



June 19, 2026

TO: Legal Counsel

News Media

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

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE of SALINAS VALLEY HEALTH<sup>1</sup>** will be held **MONDAY, JUNE 22, 2026, AT 4:00 P.M., HEART CENTER TELECONFERENCE ROOM, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.**

(For Public Access Information Visit <https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/board-committee-meetings-virtual-link/>.)

A handwritten signature in black ink, appearing to read "Allen Radner".

Allen Radner, MD  
President/Chief Executive Officer

<sup>1</sup>Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

Committee Voting Members: **Victor Rey, Jr.**, Chair, **Joel Hernandez Laguna**, Vice Chair, **Allen Radner, MD**, President/CEO, **Iftikhar Hussain**, Chief Financial Officer, and **Steven Regwan, DO**, Medical Staff Member

Advisory Non-Voting Members: Sanjeev Tandon, Community Member

**FINANCE COMMITTEE  
COMMITTEE OF THE WHOLE  
SALINAS VALLEY HEALTH<sup>1</sup>**

**MONDAY, JUNE 22, 2026, 4:00 P.M.  
HEART CENTER TELECONFERENCE ROOM**

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

**(Visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.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 May 26, 2026 (REY)
  - Motion/Second
  - Public Comment
  - Action by Committee/Roll Call Vote
4. Consider Recommendation for Board Approval of Cybersecurity Consolidation through CDW Government, a Supplier of Salinas Valley Health's Group Purchasing Organization and Contract Award (HYLAND)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote

<sup>1</sup>Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

5. Consider Recommendation for Board Approval of Microsoft Enterprise Agreement Renewal as Sole Source and Contract Award (HYLAND)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
  
6. Consider Recommendation for Board Approval of the Cisco Webex Cloud Migration as Sole Source Justification and Contract Award (HYLAND)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
  
7. Consider Recommendation for Board Approval of Contract Award to RL Datix for RL 360 Modules (ALBERT)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
  
8. Construction Update (MILLER)
  
9. Presentation on Proposed Fiscal Year 2027 (FY2027) Operating and Capital Budget (HUSSAIN)
  - Committee Discussion/Questions
  - Public Comment
  
10. Financial and Statistical Review (HUSSAIN)
  
11. Review Balanced Scorecard (HUSSAIN)
  
12. Adjournment

The next Finance Committee Meeting is scheduled for Monday, **July 20, 2026** at 4:00 p.m.

<sup>1</sup>Salinas 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-us/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2026/>, 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 831-759-3208 at least forty-eight (48) hours prior to the posted time for the meeting in order to enable the District to make reasonable accommodations.

*CALL TO ORDER*  
*ROLL CALL*

*(Chair to call the meeting to order)*

*PUBLIC COMMENT*

**DRAFT SALINAS VALLEY HEALTH<sup>1</sup>**  
**FINANCE COMMITTEE**  
**COMMITTEE OF THE WHOLE**  
**MEETING MINUTES MAY 26, 2026**

Committee Member Attendance:

Voting Members Present: **Victor Rey, Jr.**, Chair, **Joel Hernandez Laguna**, Vice Chair, **Allen Radner, M.D.**, President/CEO, **Iftikhar Hussain**, CFO, and **Steven Regwan, D.O.**, Medical Staff Member

Voting Members Absent: None

Advisory Non-Voting Members Present:

In person: Clement Miller, COO, Alysha Hyland, CAO, Timothy Albert, MD, CCO

Other Board Members Present, Constituting Committee of the Whole:

Via teleconference: Rolando Cabrera, M.D.

*Steven Regwan, M.D., arrived at 4:10pm.*

**1. CALL TO ORDER/ROLL CALL**

A quorum was present and Chair Victor Rey, Jr., called the meeting to order at 4:00 p.m. in the Heart Center Teleconference Room.

**2. PUBLIC COMMENT:** None.

**3. APPROVAL OF MINUTES FROM THE FINANCE COMMITTEE MEETING OF APRIL 20, 2026**

Approve the minutes of the April 20, 2026 Finance Committee meeting. The information was included in the Committee packet.

**PUBLIC COMMENT:** None.

**COMMITTEE MEMBER DISCUSSION:** None.

**MOTION:**

Upon motion by Vice Chair Hernandez Laguna, and second by Committee Member Dr. Radner, the minutes of the April 20, 2026 Finance Committee are approved as presented.

**ROLL CALL VOTE:**

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, Hussain;

Nays: None;

Abstentions: None;

Absent: Dr. Regwan.

**Motion Carried.**

<sup>1</sup>Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

#### **4. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE TOTAL ESTIMATED PROJECT COST AND AWARD OF THE CONSTRUCTION CONTRACT TO SSB CONTRACTING INC. FOR THE 355 ABBOTT STREET PROJECT**

This project will replace interior finishes throughout the first floor of Primecare, which are approaching the end of their useful life along with HVAC improvements. The clinic space has not undergone significant cosmetic or functional updates in more than 16 years. This capital improvement project will modernize the clinic environment and improve functionality, patient comfort, and overall appearance.

A full report was included in the packet.

**PUBLIC COMMENT:** None.

**COMMITTEE MEMBER DISCUSSION:** Committee discussed timeline and reviewed cost details including the deductive alternate amount.

#### **MOTION:**

Upon motion by Vice Chair Hernandez Laguna and second by Committee Member Dr. Radner, the Finance Committee recommendation to Board of Directors is to approve (i) the total estimated project cost of \$2,911,629.00 and (ii) award the construction contract to SSB Contracting Inc., including the deductive alternate to remove the phase in the area planned for a future pharmacy, in the amount of \$1,879,544.00 for the 355 Abbott Street Project.

#### **ROLL CALL VOTE:**

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, Hussain, Dr. Regwan;

Nays: None;

Abstentions: None;

Absent: None.

**Motion Carried.**

#### **5. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF BUDGET FUNDING INCREASE FOR THE ANGIO EQUIPMENT REPLACEMENT PROJECT**

Funded in the fiscal year 2025 capital budget at \$5,642,022 based on pre-construction estimates, the total anticipated direct and indirect costs have been refined to \$6,034,989 as the project advanced. This augmentation is necessary to facilitate required structural remediation, electrical infrastructure upgrades, and clinical equipment integrations to ensure the operational delivery of the interventional radiology suite. The electrical infrastructure feeding the suite required significant upgrades beyond the original scope to achieve a ‘Class III’ rating which is required to ensure that we have the capability to provide cardiac services, effectively giving our organization four rooms that can function as cardiovascular labs.

A full report was included in the packet.

**PUBLIC COMMENT:** Director Cabrera requested to see the detail of the budget increase as \$392k is a significant increase.

**COMMITTEE MEMBER DISCUSSION:** Both Clement Miller and Dr. Timothy Albert noted this upgrade will give our Cardiologist the flexibility to use this room as well.

**MOTION:**

Upon motion by Vice Chair Hernandez Laguna and second by Committee Member Dr. Radner, the Finance Committee recommends Board approval of the Budget Funding Increase for the Angio Equipment Replacement project in the amount of \$392,967.00, bringing the new cost the capital project to \$6,034,989.

**ROLL CALL VOTE:**

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Hussain, Dr. Radner, Dr. Regwan;

Nays: None;

Abstentions: None;

Absent: None.

**Motion Carried.**

**6. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE LEASE AGREEMENT BETWEEN SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM (SVMHS) AND LOS PALOS PARTNERS, LLC AT 505 E. ROMIE, SUITE E**

As part of the strategy to increase specialty and oncology care clinic space, a recommendation is presented to lease approximately 815 sq. ft. of space located at 505 East Romie, Suite E to ensure that we maintain adequate space to meet the needs of the healthcare district. This suite is immediately adjacent to suites A, F & G that the district currently leases and will expand that space. It has been recently renovated prior to this leasing and is ready to be occupied immediately after the lease execution. The Lease Amendment is for 4.54 years and is coterminous with the lease term for 505 E. Romie Lane, Suites A, F, G.

A full report was included in the packet.

**PUBLIC COMMENT:** None.

**COMMITTEE MEMBER DISCUSSION:** Committee discussed occupancy use, lease details and tenant improvements.

**MOTION:**

Upon motion by Committee Member Dr. Radner and second by Committee Member Hussain the Finance Committee recommends Board approval of the Lease Agreement for 505 E. Romie Lane, Suite E in Salinas for 4.5 years.

**ROLL CALL VOTE:**

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Hussain, Dr. Radner, Dr. Regwan;

Nays: None;

Abstentions: None;

Absent: None.

**Motion Carried.**

## **7. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE SYMPLR CLOUD MIGRATION AS SOLE SOURCE JUSTIFICATION AND CONTRACT AWARD**

Salinas Valley Health currently uses Symplr solutions for time and attendance and staffing and scheduling. Symplr is formerly known as API (Automated Peripherals, Inc) but is now owned by Symplr. Symplr is proposing a migration to its cloud hosted solution which offers advanced reporting features and additional functionality. While the vendor has not provided an end-of-life date for the solution currently in use by Salinas Valley Health, we reasonably anticipate that the vendor will share this date as they move more of its customer base to the cloud.

A full report was included in the packet.

**PUBLIC COMMENT:** None.

**COMMITTEE MEMBER DISCUSSION:** Committee discussed the pros and cons of migrating to a cloud-based system. The implementation would start in 2027 and take approximately 11-12 months to complete. The contract will be extended through 2031.

### **MOTION:**

Upon motion by Vice Chair Hernandez Laguna and second by Committee Member Dr. Radner, the Finance Committee recommends Board approval of the Symplr cloud migration as sole source justification and contract award in the amount of \$2,093,612 over the next five years through August 31, 2031 subject to final contract negotiation.

### **ROLL CALL VOTE:**

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Hussain, Dr. Radner, Dr. Regwan;

Nays: None;

Abstentions: None;

Absent: None.

**Motion Carried.**

## **8. FINANCIAL AND STATISTICAL REVIEW**

An update was received from Iftikhar Hussain, CFO, on the Financial and Statistical Review for the month of March 2026. Highlights included a review of Key Financial Indicators which shows Accounts Receivables is dropping as we work towards the Epic benchmarks. The Labor Productivity showed overtime and contract labor steadily decreasing.

A full report was included in the packet.

**PUBLIC COMMENT:** None.

**COMMITTEE MEMBER DISCUSSION:** Committee discussed the Medicare and Medicaid trend.

## **9. CAPITAL SPENDING YTD MARCH 31, 2026 UPDATE**

A high-level summary of the Capital Spending was presented by Meredith Peterson, Director of Financial Planning & Decision Support and Brad McCoy, Vice President of Facilities, Construction & Real Estate.

A full report was included in the packet.

**PUBLIC COMMENT:** None.

**COMMITTEE MEMBER DISCUSSION:** Committee discussed line item No. 7 – Emergency Department project. Brad McCoy stated the Team is close to finalizing the plans and will soon present the project in conceptual form to the City of Salinas and HCAI for preliminary feedback.

## **10. ADJOURNMENT**

There being no other business, the meeting was adjourned at 4:48 p.m. The next Finance Committee Meeting is scheduled for Monday, **June 22, 2026** at 4:00 p.m.

---

Victor Rey, Jr., Chair  
Finance Committee

# Finance Committee Board Paper

Agenda Item: **Consider Recommendation for Board Approval of Cybersecurity Consolidation Through CDW Government, a Supplier of Salinas Valley Health’s Group Purchasing Organization and Contract Award**

Executive Sponsor: Alysha Hyland, Chief Administrative Officer

Date: June 22, 2026

## Executive Summary

Salinas Valley Health has a number of cybersecurity vendors and products that were purchased separately over the last six years to meet the growing requirement for cybersecurity protection. As our cybersecurity program and the tools in the market have matured, we have the opportunity to consolidate solutions.

The Information Technology & Cybersecurity teams are requesting approval of a cybersecurity vendor contract to consolidate four of our current products. There is significant security benefit from having a unified solution for detection and response to security threats and incidents. The proposed contract is an initial three years with a negotiated, but non-obligated option to renew with a 1% increase cap for another three years. The consolidation of our security products presents a significant net savings to the organization.

|                                   | <b>New Contract</b> | <b>Displaced Cost of Current Solutions</b> | <b>Net Cost</b> |
|-----------------------------------|---------------------|--|-----------------|
| Year 1                            | \$ 427,351.00       | \$ 449,476.90                              | \$ (22,125.90)  |
| Year 2                            | \$ 427,351.00       | \$ 471,950.75                              | \$ (44,599.75)  |
| Year 3                            | \$ 427,351.00       | \$ 495,548.28                              | \$ (68,197.28)  |
| Year 4                            | \$ 431,624.51       | \$ 520,325.70                              | \$ (88,701.19)  |
| Year 5                            | \$ 435,940.76       | \$ 546,341.98                              | \$ (110,401.23) |
| Year 6                            | \$ 440,300.16       | \$ 573,659.08                              | \$ (133,358.92) |
| 3 Year Savings over Current Spend | \$ 134,922.93       |  |                 |
| 6 Year Savings over Current Spend | \$ 467,384.26       |  |                 |

## Timeline

2025 - 2026: SVH evaluated five products with three finalists put through a competitive process. The team negotiated significantly better pricing through the competitive process. The vendor selected was evaluated to have the best security benefit and lowest net cost to Salinas Valley Health.

June 2026: Present to the SVH Finance Committee and Board for recommendation and approval.

Implementation: July 2026 – September 2026

## Meeting our Mission, Vision, Goals

### Pillar/Goal Alignment

Service  People  Quality & Safety  Finance  Growth  Community

### Financial/Quality/Safety/Regulatory Implications

The cost over the life of the three-year agreement is \$1,282,053 paid annually in the amount of \$427, 351. This item is budgeted.

| Key Contract Terms                | Vendor: CDW Government                                       |
|-----------------------------------|--|
| 1. Proposed contract signing date | July 1, 2026   |
| 2. Term of agreement              | July 1, 2026 – June 30, 2029, 3 years, no automatic renewals |
| 3. Renewal terms                  | Next 3-year renewal capped at 1%                             |
| 4. Termination provision(s)       | Order is non-cancellable during initial term                 |
| 5. Payment Terms                  | Net 30 per GPO; paid annually                                |
| 6. Annual cost(s)                 | \$427,351  |
| 7. Cost over life of agreement    | \$1,282,053 (3-years)  |
| 8. Budgeted (yes or no)           | Yes  |

**Recommendation**

**SVMH Administration requests that the Finance Committee make a recommendation to the SVH Board of Directors for approval of the cybersecurity product consolidation through CDW, Salinas Valley Health’s group purchasing organization, in the amount of \$1,282,053 over the next three years through June 30, 2029.**

**Attachments**

- CDW-G quote



Thank you for choosing CDW. We have received your quote.

# QUOTE CONFIRMATION

### Pricing and Availability Notice

Due to ongoing supply chain challenges, some hardware manufacturers cannot guarantee product availability or pricing until the product is shipped. While we make every effort to honor quoted pricing, if a hardware manufacturer increases its price to CDW after a quote is issued or order is accepted, we may need to update your quoted price to reflect that change irrespective of any timeframes or validity periods set forth in the quote, including up to the date of shipment. In the event of a price adjustment, we will notify you prior to shipment. Any price adjustment would only occur if the hardware manufacturer increases its pricing to CDW.

### AARON BURNSIDES,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

**Convert Quote to Order**

| QUOTE # | QUOTE DATE | QUOTE REFERENCE | CUSTOMER # | GRAND TOTAL    |
|---------|------------|-----------------|------------|----------------|
| PXCT783 | 6/8/2026   | 3YR ITP         | 720970     | \$1,282,051.76 |

### IMPORTANT - PLEASE READ

**Special Instructions:** Invoiced on June-18-2026: \$427,351 Invoiced on June-18-2027: \$427,351 Invoiced on June-18-2028: \$427,351 This Order is non-cancellable and extended payment terms do not provide for cancellation or refund. For One 36 months subscription renewal term, the parties agree that the fees in this Order will not increase by more than 1% upon renewal.

### QUOTE DETAILS

| ITEM  | QTY  | CDW#    | UNIT PRICE | EXT. PRICE   |
|---|------|---------|------------|--------------|
| Mfg. Part#: CS.EPPENT.SOLN.T9<br>UNSPSC: 43233205<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031) | 4400 | 5656615 | \$25.12    | \$110,528.00 |
| Mfg. Part#: CS.TG.STD<br>UNSPSC: 43233205<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)         | 4000 | 5388907 | \$19.11    | \$76,440.00  |
| Mfg. Part#: CS.INSIGHT.SOLN.T9<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)                    | 4400 | 4509864 | \$0.00     | \$0.00       |
| Mfg. Part#: CS.PREVENT.SOLN.T9  | 4400 | 4509902 | \$0.00     | \$0.00       |

**QUOTE DETAILS (CONT.)**

|   |      |         |             |              |
|---|------|---------|-------------|--------------|
|   | 5500 | 8018075 | \$30.72     | \$168,960.00 |
| Mfg. Part#: CS.ITPCU.SOLN.T4.36M<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)                |      |         |             |              |
|   | 70   | 7881412 | \$853.73    | \$59,761.10  |
| Mfg. Part#: CS.NGSIEMG.SOLN.T4.36M<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)              |      |         |             |              |
|   | 80   | 7835787 | \$123.79    | \$9,903.20   |
| Mfg. Part#: CS.NGSIEM365D.SOLN.36M<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)              |      |         |             |              |
|   | 80   | 8126821 | \$1,138.31  | \$91,064.80  |
| Mfg. Part#: CS.NGSIEMC.SOLN.T5.36M<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)              |      |         |             |              |
|   | 4400 | 7861721 | \$16.84     | \$74,096.00  |
| Mfg. Part#: CS.FSR.365.SOLN.T9.36M<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)              |      |         |             |              |
|   | 80   | 8401915 | \$170.75    | \$13,660.00  |
| Mfg. Part#: CS.AOWSIEM.SVC.T4.36M<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)               |      |         |             |              |
|   | 1    | 4808006 | \$68,840.66 | \$68,840.66  |
| Mfg. Part#: RR.HOS.ENT.ESTL<br>UNSPSC: 81112201<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031) |      |         |             |              |
|   | 110  | 8241470 | \$0.00      | \$0.00       |
| Mfg. Part#: NR.PSO.ENT.INVR.T2<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 All other Products (IT0031)        |      |         |             |              |
|   | 1    | 7874909 | \$0.00      | \$0.00       |
| Mfg. Part#: PSO.RTR.FEE<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 All other Products (IT0031)               |      |         |             |              |
|   | 1    | 8094350 | \$0.00      | \$0.00       |
| Mfg. Part#: CS.FFLEXPOOL.SOLN<br>Electronic distribution - NO MEDIA<br>Contract: Vizient Tier 4 Software (IT0031)                   |      |         |             |              |

**QUOTE DETAILS (CONT.)**

|  |   |         |        |        |
|--|---|---------|--------|--------|
|  | 1 | 8446161 | \$0.00 | \$0.00 |
| Mfg. Part#: CS.INCENT.SOLN                 |   |         |        |        |
| Electronic distribution - NO MEDIA         |   |         |        |        |
| Contract: Vizient Tier 4 Software (IT0031) |   |         |        |        |

|                    |                       |
|--------------------|-----------------------|
| <b>SUBTOTAL</b>    | \$1,282,051.76        |
| <b>SHIPPING</b>    | \$0.00                |
| <b>SALES TAX</b>   | \$0.00                |
| <b>GRAND TOTAL</b> | <b>\$1,282,051.76</b> |

| PURCHASER BILLING INFO  | DELIVER TO   |
|---|--|
| <b>Billing Address:</b><br>SALINAS VALLEY MEMORIAL HEALTHCARE<br>ACCOUNTS PAYABL<br>PO BOX 3827<br>SALINAS, CA 93912-3827<br><b>Phone:</b> (831) 757-4333<br><b>Payment Terms:</b> Net 30 Days-Healthcare | <b>Shipping Address:</b><br>SALINAS VALLEY HEALTH<br>450 E ROMIE LN<br>SALINAS, CA 93901-4098<br><b>Phone:</b> (831) 757-3627<br><b>Shipping Method:</b> ELECTRONIC DISTRIBUTION |
|   | <b>Please remit payments to:</b><br><br>CDW Government<br>75 Remittance Drive<br>Suite 1515<br>Chicago, IL 60675-1515  |



**Sales Contact Info**

**Lianet Cabrera** | (877) 650-8118 | [liangar@cdwg.com](mailto:liangar@cdwg.com)

| LEASE OPTIONS         |                          |                       |                          |
|-----------------------|--------------------------|-----------------------|--------------------------|
| FMV TOTAL             | FMV LEASE OPTION         | BO TOTAL              | BO LEASE OPTION          |
| <b>\$1,282,051.76</b> | <b>\$36,282.06/Month</b> | <b>\$1,282,051.76</b> | <b>\$41,717.96/Month</b> |

Monthly payment based on 36 month lease. Other terms and options are available. Contact your Account Manager for details. Payment quoted is subject to change.

Why finance?

- Lower Upfront Costs. Get the products you need without impacting cash flow. Preserve your working capital and existing credit line.
- Flexible Payment Terms. 100% financing with no money down, payment deferrals and payment schedules that match your company's business cycles.
- Predictable, Low Monthly Payments. Pay over time. Lease payments are fixed and can be tailored to your budget levels or revenue streams.
- Technology Refresh. Keep current technology with minimal financial impact or risk. Add-on or upgrade during the lease term and choose to return or purchase the equipment at end of lease.
- Bundle Costs. You can combine hardware, software, and services into a single transaction and pay for your software licenses over time! We know your challenges and understand the need for flexibility.

General Terms and Conditions:

This quote is not legally binding and is for discussion purposes only. The rates are estimate only and are based on a collection of industry data from numerous sources. All rates and financial quotes are subject to final review, approval, and documentation by our leasing partners. Payments above exclude all applicable taxes. Financing is subject to credit approval and review of final equipment and services configuration. Fair Market Value leases are structured with the assumption that the equipment has a residual value at the end of the lease term.

## Need Help?



My Account



Support



Call 800.800.4239

[About Us](#) | [Privacy Policy](#) | [Terms and Conditions](#)

This order is subject to CDW's Terms and Conditions of Sales and Service Projects at

<http://www.cdw.com/content/terms-conditions/product-sales.aspx>

For more information, contact a CDW account manager.

© 2026 CDW•G LLC, 200 N. Milwaukee Avenue, Vernon Hills, IL 60061 | 800.808.4239

# Finance Committee Board Paper

Agenda Item: **Consider Recommendation for Board Approval of Microsoft Enterprise Agreement Renewal as Sole Source and Contract Award**

Executive Sponsor: Alysha Hyland, Chief Administrative Officer

Date: June 22, 2026

## Executive Summary

Our three-year Enterprise Agreement (EA) with Microsoft is up for renewal. The renewal represents an average 12.8% price increase from our 2023 renewal (4.1% annualized). Additional products such as Exchange Online were purchased since the 2023 renewal and are also being renewed. We reviewed against current software utilization and removed certain line items that are no longer utilized and eligible for removal with the renewal.

Salinas Valley Health utilizes Microsoft products such as Windows and Office across our hospital and clinics. Microsoft platforms are also utilized to access and host our many information systems.

## Timeline

Renewal review began in April 2026. Information Technology recently adjusted the licensing count up to match current utilization via a Microsoft “True Up”. This reconciliation was a prerequisite to our renewal.

## Meeting our Mission, Vision, Goals

### Pillar/Goal Alignment

Service
  People
  Quality & Safety
  Finance
  Growth
  Community

| Key Contract Terms                | Vendor: CDW Government                |
|-----------------------------------|---------------------------------------|
| 1. Proposed contract signing date | June 26, 2026                         |
| 2. Term of agreement              | July 1, 2026 – June 30, 2029, 3-years |
| 3. Renewal terms                  | Not automatically renewed             |
| 4. Termination provision(s)       | None                                  |
| 5. Payment Terms                  | Net 30 per GPO; paid annually         |
| 6. Annual cost(s)                 | \$1,130,445.18                        |
| 7. Cost over life of agreement    | \$3,391,335.54                        |
| 8. Budgeted (yes or no)           | Yes                                   |

## Recommendation

**SVH Administration requests that the Finance Committee make a recommendation to the SVH Board of Directors for approval of the Microsoft Enterprise Agreement Renewal as a sole source contract award in the amount of \$3,391,335.54 over the next three years through June 30, 2029.**

## Attachments

- CDW-G quote



**Enterprise Quote  
for**

VSL Specialist Brent Cameron  
Channel Price Sheet Month May

**Salinas Valley Memorial Healthcare System**

Unless otherwise noted, All Quotes expire upon current month's end

**EA Quote**  
Customer to make three annual payments to CDW-G

| Microsoft Part #       | Description                                  | Level | Quantity | Year 1     |               | Year 2      |               | Year 3      |               |  |
|------------------------|--|-------|----------|------------|---------------|-------------|---------------|-------------|---------------|--|
|                        |  |       |          | Price      | Extended      | Price       | Extended      | Price       | Extended      |  |
| W06-01069              | Core CAL ALng SA Platform DCAL               | D     | 2470     | \$40.21    | \$ 99,318.70  | \$ 40.21    | \$ 99,318.70  | \$ 40.21    | \$ 99,318.70  |  |
| W06-00021              | Core CAL ALng SA DCAL                        | D     | 801      | \$42.21    | \$ 33,810.21  | \$ 42.21    | \$ 33,810.21  | \$ 42.21    | \$ 33,810.21  |  |
| 395-02504              | Exchange Server Ent ALng SA                  | D     | 2        | \$821.20   | \$ 1,642.40   | \$ 821.20   | \$ 1,642.40   | \$ 821.20   | \$ 1,642.40   |  |
| 312-02257              | Exchange Server Standard ALng SA             | D     | 7        | \$142.18   | \$ 995.26     | \$ 142.18   | \$ 995.26     | \$ 142.18   | \$ 995.26     |  |
| 269-12442              | Office Professional Plus ALng SA Platform    | D     | 2470     | \$117.15   | \$ 289,360.50 | \$ 117.15   | \$ 289,360.50 | \$ 117.15   | \$ 289,360.50 |  |
| H30-00238              | Project Professional ALng SA 1 Server CAL    | D     | 21       | \$215.76   | \$ 4,530.96   | \$ 215.76   | \$ 4,530.96   | \$ 215.76   | \$ 4,530.96   |  |
| 076-01912              | Project Standard ALng SA                     | D     | 36       | \$131.35   | \$ 4,728.60   | \$ 131.35   | \$ 4,728.60   | \$ 131.35   | \$ 4,728.60   |  |
| H04-00268              | SharePoint Server ALng SA                    | D     | 3        | \$1,378.22 | \$ 4,134.66   | \$ 1,378.22 | \$ 4,134.66   | \$ 1,378.22 | \$ 4,134.66   |  |
| 359-00792              | SQL CAL ALng SA Device CAL                   | D     | 2750     | \$38.47    | \$ 105,792.50 | \$ 38.47    | \$ 105,792.50 | \$ 38.47    | \$ 105,792.50 |  |
| 810-04760              | SQL Server Enterprise ALng SA                | D     | 2        | \$1,583.52 | \$ 3,167.04   | \$ 1,583.52 | \$ 3,167.04   | \$ 1,583.52 | \$ 3,167.04   |  |
| 7JQ-00343              | SQL Server Enterprise Core ALng SA 2L        | D     | 17       | \$2,533.82 | \$ 43,074.94  | \$ 2,533.82 | \$ 43,074.94  | \$ 2,533.82 | \$ 43,074.94  |  |
| 228-04433              | SQL Server Standard ALng SA                  | D     | 67       | \$165.46   | \$ 11,085.82  | \$ 165.46   | \$ 11,085.82  | \$ 165.46   | \$ 11,085.82  |  |
| D87-01159              | Visio Professional ALng SA                   | D     | 62       | \$112.67   | \$ 6,985.54   | \$ 112.67   | \$ 6,985.54   | \$ 112.67   | \$ 6,985.54   |  |
| D86-01253              | Visio Standard ALng SA                       | D     | 123      | \$57.89    | \$ 7,120.47   | \$ 57.89    | \$ 7,120.47   | \$ 57.89    | \$ 7,120.47   |  |
| MX3-00117              | Visual Studio Ent MSDN ALng SA               | D     | 5        | \$1,098.59 | \$ 5,492.95   | \$ 1,098.59 | \$ 5,492.95   | \$ 1,098.59 | \$ 5,492.95   |  |
| KV3-00368              | Win Enterprise Device ALng SA                | D     | 801      | \$49.92    | \$ 39,985.92  | \$ 49.92    | \$ 39,985.92  | \$ 49.92    | \$ 39,985.92  |  |
| KV3-00353              | Win Enterprise Device ALng SA Platform       | D     | 2470     | \$47.43    | \$ 117,152.10 | \$ 47.43    | \$ 117,152.10 | \$ 47.43    | \$ 117,152.10 |  |
| 6VC-01254              | Win Remote Desktop Services CAL ALng SA UCAL | D     | 735      | \$26.64    | \$ 19,580.40  | \$ 26.64    | \$ 19,580.40  | \$ 26.64    | \$ 19,580.40  |  |
| 6XC-00299              | Win Remote Desktop Services Ext Con ALng SA  | D     | 6        | \$2,265.65 | \$ 13,593.90  | \$ 2,265.65 | \$ 13,593.90  | \$ 2,265.65 | \$ 13,593.90  |  |
| 9EA-00278              | Win Server DC Core ALng SA 2L                | D     | 462      | \$141.93   | \$ 65,571.66  | \$ 141.93   | \$ 65,571.66  | \$ 141.93   | \$ 65,571.66  |  |
| R39-00396              | Win Server External Connector ALng SA        | D     | 6        | \$372.13   | \$ 2,232.78   | \$ 372.13   | \$ 2,232.78   | \$ 372.13   | \$ 2,232.78   |  |
| 9EM-00270              | Win Server Standard Core ALng SA 2L          | D     | 888      | \$21.79    | \$ 19,349.52  | \$ 21.79    | \$ 19,349.52  | \$ 21.79    | \$ 19,349.52  |  |
| <b>Online Services</b> |  |       |          |            |               |             |               |             |               |  |
| TQA-00001              | Exchange Online P2 Sub Per User              | D     | 3100     | \$74.45    | \$ 230,795.00 | \$ 74.45    | \$ 230,795.00 | \$ 74.45    | \$ 230,795.00 |  |
| AAA-10764              | O365 E3 CAO Sub User CCAL w/OPP              | D     | 10       | \$81.30    | \$ 813.00     | \$ 81.30    | \$ 813.00     | \$ 81.30    | \$ 813.00     |  |
| NK4-00002              | Power BI Pro Sub Per User                    | D     | 1        | \$130.35   | \$ 130.35     | \$ 130.35   | \$ 130.35     | \$ 130.35   | \$ 130.35     |  |

Year 1 Total \$ 1,130,445.18      Year 2 Total \$ 1,130,445.18      Year 3 Total \$ 1,130,445.18

Three Year Total \$ 3,391,335.54

**Notes**

No Tax Referenced  
RIVERSIDE CONTRACT: ITARC-00933  
Current Agreement # 46342231  
Agreement End Date: June 30, 2026

**We must process the renewal paperwork before June 30th or all highlighted products will be subject to the July 1st price increases.**  
Please see link for details on those price increases-  
<https://www.microsoft.com/en-us/licensing/news/2026-m365-packaging-pricing-updates>

**Terms & Conditions**

Terms and Conditions of sales and services projects are governed by the terms at:

<http://www.cdwg.com/content/terms-conditions/product-sales.aspx>

# Finance Committee Board Paper

---

Agenda Item: **Consider Recommendation for Board Approval of the Cisco Webex Cloud Migration as Sole Source Justification and Contract Award**

Executive Sponsor: Alysha Hyland, Chief Administrative Officer

Date: June 14, 2026

## Executive Summary

Salinas Valley Health (SVH) currently uses the Cisco Unified Communications System (UCS) as its phone management system. The solution is currently hosted on-site by SVH. To continue supporting our enterprise telecommunications platform, SVH is committed to high availability, performance, and long-term supportability of our communications solutions. To achieve these objectives, we evaluated the migration of our on-premise Cisco Unified Communications System (UCS) to a cloud-hosted platform, Communications Platform as a Service (CPaaS). The proposed cloud transition offers several strategic benefits.

1. Mitigate operational and technology risks by enhancing **business continuity** capabilities
2. Improves end-to-end **security** across all communications devices and services.
3. The cloud-based architecture also **reduces reliance on aging, on-premise infrastructure** while improving system resiliency and disaster recovery preparedness.

From a financial perspective, Cisco Communications Platform as a Service (CPaaS) is expected to lower the total cost of ownership by eliminating the need for future upgrades of any on-premise equipment and lower maintenance costs. The managed service model allows the organization to shift resources away from infrastructure management and focus on delivering value-added services to patients and staff.

AI customer engagement and intelligent front door: The migration also supports Salinas Valley Health's digital front door strategy by enabling an omnichannel patient engagement platform that leverages technology to improve the patient experience across every touchpoint of their healthcare journey. Through integration with Epic and Cisco's Artificial Intelligence (AI) assistance, Cisco CPaaS can streamline call center operations by providing agents with direct access to Epic patient information within a unified workflow. This integration is expected to save approximately 60 to 90 seconds per call by eliminating the need to navigate between multiple applications, resulting in improved efficiency, reduced call handling times, and enhanced customer service.

Self-Service and Automation: CPaaS automates manual telecommunications processes, increasing operational efficiency while improving customer engagement. The platform is scalable and provides enhanced security, faster deployment of new services, greater organizational agility, improved accessibility, simplified administration, and reduced operational costs.

Moving to Cisco CPaaS will enable Salinas Valley Health to deliver a consistent and unified communications experience across all facilities and care locations. The platform provides advanced capabilities, including intelligent call routing, automated overflow management, and customizable communication workflows, ensuring that patients, providers, and staff receive reliable, efficient, and seamless service regardless of where they access care.

