



## Monterey County Board of Supervisors

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

### Board Order

#### Agreement No. A-14229

Upon motion of Supervisor Alejo, seconded by Supervisor Parker and carried by those members present, the Board of Supervisors hereby:

- a. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an agreement with the Renovo Solutions, LLC per Request for Proposal (RFP) #9600-70 for Biomedical Services, with an initial Agreement term of March 1, 2019 through February 28, 2022 including the option to extend for two (2) additional one year periods, and with a total agreement amount not to exceed \$1,600,000.
- b. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute two amendments to extend the Agreements for two (2) additional one year periods as per the Agreement provided there is no significant change to the scope of work.

PASSED AND ADOPTED on this 12th day of February 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Phillips, Lopez, Parker, and Adams

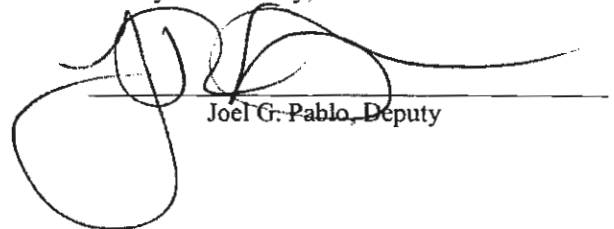
NOES: None

ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 81 for the meeting February 12, 2019.

Dated: February 13, 2019  
File ID: A 19-511

Valerie Ralph, Clerk of the Board of Supervisors  
County of Monterey, State of California



Joel G. Pablo, Deputy

## **BIOMED SERVICES AGREEMENT**

This AGREEMENT is made and entered into by the County of Monterey on behalf of Natividad Medical Center, hereinafter referred to as "NMC", a political subdivision of the State of California, and Renovo Solutions, LLC hereinafter referred to as "CONTRACTOR".

### **1.0 RECITALS**

- 1.1 WHEREAS, NMC has invited proposals through the Request for Proposals (RFP # 9600-70) for Bio-Med Services, in accordance with the specifications set forth in this AGREEMENT; and
- 1.2 WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and
- 1.3 WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.
- 1.4 NOW THEREFORE, NMC and CONTRACTOR, for the consideration hereinafter named, agree as follows:

### **2.0 PERFORMANCE OF THE AGREEMENT**

- 2.1 After consideration and evaluation of the CONTRACTOR'S proposal, NMC hereby engages CONTRACTOR to provide the services set forth in RFP #9600-70 and in this AGREEMENT on the terms and conditions contained herein and in RFP #9600-70. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

RFP #9600-70 dated August 29, 2018, including all attachments and exhibits  
Addendum (or Addenda) #1 and # 2  
CONTRACTOR'S Proposal dated October 10, 2018,  
Security for CONTRACTOR'S proposal,  
AGREEMENT,  
Payment and Performance Bonds  
Certificate of Insurance  
Additional Insured Endorsements

- 2.2 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order: AGREEMENT, CONTRACTOR'S Proposal, RFP #9600-70 including all attachments and exhibits, Addendum/Addenda issued, Certificate of Insurance, and Additional Insured Endorsements.
- 2.3 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 nor of the County of Monterey, or immediate family of an employee of Natividad Medical Center nor of the County of Monterey.
- 2.4 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.
- 2.5 CONTRACTOR shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of the United States and of the State of California. The Agency will be in compliance with Title 22, OSHA, Federal and State Labor Laws and the Joint Commission on Accreditation of Health Care Organizations.
- 2.6 CONTRACTOR must maintain all applicable and required licenses throughout the term of the AGREEMENT.
- 2.7 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. CONTRACTOR shall not use Natividad Medical Center premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this AGREEMENT.

### **3.0 SCOPE OF SERVICE**

- 3.1 **CONTRACTOR Minimum Work Performance Percentage:** CONTRACTOR shall perform with his own organization contract work amounting to not less than 50 percent of the original total contract price.
- 3.2 **Biomed Services:** CONTRACTOR's Biomed Services shall include the development and maintenance of a comprehensive equipment and medical device inventory and preventative maintenance schedule, routine preventative maintenance services, routine calibration services, and as-needed and emergency repair services of laboratory, clinical

and medical equipment at NMC. NMC current inventory list attached hereto as Exhibit 1 and is subject to change regularly. CONTRACTOR's services shall be performed on NMC grounds and fees billed for this shall be all inclusive of costs for all travel, labor, parts, and materials necessary to maintain said equipment or medical device, unless otherwise approved by the NMC Engineering Director or his delegate.

- 3.2.1 Replacement parts used by CONTRACTOR for any equipment or device shall be new or equivalent to new parts.
- 3.2.2 CONTRACTOR shall affix stickers, labels on equipment and medical devices or by other means to identify that maintenance or calibration status is correct and current.
- 3.2.3 CONTRACTOR shall submit a Record of Service-type report to the NMC Engineering and Safety Director at NMC on a once weekly basis via email.
- 3.2.4 CONTRACTOR shall place on-site at NMC two (2) full-time technicians to perform biomed services. NMC reserves the right to request the removal of either or both technician at any time for any reason it deems necessary. In such an event NMC will submit a request for the removal of said technician to CONTRACTOR and CONTRACTOR shall have a replacement technician assigned to work on-site, full-time, at NMC within a thirty (30) day period.
- 3.2.5 CONTRACTOR shall possess and maintain a computer-based inventory tracking system that is capable of logging and tracking all biomed services activity at NMC and which provides reporting capabilities. CONTRACTOR shall be provided a DSL line on-site at NMC for connectivity to its own system.
- 3.2.6 CONTRACTOR shall maintain detailed and current inventory lists for NMC similar to Exhibit 1 and as outlined in this solicitation Scope of Work section contained herein as part of the duties. Because inventory is subject to fluctuate.

