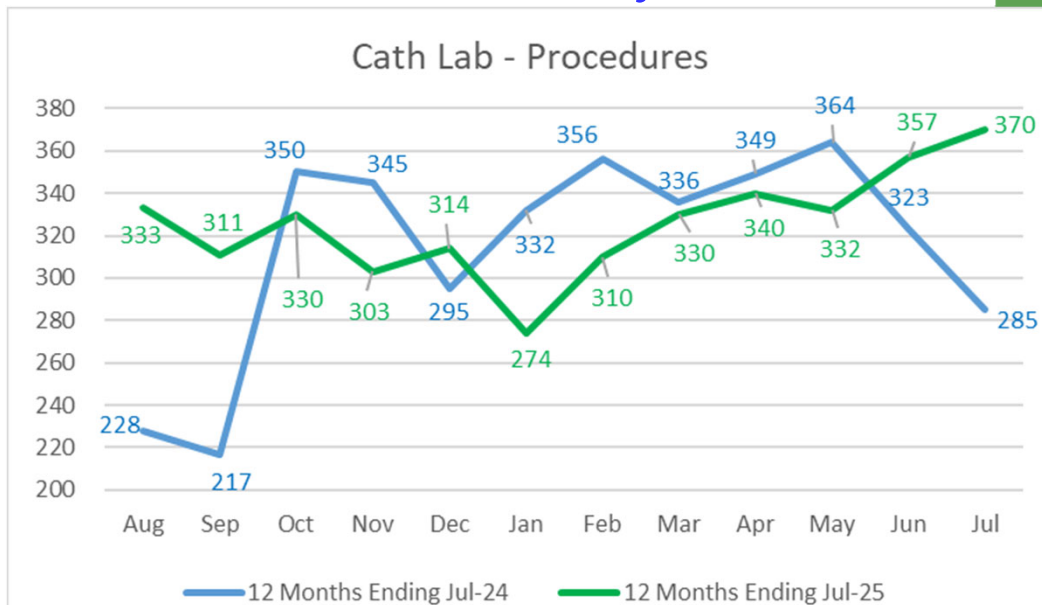
OP Surgery Cases - July 2025



ER OP Visits- July 2025



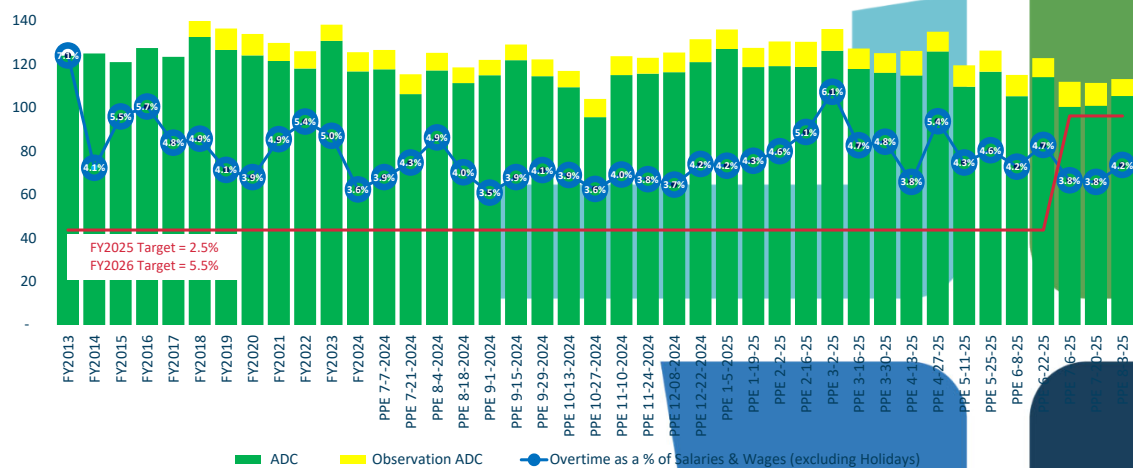
Cath Lab -July 2025



Labor Productivity – July 2025

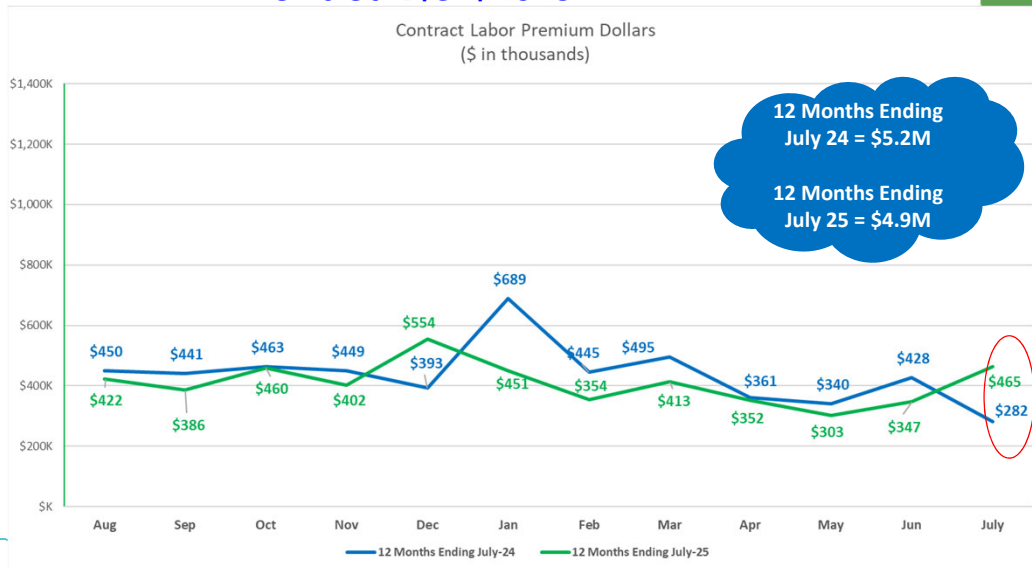
- 1. Worked FTEs:** During the month of July, worked FTEs on a Adjusted ADC basis were 10% unfavorable at **7.0** with a target of **6.4**. *When reviewed on a unit-by-unit level, the variance was 5 FTEs (\$0.1M).*
- 2. Worked FTEs decreased** from 1,634 in June to 1,610 in July. Average daily census decreased by 7 compared to prior month at 101 (12% below budget).
- 3. Paid FTEs:** On a per Adjusted ADC basis, paid FTEs were **6%** unfavorable to budget at **8.3 actual vs. 7.9 budget**. Paid FTEs decreased from 1,913 in June to 1,898 in July.