In addition, Cisco CPaaS enhances operational flexibility by allowing the organization to rapidly adapt communication services to evolving business and clinical needs without the constraints of traditional on-premise infrastructure. The cloud-based platform supports scalability, resiliency, and continuous innovation while simplifying administration and reducing operational complexity.

Collectively, these benefits position Cisco CPaaS as a strategic investment that strengthens business continuity, improves patient and staff experiences, supports digital transformation initiatives, and provides a modern communications foundation capable of meeting the long-term operational and healthcare delivery needs of Salinas Valley Health.

### Timeline

- 2024: Evaluated move of our Cisco phone system to the cloud and determined it was cost-prohibitive
- 2025: Re-evaluated and conducted discovery and feasibility review with plans for further discussion and solution demonstration
- March 2026: Budgeted for FY2027
- May 2026: Product demonstration completed; follow-up discussion completed; total cost of ownership completed
- July 2026: Present to the SVH Finance Committee and Board for recommendation and approval.
- Implementation: September 2026 (target start period) – September 2027 (estimated duration is 12 months)

### Meeting our Mission, Vision, Goals

#### Pillar/Goal Alignment

- Service
- People
- Quality
- Finance
- Growth
- Community

#### Financial/Quality/Safety/Regulatory Implications

The cost over the life of the agreement is \$3,559,535 in subscription fees over five (5) years plus one-time implementation fees in the amount of \$550,992 for a total cost of **\$4,110,527**. This item is budgeted.

| Key Contract Terms                | Vendor: NWN Carousel Industries   |
|-----------------------------------|---|
| 1. Proposed contract signing date | July 1, 2026  |
| 2. Term of agreement              | September 1, 2026 – August 31, 2031<br>(based on a September 2026 project kick-off)   |
| 3. Renewal terms                  | Auto-renewing, renewable at 1 – 5-year terms at Salinas Valley Health’s option during initial term  |
| 4. Termination provision(s)       | 30 days’ written notice for cause   |
| 5. Payment Terms                  | Net 45  |
| 6. Annual cost(s)                 | See fee schedule below. Total over 5 years: <b>\$ 4,110,527</b><br>5-years’ recurring fees: \$ 3,559,535<br>one-time implementation: \$ 550,992 |
| 7. Cost over life of agreement    | \$4,110,527   |
| 8. Budgeted (yes or no)           | Yes   |

| CLOUD (WxC + WxCC + Cloud Connection)    |                   |                    |                   |                   |                   |                     |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|---------------------|
| Item                                     | 2026              | 2027               | 2028              | 2029              | 2030              |                     |
| Webex Calling (WxC)                      | \$ 295,167        | \$ 313,074         | \$ 313,074        | \$ 313,074        | \$ 313,074        | \$ 1,547,463        |
| Contact Center (WxCC)                    | \$ 80,000         | \$ 217,104         | \$ 217,104        | \$ 217,104        | \$ 217,104        | \$ 948,418          |
| AI/Epic Add-on                           | \$ 184,119        | \$ 184,119         | \$ 184,119        | \$ 184,119        | \$ 184,119        | \$ 920,593          |
| <b>WxC + CC Subtotal</b>                 | <b>\$ 559,286</b> | <b>\$ 714,297</b>  | <b>\$ 714,297</b> | <b>\$ 714,297</b> | <b>\$ 714,297</b> | <b>\$ 3,416,474</b> |
| Cisco Cloud Circuits (billed monthly)    | \$ 28,612         | \$ 28,612          | \$ 28,612         | \$ 28,612         | \$ 28,612         | \$ 143,062          |
| <b>License + Cisco Cloud</b>             | <b>\$ 587,898</b> | <b>\$ 742,909</b>  | <b>\$ 742,909</b> | <b>\$ 742,909</b> | <b>\$ 742,909</b> | <b>\$ 3,559,535</b> |
| <b>One-time Migration</b>                | \$ 164,529        | \$ 329,058         |                   |                   |                   | \$ 493,587          |
| <b>One-time Hardware (plus Smartnet)</b> | \$ 57,405         |                    |                   |                   |                   | \$ 57,405           |
| <b>ANNUAL Total</b>                      | <b>\$ 809,832</b> | <b>\$1,071,967</b> | <b>\$ 742,909</b> | <b>\$ 742,909</b> | <b>\$ 742,909</b> | <b>\$ 4,110,527</b> |

## Recommendation

**SVH Administration requests that the Finance Committee make a recommendation to the SVH Board of Directors for approval of the Cisco Webex cloud migration as sole source justification and contract award in the amount of \$4,110,527 over the next five years through August 31, 2031 subject to final contract negotiation.**

## Attachments

- NWN Carousel: Statement of Work
- NWN Carousel: Quote



# Salinas Valley Health

## Webex Calling & Webex Contact Center Migration

### Scope of Work



Quote Number: Q-276372

Opportunity Number: OP-86551

Date of Issue: 06/17/2026

## Table of Contents

|   |                              |
|---|------------------------------|
| <b>1. INTRODUCTION .....</b>                      | <b>3</b>                     |
| 1.1. STATEMENT OF CONFIDENTIALITY .....           | 3                            |
| 1.2. PRIMARY CONTACTS .....                       | 3                            |
| 1.3. OPPORTUNITY TEAM MEMBERS.....                | 3                            |
| <b>2. EXECUTIVE OVERVIEW .....</b>                | <b>5</b>                     |
| 2.1. NWN'S MANTRA.....                            | 5                            |
| 2.2. EXECUTIVE SUMMARY .....                      | 5                            |
| <b>3. NWN'S OFFERINGS.....</b>                    | <b>6</b>                     |
| 3.1. INTELLIGENT CONNECTIVITY SOLUTIONS.....      | 6                            |
| 3.2. CUSTOMER EXPERIENCE SOLUTIONS.....           | 6                            |
| 3.3. INTELLIGENT WORKPLACE SOLUTIONS.....         | 7                            |
| <b>4. PROJECT GOVERNANCE .....</b>                | <b>8</b>                     |
| 4.1. OVERVIEW .....                               | 8                            |
| 4.2. PROJECT GOVERNANCE SCOPE OF SERVICES .....   | 8                            |
| <b>5. SCOPE OF WORK.....</b>                      | <b>10</b>                    |
| 5.1. SCOPE OF SERVICES.....                       | 10                           |
| <b>6. INCORPORATED BY REFERENCE .....</b>         | <b>13</b>                    |
| 6.1. OVERVIEW .....                               | 13                           |
| <b>7. ASSUMPTIONS AND RESPONSIBILITIES .....</b>  | <b>14</b>                    |
| 7.1. PROJECT ASSUMPTIONS .....                    | 14                           |
| 7.2. GENERAL CUSTOMER RESPONSIBILITIES .....      | 14                           |
| 7.3. INSTALLATION CUSTOMER RESPONSIBILITIES ..... | 15                           |
| <b>8. FINANCIALS .....</b>                        | <b>16</b>                    |
| 8.1. TERMS.....                                   | ERROR! BOOKMARK NOT DEFINED. |
| 8.2. SUMMARY .....                                | ERROR! BOOKMARK NOT DEFINED. |
| <b>9. EXECUTION .....</b>                         | <b>17</b>                    |
| 9.1. TERMS.....                                   | 17                           |

9.2. ACCEPTED AND AGREED BY: ..... 18

# 1. Introduction

## 1.1. Statement of Confidentiality

This Scope of Work, presented to you by NWN Corporation, Carousel Industries of North America, LLC, Leverage Information Systems, Inc. and InterVision Systems, LLC, collectively referred to as (“NWN”) contains confidential and proprietary information. Salinas Valley Health hereto referred to as “the customer” or “customer,” may not disclose the confidential information contained herein to any third party without the written consent of NWN. The customer may disclose the contents of this document to representatives, consultants, or employees who need to know its contents for the purpose of the customer’s evaluation of the document. The customer agrees to inform any person reviewing this document on their behalf that they are also bound by this requirement.

NWN reserves the right to vary the terms of this document in response to changes in requirements or additional information made available by the customer. Submission of this document by NWN in no way conveys any right, title, interest, or license in any intellectual property rights (including but not limited to patents, copyrights, trade secrets or trademarks) contained herein. All rights are reserved. This Scope of Work is based on NWN current understanding of the customer’s requirements. The NWN offer specified herein is not binding except as specified in the Acceptance section of this document.

This documentation might include technical or process inaccuracies or typographical errors and is subject to correction and other revision without notice. NWN GIVES YOU, THE CLIENT, THIS DOCUMENTATION "AS IS." EXPRESS OR IMPLIED WARRANTIES OF ANY KIND ARE NOT PROVIDED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Some states or jurisdictions do not allow disclaimer of express or implied warranties in certain transactions; therefore, this statement may not apply to you.

## 1.2. Primary Contacts

The following are the primary contacts for both NWN and the Customer.

| Organization    | Name         | Role              | Primary E-Mail                 | Primary Phone  |
|-----------------|--------------|-------------------|--------------------------------|----------------|
| <b>NWN</b>      | Paul Jenson  | Account Executive | paul.jenson@nwncarousel.com    | (951) 227-0586 |
| <b>Customer</b> | Audrey Parks | VP IT             | aparks@salinasvalleyhealth.com | (831)759-1947  |

## 1.3. Opportunity Team Members

| Organization | Name           | Role                             |
|--------------|----------------|----------------------------------|
| <b>NWN</b>   | Dave Tuell     | Technical Architect              |
| <b>NWN</b>   | Hinesh Patel   | Solution Architect               |
| <b>NWN</b>   | Eric Scrivano  | Carrier Services Specialist (CI) |
| <b>NWN</b>   | Sowmitra Kumar | Renewal Specialist               |
| <b>NWN</b>   | Sarah Richard  | Collections Specialist           |

|            |                  |                             |
|------------|------------------|-----------------------------|
| <b>NWN</b> | Michael Hargrove | Technical Offering Lead     |
| <b>NWN</b> | Paul Jenson      | Secondary Rep               |
| <b>NWN</b> | Lisa Saurenmann  | Sales Operations Specialist |
| <b>NWN</b> | Jeremy Counter   | Business Architect          |

## 2. Executive Overview

### 2.1. NWN's Mantra

*NWN Carousel uses a consultative approach to understanding our Client's ("subscriber", "you", "your") current environment and any challenges you may experience. We then work to help you define what your future state goals are, to design a solution that delivers the capabilities required to achieve to deliver positive business outcomes.*

### 2.2. Executive Summary

Salinas Valley Health has engaged NWN to perform a migration from the existing premise calling and contact center platforms that currently support (1) hospital and (19) clinical locations to Cisco Webex Calling and Webex Contact Center cloud platforms. The costs outlined in this document cover the migration services, ongoing licensing, management, and support of the calling and contact center platforms.

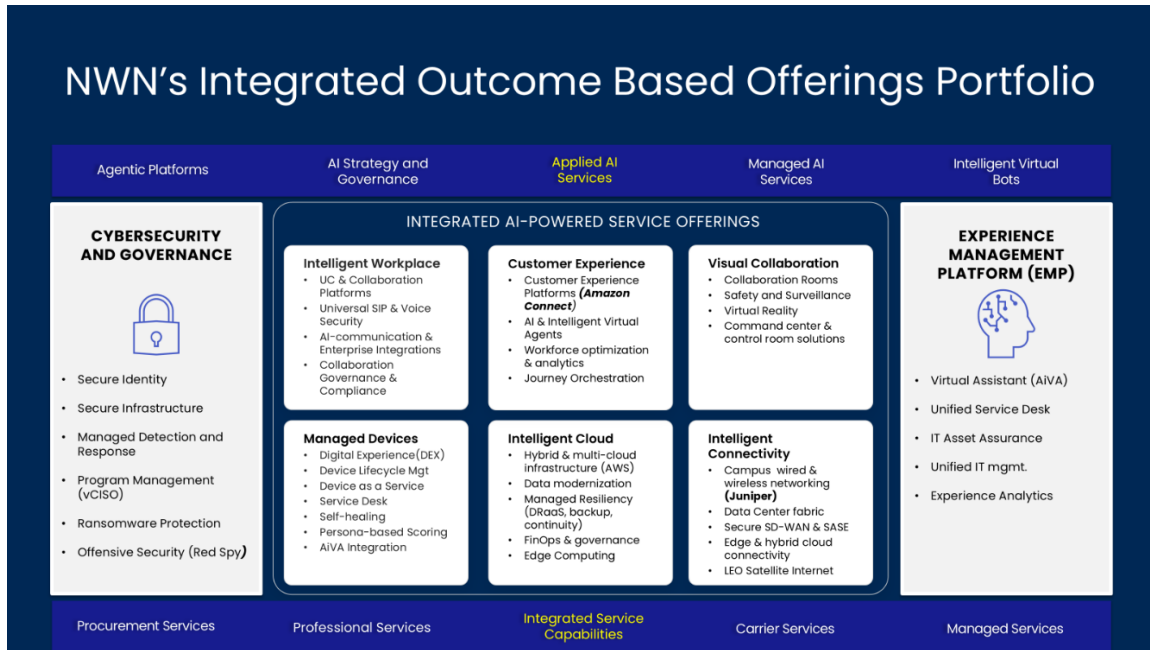
Cisco Webex Calling will support existing Cisco 7800/8800 model IP phones\* with an upgrade to the Cisco MPP firmware. (Note: Cisco 7841 IP phones must be hardware version V04 or later). Any equipment that is not supported by the Webex Calling platform will need to be replaced at the expense of Salinas Valley Health. Unsupported devices could be replaced by the recommended model of Cisco IP MPP phone or by using the Cisco Webex App as a soft phone client.

\*The full list of devices currently supported by Webex Calling can be viewed at <https://help.webex.com/en-us/article/qkwt4j/Supported-devices-for-Webex-Calling>

The Cisco Webex App is currently supported on Windows, Mac, iOS, and Android. Full system requirements can be viewed at <https://help.webex.com/en-us/article/fz1e4b/System-requirements-for-Webex-services>.

### 3. NWN’s Offerings

NWN’s offerings are divided into easy to understand and easy to consume bundles. These bundles include the required capabilities you need to get the most out of your technology investment. Each bundle builds upon the other, allowing you to do as much, or as little, or the work yourself, while leaving the rest to us.



The following offerings are covered in this statement of work:

#### 3.1. Intelligent Connectivity Solutions

NWN’s Intelligent Connectivity offering provides customized business connectivity including Networking/Telecommunications, Wireless, Data and Microsoft Domain/Directory solutions to support the applications that facilitate the customer’s business. NWN’s Intelligent Connectivity offering provides differentiated value to customers through an assessment led approach that focuses on understanding your infrastructure’s current state to leverage our expertise to architect a modern intelligent infrastructure to support your cloud communications needs.

#### 3.2. Customer Experience Solutions

NWN’s Contact Center offering is adaptable and collaborative, leveraging intelligent automation and knowledge to deliver business value and competitive advantage. NWN’s Contact Center experts architect solutions that enable a shift from reactive customer service to proactive customer engagement. Interact with customers on the channel of their choice while empowering agents with a comprehensive toolset to provide a unique experience that is easy to provision, use, and manage for organizations of all sizes.

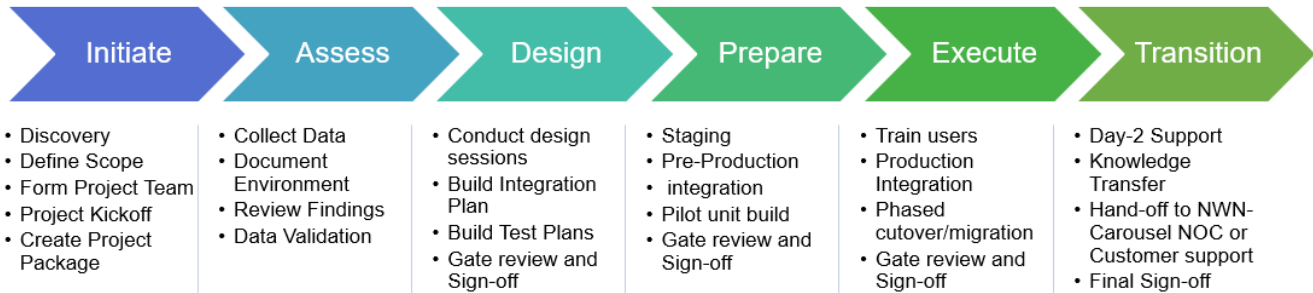
### 3.3. Intelligent Workplace Solutions

NWN's Unified Communication & Collaboration Service Bundles offer a suite of enterprise collaboration services and applications aimed to help customers enhance employee productivity and communication while improving the overall employee and customer experience. As part of the Unified Communications & Collaboration Solutions, NWN I also provides Lifecycle, Adoption, and Monitor & Operate Services with the unparalleled visibility and control delivered by our Experience Management Platform (EMP), making this a true solution-as-a-Service offering.

## 4. Project Governance

### 4.1. Overview

To deliver the highest quality project implementation, NWN brings a tightly controlled, comprehensive project management process that emphasizes detailed up-front discovery and design to help avoid costly, time-consuming missteps later in the deployment cycle. This approach has a proven track record of success.



### 4.2. Project Governance Scope of Services

| ITEM  | SCOPE  |
|---|--|
| <b>Governance Services</b>                            | <b>Governance Services, Top Level Bundle</b>   |
| UC Project Initiation                                 | Initiation of the overall project. NWN will engage the project team and begin the process of scheduling the work contained in this SOW. Standard Project Management includes regular project meetings if required to provide status on the project and to review issues and actions related to the project.  |
| UC Project Kickoff Meeting                            | The NWN Team and the Customer Team will participate in one or more meetings designed to establish the following: NWN expectations, client expectations, roles and responsibilities of project team members, draft schedule, task plan, logistics management plan and the communications plan.  |
| UC Low-Level Design Workshop                          | NWN will conduct a Technical Design Workshop. This meeting, conducted by the lead technical resource on the NWN team, is intended to be use to finalize the low level design of the scoped solution. This may include reviewing IP Address and host naming, cable standards, username standards, passwords, or other technical information required to successfully complete the project. Customer is responsible for providing required documentation and personnel to facilitate this session. |
| UC Cutover Event, Full Day, After Hours               | NWN will perform an extended cutover to deploy the solution into production during the pre-determined cutover window during regular NWN business hours. During this time system functionality will be verified. If issues are found during this window that require a rollback, this decision will be made jointly between the customer and NWN and rollback procedures will be executed to return the solution to the pre-cutover state. Includes 8 hours engineering time per instance.        |
| UC Project Site Post Cutover Support, Half Day Remote | NWN will provide the client with up to 4 hours of remote post cutover support. NWN engineers will be available via phone to provide help or information as needed after the solution or site has been cutover. If onsite support is required, the client can engage the Project Manager to arrange additional help.  |
| UC Project Site Post Cutover Support, Half Day Onsite | NWN will provide the client with up to 4 hours of Onsite post cutover support. NWN engineers will be available onsite to provide help or information as needed after the solution or site has been cutover.  |

| ITEM   | SCOPE   |
|--|---|
| UC Project Completion and Knowledge Transfer | NWN technical team will provide a single two (2) hour knowledge transfer session intended to orientate or demonstrate the unique configuration of the installed solution/system to the customer designated technical staff. This does not replace manufacturer specific technical training on the specific equipment.   |
| UC Cutover Event, Half Day, After Hours      | NWN will perform a standard cutover to deploy the solution into production during the pre-determined cutover window after regular NWN business hours. During this time system functionality will be verified. If issues are found during this window that require a rollback, this decision will be made jointly between the customer and NWN and rollback procedures will be executed to return the solution to the pre-cutover state. Includes 4 hours engineering time per instance. |

| ITEM  | SCOPE  |
|---|--|
| <b>Governance Services</b>  | <b>Overall Governance Services, Top Level Bundle</b>   |
| Contact Center Project Initiation                                 | Initiation of the overall project. NWN will engage the project team and begin the process of scheduling the work contained in this SOW. Standard Project Management includes regular project meetings if required to provide status on the project and to review issues and actions related to the project.  |
| Contact Center Project Kickoff Meeting                            | The NWN Team and the Customers Team will participate in one or more meetings designed to establish the following: NWN expectations, client expectations, roles and responsibilities of project team members, draft schedule, task plan, logistics management plan and the communications plan.   |
| Contact Center Low-Level Design Workshop                          | NWN will conduct a Technical Design Workshop. This meeting, conducted by the lead technical resource on the NWN team, is intended to be use to finalize the low level design of the scoped solution. This may include reviewing IP Address and host naming, cable standards, username standards, passwords, or other technical information required to successfully complete the project. Customer is responsible for providing required documentation and personnel to facilitate this session. |
| Contact Center Cutover Event, Half Day, After Hours               | NWN will perform a standard cutover to deploy the solution into production during the pre-determined cutover window after regular NWN business hours. During this time system functionality will be verified. If issues are found during this window that require a rollback, this decision will be made jointly between the customer and NWN and rollback procedures will be executed to return the solution to the pre-cutover state. Includes 4 hours engineering time per instance.          |
| Contact Center Project Site Post Cutover Support, Half Day Remote | NWN will provide the client with up to 4 hours of remote post cutover support. NWN engineers will be available via phone to provide help or information as needed after the solution or site has been cutover. If onsite support is required, the client can engage the Project Manager to arrange additional help.  |
| Contact Center Project Site Post Cutover Support, Half Day Onsite | NWN will provide the client with up to 4 hours of Onsite post cutover support. NWN engineers will be available onsite to provide help or information as needed after the solution or site has been cutover.  |
| Contact Center Project Completion and Knowledge Transfer          | NWNs technical team will provide a single two (2) hour knowledge transfer session intended to orientate or demonstrate the unique configuration of the installed solution/system to the customers designated technical staff. This does not replace manufacturer specific technical training on the specific equipment.  |

## 5. Scope of Work

The following scope of services cover the one-time and ongoing services that are included in this proposal. Services are organized by technology area and by sub-grouping if included. We encourage you to review this scope of work with your NWN team to ensure we have captured your requirements correctly so that we may deliver the outcomes you expect. Items that are not mentioned in this scope are not included. For more details on the services offered, please refer to the section below titled “Incorporated by Reference.”

### 5.1. Scope of Services

#### Solution Overview

##### **Cisco Flex Calling Licenses**

The existing Flex subscription Sub213559 will be modified to provide the required licensing:

- (1,850) Professional licenses
  - Includes 20% user license growth (additional 370 Professional)
  - Includes 50% Common Area/Workspace licenses (925)
- (24) CUBE Standard licenses

##### **Cisco Flex Contact Center Licenses**

The existing Flex subscription Sub616694 will be modified to provide the required licensing:

- (200) Standard Concurrent Agents
- (57) Premium Concurrent Agents

#### Deliverables (Webex Calling)

- Provisioning of Partner Connect connectivity services for Webex Calling DI
  - (1) AT&T and (1) Comcast 500Mbps layer 2 circuit
  - Implementation and configuration of (2) Cisco C8300 routers for layer 2 connectivity to NWN datacenters
- Initial platform provisioning and configuration of Cisco Webex Calling
- E911 provisioning and configuration
- Provision (1) Enhanced Survivability for Webex Calling Dedicated Instance using customer provided virtual resources
  - Configuration of (1) Cisco C8300 router to provide SBC services for OTT backup SIP PSTN
- Migration of (1,850) users/phones from the current solution to Webex Calling
- Migration of (925) common area devices from the current solution to Webex Calling
- Testing
- Cutover
  - Up to (20) individual cutover events

- Day 2 Support
  - Up to (10) half day remote
  - Up to (10) half day on-site
- Transition to Support

#### **Deliverables (Webex Contact Center)**

- Initial platform provisioning and configuration of Cisco Webex Contact Center
- Migration of (200) Standard Agents from the current solution to Webex Contact Center
- Migration of (57) Premium Agents from the current solution to Webex Contact Center
- Migration of up to (30) call flows from the current solution to Webex Contact Center
- Configuration of Webex Contact Center to support Epic integration in accordance with Cisco-supported capabilities and the mutually approved solution design for up to (10) call flows.
- Testing
- Cutover
  - Up to (20) individual cutover events
- Day 2 Support
  - Up to(10) half day remote
  - Up to (10) half day on-site
- Transition to Support

#### **Assumptions/Caveats**

- All analog devices that currently reside on the premise Avaya system will not be included in the scope of this project.
- Any integration between the premise Avaya system and Webex Calling or Webex Contact Center will not be included in the scope of this project.
- The existing Cisco 7800/8800 series IP phones will be utilized for the migration to the Webex Calling platform. It will be the responsibility of Salinas Valley Health to procure and replace any devices that are unable to be migrated due to compatibility issues.
- The native Call Recording features for both Webex Calling and Webex Contact Center will be utilized.
- Administrative call flows to enable/disable emergency greetings and similar announcements will need to be recreated.
- Customer is responsible for obtaining and maintaining any required Epic licensing, third-party licensing, and vendor approvals needed for the integration with Webex Contact Center.
- Customer will be responsible for any services or additional costs required by Epic to perform the integration with Webex Contact Center.

- This engagement is limited to configuration and enablement of the Epic integration within the Cisco-supported solution scope and does not include custom software development.
- SVH is bringing in own PSTN provider. NWN is offering a full PSTN solution as an option but is not part of the total cost of the contract. There will be a deep dive into your current PSTN solution and this may require additional services/hardware for full integration.

## 6. Incorporated by Reference

### 6.1. Overview

This SOW represents the work being performed by NWN for the customer during the contracted engagement. Some services and products used in the delivery of this SOW are governed by additional documentation and service descriptions. This information is applicable by feature and does not include any feature not covered by the scope above. These can be found in the following locations:

1. NWN Master Service Agreements: <https://nwn.ai/master-agreement/>
2. Experience Management Services – If EMP Services are included in this scope of work, then the following service description is included by reference: <https://nwnit.box.com/s/1csb40l92zhkm6llcdv2ywg4u7hhao2s>
3. Third Party End User License Agreements, Terms of Service, and Warranty Information can be found here: <https://nwn.ai/third-party-eula-tos-warranty/>
4. The NWN Carousel Acceptable Use Policy and if applicable to the Services described in this SOW the Emergency Services Addendum and Data Processing Agreement located at: <https://nwn.ai/compliance/>

| Service Guide Documents                   |   |
|---|---|
| Service Guide Name                        | Service Guide URL   |
| EMP Services Customer Service Description | <a href="https://nwnit.box.com/s/1csb40l92zhkm6llcdv2ywg4u7hhao2s">https://nwnit.box.com/s/1csb40l92zhkm6llcdv2ywg4u7hhao2s</a> |

## 7. Assumptions and Responsibilities

### 7.1. Project Assumptions

The following list represents some of the items that, unless otherwise noted above, are excluded from the work being performed by NWN as part of the scope of this project. Anything not specified in the scope above, nor specifically excluded below, is assumed to be excluded. Items that the customer wishes NWN to provide may be contracted on a time and materials basis, or as part of a separate fixed price scope. Exclusions include:

- NWN will provide knowledge transfer to Customer staff throughout the engagement. Knowledge transfer is not intended to replace formal technical training and certification.
- Travel Costs are billed at actuals unless otherwise noted in your quote
- If this proposal does not include an on-going service contract to cover moves, adds, and changes, upgrades to software and hardware, troubleshooting of circuit outages, or other managed and operate services, these activities are the responsibility of the customer. Should customer require such services, NWN can provide a separate proposal to meet these needs.
- While under NWN supervision, all documents and scripts will be subject to NWN version control.
- Unless otherwise stated, all diagrams will be provided in Visio format and all documentation will be provided in Microsoft Word or Portable Document format. NWN will provide softcopies of all deliverable documentation created as part of this project

### 7.2. General Customer Responsibilities

To support this scope of work, The Customer agrees to the following responsibilities:

- Customer agrees to designate a single point of contact to work with NWN for the duration of this project. This contact shall be available during normal business hours (Monday through Friday 8:00am to 5:30pm local time, excluding NWN observed holidays).
- Customer agrees to provide reasonable access to Customer sites and facilities, including, where applicable: access to a loading dock/facility to receive equipment, access to a secure workspace to store, stage, and test the equipment
- Customer agrees to provide remote access to the network to facilitate remote configuration and troubleshooting as required
- Customer agrees to provide proper security clearances and/or escorts as required to access the site for equipment installation and maintenance.
- Customer agrees to provide access to appropriate systems to facilitate the completion of this SOW.
- Building, furniture, and/or fixture modification, including but not limited to; the drilling of holes, cutting of access panels, floor cores, or exterior penetrations are the responsibility of others and are considered out of scope
- Customer agrees to provide any special safety equipment if required for sites visited by NWN personnel or sub-contractors
- Customer will be responsible to have complete backups of any data prior to commencement of our services. NWN assumes no responsibility for lost data.
- Customer will provide for the disposal of any packing materials, inserts, and boxes in which the equipment is shipped once installation is complete.
- Customer must have ACTIVE manufacturer support contracts on any existing equipment that NWN will be performing work on during this work effort.
- Customer agrees to ensure the installation environment is safe and free of contaminants, dust, debris, or other hazardous materials. Inspection, testing, and certification of such materials is the responsibility of the customer.
- Customer agrees that any delays caused by the customer are not the responsibility of NWN. Further, any additional time or expense incurred because of said delays will be subject to a change order and additional charges.

- If the site is not ready when NWN arrives, customer may be responsible for additional travel and expenses
- Unless otherwise noted in this proposal, implementation will occur in a single contiguous effort and, if required, site visits will be limited to one visit per site. If the schedule, or number of visits, must change due to delays in equipment availability, customer readiness, site readiness, or any issue outside of NWN's control, the NWN Project Manager will document the change and submit a Project Change Order to revise the implementation timeline.
- In the event Customer is purchasing software licenses or other usage-based consumption products or services under this SOW and Customer's actual software license count or usage exceeds those initially purchased pursuant to this SOW, Customer will be invoiced during the next billing cycle based on the highest license count or usage consumed and not the amounts initially set forth in this SOW. Thereafter, Customer shall be billed based on highest license count or usage consumed under this SOW. For avoidance of doubt, overages will be billed in the month following when the overage occurred.

### 7.3. Installation Customer Responsibilities

To support this scope of work, The Customer agrees to the following responsibilities:

- Customer will provide network and system documentation and any network topology diagram for the existing network infrastructure if available.
- Customer agrees to furnish NWN with building layouts, floor plans, cable and power drops and other applicable information to facilitate the physical installation of equipment and software covered by this scope of work.
- Customer agrees to ensure that proper environmental conditions are met, including, but not limited to proper power equipment grounded to code, backup power source if required, cooling, rack/floor space, and any external monitoring equipment required.
- Customer agrees to connect PCs, printers, mobile devices, servers, or any other ancillary devices not covered by this scope of work.
- Customer shall be responsible for any changes, reconfiguration, or upgrades to existing servers, systems, printers, and workstations to support this scope of work.
- Customer agrees to install, test, and verify the operation of any equipment or software not covered by this scope of work.
- Customer agrees to ensure that all cabling and facilities are installed, and clearly marked. If items are not clearly marked the customer will aid in identifying all cable drops and the equipment it is used for.
- Customer agrees to provide all supporting technologies including DHCP, DNS, or other systems required for normal functioning of the solution.
- Customer agrees to provide personnel to participate in any testing of the solution required once Customer agrees to provide all the cabling required to complete the installation that is not included with this equipment. All cabling longer than 20 feet will be installed by CUSTOMER and will be labeled with an indication of what the cabling supports.
- Customer shall be responsible to specify, order and ensure the provisioning of an adequate amount of circuit bandwidth and/or SIP trunks to support the operation of the system under normal and peak usage periods.
- All conduit, raceway, cable tray, supporting equipment and structure, regardless of purpose, is to be supplied and installed by others.

**8. Financials-See Quote-**

## 9. Execution

### 9.1. Terms

Customer shall be billed in accordance with the terms outlined above in the Billing Terms table set forth in the Financials Section. The payment frequency set forth in the table above details the timing and amount of the charges due under this SOW. Applicable taxes and freight charges along with all tariffs, duties, or additional government-imposed costs that become applicable after the initial date of the SOW shall be the responsibility of the Customer and will be added to the final invoice. Where applicable, unless Customer notifies NWN, as applicable, in writing at least ninety (90) days prior to the subscription renewal date, Customer's subscription term will automatically renew on annual terms.

This SOW and any applicable Products or Services purchased hereunder are subject to either (i) the applicable mutually executed Master Products and Services Agreement that authorizes the purchase(s) herein between NWN and Customer; or (ii) where NWN and Customer have not executed such an agreement, the terms and conditions set forth at the Master Agreement located at <https://nwn.ai/master-agreement/> shall apply (the online terms and conditions and the applicable agreement shall each be deemed the "Agreement"). This SOW is additionally subject to the applicable: (i) the third-party terms set forth at <https://nwn.ai/third-party-eula-tos-warranty/>, and (ii) the compliance policies and terms set forth at <https://nwn.ai/compliance/> and such terms are incorporated herein by reference. For the avoidance of doubt, in the event of any conflict between the terms of this SOW, an Accepted Purchase Order (as defined herein) and the Agreement, the terms of the Agreement shall prevail. To the extent the name of the Agreement does not correspond with those referenced above but authorize Customer to purchase Products or Services from NWN, those agreements shall additionally be deemed Agreements for the purposes of this SOW. Any terms not defined in this SOW shall be set forth in the Agreement. The pricing contained in this SOW is valid for thirty (30) days from Date of Issue. Notwithstanding the foregoing, in the event Provider's manufacturer adjusts pricing after the Effective Date of the SOW, Provider reserves the right to adjust pricing until the date of shipment. Applicable shipping charges, taxes, and if applicable, telecommunications surcharges and fees (including Federal Universal Service Fees), will be billed by NWN and itemized on a separate line item(s) on NWN's invoice.

