


COUNTY OF MONTEREY AGREEMENT FOR SERVICES
(MORE THAN \$100,000)

This Agreement for Services (hereinafter "Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter, "the County"), on behalf of Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County, and **SYSMEX AMERICA, INC.** (hereinafter "CONTRACTOR").

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

1. **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: **On-going maintenance and repair of Sysmex XN3000.**
2. **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 **\$129,822.00.**
3. **TERM OF AGREEMENT.**
 - 3.1. The term of this Agreement is from **January 1, 2016** through **December 31, 2018** 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.
 - 3.2. NMC reserves the right to cancel this Agreement, or an extension of this Agreement, without cause, with a thirty (30) day written notice, or with cause immediately.
4. **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

5. **PERFORMANCE STANDARDS.**

- 5.1. 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.

5.2. 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.

5.3. 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. 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.

6. PAYMENT CONDITIONS.

6.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provide in this paragraph. NMC does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.2. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety (90) days 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.

6.3. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement, and then only in accordance with any applicable County policies.

6.4. Invoice amounts shall be billed directly to the ordering department.

6.5. CONTRACTOR shall 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 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. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7. TERMINATION.

7.1. 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 thirty (30) 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.

7.2. 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.

7.3 NMC's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for NMC's purchase of the indicated quantity of services, then NMC may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8. INDEMNIFICATION.

8.1 CONTRACTOR shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any and all claims, liability 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 the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9. INSURANCE.

9.1 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.

9.2 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.

- 9.3 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:

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.

- Exemption/Modification (Justification attached; subject to approval).

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.

- Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, If CONTRACTOR employs others 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.

- Exemption/Modification (Justification attached; subject to approval).

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.

- Exemption/Modification (Justification attached; subject to approval).

- 9.4 Other Requirements:

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.

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.

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.** The required endorsement from 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 from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

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 (5) 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.

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.

10. RECORDS AND CONFIDENTIALITY.

10.1 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.

10.2 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.

10.3 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.

10.4 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 or \$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.

10.5 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.

11. **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.

12. **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.

13. **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.

14. **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:

SYSMEX AMERICA, INC.
Attn: Service Contracts Department
577 Aptakisic Road
Lincolnshire, IL 60069-4325
Fax: 847-510-0881
Email: ServiceContracts@Sysmex.com

15. MISCELLANEOUS PROVISIONS.

15.1 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.

15.2 Amendment: This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.

- 15.3 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.
- 15.4 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.
- 15.5 Disputes: CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.6 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.
- 15.7 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.
- 15.8 Compliance with Applicable Law: The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9 Headings: The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence: Time is of the essence in each and all of the provisions of this Agreement
- 15.11 Governing Law: This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement: This Agreement is non-exclusive and each of NMC and CONTRACTOR expressly reserves the right to contract with other entities for the same or similar services.
- 15.13 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.

- 15.14 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.
- 15.15 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.
- 15.16 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.

NATIVIDAD MEDICAL CENTER

By: _____
Gary R. Gray, DO, Interim CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By:
Monterey County Deputy County Counsel

Date:
Sept. 29, 2015

APPROVED AS TO FISCAL PROVISIONS

By:
Monterey County Deputy Auditor/Controller

Date:
9-24-15

CONTRACTOR

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

Signature of Chair, President, or Vice-President:

Name and Title

Date:
8/19/2015

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

Name and Title

Date:
8/20/15

*****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).

**To Agreement by and between
NATIVIDAD MEDICAL CENTER, hereinafter referred to as "NMC"
AND
Sysmex America, Inc. hereinafter referred to as "CONTRACTOR"**

Scope of Work / Payment Provisions

A. Description of All Services to be Rendered by CONTRACTOR:

Sysmex America, Inc. provides integrated diagnostics solutions which include analyzers for routine diagnostics. NMC purchased and owns Sysmex's XN-3000 Hematology System which provides two co-primary hematology analytical modules and integrated slide maker/stainer. This equipment allows NMC to test samples while providing a smaller footprint in the NMC laboratory. The XN-3000 provides a high performance design, advanced clinical utility, standardization, and the most advanced technology.

This agreement shall allow for Sysmex's XN-3000 to be maintained and serviced. In the event that NMC requires on-site service, Sysmex America, Inc. is available for 24-hour, 365 days per year technical support which is covered under this agreement.

B. CONTRACTOR Obligations:

A. Coverage

- i. CONTRACTOR shall provide 24-hour, 365-day per year, technical telephone support as well software support by CONTRACTOR'S Technical Assistance Center (TAC).
- ii. CONTRACTOR shall service hardware provided it is supplied by SAI and is integral to the operation of the Equipment. See Chart 1 for all hardware covered under this agreement.

B. Exclusions

- i. CONTRACTOR coverage does not include consumable items or operator replacement items
- ii. CONTRACTOR coverage does not include any device used or associated with the Equipment which was not part of the Equipment as originally manufactured/supplied.
- iii. CONTRACTOR shall not service hardware and software not supplied by SAI.