Overtime as a Percent of Total Salaries & Wages (excluding Holidays) Through the pay period ending August 3, 2025

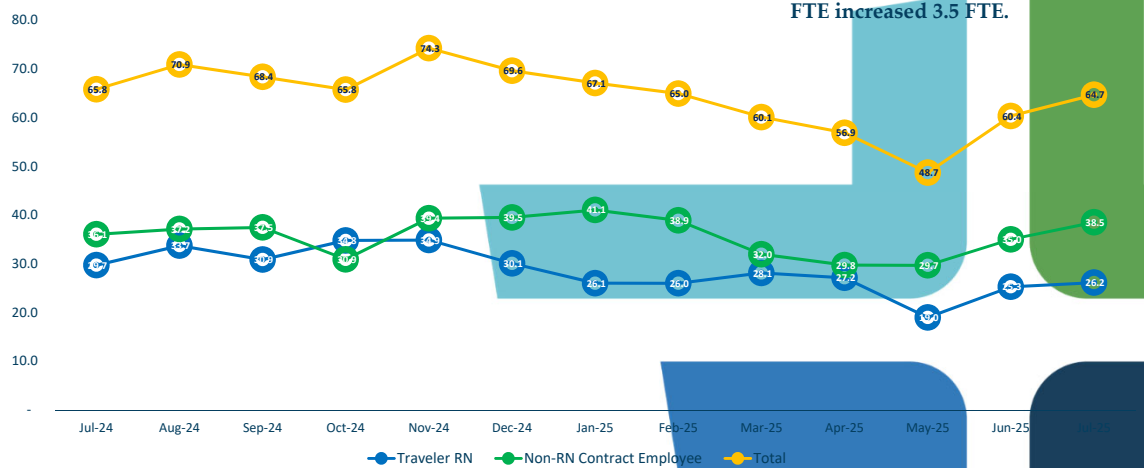


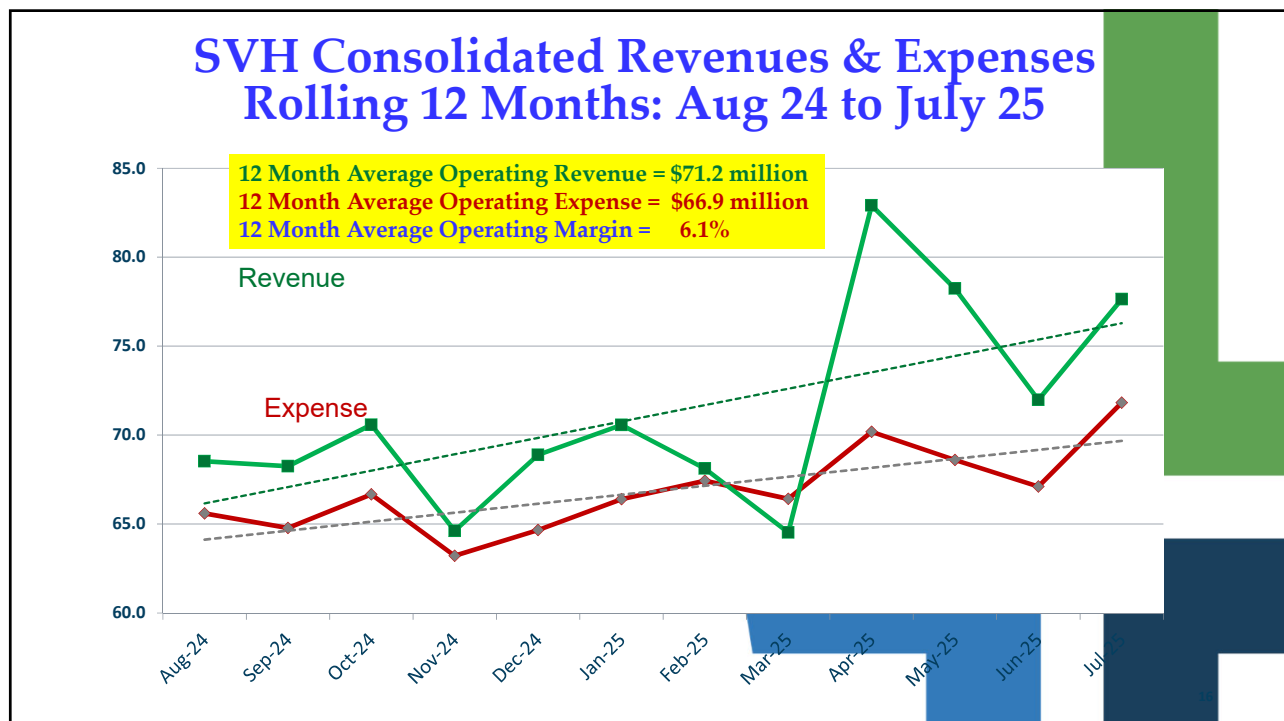
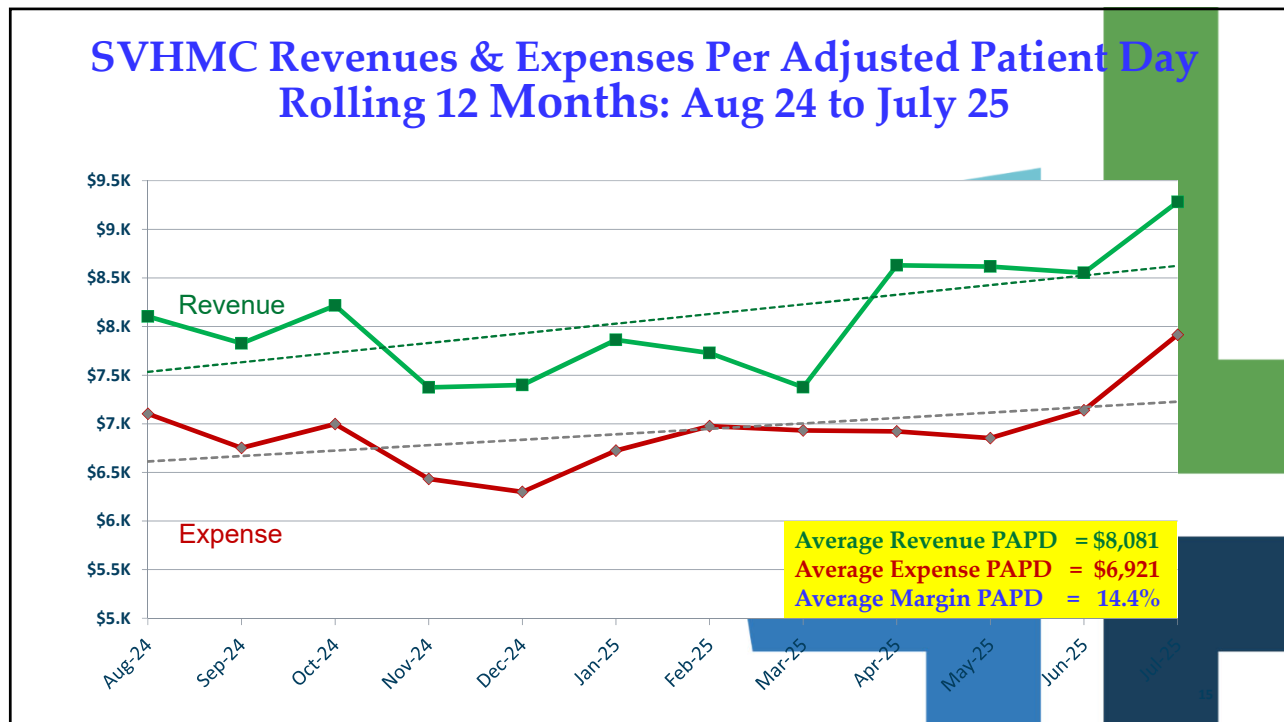
** Observation days are not available prior to FY2018 due to a server migration.