In the event Customer does not execute this SOW and only places a Purchase Order, such Purchase Order is deemed acceptance of the terms of this SOW and any additional or different terms in such Purchase Order will not bind NWN. NWN may reject a Purchase Order in its sole discretion within two (2) business days from its receipt and after which time such Purchase Order is deemed accepted (an "Accepted Purchase Order"). The Effective Date shall be defined as the earlier of the date of the SOW's last signature or in the event Customer chooses to place a Purchase Order rather than signing this SOW, the date of the Accepted Purchase Order. Placement of Purchase Order shall be deemed acceptance of the SOW and all the terms contained herein.

<sup>1</sup> \*In the event your Master Agreement is with InterVision Systems, LLC, for the purposes of this SOW, all references to "Service Order" in your Master Agreement shall have the same meaning as "SOW".

**9.2. Accepted and agreed by:**

Salinas Valley Health

Carousel Industries of North America, LLC

Signature

Signature

Name

Name

Title

Title

Date

Date

## Q-276372 - Webex Calling and Webex Contact Center

**Generated Date:** 06/17/2026  
**Expiration Date:** 07/09/2026  
**Account Name:** Salinas Valley Health  
**Opportunity Name:** SVH.Move to Webex Cloud CC  
**Opportunity Number:** OP-86551  
**Work Order #**

### Client Contact Information

**Primary Contact:** Audrey Parks  
**Contact Title:** VP, IT  
**Contact Phone:** 8317591947  
**Contact Email:** aparks@salinasvalleyhealth.com

### NWN Contact Information

**Primary Contact:** Paul Jenson  
**Contact Title:** Account Executive  
**Contact Phone:** (951) 227-0586  
**Contact Email:** paul.jenson@nwncarousel.com

### BILL TO

Salinas Valley Health  
 450 E Romie Ln  
 Salinas, CA 93901

### SHIP TO

Salinas Valley Health  
 450 E Romie Ln  
 Salinas, CA 93901

## Additional Information

This incorporates attached Quote References for quote Q-276372 and Scope of Work titled:  
 Salinas Valley Health  
 Webex Calling & Webex Contact Center Migration

Renewal Terms: 1-5 year renewal based on customer request

## Product

| Webex Calling - Cloud Flex License Subscription - Subscription Term: 60 |                    |   |       |              |              |
|---|--------------------|---|-------|--------------|--------------|
| #   | ITEM               | DESCRIPTION   | QTY   | UNIT PRICE** | EXT. TOTAL   |
| 1.  | A-AUD-AU-BCCB      | Cisco Bridge Country Call Me / Call Back - license - 1 named user | 325   | \$6.79       | \$132,405.00 |
| 2.  | A-FLEX-3           | Collaboration Flex Plan 3.0                                       | 1     | \$0.00       | \$0.00       |
| 3.  | A-FLEX-PROPACK-ENT | Pro Pack for Cisco Control Hub Entitlement                        | 4070  | \$0.00       | \$0.00       |
| 4.  | SVS-FLEX-SUPT-BAS  | Basic Support for Flex Plan                                       | 2199  | \$0.00       | \$0.00       |
| 5.  | A-AUD-TOLLDIALIN   | Meetings Toll Dial-In Audio                                       | 325   | \$0.00       | \$0.00       |
| 6.  | A-FLEX-STD-CUBE    | CUBE STD TRUNK SESSION LICS CLDS                                  | 24    | \$1.68       | \$2,419.20   |
| 7.  | A-FLEX-NBR-STG     | Webex Cloud Recording Storage Entitlement                         | 1625  | \$0.00       | \$0.00       |
| 8.  | A-AUD-VOIP         | Included VoIP (1)   | 1     | \$0.00       | \$0.00       |
| 9.  | A-FLEX-MSG-ENT     | Messaging Entitlement   | 4070  | \$0.00       | \$0.00       |
| 10.   | A-FLEX-FILESTG-ENT | File Storage Entitlement  | 88800 | \$0.00       | \$0.00       |

| Webex Calling - Cloud Flex License Subscription - Subscription Term: 60 |                    |   |      |            |                |
|---|--------------------|---|------|------------|----------------|
| 11.   | A-FLEX-AUM         | Cisco AU Meetings   | 325  | \$14.78    | \$288,210.00   |
| 12.   | A-FLEX-EXP-RMS-S   | Expressway Rich Media Session included with Flex (1)        | 370  | \$0.00     | \$0.00         |
| 13.   | A-AUD-EDGEAUD-USER | Webex Edge Audio  | 325  | \$0.00     | \$0.00         |
| 14.   | A-FLEX-C-DEV-ENT   | Cloud Device Registration Entitlement                       | 4070 | \$0.00     | \$0.00         |
| 15.   | A-FLEX-SRST-E      | SRST Endpoints (1)  | 3700 | \$0.00     | \$0.00         |
| 16.   | A-FLEX-SPCHCON     | SpeechConnect Smart License (1)                             | 750  | \$0.00     | \$0.00         |
| 17.   | A-FLEX-SPEECHVIEW  | Speechview Standard   | 70   | \$0.66     | \$2,772.00     |
| 18.   | A-FLEX-MSUITE-ENT  | Cloud Meetings Entitlement                                  | 1850 | \$0.00     | \$0.00         |
| 19.   | A-FLEX-DI-ENT      | Webex Calling dedicated instance entitlement                | 1    | \$0.00     | \$0.00         |
| 20.   | A-FLEX-C-PRO       | Webex Calling Entitlement                                   | 2220 | \$0.00     | \$0.00         |
| 21.   | A-FLEX-P-CALL      | Prem to Webex Calling - Premises Calling Ent                | 1850 | \$0.00     | \$0.00         |
| 22.   | A-FLEX-DI-ESV-ENT  | Enhanced Survivability for Webex Calling DI entitlement     | 1    | \$0.00     | \$0.00         |
| 23.   | A-FLEX-DI-ESV      | Enhanced Survivability for Webex Calling Dedicated Instance | 1    | \$1,250.00 | \$75,000.00    |
| 24.   | A-FLEX-EACL        | EntW Webex Calling  | 1850 | \$6.70     | \$743,700.00   |
| 25.   | A-FLEX-CL-CA       | Webex Calling Common Area Entitlement                       | 925  | \$0.00     | \$0.00         |
| 26.   | A-FLEX-DI-BASE     | Webex Calling Dedicated Instance -                          | 1    | \$5,049.28 | \$302,956.80   |
| 27.   | A-FLEX-DI-PC       | Partner Connect for Dedicated Instance                      | 1    | \$0.00     | \$0.00         |
|   |                    |   |      | Total:     | \$1,547,463.00 |

| Webex Calling Usage  |                  |   |     |              |                                      |
|--|------------------|---|-----|--------------|--------------------------------------|
| These are usage based charges, will only be charged if used. - Subscription Term: 60 |                  |   |     |              |                                      |
| #  | ITEM             | DESCRIPTION   | QTY | UNIT PRICE** | EXT. TOTAL                           |
| 28.  | A-AUD-U-TA-BCTF  | BRIDGE COUNTRY TOLL FREE DIAL IN (1)<br><i>Usage Charge per minute in US</i>  | 1   | \$0.06       | Extended Total Based on Actual Usage |
| 29.  | A-AUD-U-TA-ITF   | Global Toll Free (1)<br><i>See rates on attached: Quote Reference 3</i>   | 1   | \$0.06       | Extended Total Based on Actual Usage |
| 30.  | A-AUD-U-PREMTOLL | Premium Toll Uncommitted Spend (1)<br><i>See rates on attached Quote Reference 4 - Premium Toll</i>                       | 1   |              | Extended Total Based on Actual Usage |
| 31.  | A-AUD-U-TA-ICB   | Global Call Me / Call Back<br><i>Usage Charge per minute in US: \$ 0.0335; other rates/countries on Quote Reference 5</i> | 1   | \$0.03       | Extended Total Based on Actual Usage |
| 32.  | A-FLEX-ERC       | Emergency Response Center Call Fee per undefined call<br><i>Usage Charge per instance</i>                                 | 1   | \$42.15      | Extended Total Based on Actual Usage |
|  |                  |   |     | Total:       | 0                                    |

| Webex Contact Center - Cloud Flex License Subscription - THIS INCLUDES BOTH CCX AND WxCC LICENSES! - Subscription Term: 60 |      |             |     |              |            |
|--|------|-------------|-----|--------------|------------|
| #  | ITEM | DESCRIPTION | QTY | UNIT PRICE** | EXT. TOTAL |

| Webex Contact Center - Cloud Flex License Subscription - THIS INCLUDES BOTH CCX AND WxCC LICENSES! - Subscription Term: 60 |                    |   |        |            |                |
|--|--------------------|---|--------|------------|----------------|
| 33.  | A-FLEX-3-CC        | Flex 3.0 for Contact Center                                 | 1      | \$0.00     | \$0.00         |
| 34.  | SVS-FLEX-SUPT-BAS  | Basic Support for Flex Plan                                 | 1      | \$0.00     | \$0.00         |
| 35.  | A-FLEX-P-N-AGT-ENT | Webex Contact Center Named Premium Agent Entitlement        | 57     | \$0.00     | \$0.00         |
| 36.  | A-FLEX-S-N-AGT-ENT | Webex Contact Center Named Standard Agent Entitlement       | 200    | \$0.00     | \$0.00         |
| 37.  | A-FLEX-AI-ASST-ENT | Webex AI Assistant Entitlement                              | 150    | \$0.00     | \$0.00         |
| 38.  | A-FLEX-WCC-S-N     | Webex Contact Center Standard Named Agent                   | 200    | \$42.44    | \$509,280.00   |
| 39.  | A-FLEX-P-CC        | On Prem to Webex Contact Center - Premises Ent              | 1      | \$0.00     | \$0.00         |
| 40.  | A-FLEX-AI-AGT      | Webex AI Agent  | 106    | \$54.96    | \$349,545.60   |
| 41.  | A-FLEX-AI-ASST     | Webex AI Assistant Overage                                  | 150    | \$16.53    | \$148,770.00   |
| 42.  | A-WXCN-ADD-EHR-EPC | Add-on EHR integration with Epic (includes 20k API calls) - | 1      | \$1,711.96 | \$102,717.60   |
| 43.  | A-FLEX-WCC-P-N     | WEBEX CONTACT CENTER PREMIUM CLDS NAMED AGENT               | 57     | \$64.91    | \$221,992.20   |
| 44.  | A-FLEX-DC-C-ENT    | Digital Channels- Cloud Entitlement                         | 1      | \$0.00     | \$0.00         |
| 45.  | A-WXCN-TENANT-ACT  | Webex Connect Tenant Configuration Activation               | 1      | \$18.55    | \$1,113.00     |
| 46.  | A-WXCN-AUTOINT     | Automated Interactions Entitlement of 100,000 -             | 100000 | \$0.00     | \$0.00         |
| 47.  | A-DSKTP-EPIC-N-ENT | EPIC Desktop Connector Named Agent Entitlement -            | 200    | \$0.00     | \$0.00         |
| 48.  | A-DSKTP-EPIC-N     | EPIC Desktop Connector Named Agents -                       | 200    | \$26.63    | \$319,560.00   |
| 49.  | A-WXCN-CX          | Webex Connect CX Edition -                                  | 1      | \$3,600.54 | \$216,032.40   |
| 50.  | A-FLEX-CJIVR-ENT   | WxCC Additional Cisco IVR Ports Entitlement                 | 1      | \$0.00     | \$0.00         |
| 51.  | A-FLEX-AI-AGT-ENT  | Webex AI Agent Entitlement                                  | 106    | \$0.00     | \$0.00         |
| 52.  | A-FLEX-WCALL-ENT   | "Cisco Systems:Webex Calling Entitlement"                   | 1      | \$0.00     | \$0.00         |
|  |                    |   |        | Total:     | \$1,869,010.80 |

| Webex Contact Center Usage   |                    |  |     |              |                                      |
|--|--------------------|--|-----|--------------|--------------------------------------|
| These are usage based charges, will only be charged if used. - Subscription Term: 60 |                    |  |     |              |                                      |
| #  | ITEM               | DESCRIPTION  | QTY | UNIT PRICE** | EXT. TOTAL                           |
| 53.  | A-CHAN-OPT-FEE     | Optional Channel Fees<br><i>See Quote Reference 1 for rates</i>                            | 1   | \$0.00       | Extended Total Based on Actual Usage |
| 54.  | A-WXCN-AUTOINT-O   | Automated Interactions Uncommitted Overage -<br><i>0.0050 per each Usage Charge</i>        | 1   | \$0.01       | Extended Total Based on Actual Usage |
| 55.  | A-CHAN-U-SMS-10DLC | SMS Channel- US 10DLC MT Usage<br><i>See Quote Reference 6 for rates</i>                   | 1   | \$0.00       | Extended Total Based on Actual Usage |
| 56.  | A-FLEX-C-IVR-O     | WEBEX CONTACT CENTER ADDL IVR CLDS PORTS OVERAGE<br><i>Per port Overage - Usage Charge</i> | 1   | \$42.95      | Extended Total Based on Actual Usage |

| Webex Contact Center Usage   |                    |   |   |            |                                      |
|--|--------------------|---|---|------------|--------------------------------------|
| These are usage based charges, will only be charged if used. - Subscription Term: 60 |                    |   |   |            |                                      |
| 57.  | A-RCS-CARRIER      | RCS Carrier Fee<br><i>See Quote Reference 7 for rates</i>   | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 58.  | A-CHAN-OPT-PROV    | Optional Provision Usage<br><i>See Quote Reference 8 for rates</i>                                    | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 59.  | A-CHAN-10DLC-CMPN  | Cisco Systems:10DLC Campaign Fee - Charged by the Campaign Registry<br><i>Per each - Usage Charge</i> | 1 | \$11.58    | Extended Total Based on Actual Usage |
| 60.  | A-FLEX-AI-AGT-O    | Webex AI Agent Overage<br><i>Per each overage - Usage Charge</i>                                      | 1 | \$70.54    | Extended Total Based on Actual Usage |
| 61.  | A-CHAN-U-MMS-10DLC | Cisco Systems:MMS Channel - US 10DLC MT Usage<br><i>See Quore Reference 9 for rates</i>               | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 62.  | A-MMS-CARRIER      | MMS Channel- US Carrier Surcharge<br><i>See Quote Reference 2 for rates</i>                           | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 63.  | A-CHAN-U-MMS-SC    | MMS Channel- US Short Code MT Usage<br><i>See Quote Reference 10 for rates</i>                        | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 64.  | A-CHAN-SMS-TF-NUM  | United States/Canada Toll Free Number (SMS/VOICE) -<br><i>Per each - Usage Charge</i>                 | 1 | \$2.03     | Extended Total Based on Actual Usage |
| 65.  | A-CHAN-U-MMS-TF    | MMS Channel- US Toll Free Usage<br><i>See Quote Reference 11 for rates</i>                            | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 66.  | A-DSKTP-EPIC-N-O   | EPIC Desktop Connector Named Agents Overage -<br><i>Per each overage - Usage Charge</i>               | 1 | \$33.87    | Extended Total Based on Actual Usage |
| 67.  | A-CHAN-WHATSAPP-IB | WhatsApp Channel- Inbound Messaging Usage<br><i>Usage Charge</i>                                      | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 68.  | A-CHAN-SMS-10DLC-N | SMS Channel- United States 10 Digit Long Code Number<br><i>Per each - Usage Charge</i>                | 1 | \$0.73     | Extended Total Based on Actual Usage |
| 69.  | A-CHAN-U-SMS-TF-US | SMS Channel- US Toll-Free Number MT & MO Usage<br><i>See Quote Reference 12 for rates</i>             | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 70.  | A-CHAN-U-RCS-USA   | RCS Channel - USA Usage<br><i>See Quote Reference 13 for rates</i>                                    | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 71.  | A-CHAN-U-LCHAT-WC  | Live Chat / Web Chat Channel Usage<br><i>See Quote Reference 14 for Rates</i>                         | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 72.  | A-CHAN-U-SMS-SC-US | United States Short Code MT Usage (SMS)<br><i>See Quote Reference 15 for rates</i>                    | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 73.  | A-FLEX-WCC-P-N-O   | WEBEX CONTACT CENTER PREMIUM CLDS NAMED AGENT OVERAGE<br><i>Per each overage - Usage Charge</i>       | 1 | \$79.74    | Extended Total Based on Actual Usage |
| 74.  | A-CHAN-U-EMAIL     | Email Channel- Usage<br><i>See Quote Reference 16</i>   | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 75.  | A-CHAN-WHATSAPP-OB | WhatsApp Channel- Outbound Messaging Usage<br><i>0.0060 per each - Usage Charge</i>                   | 1 | \$0.00     | Extended Total Based on Actual Usage |
| 76.  | A-RCS-PROV-FEE     | US RCS Bot Provisioning<br><i>Per each - Usage Charge</i>   | 1 | \$2,296.88 | Extended Total Based on Actual Usage |

| <b>Webex Contact Center Usage</b>   |                        |   |   |               |                                      |
|---|------------------------|---|---|---------------|--------------------------------------|
| <b>These are usage based charges, will only be charged if used. - Subscription Term: 60</b> |                        |   |   |               |                                      |
| 77.   | A-FLEX-RS-GB-O         | Additional Recording Storage - Gb Overage<br><i>Per each GB overage - Usage Charge</i>              | 1 | \$0.04        | Extended Total Based on Actual Usage |
| 78.   | A-CHAN-OPT-USAGE       | Optional Channel Usage<br><i>See Quore Reference 17 for rates</i>                                   | 1 | \$0.00        | Extended Total Based on Actual Usage |
| 79.   | A-CHAN-SMS-SCR-<br>NUM | Channel- SMS United States Short Code<br>Random Number<br><i>Per each - Usage Charge</i>            | 1 | \$578.70      | Extended Total Based on Actual Usage |
| 80.   | A-FLEX-WCC-S-N-O       | WEBEX CONTACT CENTER STANDARD CLDS<br>NAMED AGENT OVERAGE<br><i>Per each overage - Usage Charge</i> | 1 | \$52.14       | Extended Total Based on Actual Usage |
| 81.   | A-SMS-SC-PROV          | SMS United States Short Code Provisioning Fee<br><i>Per each - Usage Charge</i>                     | 1 | \$1,822.92    | Extended Total Based on Actual Usage |
| 82.   | A-SMS-TF-PROV          | United States/Canada Toll Free Provisioning Fee<br>(SMS/VOICE) -<br><i>Per each - Usage Charge</i>  | 1 | \$36.46       | Extended Total Based on Actual Usage |
| 83.   | A-SMS-CARRIER          | SMS Channel- US Carrier Surcharge<br><i>See Quote Reference 18</i>                                  | 1 | \$0.00        | Extended Total Based on Actual Usage |
| 84.   | A-CHAN-U-APPLE-BC      | Apple Business Chat Channel Usage<br><i>See Quote Reference 19 for rates</i>                        | 1 | \$0.00        | Extended Total Based on Actual Usage |
| 85.   | A-CHAN-SMS-SCV-<br>NUM | SMS Channel- United States Short Code Vanity<br>Number<br><i>Per each - Usage Charge</i>            | 1 | \$1,157.41    | Extended Total Based on Actual Usage |
| 86.   | A-FLEX-AI-ASST-O       | Webex AI Assistant Overage<br><i>Per each overage - Usage Charge</i>                                | 1 | \$21.17       | Extended Total Based on Actual Usage |
| 87.   | A-WHATSAPP-FEE         | WhatsApp Message Fees<br><i>Per Each - Usage Charge</i>   | 1 | \$0.00        | Extended Total Based on Actual Usage |
|   |                        |   |   | <b>Total:</b> | <b>0</b>                             |

| <b>Partner Connect Routers &amp; LCs - Subscription Term: 60</b> |                    |   |     |              |             |
|--|--------------------|---|-----|--------------|-------------|
| #  | ITEM               | DESCRIPTION   | QTY | UNIT PRICE** | EXT. TOTAL  |
| 88.  | C8300-1N1S-6T      | Cisco Catalyst C8300-1N1S-6T Router                             | 2   | \$7,093.36   | \$14,186.72 |
| 89.  | CON-L14HR-C830IN6T | CX LEVEL 1 24X7X4 Cisco Catalyst C8300<br><i>5 year term</i>    | 2   | \$15,407.97  | \$30,815.94 |
| 90.  | TE-R-SW            | TE agent for IOSXE on Enterprise Routing                        | 2   | \$0.00       | \$0.00      |
| 91.  | NETWORK-PNP-LIC    | Network Plug-n-Play License for zero-touch<br>device deployment | 2   | \$0.00       | \$0.00      |
| 92.  | C8000-HSEC         | U.S. Export Restriction Compliance license for<br>C8000 series  | 2   | \$0.00       | \$0.00      |
| 93.  | IOSXE-AUTO-MODE    | IOS XE Autonomous boot up mode for Unified<br>image             | 2   | \$0.00       | \$0.00      |
| 94.  | SC8KBEUK9-1715     | Catalyst 8200/8200L/8300 Series Edge -<br>UNIVERSAL             | 2   | \$0.00       | \$0.00      |
| 95.  | MEM-C8300-8GB      | Cisco Catalyst 8300 Edge 8GB memory                             | 2   | \$0.00       | \$0.00      |
| 96.  | C-RFID-1R          | Cisco Catalyst 8000 Edge RFID - 1RU                             | 2   | \$0.00       | \$0.00      |
| 97.  | C8300-RM-19-1R     | Cisco Catalyst 8300 Rack mount kit - 19 1R                      | 2   | \$0.00       | \$0.00      |
| 98.  | C8300-NIM-BLANK    | Cisco Catalyst 8300 Edge NIM Blank                              | 2   | \$0.00       | \$0.00      |

| Partner Connect Routers & LCs - Subscription Term: 60 |                    |  |   |            |             |
|---|--------------------|--|---|------------|-------------|
| 99.   | C8300-SM-BLANK     | Cisco Catalyst 8300 Edge SM Blank                            | 2 | \$0.00     | \$0.00      |
| 100.  | C8300-PIM-BLANK    | Cisco Catalyst 8300 Edge PIM Blank                           | 2 | \$0.00     | \$0.00      |
| 101.  | PWR-CC1-250WAC     | Cisco C8300 1RU 250W AC Power supply                         | 4 | \$0.00     | \$0.00      |
| 102.  | CAB-AC             | AC Power Cord (North America), C13, NEMA 5-15P, 2.1m         | 4 | \$0.00     | \$0.00      |
| 103.  | M2USB-16G          | Cisco Catalyst 8000 Edge M.2 USB 16GB                        | 2 | \$723.60   | \$1,447.20  |
| 104.  | DNA-C8300-SW       | Cisco DNA subscription for C8300 series                      | 2 | \$0.00     | \$0.00      |
| 105.  | DSTACK-T0-A        | Cisco DNA Advantage Stack - upto 15M (Aggr, 30M)             | 2 | \$0.00     | \$0.00      |
| 106.  | NWSTACK-T0-A       | Cisco Network Advantage Stack - upto 15M (Aggr, 30M)         | 2 | \$0.00     | \$0.00      |
| 107.  | TE-EMBED-WANI      | Cisco ThousandEyes WAN Insights Embedded                     | 2 | \$0.00     | \$0.00      |
| 108.  | SDWAN-UMB-ADV      | Cisco Umbrella for DNA Advantage                             | 2 | \$0.00     | \$0.00      |
| 109.  | DNAC-ONPREM-PF     | Cisco DNA Center On Prem Deployment Option for WAN           | 2 | \$0.00     | \$0.00      |
| 110.  | C83-1N1S-6T-PF     | C8300-1N1S-6T Platform Selection for DNA Subscription        | 2 | \$0.00     | \$0.00      |
| 111.  | IOSXE-AUTO-MODE-PF | IOS XE Autonomous boot up mode for Unified image             | 2 | \$0.00     | \$0.00      |
| 112.  | SVS-PSTL1-T0-ASY   | Success Track L1 - DNA Advantage OnPrem Lic, T0, 5Y          | 2 | \$655.20   | \$1,310.40  |
| 113.  | DNA-P-T0-A-5Y      | Cisco DNA Advantage On-Prem Lic 5Y - upto 25M (Aggr, 50M)    | 2 | \$2,329.52 | \$4,659.04  |
| 114.  | TRN-CLC-000        | 10 PREPAID TRAINING CREDITS REDEEM W/CISCO LEARNING PARTNERS | 5 | \$0.00     | \$0.00      |
|   |                    |  |   | Total:     | \$52,419.30 |

## Services

| #  | GROUP NAME                               | ITEM             | QTY | UNIT PRICE** | SUB TERM | EXT. TOTAL   |
|----|--|------------------|-----|--------------|----------|--------------|
| 1. | Circuits for Partner Connect             | Managed Services | 1   | \$116,661.60 | 60       | \$116,661.60 |
| 2. | Circuits for Partner Connect             | Services         | 1   | \$5,657.24   |          | \$5,657.24   |
| 3. | Implementation Services - Calling        | Services         | 1   | \$202,486.86 |          | \$202,486.86 |
| 4. | Implementation Services - Contact Center | Services         | 1   | \$287,720.49 |          | \$287,720.49 |
| 5. | Services - Partner Connect Routers       | Managed Services | 1   | \$26,400.00  | 60       | \$26,400.00  |
| 6. | Services - Partner Connect Routers       | Services         | 1   | \$2,708.18   |          | \$2,708.18   |
|    |  |                  |     |              | Total:   | \$641,634.37 |

*\*\*The Monthly/Unit Price shown above has been rounded to two decimal places for display purposes. As many as eight decimal places may be present in the actual price. The totals for this order were calculated using the actual price, rather than the Monthly/Unit Price displayed above, and are the true and binding totals for this order.*



| Financial Summary     |                |
|-----------------------|----------------|
| ITEM                  | TOTAL          |
| Quote Sub-Total:      | \$4,110,527.47 |
| One-Time Ext. Total:  | \$550,992.07   |
| Recurring Ext. Total: | \$3,559,535.40 |

| Billing and Payment Terms |  |
|---------------------------|--|
| ITEM                      | TERM   |
| Billing Terms:            | Recurring - Monthly  |
| Custom Billing Terms:     | Milestone 1 - Hardware and Software due upon signed contract at Net 45 terms<br>Milestone 2 - 33% of labor upon project kickoff<br>Milestone 3 - 33% of labor at 50% project completion<br>Milestone 4 - Remaining balance upon project completion |
| Payment Terms:            | Net 45   |
| Payment Schedule:         | Future Milestones  |

| Service Guide Documents                   |   |
|---|---|
| Service Guide Name                        | Service Guide URL   |
| EMP Services Customer Service Description | <a href="https://nwnit.box.com/s/1csb40l92zhkm6llcdv2ywg4u7hhao2s">https://nwnit.box.com/s/1csb40l92zhkm6llcdv2ywg4u7hhao2s</a> |

**Flexible Finance Solutions Available. Speak to your Sales Team today.**

**Accepted and agreed by:**

Salinas Valley Health

Carousel Industries of North America, LLC

Signature

Signature

Name

Name

Title

Title

Date

Date

**Terms and Conditions**

This Quote is presented to you by NWN Corporation, Carousel Industries of North America, LLC, Leverage Information Systems, Inc., and InterVision Systems LLC\* (collectively, "NWN"). The NWN affiliate that your Master Agreement is with is the only party to this Quote and in no event shall all other NWN affiliates be held jointly and/or severally liable for the obligations and liabilities set forth in this Quote.

This Quote shall expire on the Expiration Date set forth above. In no event will the Quote be valid for longer than thirty (30) days from the Generated Date, also set forth above. Notwithstanding the foregoing, in the event Provider's manufacturer adjusts pricing after the Effective Date of the Quote, Provider reserves the right to adjust pricing until the date of shipment. Applicable taxes, freight charges, and if applicable, telecommunications surcharges



and fees (including but not limited to Federal Universal Service Fees), will be applied to the final invoice and Customer shall be billed in accordance with the terms outlined above. Any and all tariffs, duties, or additional government-imposed costs that become applicable after the Generated Date of the Quote shall be the responsibility of the Customer and will be added to the final invoice. For purposes of calculating Taxes, Customer's location will be set to Customer's service address or billing address (if the service address is unknown) unless Customer specifically notifies NWN in writing that it intends to use the services at another/additional valid physical location(s). NWN reserves the right to reject any request to treat an alternative physical location as Customer's service address if NWN discovers that the address is invalid or otherwise inaccurate. If NWN must pay for any additional Taxes, Imposition and associated interest and/or penalties arising from Customer's provision of erroneous location data, Customer shall promptly reimburse NWN for the same within fourteen (14) days of demand by NWN. Further, Customer shall be responsible for notifying NWN in the event of any change to service address(s). The payment frequency set forth above details the timing and amount of the charges due under this Quote. One-Time Product charges, including hardware and software, will be invoiced in full at time of shipment. Where applicable, unless Customer notifies NWN in writing at least ninety (90) days prior to the subscription renewal date, Customer's subscription term will automatically renew on annual terms. Notwithstanding anything to the contrary, in the event Customer is purchasing software licenses or other usage-based consumption products or services under this Quote, and Customer's actual software license count or usage exceeds those initially purchased pursuant to this Quote, Customer will be invoiced during the next billing cycle based on the highest licenses count or usage consumed and not the amounts initially set forth in this Quote. Whenever possible, overages will be billed in the month following when the overage occurred. This Quote and any applicable Products or Services purchased hereunder are subject to either (i) the applicable mutually executed Master Products and Services Agreement or Master Services Agreement that authorizes the purchase(s) herein between NWN and Customer; or (ii) where NWN and Customer have not executed such an agreement, the terms and conditions set forth at the Master Agreement located at <https://nwncarousel.com/master-agreement/> shall apply (the online terms and conditions and the applicable agreement shall each be deemed the "Agreement"). This Quote is additionally subject to the applicable (i) the third-party terms set forth at <https://nwn.ai/third-party-eula-tos-warranty/>, and (ii) the compliance policies and terms set forth at <https://nwn.ai/compliance/> and such terms are incorporated herein by reference. For the avoidance of doubt, in the event of any conflicts between the terms of this Quote, a Accepted Purchase Order (as defined herein) or the Agreement, the terms of the Agreement shall prevail. To the extent the name of the Agreement does not correspond with those referenced above but authorizes Customer to purchase Products or Services from NWN, those agreements shall additionally be deemed Agreements for the purposes of this Quote. Any terms not defined in this Quote shall be set forth in the Agreement. Unless otherwise prohibited, in the event a product return by Customer triggers NWN's vendors to impose restocking fee(s) to process such return, NWN may, in its sole discretion, impose equivalent restocking fee(s) on customer.

In the event Customer does not execute this Quote and only places a Purchase Order, such Purchase Order is deemed acceptance of the terms of this Quote and any additional or different terms in such Purchase Order will not bind NWN. NWN may reject a Purchase Order in its sole discretion within two (2) business days from its receipt and after which time such Purchase Order is deemed accepted (an "Accepted Purchase Order"). In the event Customer chooses to place a Purchase Order rather than signing this Quote, the date of the Accepted Purchase Order shall be considered the Effective Date and placement of Purchase Order shall be deemed acceptance of this Quote and all the terms and conditions contained herein. \*In the event your Master Agreement is with InterVision Systems, LLC, for the purposes of this Quote, all references to "Service Order" in your Master Agreement shall have the same meaning as "Quote".

## Statement of Confidentiality

This quote has been developed by NWN and is NWN's proprietary trade secret and business confidential information. This Quote may not be released to another vendor, business partner or contractor without prior written consent from NWN.

# Finance Committee Board Paper

Agenda Item: **Consider Recommendation for Board Approval of Contract Award to RL Datix for RL 360 Modules**

Executive Sponsor: Timothy Albert, MD, Chief Clinical Officer

Date: June 15, 2026

## Executive Summary

RL Datix is a leading healthcare governance, risk, and compliance software provider that helps organizations improve patient safety and manage risks effectively. RL Datix helps healthcare organizations proactively identify, assess, and mitigate risks. This platform is used to report, track, and analyze patient safety events, adverse events, and compliance issues.

## Background/Situation

Salinas Valley Health has been offered a contract to upgrade our platform with RL Datix from RL6 to RL360. The proposed contract is priced significantly lower than what should have been offered. RL Datix has agreed to honor their proposed rate, but only if the contract is signed by July 15, 2026.

## Timeline/Review Process to Date

May 2026: Contract negotiations initiated

May 2026: Contract finalization (6-8 weeks after contract signed, implementation initiated)

Summer 2026: Implementation and education completed

## Strategic Plan Alignment

This implementation will be in support of the quality metrics in the balanced scorecard.

## Pillar/Goal Alignment

Service     People     Quality     Finance     Growth     Community

## Financial/Quality/Safety/Regulatory Implications

| Key Contract Terms             | Vendor:  |
|--------------------------------|--|
| 1. Proposed effective date     | July 15, 2026                                    |
| 2. Term of agreement           | 7-years  |
| 3. Renewal terms               | No automatic renewal                             |
| 4. Termination provision(s)    | For cause termination only                       |
| 5. Payment Terms               | Annual Fee. Net 45 days, 5% annual escalation    |
| 6. Annual cost                 | See RL Datix RL 360 Annual Fee Schedule attached |
| 7. Cost over life of agreement | \$2,230,255                                      |
| 8. Budgeted (indicate y/n)     | Yes  |

## Recommendation

**Consider Recommendation for Board Approval of Contract Award to RL Datix for RL 360 Modules in the amount of \$2,230,255 over the life of the agreement.**

## Attachments

- Table of full expenses
- Competitive Solicitation Checklist
- Sole Source Justification
- RL Datix Order Form

## RL Datix RL 360 Annual Fees:

| Year           | Total Due   |
|----------------|-------------|
| 2026-2027      | \$273,919   |
| 2027-2028      | \$287,615   |
| 2028-2029      | \$301,996   |
| 2029-2030      | \$317,096   |
| 2030-2031      | \$332,951   |
| 2031-2032      | \$349,599   |
| 2032-2033      | \$367,079   |
| Contract Total | \$2,230,255 |

**BOARD or CEO Packet Submission Checklist**  
Consider Recommendation for Board Approval of  
Contract Award to RL Datix for RL 360 Modules

**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** \$400,000 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/Specialist reviewed: No \_\_\_ or Yes X By Whom: Natalie James

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

|                     |                      |                   |
|---------------------|----------------------|-------------------|
| <u>Brenda Anman</u> | <u>VP Quality/RM</u> | <u>06/16/2026</u> |
| Signature           | Title/Dept.          | Date              |

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

|  |                         |
|--|-------------------------|
| VP IT: (if applicable) <u>Audrey Parks</u> | Date: <u>06/16/2026</u> |
| Director Supply Chain: <u>Judi Melton</u>  | Date: <u>06/16/2026</u> |

**Justification for Sole Source Form**

**To:** Contract Review Committee

**From:** Brenda Inman, Quality and Risk Management

**Type of Purchase:**

- Data Processing/Telecommunication Goods/Service of \$25,000 or more
- Purchase Service, Medical/Surgical – Supplies/Equipment of \$400,000 or more
- Non-Medical materials/supplies/Public Works of \$25,000 or more

|                |   |
|----------------|---|
| Total Cost \$: | \$2,230,255   |
| Vendor Name:   | RL Datix  |
| Agenda Item:   | Consider Recommendation for Board Approval of Contract Award to RL Datix for RL 360 Modules |

**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 SVHMC. 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 SVHMC. 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.**

RL Datix is the company used by the majority of hospitals in the country for healthcare governance, risk, and compliance software. This product helps hospitals improve patient safety and manage risks effectively. With this software, our hospital will be able to report, track, and analyze patient safety events, adverse events, and compliance issues.

