

Natividad Medical Center – Master Services Agreement



Master Services Agreement

This Master Services Agreement (this "Master Agreement") is entered into on July 1, 2019 (the "Effective Date"), by and between **Vizient, Inc.** ("Vizient"), a Delaware corporation, and the County of Monterey, a political subdivision of the State of California, on behalf of **Natividad Medical Center** ("Member"), an acute care hospital, for itself and on behalf of its covered facilities ("Covered Facilities"), as specifically set forth in an applicable SOW (as defined below). As of the Effective Date, this Master Agreement shall supersede the Agreement between Accuro Healthcare Solutions, Inc. and Natividad Medical Center dated June 1, 2008; the Agreement between MedAssets Net Revenue Systems, LLC and Natividad Medical Center/Monterey County dated December 1, 2011 and the Master Agreement between County of Monterey on behalf of Natividad Medical Center and MedAssets performance Management Solutions, Inc. dated July 1, 2014, as amended, including all statements of work attached thereto. For the avoidance of doubt, this Master Agreement shall govern the period commencing on the Effective Date. Vizient and Member are sometimes referred to herein individually as a "Party" and collectively, as the "Parties."

1. **Statement of Work.** For all services provided by Vizient under this Master Agreement (collectively, the "Services"), Vizient will issue a statement of work or order form (each, an "SOW") containing relevant terms and provisions which are fully incorporated herein, as an attachment to this Master Agreement, and made a part hereof. If applicable, the SOW will identify the Vizient subsidiary, if any, providing Services and any Covered Facilities receiving such Services. In the event of conflicting terms between this Master Agreement and any SOW executed hereunder, the terms set forth in the respective SOW will control.
2. **Service Fees and Invoicing.** Service fees for all Services ("Service Fees") will be specifically set forth in each SOW. Any obligation to reimburse Vizient for Services-related expenses, including, but not limited to, travel, meals, lodging, and other administrative costs, such as postage, copying, and overnight mailing (collectively, "Reimbursable Expenses"), are in addition to Service Fees and will be indicated in each applicable SOW. All travel expenses shall be reimbursed in accordance with the County of Monterey Travel and Business Expense Reimbursement Policy, which is attached hereto as Exhibit A. Except as otherwise set forth in an SOW, i) Vizient will invoice Service Fees and, if applicable, Reimbursable Expenses on a monthly basis; and ii) Member will remit payment net thirty (30) days from receipt of a certified invoice by the County of Monterey Auditor-Controller.
3. **Taxes.** Member hereby acknowledges and agrees Service Fees do not include foreign, federal, state, or local sales, use, or other similar taxes, however designated, levied on the Services, and Member will be responsible for such taxes. If Member is a tax exempt organization, Member will provide Vizient with Member's current tax exemption certificate or a direct pay permit ("Certificate") and any updated Certificate, as may be requested by Vizient from time to time during the Term. The Parties presume all sales of tangible personal property or services are subject to tax unless Member provides a Certificate. **IF MEMBER FAILS TO PROVIDE A CERTIFICATE: i) MEMBER IS RESPONSIBLE FOR ALL TAXES CHARGED OR PAID EVEN IF LEGALLY EXEMPT FROM SUCH TAXES; ii) VIZIENT WILL REMIT ANY TAXES CHARGED AND COLLECTED TO THE TAXING AUTHORITIES AS IF A TAX WAS DUE; AND iii) VIZIENT WILL NOT RETURN OR REFUND SUCH TAXES TO MEMBER.**
4. **Data.** In order for Vizient to provide Services, Member will provide spend-related data to Vizient, including, but not limited to, purchase orders, item master information, vendor master information, receipts, invoices, and utilization data (individually and collectively referred to herein as "Spend Data"), in accordance with the submission requirements for requested Services.
 - 4.1. **Data Consent.** Vizient may use Spend Data provided by Member before the Effective Date and during the Term in de-identified form to populate benchmarking databases ("Databases") and to generate reports from such Databases ("Reports"), which Vizient solely owns and may use for any purpose. Vizient may also use Spend Data in de-identified form for any other purpose, including, but not limited to, contract development, research information, and for comparative analysis use for Vizient's customers. Vizient may disclose Spend

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Data on a line-item, identified basis to Vizient subsidiaries, for internal use only, and to subcontractors and consultants that assist Vizient in providing services and are under confidentiality agreements with Vizient. Member represents it has the right to provide Vizient with Spend Data for the uses described in this provision.

4.2. Databases and Reports. Vizient makes no warranties or representations with regard to the Databases and Reports, and Member is solely responsible for the results of its operational use of such Databases and Reports. Databases and Reports may sometimes include portions of Vizient's, Vizient subsidiaries', and their suppliers' confidential data, such as Vizient's group purchasing ("GPO") Member pricing data supplier pricing data, and contract terms and conditions. Member must perpetually treat the Databases and Reports as confidential information of Vizient, Vizient subsidiaries, and their respective suppliers, and will not disclose such Databases or Reports to any third party or use them for any purpose other than Member's own internal use; provided, however, Member may disclose Databases and Reports to its consultants under confidentiality agreements with Member that i) restrict the consultant's use of such Databases and Reports to the sole purpose of providing services to Member; ii) prohibit the use of or disclosure of such Databases and Reports for benchmarking purposes for other clients; and iii) prohibit permanent storage of Databases and Reports in the consultant's database, document management, or network systems and require consultant to permanently delete Databases and Reports from consultant's internal systems upon termination or completion of such consulting services.

5. Term and Termination.

5.1. Term. The initial term of this Master Agreement will commence on the Effective Date and continue for a period of (36) months ("Initial Term") and will have an option to renew for additional 3 year terms (each, a "Renewal Term") by providing at least 90 days prior to the expiration of the then current Term (the Initial Term and any Renewal Terms are collectively referred to herein as the "Term") written notice. In the event the term of any SOW extends beyond the Term of this Master Agreement, the Term of this Master Agreement will automatically extend to the latest expiration or termination date of such SOW.

5.2. Termination for Cause. Either Party may terminate this Master Agreement or SOW effective immediately upon written notice to the other Party if the other Party is under default or breach of this Master Agreement or SOW and the breaching Party has not remedied such default or breach within 30 days after receipt of written notice from the non-breaching Party specifying the default or breach.

5.3. Termination for Insolvency. Either Party may terminate this Master Agreement and all attached SOWs immediately upon written notice to the other Party if the other party is adjudged insolvent or bankrupt; or upon the institution of any proceeding against the other Party seeking relief, reorganization, or arrangement under any laws relating to insolvency; or for the making of any assignment for the benefit of creditors; or upon the appointment of a receiver, liquidator, or trustee of any of the other Party's property or assets; or upon liquidation, dissolution, or winding up of the other Party's business.

6. Grant of Limited Rights. Vizient solely owns all work product, including, but not limited to, all materials, programs, documentation, concepts, methodologies, and aids related to the Services. Vizient grants to Member the limited right to use the Services for its internal use only during the Term of this Master Agreement or applicable SOW. Member will not, without Vizient's prior written consent, reproduce any of the materials, programs, documentation, or aids related to the Services for the purpose of disclosure or distribution to any other party other than its legal, financial, and consulting advisors i) who have a need to access the information for purposes of fulfilling Member's obligations under this Master Agreement and ii) are under confidentiality obligations substantially similar to those set forth in this Master Agreement.