Contract Labor (Premium Cost Only) – 12 months ended 7/31/2025



Contract Labor FTE by Month July 2024 – July 2025





Salinas Valley Health Key Financial Indicators

	YTD	SVH		S&P A+ Rated		YTD	
Statistic	7/31/25	Target	+/-	Hospitals	+/-	7/31/24	+/-
Operating Margin*	6.4%	5.0%		4.0%		-1.0%	
Total Margin*	7.9%	6.0%		6.6%		9.7%	
EBITDA Margin**	10.2%	7.4%		13.6%		3.8%	
Days of Cash*	371	305		249		370	
Days of Accounts Payable*	44	45		-		49	
Days of Net Accounts Receivable**	68	60		49		64	
Supply Expense as % NPR	13.4%	14.0%		-		14.6%	
SWB Expense as % NPR	50.7%	53.0%		53.7%		55.2%	
Operating Expense per APD*	7,863	6,739		-		6,508	

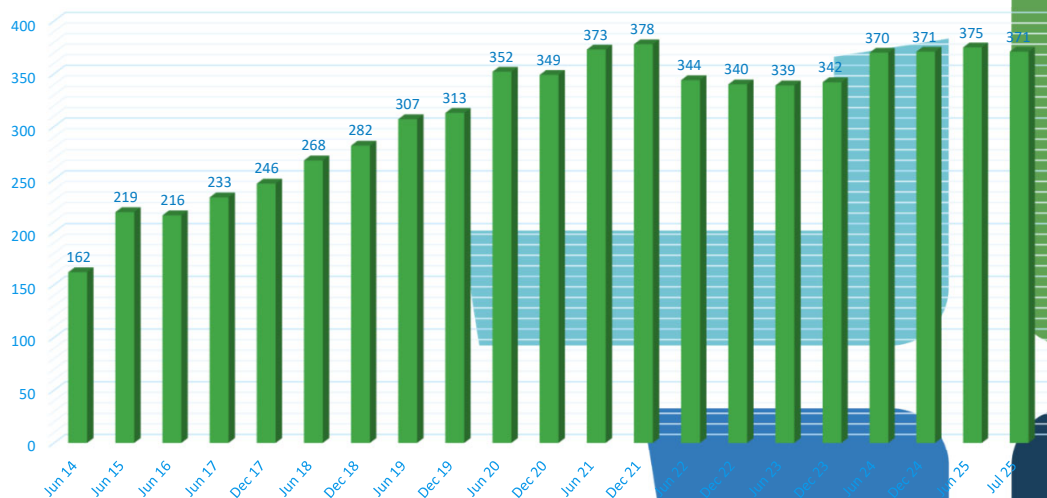
All metrics above are consolidated for SVH except Operating Expense per APD