- Uniqueness of the service. **Describe.**

The upgrade to the RL 360 module will allow RL Datix to function as our hospital’s Patient Safety Organization (PSO). This is a regulatory requirement. The pricing for this product that was offered to us is significantly reduced from what is offered to other hospitals. RL Datix has agreed to honor the pricing and terms in the contract (and for the life of the contract) if the contract is signed before July 15, 2026.

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

Submitter Signature Brenda Inman Date: 06/16/2026



# ORDER FORM

**Safer Patients. Safer Workforce. Safer Organization.**

Heather Schuette  
hschuette@rldatix.com



|              |  |
|--------------|--|
| Quote Date   | 2026-07-31   |
| Quote Number | Q-266399   |
| Organization | Salinas Valley Health  |
| Currency     | USD  |
| Expiry Date  | 2026-07-15   |
| RLDatix      | 311 South Wacker Drive, Suite 4900, Chicago, Illinois, 60606 |

**Licenses**

| Module or Add-ons                         | Product or Services                              | Quantity |
|---|--|----------|
|   |  | 1        |
| <b>Risk &amp; Safety - Foundations</b>    | Risk & Safety – Foundations                      | 1        |
| <b>Risk &amp; Safety - Risk</b>           | Risk & Safety - Risk<br>RLDatix Safety Institute | 1        |
| <b>Risk &amp; Safety - Feedback</b>       | Risk & Safety – Feedback                         | 1        |
| <b>Risk &amp; Safety - Claims</b>         | Risk & Safety – Claims                           | 1        |
| <b>Risk &amp; Safety - RCA</b>            | Risk & Safety – RCA                              | 1        |
| <b>Risk &amp; Safety - Risk Register</b>  | Risk & Safety - Risk Register                    | 1        |
| <b>Risk &amp; Safety - Safety Huddles</b> | Risk & Safety - Safety Huddles                   | 1        |
| <b>Risk &amp; Safety - Peer Review</b>    | Risk & Safety - Peer Review                      | 1        |

**Services**

| Module or Add-ons | Product or Services | Hours     |
|-------------------|---------------------|-----------|
| Success Plans     | Gold Success Plan   | 100 hours |

**Implementation Services**

Implementation Services

See enclosed SOW

The Software ordered is licensed, not sold, and the license granted to Salinas Valley Health is limited in accordance with the Master Services Agreement established between the parties signed April 12, 2022.

**The license granted to the Client listed on this Order Form is limited as follows:**

|   | <b>Subscription</b>  |
|---|--|
| <b>FTE limit</b>  | 2,173  |
| <b>The Licensed Material are restricted for use only at the following</b> | Salinas Valley Hospital<br><br>Unlisted Licensed Locations<br><br>The Licensed Materials may also be used at affiliated locations (which are not specifically identified above) as long as none of the unlisted licensed locations exceeds 100 FTEs and the aggregate total of all unlisted licensed locations does not exceed 400 FTEs. "FTE" refers to full-time equivalent number of employees. |

|                                  | <b>List Price</b> | <b>Offered Incentives</b> | <b>Your Price</b> |
|----------------------------------|-------------------|---------------------------|-------------------|
| <b>Setup Fee</b>                 | <b>\$69,300</b>   | <b>\$13,860</b>           | <b>\$55,440</b>   |
| <b>Annual Fees</b>               |                   |                           |                   |
| <b>† Annual Subscription Fee</b> | <b>\$257,479</b>  | <b>\$39,000</b>           | <b>\$218,479</b>  |
| <b>First Year Fees:</b>          |                   |                           | <b>\$273,919</b>  |

**Minimum Commitment - First Year plus 6 additional years**

**Payment Instructions:**

BMO Harris Bank Incoming ACH and Incoming Domestic Wire (Within the US) Instructions:  
 Bank Name: BMO Harris Bank NA  
 Bank Routing Number: 071000288  
 Beneficiary Name: Datix (USA) Inc.  
 Beneficiary Account Number: 2383222

† The First Year, being the first year of Maintenance Services or Subscription Services, shall commence on Effective Date of this purchase.

For the duration of the Minimum Commitment, annual fee increases shall be 5%

† This new annual fee replaces your existing Annual Fee(s). This new fee is due on Effective Date of this purchase. To the extent that there is an overlap between when your new fee begins, and when your old annual fee term ends, you will receive a credit equivalent to the prorated unused portion of the old fee. \*If there is no overlap, then the new fee is due when the previously paid old fee term ends. If you wish to change your Renewal Date or get clarification on the prorated amount, contact RLDatix accounting department at 1-888-404-0468.





In addition to the terms and conditions of the Master Services Agreement, the prices quoted above are subject to the following:

## License and Services

Except as expressly provided in a written agreement signed by authorized representatives of RLDatix and Client identified above, the agreement for the software and services described above shall be comprised of and governed solely by this Order Form and the relevant Statement of Work, as well as the Master Services Agreement and the RLDatix Standard Support Plan which are both available at the RLDatix website at <https://www.rldatix.com/en-nam/msa>. RLDatix rejects the terms of any order document or acknowledgement purporting to alter or add to such terms.

## Payment/Delivery

Taxes are not included in the prices quoted and will be added to invoiced amounts. Payment is due within 45 days from invoice date. Licensed Materials will be delivered electronically and/or shipped on memory device(s) or made available for downloading. Client must confirm that the above addresses are correct. Payment remit-to instructions are specified below. Client's purchase order must reference the quotation number.

## Implementation and Integration Services

If listed, RLDatix is providing implementation and/or other services as part of the initial fee listed above. Refer to the relevant Statement of Work document for more details. Out of pocket expenses incurred by RLDatix for plans that include onsite services shall be reimbursed by Client.

## Annual Fees

Annual fees are for software support and maintenance and subscription licensing in accordance with the RLDatix Standard Support Plan. A description of RLDatix' support and maintenance is located at the RLDatix web site at <https://www.rldatix.com/en-nam/msa>. Unless otherwise indicated on the Order Form, the First Year of annual fees commences on the purchase date. If a Minimum Commitment is applicable, the term of that commitment will be indicated on the Order Form: Client and RLDatix agree to continue annual support and maintenance for the specified period of time. Maintenance fees, Subscription fees, and Success Plans shall not auto-renew after the completion of the seven (7) year commitment within this Order Form. A lapse in payment of annual fees may result in a reactivation fee.

## General

The contents of this order form are confidential and are intended only to transact business between RLDatix and Client, who may not disclose the contents to any third party.

## Payments Instructions:

**BMO Harris Bank Incoming ACH and Incoming Domestic Wire (Within the US) Instructions:**

Bank Name: BMO Harris Bank NA

Bank Routing Number: 071000288

Beneficiary Name: Datix (USA) Inc.

Beneficiary Account Number: 2383222

Dear Valued Customer,

We look forward to working with you on the service project outlined in this order form. Each of our RLDatix team members are committed to providing excellent results, and I am thankful for your trust in us to deliver value.

We are pleased to accompany your purchase with a Statement of Work (SOW) that outlines the services RLDatix will deliver to achieve the desired results. The SOW details objectives, scope, and the responsibilities of each party to ensure a successful project.

We kindly request that your project leader(s) review this document for its informational value in preparing for your project. The SOW is not subject to alterations, as it reflects our standardized approach to ensuring quality and consistency across all customer engagements. Our goal is to foster a transparent and successful partnership. Therefore, we encourage open communication should you require further understanding of the SOW contents.

Thank you for your understanding and trust in our services. We look forward to achieving great results together.

Sincerely,



Jennifer Jacobucci,  
Vice President of Support & Professional Services

## **Statement(s) of Work related to your purchase:**

- [Key Field Data Conversion to RLDatix Risk & Safety](#)
- [Risk & Safety Implementation Services](#)
- [Gold Success Plan NAM](#)

## Confidentiality Notice

All rights reserved. This material contains valuable properties and trade secrets of RLDatix embodying substantial creative efforts and confidential information, ideas and expressions (including, but not limited to, implementation approaches, personal identifiable information related to resourcing, project work plans and statement of work, client names and contact information, system configurations, forward-looking statements, pricing and key differentiators), no part of which may be reproduced or transmitted in any form without express written permission from RLDatix.

It is understood that this material will be disclosed on a confidential basis for use by select staff of your organization including key employees and your organization's advisers, with appropriate confidentiality agreements in place, and be retained by anyone who receives it for the sole purpose of evaluating or participating in the evaluation of the proposal on a need-to-know basis.

**RLDATIX SAFETY INSTITUTE  
PARTICIPATION AND CONFIDENTIALITY AGREEMENT**

**THIS PARTICIPATION AND CONFIDENTIALITY AGREEMENT** ("Agreement") is by and between Salinas Valley Health ("**PROVIDER**") and **RLDATIX SAFETY INSTITUTE** ("**PSO**"). **PROVIDER** and **PSO** shall be individually referred to as a "Party" and, collectively, as the "Parties.").

**WHEREAS**, the Patient Safety and Quality Improvement Act of 2005 (42 U.S.C. § 299b-21 to b-26) and the regulations promulgated thereunder at 42 C.F.R. Part 3 (collectively referred to as the "Patient Safety Act and Rule"), establishes a framework by which health care providers may voluntarily report/disclose quality information/analysis in the form of PSWP to a "Patient Safety Organization" as defined by the Patient Safety Act and Rule on a privileged and confidential basis for, among other things, the aggregation, collection, storage, analysis and dissemination of best practices for quality improvement and best practice protocol development purposes;

**WHEREAS**, the **PSO** is a component Patient Safety Organization (PSO) listed by the Department of Health and Human Services certified under the provisions of the Patient Safety Act and Rule; and

**WHEREAS**, Salinas Valley Health is a **PROVIDER** who desires to participate in the **PSO** and by signing below agrees to comply with the terms of this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing recitals, covenants, obligations, terms and conditions set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the **PSO** and **PROVIDER** intending to be legally bound, hereby agree as follows:

**1. DEFINITIONS.** For purposes of this Agreement, the following terms shall be defined as set forth below:

1.1 "**Confidential Information**" shall include, without limitation, any information that is "Patient Safety Work Product", whether or not it is identified as such.

1.2 "**Rules**" shall mean the rules and regulations issued by the U.S. Secretary of the Department of Health and Human Services to implement certain aspects of the Patient Safety Act.

1.3 "**PSO Patient Safety Activities**" as described in the **PSO** Policies and Procedures and other programs conducted by the **PSO**.

1.4 Any other capitalized terms not defined herein shall have the meanings set forth in the Patient Safety Act and/or the Rules.

**2. QUALITY IMPROVEMENT.** Consistent with the Patient Safety Act, the **PSO** shall conduct Patient Safety Activities, which are intended to improve patient safety, the quality of patient care and patient outcomes by **PROVIDER**. **PSO** agrees that it will preserve in confidence and not disclose to others, and not use (except as permitted by the Patient Safety Act or as set forth herein) any and all Patient Safety Work Product ("PSWP") received from **PROVIDER**.

**3. PROVIDER REQUIREMENTS.** **PROVIDER** shall:

3.1 Ensure it actively participates in the **PSO**;

3.2 Develop and maintain a Patient Safety Evaluation System for collecting, maintaining, analyzing, and managing information that is transferred (i.e., reporting/disclosed) to **PSO** and received from **PSO**.

3.3 Grant **PSO** the royalty-free, perpetual, irrevocable, worldwide, non-exclusive right and license to use, reproduce, modify, adapt, publish, create derivative works from, distribute, and display all non-identifiable PSWP, received from the **PROVIDER**.

3.4 To the extent **PSO** develops aggregate, de-identified or similar data from the data submitted by the **PROVIDER**, **PSO** shall exclusively own such data and any derivative works from it, and may use such data and derivative works in publication and for the purpose of improving the safety and quality of patient care

**4. PRIVILEGE, CONFIDENTIALITY AND DISCLOSURE.** **PROVIDER** agrees to:

4.1 Observe the Privilege and Confidentiality Provisions of the Patient Safety Act and the Rule, and not to make unpermitted Disclosures of PSWP. **PROVIDER** may use its PSWP internally for any purpose.

4.2 Acknowledges that PSO may draw identifiable information from medical records, metadata or clinical data warehouses, which becomes PSWP as it identifies the analysis within the meaning of 42 U.S.C. 299b-21(7)(A)(ii). The act of the PSO drawing from the medical record, metadata or clinical data warehouses of PROVIDER constitutes the transfer and collection of PSWP within the meaning of 42 U.S.C. 299b-21(6) and 299b-21(5)(B), respectively. The PROVIDER acknowledges that by operation of this transfer to the PSO, the PSO may provide identifiable feedback to the transferring/reporting provider(s) under 42 U.S.C. 42 U.S.C. 299b-22(c)(2)(A).

4.3 Serve as temporary PSO Workforce during PSO Committee Meetings. The term of service as PSO Workforce will terminate after the completion of the committee meeting.

4.4 Educate its workforce regarding the privileged and confidential nature of PSWP and restrict access to PSWP to Responsible Persons and those members of its Workforce who have a need to use such information for purposes of Quality Improvement/Patient Safety.

4.5 To give immediate notice to **PSO** if **PROVIDER** receives a subpoena or any federal or state governmental inquiry requesting Disclosure of any data, information or report that is PSWP and is in **PSO's** Patient Safety Evaluation System.

5. **MANDATORY REPORTING TO STATE OR GOVERNMENT ENTITIES.** **PROVIDER** shall be responsible for satisfying all applicable federal and state mandatory-reporting requirements. Notwithstanding such mandatory reporting requirements, **PSO** shall hold all data and information reported by **PROVIDER** as confidential PSWP.

6. **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT COMPLIANCE.** **PROVIDER** and **PSO** each agree to comply with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 (“HIPAA”), and the requirements of any regulations promulgated thereunder, including, without limitation, the federal privacy regulations as contained in 45 CFR Parts 160 and 164 (the “Federal Privacy Regulations”) and the federal security standards as contained in 45 CFR Part 164 (the “Federal Security Regulations”). **PROVIDER** and **PSO** each agree not to use or further disclose any protected health information, as defined in 42 U.S.C. § 1320d and 45 CFR § 164.501 (collectively, the “Protected Health Information”), concerning a patient other than as permitted or required by this Agreement or otherwise authorized under HIPAA.

7. **TERM AND TERMINATION.** The term of this Agreement shall commence on the date of the last signature by the Parties (the “Effective Date”), and shall continue for a period of one (1) year from and after such date (the “Term”). This Agreement will automatically renew at the end of the Term for additional successive one-year period(s) unless terminated as provided herein.

7.1 **Termination without Cause.** Either party shall have the right to terminate this Agreement without cause upon not less than thirty (30) days prior written notice to the other party specifying the date of termination.

7.2 **Obligations upon Termination.** In the event that this Agreement expires or is terminated, the privilege and confidentiality provisions of the Patient Safety Act shall survive the expiration or termination of this Agreement and shall continue in effect.

8. **INDEPENDENT MEDICAL JUDGMENT.** **PROVIDER** acknowledges that **PSO** is not intended and shall not be assumed to indicate any particular course of action with regard to the diagnosis or treatment of a medical condition. Any PSWP available via **PSO** is not a substitute for the professional judgment of clinical professionals in diagnosing and treating patients. Clinical professionals are responsible for determining the permissible and advisable uses of the PSWP in accordance with applicable laws and institutional rules. **PSO** shall not be deemed under any circumstance to be giving medical advice or providing medical or diagnostic services through the **PSO** or the services provided hereunder. **PROVIDER's** clinical professionals are and remain solely responsible for making all medical, diagnostic or prescription decisions **PROVIDER** is solely responsible for complying with all laws, regulations, professional rules and licensing requirements applicable to its delivery of healthcare services.

9. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR SPECIAL LOSSES OR DAMAGES TO THE OTHER PARTY, EVEN IF THE OTHER PARTY IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES.

10. **AMENDMENT.** The terms of this Agreement may be amended or modified only by a written agreement signed by the Parties.

11. **GOVERNING LAW.** This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Illinois

12. **SURVIVABILITY.** The following clauses shall survive the termination or expiration of this Agreement for an indefinite period: Definitions, (1); Privilege, Confidentiality and Disclosure, (4); Governing Law, (11); Survivability, (12); Severability, (13); Entire Agreement, (14); and Notices, (15).

13. **SEVERABILITY.** Each paragraph and provision of this Agreement is severable from the entire Agreement, and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

14. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement and understanding between the Parties and supersedes all prior and contemporaneous agreements, terms and conditions, whether written or oral, made by the Parties concerning the subject of this Agreement.

15. **NOTICES.** All notices given or required to be given hereunder shall be deemed duly given if in writing and forwarded to the Parties at their respective addresses noted below: (a) on the delivery date if delivered personally to the Party to whom the same is directed; (b) one (1) business day after deposit with a commercial overnight carrier, with written verification of receipt; or (c) five (5) business days after the mailing date, if sent by U.S. registered or certified mail, return receipt requested, postage and charges prepaid, or any other means of rapid mail delivery for which a receipt is available, to the address of the Party to whom the same is directed as set forth below (or to such other address as any Party may designate by notice duly given).

ATTN RLDatix Safety Institute: RLDatix Safety Institute  
311 S Wacker Dr Suite 4900  
Chicago, IL 60606

If to **PROVIDER:**

450 E Romie Ln  
Salinas, CA, United States 93901

Email: binman@salinasvalleyhealth.com

A Party may change its address by a written notice given to the other Party in the manner set forth above.

16. **CHANGE IN LAW.** Notwithstanding other provisions of this Agreement, if any federal, state, or local government agency passes, issues, or promulgates any law, rule, regulation, standard, or interpretation, or if any court of competent jurisdiction renders any decision or issues any order, at any time during the term of this Agreement that renders any part of this Agreement illegal or that places the legality of this Agreement in question, a party may give the other party notice of intent to amend this Agreement, to comply with such law, rule, regulation, standard, interpretation, decision, or order. Upon the giving of such notice, the parties agree to negotiate in good faith concerning the proposed amendment. If the parties fail to reach an agreement concerning any proposed amendment within thirty (30) days after the notice of intent to amend, this Agreement shall immediately terminate.

17. **MANNER OF EXECUTION.** *This Agreement may be executed in counterparts and if so executed each counterpart shall be deemed an original and both together shall be deemed to constitute one and the same agreement. Execution and acknowledgment signatures transmitted by facsimile or other electronic means (or other evidence of intended assent transmitted electronically) shall be deemed to have the same force and effect as delivery of originals thereof*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

**RLDATIX SAFETY INSTITUTE:**

**PROVIDER:**

By: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

Allen Radner, MD, President/CEO \_\_\_\_\_

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

\_\_\_\_\_

## Appendix

A primary benefit of being a member of RLDatix Safety Institute is to receive analysis of patient safety and quality related events, key insights and comparative analytics to use to drive improvement in the quality of patient care delivery. RL Datix Institute will use innovative analytics, including AI, to identify areas of improvement and create actionable dashboards. Presently, RLDatix Institute is recruiting Health systems and hospitals to obtain a critical mass of participants necessary to conduct comparative analytics and benchmarking. To participate:

- Provider must be live on R&S Platform to participate.
- Safety Institute staff will communicate when the required threshold has been met to begin the onboarding process of moving providers data into the Safety Institute environment.

Delivery of Data analytics and insights will be delivered across three phases:

- Phase 1 is the creation and use of standard reports
- Phase 2 is the creation and use of comparative analytics
- Phase 3 investigative insights.

Phases 1-3 have an estimated availability of December 2025. A threshold of 8-10 members is required to allow for comparative analytics and benchmarking. Details of the phases are described below:

- Phase one:  
Delivering adverse events into a standardized format. Data insights will be presented in an understandable and engaging way through the use charts, graphs, and dashboards. These tools will accommodate clients by providing them with data they are familiar with, in a format that can be easily exported to help fulfil Domain 3 of the CMS Patient Safety Structural Measures. In addition to feeding analytics, standardized data will be available to health care organizations to perform their own analyses.
- Phase two:  
Comparative analytics. Providing performance and quality indicators relative to different benchmarks and comparison groups. Patient safety personnel will be able to identify key areas for improvement by allowing comparisons between healthcare organizations. Data aggregation will enable the PSO to detect patterns and trends that may not be visible in smaller numbers of organizations or smaller health systems and uncover the serious and rare events earlier. This will also enable enhanced collaboration and learning of best practices from facilities and organizations who are performing at an exceptional level.
  - The timing of this phase is dependent on the number of similar (bed size, teaching status, trauma level, etc.) providers to benchmark against each other in a peer grouping. For example, if there are only 3 similar providers in a peer grouping, this phase will be delayed until a critical mass of 5 is established for that individual peer grouping.

- Phase three:

Institute investigative analysis. Discover innovative and impactful ideas from data exploration and ad hoc analysis to illuminate insights into larger industry trends and best practices. Use Generative AI to extract information from narrative unstructured text and reduce the number of “other” events. The Safety Institute will lead with a hypothesis driven approach to analyze data in support of uncovering actionable insights across the care continuum.

# ED Expansion Project Finance Committee



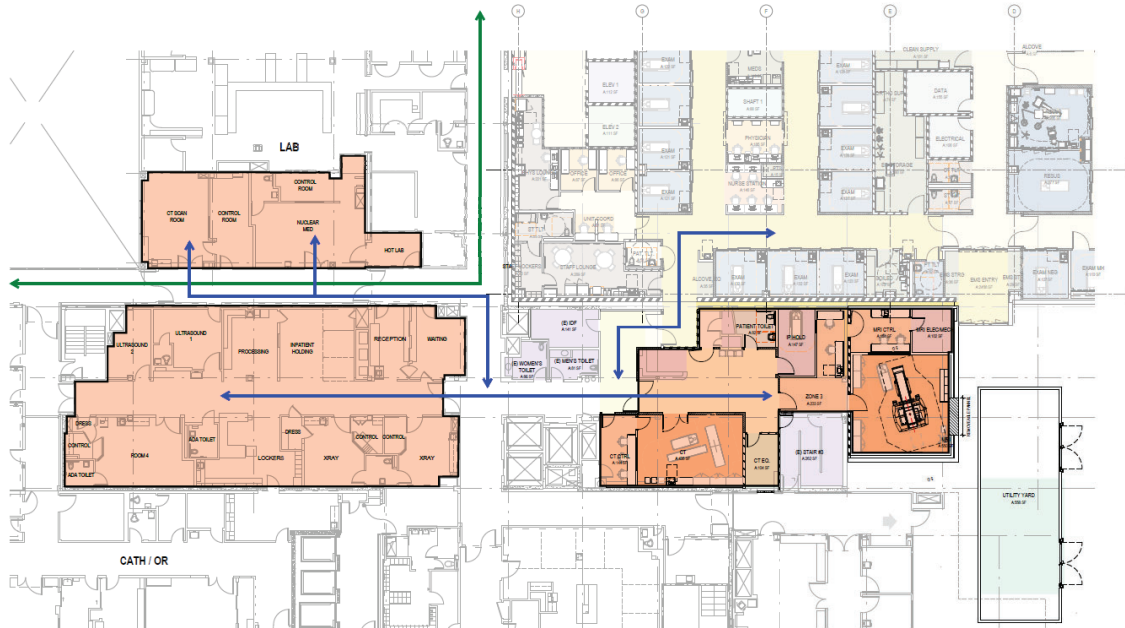
June 2026 Update

## **PROGRAMMING & FLOORPLANS**

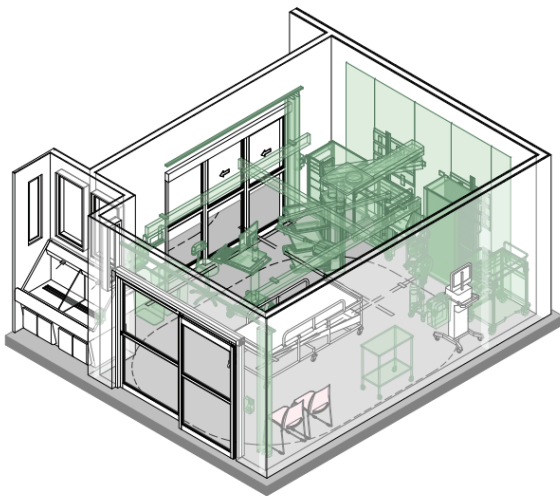


# CT & MRI – FINALIZING FLOORPLAN

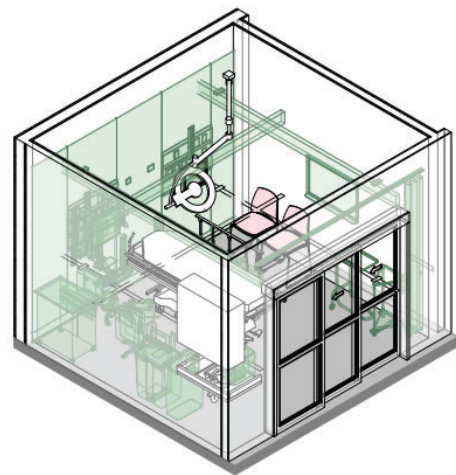
## IMAGING DEPARTMENT CURRENT - EXPANDED



## ROOM LAYOUTS IN DEVELOPMENT



13 TRAUMA / RESUSCITATION - 3D



7 EXAM ROOM - 3D

# SHELL SPACES FOR FUTURE BUILD OUT

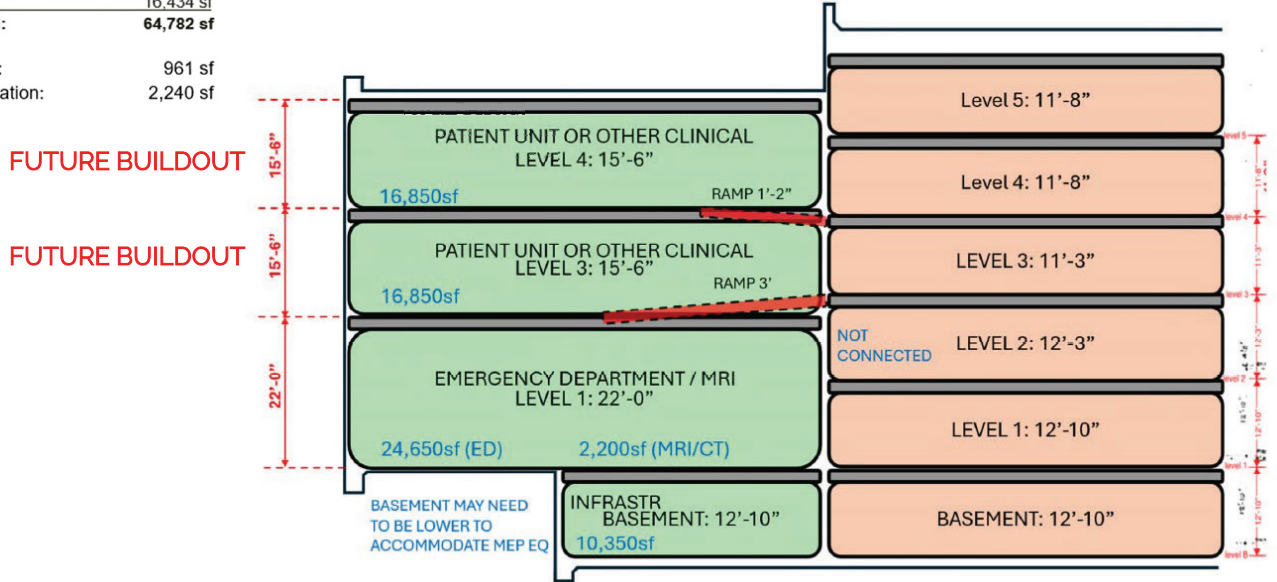
## Project Total

67,983 SF

### New ED Building

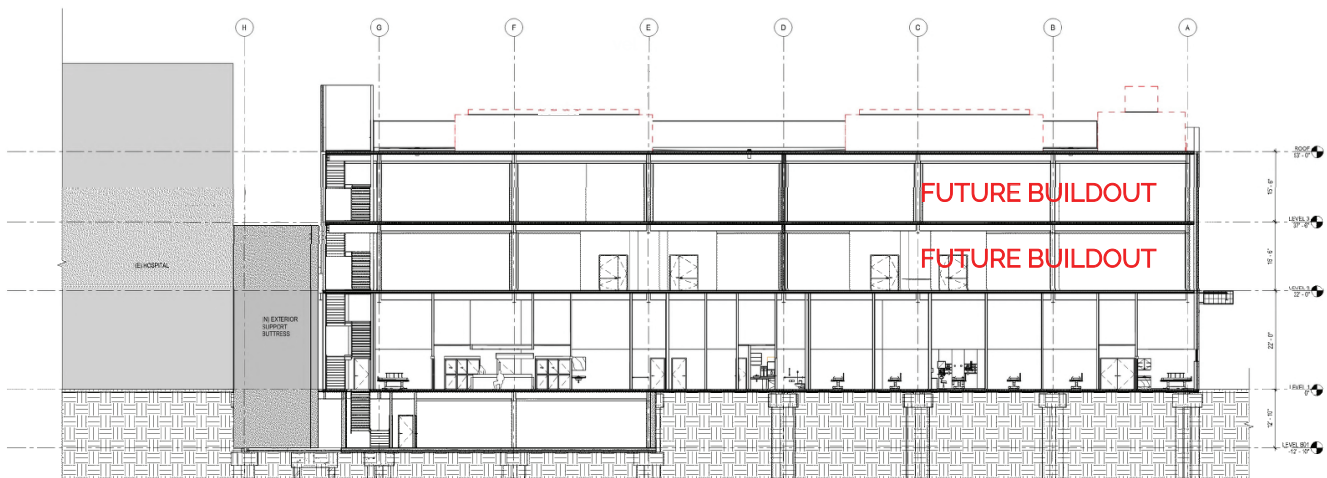
|                            |                  |
|----------------------------|------------------|
| Basement Level:            | 8,010 sf         |
| Level 1 (ED Department):   | 23,904 sf        |
| Level 2 (Shell):           | 16,434 sf        |
| Level 3 (Shell):           | 16,434 sf        |
| <b>New Building Total:</b> | <b>64,782 sf</b> |

|                        |          |
|------------------------|----------|
| New MRI Addition:      | 961 sf   |
| L1 Imaging Renovation: | 2,240 sf |