C. Services

- i. **Managed Calibration Program:**
 - a. SAI will perform remote Equipment calibration verification using SAI's SNCS™ software ("SNCS") every 6 months from and after initial calibration performed during initial installation of Equipment (see Chart 1, below) during the term of this Agreement
 - b. SNCS connectivity for the Equipment is required for remote calibration. Equipment that is not connected using SNCS cannot be calibrated remotely, and SAI will conduct on-site calibration every 6 months at an additional charge based on SAI's then-prevailing service rates; provided that Customer is responsible for scheduling the calibration visit.
- ii. **Service Maintenance Program:**
 - a. Maintenance is performed at every service visit using Evidence Based Maintenance

Exhibit A: Scope of Services/Payment Provisions

- b. Evidence Based Maintenance (EBM) performed as per manufacturer's requirements or once every 12 months. Evidence Based Maintenance is a SNCS service methodology which includes FSR visual inspections, analyzer cycle counts, time, access to historical databases such as Insight™ and part replacement history to designate required service activities.
- iii. Unlimited access to Insight™ -- Sysmex' proprietary inter-laboratory quality assurance program.
- iv. SNCS™ real-time Equipment error monitoring and diagnostics tool.
- v. Unlimited access to SAI's Customer Resource Center, including education modules that fulfill continuing education unit (CEU) criteria featuring:
 - a. e-Learning
 - b. Webinars
 - c. Virtual instructor led training programs

C. BeyondCare Guarantee – See page 3 for complete guarantee.

D. NMC Obligations:

- NMC shall pay an amount not to exceed \$129,822 for the performance of work as set forth in the Scope of Services during the term period of three years.
- NMC shall ensure sufficient information (technical and administrative); instructions and documents are given in due time (and, in any event not later than 48 hours prior to remote calibration) to enable the required services to be performed.

E. Pricing Fees:

- CONTRACTOR's compensation for services rendered shall be \$43,274 per year.
- CONTRACTOR shall bill on a yearly basis.
- There shall be no travel reimbursement allowed during this Agreement. Travel time is covered by the service agreement. CONTRACTOR will respond after-hours if both analytical units are not operable at no extra charge.
- CONTRACTOR to submit invoices upon completion of deliverables.
- NMC shall not pay any claims for payment of services submitted more than twelve (12) months after the calendar month in which the services were completed.

Chart 1

Model	Serial Number	Annual Price	Price	Contract Type
XN3000	145768	\$43,274.00	\$129,822.00	BeyondCare Remote
XN-10	16482	\$0.00	\$0.00	BeyondCare Remote
XN-10	16486	\$0.00	\$0.00	BeyondCare Remote
SP-10	12104	\$0.00	\$0.00	BeyondCare Remote
IPUXN	SMX0814F05949	\$0.00	\$0.00	BeyondCare Remote
SA-30	11458	\$0.00	\$0.00	BeyondCare Remote
DTX-SFF-IPU	SMX0814F05351	\$0.00	\$0.00	BeyondCare Remote
TOTAL:		\$43,274.00	\$129,822.00	



BeyondCare Guarantee (applicable solely to X-Series Equipment identified on Chart 1):

During the Term, SAI will provide the following **BeyondCare Guarantee**: If two or more X-Series Equipment units specifically identified on **Chart 1** below (the "**Eligible X-Series Equipment**") are determined by SAI to be "inoperable", SAI will use commercially reasonable efforts to respond after-hours at SAI's then prevailing normal business hour rate (or at no charge if under a BeyondCare or BeyondCare Plus Agreement); provided that each of the following qualifying conditions is met:

- Customer must be located in the 48 contiguous United States (Alaska and Hawaii excluded).
- Customer must have at least 2 units of Eligible X-Series Equipment covered under warranty or subject to this Agreement.
- "Inoperable" Eligible X-Series Equipment means the Equipment in SAI's reasonable determination is unable to produce a basic CBC (RBC, WBC, HGB, HCT, IG, Retic, Diffs and/or PLT) in primary testing mode. For the avoidance of doubt, any X-Series Equipment that fails to produce an NRBC is NOT deemed to be inoperable, unless Customer must report NRBCs in 100% of its first-pass tests, such as a Children's Hospital.
- Customer must have an identifiable, operating back-up solution that configures two or more Eligible X-Series Equipment units such that the lowest throughput alone has the capacity to meet Customer's required turn-around-time (TAT).
- The Eligible X-Series Equipment must have an active SNCS connection. Any otherwise Eligible X-Series Equipment that does not have a fully operational SNCS connection will be ineligible. The U.S. Department of Defense is excluded from this requirement.
- All Equipment operators in the laboratory must have successfully completed SAI operator training, with a minimum requirement of being SAI e-Training certified.
- All Customer maintenance specified to be performed by Customer in the Operator's Manual for the Equipment must be current and performed as defined therein.
- Service events caused by (i) Customer misuse or handling or any failure of Customer to operate or maintain the Eligible X-Series Equipment according to the Operator's Manuals or SAI's or manufacturer's recommended guidelines or procedures, (ii) energy or utility problems, such as power or utility failures, (iii) building damage or weather-related damage, or (iv) any other external events outside the control of SAI or otherwise not caused by a defect that causes the Equipment to fail to perform in all material respects in accordance with manufacturer's specifications, are excluded from the BeyondCare Guarantee, and any related service by SAI with respect to any such service events shall be subject to SAI's then-prevailing after-hours service rates.