### **3.3 Perform Out-of-Scope Repair Services;**

- 3.3.1 The NMC Engineering and Safety Director or their designee may authorize the CONTRACTOR to perform out-of-scope repair services when the need for such work arises. CONTRACTOR shall perform out-of-scope repair services, outside the scope of the routine scheduled preventive maintenance within twenty - four (24) hours after notification and approval by NMC, Monday through Friday between the hours of 8:00 a.m. through 5:00 p.m., excluding County Holidays.
- 3.3.2 Prior to performing any Out-of-Scope repair services, the CONTRACTOR shall prepare and submit a written description of the work with an estimate of labor and materials. Replacement parts required shall be billed to NMC at the rate of

cost plus ten percent (10%). The NMC Engineering and Safety Director or their designee must approve the cost in advance. In any case, no out of scope repair services shall commence without approval by the NMC Engineering and Safety Director or designee.

- 3.3.3 If such services commence prior to 5:00 p.m., Monday through Friday, but extend beyond 5:00 p.m., no additional service charges beyond the rates set forth in the Agreement fee schedule are to be incurred by NMC for work performed by CONTRACTOR after 5:00 p.m. If such services are required after 5:00 p.m., Monday through Friday, or on weekends and County holidays, such services shall be billed to County at the hourly rates specified in the Agreement, or quarterly portion thereof, rounded up to the nearest quarter hour.
- 3.3.4 If CONTRACTOR determines that the equipment or medical device cannot be immediately repaired, then CONTRACTOR's technician shall indicate, in writing to NMC, an estimated time frame for repair.
- 3.3.5 Repair shall include diagnosis and corrections of malfunctions and/or failure occurring to said equipment or medical device. With approval by the NMC Engineering and Safety Director or their designee, temporary repair procedures may be followed by NMC's personnel while CONTRACTOR is concurrently developing a permanent repair to said equipment or medical device.
- 3.3.6 If CONTRACTOR is unable to procure necessary additional parts or resources within forty eight (48) hours after repair to said equipment or medical device had begun, NMC's Engineering and Safety Director or their designee shall have the option of: (1) requiring replacement equipment or medical device, if available, until service can be completed by CONTRACTOR to resume repair services to said equipment or medical device or as soon as repair parts or resources are available. In any event, CONTRACTOR shall repair the said equipment or medical device or have approved plan for repair of said equipment or medical device or provide NMC with temporary replacement equipment or medical device if available within forty eight (48) hours after repair work on NMC-owned equipment or medical device has begun.

#### 3.4 **Perform Emergency Repair Services:**

- 3.4.1 The NMC Engineering and Safety Director or his designee may authorize the CONTRACTOR to perform emergency repair services, which are highly time-sensitive repairs, when the need for such work arises. CONTRACTOR shall perform emergency repair services, outside the scope of the routine scheduled preventive maintenance services specified in Appendix B, within four (4) hours after notification to CONTRACTOR and approval by NMC, after 5:00 p.m., Monday through Friday, or on weekends and holidays. Therefore CONTRACTOR shall be expected to provide an on-call technician for emergency

repairs during the term of the Agreement.

3.4.2 Replacement parts required for all emergency repairs shall be billed to NMC at the rate of cost plus ten percent (10%).

3.5 **Risk Management Program:**

3.5.1 CONTRACTOR shall, in association with NMC staff, develop and maintain an equipment and medical device risk management program. Such Program shall require written documentation of all medical incidents that involve equipment and medical devices covered under this Agreement, whereby such equipment or medical devices has or may have caused or contributed to a patient's injury, serious illness, or death. Such documentation shall describe the incident, the equipment or medical device involved in the medical incident, and any subsequent examination of such equipment or medical device. NMC's Engineering and Safety Director, or their designee, in consultation with CONTRACTOR and NMC's Quality Department, shall provide direct oversight of all activities to decommission, sequester, and examine any equipment or medical device, which has been involved in a medical incident. Neither party shall use, clean, discard, alter, or repair any equipment or medical device involved in such incident prior to said equipment or medical device's examination.

3.6 Breakage and/or Loss: CONTRACTOR shall replace and/or repair (at the time of servicing) any equipment and medical device and/or parts thereof which suffer breakage, damage or loss at the time of servicing or repair, which is caused by the negligence or willful misconduct of CONTRACTOR, and to the extent thereof, at no additional cost to NMC.

3.7 Rework: CONTRACTOR shall rework improperly repaired equipment or medical device, correct any damage resulting therefrom, and supply all necessary parts and materials therefore at no additional cost to NMC. CONTRACTOR's technician shall also repair any defective parts purchased and installed by such technician and shall repair any damage to the equipment or medical device resulting from, and to the extent of, CONTRACTOR's negligence or willful misconduct, at no additional cost to NMC.

3.7.1 Exclusions:

a) CONTRACTOR is not financially responsible to provide the repair services described as out of scope as per above should such repairs be required because of causes other than ordinary use of the equipment and medical devices, as determined by County. All breakage or damage to equipment and medical device due to abuse and/or negligence by NMC personnel shall first be verified and determined by both CONTRACTOR and NMC to be due to abuse and/or negligence by NMC personnel. CONTRACTOR shall repair such equipment and medical device broken and/or damaged due to abuse and/or

negligence on the part of NMC personnel only with the prior written

authorization of NMC's Engineering and Safety Director or designee. Such causes include, but are not limited to:

- i. Improper use, gross neglect, misplacement, air conditioner or humidity control malfunction or failure, Facility electrical system malfunction or failure;
- ii. Repair, maintenance, modification, relocation, or reinstallation by any other than CONTRACTOR-authorized personnel;
- iii. Acts of God, fires, floods, war, acts of sabotage, riots, accidents, or other causes.

- b) CONTRACTOR shall provide NMC with an itemization of the repair(s) necessary, including estimated cost of such repair required to bring said equipment or medical device up to current regulatory compliance standards. Replacement parts required shall be billed to NMC at the rate of cost plus ten percent (10%). NMC's Engineering and Safety Director may authorize said repair or reconditioning or take said Equipment or medical device out of service.