*These metrics have **not** been adjusted for normalizing items

**Metric based on Operating Income (consistent with industry standard)

***Metric based on 365 days average net revenue (consistent with industry standard)

Salinas Valley Health Days Cash on Hand = 371 Days (\$778M) - July 2025



Questions/Comments

SALINAS VALLEY HEALTH MEDICAL CENTER
SUMMARY INCOME STATEMENT
July 31, 2025

	Month of July,		One months ended July 31,	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 63,968,983	\$ 50,449,190	\$ 63,968,983	\$ 50,449,190
Other operating revenue	<u>1,888,695</u>	<u>1,187,180</u>	<u>1,888,695</u>	<u>1,187,180</u>
Total operating revenue	<u>65,857,678</u>	<u>51,636,370</u>	<u>65,857,678</u>	<u>51,636,370</u>
Total operating expenses	56,163,307	46,907,586	56,163,307	46,907,586
Total non-operating income	<u>(3,668,056)</u>	<u>1,222,522</u>	<u>(3,668,056)</u>	<u>1,222,522</u>
Operating and non-operating income	<u>\$ 6,026,315</u>	<u>\$ 5,951,307</u>	<u>\$ 6,026,315</u>	<u>\$ 5,951,307</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
BALANCE SHEETS
July 31, 2025

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 450,013,598	\$ 400,667,083
Assets whose use is limited or restricted by board	176,024,941	168,797,833
Capital assets	268,471,155	248,796,850
Other assets	343,800,457	303,209,529
Deferred pension outflows	<u>57,904,325</u>	<u>85,734,219</u>
	<u>\$ 1,296,214,476</u>	<u>\$ 1,207,205,514</u>
LIABILITIES AND EQUITY:		
Current liabilities	90,902,290	94,416,315
Long term liabilities	22,367,225	20,297,965
Lease deferred inflows	2,411,431	2,027,900
Pension liability	81,860,471	90,863,576
Net assets	<u>1,098,673,059</u>	<u>999,599,758</u>
	<u>\$ 1,296,214,476</u>	<u>\$ 1,207,205,514</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
SCHEDULES OF NET PATIENT REVENUE
July 31, 2025

	<u>Month of July,</u>		<u>One months ended July 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,562	1,801	1,562	1,801
Medi-Cal	830	968	830	968
Commercial insurance	527	531	527	531
Other patient	188	85	188	85
Total patient days	<u>3,107</u>	<u>3,385</u>	<u>3,107</u>	<u>3,385</u>
Gross revenue:				
Medicare	\$ 138,362,005	\$ 125,586,542	\$ 138,362,005	\$ 125,586,542
Medi-Cal	78,164,821	79,105,569	78,164,821	79,105,569
Commercial insurance	64,374,854	54,631,570	64,374,854	54,631,570
Other patient	15,111,945	9,488,283	15,111,945	9,488,283
Gross revenue	<u>296,013,625</u>	<u>268,811,964</u>	<u>296,013,625</u>	<u>268,811,964</u>
Deductions from revenue:				
Administrative adjustment	395,400	360,469	395,400	360,469
Charity care	464,663	771,905	464,663	771,905
Contractual adjustments:				
Medicare outpatient	52,177,717	40,946,735	52,177,717	40,946,735
Medicare inpatient	48,702,798	50,630,527	48,702,798	50,630,527
Medi-Cal traditional outpatient	1,274,572	1,523,198	1,274,572	1,523,198
Medi-Cal traditional inpatient	2,973,817	4,553,235	2,973,817	4,553,235
Medi-Cal managed care outpatient	42,569,052	39,752,792	42,569,052	39,752,792
Medi-Cal managed care inpatient	23,705,164	26,787,598	23,705,164	26,787,598
Commercial insurance outpatient	26,938,756	25,663,502	26,938,756	25,663,502
Commercial insurance inpatient	21,846,106	21,732,373	21,846,106	21,732,373
Uncollectible accounts expense	6,210,267	5,091,829	6,210,267	5,091,829
Other payors	4,786,330	548,610	4,786,330	548,610
Deductions from revenue	<u>232,044,642</u>	<u>218,362,774</u>	<u>232,044,642</u>	<u>218,362,774</u>
Net patient revenue	<u>\$ 63,968,983</u>	<u>\$ 50,449,190</u>	<u>\$ 63,968,983</u>	<u>\$ 50,449,190</u>
Gross billed charges by patient type				
Inpatient	\$ 130,044,679	\$ 129,469,464	\$ 130,044,678	\$ 129,469,464
Outpatient	130,470,567	106,986,747	130,470,567	106,986,747
Emergency room	35,498,379	32,355,753	35,498,379	32,355,753
Total	<u>\$ 296,013,625</u>	<u>\$ 268,811,964</u>	<u>\$ 296,013,624</u>	<u>\$ 268,811,964</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
STATEMENTS OF REVENUE AND EXPENSES
July 31, 2025

	Month of July,		One months ended July 31,	
	current year	prior year	current year	prior year
Operating revenue:				
Net patient revenue	\$ 63,968,983	\$ 50,449,190	\$ 63,968,983	\$ 50,449,190
Other operating revenue	1,888,695	1,187,180	1,888,695	1,187,180
Total operating revenue	<u>65,857,678</u>	<u>51,636,370</u>	<u>65,857,678</u>	<u>51,636,370</u>
Operating expenses:				
Salaries and wages	18,465,832	16,672,047	18,465,832	16,672,047
Compensated absences	3,848,119	3,577,020	3,848,119	3,577,020
Employee benefits	9,677,288	7,710,583	9,677,288	7,710,583
Supplies, food, and linen	8,986,320	7,772,212	8,986,320	7,772,212
Purchased department functions	4,457,221	3,266,362	4,457,221	3,266,362
Medical fees	3,142,419	2,214,807	3,142,419	2,214,807
Other fees	1,974,055	1,331,595	1,974,055	1,331,595
Depreciation	2,649,978	2,475,811	2,649,978	2,475,811
All other expense	2,962,075	1,887,149	2,962,075	1,887,149
Total operating expenses	<u>56,163,307</u>	<u>46,907,586</u>	<u>56,163,307</u>	<u>46,907,586</u>
Income from operations	<u>9,694,371</u>	<u>4,728,784</u>	<u>9,694,371</u>	<u>4,728,784</u>
Non-operating income:				
Donations	18,984	5,400	18,984	5,400
Property taxes	500,550	476,714	500,550	476,714
Investment income	369,203	5,850,454	369,203	5,850,454
Taxes and licenses	0	0	0	0
Income from subsidiaries	(4,556,793)	(5,110,046)	(4,556,793)	(5,110,046)
Total non-operating income	<u>(3,668,056)</u>	<u>1,222,522</u>	<u>(3,668,056)</u>	<u>1,222,522</u>
Operating and non-operating income	6,026,315	5,951,307	6,026,315	5,951,307
Net assets to begin	<u>1,092,646,744</u>	<u>993,648,451</u>	<u>1,092,646,744</u>	<u>993,648,451</u>
Net assets to end	<u>\$ 1,098,673,059</u>	<u>\$ 999,599,758</u>	<u>\$ 1,098,673,059</u>	<u>\$ 999,599,758</u>
Net income excluding non-recurring items	\$ 6,026,315	\$ 5,951,307	\$ 6,026,315	\$ 5,951,307
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating and non-operating income	<u>\$ 6,026,315</u>	<u>\$ 5,951,307</u>	<u>\$ 6,026,315</u>	<u>\$ 5,951,307</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
SCHEDULES OF INVESTMENT INCOME
July 31, 2025

