
County of Monterey Agreement for Services
(Not to Exceed \$100,000)

This Agreement (hereinafter "Agreement") is made by and between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and BIG Inventory, Inc. hereinafter "CONTRACTOR (collectively, the County and CONTRACTOR are referred to as the "Parties.").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

GENERAL DESCRIPTION OF SERVICES TO BE PROVIDED; NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in Exhibit A in conformity with the terms of the Agreement. The services are generally described as follows:
To perform a physical inventory ("count") deriving a valuation of supplies for Natividad

PAYMENTS BY NMC; NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of 25,000.

TERM OF AGREEMENT; the term of this Agreement is from May 1, 2019 through April 30, 2020 unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last and CONTRACTOR may not commence work before NMC signs this Agreement.

NMC reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a sixty day (60) written notice, or with cause immediately.

SCOPE OF SERVICES AND ADDITIONAL PROVISIONS/EXHIBITS; the following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A: Scope of Services/Payment Provisions

1. PERFORMANCE STANDARDS:

- 1.1. CONTRACTOR warrants that CONTRACTOR and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.
- 1.2. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 1.3. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement.

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CONTRACTOR shall not use NMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

2. PAYMENT CONDITIONS:

- 2.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided herein. NMC (Monterey County) does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 2.2. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County (NMC) and the CONTRACTOR.
- 2.3. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to NMC. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 2.4. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

3. TERMINATION:

- 3.1. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least sixty (60) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.
- 3.2. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.

4. INDEMNIFICATION:

- 4.1. CONTRACTOR shall indemnify, defend, and hold harmless NMC (hereinafter "County"), its officers, agents and employees from any claim, liability, loss injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The CONTRACTOR shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the CONTRACTOR is obligated to indemnify, defend and hold harmless the County under this Agreement.

5. INSURANCE:

5.1. Evidence of Coverage:

Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to NMC's Contracts/Purchasing Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and NMC has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

5.2. Qualifying Insurers: All coverage's except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by NMC's Contracts/Purchasing Director.

5.3. Insurance Coverage Requirements: Without limiting Contractor's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

5.4. Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval)

5.5. Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval)

- 5.6. Workers' Compensation Insurance, If CONTRACTOR employs other in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval)

- 5.7. Professional Liability Insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Not applicable

6. Other Insurance Requirements:

- 6.1. All insurance required by this Agreement shall be with a company acceptable to NMC and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.
- 6.2. Each liability policy shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.
- 6.3. Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance.
- 6.4. Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no

way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

- 6.5. CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by NMC, annual certificates to NMC's Contracts/Purchasing Department. If the certificate is not received by the expiration date, NMC shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles NMC, at its sole discretion, to terminate the Agreement immediately.

7. RECORDS AND CONFIDENTIALITY:

- 7.1. Confidentiality: CONTRACTOR and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.
- 7.2. NMC Records: When this Agreement expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.
- 7.3. Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 7.4. Access to and Audit of Records: NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
8. Royalties and Inventions: NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.
9. Non-Discrimination: During the performance of this Agreement, Contractor, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in Contractor's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, full comply with all

federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

10. Compliance with Terms of State or Federal Grant: If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to Contractor, at no cost to Contractor.
11. Independent Contractor: In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.
12. Notices: Notices required under this Agreement shall be delivered personally or by first-class, postage per-paid mail to NMC and Contractor's contract administrators at the addresses listed below.

NATIVIDAD MEDICAL CENTER:

Natividad Medical Center
Attn: Contracts Division
Natividad Medical Center
1441 Constitution Blvd
Salinas, CA. 93906
FAX: 831-757-2592

CONTRACTOR:

Name: BIG Inventory, Inc
Attn: Chuck Phillips
Address: 3419 Virginia Beach Blvd.
City, State, Zip: Virginia Beach, VA 23452
FAX: 703-636-7740
Email: chuck@biginv.com

MISCELLANEOUS PROVISIONS:

- 13.1 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 13.2 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.
- 13.3 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

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- 13.4 Contractor. The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.
- 13.5 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 13.6 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 13.7 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 13.8 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 13.9 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 13.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 13.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 13.12 Non-exclusive Agreement. This Agreement is non-exclusive and both NMC and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 13.13 Construction of Agreement. NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 13.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 13.15 Integration. This Agreement, including the exhibits, represents the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.
- 13.16 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

Signature Page to follow

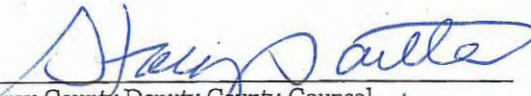
BIG Inventory, Inc.
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NATIVIDAD MEDICAL CENTER