**3.8 Equipment and Medical Device Performance Standards:**

3.8.1 The guaranteed performance uptime for each piece of equipment or medical device is a minimum of ninety-seven percent (97%). Should the equipment or medical device fail to meet the uptime criteria in any calendar year, then a credit based upon the service contract price for the subsequent calendar year will be determined as follows: at the end of each calendar year, NMC shall receive a reduction in each item's annual coverage amount for the following one (1) year Agreement period, equal to one percent (1%) of the annual coverage amount for that item, for each percentage point below the guaranteed uptime percentage for the current year (with a maximum discount of 15%).

<b>Equipment or Medical Device Uptime</b>	<b>Annual Price Credit</b>
97% - 100% uptime	0%
93% - 96.9% uptime	1%
90% - 92.9% uptime	2%
87% - 89.9% uptime	3%
83% - 86.9% uptime	4%
Below 82.99% uptime	15%

3.8.2 The basis for each measurement period is the total number of hours per month the equipment or medical device is in-service at NMC divided by the total number of hours in a service month including weekends and holidays.

3.8.3 "In Service" is defined as in use or in stand-by status available for use by NMC.

- 3.8.4 Downtime shall be determined in monthly increments by calendar month in accordance with the following:
- 3.8.5 Total hours per month equipment or medical device is out-of-service divided by the total number of hours in the service month.
- 3.8.6 The equipment or medical device shall be considered out-of-service if the equipment or medical device is inoperable or not able to perform the function it was designed to perform. NMC will determine the function of the equipment and medical devices.
- 3.8.7 Time spent on regularly scheduled maintenance will be excluded from these performance calculations. Additionally, time the equipment or medical device is not operable due to damage from misuse, operator error, inadequate environmental conditions including air conditioning, failure or fluctuations in NMC's electrical power supply, acts of God, strikes or fires, will also be excluded from these performance standards.
- 3.8.8 Downtime is calculated from the time a telephone call is made to the time CONTRACTOR places item back in service.
- 3.8.9 CONTRACTOR shall maintain a log specifying the dates and the causes of all unplanned equipment or medical device downtime. NMC will validate the log as often as necessary, not less than annually. Credit shall be applied to the following month's invoice. Failure to request credit in following month's invoices shall not constitute a waiver of such right which may be exercised at any subsequent time. Equipment or medical device uptime below the ninety percent (90%) uptime defined above, within thirty (30) consecutive calendar days, shall be considered as a contractual default and NMC shall have the right to give CONTRACTOR notice thereof.
- 3.9 **Days of Operation:** CONTRACTOR shall be required to provide Biomed Services as specified herein. CONTRACTOR is not required to provide regular services on County-recognized holidays unless an emergency repair is needed. County holidays are posted online at <http://www.co.monterey.ca.us/personnel/holidays.html>
- 3.10 NMC's obligations include but are not limited to the following:
- 5.10.1 NMC shall provide dedicated space on-site for CONTRACTOR's Project Manager and technicians to operate from with a DSL line for internet connectivity.
- 5.10.2 ID Badges, keys, phones, and orientation training for the NMC campus shall be provided to CONTRACTOR's project managers and technicians.
- 3.11 Pricing and Payment Terms: See the Sample Agreement Sections 5.0 and 6.0.



#### **4.0 TERM OF AGREEMENT**

- 4.1 The initial term of the AGREEMENT is March 1, 2019 through February 28, 2022 with the option to extend the AGREEMENT two (2) additional one (1) year periods.
- 4.2 If the AGREEMENT includes options for renewal or extension, CONTRACTOR must commence negotiations for any desired rate changes a minimum of ninety days (90) prior to the expiration of the AGREEMENT.
  - 6.3.1 Both parties shall agree upon rate extension(s) or changes in writing.
  - 6.3.2 Natividad Medical Center (County of Monterey) does not have to provide a reason if it elects not to renew.
- 4.3 NMC reserves the right to cancel the AGREEMENT, or any extension of the AGREEMENT, without cause, with a thirty (30) day written notice, or immediately with cause.

#### **5.0 COMPENSATION AND PAYMENTS**

- 5.1 It is mutually understood and agreed by both parties that CONTRACTOR shall be compensated under this AGREEMENT in accordance with the pricing sheet attached hereto as Attachment A.
- 5.2 Prices shall remain firm for the initial term of this AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. NMC does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.
- 5.3 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of this AGREEMENT.
- 5.4 Any discount offered by the CONTRACTOR must allow for payment after receipt and acceptance of services, material or equipment and correct invoice, whichever is later. In no case will a discount be considered that requires payment in less than 30 days.
- 5.5 CONTRACTOR shall levy no additional fees nor surcharges of any kind during the term of this AGREEMENT without first obtaining approval from NMC in writing.
- 5.6 Tax:
  - 5.6.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.
  - 5.6.2 County is registered with the Internal Revenue Service, San Francisco office; EIN number 94-6000524. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

## **6.0 INVOICES AND PURCHASE ORDERS**

- 6.1 Invoices for all services rendered per this AGREEMENT shall be billed directly to the Natividad Medical Center Accounts Payable department at the following address:  
Natividad Medical Center  
Accounts Payable Department  
P.O. Box 81611  
Salinas, CA. 93912
- 6.2 CONTRACTOR shall reference the RFP/RFQ number on all invoices submitted to NMC. CONTRACTOR shall submit such invoices 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 the amounts claimed, and such other information pertinent to the invoice. NMC 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. County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 6.3 All NMC Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).
- 6.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by NMC. Surcharges and additional fees not included the AGREEMENT must be approved by NMC in writing via an Amendment.

## **7.0 STANDARD INDEMNIFICATION**

- 7.1 CONTRACTOR shall indemnify, defend, and hold harmless the County of Monterey, including its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County of Monterey. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

## 8.0 INSURANCE REQUIREMENTS

### 8.1 Evidence of Coverage:

- 8.1.1 Prior to commencement of this AGREEMENT, 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 CONTRACTOR upon request shall provide a certified copy of the policy or policies.
- 8.1.2 This verification of coverage shall be sent to the County of Monterey's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County of Monterey. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.
- 8.1.3 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 County of Monterey's Purchasing Officer.