7. Intellectual Property. Except as otherwise provided for in this Master Agreement or an applicable SOW, Member will not permit a third-party to: i) use any Vizient Database, Report, or Services, or any portion of the Vizient deliverables or work product, including, without limitation, information, design, specification, instruction, software, data, or material (collectively referred to as the "Vizient IP") for any unlawful purpose; ii) market, sublicense,

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publish, distribute, lend, transfer, or otherwise make Vizient IP, or any components or output therefrom, available to a third party; iii) alter, maintain, enhance, modify, or create derivatives of the Vizient IP; iv) remove any trademark, copyright, or proprietary notices; v) copy, decompile, disassemble, or otherwise reverse engineer the Vizient IP or perform any similar means or actions to discover the source code or trade secrets in the Vizient IP; vi) use the Vizient IP to provide service bureau, time sharing, or other computer services to third parties; vii) circumvent any technological measures that control access to the Vizient IP; viii) use the Vizient IP in any nuclear, aviation, mass transit, life support, or any other inherently dangerous manner; or ix) use the Vizient IP to benefit any party other than Member.

8. Confidentiality.

8.1. General. Except as provided herein or in an applicable SOW, during the Term and for a period of 3 years after its expiration or termination, neither Party may publish, disseminate, or disclose to any third party any Confidential Information, as defined below, provided to it by the other Party. A Party may disclose Confidential Information to its employees or representatives who: i) have a need to access the Confidential Information for purposes of fulfilling the Party's obligations under this Master Agreement and ii) are bound by written nondisclosure terms or obligations at least as restrictive as those set forth in this Master Agreement.

8.2. Confidential Information. For purposes of this Master Agreement, "Confidential Information" includes: i) any information which refers or relates to this Master Agreement or any Vizient supplier agreement, including, but not limited to, any information relating to supplier pricing, supply contract terms member data, customer lists, financial analyses, benchmarking and comparative reports of any kind prepared by the other Party, business processes or plans, sourcing and contracting methods, and "know-how"; ii) any information a Party marks as "Confidential," "Proprietary," or with a similar legend prior to disclosure; iii) any information which is orally identified as confidential at the time of disclosure and confirmed as confidential in writing within 10 business days following such disclosure; iv) any information which by its nature should reasonably be considered as confidential or proprietary; and v) all information generated by a Party that contains, reflects, or is derived from Confidential Information.

8.3. Exclusions. Confidentiality obligations will not apply to information that: i) is published by the disclosing Party or otherwise becomes available to the public other than by a breach of this Master Agreement; ii) is rightfully received by the recipient from a third party not under an obligation of confidentiality; iii) is known by or independently developed by the recipient prior to disclosure by the disclosing Party; or iv) is required to be disclosed pursuant to a lawful subpoena from a court of competent jurisdiction or in response to a valid request by a federal or state governmental agency. In the event of any required disclosure under law, the Party requesting disclosure of such Confidential Information will provide reasonable advance written notice to the non-disclosing Party so the non-disclosing Party may have an opportunity to object or seek to make such disclosure subject to a protective order or other appropriate remedy to preserve the confidentiality of the Confidential Information.

8.4. Rights in the Confidential Information. Except as expressly stated in this Master Agreement or an SOW, i) this Master Agreement does not confer any right, license, interest, or title in, to, or under the Confidential Information; and ii) no license is granted to the receiving Party, by estoppels or otherwise, under any patent, trademark, copyright, trade secret, or other proprietary rights.

8.5. Equitable Relief. The Parties acknowledge and agree that monetary damages are insufficient for any breach of the confidentiality provisions of this Master Agreement. Any actual or threatened breach of this section may cause immediate irreparable harm without adequate remedy at law. If a party breaches or threatens to breach this section, then the either party may seek specific performance or injunctive relief in addition to any other remedy available in law or in equity without posting bond and without proof of actual damages to prevent the other party from beginning or continuing the breach. This section does not limit any other remedy available to either party.

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9. **Non-solicitation.** Neither Party may hire, directly or indirectly, any employee of the other Party assigned to or involved with fulfillment of an SOW for 12 months after the termination or expiration of such SOW. The preceding sentence does not prohibit either Party from: i) soliciting employment by placement of general advertisements for employees on any internet site, in newspapers, or via other media of general circulation not specifically directed at the employees of the other Party; ii) soliciting persons identified through employment search firms not specifically directed at the employees of the other Party; or iii) soliciting or hiring any person who contacts the hiring Party on his or her own initiative without any prior solicitation or recruitment (other than advertisements of the type contemplated by the preceding clauses).
10. **Compliance.**
- 10.1. **Compliance with Applicable Laws.** The Parties agree to comply with all applicable federal, state, and local laws, including, but not limited to, the requirements of the federal fraud and abuse statute, codified at 42 U.S.C. 1320a-7b, as amended, and relevant regulations thereto.
- 10.2. **Discounts and Rebates.** To the extent Member receives discounts, rebates, distributions, or any other price reductions as a result of purchases or remuneration under this Master Agreement, an SOW, or any other group purchasing program agreement, Member may have an obligation under federal or state law to disclose such price reductions or remuneration to federal or state health care programs or other payors (as part of the cost reporting process or otherwise). Member and all Covered Facilities will comply with all such laws Member will provide each of its applicable Covered Facilities, if any, rebate or other information (if any) necessary for the Covered Facility to comply with its obligations under this Section.
- 10.3. **Records.** Upon request of the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized representative, Vizient will make available the contracts, books, documents, and records necessary to certify the nature and extent of the cost of any Services in excess of ten thousand dollars (\$10,000) per year until the expiration of four (4) years from completion of any such Services provided under this Master Agreement.
11. **Professional Obligations.** Member acknowledges and agrees that the professional duty owed to patients seeking health care services lies solely with the health care professional providing health care services. As such, Member takes full responsibility for the use of information provided under this Master Agreement and all SOWs in patient care and acknowledges that the use of any and all Services is not intended to replace or substitute professional judgment. Vizient does not assume any responsibility for actions of Member that may result in liability or damages arising from malpractice, failure to warn, negligence, or any other basis, and Member agrees to indemnify, defend, and hold Vizient, the Vizient subsidiaries, and their respective employees, officers, and directors harmless from and against any and all liability or damages.
12. **Indemnification.**
- 12.1. **General Indemnification.** Each Party agrees to indemnify, defend, and hold the other harmless against any and all claims, liability or losses (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) resulting from any action brought by a third party in connection with any negligent act or omission, under this Agreement by the indemnifying Party or by any of such Party's employees, officers, or agents. Neither Party shall be responsible for losses incurred to the extent such losses are caused by the other Party's negligence or willful misconduct.
- 12.2. **Intellectual Property Indemnification.** Subject to the Indemnification Procedure Section below, Vizient will, at its sole expense, defend any third-party action brought against Member based on a claim that any Vizient IP that is proprietary to Vizient or licensed by Vizient and purchased pursuant to this Master Agreement infringes any United States copyright, patent, or trademark and will pay all reasonable costs and damages finally awarded against Member in any such action attributable to such claim.