# SHELL SPACES FOR FUTURE BUILD OUT

new ED expansion building



# ARCHITECTURAL

## ARCHITECTURE DEVELOPMENT



Option 1



Option 2



Option 3



Option 1B



Option 2B



Option 3B



Option 2C

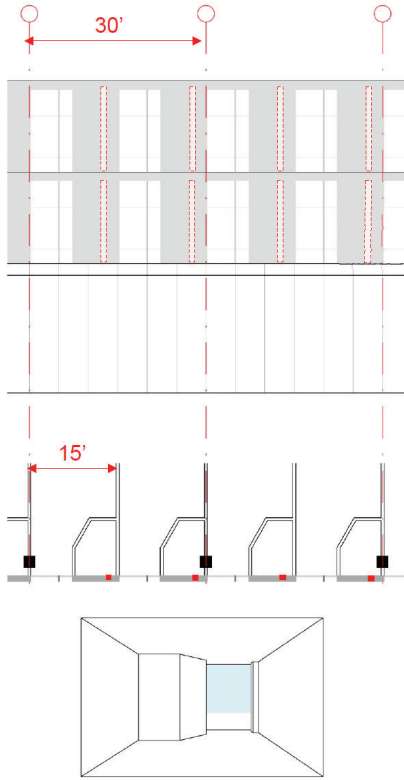


Option 4

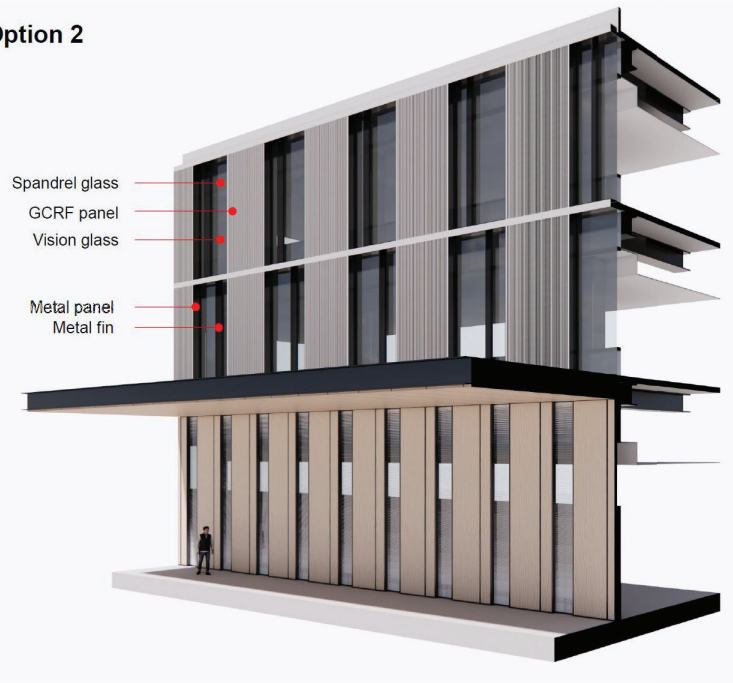


Option 4B

# WINDOW SPACING 'MUST' CORRELATE TO FUTURE USES



Option 2



# EXTERIOR – FRONT ENTRANCE



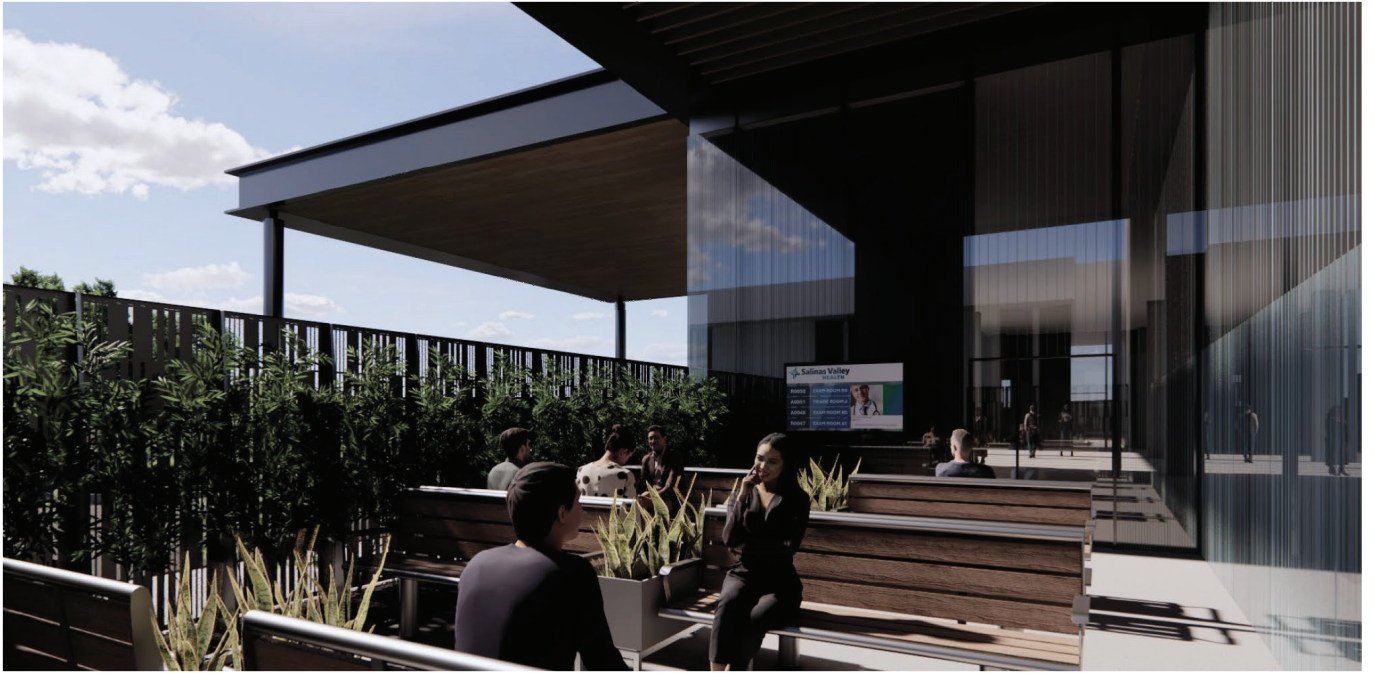
# EXTERIOR – LOS PALOS ELEVATION



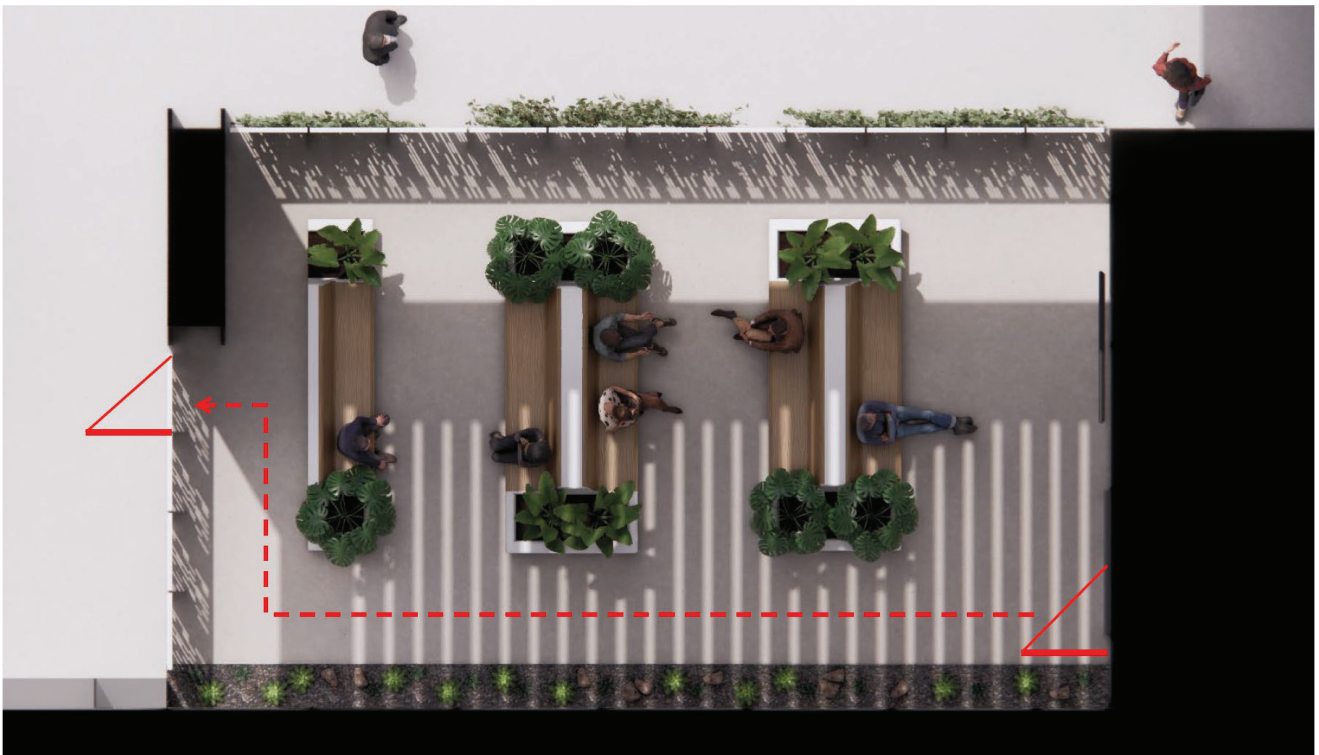
# EXTERIOR – AMBULANCE DROP OFF / \*AOB DEMO



# OUTDOOR WAITING AREA



# OUTDOOR WAITING AREA

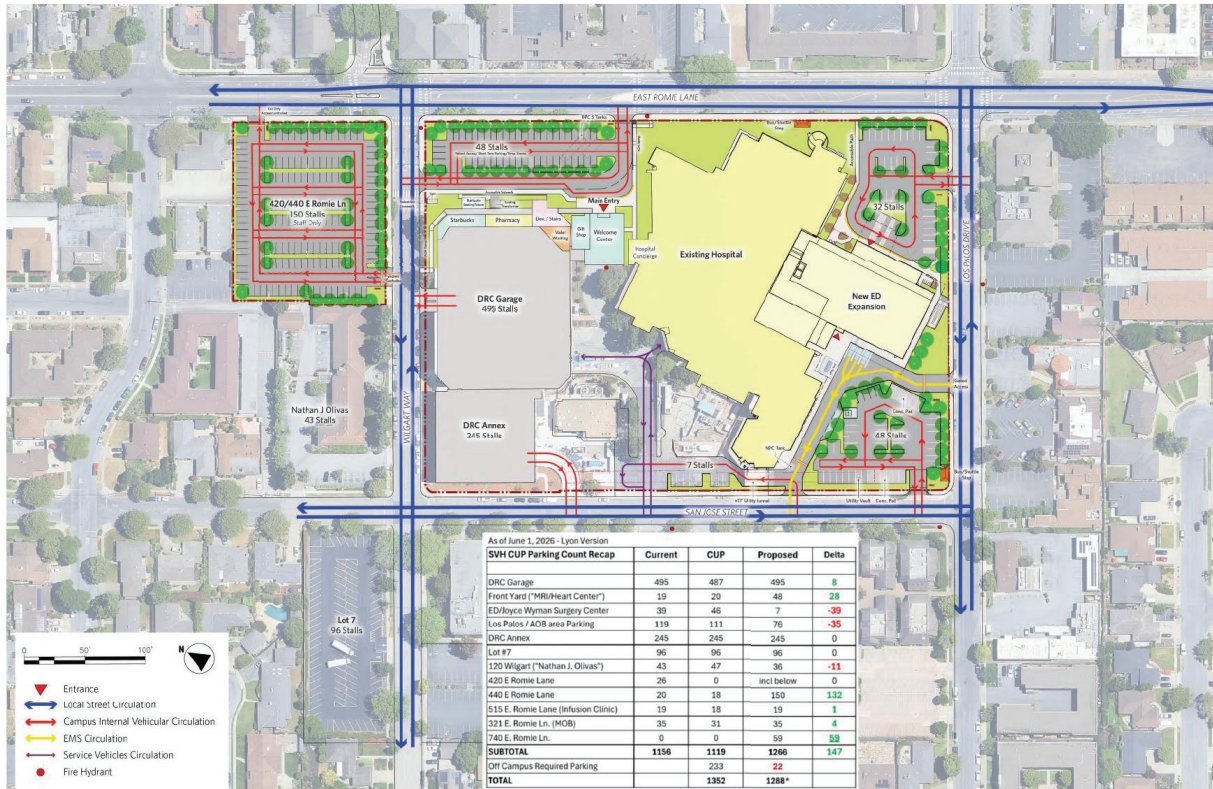


# BIRD'S EYE VIEW



## PARKING, MAKE READY & CASCADING PROJECTS

# PARKING & CIRCULATION



## MAKE READY, MOVE MANAGEMENT & SEQUENCING OF CASCADING PROJECTS

### Parking:

- Administrative Office Building (AOB) demolition
- Additional opportunities along Romie Corridor

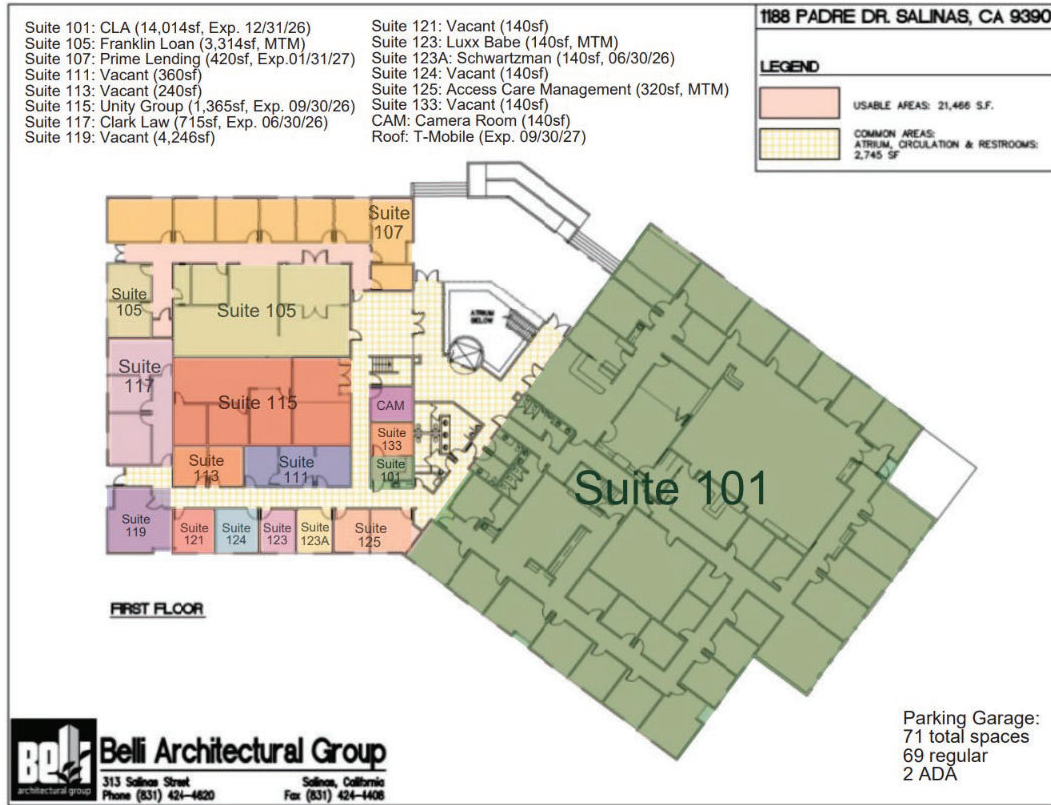
### Space Planning / Move Management & Buildouts

- 1188 Padre – convert to SVH use as current tenants move out
- Annex buildout into new Administrative Suite
- DRC reconfiguration & optimization
- 120 Wilgart reconfiguration for Wound Care program

### System Opportunities that weave into campus planning / Padre Bldg

- 611 Abbot 2<sup>nd</sup> Floor convert to Clinic
- 355 Abbott Retail Pharmacy at Primecare
- Existing Lease Consolidation

# 1188 PADRE UPDATE



## JURISDICTIONAL INTRODUCTION & REVIEW

### HCAi (OSHPD)

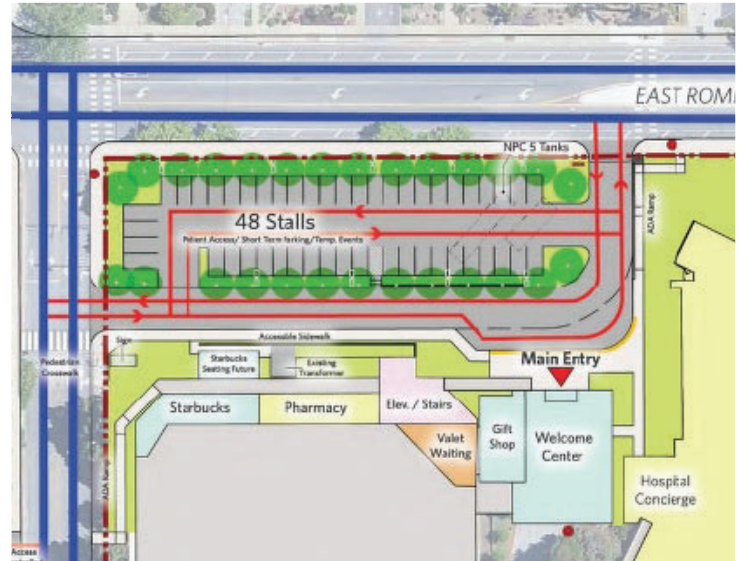
- Structural System
- Connectivity to existing hospital
- Future Uses of Shell Space
- Coordination with seismic and other active projects
- Backfill of current ED once vacated

### City of Salinas

- Changes to Conditional use permit
  - Parking
  - Streets & Circulation
  - Building height & setbacks from City's right of way
- Sidewalks & Trees
- Street Signals
- Future other master planning elements
- Fire Department

# MAIN ENTRANCE DEVELOPMENT

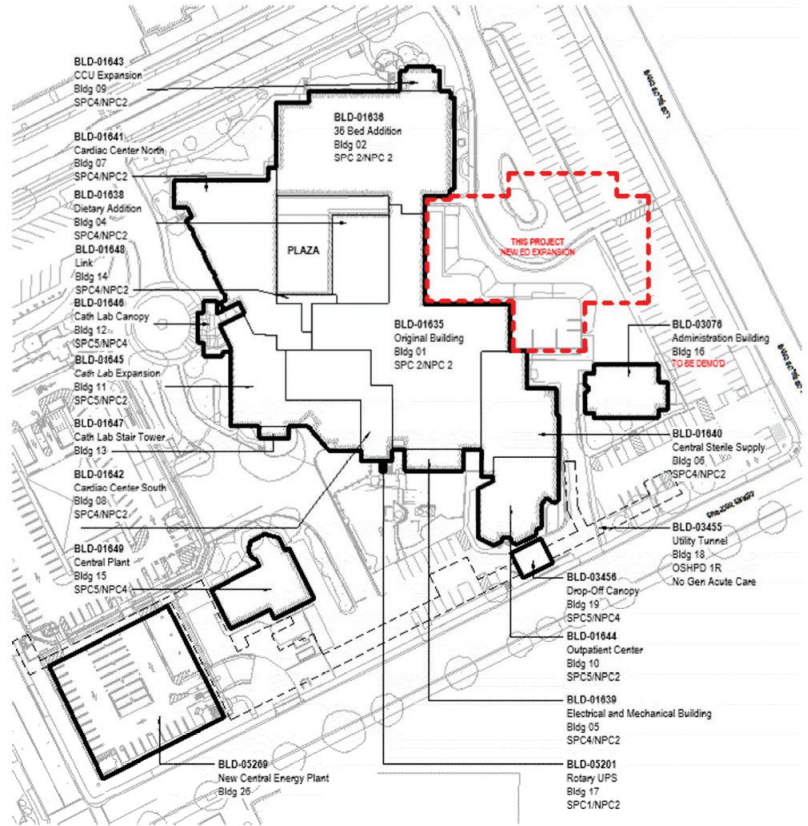
- Seismic Storage Tanks Requirement
- Non ADA compliant / slope issues
- Covered Drop-off / Pick-up is code required
- Retail Pharmacy / Gift Shop
- Sense of welcome & identity
- Book end Architectural opportunity to align with new ED Bldg
- Connectivity to existing hospital
- Relocate imaging Bldg at 444 Romie to new location for Parking



# SEISMIC UPDATE

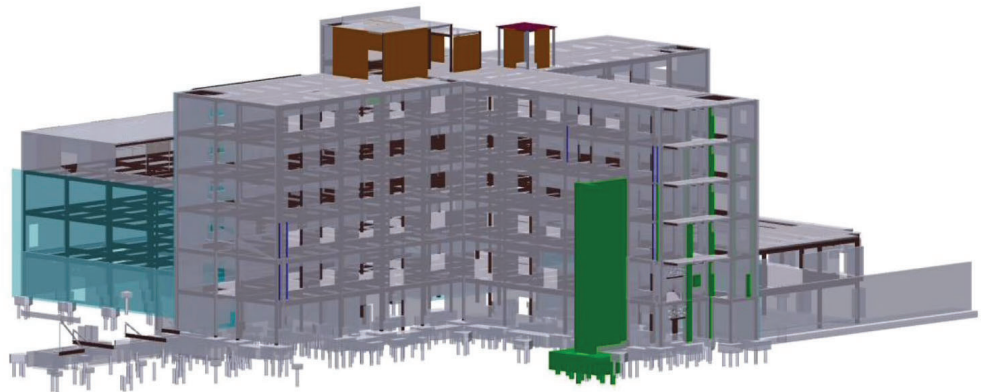
# SEISMIC COMPLIANCE PROGRAM

- Existing Hospital is comprised of 17 separate buildings
- ED expansion must seismically separate from existing
- Seismic & ED Expansion building must coordinate



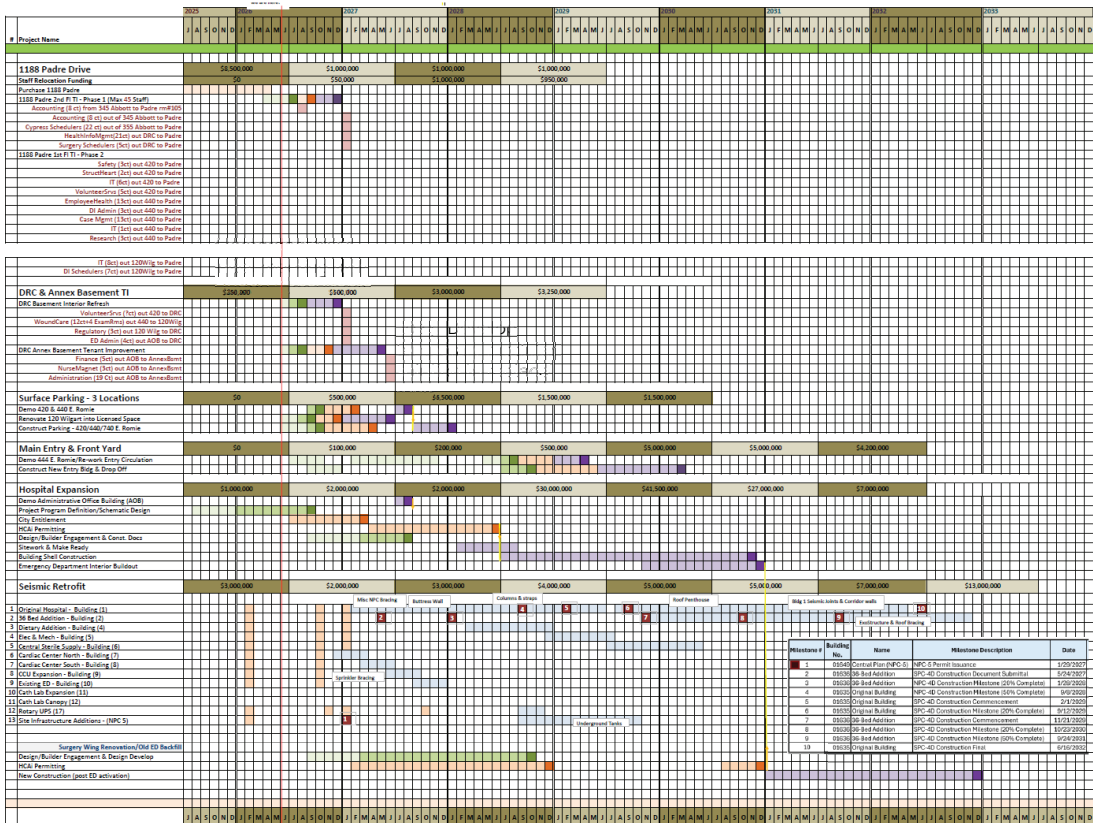
# SEISMIC COMPLIANCE PROGRAM

- AB86g 3 year extension for construction – **still pending**
- Currently in design & permitting
- GMP (Guaranteed Maximum Price) Budget under development
- Projected Budget of \$62.5mm unlikely to hold with all other variables in play
  - Re-sequencing of construction for AB86g
  - Future Possible Legislative

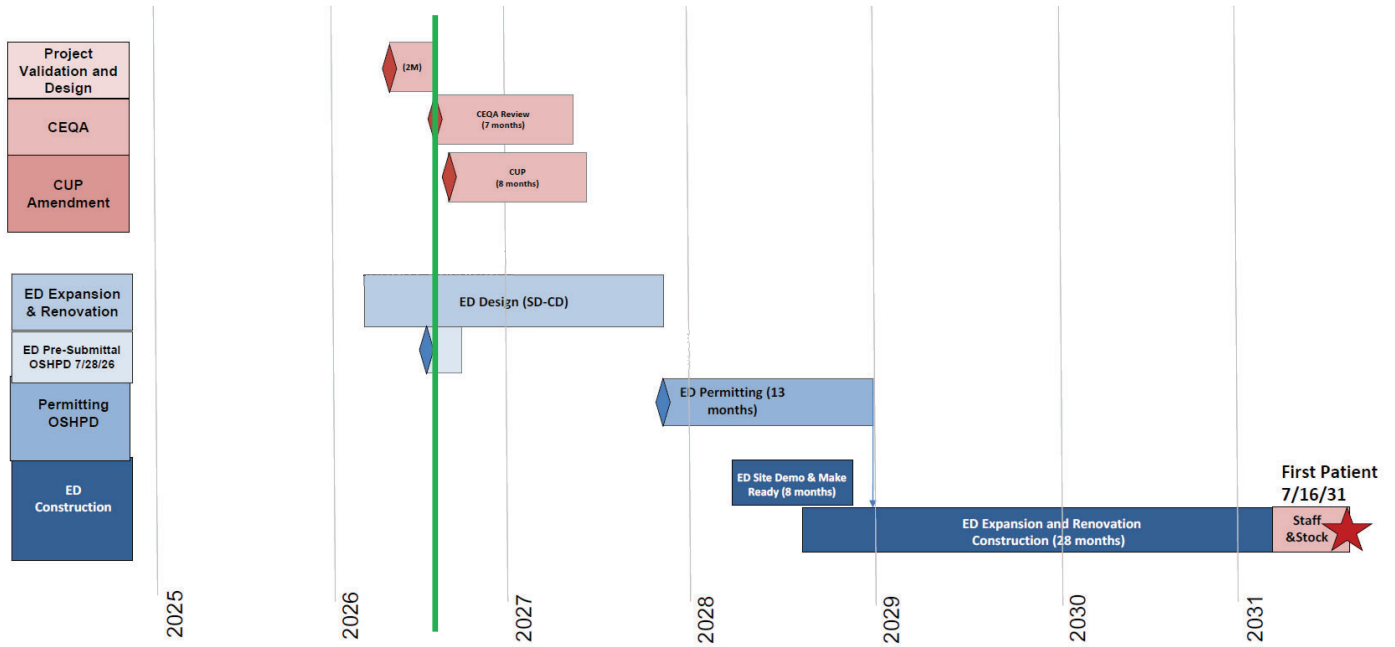


# BUDGET & SCHEDULE

## SCHEDULE - DETAILED



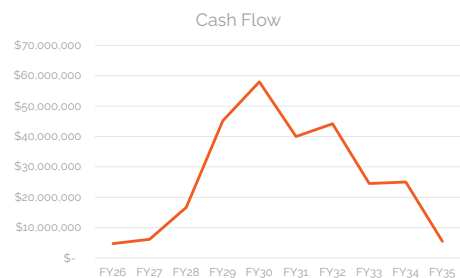
# SCHEDULE - SUMMARY



## Emergency Department Tower Addition Preliminary Development Schedule

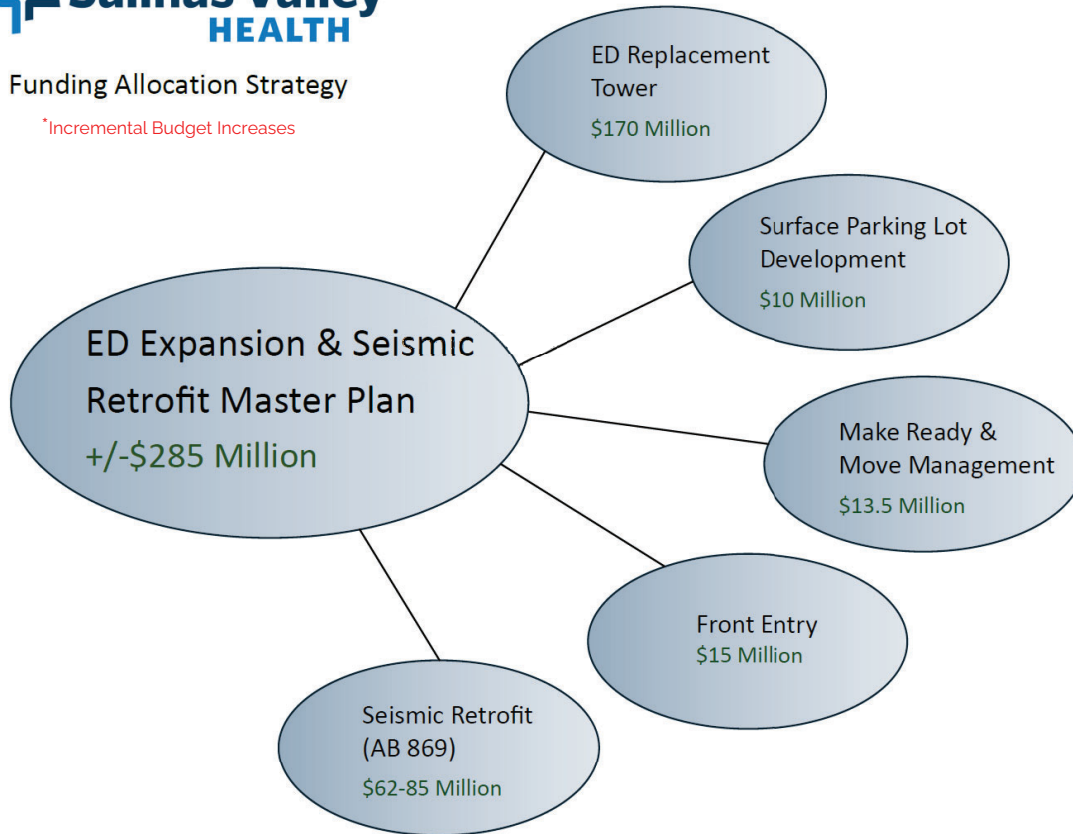
|  | 2027             |  |  |  |  |  |  |  |  |  |  |  | 2028             |  |  |  |  |  |  |  |  |  |  |  | 2029             |  |  |  |  |  |  |  |  |  |  |  | 2030             |  |  |  |  |  |  |  |  |  |  |  | 2031             |  |  |  |  |  |  |  |  |  |  |  |
|--|------------------|--|--|--|--|--|--|--|--|--|--|--|------------------|--|--|--|--|--|--|--|--|--|--|--|------------------|--|--|--|--|--|--|--|--|--|--|--|------------------|--|--|--|--|--|--|--|--|--|--|--|------------------|--|--|--|--|--|--|--|--|--|--|--|
|  | FISCAL YEAR 2027 |  |  |  |  |  |  |  |  |  |  |  | FISCAL YEAR 2028 |  |  |  |  |  |  |  |  |  |  |  | FISCAL YEAR 2029 |  |  |  |  |  |  |  |  |  |  |  | FISCAL YEAR 2030 |  |  |  |  |  |  |  |  |  |  |  | FISCAL YEAR 2031 |  |  |  |  |  |  |  |  |  |  |  |
| ED Replacement Tower                   |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |
| Project Design                         |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |
| City & HCAI Entitlements               |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |
| Move Management/Make Ready/ Site Prep  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |
| Building Shell Construction            |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |
| Emergency Department Interior Buildout |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |  |  |

|   | Projected      | FY26         | FY27         | FY28          | FY29          | FY30          | FY31          | FY32          | FY33          | FY34          | FY35         |
|---|----------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| DRC Annex (Basement TI) - Backfill HIMS                           | \$ 7,000,000   | \$ 250,000   | \$ 500,000   | \$ 3,000,000  | \$ 3,250,000  |               |               |               |               |               |              |
| 1188 Padre - Renovation (30k SF)                                  | \$ 3,500,000   | \$ 500,000   | \$ 1,000,000 | \$ 1,000,000  | \$ 1,000,000  |               |               |               |               |               |              |
| Relocate 440/420 Romie - Employee Health + Wound/Palli Care       | \$ 2,000,000   | \$ -         | \$ 50,000    | \$ 1,000,000  | \$ 950,000    |               |               |               |               |               |              |
| On Grade Parking Site Work (Includes Building Demo + 3 Locations) | \$ 10,000,000  | \$ -         | \$ 500,000   | \$ 6,500,000  | \$ 1,500,000  | \$ 1,500,000  |               |               |               |               |              |
| Main Building Addition (Shelled 2+3 Levels)                       | \$ 170,000,000 | \$ 1,000,000 | \$ 2,000,000 | \$ 2,000,000  | \$ 34,000,000 | \$ 46,500,000 | \$ 30,000,000 | \$ 33,000,000 | \$ 11,500,000 | \$ 10,000,000 |              |
| Main Entrance   | \$ 15,000,000  | \$ -         | \$ 100,000   | \$ 200,000    | \$ 500,000    | \$ 5,000,000  | \$ 5,000,000  | \$ 4,200,000  |               |               |              |
| Seismic Retrofit  | \$ 62,500,000  | \$ 3,000,000 | \$ 2,000,000 | \$ 3,000,000  | \$ 4,000,000  | \$ 5,000,000  | \$ 5,000,000  | \$ 7,000,000  | \$ 13,000,000 | \$ 15,000,000 | \$ 5,500,000 |
| Subtotal  | \$ 285,000,000 | \$ 4,750,000 | \$ 6,150,000 | \$ 16,700,000 | \$ 45,200,000 | \$ 58,000,000 | \$ 40,000,000 | \$ 44,200,000 | \$ 24,500,000 | \$ 25,000,000 | \$ 5,500,000 |