### 8.2 Insurance Coverage Requirements:

- 8.2.1 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:
- 8.2.1.1 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.
- 8.2.1.2 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 \$1,000,000 per occurrence.
- 8.2.1.3 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California

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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.

8.2.1.4 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, 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.

### 8.3 Other Insurance Requirements:

- 8.3.1 All insurance required by this AGREEMENT shall be with a company acceptable to County of Monterey 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.
- 8.3.2 Each liability policy shall provide that County of Monterey 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 insureds 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.
- 8.3.3 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 of Monterey and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability

Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

- 8.3.4 Prior to the execution of this AGREEMENT by County of Monterey, CONTRACTOR shall file certificates of insurance with County of Monterey's contract administrator and County of Monterey's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this AGREEMENT. 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.
- 8.3.5 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 County of Monterey, annual certificates to County of Monterey's Contract Administrator and County of Monterey's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County of Monterey 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 County of Monterey, at its sole discretion, to terminate this AGREEMENT immediately.

## **9.0 NON-DISCRIMINATION**

- 9.1 During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code, §12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285.0, et seq.).
- 9.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.
- 9.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all AGREEMENTs with subcontractors to perform work under the contract.

## **10.0 ASSIGNMENT AND SUBCONTRACTING**

- 10.1 Non-Assignment: CONTRACTOR shall not assign this contract or the work required herein without the prior written consent of NMC.
- 10.2 Subcontractors that have been approved by NMC: Any subcontractor utilized by CONTRACTOR shall comply with all of the County of Monterey requirements stated herein this Agreement including insurance and indemnification sections.

## **11.0 CONFLICT OF INTEREST**

- 11.1 CONTRACTOR covenants that CONTRACTOR, its responsible officers, and its employees having major responsibilities for the performance of work under the AGREEMENT, presently have no interest and during the term of this AGREEMENT will not acquire any interests, direct or indirect, which might conflict in any manner or degree with the performance of CONTRACTOR'S services under this AGREEMENT.

## **12.0 COMPLIANCE WITH APPLICABLE LAWS**

- 12.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.
- 12.2 CONTRACTOR shall report immediately to NMC, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.
- 12.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.

### **13.0 RECORDS AND CONFIDENTIALITY**

- 13.1 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 the 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.
- 13.2 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.
- 13.3 Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, County of Monterey and NMC rules and regulations related to services performed under this AGREEMENT.
- 13.4 Access to and Audit of Records: NMC and the County of Monterey shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. The parties to this AGREEMENT may be subject, at the request of NMC or as part of any audit of County, 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.

### **14.0 BACKGROUND CHECKS**

NMC's Human Resources division shall coordinate criminal background checks for all personnel working at NMC. The required background checks SHALL be completed prior to allowing the personnel to work within any of the limited access facilities.

### **16.0 INFORMATION PORTABILITY AND ACCOUNTABILITY ACT— HIPAA COMPLIANCE**

- 16.1 CONTRACTOR agrees to operate its business in a manner as necessary to permit NMC to comply with its obligations under the Health Insurance Portability and Accountability Act

of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards").

- 16.2 CONTRACTOR and NMC shall agree to and execute the Business Associates Agreement attached hereto as Exhibit 2 as a binding part of this AGREEMENT.

## **17.0 FORCE MAJEURE**

- 17.1 Neither NMC nor CONTRACTOR shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's reasonable control (a "**Force Majeure Event**"), including, without limitation, acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall in good faith use its best efforts to perform its duties and obligations under this Agreement.
- 17.2 If either NMC or CONTRACTOR wishes to claim protection with respect to a Force Majeure Event, it shall as soon as possible following the occurrence or date of such Force Majeure Event, notify the other Party of the nature and expected duration of the force majeure event and shall thereafter keep the other Party informed until such time as it is able to perform its obligations.

## **18.0 RIGHTS AND REMEDIES OF THE COUNTY FOR DEFAULT**

- 18.1 In the case of default by CONTRACTOR, NMC may procure the articles or services from other sources and may recover the loss occasioned thereby from any unpaid balance due to CONTRACTOR or by proceeding against any performance bond of CONTRACTOR, if any, or by suit against CONTRACTOR. The prices paid by NMC shall be considered the prevailing market price at the time such purchase(s) may be made. Inspections of deliveries or offers for deliveries that do not meet specifications shall be made at the expense of CONTRACTOR.



## 19.0 TRAVEL REIMBURSEMENT

- 19.1 Travel Reimbursement is not allowed for this AGREEMENT.

## 20.0 EMERGENCY SITUATIONS

- 20.1 CONTRACTOR acknowledges that NMC plans for the continuity of hospital operations during an emergency, especially sustained incidents, and that collaboration with CONTRACTOR is necessary to maintain continuity of operations. Accordingly, CONTRACTOR shall provide the name and contact information of a representative who shall be available 24 hours a day, 7 days a week, in the event of an emergency:

Name: Mr. Josh Jillson

Title: District Manager

Phone: (951) 234-7738

*(must list a personal cell phone or other number whereby successful contact is ensured)*

- 20.2 During an emergency, contractor shall use its best efforts to provide NMC with all available supplies, materials, equipment and/or services on a priority basis. The Parties agree that time is of the essence. The delivery of CONTRACTOR's supplies, materials, equipment and/or services will be mutually agreed upon by NMC and CONTRACTOR at the time of order and will be determined based on need and existing conditions. It is understood that current conditions, such as power outages, road closures, and damages to CONTRACTOR's facility and/or equipment, will be taken into consideration.