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- 12.3. **Limitation.** Vizient will have no liability to Member under Section 12.2 to the extent such infringement arises from the use of such: i) Vizient IP in combination with equipment, software, or services not supplied by Vizient; ii) Vizient IP in a manner other than in accordance with its product description and the terms of this Master Agreement, applicable SOW, or any end user license agreement that may be provided with such Vizient IP; or iii) modifications to Vizient IP made by persons other than Vizient personnel or Member's design or specifications.
- 12.4. **Modification by Vizient.** If any allegation of infringement with respect to any Vizient IP is made, or, in Vizient's opinion is likely to be made, then Vizient may, at its sole option and expense: i) procure for Member the right to continue using the Vizient IP; ii) modify the Vizient IP so as to avoid the infringement; iii) replace the Vizient IP with a functionally similar version and require Member to cease use of the Vizient IP in question; or iv) refund Service Fees paid to Vizient by Member for the use of such Vizient IP, less an amount for amortization based on a five-year, straight-line amortization schedule, in which case the Member must cease using the Vizient IP and return it to Vizient.
- 12.5. **Indemnification Procedure.** A Party's right to indemnification is conditioned upon the following: i) the indemnified Party must promptly notify the indemnifying Party of the claim (provided, however, that if the indemnified Party fails to provide prompt notice, the indemnifying Party will be relieved of its indemnification obligations only if and to the extent the indemnifying Party is materially prejudiced by such failure); ii) the indemnifying Party will have sole control of the defense and settlement of the claim (but the indemnifying Party must not agree to a consent decree or similar order binding the indemnified Party or to any settlement that specifically apportions fault or liability to the indemnified Party without the indemnified Party's prior written consent); iii) the indemnified Party will provide the indemnifying Party, at its expense, with assistance in the defense as the indemnifying Party may reasonably request; and iv) the indemnified Party must not incur any cost or expense for the indemnifying Party's account without its prior written consent.

THE PARTIES HEREBY ACKNOWLEDGE AND AGREE THE FOREGOING STATES VIZIENT'S ENTIRE LIABILITY UNDER THIS MASTER AGREEMENT OR OTHERWISE WITH RESPECT TO INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.

13. **Limitation of Liability.** EXCEPT FOR EACH PARTY'S INDEMNITY OBLIGATIONS SET FORTH HEREIN : i) IN NO EVENT WILL EITHER PARTY BE LIABLE, WHETHER IN CONTRACT OR IN TORT OR UNDER ANY OTHER LEGAL THEORY (INCLUDING STRICT LIABILITY AND NEGLIGENCE), FOR LOST PROFITS OR REVENUES, LOSS OR INTERRUPTION OF USE, LOST OR DAMAGED DATA, REPORTS, DOCUMENTATION, OR SECURITY, OR SIMILAR ECONOMIC LOSS, OR FOR ANY INDIRECT, EXEMPLARY, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR SIMILAR DAMAGES ARISING FROM OR RELATED TO THIS MASTER AGREEMENT, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND ii) EXCEPT FOR MEMBER'S FAILURE TO PAY FOR THE SERVICES, EACH PARTY'S MAXIMUM LIABILITY IS LIMITED TO THE ANNUAL SERVICE FEES AND REIMBURSABLE EXPENSES IN THE APPLICABLE SOW. **THIS LIMITATION OF LIABILITY IS FUNDAMENTAL TO THIS MASTER AGREEMENT. THE PARTIES REVIEWED AND BARGAINED FOR THESE TERMS AND NEITHER PARTY WOULD BE WILLING TO ENTER INTO THIS MASTER AGREEMENT WITHOUT THIS LIMITATION.**
14. **Warranty and Remedies.**
- 14.1. **Authority.** Each Party represents and warrants it is authorized to enter into and execute this Master Agreement and any and all applicable SOWs, if any, on behalf of itself and each of the applicable Vizient subsidiaries or Covered Facilities, respectively, as documented in any applicable SOW.
- 14.2. **Vizient Warranty.** Vizient warrants it will perform the Services in a professional manner in accordance with the requirements in each SOW. **EXCEPT AS SET FORTH IN THIS SECTION, THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. MEMBER'S SOLE**

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AND EXCLUSIVE REMEDY, AND VIZIENT'S SOLE AND EXCLUSIVE LIABILITY, FOR A BREACH OF THE WARRANTY IN THIS SECTION ARE: i) THE SPECIFIC SUPPORT SERVICES IN THE APPLICABLE SOW; ii) REPEATING OR REPROCESSING OF THE SERVICE(S) (IF POSSIBLE) BY VIZIENT AT NO ADDITIONAL CHARGE; OR iii) TERMINATION OF THE APPLICABLE SOW UPON 30 DAYS' PRIOR WRITTEN NOTICE TO VIZIENT.

- 14.3. Cooperation.** Each Party agrees to cooperate and respond to applicable requests for information in a timely manner. A Party's failure or delay is excused to the extent the other Party impedes or delays completion of the Services by: i) failing or delaying to provide necessary information, equipment, or access to facilities to Vizient; ii) failing to complete required tasks or perform its obligations under this Master Agreement or the applicable SOW for any reason; or iii) providing materially untrue or incorrect information.
- 15. Protected Health Information.** One or more of the Services may involve the use and disclosure of Member's Protected Health Information ("PHI"). Each Party intends to protect the privacy, security, and integrity of any PHI exchanged under this Master Agreement in compliance with the requirements of the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, as each may be amended from time to time (collectively, "HIPAA"). The Parties further acknowledge Member is a Covered Entity (as defined under HIPAA) and Vizient may be a Business Associate (as defined under HIPAA) in the delivery of certain services through Member's participation in Vizient's national healthcare alliance. If Member engages Vizient to perform Services involving the use or disclosure of PHI, then the respective SOW will explicitly state the use or disclosure of PHI is required and Vizient and Member shall enter into a mutually agreeable business associate agreement for the protection of PHI in accordance with HIPAA requirements.
- 16. Government Program Participation.** Each Party represents and warrants it has never been excluded from participation in any federal health care program (as such term is defined in 42 U.S.C. § 1320a-7b(f)) ("Federal Health Care Program"), or been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency. Each Party represents and warrants it has not been the subject of an actual, pending, or threatened formal adverse action, as that term is defined in 42 U.S.C. § 1320a-7e(g). Each Party will promptly notify the other Party in the event it is excluded from any Federal Health Care Program, or debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency, during the Term.
- 17. General.**
- 17.1. Entire Agreement.** This Master Agreement, including all SOWs executed hereunder, amendments, and exhibits, constitutes the entire agreement between Vizient and Member relating to the subject matter of this Master Agreement, and supersedes all prior understandings, agreements, proposals, and documentation relating to the subject matter of this Master Agreement.
- 17.2. Amendment.** This Master Agreement may be amended only by a document signed by authorized representatives of both Parties.
- 17.3. Assignment.** Neither Party shall assign or transfer any rights or obligations under this Master Agreement or any SOW without the other Party's prior written consent. Such consent may not be unreasonably withheld, delayed or conditioned. This Master Agreement will inure to the benefit of and be binding on the Parties and their respective assigns.
- 17.4. Governing Law.** Intentionally Omitted.
- 17.5. Independent Entities.** None of the provisions of this Master Agreement or any SOW will create any relationship between the Parties other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Master Agreement. Neither of the Parties, nor any of their

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employees, will be construed to be the agent, employer, employee, or representative of the other.