By: 
Gary R. Gray, DQ, CEO

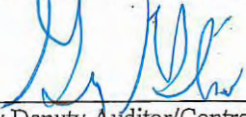
Date: 4/30/19

APPROVED AS TO LEGAL PROVISIONS

By: 
Monterey County Deputy County Counsel

Date: 4/26/19

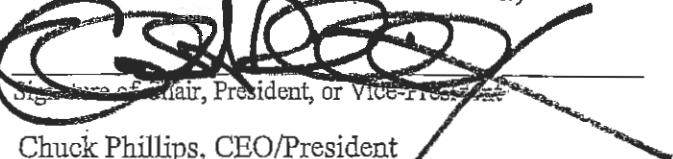
APPROVED AS TO FISCAL PROVISIONS

By: 
Monterey County Deputy Auditor/Controller

Date: 4/29/19

CONTRACTOR

BIG Inventory, Inc.
Contractor's Business Name*** (see instructions)


Signature of Chair, President, or Vice-President
Chuck Phillips, CEO/President
Name and Title

Date: 4/25/19

By: 
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Beth Phillips, COO/Treasurer
Name and Title

Date: 4/25/19

***Instructions:

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required). If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required). If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

EXHIBIT A
SCOPE OF SERVICES/ PAYMENT PROVISIONS

1. Term and Scope of Services

CONTRACTOR (hereinafter referred to as "BIG") is to perform a physical inventory (the "count") deriving a valuation of specific supplies in certain clinical areas of the Hospital's facilities at the following address:

Natividad Medical Center
1441 Constitution Blvd
Salinas, CA 93912

There are no perpetual areas. These supplies are located in the following areas/cost centers, Natividad will determine which areas BIG will perform the physical inventory service:

- i) OR Suites
- ii) Cath Labs
- iii) Anesthesiology
- iv) Sterile Processing
- v) ENDO
- vi) IR
- vii) L&D

Additional areas may be added during the count but may require additional days.

2. Mutual Understandings

- i) All products included in this count will be for the supplies within the scope whether ordered from the storerooms or directly and included in the product files (all files including but not limited to Item Master, PO, Previous Inventory, and Item Maintenance Services "Files") supplied by the Hospital.
- ii) All Files will be submitted no later than 30 days prior to the first day of the count ("Scheduled Start Date").
- iii) Consignment items WILL **WILL NOT** be included in this count. Those items which are categorized as consigned should either be flagged in the Files or clearly indicated on the specific items.
- iv) All items counted by BIG which match against the Files submitted by the Hospital will utilize the matching data associated with these Files. All other items will have a captured description and count and will be considered an Undocumented Item ("UDI"). Although BIG will attempt to provide an "average" industry price from its own data files, the Hospital will be responsible for all UDI pricing and related Unit Of Measure ("UOM") accuracy.
- v) All areas such as anesthesia carts, anesthesia machine carts, bedside tables and carts, as well as any rack, storage cabinet or cases which are set to PAR and duplicated will be counted in the following manner: after all are set to PAR and the area from which it was removed had not yet been counted, a single representative of each type will be counted and multiplied by the total number of each.
- vi) Needles, surgical gloves, syringes and sutures will be counted as full and no loose items will be counted.
- vii) All included freezers must be prelisted with the product number, description and count. Serial numbers are not useful in this process. BIG will not go into freezers.
- viii) No work areas in clinical labs will be counted except in storage cabinet under the station.
- ix) All surgical trays which are to be included in this count must be submitted in an electronic file utilizing the attached template no later than the Scheduled Start Date.
- x) The first payment must be received no later than 30 days prior to the Scheduled Start Date; if not, BIG may reschedule the count to its next available opening.
- xi) Any credentialing such as RepTrax, VendorClear, VendorMate, etc. will be waived by the Hospital for this engagement.

- xii) It is the Hospital responsibility to insure all needed areas are included in this count. If BIG needs to return for any reason, the same rates plus expenses will apply. It is recommended a listing of all rooms, closets and areas be supplied to BIG prior to the scheduled Prep Webinar.

3. Perpetual Inventory Areas (if applicable)

- i) All products included in this perpetual count will be reflected in the Hospital supplied count sheets electronically supplied by the Hospital.
- ii) All items counted by BIG which match against the count sheets submitted by the Hospital will utilize the matching data associated with these count sheets. All other items will not be included. BIG will count in the tracking UOM as stated in the Hospital supplied count sheets, unless otherwise determined prior to the Scheduled Start Date, any UOM less than the tracking UOM will not be included.
- iii) All counts provided by BIG are first counts, variances and seconds are to be made by Hospital personnel.
- iv) All bins, racks, and areas should be sorted by like items. Organized, stacked and identified with either manufacturer information or MMIS.
- v) All bin/locations will contain the correct items as detailed in the count sheets.
- vi) If any bin/locations have more than three erroneous items (items which are not listed or found in another bin/location), a determination will be made whether this perpetual inventory can continue. Remedies will include counting the remaining bin/location in a PERIODIC fashion, canceling the perpetual inventory and billing based on either man hours expended or minimum (as delineated in Section 9).
- vii) All unmarked items will be tagged either on the bin or the item with either MMIS#, manufacturer ref/reorder# or description as listed in the item master.