	<u>Month of July,</u>		<u>One months ended July 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Detail of income from subsidiaries:				
Salinas Valley Health Clinics				
Pulmonary Medicine Center	\$ (176,483)	\$ (213,523)	\$ (176,483)	\$ (213,523)
Neurological Clinic	(40,636)	(60,955)	(40,636)	(60,955)
Palliative Care Clinic	(88,028)	(133,084)	(88,028)	(133,084)
Surgery Clinic	(197,521)	(262,520)	(197,521)	(262,520)
Infectious Disease Clinic	(31,080)	(31,154)	(31,080)	(31,154)
Endocrinology Clinic	(157,173)	(251,585)	(157,173)	(251,585)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(499,181)	(519,836)	(499,181)	(519,836)
OB/GYN Clinic	(432,311)	(372,219)	(432,311)	(372,219)
PrimeCare Medical Group	(472,862)	(906,595)	(472,862)	(906,595)
Oncology Clinic	(356,245)	(482,554)	(356,245)	(482,554)
Cardiac Surgery	(342,118)	(316,251)	(342,118)	(316,251)
Sleep Center	(57,162)	(91,498)	(57,162)	(91,498)
Rheumatology	(78,135)	(91,901)	(78,135)	(91,901)
Precision Ortho MDs	(334,878)	(390,954)	(334,878)	(390,954)
Precision Ortho-MRI	(508,373)	0	(508,373)	0
Precision Ortho-PT	(57,484)	(97,117)	(57,484)	(97,117)
Vaccine Clinic	0	0	0	0
Dermatology	(26,458)	(48,240)	(26,458)	(48,240)
Hospitalists	0	0	0	0
Behavioral Health	(27,334)	(54,231)	(27,334)	(54,231)
Pediatric Diabetes	(36,457)	(63,782)	(36,457)	(63,782)
Neurosurgery	(106,389)	(128,310)	(106,389)	(128,310)
Multi-Specialty-RR	24,272	7,920	24,272	7,920
Radiology	(508,373)	(530,695)	(508,373)	(530,695)
Salinas Family Practice	(89,044)	(119,475)	(89,044)	(119,475)
Urology	(196,029)	(212,284)	(196,029)	(212,284)
Total SVHC	(4,795,482)	(5,370,843)	(4,795,482)	(5,370,843)
Doctors on Duty	20,956	20,875	20,956	20,875
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	135,064	151,541	135,064	151,541
Coastal	7,872	33,381	7,872	33,381
Apex	0	0	0	0
21st Century Oncology	26,047	0	26,047	0
Monterey Bay Endoscopy Center	48,750	54,999	48,750	54,999
Total	<u>\$ (4,556,793)</u>	<u>\$ (5,110,046)</u>	<u>\$ (4,556,793)</u>	<u>\$ (5,110,046)</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
BALANCE SHEETS
July 31, 2025

	<u>Current year</u>	<u>Prior year</u>
A S S E T S		
Current assets:		
Cash and cash equivalents	\$ 296,972,289	\$ 266,936,928
Patient accounts receivable, net of estimated uncollectibles of \$69,407,344	132,110,986	112,945,542
Supplies inventory at cost	8,242,911	7,972,706
Current portion of lease receivable	394,782	1,621,407
Other current assets	<u>12,292,630</u>	<u>11,190,500</u>
Total current assets	<u>450,013,598</u>	<u>400,667,083</u>
Assets whose use is limited or restricted by board	<u>176,024,941</u>	<u>168,797,833</u>
Capital assets:		
Land and construction in process	62,661,219	43,163,809
Other capital assets, net of depreciation	<u>205,809,936</u>	<u>205,633,041</u>
Total capital assets	<u>268,471,155</u>	<u>248,796,850</u>
Other assets:		
Right of use assets, net of amortization	12,120,965	7,066,009
Long term lease receivable	2,024,215	435,661
Subscription assets, net of amortization	7,411,439	9,736,690
Investment in Securities	273,011,098	260,112,491
Investment in SVHC	5,757,304	13,244,566
Investment in Coastal	1,695,908	1,910,752
Investment in other affiliates	21,426,826	10,432,255
Net pension asset	<u>20,352,702</u>	<u>271,105</u>
Total other assets	<u>343,800,457</u>	<u>303,209,529</u>
Deferred pension outflows	<u>57,904,325</u>	<u>85,734,219</u>
	<u><u>\$ 1,296,214,476</u></u>	<u><u>\$ 1,207,205,514</u></u>
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	\$ 60,673,887	\$ 61,775,251
Due to third party payers	4,491,685	3,710,977
Current portion of self-insurance liability	20,421,147	22,303,328
Current subscription liability	1,451,133	4,005,767
Current portion of lease liability	<u>3,864,438</u>	<u>2,620,993</u>
Total current liabilities	90,902,290	94,416,315
Long term portion of workers comp liability	11,003,713	12,078,720
Long term portion of lease liability	8,622,269	4,904,742
Long term subscription liability	<u>2,741,243</u>	<u>3,314,503</u>
Total liabilities	<u>113,269,515</u>	<u>114,714,280</u>
Lease deferred inflows	2,411,431	2,027,900
Pension liability	<u>81,860,471</u>	<u>90,863,576</u>
Net assets:		
Invested in capital assets, net of related debt	268,471,155	248,796,850
Unrestricted	<u>830,201,904</u>	<u>750,802,908</u>
Total net assets	<u>1,098,673,059</u>	<u>999,599,758</u>
	<u><u>\$ 1,296,214,476</u></u>	<u><u>\$ 1,207,205,514</u></u>