- 17.6. **Force Majeure.** The performance by either Party of any obligations to be performed under this Master Agreement or any SOW (other than the obligation to pay money or issue credit) is excused to the extent that performance is prevented by an act of God or the public enemy, terrorism, insurrections, riots, fire, explosion, flood, government order, or other reasonably unforeseeable causes beyond the control and without fault or negligence of the Party so affected and if, by the exercise of due diligence, the Party is unable to prevent or overcome the event. The Party so affected must give prompt written notice to the other Party of the cause and take whatever reasonable steps are necessary to relieve the effect of the cause as rapidly as possible.
- 17.7. **Severability.** In the event that any provision of this Master Agreement shall be held to be illegal, or otherwise unenforceable, such provision shall be severed and the entire Master Agreement shall not fail on account thereof and the balance of the Master Agreement shall continue in full force and effect; provided, however, that if the severing of such provision results in a material alteration of this Master Agreement, the remaining provisions of this Master Agreement shall be adjusted equitably so that no Party benefits disproportionately and will be construed by limiting or invalidating such provision to the minimum extent necessary to make such provision valid, legal, and enforceable.
- 17.8. **Waiver.** The waiver of any breach of any term or condition of this Master Agreement does not waive any other breach of that term or condition or of any other term or condition, unless agreed to in a writing signed by the Parties.
18. **Notices.** All notices related to this Master Agreement shall be in writing and shall be deemed to have been given when delivered personally, or at the time sent, if sent by registered or certified United States mail, return receipt requested, postage prepaid, or by FedEx or similar delivery service for overnight delivery, and addressed to the other Party as follows or at such address as such Party from time to time may indicate by written notice to the other Party:

If to Vizient:

Vizient, Inc.
Attn: Membership/Sales Operations
290 East John Carpenter Freeway
Irving, Texas 75062-2710

With a copy to:

Vizient, Inc.
Attn: Legal Department
290 East John Carpenter Freeway, 7th Floor
Irving, Texas 75062-2710

If to Member:

Natividad Medical Center
Attn: Contracts Division
1441 Constitution Blvd.
Salinas, CA 93906

19. **Equal Opportunity and Affirmative Action.** Vizient is an equal opportunity and affirmative action employer. Vizient abides by the requirements of 41 C.F.R. 60-1.4(a) (Executive Order 11246 Equal Opportunity Clause); 41 C.F.R. 60-250.5(a) (Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, Recently

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Separated Veterans, and Other Protected Veterans); 41 C.F.R 60-300.5(a) (Equal Opportunity for Disabled Veterans, Recently Separated Veterans, Other Protected Veterans, and Armed Forces Service Medal Veterans); 41 C.F.R. 60-741.5 (a) (Equal Opportunity for Workers with Disabilities); FAR 52.222-21 (Prohibition of Segregated Facilities); and FAR 52.222-26 (Equal Opportunity). These regulations are incorporated herein by reference and prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin.

- 20. Counterparts.** All documents pertaining to this Master Agreement may be executed in two or more counterparts, but all of which, taken together, shall constitute one and the same instrument.
- 21. Publicity/Use of Marks.** Except as otherwise agreed to by the Parties in writing, neither Party may: i) use each other's trademarks or service marks; or ii) make any press release or other public disclosure regarding the transactions contemplated by this Master Agreement without the other Party's prior written consent, except as required under applicable law or by any governmental agency, in which case the Party required to make the press release or public disclosure shall use commercially reasonable efforts to obtain the approval of the other Party as to the form, nature, and extent of the press release or public disclosure prior to issuing the press release or making the public disclosure.
- 22. Survival.** The following provisions shall survive the expiration or any earlier termination of this Master Agreement for the number of years stated in the provision or, if none is stated, then perpetually: Grant of Limited Rights, Confidentiality, Non-solicitation, Discounts and Rebates, Records, Professional Obligations, Indemnification, the last sentence in Vizient Warranty regarding limitations of liability, General, and Notices.

23. Insurance

- 23.1. Evidence of Coverage.** Prior to commencement of this Master Agreement, the Vizient shall provide a "Certificate of Insurance" evidencing that coverage as required herein has been obtained. In addition, upon reasonable request Vizient shall provide a copy of the policy or policies.

This certificate of insurance shall be sent to Members's Contracts/Purchasing Department, unless otherwise directed. Vizient shall not receive a "Notice to Proceed" with the work under this Master Agreement until it has provided a certificate of insurance indicating evidence of insurance coverage. This approval of insurance shall neither relieve nor decrease the liability of Vizient.

- 23.2. 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 Members's Contracts/Purchasing Director.
- 23.3. Insurance Coverage Requirements.** Without limiting Vizient's duty to indemnify, Vizient shall maintain in effect throughout the term of this Master Agreement a policy or policies of insurance with the following minimum limits of liability:
- 23.4. Commercial general liability insurance.** Including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, , with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
- Products liability (completed operations) insurance of not less than \$1,000,000 per claim and \$2,000,000 aggregate.
- 23.5. Commercial automobile liability insurance.** Covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Master Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

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23.6. Workers' Compensation Insurance. If Vizient employs others in the performance of this Master Agreement, in accordance with statutory requirements 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.

Professional Liability Insurance coverage to cover technology-related errors and omissions with minimum limits of \$1,000,000 per claim and \$3,000,000 aggregate. If any such insurance is written on a claims-made policy form, the policy shall have a retroactive date prior to or coinciding with the effective date of this Master Agreement and shall continue for three (3) years following termination of this Agreement. In the event that a claims-made policy is canceled, terminated or non-renewed, Vizient shall obtain an extended reporting period endorsement for the remainder of the three (3) year period as allowed by insurance policy language.

23.7. Other Requirements:

All insurance required by this Master Agreement shall be issued and executed by an admitted insurer authorized to transact insurance business in the State of California or alternatively an approved surplus lines insurer. Unless otherwise specified by this Master 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 Vizient completes its performance of services under this Master Agreement.

Each liability policy shall provide that Member shall be given notice in writing at least ten days in advance of any, cancellation, or non-renewal thereof. Each policy shall provide coverage for Vizient and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Master 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 name the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of Vizient's work, including ongoing and completed operations.

Prior to the execution of this Master Agreement by Member, Vizient shall file certificates of insurance with Members's Contracts/Purchasing Department, showing that the Vizient has in effect the insurance required by this Master Agreement. Vizient shall file a new or amended certificate of insurance within thirty (30) 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 Master Agreement, which shall continue in full force and effect.