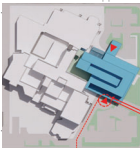
Funding Allocation Strategy

\*Incremental Budget Increases



SVH ED Replacement - Capital Funding Spreadsheet for Board Approval

June 2026  
CIP: 01.1250.3905 Project ID: 2025-915

| Item  | Description  | Project Estimate<br>as of June 1 2026 | Existing                | Current                            | Future                         | Total Funding<br>Thru completion |
|---|--|---------------------------------------|-------------------------|------------------------------------|--------------------------------|----------------------------------|
|   |  |                                       | Funding<br>Thru FY 2026 | Current Request<br>per 2027 budget | Future Requests<br>to complete |                                  |
|  |  |                                       |                         |                                    |                                |                                  |
| <b>SOFT COSTS</b>   |  |                                       |                         |                                    |                                |                                  |
| 1   | Feasibility/Programming Consultant/Option Analysis   | \$226,000                             |                         |                                    |                                | \$226,000                        |
| 2   | Design Development & Bridging Documents              | \$10,800,000                          | \$1,971,742             | \$4,000,000                        | \$4,828,258                    | \$10,800,000                     |
| 3   | Entitlement Costs                                    | \$1,250,000                           | \$50,000                | \$500,000                          | \$700,000                      | \$1,250,000                      |
| 4   | Permits/Fees   | \$3,100,000                           | \$0                     | \$600,000                          | \$2,500,000                    | \$3,100,000                      |
| 5   | Inspections  | \$2,500,000                           | \$50,000                | \$50,000                           | \$2,400,000                    | \$2,500,000                      |
| 6   | Insurance/Legal                                      | \$2,000,000                           | \$0                     | \$150,000                          | \$1,850,000                    | \$2,000,000                      |
| 7   | Project Management/Bidding/Supervision               | \$4,400,000                           | \$250,000               | \$500,000                          | \$3,650,000                    | \$4,400,000                      |
| 8   | Contingency  | see below                             | \$35,000                | \$330,000                          | see below                      | \$385,000                        |
| 9   | Subtotal   | \$24,276,000                          | \$2,356,742             | \$6,150,000                        |                                | \$24,661,000                     |
| <b>CONSTRUCTION</b>   |  |                                       |                         |                                    |                                |                                  |
| 13  | ED Construction - Sitework & Infrastructure Upgrades | \$14,484,034                          |                         |                                    | \$14,484,034                   | \$14,484,034                     |
| 14  | ED Construction - New Building & 1st Fl ED Interiors | \$42,000,000                          |                         |                                    | \$42,000,000                   | \$42,000,000                     |
| 15  | ED Construction - Warm shell basement                | \$10,000,000                          |                         |                                    | \$10,000,000                   | \$10,000,000                     |
| 16  | ED Construction - 2nd Floor Addition -minimal shell  | \$16,000,000                          |                         |                                    | \$16,000,000                   | \$16,000,000                     |
| 17  | ED Construction - 3rd Fl Addition - minimal shell    | \$16,000,000                          |                         |                                    | \$16,000,000                   | \$16,000,000                     |
| 18  | ED Construction - Imaging Suite Addition             | \$5,700,000                           |                         |                                    | \$5,700,000                    | \$5,700,000                      |
| 19  | ED Construction - CT Suite Addition                  | \$2,000,000                           |                         |                                    | \$2,000,000                    | \$2,000,000                      |
| 20  | ED FF&E - Medical                                    | \$6,000,000                           |                         |                                    | \$6,000,000                    | \$6,000,000                      |
| 21  | ED FF&E - Non-Medical                                | \$1,000,000                           |                         |                                    | \$1,000,000                    | \$1,000,000                      |
| 22  | ED FF&E - Owner IT Systems/Signage/Misc              | \$1,000,000                           |                         |                                    | \$1,000,000                    | \$1,000,000                      |
| 23  | Project Cost Escalation to Mid-Const Aug 2029        | \$15,000,000                          |                         |                                    | \$15,000,000                   | \$15,000,000                     |
| 24  | Subtotal   | \$129,184,034                         |                         |                                    |                                | \$129,184,034                    |
|   | Soft Costs - detailed above                          | \$24,276,000                          |                         |                                    |                                | \$24,661,000                     |
| 25  | Project Contingency                                  | 10% \$16,539,966                      |                         |                                    | \$16,154,966                   | \$16,154,966                     |
| 26  | Project Cost   | \$170,000,000                         |                         |                                    | \$161,267,258                  | \$170,000,000                    |

Current Assumptions: design/build delivery, no EIR req'd, no parking structure, excludes work outside addition footprint and Los Palos parking areas

\*\*Next budget request anticipated for July 2026: **\$6,150,000**

# 2027 Operating and Capital Budget

## Finance Committee

June 22, 2026

Iftikhar Hussain  
Chief Financial Officer

### MISSION

*It is the mission of Salinas Valley Health to provide quality healthcare to our patients and to improve the health and well-being of our community.*

### VISION

*A community where good health grows through every action, in every place, for every person.*

### SALINAS VALLEY HEALTH BOARD OF DIRECTORS



**JOEL HERNANDEZ LAGUNA**  
PRESIDENT



**CATHERINE CARSON**  
VICE PRESIDENT



**ROLANDO CABRERA, MD**  
SECRETARY



**VICTOR REY JR.**  
TREASURER



**ISAURA ARREGUIN**  
ASSISTANT TREASURER

# FY2027 Budget: Calendar

|                   |  |
|-------------------|--|
| February – March  | Finance develops baseline operating budget                                     |
| April 20          | Finance Committee review of budget plan  |
| April 24          | Finalize capital plan  |
| April 6 – 24      | Directors and managers develop operating budget plans                          |
| April 6 – 24      | Budget for SVHC, Doctors on Duty and the Foundation                            |
| April 27 – May 15 | Leadership Working Group review – operating and capital                        |
| May 22            | Capital plan presented at Physician Leaders Dinner                             |
| June 2            | Operating budget and capital plan presented at Board Budget Workshop           |
| June 11           | Operating budget and capital plan presented to the Medical Executive Committee |
| June 22           | Operating budget and capital plan presented to the Finance Committee           |
| June 25           | Operating budget and capital plan presented to the Board for approval          |

3

## Operating Budget

4

# FY 2027 Budget Operating Margin Key Assumptions

- Commercial revenue growing at 5% at the hospital and 3% at the Clinics
- Revenue almost flat due to impact of HR1 and 25% reserve for supplemental payments due to uncertainty about funding and timing
- High wage growth due to union wage increases

Total annual H.R.1 impact \$4.2 million  
 5 % of CCAH Medi-Cal lose coverage beginning with FY 2027 - \$3.9 million impact  
 15% of Medi-Cal convert from CCAH to State Medi-Cal effective 1/1/2027 at 9% lower rate - \$342K impact

Amounts in thousands Favorable/(Unfavorable)

|  |  |          |
|--|--|----------|
| Projected 2026                                       |  | 34,932   |
| <b>Net Revenue</b>                                   |  |          |
| Rates and Growth                                     |  | 17,098   |
| <b>Supplemental Funding</b>                          |  |          |
| Elimination of CCAH one time Epic Funding            |  | (12,000) |
| CCAHA Quality Incentives                             |  | 9,150    |
| 25% uncertainty reserve for all supplemental funding |  | (9,615)  |
| Other  |  | 839      |
| total supplemental funding change                    |  | (11,626) |
| HR1  |  | (4,227)  |
| total revenue change                                 |  | 1,245    |
| <b>Expenses</b>                                      |  |          |
| Wages Benefits and contract labor                    |  | (18,861) |
| Supplies and other inflation                         |  | (5,700)  |
| Pension expense reduction due to funding surplus     |  | 11,400   |
| Clinic growth  |  | (10,800) |
| Depreciation   |  | (7,600)  |
| Other  |  | (7,122)  |
| total expense change                                 |  | (38,683) |
| Budget 2027  |  | (2,506)  |

# FY 2027 Budget Non Operating Income Key Assumptions

Higher Non Op income due investment income, Aspire JV terms and higher equity / volume at MPSC

Amounts in thousands

|   |        |        |
|---|--------|--------|
| Projected 2026 Non Op Income                                      |        | 17,102 |
| Higher Investment income due to 2026 unrealized losses            | 26,506 |        |
| Reduction in Aspire Loss  | 3,000  |        |
| Monterey Peninsula Surgery Center (MPSC) higher volume and equity | 600    |        |
| Net Increase  | 30,106 |        |
| Budget 2027 Non Op Income   |        | 47,208 |

# FY 2026 Budget to Actual Variance

2026 operating margin favorable variance (\$3.5M to \$34.9M) is due to supplemental payments (not accounted for in budget) and growth (slow)

Amounts in thousands Favorable/(Unfavorable)

|                                 |          |        |
|---------------------------------|----------|--------|
| 2026 Budget Operating Margin    |          | 3,582  |
| Supplemental Payments           | 40,472   |        |
| CCAH Epic go live expenses      | (12,000) |        |
| Unrealized volume loss          | 2,878    |        |
| Net Change                      |          | 31,350 |
| 2026 Projected Operating Margin |          | 34,932 |

7

# Opportunities not included the FY 2027 Budget

- Initiatives in process which are not in the budget due to early stage and uncertainties.
- 2027 operating margin will improve by \$29 million (3.1% margin) if we are successful.

Amounts in thousands

|   |        |                  |
|---|--------|------------------|
| Consolidated Budget Revenue   |        | 852,470          |
| Consolidated Budget Operating Margin  |        | (2,506)<br>-0.3% |
| Legacy AR collections over book value   | 10,000 |                  |
| Remaining supplemental funding  | 9,615  |                  |
| Pharmacy - specialty pharmacy to fill portion of 900K prescriptions from Clinics (5M-10M) | 2,500  |                  |
| Clinical Documentation Improvement (CDI)  | 2,500  |                  |
| Clinic commercial rate increase - additional 3%   | 1,230  |                  |
| Services contract review  | 1,500  |                  |
| Cost flexing improvement  | 1,900  |                  |
| Point of Care collections   | 500    |                  |
| Total Initiatives   |        | 29,745           |
| Margin Including Initiatives  |        | 27,239<br>3.2%   |

8

# FY 2027 Budget Consolidated Income Statement

(amounts in thousands)

|   | FY2024           | FY2025           | FY2026 Budget    | FY2026 YTD Annualized | FY2027 Budget    | Variance         | Percent Variance |
|---|------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|
| Gross Patient Revenue                                 | \$3,198,322      | \$3,588,877      | \$3,749,945      | \$3,734,784           | \$3,985,637      | \$250,853        | 6.7%             |
| <b>Net Patient Revenue</b>                            | <b>\$738,903</b> | <b>\$803,299</b> | <b>\$806,085</b> | <b>\$823,884</b>      | <b>\$840,933</b> | <b>\$17,048</b>  | <b>2.1%</b>      |
| <i>Yield</i>  | 23.1%            | 22.4%            | 21.5%            | 22.1%                 | 21.1%            |                  |                  |
| Other Revenue   | \$31,761         | \$41,901         | \$31,014         | \$56,202              | \$37,740         | -\$18,462        | -32.8%           |
| <b>Total Operating Revenue</b>                        | <b>\$770,664</b> | <b>\$845,200</b> | <b>\$837,099</b> | <b>\$880,086</b>      | <b>\$878,673</b> | <b>-\$1,413</b>  | <b>-0.2%</b>     |
| Salaries, Wages & Benefits (Including Contract Labor) | \$404,556        | \$425,295        | \$449,286        | \$451,117             | \$460,784        | \$9,667          | 2.1%             |
| All Other Operating Expenses                          | \$329,517        | \$362,288        | \$384,231        | \$394,037             | \$420,395        | \$26,358         | 6.7%             |
| <b>Total Operating Expenses</b>                       | <b>\$734,073</b> | <b>\$787,583</b> | <b>\$833,517</b> | <b>\$845,154</b>      | <b>\$881,179</b> | <b>\$36,025</b>  | <b>4.3%</b>      |
| <b>Operating Margin</b>                               | <b>\$36,591</b>  | <b>\$57,616</b>  | <b>\$3,582</b>   | <b>\$34,932</b>       | <b>-\$2,506</b>  | <b>-\$37,438</b> | <b>-107.2%</b>   |
| <i>Operating Margin %</i>                             | 4.7%             | 6.8%             | 0.4%             | 4.0%                  | -0.3%            |                  |                  |
| Non-Operating Revenue                                 | \$39,757         | \$42,266         | \$29,759         | \$17,102              | \$47,208         | \$30,106         | 176.0%           |
| <b>Total Margin</b>                                   | <b>\$76,348</b>  | <b>\$99,882</b>  | <b>\$33,341</b>  | <b>\$52,034</b>       | <b>\$44,702</b>  | <b>-\$7,333</b>  | <b>-14.1%</b>    |
| <i>Total Margin %</i>                                 | 9.9%             | 11.8%            | 4.0%             | 5.9%                  | 5.1%             |                  |                  |

# FY 2027 Budgeted Income Statement: Salinas Valley Health Medical Center

(amounts in thousands)

|  | FY2024           | FY2025           | FY2026 Budget    | FY2026 YTD Annualized | FY2027 Budget    | Variance         | Percent Variance |
|--|------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|
| Gross Patient Revenue                                    | \$2,991,943      | \$3,367,166      | \$3,511,723      | \$3,508,918           | \$3,735,910      | \$226,992        | 6.5%             |
| <b>Net Patient Revenue</b>                               | <b>\$640,781</b> | <b>\$692,596</b> | <b>\$686,507</b> | <b>\$709,627</b>      | <b>\$715,226</b> | <b>\$5,599</b>   | <b>0.8%</b>      |
| <i>Yield</i>   | 21.4%            | 20.6%            | 19.5%            | 20.2%                 | 19.1%            |                  |                  |
| Other Revenue  | \$20,132         | \$27,195         | \$20,660         | \$40,069              | \$24,350         | -\$15,719        | -39.2%           |
| <b>Total Operating Revenue</b>                           | <b>\$660,914</b> | <b>\$719,791</b> | <b>\$707,166</b> | <b>\$749,696</b>      | <b>\$739,576</b> | <b>-\$10,119</b> | <b>-1.3%</b>     |
| Salaries, Wages & Benefits (Including Contract Labor)    | \$352,479        | \$364,264        | \$384,671        | \$387,417             | \$383,865        | -\$3,552         | -0.9%            |
| All Other Operating Expenses                             | \$217,211        | \$238,507        | \$260,910        | \$281,112             | \$294,191        | \$13,079         | 4.7%             |
| <b>Total Operating Expenses</b>                          | <b>\$569,690</b> | <b>\$602,771</b> | <b>\$645,581</b> | <b>\$668,530</b>      | <b>\$678,056</b> | <b>\$9,526</b>   | <b>1.4%</b>      |
| <b>Operating Margin</b>                                  | <b>\$91,223</b>  | <b>\$117,020</b> | <b>\$61,585</b>  | <b>\$81,166</b>       | <b>\$61,520</b>  | <b>-\$19,646</b> | <b>-24.2%</b>    |
| <i>Operating Margin %</i>                                | 13.8%            | 16.3%            | 8.7%             | 10.8%                 | 8.3%             |                  |                  |
| Non-Operating Revenue                                    | -\$16,901        | -\$18,355        | -\$32,003        | -\$32,480             | -\$27,087        | \$5,393          | -16.6%           |
| <b>Total Margin</b>                                      | <b>\$74,323</b>  | <b>\$98,666</b>  | <b>\$29,583</b>  | <b>\$48,686</b>       | <b>\$34,433</b>  | <b>-\$14,253</b> | <b>-29.3%</b>    |
| <i>Total Margin %</i>                                    | 11.2%            | 13.7%            | 4.2%             | 6.5%                  | 4.7%             |                  |                  |
| Adjusted ADC   | 235              | 248              | 245              | 265                   | 261              | (4)              |                  |
| <i>Change from Prior Year</i>                            | -4%              | 6%               |                  | 7%                    | -1%              |                  |                  |
| Employed FTE   | 1,755.9          | 1,833.2          | 1,891.2          | 1,932.8               | 2,001.2          | 68.5             |                  |
| Contract Labor FTE                                       | 68.1             | 64.4             | 49.6             | 98.0                  | 67.0             | (31.1)           |                  |
| Total FTE (Hospital Only)                                | 1,824.0          | 1,897.6          | 1,940.8          | 2,030.8               | 2,068.2          | 37.4             |                  |
| <i>Change from Prior Year</i>                            | -1%              | 4%               |                  | 7%                    | 2%               |                  |                  |
| Paid FTE per AOB   | 7.8              | 7.6              | 7.9              | 7.7                   | 7.9              | 0.3              |                  |
| <i>Change from Prior Year</i>                            | 3%               | -2%              |                  | 0%                    | 3%               |                  |                  |
| Capital Spending (In 1000s)                              | \$ 28,497        | \$ 42,999        | \$ 71,700        | \$ 58,399             | \$ 88,440        | \$ 30,041        |                  |
| <i>Capital Spending as a % of Depreciation Benchmark</i> | 79%              | 115%             | 181%             | 149%                  | 189%             |                  |                  |
|  | 140%             | 140%             | 140%             | 140%                  | 140%             |                  |                  |

# FY27 Revenue and Volume Projections

## Revenue

### Charge Increase

- 6% aggregate rate increase effective January 2027

### Net Revenue

- Medicare: IP 4%, OP 2%
- Medi-Cal: no increase
- FY 2026 includes \$12 million one time supplemental payment for EPIC implementation
- Commercial: 5%

## Volume

### Growth

- Medicare based on history
  - IP 0
  - OP 9%
- Medi-Cal based on history
  - IP 0
  - OP 5%
- Commercial history plus targets
  - IP 2%
  - OP 3%
- Self-Pay based on history
  - 3%

# FY27 Budgeted Inflation Assumptions

## Salary Expense

- Increases driven by contract for affiliated team members
- Non-affiliated salary increases are budgeted at 3.0% effective July 2026
- Annual Incentive Plan (AIP) not budgeted

## Non-Payroll Expenses

### Inflation based on Vizient projection

- Supplies: Inflation ranges from 2.3% - 5.0% based on category
- Pharmacy: 3.8%
- Repairs & Maintenance: 3.7%
- Software Expenses: 4.5%
- Purchased Services: 3.5%
- Utilities: Inflation ranges from 1.3% - 5.0% based on category

# Supplemental Payments

| Program   | 2023       | 2024       | 2025         | 2026       | 2027       |
|---|------------|------------|--------------|------------|------------|
| 1. CCAH IGT - Rate Range Program  | 4,412,893  | 4,826,519  | 4,639,758    | 10,304,833 | 5,152,417  |
| 1A. CCAH IGT - Population Health Discontinued FY2025                              | 1,153,767  | 4,183,283  | Discontinued | -          |            |
| 2. DHCS IGT - Medi-Cal: Rate Range Program  | 1,855,539  | 2,650,277  | 2,305,245    | 2,218,743  | 1,774,995  |
| 3. HQAF AB 239 Hospital Quality Assurance Fee (moved to DHDP line 6)              | -          | 10,025,620 | 4,270,850    | -          | 2,200,000  |
| 4. Medi-Cal Quality Incentive Program-QIP (formerly known as PRIME)               | 7,024,214  | 6,467,675  | 7,045,692    | 6,271,270  | 5,017,016  |
| 5. AB 915 Medi-Cal Supplemental Outpatient Reimbursement for Traditional Medi-Cal | 1,787,625  | 1,374,127  | 1,398,017    | 1,300,000  | 1,118,413  |
| 6. District Hospital Directed Payment Program (delayed and no increase)           |            |            | 4,797,482    | 8,377,023  | 14,048,000 |
| 7. CCAH EPIC Implementation support   |            |            |              | 12,000,000 |            |
| 8. CCAH Quality Incentive Program   |            |            |              |            | 3,450,000  |
| 9. CCAH Hospital Incentive Program  |            |            |              |            | 5,700,000  |
| total revenue   | 16,234,038 | 29,527,501 | 24,457,043   | 40,471,869 | 38,460,840 |
| 2027 Budget   |            |            |              |            | 28,845,630 |

13

## FY27 Budget Income Statement – Clinics

(amounts in thousands)

|   | FY2024           | FY2025           | FY2026 Budget    | FY2026 YTD Annualized | FY2027 Budget    | Variance         | Percent Variance |
|---|------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|
| Gross Patient Revenue                                 | \$169,472        | \$182,395        | \$198,927        | \$193,624             | \$208,250        | \$14,626         | 7.6%             |
| <b>Net Patient Revenue</b>                            | <b>\$74,454</b>  | <b>\$84,901</b>  | <b>\$94,181</b>  | <b>\$92,206</b>       | <b>\$99,496</b>  | <b>\$7,290</b>   | <b>7.9%</b>      |
| Yield   | 43.9%            | 46.5%            | 47.3%            | 47.6%                 | 47.8%            |                  |                  |
| Other Revenue   | \$10,835         | \$14,036         | \$9,672          | \$12,712              | \$12,922         | \$210            | 1.7%             |
| <b>Total Operating Revenue</b>                        | <b>\$85,289</b>  | <b>\$98,937</b>  | <b>\$103,853</b> | <b>\$104,918</b>      | <b>\$112,418</b> | <b>\$7,500</b>   | <b>7.1%</b>      |
| Salaries, Wages & Benefits (Including Contract Labor) | \$44,141         | \$51,685         | \$55,217         | \$54,151              | \$61,932         | \$7,782          | 14.4%            |
| All Other Operating Expenses                          | \$96,821         | \$104,413        | \$106,935        | \$100,295             | \$114,447        | \$14,151         | 14.1%            |
| <b>Total Operating Expenses</b>                       | <b>\$140,962</b> | <b>\$156,098</b> | <b>\$162,153</b> | <b>\$154,446</b>      | <b>\$176,379</b> | <b>\$21,933</b>  | <b>14.2%</b>     |
| <b>Operating Margin</b>                               | <b>-\$55,672</b> | <b>-\$57,160</b> | <b>-\$58,299</b> | <b>-\$49,528</b>      | <b>-\$63,961</b> | <b>-\$14,433</b> | <b>29.1%</b>     |
| Operating Margin %                                    | -65.3%           | -57.8%           | -56.1%           | -47.2%                | -56.9%           |                  |                  |
| Non-Operating Revenue                                 | \$0,000          | \$0,000          | \$0,000          | \$0,000               | \$0,000          | \$0,000          | 0.0%             |
| <b>Total Margin</b>                                   | <b>-\$55,672</b> | <b>-\$57,160</b> | <b>-\$58,299</b> | <b>-\$49,528</b>      | <b>-\$63,961</b> | <b>-\$14,433</b> | <b>29.1%</b>     |
| Total Margin %  | -65.3%           | -57.8%           | -56.1%           | -47.2%                | -56.9%           |                  |                  |

14

# Clinics - Total Margin

|   |                 |
|---|-----------------|
| <b>FY2026 YTD Annualized</b>  | <b>-\$49.5M</b> |
| Net Revenue Associated with Increase in Encounters  | \$6.5M          |
| Inflation (Estimated at 10% for Supplies & Drugs and 3.5% for Utilities)                                  | -\$1.5M         |
| Incremental Support Staff (Current Ratio of <2.5 per Provider)  | -\$1.8M         |
| Merit Increases (5% for Providers and Staff)  | -\$5.8M         |
| Adding Provider FTE (FY26 Full Year Impact of 11.8 FTE at \$5.2M and FY27 Addition of 11.2 FTE at \$5.6M) | -\$10.8M        |
| Other   | -\$1.0M         |
| <b>FY2027 Budget</b>  | <b>-\$64.0M</b> |

## FY 2027 Capital Budget (amounts in thousands)

High capital investment beginning with FY 2026 due deferred projects and seismic requirements

| <i>Proposed Capital Budget</i>     | FY 2024          | FY 2025          | FY 2026 YTD      | FY 2027 Budget Requests |
|------------------------------------|------------------|------------------|------------------|-------------------------|
| Strategic                          |                  |                  |                  | \$ 5,000                |
| Facility - Hospital                |                  |                  |                  | \$ 53,847               |
| Facility - Clinics                 |                  |                  |                  | \$ 11,436               |
| Routine - Hospital                 |                  |                  |                  | \$ 13,842               |
| Routine - Clinics                  |                  |                  |                  | \$ 2,187                |
| <b>Total Capital Spend</b>         | <b>\$ 28,497</b> | <b>\$ 42,999</b> | <b>\$ 38,933</b> | <b>\$ 86,312</b>        |
| 2027 Budget plus 4 year projection |                  |                  |                  |                         |
| Depreciation Expense               | \$ 29,728        | \$ 31,134        | \$ 29,360        | \$ 46,753               |
| Capital Spending Ratio - Total     | 96%              | 138%             | 133%             | 185%                    |
| Capital Spending Ratio - Routine   | 0%               | 0%               | 0%               | 24%                     |

Notes:

- \*\* \$5 million strategic capital in fiscal years 2027 - 2031
- \*\* Routine - Hospital capital projection estimated at 10% of depreciation
- \*\* Routine - Clinic capital projection using the prior year + 10%
- \*\* The FY2027 budgeted depreciation is estimated by annualizing FY2026 YTD actual results.

# Questions/Comments

# Appendix

# FY27 Budget Income Statement -Doctors on Duty

(amounts in thousands)

|   | FY2024          | FY2025          | FY2026 Budget   | FY2026 YTD Annualized | FY2027 Budget   | Variance        | Percent Variance |
|---|-----------------|-----------------|-----------------|-----------------------|-----------------|-----------------|------------------|
| Gross Patient Revenue                                 | \$36,907        | \$39,316        | \$39,295        | \$32,241              | \$41,477        | \$9,235         | 28.6%            |
| <b>Net Patient Revenue</b>                            | <b>\$23,668</b> | <b>\$25,801</b> | <b>\$25,397</b> | <b>\$22,051</b>       | <b>\$26,210</b> | <b>\$4,159</b>  | <b>18.9%</b>     |
| <i>Yield</i>  | 64.1%           | 65.6%           | 64.6%           | 68.4%                 | 63.2%           |                 |                  |
| Other Revenue   | \$793           | \$670           | \$682           | \$3,422               | \$468           | -\$2,953        | -86.3%           |
| <b>Total Operating Revenue</b>                        | <b>\$24,461</b> | <b>\$26,471</b> | <b>\$26,079</b> | <b>\$25,472</b>       | <b>\$26,678</b> | <b>\$1,206</b>  | <b>4.7%</b>      |
| Salaries, Wages & Benefits (Including Contract Labor) | \$7,936         | \$9,347         | \$9,399         | \$9,548               | \$14,986        | \$5,438         | 57.0%            |
| All Other Operating Expenses                          | \$15,485        | \$16,475        | \$16,385        | \$14,611              | \$11,758        | -\$2,853        | -19.5%           |
| <b>Total Operating Expenses</b>                       | <b>\$23,421</b> | <b>\$25,822</b> | <b>\$25,783</b> | <b>\$24,159</b>       | <b>\$26,744</b> | <b>\$2,585</b>  | <b>10.7%</b>     |
| <b>Operating Margin</b>                               | <b>\$1,040</b>  | <b>\$649</b>    | <b>\$296</b>    | <b>\$1,314</b>        | <b>-\$66</b>    | <b>-\$1,379</b> | <b>-105.0%</b>   |
| <i>Operating Margin %</i>                             | 4.3%            | 2.5%            | 1.1%            | 5.2%                  | -0.2%           |                 |                  |
| Non-Operating Revenue                                 | -\$156          | -\$97           | -\$44           | -\$857                | \$163           | \$1,020         | -119.0%          |
| <b>Total Margin</b>                                   | <b>\$884</b>    | <b>\$552</b>    | <b>\$251</b>    | <b>\$456</b>          | <b>\$97</b>     | <b>-\$359</b>   | <b>-78.8%</b>    |
| <i>Total Margin %</i>                                 | 3.6%            | 2.1%            | 1.0%            | 1.8%                  | 0.4%            |                 |                  |

19

## Doctors on Duty - Total Margin

|  |               |
|--|---------------|
| <b>FY2026 YTD Annualized</b>   | <b>\$0.5M</b> |
| Productivity Gains (Net Impact of 4,750 Visits Due to Productivity Improvements)                         | \$1.0M        |
| Commercial Rate Increase (7.5% Increase on 35% of Business)  | \$0.5M        |
| Increased Minimum Wage Rate (Impact is an Incremental 2% Increase for 47 Employees)                      | -\$0.1M       |
| Incentives (Increase in Spend Due to Timing; FY27 Includes Full Year While FY26 Includes a Partial Year) | -\$0.3M       |
| Inflation (Staff and Provider Base Rates Include 3% & Other Expenses Assume 3.75% Inflation)             | -\$0.4M       |
| CCAH Enrollment Decline (7.5% Decline per California / Federal Medi-Cal Funding Redcuts)                 | -\$0.4M       |
| Reduction in Grants (FY26 Grant Funding was Unusually High)  | -\$0.6M       |
| Other  | \$0.0M        |
| <b>FY2027 Budget</b>   | <b>\$0.1M</b> |

20

# FY27 Budget Income Statement – Foundation

Grants to related entities are eliminated in consolidation  
(amounts in thousands)

|   | FY2024          | FY2025          | FY2026 Budget   | FY2026 YTD Annualized | FY2027 Budget   | Variance        | Percent Variance |
|---|-----------------|-----------------|-----------------|-----------------------|-----------------|-----------------|------------------|
| Gross Patient Revenue                                 | \$ -            | \$ -            | \$ -            | \$ -                  | \$ -            | \$ -            | -                |
| <b>Net Patient Revenue</b>                            | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>           | <b>\$ -</b>     | <b>\$ -</b>     | <b>-</b>         |
| <i>Yield</i>  |                 |                 |                 |                       |                 |                 |                  |
| Other Revenue   | \$ -            | \$ -            | \$ -            | \$ -                  | \$ -            | \$ -            | -                |
| <b>Total Operating Revenue</b>                        | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>           | <b>\$ -</b>     | <b>\$ -</b>     | <b>-</b>         |
| Salaries, Wages & Benefits (Including Contract Labor) | \$ -            | \$ -            | \$ -            | \$ -                  | \$ -            | \$ -            | -                |
| All Other Operating Expenses                          | \$3,653         | \$4,573         | \$4,469         | \$2,876               | \$6,569         | \$3,693         | 128.4%           |
| <b>Total Operating Expenses</b>                       | <b>\$3,653</b>  | <b>\$4,573</b>  | <b>\$4,469</b>  | <b>\$2,876</b>        | <b>\$6,569</b>  | <b>\$3,693</b>  | <b>128.4%</b>    |
| <b>Operating Margin</b>                               | <b>-\$3,653</b> | <b>-\$4,573</b> | <b>-\$4,469</b> | <b>-\$2,876</b>       | <b>-\$6,569</b> | <b>-\$3,693</b> | <b>128.4%</b>    |
| <i>Operating Margin %</i>                             |                 |                 |                 |                       |                 |                 |                  |
| Non-Operating Revenue                                 | \$5,916         | \$5,789         | \$5,758         | \$5,330               | \$10,116        | \$4,786         | 89.8%            |
| <b>Total Margin</b>                                   | <b>\$2,264</b>  | <b>\$1,216</b>  | <b>\$1,290</b>  | <b>\$2,454</b>        | <b>\$3,546</b>  | <b>\$1,092</b>  | <b>44.5%</b>     |
| <i>Total Margin %</i>                                 |                 |                 |                 |                       |                 |                 |                  |

21

## Foundation - Total Margin

Grants to related entities are eliminated in consolidation

|   |               |
|---|---------------|
| <b>FY2026 YTD Annualized</b>  | <b>\$2.5M</b> |
| Increased Funding Received from Capital Campaign  | \$4.2M        |
| Increased Expenses Associated with Capital Campaign   | -\$0.2M       |
| Increased Hospital Support (Included in Hospital Budget; Eliminated in Consolidated Financials) | -\$0.6M       |
| Reduced Investment Income   | -\$0.9M       |
| Grants Given  | -\$1.5M       |
| Other   | \$0.0M        |
| <b>FY2027 Budget</b>  | <b>\$3.5M</b> |

22

# FY 2027 Capital Plan

Finance Committee

June 22, 2026

## FY2026 Completed Projects

(amounts in thousands)

| (1)<br>Project Name   | (2)<br>Board Approved Month | (3)<br>Board Approved Amount | (4)<br>FY2026 Spend | (5)<br>Total Project Spend Since Inception | (6)<br>(Over) / Under Budget |
|---|-----------------------------|------------------------------|---------------------|--|------------------------------|
| Medical Center Campus Painting                                | September 2023              | \$3,500                      | \$811               | \$1,530                                    | \$1,970                      |
| Workday Financial and Supply Chain Software (Capital Portion) | July 2024                   | \$3,075                      | \$873               | \$2,987                                    | \$88                         |
| Training Rooms Basement Annex                                 | May 2025                    | \$2,890                      | \$1,883             | \$2,123                                    | \$767                        |
| Roofing Replacement (5 Lower Ragsdale)                        | September 2025              | \$2,770                      | \$2,406             | \$2,466                                    | \$304                        |
|   |                             | <b>\$12,234</b>              | <b>\$5,974</b>      | <b>\$9,106</b>                             | <b>\$3,129</b>               |

Total FY 2026 completed projects are under budget

# Facility Needs

- Emergency Department
- Parking (233 Stalls)
- Medical Office Space
- Pharmacy Expansion
- Seismic Upgrades
- Operating Room



# FY2027 Capital: Facility Plan - Hospital

| Facility - Hospital                                    |                    |
|--|--------------------|
| DRC Annex - relocation for parking                     | \$ 6,750.0         |
| Emergency Department Replacement                       | \$ 6,500.0         |
| Cath Lab 3 Replacement                                 | \$ 5,264.4         |
| Primary Transformer                                    | \$ 5,000.0         |
| 200 Ton Chiller Replacement                            | \$ 4,400.0         |
| Angio/Special Procedures Suite                         | \$ 3,542.0         |
| Mammography Center X-Ray Systems Replacement           | \$ 3,015.7         |
| Retail Pharmacy Expansion / Gift Shop Replacement      | \$ 3,000.0         |
| Laboratory Air Handling Unit (AHU)                     | \$ 2,700.0         |
| Thermal Fluid Plant Construction                       | \$ 2,700.0         |
| 1188 Padre - Purchase and Renovation                   | \$ 2,000.0         |
| Employee Health, Case Management, Volunteers, IT & EHS | \$ 2,000.0         |
| X-ray Room 1   | \$ 1,300.0         |
| Ambulatory Surgery Center                              | \$ 1,000.0         |
| Endoscopy Renovation in Basement & CP                  | \$ 1,000.0         |
| Master Plan - Retro Fit                                | \$ 1,000.0         |
| 355 Abbott St Pharmacy                                 | \$ 800.0           |
| Cath Lab 2 Remodel                                     | \$ 750.0           |
| MRI Replacement - OP Imaging                           | \$ 500.0           |
| PET/CT Project   | \$ 500.0           |
| All Other Hospital Facility - Less than \$200,000      | \$ 125.0           |
| <b>Facility - Hospital Total</b>                       | <b>\$ 53,847.1</b> |