4. The Hospital's Responsibilities

- i) All areas of redundancy must be set to PAR prior to the counting of its supply source. BIG will count a representation area and multiply by the number of duplicates. Typical areas are anesthesia carts, machine carts, bedside tables and certain areas located in each OR.
- ii) All bins, racks, and areas should be sorted by like items. Organized, stacked and identified with either manufacturer information or MMIS.
- iii) All unmarked items will be tagged either on the bin or the item with either MMIS#, manufacturer ref/reorder# or description as listed in the item master.
- iv) Any items which are not to be included in this count, such as Pharmacy items, equipment, samples, Infant Formula, etc. should be clearly marked as "DNI".
- v) Provide an onsite secure work area with a table, two chairs, electrical, internet and phone for the duration of the count 24 hours a day.
- vi) Provide linen scrubs and any other protection as required. No "bunny" suits. Also a rolling cart, large enough to support BIG's laptops, for each of BIG's inventory specialist.
- vii) The morning of the Scheduled Start Date it will be necessary for a representative of the Hospital to walk all in scope areas so BIG's Project Manager can establish the exact scope and assign the Hospital's Cost Centers. All racks, carts, etc. in a particular room will be included in the same Cost Center unless otherwise marked.

5. The Hospital's IT Responsibilities

BIG requires the Hospital's IT Department to supply the following files no later than 30 days prior to the Scheduled Start Date:

Files

- i) Sources
 - (1) GPO (if no files are available, please identify GPO and Tier level agreements)
 - (2) Consignment Vendors (if no files are available, please send copies of consignment contracts)
 - (3) MMIS (active and inactive items)
 - (4) Purchase/Receipts Files (all available history)
 - (5) Previous Inventory (detail file)

- (6) Item Master Maintenance Services (current LIFO extract)
- ii) Required Fields
 - (1) MMIS item number
 - (2) Vendor
 - (3) Manufacturer
 - (4) All available
 - (a) Catalog numbers
 - (b) Standardized codes (NDC, HIBCC, GTIN, etc.)
 - (c) Categorical information (GL, UNSPSC, GPC, GCN, etc.)
 - (d) Charge codes (hospital, CPT, HCPCS, ICD-9/10, etc.)
 - (5) Packaging string fields (must have all EACH conversions)
 - (6) Pricing (at least one of the following)
 - (a) Last Purchase Cost (must include purchase date)
 - (b) Current Contracted Cost (must include begin/end dates)
 - (7) Flags (all available, including)
 - (a) Consignment
 - (b) Stocked
 - (c) Primary vendor
 - (d) Discontinued/active

Additional Requirements

- iii) Internet Access during the count
 - (1) Access to public, and where applicable hospital internal 802.11g/n network(s)
 - (2) Natividad to provide unfiltered access to the following addresses and ports for the duration of the onsite engagement:
IP Addresses: 52.54.179.213 and 52.200.106.139
Protocol/Port Numbers (TCP): 80 and 443 on both
 - (3) Unrestricted, unshaped bandwidth with reasonably low latency (scoring a C or better on pingtest.net) Natividad will provide access from network port to Natividad's ISP router with latency not to exceed 30ms. Natividad will assure contractor that the connection will accommodate up to 500kbps of network bandwidth throughout the hospital's network and ISP. Natividad is not responsible for network performance beyond the hospital's ISP.
 - (4) Sustained outbound bandwidth usage is projected to average 10kbps/user however may spike to as high as 500kbps per connection
 - (5) X.509 or other certificate or configuration requirements, including SSID and WEP/WPA key, for connecting to hospital network to be provided one week prior to Scheduled Start Date
 - (6) On request, BIG will provide MAC addresses of hardware to be connected to network
 - (7) On-site systems contact capable of handling connectivity issues during the count

6. BIG Work Obligations

- i) Work Schedules (typical)
 - (1) Weekdays - BIG's crews shall arrive at approximately 8am and work until 6pm or later
 - (2) Weekends - BIG's crews shall arrive at approximately 8am and continue work as required in order to assure timely completion of the count
 - (3) Last Day - The start times will apply as above but the BIG crews may continue to work until finished
- ii) Timeline
 - (1) The Scheduled Start Date for this count will be mutually agreed to in advance by both parties and may encompass up to four consecutive weekdays in May/June/July. However, at BIG's discretion the number of days may be reduced if the BIG team is working at a faster pace than anticipated or additional team members are added.
 - (2) BIG's team shall work together in one department/area, complete it and then moves on to the next department/area. BIG does not give any scheduling times other than the start time, all department/areas are following. If on any day, it is determined BIG is running ahead of schedule, BIG's Project Manager will work with the Hospital's contact to select additional department/areas from other days to be counted.
 - (3) Prep Webinar- a web based review of procedures and event will be hosted by BIG one to two weeks prior to the Scheduled Start Date. Any Hospital personnel who may be impacted

by this count may participate. However, at least the Material Manager, CFO, in scope Departmental Supervisor, and any internal/external auditors should participate.