Vizient shall at all times during the Term maintain in force the insurance coverage required under this Maser Agreement and shall send certificates of insurance to Members's Contracts/Purchasing Department upon written request. If the certificate is not received by the expiration date, Member shall notify Vizient and Vizient shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by Vizient to maintain such insurance is a default of this Master Agreement, which entitles Member, at its sole discretion, to terminate the Master Agreement for breach pursuant to Section 5.

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

Vizient, Inc.

Natividad Medical Center

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Natividad Medical Center – Master Services Agreement

Exhibit A



**TRAVEL AND BUSINESS
EXPENSE
REIMBURSEMENT
POLICY**

Revised December 11, 2012

Natividad Medical Center – Master Services Agreement

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I. PURPOSE

The purpose of this policy is to establish uniform travel and business expense reimbursement policies, rules and claim procedures for persons authorized to conduct County business.

II. SCOPE

The County travel and business expense reimbursement policy applies to all County employees, members of legislative bodies established by the Board (salaried or not), non-County employees (such as contractors who receive travel and/or business expense reimbursements) and volunteers traveling on County business.

III. DEFINITIONS

Unless the context otherwise requires, the definitions contained in this part govern the construction of this policy. They do not necessarily apply in other County contexts.

A. **Accountable Expense Reimbursement Plan**

Reimbursements of travel and other business expenses to a County employee, contractor or volunteer will be considered to be made under an “Accountable Expense Reimbursement Plan” if the following three requirements are met:

- ✓The person substantiates his or her expenses by submitting an expense report with
 - 1) the amount of the expenditure,
 - 2) the time and place of the travel or business entertainment,
 - 3) the business purpose of the expenditure, and
 - 4) the names and business relationship of any persons entertained.
- ✓The person documents the expenses with supporting receipts, paid bills, etc. within 60 days after the expense is paid or incurred, and
- ✓Excess advances, if any, are repaid to the County within 120 days after the expense is paid or incurred.

"County" means the County of Monterey.

B. **County Business**

"County business" means the activity directly related to the ordinary, necessary and/or required business functions of the County of Monterey (“County”). It does not include travel or expenses related to an employee’s participation in the County’s Educational Assistance Program or commuting expenses (a non-reimbursable expense).

C. **County Employee**

"County employee" means any County officer or employee, whether elected or appointed, filling a budgeted position approved by the Board of Supervisors.

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Independent contractors and their employees are not County employees.

D. County Traveler

"County traveler" means any County employee, authorized non-County employee (such as a contractor) or volunteer traveling on County business. Agency temporary employees are not covered by this policy and are not reimbursable for travel.

E. County Volunteer

"County volunteer" means a person, other than a County employee, who performs volunteer work authorized by a department or the Board of Supervisors for the County, such as a department volunteer, a commissioner or a member of an interview panel. It does not include agency temps, inmates, wards or probationers working for the County.

F. Home

"Home" means the actual dwelling place of the County traveler without regard to any other legal or mailing address.

G. Main or Regular Place of Work

"Main or regular place of work" means the principal place of business for the County employee or the principal location to which the County volunteer/contractor is assigned to work for the County. This may be the place at which s/he spends the largest portion of his/her regular County workday or working time or, in the case of field workers, the assigned location/headquarters to which s/he returns upon completion of regular or special assignments.

H. Meals

Meals that are 1) directly related or associated with bona fide County business matters and 2) approved for reimbursement by a member of the Board of Supervisors or a department head (or his or her designee) will be considered a reimbursable County business expense, if incurred in connection with out-of-County business travel or while conducting in-County business. Also, reimbursement for the provision of in-kind meals to employees on the business premises of the County will only be allowed if there is a substantial non-compensatory business reason for providing such meals to employees.

I. Temporary Work Location

"Temporary work location" means the place where the County employee, volunteer or contractor is assigned on an irregular or short-term basis. If an employee is assigned to a work location for no more than 35 work days during a calendar year, then the location is considered temporary. Attending conferences, meeting or training sessions away from the main or regular place of work by County employees or volunteers, or field

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workers conducting fieldwork at off-site locations, does not normally constitute assignment to another site. If the employee is assigned for more than 35 work days during the calendar year, the new location has become the main or regular place of work.

J. Vehicle

"Vehicle" means a motor vehicle, which can be legally operated on public highways.

IV. AUTHORIZATION TO TRAVEL

A. General Conditions

1. Travel will be authorized only when the travel is necessary and in the best interest of the County.
2. Advance authorization is required for all County travel, as specified in B & C.
3. Advance written authorization from the County Administrative Officer is required for all County travel by County volunteers, except as follows:
 - a) Travel by appointed members of County boards, commissions, or advisory committees to and from the official meetings of their respective boards.
 - b) Travel to and from the County for members of personnel interview panels, subject to authorization by the Human Resources Department.
 - c) Travel to and from meetings, conferences and training covered by the County MHSA plan, subject to authorization by the Behavioral Health Program Manager or designee.

B. In-County Travel

County employees are authorized to travel within the County when said travel is required by the department and is considered a part of the routine, day-to-day official duties of the employee as defined and authorized by the department head or his/her designee. All other in-County travel requires advance authorization by the department head or his/her designee.

C. Out-of-County Travel

1. All travel outside of the County, but within the State of California, requires advance authorization by the department head, or his/her designee. Travel by immediate staff of a member of the Board of Supervisors requires the advance authorization of the respective Board member.

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2. All travel outside of the State of California requires advance written authorization by the department head, or his/her designee. Travel by immediate staff of a member of the Board of Supervisors requires the advance authorization of the respective Board member.
3. Authorization for out-of-state travel by current members of the Board of Supervisors is subject to the guidelines established by the Board.

D. Travel Requests

Travel requests that require department head authorization shall be submitted to the department head pursuant to department policy. If the traveler is requesting a travel advance, an approved "County of Monterey Travel Request" form (usually in the form of a "white claim" or "GAX"), accompanied by all documentation relative to the request, shall be forwarded to the Auditor-Controller.

V. TRAVEL EXPENSES

A. General Conditions

1. County travelers are entitled to submit a claim for actual and necessary expenses for transportation, meals, lodging, and incidentals for authorized travel, subject to the conditions set forth in this Travel and Business Expense Reimbursement Policy ("Policy"), whenever the expenses are incurred as part of his/her official duties and authorized because the County traveler is required to work, attend a school, training, meeting or convention overnight at a location sufficiently distant from main or regular place of work to qualify under this policy for meal per diem and overnight lodging.
2. Notwithstanding Section 1 above, claims shall be paid subject to the rules set forth in this Policy and statutory law. Eligibility to submit a claim does not automatically entitle the claimant to reimbursement for any and all expenses.
3. County travelers receiving reimbursement from an outside source for travel on County time shall forward said reimbursement to the County Auditor-Controller for handling and deposit if the traveler intends to submit an expense claim to the County or use County resources to travel. Said travelers shall then be entitled to submit a claim for actual and necessary expenses for transportation, meals, lodging, and incidentals, subject to the conditions set forth in this travel policy.
4. Arrangements for transportation, lodging or registration fees that have cancellation or change penalties shall be carefully monitored by the department. If cancellation/change occurs due to direction by the County traveler's department head, or his/her designee, or the County Administrative Officer, the County department will cover the penalty cost. If the cancellation/change occurs due to a traveler's personal request or obligations, the traveler will be required to pay the

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penalty. Exceptions shall be made when a traveler is unable to travel because of hospitalization, serious sickness or death of self or an immediate family member or when the department head certifies that the reason for the employee's absence was legitimate and authorized.