# FY2027 Capital: Facility Plan - Clinics

| <b>Facility - Clinics</b>                       |                    |
|---|--------------------|
| Abbott/Spicer MOB                               | \$ 6,950.0         |
| 626 Brunken MRI Replacement                     | \$ 3,000.0         |
| 355 Abbott Suite 100 Refresh                    | \$ 1,000.0         |
| X-Ray Equipment Replacement at 559 Abbott       | \$ 486.0           |
| All Other Clinic Facility - Less than \$200,000 | \$ 1,850.0         |
| <b>Facility - Clinics Total</b>                 | <b>\$ 13,286.0</b> |

# FY2027 Capital: Routine - Hospital

| <b>Hospital - Routine</b>   |                    |
|---|--------------------|
| EPIC 2027 license costs   | \$ 1,854.0         |
| Ryan Ranch Server Room Development                                    | \$ 2,000.0         |
| Chemistry Analyzer (Siemens FlexLab™ XLaboratory Full Automation)     | \$ 1,379.0         |
| Stryker Power System 9 Drill  | \$ 1,048.9         |
| Computers/Laptops/User Devices  | \$ 604.3           |
| DV5 Lease Agreement   | \$ 540.1           |
| General Renovation, Lab Automation Renovation Construction Scope      | \$ 500.0           |
| SYMPLR: Cloud Migration and Upgrade                                   | \$ 405.6           |
| Server Lifecycle  | \$ 319.0           |
| Cisco Unified Communication System (UCS - Telephone) Hardware Refresh | \$ 300.0           |
| Hillrom Centrella Beds (5 Year Replacement Project)                   | \$ 260.0           |
| CT Contrast Injector  | \$ 243.5           |
| General Renovation, HIM workstation replacement                       | \$ 200.0           |
| All Other Projects - Less than \$200,000                              | \$ 4,187.3         |
| <b>Routine Hospital Total</b>   | <b>\$ 13,841.7</b> |

# FY2027 Capital: Routine - Clinics

## Clinics - Routine

|  |           |                |
|--|-----------|----------------|
| Canon CT Unit                            | \$        | 1,168.6        |
| SVH Cardiology - 2 New Exam Rooms        | \$        | 286.6          |
| All Other Projects - Less than \$200,000 | \$        | 732.1          |
| <b>Routine Clinics Total</b>             | <b>\$</b> | <b>2,187.3</b> |

# FY2027 Capital: Facility Plan – Hospital – All Other

## Facility - Hospital - All Other

|                           |    |       |
|---------------------------|----|-------|
| DRC Annex - Backfill HIMS | \$ | 125.0 |
|---------------------------|----|-------|

## FY2027 Capital: Routine Hospital – All Other

### Routine Hospital - All Other

|   |    |       |
|---|----|-------|
| WOW Carts   | \$ | 197.0 |
| Central Vacuum System, Pneumatic Tube Station Modernization | \$ | 191.8 |
| Stryker Monitor(s) Replacement                              | \$ | 190.7 |
| Building Automation Software Upgrade                        | \$ | 184.3 |
| Steris Washer/Disinfector AMSCO 7052H                       | \$ | 178.8 |
| Merrill Lobby Workstations Replacement                      | \$ | 150.0 |
| Nutrition Services Ceiling Renovation                       | \$ | 150.0 |
| Backup & Recovery Infrastructure                            | \$ | 134.0 |
| GE Case Machine Replacement (ECG Monitor)                   | \$ | 127.7 |
| Loading Dock Door Replacement                               | \$ | 125.7 |
| Sleepworks/Neuroworks Upgrade                               | \$ | 116.7 |
| Cisco Catalyst - Wi-Fi Network, Phase 2                     | \$ | 115.4 |
| FY2027 Calcomm Capital                                      | \$ | 115.0 |
| Stryker Mako Set  | \$ | 110.6 |
| Virtuo Additional "B" Unit (Blood Culture Analyzer)         | \$ | 103.7 |

31

## FY2027 Capital: Routine Hospital – All Other (continued)

### Routine Hospital - All Other

|   |    |      |
|---|----|------|
| METRX II Instruments/Retractors           | \$ | 96.7 |
| Inpatient Pharmacy Floor Plan Redesign    | \$ | 95.0 |
| Giraffe Omnibed Carestation               | \$ | 94.7 |
| Cisco Switches (9300)                     | \$ | 92.1 |
| WORKDAY: Contract Lifecycle Management    | \$ | 90.0 |
| Misc Lifecycle                            | \$ | 89.0 |
| Domestic Water Booster Pump Replacement   | \$ | 88.1 |
| Echo Machine Upgrade                      | \$ | 86.3 |
| AV: Displays - Lifecycle                  | \$ | 81.2 |
| Transit 250 Truck/Cargo Van for Warehouse | \$ | 77.4 |
| Hologic Mini C-Arm                        | \$ | 77.3 |
| Nursing Station Renovation for ICU        | \$ | 75.0 |
| Neptune Suction Devices - LD OR           | \$ | 69.7 |
| Cisco Catalyst 9300 Line Cards (Network)  | \$ | 67.1 |
| Laryngoscopy Sets                         | \$ | 62.8 |

32

## FY2027 Capital: Routine Hospital – All Other (continued)

### Routine Hospital - All Other

|   |    |      |
|---|----|------|
| Hot Dog Warming System - OR   | \$ | 62.7 |
| Fiber / Copper Testing Tools (Network)                                | \$ | 61.0 |
| WORKDAY: Journeys and People Analytics                                | \$ | 60.0 |
| NICU High Flow Nasal Cannula Units                                    | \$ | 58.1 |
| Equipment Room Renovation for 1 Main                                  | \$ | 50.0 |
| Ultrasound Probe Sterilizer Replacement (Trophon System)              | \$ | 43.6 |
| NICU Olympic Brainz Monitor   | \$ | 41.4 |
| GCX Fetal Monitoring Carts  | \$ | 39.1 |
| Case Machine Cardiology   | \$ | 35.8 |
| Camera, Xray TIMS System Replacement                                  | \$ | 34.5 |
| Mobile Device Lifecycle   | \$ | 31.0 |
| Wexler Instruments  | \$ | 30.1 |
| NICU Giraffe Shuttle  | \$ | 28.3 |
| Staff Breakroom Refresh for OCU                                       | \$ | 25.0 |
| Model 5392 Dual Chamber Temporary Pacemaker (EPG: External Pacemaker) | \$ | 24.6 |

33

## FY2027 Capital: Routine Hospital – All Other (continued)

### Routine Hospital - All Other

|  |           |                |
|--|-----------|----------------|
| HistoCore Arcadia Embedding System                       | \$        | 24.4           |
| EEG Remote Reading Interface                             | \$        | 22.0           |
| Mytonomy Patient Education Videos                        | \$        | 15.0           |
| Replace Broken Nurses Station Cabinet                    | \$        | 14.0           |
| Replace Broken Nurses Station Cabinet                    | \$        | 14.0           |
| OPI Fast Track Chair                                     | \$        | 10.3           |
| Thermo 1500 Series A2 Class II Biological Safety Cabinet | \$        | 9.9            |
| SciFit Recumbent Stepper                                 | \$        | 6.9            |
| ED Portable Slit Lamp                                    | \$        | 6.8            |
| Medication Station Mounted Cabinet                       | \$        | 5.0            |
| <b>Routine Hospital Total - All Other</b>                | <b>\$</b> | <b>4,187.3</b> |

34

## FY2027 Capital: Routine Clinics – All Other

### Routine Clinics - All Other

|  |    |       |
|--|----|-------|
| Canon CT Service Agreement   | \$ | 164.7 |
| Build 3 New Exam Rooms - Cardiology                                | \$ | 135.0 |
| Power Exam Tables - Primecare Salinas                              | \$ | 100.0 |
| Power Exam Tables - OB/GYN   | \$ | 45.0  |
| Replace 6 Exam Beds - Cardiac Surgery                              | \$ | 35.0  |
| Floor Covering Replacement - Primecare North Salinas               | \$ | 34.1  |
| One Workplace: Replacement of Clinics Conference Room Furniture    | \$ | 30.0  |
| Urodynamics Machine - OB/GYN                                       | \$ | 22.9  |
| Floor Stripping Waxing - Diabetes & Endocrine                      | \$ | 22.5  |
| Replace Waiting Room Furniture - Hematology & Oncology             | \$ | 20.0  |
| Replacement of Vinyl Flooring in 4 Exam Rooms - Primecare Monterey | \$ | 18.5  |
| Replace 3 Exam Tables - Hematology & Oncology                      | \$ | 17.2  |
| 3 EKG Units - Primecare Salinas                                    | \$ | 17.0  |
| Kids Spot Vision Exam Screener (Handheld - 2) - Primecare Salinas  | \$ | 16.5  |
| Interior Office Paint Refresh - Diabetes & Endocrine               | \$ | 14.5  |

35

## FY2027 Capital: Routine Clinics – All Other (continued)

### Routine Clinics - All Other

|  |           |              |
|--|-----------|--------------|
| Vaccine Fridges (3) - Primecare Salinas                                    | \$        | 13.5         |
| Adding/Replacing Privacy Curtains in All Exam Rooms (21 in Total) - OB/GYN | \$        | 9.5          |
| EKG Machine - Primecare Monterey   | \$        | 5.8          |
| Vscan for RR - OB/GYN  | \$        | 5.5          |
| Audiometers (Replacement) - Primecare Salinas                              | \$        | 5.0          |
| <b>Routine Clinics Total - All Other</b>                                   | <b>\$</b> | <b>732.1</b> |

36

# Financial Performance Review

## April 2026

June 22, 2026 Finance Committee

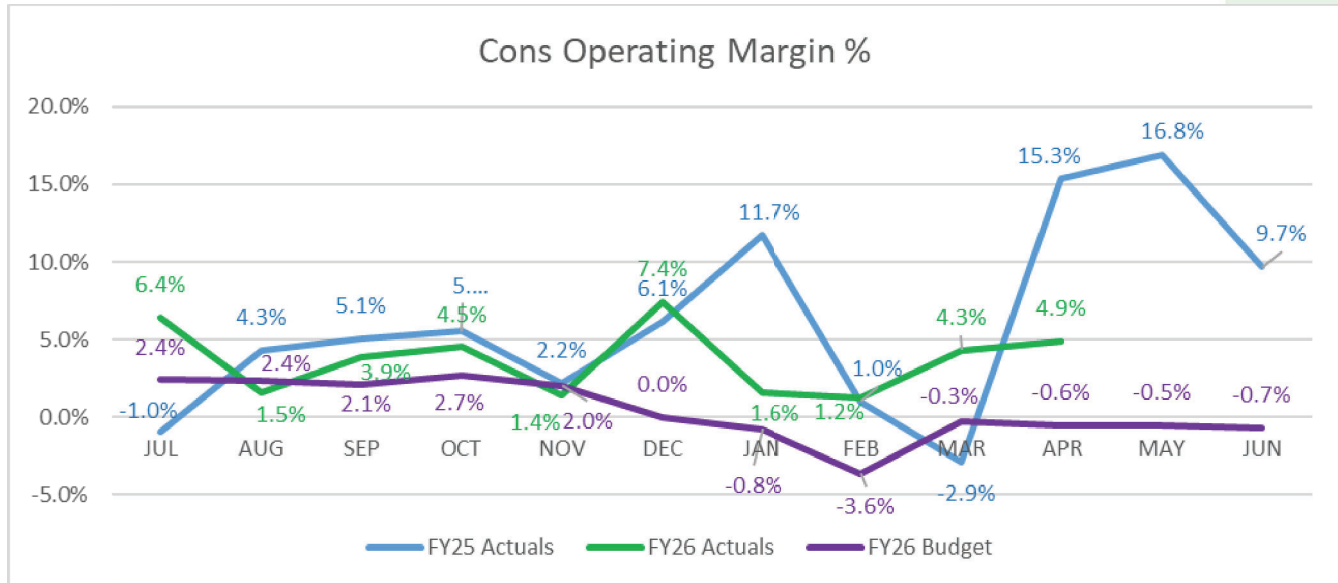
Iftikhar Hussain  
Chief Financial Officer

### Consolidated Financial Results April 2026

| Month      |              |            |                      |               | \$ in Millions                | YTD         |             |             |                      |               |
|------------|--------------|------------|----------------------|---------------|-------------------------------|-------------|-------------|-------------|----------------------|---------------|
| Apr        |              |            | Bud Variance (unfav) |               |                               | Apr         |             |             | Bud Variance (unfav) |               |
| Actual     | Budget       | Prior Year | \$                   | %             |                               | Actual      | Budget      | Prior Year  | \$                   | %             |
| \$ 72.4    | \$ 70.7      | \$ 68.1    | \$ 1.7               | 2.4%          | Operating Revenue             | \$ 732.1    | \$ 695.3    | \$ 545.6    | \$ 36.8              | 5.3%          |
| 68.9       | 71.1         | 67.4       | 2.2                  | 3.1%          | Operating Expense             | 704.3       | 690.9       | 520.8       | (13.4)               | -1.9%         |
| <b>3.5</b> | <b>(0.4)</b> | <b>0.7</b> | <b>3.9</b>           | <b>975.0%</b> | <b>Income from Operations</b> | <b>27.8</b> | <b>4.4</b>  | <b>24.8</b> | <b>23.4</b>          | <b>531.8%</b> |
| 4.9%       | -0.6%        | 1.0%       | 5.5%                 | 916.67%       | Operating Margin %            | 3.8%        | 0.6%        | 4.6%        | 3.2%                 | 533.3%        |
|            |              |            |                      |               | Op. margin % full year target |             | 3.0%        |             |                      |               |
| 1.8        | 2.5          | 6.3        | (0.7)                | -28.0%        | Non Operating Income          | 17.2        | 24.8        | 26.4        | (7.6)                | -30.6%        |
| <b>5.3</b> | <b>2.1</b>   | <b>7.0</b> | <b>3.2</b>           | <b>152.4%</b> | <b>Net Income</b>             | <b>45.0</b> | <b>29.2</b> | <b>51.2</b> | <b>15.8</b>          | <b>54.1%</b>  |
| 7.4%       | 2.9%         | 10.2%      | 4.5%                 | 155.17%       | Net Income Margin %           | 6.1%        | 4.2%        | 9.4%        | 1.9%                 | 45.2%         |

Supplemental Payments  
\$6.8 million during April  
\$32.2 million YTD

## Consolidated Operating Margin



3

## Key Financial Indicators

| Indicator Metric                   | YTD 4/30/2026 | Budget | S&P A+ Rated | YTD Prior Year |
|------------------------------------|---------------|--------|--------------|----------------|
| Operating Margin*                  | 3.8%          | 0.4%   | 4.0%         | 5.1%           |
| Total Margin*                      | 6.1%          | 4.0%   | 6.6%         | 10.1%          |
| EBITDA Margin**                    | 8.7%          | 5.4%   | 13.6%        | 9.5%           |
| Days of Cash*                      | 361           | 317    | 249          | 374            |
| Days of Accounts Payable*          | 47            | 45     | -            | 48             |
| Days of Net Accounts Receivable*** | 79            | 60     | 49           | 61             |
| Supply Expense as % NPR            | 15.0%         | 14.6%  | -            | 14.8%          |
| Labor Expense as % NPR             | 51.2%         | 55.7%  | 53.7%        | 51.8%          |
| Operating Expense per APD*         | 7,458         | 7,205  | -            | 6,725          |

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)

4

## Executive Summary: Volume Trends

- Admissions and Census
  - YTD Admissions and Observations are 1.2% higher than PY
  - YTD ADC is 7% lower than PY due to length of stay improvement
  - Monthly admissions trend is similar to PY for the month
  - YTD ER volumes are down 4% from PY
- Deliveries have decreased consistent with demographic trends
- Cath Lab – YTD cases are now down 1% from PY with April off 38 cases from PY
- Procedure Volumes for the year show growth.
  - Strong growth in Infusion services, up 22% from PY
  - Surgical volume was lower for the month of April down 22% from PY.

5

## Volume Summary – April 2026

| Actual                   | Prior Year | Apr Bud | Bud Var | Key Statistics                         | YTD    | YTD-PY | YTD Apr Bud | YTD Bud Var |
|--------------------------|------------|---------|---------|--|--------|--------|-------------|-------------|
| <b>Inpatient</b>         |            |         |         |  |        |        |             |             |
| 99                       | 121        | 114     | ↓ -13%  | ADC                                    | 108    | 116    | 114         | ↓ -5%       |
| 959                      | 966        | 901     | ↑ 6%    | Admissions                             | 9,632  | 9,781  | 9,133       | ↑ 5%        |
| 86                       | 116        | 126     | ↓ -32%  | Deliveries                             | 1,052  | 1,166  | 1,279       | ↓ -18%      |
| 2.0                      | 2.2        | 2.3     | ↓ -13%  | Medicare Traditional ALOS CMI Adjusted | 2.1    | 2.2    | 2.3         | ↓ -10%      |
| 1.82                     | 1.91       | 1.75    | ↑ 4%    | Medicare Traditional Case Mix          | 1.73   | 1.75   | 1.75        | ↓ -1%       |
| <b>Emergency Room</b>    |            |         |         |  |        |        |             |             |
| 4,407                    | 4,341      | 4,503   | ↓ -2%   | ER OP Visits                           | 44,028 | 45,164 | 45,634      | ↓ -4%       |
| 785                      | 736        | 695     | ↑ 13%   | ER IP Admissions                       | 7,540  | 7,562  | 7,046       | ↑ 7%        |
| <b>Procedures</b>        |            |         |         |  |        |        |             |             |
| 130                      | 184        | 141     | ↓ -8%   | IP Surgeries                           | 1,518  | 1,522  | 1,432       | ↑ 6%        |
| 290                      | 357        | 283     | ↑ 2%    | OP Surgeries                           | 3,032  | 3,056  | 2,871       | ↑ 6%        |
| 302                      | 340        | 323     | ↓ -7%   | Cath Lab                               | 3,250  | 3,130  | 3,270       | ↓ -1%       |
| 1,176                    | 1,298      | 1,158   | ↑ 2%    | OP Infusion Cases                      | 12,511 | 11,604 | 10,236      | ↑ 22%       |
| 347                      | 371        | 392     | ↓ -11%  | MRI Procedures                         | 3,309  | 2,802  | 3,969       | ↓ -17%      |
| 2,264                    | 2,006      | 2,098   | ↑ 8%    | CT Scans                               | 20,231 | 19,821 | 21,261      | ↓ -5%       |
| <b>Observation Cases</b> |            |         |         |  |        |        |             |             |
| 165                      | 197        | 148     | ↑ 11%   | Obs Cases                              | 1,906  | 1,626  | 1,495       | ↑ 27%       |

6

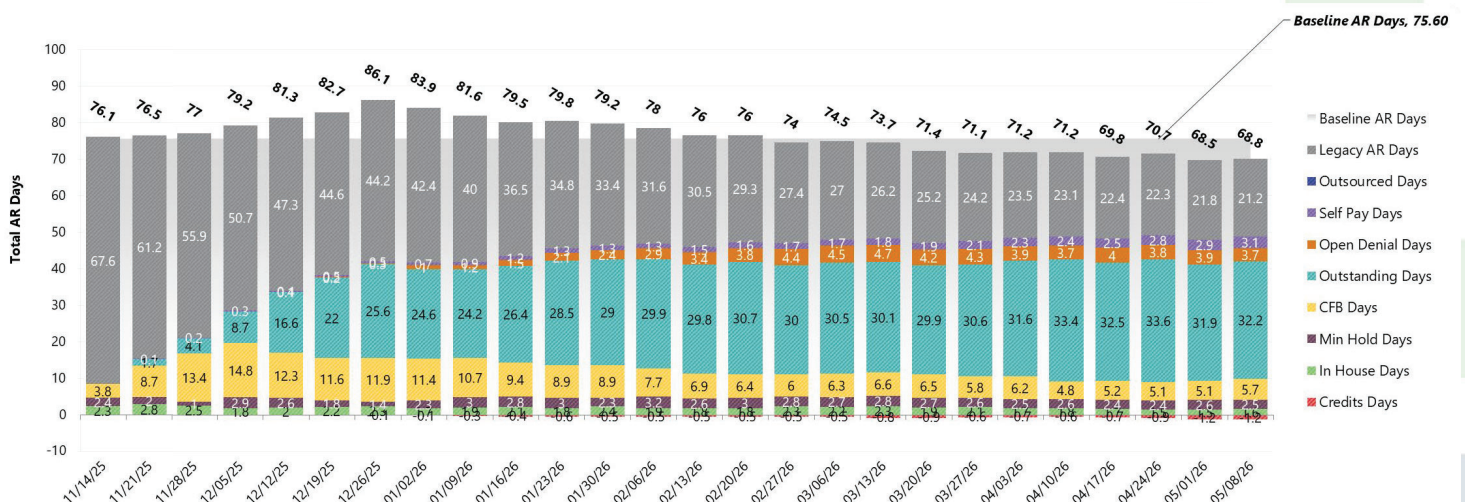
# Executive Summary: April Financial Performance – Continued

## Cost and Utilization:

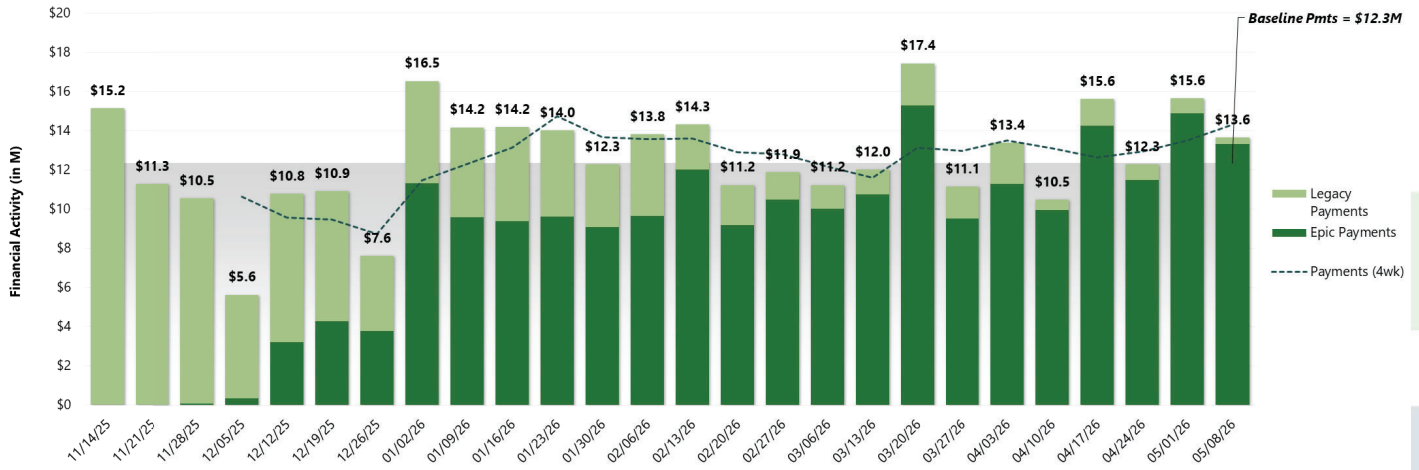
- **Worked FTEs** on a per Adjusted ADC basis were **6%** unfavorable at **7.2** - compared to a target of **6.8**
- **Payor Mix** was unfavorable with commercial revenue off 9% from budget
- **Non-Operating Income** was under budget by \$0.7 million due to timing of donations income. Investment income was down \$154K from budget in April
- **Days in AR** at 79 is trending over target. Meditech collections have slowed and are now being worked by staff dedicated exclusively to older accounts.
- **Days Cash on Hand** increased to 361 days assisted by \$11.3 million in IGT assistance from CCAH for the Direct Payment Program and QIP.

| Key Metrics                | Prior 3 Months |               |               | Current Month  |               | Year-To-Date     |                             |
|----------------------------|----------------|---------------|---------------|----------------|---------------|------------------|-----------------------------|
|                            | Jan-26 Actual  | Feb-26 Actual | Mar-26 Actual | Apr-26 Actuals | Apr-26 Budget | FY26 YTD Actuals | FY25 YTD Prior Year Actuals |
| <b>Total Gross Revenue</b> | \$ 299,889     | \$ 286,944    | \$ 313,675    | \$ 298,735     | \$ 295,783    | \$ 2,914,576     | \$ 2,810,788                |
| Medicare %                 | 49%            | 47%           | 49%           | 47%            | 46%           | 46%              | 46%                         |
| Medicaid %                 | 27%            | 29%           | 29%           | 28%            | 29%           | 29%              | 29%                         |
| Commercial %               | 20%            | 21%           | 19%           | 19%            | 21%           | 21%              | 21%                         |
| All Other %                | 4%             | 4%            | 4%            | 5%             | 4%            | 4%               | 4%                          |

## Accounts Receivable – AR Days Trend



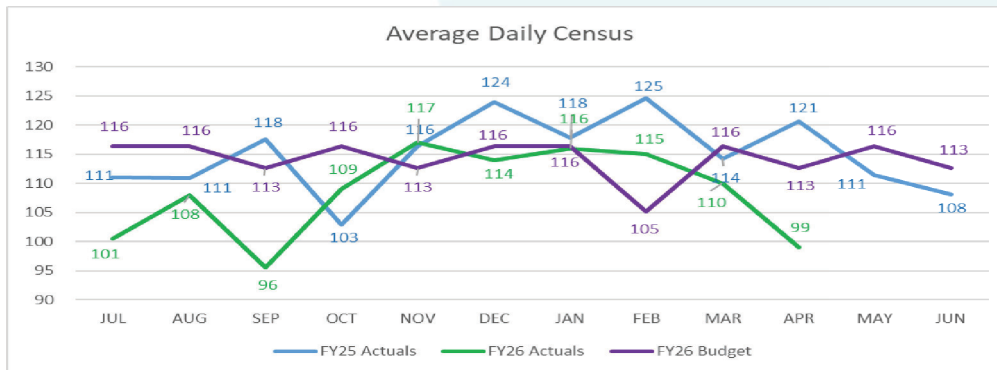
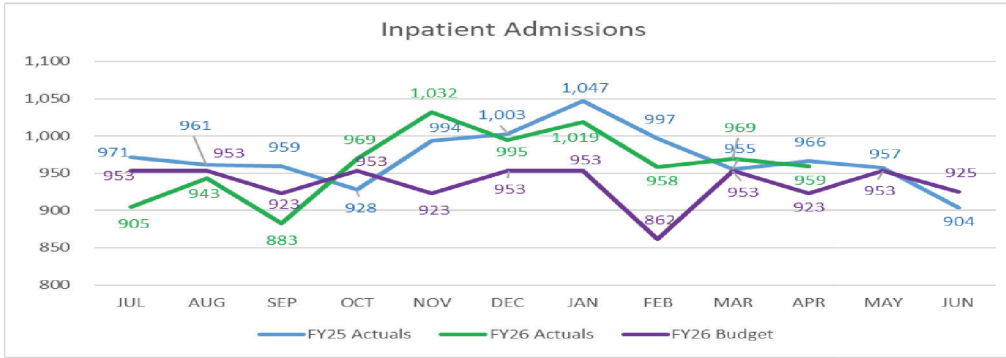
## Accounts Receivable –Payment Trend



## Medi-Cal and Other Supplemental Payments

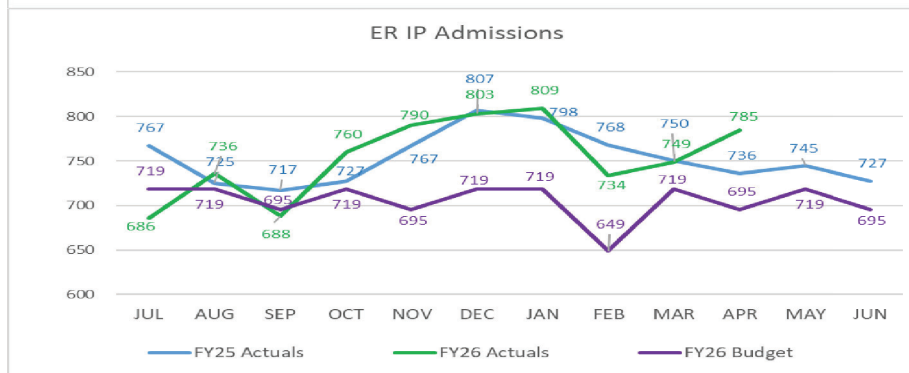
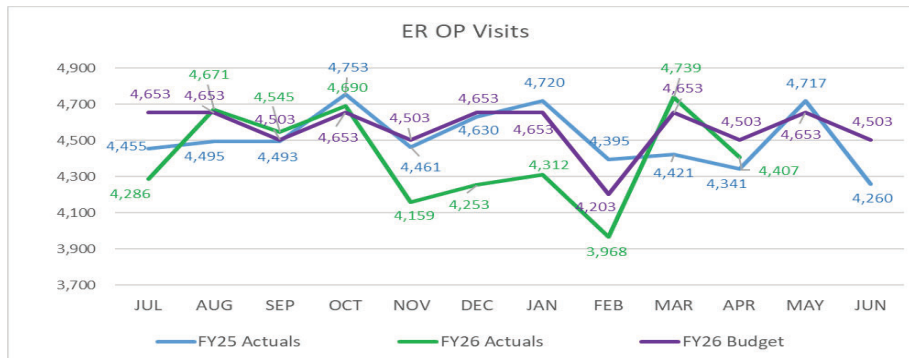
| FY 2026              |       |  |                   |                   |                   |
|----------------------|-------|--|-------------------|-------------------|-------------------|
| Date                 | Payor | Description                                    | Total Amount      | Regular           | One Time          |
| Oct 2025             | CAAH  | Direct Payment Program (net) Phase 2- CY 2023  | 4,474,778         | 4,474,778         |                   |
| Oct 2025             | CAAH  | DMPH-Quality Incentive Payment CY 2024 Interim | 3,326,677         | 3,326,677         |                   |
| Dec 2025             | CAAH  | CAAH-EPIC Training & Implementation            | 12,000,000        |                   | 12,000,000        |
| Jan 2026             | CAAH  | Voluntary Rate Range-CY 2024 (net)             | 5,579,554         | 5,579,554         |                   |
| Apr 2026             | CAAH  | Medi-Cal Quality Incentive Program (net)       | 2,944,592         | 2,944,592         |                   |
| Apr 2026             | CAAH  | Direct Payment Program (net) Phase 1- CY 2024  | 3,902,248         | 3,902,248         |                   |
| <b>Total FY 2026</b> |       |  | <b>32,227,849</b> | <b>20,227,849</b> | <b>12,000,000</b> |
| FY 2025              |       |  |                   |                   |                   |
| Date                 | Payor | Description                                    | Amount            | Regular           | One Time          |
| Jan 2025             | CAAH  | Voluntary Rate Range-CY 2023 (net)             | 4,639,758         | 4,639,758         |                   |
| Apr 2025             | CAAH  | Medi-Cal Quality Incentive Program (net)       | 7,045,692         | 7,045,692         |                   |
| Apr 2025             | DHCS  | Medi-Cal OP Supplemental (net) CY 2023-24      | 1,398,017         | 1,398,017         |                   |
| Apr 2025             | CAAH  | Direct Payment Program (net) Phase 1- CY 2023  | 4,797,482         | 4,797,482         |                   |
| May 2025             | CAAH  | NDPH HQAF (net) Program Year-2024              | 4,270,850         | 4,270,850         |                   |
| Jun 2025             | DHCS  | Medi-Cal Rate Range (net) CY 2024-25           | 2,305,245         | 2,305,245         |                   |
| Multiple Dates       | FEMA  | Grant Funds (net) FY2025                       | 6,260,697         |                   | 6,260,697         |
| <b>Total FY 2025</b> |       |  | <b>30,717,741</b> | <b>24,457,044</b> | <b>6,260,697</b>  |

## Volume Trends – Admissions & ADC



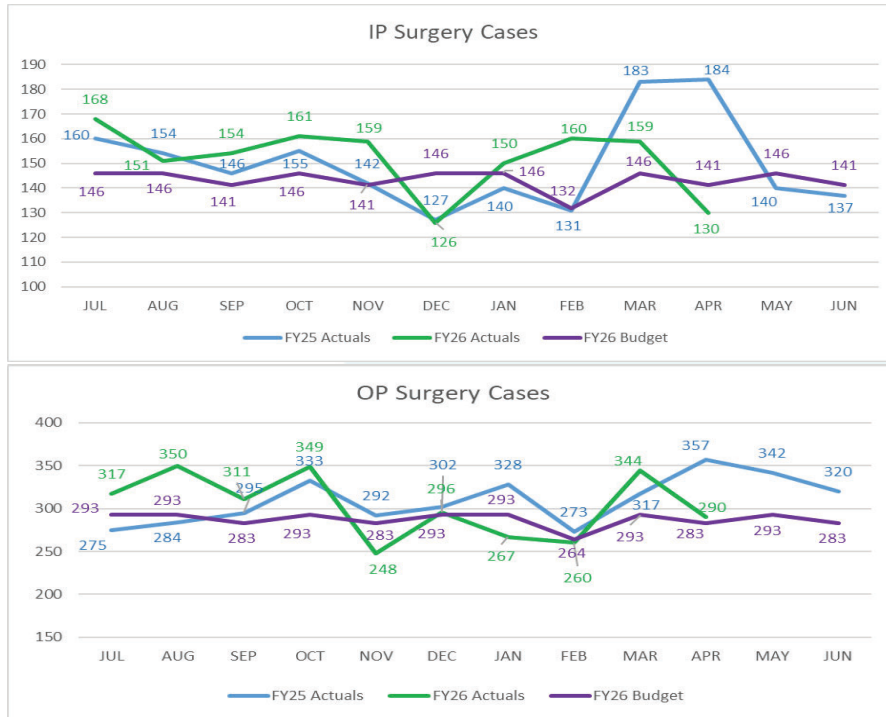
11

## Volume Trends – ER



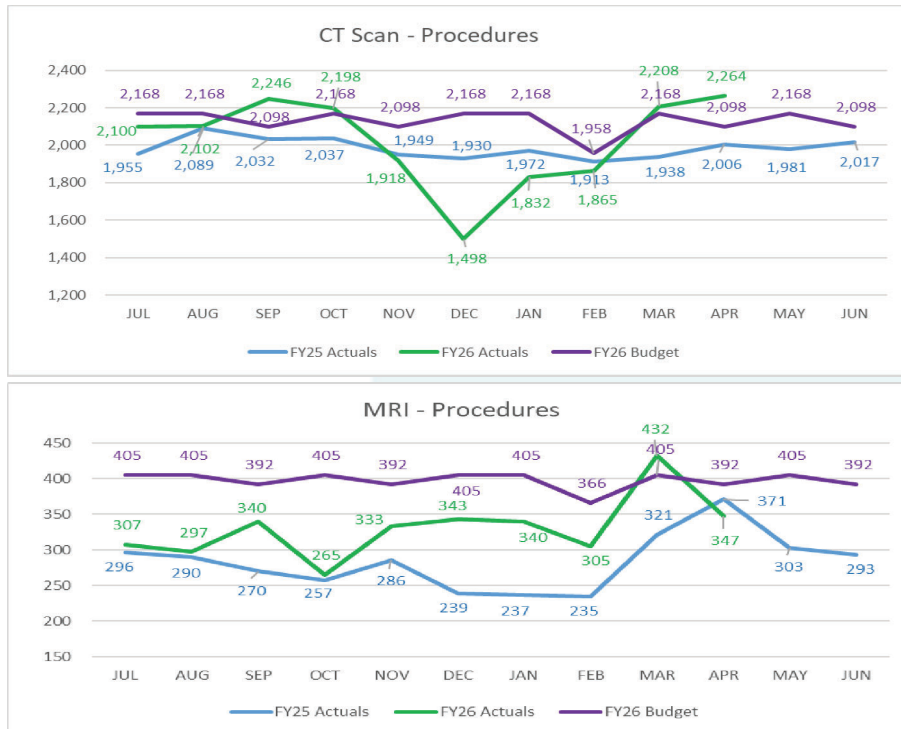
12

## Volume Trends - Surgery Cases



13

## Volume Trends - Imaging



14

## Labor Productivity Key Indicators

| Current Month |         |         |                   |                                       | Year-to-Date |         |         |                   |
|---------------|---------|---------|-------------------|---------------------------------------|--------------|---------|---------|-------------------|
| Prior Year    | Actual  | Budget  | Variance (in FTE) |                                       | Prior Year   | Actual  | Budget  | Variance (in FTE) |
| 1,722.2       | 1,752.4 | 1,664.8 | (122.2 FTE)       | Worked FTE                            | 1,613.3      | 1,701.1 | 1,608.6 | (92.5 FTE)        |
| 3.4%          | 2.6%    | 4.4%    | 26.7 FTE          | Overtime as a % of Worked Hours       | 4.5%         | 4.4%    | 4.6%    | 3.6 FTE           |
| 3.4%          | 4.8%    | 2.9%    | (40.7 FTE)        | Contract Labor as a % of Worked Hours | 4.1%         | 6.1%    | 3.1%    | (50.6 FTE)        |

15

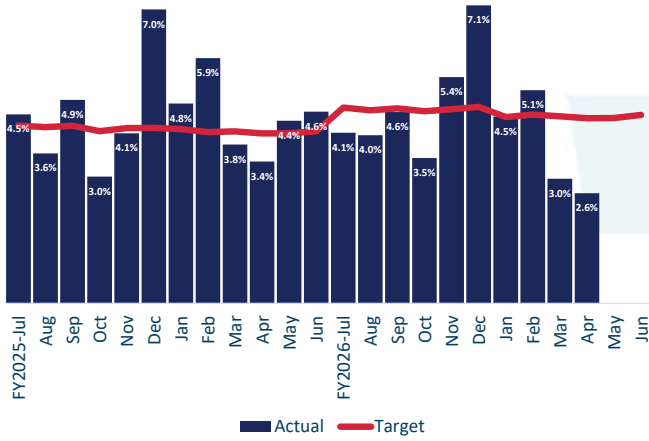
## Labor Productivity As of April 2026 Year-to-Date

- **Worked FTE:** Worked FTE is unfavorable to budget by 122.2 in the month and 92.5 on a year-to-date basis. The variance is primarily driven by:
  - **Contract Labor:** Both the current month and year-to-date contract labor utilization is higher than budget. The impact is a negative FTE variance of 40.7 in April and 50.6 on a year-to-date basis.
  - **Imaging Services:** Expanded hours in mammography and internalizing MRI services have led to unbudgeted FTE growth.
  - **Approved but Unbudgeted FTE:** Approved cyber security, Workday and system analyst positions were inadvertently not added to the budget resulting in a negative variance of 10.9 FTE.
- **Contract Labor:** Contract labor usage is over budget at 4.8% of Worked FTE in the month and 6.1% on a year-to-date basis.
  - The increase was driven by the Epic implementation and filling roles that have been challenging to recruit. However, the usage has decreased over the last few months after the Epic implementation was completed.