## 21.0 HAZARDOUS MATERIALS

- 21.1 HAZARDOUS MATERIALS: CONTRACTOR shall comply with the Superfund Amendments and Reauthorization Act (SARA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) while performing all services of this Agreement. CONTRACTOR shall be solely responsible for the transportation and disposal or release of any hazardous material to or from NMC. Once the collection of materials has commenced neither NMC nor the County of Monterey take responsibility for the improper packaging and/or transportation of any hazardous materials ordered by NMC while in transit or storage for services performed for this Agreement.
- 21.2 CONTRACTOR shall dispose of all materials for this Agreement in compliance with California laws pertaining to waste management, including but not limited to current Title 14 and California Title 27 requirements.

## **22.0 ACCESSIBILITY**

- 22.1 CONTRACTOR shall inform himself regarding any peculiarities and limitations of the spaces available for the installation of all work and materials furnished and installed under the AGREEMENT. CONTRACTOR shall exercise due and particular caution to determine that all parts of CONTRACTORS work are made quickly and easily accessible.

## **23.0 CLEANUP**

- 23.1 During performance and completion of work on this project CONTRACTOR shall remove all unused equipment and instruments of service, all excess or unsuitable material, trash, rubbish and debris, and legally dispose of same, unless otherwise directed by the AGREEMENT. CONTRACTOR shall leave entire area in a neat, clean and acceptable condition as approved by NMC.

## **24.0 DAMAGE**

- 24.1 The CONTRACTOR shall be held responsible for any breakage, loss of NMC's equipment or supplies through negligence of the CONTRACTOR or his employee while working on NMC's premises. The CONTRACTOR shall be responsible for restoring/replacing any equipment, facilities, etc. so damaged. The CONTRACTOR shall immediately report to NMC any damages to the premises resulting from services performed under this AGREEMENT.

## **25.0 PROTECTION OF PUBLIC**

- 25.1 CONTRACTOR shall provide adequate warning devices, barricades, guards, flagmen, or other necessary precautions shall be taken by the CONTRACTOR to give advice and reasonable protection, safety and warning to persons and vehicular traffic concerned in the area(s) affected by this AGREEMENT.

## **26.0 INTELLECTUAL PROPERTY RIGHTS**

- 26.1 All data provided by NMC belongs to Natividad Medical Center (County of Monterey). All records compiled by CONTRACTOR in completing the work described in this AGREEMENT, including but not limited to written reports, studies, drawings, blueprints, negatives of photographs, graphs, charts, plans, source codes, specifications and all other

similar recorded data, shall become and remain the property of NMC. Use or distribution of NMC data by CONTRACTOR is prohibited unless CONTRACTOR obtains prior written consent from NMC.

- 26.2 For NMC data hosted or stored on equipment not owned by NMC, CONTRACTOR shall furnish all data to NMC upon request by NMC at any time during the term of this AGREEMENT and up to one year after the term has expired, in a useable format as specified by NMC and at no additional cost to NMC.
- 26.3 Notwithstanding anything to the contrary contained in this AGREEMENT, it is understood and agreed that CONTRACTOR shall retain all of its rights in its proprietary information including, without limitation, methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONTRACTOR prior to this AGREEMENT.

## 27.0 NOTICES

- 27.1 Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to NMC contracts division manager or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's office; or, (4) three (3) days after the notice is deposited in the U. S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

Notices mailed or faxed to the parties shall be addressed as follows:

**TO NMC:**

Natividad Medical Center  
CONTRACTS DIVISION  
1441 Constitution Blvd  
Salinas, CA 93906

FAX No.: (831) 757-2592

**TO CONTRACTOR:**

Name RENOVO SOLUTIONS LLC  
Address 4 Executive Circle, Suite 185

FAX No. (866) 822-8766

Email smorford@renovoI.com


Tel. No. (844) 473-6686 x1704

## **28.0 LEGAL DISPUTES**


- 28.1 CONTRACTOR agrees that this AGREEMENT, and any dispute arising from the relationship between the parties to this AGREEMENT, shall be governed and interpreted by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
- 28.2 Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.
- 28.3 CONTRACTOR shall continue to perform under this AGREEMENT during any dispute.
- 28.4 The parties agree to waive their separate rights to a trial by jury. This waiver means that the trial will be before a judge.

*~ Signature page to follow ~*

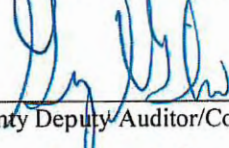
**NATIVIDAD MEDICAL CENTER**

By:   
Gary R. Gray, DO, Interim CEO  
Date: 2/13/19

**APPROVED AS TO LEGAL PROVISIONS**

By:   
Monterey County Deputy County Counsel  
Date: 2-13-19

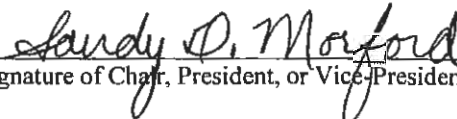
**APPROVED AS TO FISCAL PROVISIONS**

By:   
Monterey County Deputy Auditor/Controller  
Date: 1-31-19

**CONTRACTOR**


**Renovo Solutions, LLC**

Contractor's Business Name\*\*\* (see instructions)

  
Signature of Chair, President, or Vice-President

Sandy D. Morford, Chief Executive Officer  
Name and Title

Date: January 16, 2019

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

Haresh Satiani, Chief Operating Officer  
Name and Title

Date: January 16, 2019

**\*\*\*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).



**Natividad Medical Center RFP #9600-70: Biomed Services**

**Pricing & Warranty**

**Attachment A to RFP 9600-70 - Pricing Sheet**

Bidder: **RENOVO SOLUTIONS LLC**

PRICING:

<b>Pricing for Biomed Services as described in the RFP Scope</b>  <b>Section 5 <u>excluding Sections 5.3 and 5.4</u> (which have separate pricing below)</b>	<b>Total FLAT FEE for Annual Biomed Services (12 Months)</b>
<i>Description:</i>	
Annual Flat Fee to provide Biomed Services for all equipment listed in Exhibit 1 Inventory List attached hereto. This flat fee shall cover inventory volume fluctuations of up to 5% in RFP 9600-70 and Exhibit 1- Inventory List. Invoices and corresponding payments shall be made one month in arrears on a monthly basis by dividing the annual flat rate fee accordingly (11 payments x 29,306.51 and 1 payment x 29,306.46). Out of scope services shall be billed under separate invoice. Reference agreement section 5.0 and 6.0 for additional payment terms.	<b>\$351,678.07</b>