B. Transportation Expenses

1. General Conditions

- a) Transportation expenses are the direct costs related to movement of the County traveler from authorized point of departure to destination of travel and back to the authorized point of return.
- b) All transportation expenses incurred shall be based upon the most efficient, direct, and economical mode of transportation required by the occasion.
- c) Whenever a time frame is established as criteria for eligibility for claiming, such as the requirements set forth for meals in Section V, subsection C. 1. d., estimated travel time shall be based upon legal vehicle speed limits, volume of traffic, and weather conditions in effect at the time of travel.

2. Vehicle Transportation

Vehicle use (both County-owned and private) by authorized County travelers during the conduct of official County business is subject to the County Vehicle Use Policy.

a) Private Vehicle

- (1) Travel by private vehicle will be reimbursed at the IRS rate for business use of a personal vehicle in effect in the County at the time of travel.
- (2) Authorized County travelers who travel in a vehicle other than their own may not claim mileage for business use of a private vehicle but may claim reimbursement of actual fuel expenses necessary for the trip and expended by the traveler. Receipts are required and should be claimed by the employee actually paying the expense.
- (3) Authorized County travelers may not claim mileage for business use of a private vehicle in the following instances:
 - (a) when the County traveler is riding with someone who will be claiming reimbursement for the vehicle's use from the County or another source;
 - (b) when the County traveler is traveling in a County or other government

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- agency vehicle;
- (c) when the County traveler is traveling in a rented vehicle (paid by County);
 - (d) when the County traveler has been assigned a County Vehicle for home retention, is receiving an allowance or lump sum for mileage, unless specifically provided for in the terms of their agreement or contract with the County or by Board resolution.
- (4) County employee mileage to the regular or main place of work from home, and back, is considered commuting and may not be claimed.
 - (5) County employee mileage to the temporary work location from home, and back, is considered commuting and may not be claimed except in the following cases:
 - (a) if the County employee is required to report to the regular or main place of work before reporting to the temporary work location, s/he is eligible for mileage from the regular or main place of work to the temporary work location;
 - (b) if the County employee is required to report to the regular or main place of work after working at the temporary work location and before going home, s/he is eligible for mileage from the temporary work location to the regular or main place of work.
 - (6) Mileage in conjunction with authorized County travel to and from a school, training, convention or meeting shall be based on the distance to the destination from the traveler's home or the regular or main place of work, whichever is less, except in the following cases:
 - (a) if the traveler is required to report to his/her work location before leaving, s/he is eligible for mileage to the school, training, convention/meeting from the work location.
 - (b) if the traveler is required to report to his/her work location before returning home, s/he is eligible for mileage based on the distance from the school, training, convention/meeting to the work location.
 - (7) Appointed volunteer members of County boards, commissions, or advisory committees may claim mileage to the official meetings of their respective boards from home, and back.
 - (8) Members of personnel interview panels may claim mileage to the panel location from their regular or main place of work, and back.

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- (9) When two or more County travelers from the same department are traveling to the same site by vehicle, they should use only as many vehicles as are required to accommodate the number of travelers and business needs of the County. If a County traveler chooses to use a separate private vehicle because of personal preferences or obligations, h/she shall not be eligible for mileage or fuel reimbursement for the travel unless the department head determines that reimbursement is appropriate and justified.
- (10) If a County traveler chooses to use a private vehicle instead of an alternative mode of transportation chosen by the department head because of personal preferences or obligations, his/her mileage reimbursement shall not exceed the cost of using the alternative mode of transportation unless the department head determines that the additional reimbursement is appropriate and justified.

b) County Vehicle Transportation

- (1) County travelers using a County vehicle for traveling shall not be eligible for reimbursement for mileage.
- (2) County travelers required to fuel a County vehicle at their own expense should claim the actual fuel costs expended by them. Receipts must accompany the claim. Vehicle license number and the odometer reading should be written on the receipts.
- (3) If the County vehicle experiences mechanical failure, the County traveler shall follow the rules set forth in the "Mechanical Failure" section of the "Vehicle Operator's Handbook" located in the glove compartment of each County vehicle.

c) Rental Vehicle Transportation

- (1) Vehicles may be rented for transportation at the destination point when the County traveler travels to the destination via commercial common carrier and the cost of the rental will be less than the charge for shuttle or taxi service to and from the carrier termination point to the function or hotel accommodations.
- (2) Vehicles may be rented for transportation to the destination point when the cost of the rental will be less than other reasonable and available modes of transportation.
- (3) If more than one County traveler from the same department is traveling to the same function, only one rental vehicle may be claimed and then only if

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it is available for use by all of the County travelers.

- (4) The County traveler shall choose the least expensive size and mileage limits appropriate to the use required. Rental expenses for luxury cars, motorcycles and recreational vehicles may not be claimed.
- (5) Rental cars shall be refueled prior to return to the rental agency to reduce cost to the County. Rental cars should be returned to the renting location and on time to avoid additional charges.
- (6) When traveling domestically the County traveler shall waive additional vehicle insurance (except for additional driver and coverage for drivers under 25 years of age), provided that the employee has his/her own vehicle insurance coverage. When traveling internationally additional insurance should be accepted if the traveler lacks other similar coverage.
- (7) An original car rental receipt showing the number of days and type of vehicle rented is required for vehicle rental claims. A copy of the receipt or a credit card receipt alone is insufficient.

d) Commercial Carrier Transportation

- (1) County travelers shall seek and attempt to use the lowest rates available for the type of commercial carrier service being utilized. Whenever possible, travelers should take advantage of flight arrangements that minimize County cost (for example, purchasing a round trip ticket may be less expensive than two one-way tickets). Reservations should be made as far in advance as possible to take advantage of available discounts and special offers. Travel agents that have added ticket handling charges should be avoided.
- (2) Claims for travel via commercial carrier shall be limited to the cost of travel at economy rates for the same day and time of travel or actual cost, whichever is less. County travelers may upgrade tickets, provided that the traveler and not the County pay for the difference in cost for such upgrade. The County will not reimburse any type of travel insurance unless the Department Head requests the traveler to purchase cancellation coverage. Reasonable baggage charges, if imposed by the airline, on the first checked bag are reimbursable.
- (3) Claims for commercial carrier tickets shall be substantiated by an original ticket document (such as an e-ticket or passenger receipt ticket copy) showing the price, date, date/time of travel and class of travel. A copy of the credit card receipt or statement from a travel agency alone is insufficient.