SALINAS VALLEY HEALTH MEDICAL CENTER
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
July 31, 2025

	Month of July,			One months ended July 31,			
	Actual	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:							
Gross billed charges	\$ 296,013,625	\$ 5,046,139	1.73%	\$ 296,013,625	\$ 290,967,486	5,046,139	1.73%
Deductions from revenue	232,044,642	(1,702,223)	-0.73%	232,044,642	233,746,865	(1,702,223)	-0.73%
Net patient revenue	63,968,983	6,748,362	11.79%	63,968,983	57,220,621	6,748,362	11.79%
Other operating revenue	1,888,695	167,066	9.70%	1,888,695	1,721,629	167,066	9.70%
Total operating revenue	65,857,678	6,915,428	11.73%	65,857,678	58,942,250	6,915,428	11.73%
Operating expenses:							
Salaries and wages	18,465,832	238,480	1.31%	18,465,832	18,227,352	238,480	1.31%
Compensated absences	3,848,119	(247,523)	-6.04%	3,848,119	4,095,642	(247,523)	-6.04%
Employee benefits	9,677,288	1,770,310	22.39%	9,677,288	7,906,978	1,770,310	22.39%
Supplies, food, and linen	8,986,320	(49,141)	-0.54%	8,986,320	9,035,461	(49,141)	-0.54%
Purchased department functions	4,457,221	267,311	6.38%	4,457,221	4,189,910	267,311	6.38%
Medical fees	3,142,419	527,221	20.16%	3,142,419	2,615,198	527,221	20.16%
Other fees	1,974,055	470,731	31.31%	1,974,055	1,503,324	470,731	31.31%
Depreciation	2,649,978	88,942	3.47%	2,649,978	2,561,036	88,942	3.47%
All other expense	2,962,075	593,391	25.05%	2,962,075	2,368,684	593,391	25.05%
Total operating expenses	56,163,307	3,659,722	6.97%	56,163,307	52,503,585	3,659,722	6.97%
Income from operations	9,694,371	3,255,706	50.56%	9,694,371	6,438,665	3,255,706	50.56%
Non-operating income:							
Donations	18,984	(197,683)	-91.24%	18,984	216,667	(197,683)	-91.24%
Property taxes	500,550	(0)	0.00%	500,550	500,550	(0)	0.00%
Investment income	369,203	(873,643)	-70.29%	369,203	1,242,846	(873,643)	-70.29%
Income from subsidiaries	(4,556,793)	6,643	-0.15%	(4,556,793)	(4,563,436)	6,643	-0.15%
Total non-operating income	(3,668,056)	(1,064,683)	40.90%	(3,668,056)	(2,603,374)	(1,064,683)	40.90%
Operating and non-operating income	\$ 6,026,315	\$ 2,191,024	57.13%	\$ 6,026,315	\$ 3,835,291	\$ 2,191,024	57.13%

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of July and one months to date

	Month of July		One months to date		Variance
	2024	2025	2024-25	2025-26	
NEWBORN STATISTICS					
Medi-Cal Admissions	31	32	31	32	1
Other Admissions	76	84	76	84	8
Total Admissions	107	116	107	116	9
Medi-Cal Patient Days	120	48	120	48	(72)
Other Patient Days	54	127	54	127	73
Total Patient Days of Care	174	175	174	175	1
Average Daily Census	5.6	5.6	5.6	5.6	0.0
Medi-Cal Average Days	3.9	1.6	3.9	1.6	(2.3)
Other Average Days	0.7	1.5	0.7	1.5	0.8
Total Average Days Stay	1.6	1.6	1.6	1.6	(0.1)
ADULTS & PEDIATRICS					
Medicare Admissions	391	369	391	369	(22)
Medi-Cal Admissions	311	262	280	262	(18)
Other Admissions	379	304	303	304	1
Total Admissions	1,081	935	974	935	(39)
Medicare Patient Days	1,496	1,281	1,496	1,281	(215)
Medi-Cal Patient Days	981	942	981	942	(39)
Other Patient Days	953	732	953	732	(221)
Total Patient Days of Care	3,430	2,955	3,430	2,955	(475)
Average Daily Census	110.6	95.3	110.6	95.3	(15.3)
Medicare Average Length of Stay	3.8	3.5	3.8	3.5	(0.2)
Medi-Cal AverageLength of Stay	3.2	2.9	3.2	2.9	(0.2)
Other Average Length of Stay	2.5	2.0	2.5	2.0	(0.5)
Total Average Length of Stay	3.1	2.8	3.1	2.8	(0.3)
Deaths	37	17	37	17	(20)
Total Patient Days	3,604	3,130	3,604	3,130	(474)
Medi-Cal Administrative Days	0	0	0	0	0
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	0	0	0	0	0
Percent Non-Acute	0.00%	0.00%	0.00%	0.00%	0.00%

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of July and one months to date