- (4) Fixture Assignment Setup- The day before or the morning of the Scheduled Start Date it will be necessary for a representative of the Hospital to walk all in scope areas so BIG's Project Manager can establish the exact scope and assign the Hospital's Cost Centers. All racks, carts, etc., in a particular room will be included in the same Cost Center unless otherwise marked.

iii) Counting

- (1) BIG's crews shall scan the hierarchal barcode which was placed on every rack, cart, cabinet, etc. These barcodes are located on a brightly colored holder at the top left edge of each fixture (where possible). The BIG crews will count left to right, top to bottom, validating each item against the Hospital Files. All items which match will be populated with the additional information supplied in the Files. All attempts will be made to match the remaining by searching by manufacturer, type of item etc. Any items not matching will be categorized as UDI. At the conclusion of each fixture, an audit report will be available for Hospital personnel to verify.
- (2) UDI reports will be available for the Hospital personnel to add missing information which will better identify these items. BIG will update these items, and will continue to do so for up to 30 days beyond the acceptance of deliverables. Furthermore, BIG will try to match these UDIs against its industry files and submit any results for the Hospital's approval.
- (3) Each BIG crewmember will either "dot" the barcode or initial the barcode indicating the fixture is finished.

iv) Supply Chain Review and Advise

- (1) BIG's Consulting Service shall review all data for opportunities of savings in many areas of the Supply Chain process including but not limited to:
 - (a) Inventory Reduction
 - (b) Points of Use
 - (c) Price Parity
 - (d) Consignment Opportunities
 - (e) Cost Reduction Opportunities
 - (f) Standardization
 - (g) Utilization

- v) Internal and External audits shall be conducted by BIG as each section is completed. Because of movement of items throughout the count, questions and verifications MUST be done contemporaneous to the count. All audits must utilize the BIG system for Hospital/Accounting Firm based audits which includes BIG providing PDF Audit Reports through email.

7. Excluded Areas

Certain areas, departments and products within the Hospital will be excluded from this count and are listed below. These areas may be added later via a written amendment but are subject to have a different billing rate.

- i) Nursing Floors & Stations: All nursing floors and stations (including Med Rooms and Supply Closets), unless, a single station is counted and a multiplier is utilized. This is also applicable to Doctor's offices, clinics including Rehab/Therapy clinics.
- ii) Food Services
- iii) Environmental Services
- iv) Engineering/Plant Maintenance
- v) Office Supplies & Forms
- vi) Linens
- vii) Bouffant caps, surgeon caps, masks, exam gloves and other low cost items are counted as full boxes only, opened boxes are considered consumed.

8. BIG Deliverables to the Hospital

Upon completion of the count and receipt of all outstanding data from the Hospital (surgical tray data, freezer data, etc.), BIG shall return the following information to the Hospital:

- i) A data file with all items which match the Hospital supplied Files and enhanced with values based on the supplied UOM (unless corrected in the preparation process). The detail of this data file will indicate the source of pricing.
- ii) A data file, or Tab under the above data file, indicating items which failed to match the Hospital supplied Files and remain unpriced.
- iii) A data file, or Tab under the first data file, indicating items which failed to match the Hospital supplied Files but to which BIG was able to match against its own industry files. This will return an "average" value for these items and will be indicated in the detail file as such.

All deliverables shall be returned to the Hospital within three to five business days; three days after which the deliverables are considered accepted. However, BIG shall continue to support any single set of price or UOM changes for thirty (30) days after the count.

9. Fees and Payments

Based on information supplied by the Hospital, the estimated inventory value for this count is \$3,000,000. The following fee structure is based on this estimate:

- For all values BIG's rate will be \$5.38 per thousand dollars.

If the actual value is less than the estimated value, the estimated value will be set as the minimum.

If the actual value is fifteen percent (15%), or more, greater than the estimated value supplied by the Hospital, additional days may be required to complete this count.

The billing value will be calculated in the following manner:

- The total inventory valuation provided in the deliverables, plus
- The assigned value of all unpriced and zero priced items. The assigned value will be determined by the total dollar value of all priced items divided by the total number of priced items. This average price per item will then be multiplied against total number of unpriced and zero priced items.