RENOVO SOLUTIONS, LLC HOURLY RATE SCHEDULE FOR OUT OF SCOPE ITEMS	
<b>Out of Scope service and repair as defined in section 5.3</b>	See Hourly Rate Schedule Below
<b>Emergency service and repair as defined in section 5.4</b>	See Hourly Rate Schedule Below
Circle "Yes" here to confirm that these Out-of-Scope & emergency costs will be billed at time and materials.	<input checked="" type="checkbox"/> YES                      NO

	<b>Base Rate</b>	<b>Overtime Rate</b>	<b>Double-Time</b>
<b>Equipment Modality:</b>			
Clinical (Biomedical)	\$100.00	\$150.00	\$200.00
Anesthesia / Respiratory	\$150.00	\$225.00	\$300.00
Laboratory	\$150.00	\$225.00	\$300.00
Ultrasound	\$200.00	\$300.00	\$400.00
X-Ray / Nuclear Medicine	\$280.00	\$420.00	\$560.00
CT / MRI / Vascular / Cath	\$380.00	\$570.00	\$760.00

<b>Base Rate applies Monday through Friday 8 am to 5 pm</b>
<b>Overtime Rate is from 5 pm to 8 am Weekdays</b>
<b>Double-Time Rate is for Saturday, Sunday and Holidays</b>

## EXHIBIT 2- BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“BAA”) effective March 1, 2019 (“Effective Date”), is entered into by and among between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center (“Covered Entity”) and Renovo Solutions LLC. (“Business Associate”) (each a “Party” and collectively the “Parties”).

### RECITALS

A. WHEREAS, Business Associate provides certain Services for Covered Entity that involve the Use and Disclosure of Protected Health Information (“PHI”) that is created, received, transmitted, or maintained by Business Associate for or on behalf of Covered Entity.

B. WHEREAS, The Parties are committed to complying with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (the “HITECH Act”), and their implementing regulations, including the Standards for the Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E (the “Privacy Rule”), the Breach Notification Standards, 45 C.F.R. Part 160 and 164 subparts A and D (the “Breach Notification Rule”), and the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C (the “Security Rule”), (collectively “HIPAA”), all as amended from time to time.

C. WHEREAS, The Parties are also committed to complying with the California Confidentiality Laws (defined below).

D. WHEREAS, To the extent that Business Associate is performing activities in connection with covered accounts for or on behalf of Covered Entity, the Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 (“Red Flag Rules”).

E. WHEREAS, The Privacy and Security Rules require Covered Entity and Business Associate to enter into a business associate agreement that meets certain requirements with respect to the Use and Disclosure of PHI. This BAA, sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information (“EPHI”) shall be handled, in accordance with such requirement.

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this BAA, the Parties agree as follows:

### AGREEMENT

#### 1. DEFINITIONS

*Approved by the County of Monterey Board of Supervisors on 11/01/16  
and revised on 12/09/16*

**1.1** All capitalized terms used in this BAA but not otherwise defined shall have the meaning set forth in the Privacy Rule, the Breach Notification Rule, or the Security Rule.

(a) “Breach” shall have the same meaning as “breach” as defined in 45 C.F.R. § 164.402 and shall mean the access, acquisition, Use, or Disclosure of PHI in a manner not permitted under the Privacy Rule that compromises the privacy or security of the PHI; the term “Breach” as used in this BAA shall also mean the unlawful or unauthorized access to, Use or Disclosure of a patient’s “medical information” as defined under Cal. Civil Code § 56.05(j), for which notification is required pursuant to Cal. Health & Safety Code 1280.15, or a “breach of the security of the system” under Cal. Civil Code §1798.29.

(b) “California Confidentiality Laws” shall mean the applicable laws of the State of California governing the confidentiality of PHI or Personal Information, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq.), the patient access law (Cal. Health & Safety Code §123100 et seq.), the HIV test result confidentiality law (Cal. Health & Safety Code §120975, et seq.), the Lanterman-Petris-Short Act (Cal. Welf. & Inst. Code §5328, et seq.), and the medical identity theft law (Cal. Civil Code 1798.29).

(c) “Protected Health Information” or “PHI” shall mean any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual or the past, present or future payment for the provision of health care to an individual; (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information that can be used to identify the individuals, and (iii) is provided by Covered Entity to Business Associate or created, maintained, received, or transmitted by Business Associate on Covered Entity’s behalf. **PHI includes EPHI.**

(d) “Services” shall mean the services for or functions on behalf of Covered Entity performed by Business Associate pursuant to a Services Agreement between Covered Entity and Business Associate to which this BAA applies.

## **2. PERMITTED USES AND DISCLOSURES OF PHI**

Unless otherwise limited herein, Business Associate may:

(a) Use or Disclose PHI to perform Services for, or on behalf of, Covered Entity, provided that such Use or Disclosure would not violate the Privacy or Security Rules, this BAA, or California Confidentiality Laws;

(b) Use or Disclose PHI for the purposes authorized by this BAA or as otherwise required by Law;

(c) Use PHI to provide Data Aggregation Services for the Health Care Operations of Covered Entity, if required by the Services Agreement and as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

*Approved by the County of Monterey Board of Supervisors on 11/01/16  
and revised on 12/09/16*



(d) Use PHI if necessary for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) Disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted under 45 C.F.R. § 164.504(e)(4)(ii), provided that Disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is Disclosed that it will remain confidential and be Used or further Disclosed only as Required by Law or for the purpose for which it was Disclosed to the person, and that such person will notify the Business Associate of any instances of which such person is aware that the confidentiality of the information has been breached;

(f) Use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1); and

(g) De-identify any PHI obtained by Business Associate under this BAA in accordance with 45 C.F.R. § 164.514 and Use or Disclose such de-identified information only as required to provide Services pursuant to the a Services Agreement between the Parties, or with the prior written approval of Covered Entity.