	Month of July		One months to date		Variance
	2024	2025	2024-25	2025-26	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	271	183	271	183	(88)
Heart Center	313	316	313	316	3
Monitored Beds	570	514	570	514	(56)
Single Room Maternity/Obstetrics	303	290	303	290	(13)
Med/Surg - Cardiovascular	820	775	820	775	(45)
Med/Surg - Oncology	271	166	271	166	(105)
Med/Surg - Rehab	469	468	469	468	(1)
Pediatrics	98	127	98	127	29
Nursery	174	175	174	175	1
Neonatal Intensive Care	76	116	76	116	40
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	67.25%	45.41%	67.25%	45.41%	
Heart Center	67.31%	67.96%	67.31%	67.96%	
Monitored Beds	68.10%	61.41%	68.10%	61.41%	
Single Room Maternity/Obstetrics	26.42%	25.28%	26.42%	25.28%	
Med/Surg - Cardiovascular	58.78%	55.56%	58.78%	55.56%	
Med/Surg - Oncology	67.25%	41.19%	67.25%	41.19%	
Med/Surg - Rehab	58.19%	58.06%	58.19%	58.06%	
Med/Surg - Observation Care Unit	0.00%	0.00%	0.00%	0.00%	
Pediatrics	17.56%	22.76%	17.56%	22.76%	
Nursery	34.02%	34.21%	17.01%	17.11%	
Neonatal Intensive Care	22.29%	34.02%	22.29%	34.02%	

SALINAS VALLEY HEALTH MEDICAL CENTER
PATIENT STATISTICAL REPORT
For the month of July and one months to date

	<u>Month of July</u>		<u>One months to date</u>		
	<u>2024</u>	<u>2025</u>	<u>2024-25</u>	<u>2025-26</u>	<u>Variance</u>
<u>DELIVERY ROOM</u>					
Total deliveries	123	112	123	112	(11)
C-Section deliveries	31	29	31	29	(2)
Percent of C-section deliveries	25.20%	25.89%	25.20%	25.89%	0.69%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	20,885	18,436	20,885	18,436	(2,449)
Out-Patient Operating Minutes	29,584	36,074	29,584	36,074	6,490
Total	50,469	54,510	50,469	54,510	4,041
Open Heart Surgeries	12	13	12	13	1
In-Patient Cases	134	132	134	132	(2)
Out-Patient Cases	301	353	301	353	52
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	31	48	31	48	17
High Risk	838	863	838	863	25
More Than One Resource	2,736	2,820	2,736	2,820	84
One Resource	1,672	1,443	1,672	1,443	(229)
No Resources	62	75	62	75	13
Total	<u>5,339</u>	<u>5,249</u>	<u>5,339</u>	<u>5,249</u>	<u>(90)</u>

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of July and one months to date

	Month of July		One months to date		
	2024	2025	2024-25	2025-26	Variance
CENTRAL SUPPLY					
In-patient requisitions	12,872	11,002	12,872	11,002	-1,870
Out-patient requisitions	10,476	11,259	10,476	11,259	783
Emergency room requisitions	827	400	827	400	-427
Interdepartmental requisitions	6,497	6,144	6,497	6,144	-353
Total requisitions	30,672	28,805	30,672	28,805	-1,867
LABORATORY					
In-patient procedures	35,911	33,929	35,911	33,929	-1,982
Out-patient procedures	44,179	51,021	44,179	51,021	6,842
Emergency room procedures	12,352	13,238	12,352	13,238	886
Total patient procedures	92,442	98,188	92,442	98,188	5,746
BLOOD BANK					
Units processed	231	270	231	270	39
ELECTROCARDIOLOGY					
In-patient procedures	1,106	1,138	1,106	1,138	32
Out-patient procedures	347	593	347	593	246
Emergency room procedures	1,249	1,486	1,249	1,486	237
Total procedures	2,702	3,217	2,702	3,217	515
CATH LAB					
In-patient procedures	125	145	125	145	20
Out-patient procedures	119	173	119	173	54
Emergency room procedures	0	0	0	0	0
Total procedures	244	318	244	318	74
ECHO-CARDIOLOGY					
In-patient studies	448	401	448	401	-47
Out-patient studies	357	447	357	447	90
Emergency room studies	2	2	2	2	0
Total studies	807	850	807	850	43
NEURODIAGNOSTIC					
In-patient procedures	124	137	124	137	13
Out-patient procedures	14	37	14	37	23
Emergency room procedures	0	1	0	1	1
Total procedures	138	175	138	175	37

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of July and one months to date

	Month of July		One months to date		
	2024	2025	2024-25	2025-26	Variance
SLEEP CENTER					
In-patient procedures	0	0	0	0	0
Out-patient procedures	270	325	270	325	55
Emergency room procedures	0	0	0	0	0
Total procedures	270	325	270	325	55
RADIOLOGY					
In-patient procedures	1,365	1,238	1,365	1,238	-127
Out-patient procedures	444	467	444	467	23
Emergency room procedures	1,551	1,473	1,551	1,473	-78
Total patient procedures	3,360	3,178	3,360	3,178	-182
MAGNETIC RESONANCE IMAGING					
In-patient procedures	208	229	208	229	21
Out-patient procedures	111	110	111	110	-1
Emergency room procedures	6	3	6	3	-3
Total procedures	325	342	325	342	17
MAMMOGRAPHY CENTER					
In-patient procedures	3,248	4,178	3,248	4,178	930
Out-patient procedures	3,236	4,163	3,236	4,163	927
Emergency room procedures	1	3	1	3	2
Total procedures	6,485	8,344	6,485	8,344	1,859
NUCLEAR MEDICINE					
In-patient procedures	26	18	26	18	-8
Out-patient procedures	116	155	116	155	39
Emergency room procedures	0	1	0	1	1
Total procedures	142	174	142	174	32
PHARMACY					
In-patient prescriptions	82,755	71,320	82,755	71,320	-11,435
Out-patient prescriptions	15,988	18,477	15,988	18,477	2,489
Emergency room prescriptions	9,317	10,201	9,317	10,201	884
Total prescriptions	108,060	99,998	108,060	99,998	-8,062
RESPIRATORY THERAPY					
In-patient treatments	15,247	12,208	15,247	12,208	-3,039
Out-patient treatments	651	313	651	313	-338
Emergency room treatments	360	937	360	937	577
Total patient treatments	16,258	13,458	16,258	13,458	-2,800
PHYSICAL THERAPY					
In-patient treatments	2,198	2,385	2,198	2,385	187
Out-patient treatments	269	520	269	520	251
Emergency room treatments	0	0	0	0	0
Total treatments	2,467	2,905	2,467	2,905	438