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- (4) County business traveler may retain frequent flyer/hotel rewards and similar program benefits. However, participation in these programs must not influence flight/hotel/etc. selection, which would result in incremental cost to the County beyond the lowest available airfare/hotel cost unless the difference is paid by the traveler. Free tickets or cash allowances for volunteering to be denied timely boarding may be retained by the traveler but no additional cost to the County or interruption of County work is allowed and any additional time required to complete the trip is to be personal time.
- (5) Should a Saturday night stay reduce the cost to the County of a ticket more than the total of any additional hotel/meal/parking cost, the costs to do so are reimbursable to the traveler but should be well-documented with a clear savings to the County.

e) Private Aircraft Transportation

- (1) Traveling by private aircraft which is flown by a County employee may be authorized if it will be the most efficient means of travel and the flight is incidental to the purpose of the County travel. Said use shall require the advance written approval of the County Administrative Officer. If approved, the following must be provided to the Auditor-Controller's Office in advance of the travel:
 - (a) a copy of the pilot's Federal Aviation Administration (FAA) pilot's certificate and instrument rating for the category and class of aircraft to be flown and the type of flying to be performed;
 - (b) a copy of the pilot's current medical certificate;
 - (c) a copy of the FAA Pilot Proficiency Award Program certificate issued to the pilot within the twelve months prior to the flight;
 - (d) a copy of the pilot's flight log showing a minimum of 250 hours of flight time within the twelve months prior to the flight;
 - (e) a certificate of public liability and property damage insurance of not less than \$1,000,000 naming the County as an additional insured.
- (2) Traveling by private aircraft, which is flown by a non-County employee, except for flights conducted by members of the Sheriff's Air Squadron in the performance of their official duties, is normally prohibited.
- (3) County travelers who operate a private aircraft in connection with approved County travel may be reimbursed the actual cost paid by the

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traveler for fuel used by the aircraft on the trip or the County's mileage rate for each air mile at the travelers option.

f) Other Transportation Expenses

(1) The following necessary transportation expenses may be claimed at actual cost (receipt required) when directly related to transporting the County traveler to and from the business destination point:

- (a) taxi, shuttle, or public transit fares;
- (b) parking fees (airport long-term parking is required for travel exceeding 24 hours);
- (c) bridge, road or ferry tolls;
- (d) other actual transportation expenses determined to be reasonable and necessary by the department head and the Auditor-Controller.

(2) The following transportation expenses may not be claimed:

- (a) traffic and parking violations;
- (b) emergency repairs or non-emergency repairs on non-County vehicles;
- (c) personal travel while at an out-of-County location;
- (d) other actual transportation expenses determined to be unreasonable or unnecessary by the department head or the Auditor-Controller.

C. Meal Expenses

1. Eligibility for Meals

- a) County employees, contractors and volunteers may be reimbursed for in-County meal costs that are 1) ordinary (not extravagant) and necessary, 2) directly related or associated with bona fide County business matters and 3) approved by a member of the Board of Supervisors or a department head (or his or her designee). County business discussions associated with a meal must be conducted in a “clear business setting”.
- b) County travelers involved with in-County travel that does not require an overnight stay away from their home are not eligible to claim for meals taken outside the County, unless the requirements of paragraph a) above are met, or unless provided for in a Board of Supervisor-approved written County policy.

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- c) County travelers on out-of-County business travel that requires an overnight stay away from their home are eligible to claim for meals taken out-of-County.
- d) County travelers are eligible to claim the meal reimbursements noted below for travel requiring overnight lodging if the total travel time (work time, plus the lunch period plus round-trip travel time) is estimated to equal or exceed 12 hours.
 - (1) Breakfast may be claimed if the County traveler must reasonably be away from home because of County business travel at or before 7:00 a.m.
 - (2) Lunch may be claimed if the County traveler must reasonably be away from home because of County business travel at or before Noon.
 - (3) Dinner may be claimed if the County traveler must reasonably be away from home because of County business travel at 7:00 p.m. or after.
- e) Snacks are a personal expense, not reimbursable.
- f) Claims for meals purchased by a County employee or volunteer on behalf of federal, state or local public officials or employees is prohibited, including any other Monterey County employees, unless provided for under other Board of Supervisor approved written County policies.
- g) County travelers are not eligible to claim meals or other expenses for those persons who are not otherwise eligible to file a claim themselves for County reimbursement.
- h) County travelers are not eligible to keep or claim per diem allowances for anyone other than themselves.

2. Meal Claims

- a) The County maximum full day meal and incidental expenses rate shall be equal to the maximum federal per diem meal and incidental expenses (M&IE) rate established by the GSA. Said maximums include taxes and gratuities.
- b) Meal expense amounts shall be calculated by the Auditor-Controller for first and last partial days of travel based on the maximum federal per diem meal rate for the appropriate meal(s).
- c) Claims for out-of-County meals taken in conjunction with travel that includes an overnight stay away from the traveler's home shall be reimbursed in the form of a "per diem allowance", which means the traveler is eligible to be reimbursed at the maximum rate allowed and receipts are not required (except for Board of

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Supervisor Members). Partial days shall be reimbursed at the appropriate meal rate.

- d) Allowable meal costs may only exceed the prescribed per diem rates if the meal is being served at a conference or workshop and the costs of the speaker, conference, and/or registration are included in the price. The agenda/brochure or other documentation describing the event and the price must accompany the claim to the Auditor-Controller's Office.
- e) A County traveler may not claim a per diem allowance or reimbursement for any meal which is provided, or otherwise available, to the County traveler with the lodging or function, whether or not there is an actual charge for the meal. For example, if lunch is provided at the function or breakfast is included in the cost of lodging, the traveler may not claim a per diem allowance or request reimbursement for eating elsewhere. For purposes of this section, continental breakfast and meals provided during airline or other commercial carrier travel do not constitute provided meals and do not need to be deducted from the per diem allowance. A County traveler may not claim a per diem allowance for a meal that was paid for by someone else.
- f) If a breakfast is included in the cost of lodging, the traveler may not claim for a breakfast meal; however, s/he may apply the next day's breakfast allowance amount towards the maximum lodging amount. For example, if the maximum lodging amount is \$79.00 and the breakfast allowance is \$8.00, the employee may claim up to a maximum of \$87.00 for lodging which includes a continental breakfast. (For purposes of this section, continental breakfast does not constitute a provided breakfast meal.)
- g) Claiming for alcoholic beverage expenses are prohibited in all cases.
- h) As required by California Government Code 53232.2 Board of Supervisors members must provide receipts for all meals and will be reimbursed at the lower of the appropriate per diem amount or the actual expense.

D. Lodging Expenses

1. Eligibility for Lodging

- a) County travelers are not eligible to claim for lodging for in-County functions.
- b) For out-of-County business that is conducted on one business day, if the County traveler's actual time for the day is estimated to equal or exceed 12 hours (including work time, the lunch period and round-trip travel time), then the County traveler will have the option of securing one night's lodging at either the

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front-end or back-end of the trip. Illustration: A member of the County Board of Supervisors who resides in Monterey County is required to attend a one-day business meeting in Sacramento. The Board member estimates that his total time for the day without obtaining lodging would be 14 hours (8 hours of meetings, 1 hour for lunch and 5 hours for round-trip travel). The Board member will have the option of securing one night's lodging in Sacramento, either the night before the meeting, or after conclusion of the meeting.