### **3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI**

**3.1. Responsibilities of Business Associate.** With regard to its Use and/or Disclosure of PHI, Business Associate shall:

(a) Notify the Privacy Officer of Covered Entity, in writing, of: (i) any Use and/or Disclosure of the PHI that is not permitted or required by this BAA; (ii) any Security Incident of which Business Associate becomes aware; and (iii) any suspected Breach. Such notice shall be provided within five (5) business days of Business Associate's discovery of such unauthorized access, acquisition, Use and/or Disclosure. Notwithstanding the foregoing, the Parties acknowledge the ongoing existence and occurrence of attempted but ineffective Security Incidents that are trivial in nature, such as pings and other broadcast service attacks, and unsuccessful log-in attempts. The Parties acknowledge and agree that this Section 3.1(a) constitutes notice by Business Associate to Covered Entity of such ineffective Security Incidents and no additional notification to Covered Entity of such ineffective Security Incidents is required, provided that no such Security Incident results in a Breach. A ransomware attack shall not be considered an ineffective Security Incident and shall be reported to Covered Entity, irrespective of whether such Security Incident results in a Breach. Business Associate shall investigate each Security Incident or unauthorized access, acquisition, Use, or Disclosure of PHI, or suspected Breach that it discovers and shall provide a summary of its investigation to Covered Entity, upon request. If Business Associate or Covered Entity determines that such Security Incident or unauthorized access, acquisition, Use, or Disclosure, or suspected Breach constitutes a Breach, then Business Associate shall comply with the requirements of Section 3.1(a)(i) below;

(i) Business Associate shall provide a supplemental written report in accordance with 45 C.F.R. § 164.410(c), which shall include, to the extent possible, the identification of each individual whose PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, Used or Disclosed during the Breach, to Covered Entity without unreasonable delay, but no later than five (5) business days after discovery of the Breach;

(ii) Covered Entity shall have sole control over the timing and method of providing notification of such Breach to the affected individual(s), the appropriate government agencies, and, if applicable, the media. Business Associate shall assist with the implementation of any decisions by Covered Entity to notify individuals or potentially impacted individuals;

(b) In consultation with the Covered Entity, Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper access, acquisition, Use, or Disclosure, Security Incident, or Breach. Business Associate shall take prompt corrective action, including any action required by applicable State or federal laws and regulations relating to such Security Incident or non-permitted access, acquisition, Use, or Disclosure. Business Associate shall reimburse Covered Entity for its reasonable costs and expenses in providing any required notification to affected individuals, appropriate government agencies, and, if necessary the media, including, but not limited to, any administrative costs associated with providing notice, printing and mailing costs, public relations costs, attorney fees, and costs of mitigating the harm (which may include the costs of obtaining up to one year of credit monitoring services and identity theft insurance) for affected individuals whose PHI or Personal Information has or may have been compromised as a result of the Breach;

(c) Implement appropriate administrative, physical, and technical safeguards and comply with the Security Rule to prevent Use and/or Disclosure of EPHI other than as provided for by this BAA;

(d) Obtain and maintain a written agreement with each of its Subcontractors that creates, maintains, receives, Uses, transmits or has access to PHI that requires such Subcontractors to adhere to the substantially the same restrictions and conditions with respect to PHI that apply to Business Associate pursuant to this BAA;

(e) Make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the Use and/or Disclosure of PHI received from, created, maintained, or transmitted by Business Associate on behalf of Covered Entity to the Secretary of the Department of Health and Human Services ("Secretary") in a time and manner designated by the Secretary for purposes of determining Covered Entity's or Business Associate's compliance with the Privacy Rule. In addition, Business Associate shall promptly make available to Covered Entity such books, records, or other information relating to the Use and Disclosure of PHI for purposes of determining whether Business Associate has complied with this BAA or maintains adequate security safeguards, upon reasonable request by Covered Entity;

(f) Document Disclosures of PHI and information related to such Disclosure and, within thirty (30) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the Disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the Disclosure; (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI Disclosed; and (iv) a brief statement of the purpose of such Disclosure which includes an explanation of the basis for such Disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within ten (10) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) Subject to Section 4.4 below, return to Covered Entity within thirty (30) days of the termination of this BAA, the PHI in its possession and retain no copies, including backup copies;

(h) Disclose to its Subcontractors or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) If all or any portion of the PHI is maintained in a Designated Record Set:

(i) Upon ten (10) days' prior written request from Covered Entity, provide access to the PHI to Covered Entity to meet a request by an individual under 45 C.F.R. § 164.524. Business Associate shall notify Covered Entity within ten (10) days of its receipt of a request for access to PHI from an Individual; and

(ii) Upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526. Business Associate shall notify Covered Entity within ten (10) days of its receipt of a request for amendment of PHI from an Individual;

(j) If applicable, maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) To the extent that Business Associate carries out one or more of Covered Entity's obligations under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligations;

(l) Unless prohibited by law, notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent

that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge; and

(m) Maintain policies and procedures materially in accordance with State Confidentiality Laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security.

### **3.2 Business Associate Acknowledgment.**

(a) Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

(b) Business Associate further acknowledges that it is obligated by law to comply, and represents and warrants that it shall comply, with HIPAA and the HITECH Act. Business Associate shall comply with all California Confidentiality Laws, to the extent that such state laws are not preempted by HIPAA or the HITECH Act.

(c) Business Associate further acknowledges that uses and disclosures of protected health information must be consistent with NMC's privacy practices, as stated in NMC's Notice of Privacy Practices. The current Notice of Privacy Practices can be retrieved online at: <http://www.natividad.com/quality-and-safety/patient-privacy>. Business Associate agrees to review the NMC Notice of Privacy Practices at this URL at least once annually while doing business with NMC to ensure it remains updated on any changes to the Notice of Privacy Practices NMC may make.