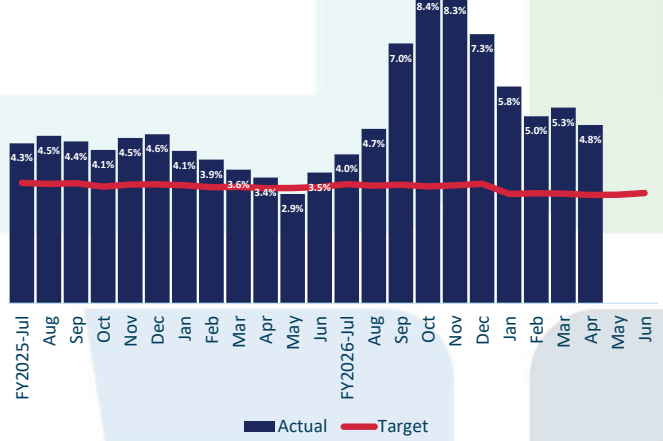
16

# Overtime & Contract Labor Trends

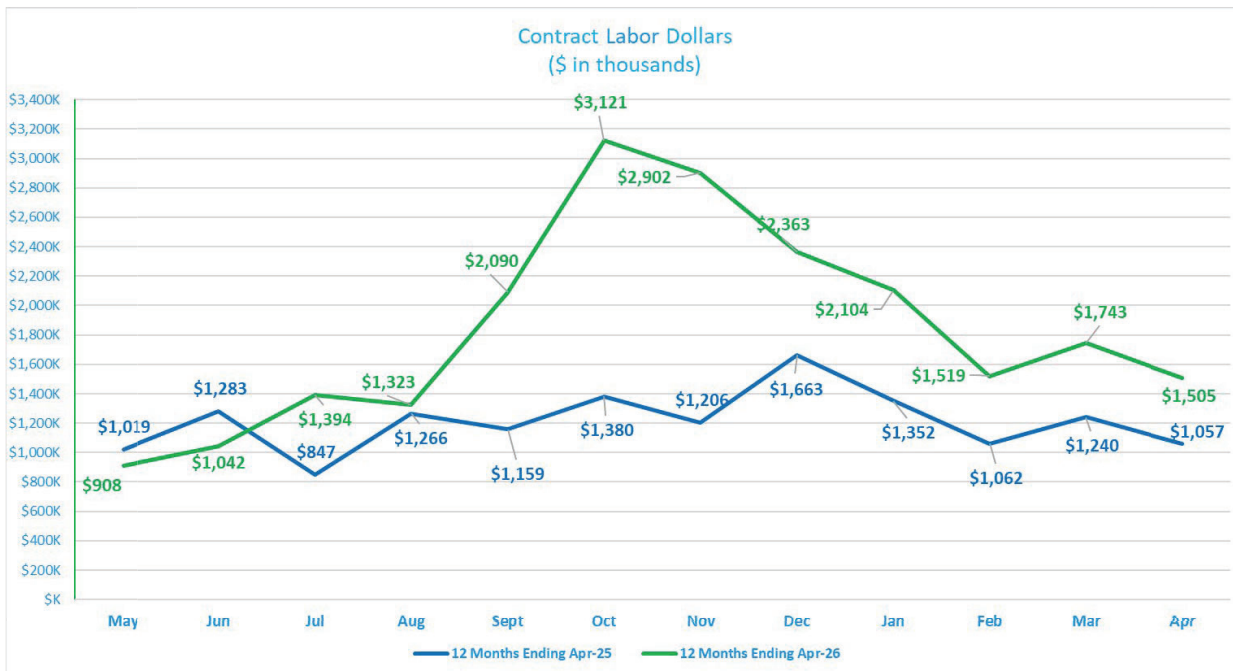
## Overtime as a Percent of Worked FTE



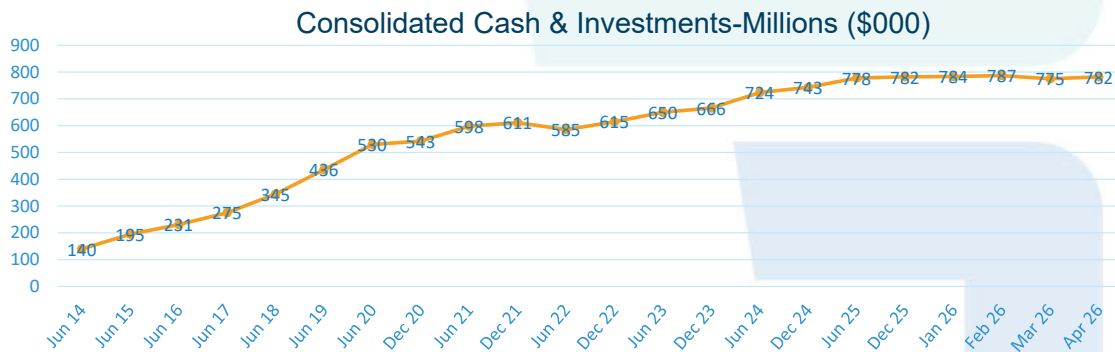
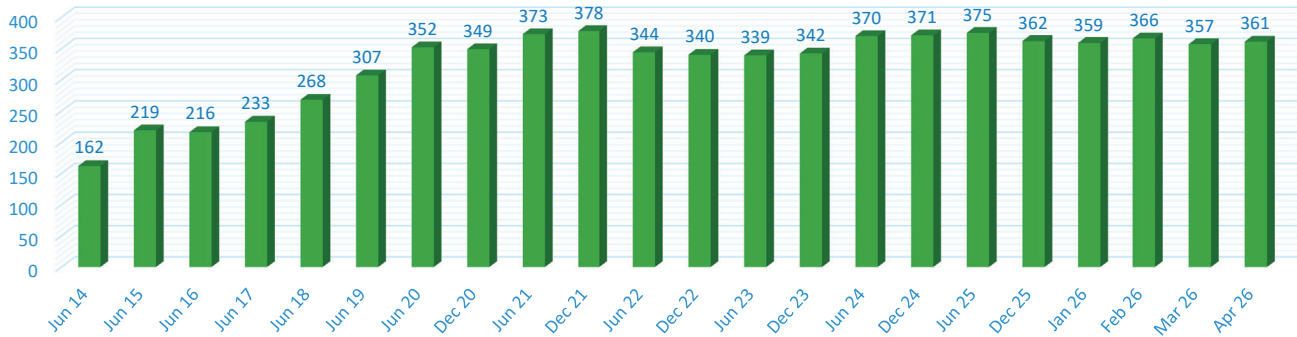
## Contract Labor as a Percent of Worked FTE



# Contract Labor Trends



## Days Cash on Hand = 361 Days (\$782M) - April 2026



19

## Sources and Uses of Cash

|   | April        |                    | YTD          |                    |
|---|--------------|--------------------|--------------|--------------------|
|   | Days         | Dollars            | Days         | Dollars            |
| <b>Sources of cash (inflow):</b>                              |              |                    |              |                    |
| Net income (loss) from operations                             | 1.6          | 3,564,083          | 12.8         | 27,775,191         |
| Add back depreciation/amortization                            | 1.8          | 3,837,217          | 15.9         | 34,385,020         |
| Non-operating income (loss)                                   | 0.8          | 1,788,654          | 7.9          | 17,166,831         |
| Decrease (increase) in supplies inventory-SVHMC               | (0.1)        | (306,872)          | 1.0          | 2,157,342          |
| Decrease (increase) in other current assets SVHMC             | 3.2          | 6,897,255          | 1.6          | 3,358,075          |
| Decrease (increase) in right of use lease assets              | 1.9          | 4,088,082          | 1.5          | 3,225,895          |
| Increase (decrease) in SVHMC SBITA/Lease Liability            | 0.3          | 605,209            | 6.0          | 12,975,158         |
| <b>Total sources of cash (inflow)</b>                         | <b>9.5</b>   | <b>20,473,629</b>  | <b>46.7</b>  | <b>101,043,512</b> |
| <b>Uses of cash (outflow):</b>                                |              |                    |              |                    |
| Increase (decrease) in net patient accounts receivable SVHMC  | (3.4)        | (7,303,606)        | 7.0          | 15,240,651         |
| Increase (decrease) in SBITA Renewals                         | 0.5          | 997,915            | 9.3          | 20,149,687         |
| Capital and strategic investments                             | 1.7          | 3,763,500          | 19.7         | 42,696,242         |
| Increase (decrease) Pension plan                              | 1.4          | 3,007,922          | 4.2          | 9,164,636          |
| Increase (decrease) Investment in Non-Consolidating Affiliate | 0.1          | 111,381            | 1.9          | 4,077,381          |
| Decrease (increase) in SVHMC accounts pay & accrued exp-SVHMC | 5.5          | 11,945,618         | 3.3          | 7,124,369          |
| Miscellaneous   | 0.2          | 407,138            | 0.3          | 628,713            |
| <b>Total uses of cash</b>                                     | <b>6.0</b>   | <b>12,929,868</b>  | <b>45.8</b>  | <b>99,081,679</b>  |
| <b>Net cash flow</b>  | <b>3.5</b>   | <b>7,543,761</b>   | <b>0.9</b>   | <b>1,961,832</b>   |
| <b>Beginning cash and investments</b>                         | <b>357.9</b> | <b>774,880,431</b> | <b>360.5</b> | <b>780,462,360</b> |
| <b>Ending cash and investments</b>                            | <b>361.4</b> | <b>782,424,192</b> | <b>361.4</b> | <b>782,424,192</b> |

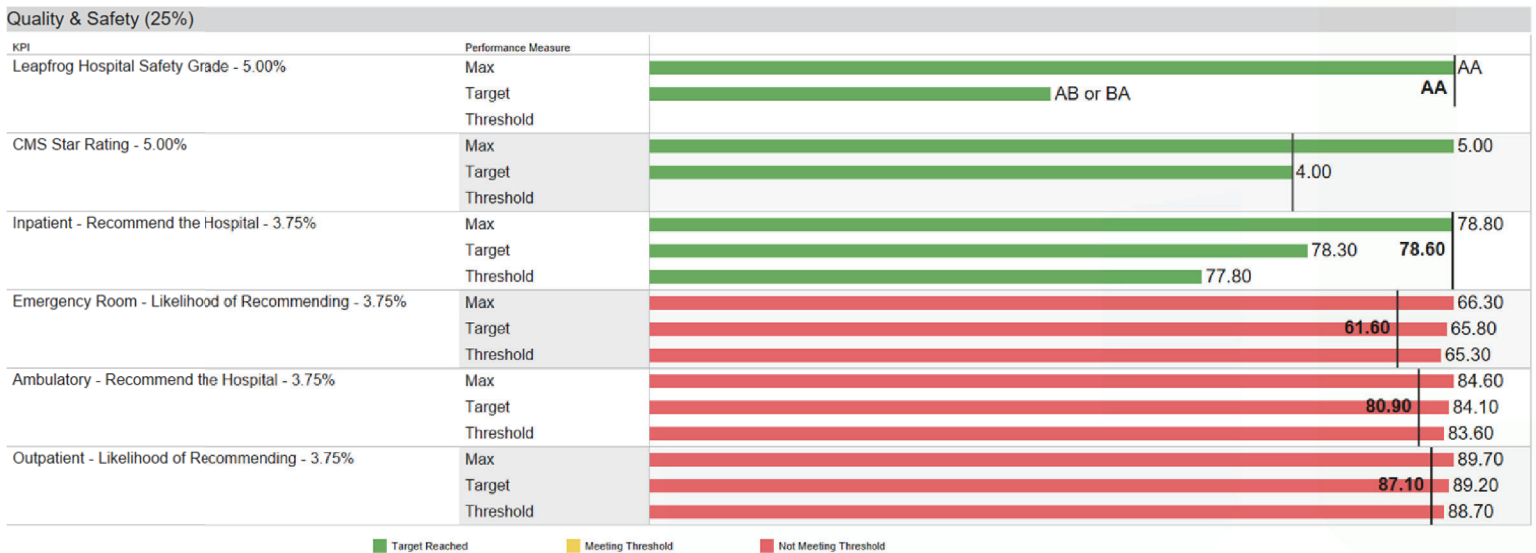
20

# Questions/Comments

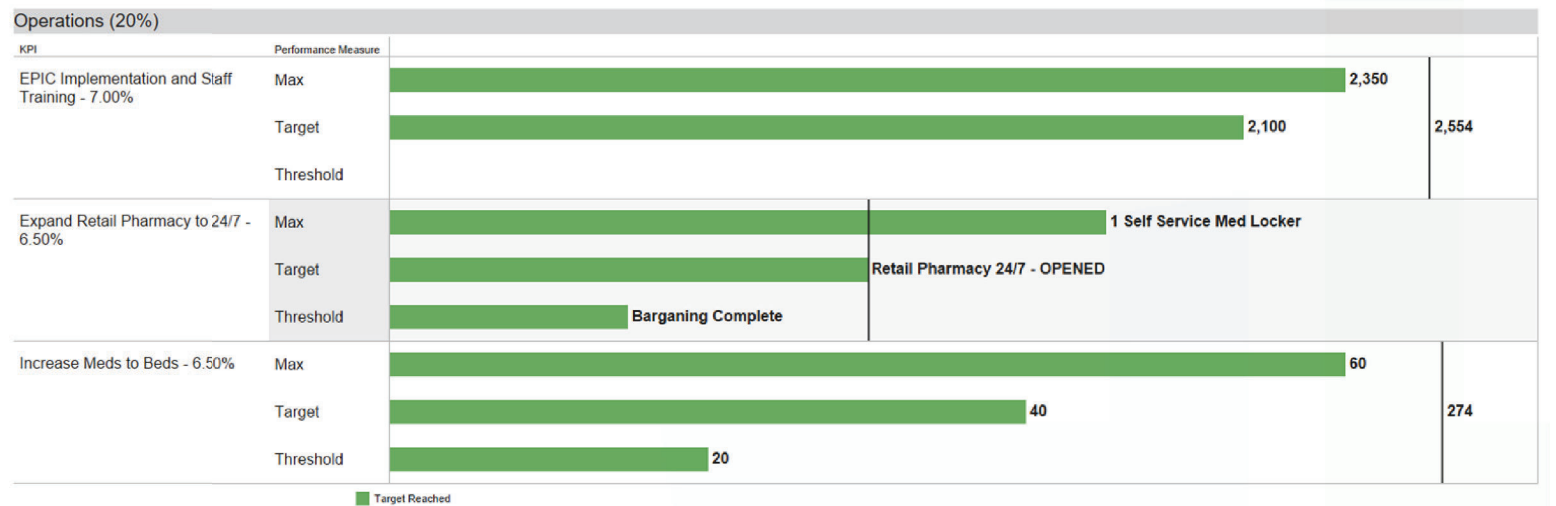
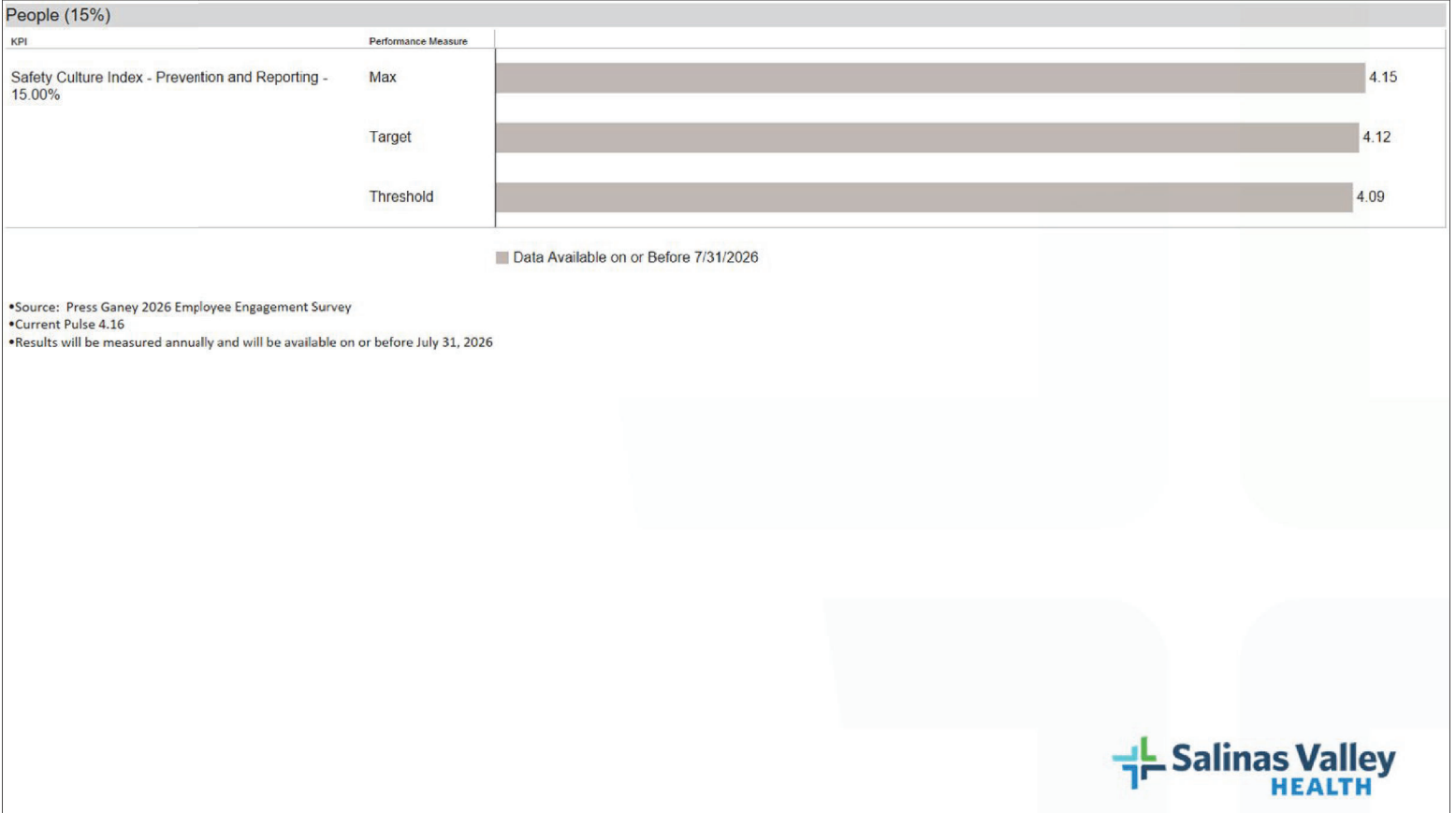
# Balanced Scorecard

As of May 2026

Operating Margin & Increase Meds to Beds As of April 2026



- Leapfrog Hospital Safety Grade: Leapfrog A requires performance above national averages in infection rates, patient safety indicators, hand hygiene monitoring, etc.
  - Measured in the Spring and Fall. Target equates to receiving an A and B in the two measurement periods; the maximum is set at receiving an A in both periods.
  - Not eligible for a threshold payment
- CMS Star Rating: Based on weighted measures, including mortality, safety of care, readmissions, patient experience, and timely/effective care.
  - Not eligible for a threshold payment
- Recommend the Hospital / Likelihood of Recommending
  - Source: Press Ganey and measured monthly based on Received Date
  - Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
  - FY2026 threshold set at FY2025 performance (baseline) with the target being a 0.5 point increase from baseline and the maximum set at a 1 point increase from baseline.



•Epic Inpatient Implementation: A key milestone for this project's go-live success on November 8, 2025 is ensuring that all physicians and staff complete the required training and demonstrate readiness through the End User Proficiency Assessment (EUPA).

Source:

| Population             | Number of Users | Tracking System | Training Type   | EUPA? |
|------------------------|-----------------|-----------------|-----------------|-------|
| Non-Provider Role      | 1595            | HealthStream    | Live Class      | Yes   |
| Asynchronous Role      | 688             | HealthStream    | Self-Led Videos | Yes   |
| Provider & Scribe Role | 392             | Epic U          | Live Class      | Yes   |
| <b>Total</b>           | <b>2675</b>     |                 |                 |       |

•SVH Retail Pharmacy: The retail pharmacy is currently open an average of 10 hours per day. Expanding to 24/7 will allow for expanded meds to beds services in all departments, while allowing for advanced support of the emergency department. The placement of a medication dispensing locker will provide staff and patients with increased options to discreetly pick up their requested medications.

•Meds to Beds (M2B): The M2B program was designed to ensure that patients leave the hospital with their prescribed medications, reducing the risk of rehospitalization due to medication adherence. Source: Retail pharmacy M2B admin report



**Finance (20%)**

| KPI                       | Performance Measure | Value | Target |
|---------------------------|---------------------|-------|--------|
| Operating Margin - 20.00% | Max                 | 4.00  |        |
|                           | Target              | 3.00  | 3.80   |
|                           | Threshold           | 2.40  |        |

■ Target Reached

\*Any award requires meeting threshold operating margin target of 2.4%.



**Growth (15%)**

| KPI  | Performance Measure | Value                            | Target                           |
|--|---------------------|----------------------------------|----------------------------------|
| Salinas Valley Ventures - 5.00%  | Max                 | Threshold +2 Portfolio Companies |                                  |
|  | Target              | Threshold +1 Portfolio Companies | Threshold +4 Portfolio Companies |
|  | Threshold           | PM Hired and Onboarded           |                                  |
| 340B - Implementation of Pharmacotherapy Clinic and rollout to service lines - 5.00% | Max                 | 2 Service Lines                  |                                  |
|  | Target              | 1 Service Line                   |                                  |
|  | Threshold           | Establish Program w FTEs         |                                  |
| SVHC Expansion - 5.00%   | Max                 | 3 Service Lines or Locations     |                                  |
|  | Target              | 2 Service Lines or Locations     | 4 Service Lines or Locations     |
|  | Threshold           | 1 Service Line or Location       |                                  |

■ Target Reached

\*Salinas Valley Health Ventures (SVHV): SVHV is designed to support operational efficiencies, clinical quality and access, and the adoption of innovative technologies. The early goals are partnerships with companies that can provide immediate support for SVH's strategic goals while also providing an opportunity for long-term financial returns.

\*Implementation of Pharmacotherapy Clinic (PTC): Implementation of a PTC will provide patients and physicians a partner in managing medication utilization, in addition to supporting the organization's effort in expanding access to 340B savings for all eligible patients.

\*SVH Clinics Expansion of Service Lines or Locations: Access to care and expansion of clinical capabilities are critical elements of our mission to serve the healthcare needs of our community. The clinic system's goal is to continue to grow in service line depth as well as locations of service.



| Community & Service (5%)   |                     |     |
|--|---------------------|-----|
| KPI  | Performance Measure |     |
| Operationalizing Vaccinations for Children (VFC) Approval with an increase in no cost vaccinations and immunizations for eligible children ages birth to 18 years of age - 2.50% | Max                 | 100 |
|  | Target              | 50  |
|  | Threshold           | 25  |
| Develop an aligned outreach program in coordination with Community Schools in the Salinas Valley Health Service area, and establish school engagement - 2.50%                    | Max                 | 20  |
|  | Target              | 15  |
|  | Threshold           | 10  |

■ Target Reached

\*Vaccinations for Children (VFC): Operationalizing Vaccinations for Children (VFC) Approval with an increase in no cost vaccinations and immunizations for eligible children ages birth to 18 years of age, via the Mobile Clinic  
 oSource: California Immunization Registry (CAIR)

\*School engagement/participation: Develop an aligned outreach program in coordination with Community Schools in the Salinas Valley Health Service Area and establish school engagement.

| Organizational Goals by Pillar            | Threshold | Target  | Max     |
|---|-----------|---------|---------|
| Establish school engagement/participation | 4 (10%)   | 6 (15%) | 7 (20%) |

oThere are 5 School Districts awarded funds in our Service Area: North Monterey County Unified (4 schools), Soledad Unified (8 schools), Alisal Union School District (12 schools), Salinas City Elementary School District (9 schools), Salinas Union High School District (3 schools). Districts/Schools not yet applied/awarded: Chualar, Gonzales, Greenfield (currently in application)

oSource: Smartsheet, Community Schools Initiative Tracker. Success is measured by the percent of total schools participating. Total eligible schools: 36.



FY2026 Balanced Scorecard (AIP)

| Pillar              | Measure   | Weight | Threshold  | Target   | Max  | YTD Results   | Performance to Target | Payout Percent       |               |
|---------------------|---|--------|--|--|--|---|-----------------------|----------------------|---------------|
| Quality and Safety  | <i>Leapfrog Hospital Safety Grade</i>   | 5.00%  | NA   | Grade AB or BA                                   | Grade AA   | Grade AA  | 150.0%                | 7.5%                 |               |
|                     | <i>CMS Star Rating</i>  | 5.00%  | NA   | 4 Stars  | 5 Stars  | 4 Stars   | 100.0%                | 5.0%                 |               |
|                     | <i>Inpatient - Recommend the Hospital</i>   | 3.75%  | 77.0   | 70.3   | 70.0   | 70.0  | 100.3%                | 4.7%                 |               |
|                     | <i>Emergency Room - Likelihood of Recommending</i>  | 3.75%  | 65.3   | 65.3   | 66.3   | 61.6  | 93.7%                 | 0.0%                 |               |
|                     | <i>Ambulatory - Recommend the Hospital</i>  | 3.75%  | 83.6   | 84.1   | 84.6   | 80.9  | 96.1%                 | 0.0%                 |               |
|                     | <i>Outpatient - Likelihood of Recommending</i>  | 3.75%  | 88.7   | 89.2   | 89.7   | 87.1  | 97.6%                 | 0.0%                 |               |
|                     | <b>Subtotal</b>   |        | 25.00%   |  |  |   |                       |                      | 17.2%         |
| People              | <i>Safety Culture Index: Prevention and Reporting</i>   | 15.00% | 4.09   | 4.12   | 4.15   | N/A   | 0.0%                  | 0.0%                 |               |
| Operations          | <i>EPIC Inpatient Implementation: Go Live 11/8/2025, Complete Epic training for physicians and staff with a 100% pass rate on the End User Proficiency Assessment</i>       | 7.00%  | Go Live 11/8/2025                                      | Train 2100 Users by 11/8/2025                    | Train 2350 Users by 11/30/2025                             | Train 2350 Users by 11/30/2025                              | 150.0%                | 10.5%                |               |
|                     | <i>SVH Retail Pharmacy: Expansion of Hours of Operation to 24/7</i>   | 6.50%  | Completion of Bargaining                               | Open 24/7 Retail Pharmacy                        | Implement 1 Self Service Medication Dispensing Locker      | Open 24/7 Retail Pharmacy                                   | 100.0%                | 6.5%                 |               |
|                     | <i>Increase Beds to Beds by XX</i>  | 6.50%  | 20%  | 40%  | 60%  | 274%  | 686.2%                | 9.8%                 |               |
|                     | <b>Subtotal</b>   |        | 20.00%   |  |  |   |                       |                      | 26.8%         |
| Finance             | <i>Operating Margin %</i>   | 20.00% | 2.4%   | 3.0%   | 4.0%   | 3.8%  | 126.5%                | 27.9%                |               |
| Growth              | <i>Salinas Valley Ventures</i>  | 5.00%  | Principle Manager Hired and Onboarded by End of CY2025 | Threshold Plus One (1) Portfolio Company Engaged | Threshold Plus Two (2) or More Portfolio Companies Engaged | Threshold Plus Four (4) or More Portfolio Companies Engaged | 150.0%                | 7.5%                 |               |
|                     | <i>340B - Implementation of a pharmacotherapy clinic designed to optimize medication use and improve patient outcomes</i>   | 5.00%  | Establish Program with Completion of Necessary Hires   | Establish One (1) Service Line                   | Establish Two (2) Service Lines                            | Establish Two (2) Service Lines                             | 150.0%                | 7.5%                 |               |
|                     | <i>Salinas Valley Health Clinic: Expansion of service lines and locations</i>   | 5.00%  | 1 Service Line or Location                             | 2 Service Lines or Locations                     | 3 Service Lines or Locations                               | Service Lines or Locatio                                    | 150.0%                | 7.5%                 |               |
|                     | <b>Subtotal</b>   |        | 15.00%   |  |  |   |                       |                      | 22.5%         |
| Community & Service | <i>Operationalizing Vaccinations for Children (VFC) Approval with an increase in no cost vaccinations and immunizations for eligible children ages birth to 18 years of</i> | 2.50%  | 25   | 50   | 100  | 188.0   | 376.0%                | 3.8%                 |               |
|                     | <i>Develop an aligned outreach program in coordination with Community Schools in the Salinas Valley Health Service area, and establish school engagement.</i>               | 2.50%  | 10%  | 15%  | 20%  | 80.6%   | 537.0%                | 3.8%                 |               |
|                     | <b>Subtotal</b>   |        | 5.00%  |  |  |   |                       |                      | 7.5%          |
|                     |   |        |  |  |  |   |                       | Initial Funding      | 101.9%        |
|                     |   |        |  |  |  |   |                       | Finance Regulator    | 150.0%        |
|                     |   |        |  |  |  |   |                       | <b>Total Funding</b> | <b>101.9%</b> |

*ADJOURNMENT*