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of July and one months to date

	Month of July		One months to date		Variance
	2024	2025	2024-25	2025-26	
OCCUPATIONAL THERAPY					
In-patient procedures	1,597	1,415	1,597	1,415	-182
Out-patient procedures	233	376	233	376	143
Emergency room procedures	0	0	0	0	0
Total procedures	1,830	1,791	1,830	1,791	-39
SPEECH THERAPY					
In-patient treatments	475	604	475	604	129
Out-patient treatments	23	79	23	79	56
Emergency room treatments	0	0	0	0	0
Total treatments	498	683	498	683	185
CARDIAC REHABILITATION					
In-patient treatments	1	3	1	3	2
Out-patient treatments	672	727	672	727	55
Emergency room treatments	0	0	0	0	0
Total treatments	673	730	673	730	57
CRITICAL DECISION UNIT					
Observation hours	306	226	306	226	-80
ENDOSCOPY					
In-patient procedures	72	79	72	79	7
Out-patient procedures	44	62	44	62	18
Emergency room procedures	0	1	0	1	1
Total procedures	116	142	116	142	26
C.T. SCAN					
In-patient procedures	788	762	788	762	-26
Out-patient procedures	416	500	416	500	84
Emergency room procedures	753	838	753	838	85
Total procedures	1,957	2,100	1,957	2,100	143
DIETARY					
Routine patient diets	14,942	16,311	14,942	16,311	1,369
Meals to personnel	35,476	36,733	35,476	36,733	1,257
Total diets and meals	50,418	53,044	50,418	53,044	2,626
LAUNDRY AND LINEN					
Total pounds laundered	93,665	104,904	93,665	104,904	11,239

Balanced Scorecard

Year-To-Date June 30, 2025

Salinas Valley Health
FY 2025 Balanced Scorecard (AIP)

Pillar	Measure	Weight	Threshold	Target	Max	Pace Results	Performance to Target	Payout %
Service								
	<i>Inpatient - Recommend the Hospital</i>	7.5%	78.0	78.5	79.0	77.8	99.2%	0.0%
	<i>Emergency Room - Likelihood of Recommending</i>	7.5%	61.8	62.3	62.8	65.2	104.7%	11.3%
	<i>Ambulatory - Recommend the Hospital</i>	7.5%	85.9	86.4	86.9	83.6	96.8%	0.0%
	<i>Outpatient - Likelihood of Recommending</i>	7.5%	88.9	89.4	89.9	88.7	99.2%	0.0%
	Subtotal	30.0%						11.3%
People								
	<i>Employee Engagement Indicator Score</i>	5.0%	4.20	4.25	4.27	4.22	99.3%	3.5%
	<i>Safety Culture Index: Prevention and Reporting</i>	5.0%	4.07	4.14	4.18	4.09	98.8%	3.2%
	<i>Safety Culture Index: Resources and Teamwork</i>	5.0%	3.76	3.81	3.84	3.78	99.2%	3.5%
	Subtotal	15.0%						10.2%
Quality and Safety								
	<i>ER - LOS for Non-Admits in Minutes</i>	2.5%	183.0	181.0	179.0	184.0	98.4%	0.0%
	<i>ER - Time to Admit in Minutes</i>	2.5%	76.0	74.0	72.0	68.0	108.8%	3.8%
	<i>OR - Turnover Time (Wheels out / Wheels in) (in minutes)</i>	2.5%	31.5	30.5	29.5	32.3	94.5%	0.0%
	<i>Cath Lab - Percentage of 1st Case On Time Start Time</i>	2.5%	80.0%	85.0%	90.0%	86.0%	101.2%	2.8%
	<i>Hospital Acquired Conditions Index (Weighted Average)</i>	5.0%	0.77	0.75	0.73	0.88	84.7%	0.0%
	<i>Hand Hygiene</i>	5.0%	215	220	230	252	114.5%	7.5%
	Subtotal	20.0%						14.0%
Finance								
	<i>Income from Operations (\$,000's)</i>	20.0%	\$40,643	\$50,803	\$60,964	\$96,904	190.7%	30.0%
Growth								
	<i>Increase the scope of the Community Oncology Research Program by adding one to two New Clinical Trials</i>	2.0%	-	1	2	2	200.0%	3.0%
	<i>Expand / Add one to two New Comprehensive Cancer Program Outpatient Supportive Services</i>	2.0%	-	1	2	2	200.0%	3.0%
	<i>Initiation of Familial Genetic Testing for non-breast cancers</i>	2.0%	-	1	2	1	100.0%	2.0%
	<i>Implementation of External TeleHealth Services in the SVH Clinic System & Average Monthly Visits during FY25Q4</i>	4.0%	Implementation	25	50	39	157.3%	5.1%
	Subtotal	10.0%						13.1%
Community								
	<i>Increase community engagement through individual district zone specific events</i>	2.5%	3	5	6	6	120.0%	3.8%
	<i>Allocation of Community Benefit funding South County (Increase of Percentage)</i>	1.25%	2%	4%	6%	6%	150.0%	1.9%
	<i>Allocation of Community Benefit funding North County (Increase of Percentage)</i>	1.25%	2%	4%	6%	6%	150.0%	1.9%
	Subtotal	5.0%						7.5%

Initial Funding 86.1%

Finance Regulator 150.0%

Total Funding 86.1%

QUESTIONS / COMMENTS

CLOSED SESSION

*(Report on Items to be
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/
REPORT ON CLOSED SESSION*

(Meeting Chair)

ADJOURNMENT