**3.3 Responsibilities of Covered Entity.** Covered Entity shall, with respect to Business Associate:

(a) Provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) Notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI;

(c) Notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the Use or Disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI; and

(d) Notify Business Associate of any restrictions on Use and/or Disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's Use or Disclosure of PHI.

## **4. TERM AND TERMINATION**

**4.1 Term.** This BAA shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Section 4. Certain provisions and requirements of this BAA shall survive its expiration or other termination as set forth in Section 5 herein.

**4.2 Termination.** If Covered Entity determines in good faith that Business Associate has breached a material term of this BAA, Covered Entity may either: (i) immediately terminate this BAA and any underlying Services Agreement; or (ii) terminate this BAA and any underlying Services Agreement within thirty (30) days of Business Associate's receipt of written notice of such breach, if the breach is not cured to the satisfaction of Covered Entity.

**4.3 Automatic Termination.** This BAA shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

**4.4 Effect of Termination.** Upon termination or expiration of this BAA for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(J) if, and to the extent that, it is feasible to do so. Prior to returning the PHI, Business Associate shall recover any PHI in the possession of its Subcontractors. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity with a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its Subcontractors. In such event, Business Associate shall: (i) retain only that PHI which is necessary for Business Associate to continue its proper management and administration or carry out its legal responsibilities; (ii) return to Covered Entity the remaining PHI that the Business Associate maintains in any form; (iii) continue to extend the protections of this BAA to the PHI for as long as Business Associate retains PHI; (iv) limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction of the PHI not feasible and subject to the same conditions as set out in Section 2 above, which applied prior to termination; and (v) return to Covered Entity the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

## **5. MISCELLANEOUS**

**5.1 Survival.** The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 2.1, 4.4, 5.7, 5.8, 5.11, and 5.12 shall survive termination of this BAA until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this BAA, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

**5.2 Amendments; Waiver.** This BAA may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of HIPAA, the HITECH Act, or California Confidentiality

*Approved by the County of Monterey Board of Supervisors on 11/01/16  
and revised on 12/09/16*

Laws is materially amended in a manner that changes the obligations of the Parties, the Parties agree to negotiate in good faith appropriate amendment(s) to this BAA to give effect to the revised obligations. Further, no provision of this BAA shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

**5.3 No Third Party Beneficiaries.** Nothing express or implied in this BAA is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

**5.4 Notices.** Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

RENOVO SOLUTIONS LLC  
Attn: Sandy D. Morford, CEO  
4 Executive Circle, Suite 185  
Irvine, CA 92614  
Phone: (844) 473-6686 x1704  
Fax: (866) 822-8766

If to Covered Entity, to:

Natividad Medical Center  
Attn: Compliance/Privacy Officer  
1441 Constitution Blvd.  
Salinas, CA 93906  
Phone: 831-755-4111  
Fax: 831-755-6254

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

**5.5 Counterparts; Facsimiles.** This BAA may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

**5.6 Relationship of Parties.** Notwithstanding anything to the contrary in the Services Agreement, Business Associate is an independent contractor and not an agent of Covered Entity under this BAA. Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform, or cause to be performed all Business Associate obligations under this BAA.

*Approved by the County of Monterey Board of Supervisors on 11/01/16  
and revised on 12/09/16*

**5.7 Choice of Law; Interpretation.** This BAA shall be governed by the laws of the State of California. Any ambiguities in this BAA shall be resolved in a manner that allows Covered Entity and Business Associate to comply with the Privacy Rule, the Security Rule, and the California Confidentiality Laws.

**5.8 Indemnification.** Business Associate shall indemnify, defend, and hold harmless the County of Monterey (the "County"), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including costs incurred by the County with respect to any investigation, enforcement proceeding, or third party action, arising out of, or in connection with, a violation of this BAA or a Breach that is attributable to an act or omission of Business Associate and/or its agents, members, employees, or Subcontractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the Parties to provide the broadest possible indemnification for the County. This provision is in addition to, and independent of, any indemnification provision in any related or other agreement between the Parties.

**5.9 Applicability of Terms.** This BAA applies to all present and future Service Agreements and Business Associate relationships, written or unwritten, formal or informal, in which Business Associate creates, receives, transmits, or maintains any PHI for or on behalf of Covered Entity in any form whatsoever. This BAA shall automatically be incorporated in all subsequent agreements between Business Associate and Covered Entity involving the Use or Disclosure of PHI whether or not specifically referenced therein. In the event of any conflict or inconsistency between a provision of this BAA and a provision of any other agreement between Business Associate and Covered Entity, the provision of this BAA shall control unless the provision in such other agreement establishes additional rights for Business Associate or additional duties for or restrictions on Business Associate with respect to PHI, in which case the provision of such other agreement will control.

**5.10 Insurance.** In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance on an occurrence basis, covering any and all claims, liabilities, demands, damages, losses, costs and expenses arising from a breach of the obligations of Business Associate, its officers, employees, agents and Subcontractors under this BAA. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity's request.

**5.11 Legal Actions.** Promptly, but no later than five (5) business days after notice thereof, Business Associate shall advise Covered Entity of any actual or potential action, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to it that may affect the interests of Covered Entity or jeopardize this BAA, and of any facts and circumstances that may be pertinent to the prosecution or defense of any such actual or potential legal action or proceeding, except to the extent prohibited by law.

**5.12 Audit or Investigations.** Promptly, but no later than five (5) calendar days after notice thereof, Business Associate shall advise Covered Entity of any audit, compliant review, or complaint investigation by the Secretary or other state or federal agency related to compliance with HIPAA, the HITECH Act, or the California Confidentiality Laws.

IN WITNESS WHEREOF, each of the undersigned has caused this BAA to be duly executed in its name and on its behalf as of the Effective Date.

**BUSINESS ASSOCIATE**

By: Sandy O. Morford

Print Name: Sandy D. Morford

Print Title: Chief Executive Circle

Date: January 16, 2019

**COVERED ENTITY**

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

Print Name: Gary Gray

Print Title: CEO

Date: 2/13/15