- c) For out-of-County business that requires multiple business days, if County travelers are eligible to claim lodging for the first and last evenings of an out-of-County trip, they are also eligible to claim lodging for any evenings that fall in between the first and last evenings of the trip.
- d) County travelers are not eligible to claim reimbursement of lodging costs when staying overnight as a guest of friends or relatives.

2. Lodging Claims

- a) Lodging expenses shall be claimed at either the actual cost of the lodging (limited to the single occupancy rate for a single room) or the County's maximum lodging rate (Federal Per Diem Rate), whichever is less. Receipts are required. Taxes are in addition to the Federal Per Diem Rate.
- b) Lodging costs may exceed the County's maximum lodging rate only when a conference, meeting or convention is being sponsored by an organization of which the County, the department or employee is a member, the lodging may be claimed at the actual cost if seminars or meetings are to be held at the particular hotel and/or events are scheduled for evening hours, and the department head has given advance written authorization.
- c) An original room folio receipt, showing the number of days and the number of occupants, is required for lodging claims. A copy of the receipt, travel agency statement or a credit card receipt alone is insufficient.
- d) When a room is shared with a fellow County traveler, the expense may either be prorated, and the prorated amount claimed by each County traveler, or one County traveler may claim the total expense at the multiple occupancy rate.
- e) When a room is shared with a person other than a County traveler and said person will also be claiming reimbursement from the County or another source, the amount shall be prorated between the two travelers.
- f) Lodging expense may not be claimed for guests of the County traveler. Where expense for a family member or friend is included in the receipt, the claim must not exceed the single occupancy rate.

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- g) Special lodging, such as accommodations in apartments, RV parks, campgrounds or other semi-permanent lodgings, shall require advance written authorization of the County Administrative Officer and the Auditor-Controller.
- h) County travelers should inquire when making lodging arrangements whether the County is exempt from Transient Occupancy Taxes (TOT) in the locale where they are staying and should provide the necessary form to the lodging facility, if required to do so to obtain the waiver.
- h) Except when registering for lodging at a pre-arranged group rate in conjunction with a conference or meeting, County travelers shall request the government rate or lowest available eligible rate when making lodging arrangements.
- i) Travelers are responsible for canceling hotel rooms before the cancellation period ends and should record the cancellation number in case of disputes. Travelers will not be reimbursed for “no-show” hotel charges unless there are unavoidable reasons for not canceling the room.
- j) When multiple county travelers are traveling together and the rooms are put on one invoice, one traveler may take care of the invoice but should provide the details on who stayed in each room on the invoice.

E. Registration Fees

Conference, convention and seminar registration and tuition fees may be claimed at the actual cost, provided that the agenda/brochure or other documentation describing the event, including the price, accompanies the approved claim to the Auditor-Controller's.

F. Other Travel Expenses

1. County travelers are eligible to claim a per diem incidental allowance, limited to the maximum federal per diem incidental rate established by the IRS, for each day of travel requiring an overnight stay away from the traveler's home. Said allowance covers fees and gratuities for persons who provide services, such as food servers and luggage handlers, and does not require receipts (Except for Board of Supervisors Meals). If applicable (such as a Board of Supervisor meal), gratuities are limited to not exceed 15% of the service costs unless billed by a provider's standard policy at a higher rate.
2. County travelers are eligible to claim the following expenses at actual cost, even if they also qualify for a per diem incidental allowance. Receipts are required.
 - a) County business calls (traveler must annotate purpose of call on the bill)
 - b) fax machine charges incurred to send or receive documents for County use.

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- c) copy machine charges incurred to copy documents for County use.
- d) Internet access connection and/or usage fees away from home not to exceed \$15.00 per day, if Internet access is necessary for county related business.
- e) other business related expenses determined to be reasonable and necessary by the department head and the Auditor-Controller.

VI. OTHER COUNTY BUSINESS EXPENSES

A. General Guidelines

In the course of conducting County business, employees, contractors or volunteers may incur business expenses (including meal expenses pursuant to Section V.C) on behalf of the County. Such expenses will be approved for reimbursement if the disbursement meets the following requirements:

- ✓ The disbursement is for an ordinary (not extravagant) and necessary expense of conducting County business, or is an expense that is required by the County,
- ✓ The expense is approved by a member of the County Board of Supervisors, or a County department head (or his or her designee), and
- ✓ The payee accounts for the expense in accordance with the rules for a “Accountable Expense Reimbursement Plan”, as set forth in the Internal Revenue Code and related regulations.

B. Taxation of Business Expense Reimbursements

If a reimbursement to an employee, contractor or volunteer meets the requirements of an “Accountable Expense Reimbursement Plan”, then such reimbursement will not be reportable for federal or California income tax purposes.

VII. CLAIMING PROCEDURES FOR OUT-OF-COUNTY TRAVEL

A. Travel Advance Claims

1. Authorizations and Eligibility

- a) Travel advances are strongly discouraged and are only available to County employees. The issuance of travel advances creates double work for departmental and auditor-controller staff and should only be used if a County travel card cannot be used or the employee does not have a personal credit card. Board of Supervisors Members are not eligible for travel advances.

The first choice is for travelers to use their personal credit cards to pay for their

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travel expenses and be reimbursed before their monthly statement arrives. Secondly, the County has arranged for the use of the Travel Card to pay many travel related expenses. Departments may use their Travel Cards to pay for airline tickets and conference registration expenses for all of their employees, not just the cardholder. Commercial carrier and conference registration expenses should not be considered in the advance calculation. The third choice would be a cash advance, if necessary.

- b) Travel advances require the authorization of the department head or his/her designee, and the Auditor-Controller or his/her designee.
- c) The net amount of the travel advance shall not exceed the following:
 - (1) 75% of the total estimate for the following travel expenses, exclusive of payments made payable directly to the vendor:
 - (a) lodging (documentation, including at least the confirmation number and hotel name should be provided), including hotel parking
 - (b) rental vehicle transportation;
 - (c) per diem meal allowances;
 - (d) long-term airport parking;
 - (e) other out-of-pocket expenses deemed necessary and reasonable by the Auditor-Controller.
 - (2) 50% of the total estimate of reimbursement for mileage for business use of a private vehicle.
- d) A travel advance shall not be issued for a net amount less than \$100.00 nor more than \$2,000.00.
- e) A travel advance shall not be issued more than thirty (30) calendar days in advance of the commencement of travel.
- f) Travelers are not eligible for an additional travel advance if they have an unsettled advance, unless the advances are for travel taken consecutively. In such case, the sum total of the travel advances shall not exceed \$2,000.00.

2. Travel Advance Requests

- a) Requests for travel advances involving travel shall be submitted by the department head to the Auditor-Controller's Office on a completed and signed

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"County of Monterey Travel Request" form, accompanied by all documentation relative to the request, at least ten (10) working days in advance of the commencement of travel.

- b) After a completed and approved "County of Monterey Travel Request" form is received by the Auditor-Controller's Office, a warrant payable to the County traveler for the amount requested shall be issued, up to the 100% maximum amount allowed pursuant to this County travel policy.

3. Travel Advance Settlements

- a) Within five (5) working days of completion of travel, the County traveler shall submit all receipts for allowable travel expenses to the Department and within fifteen (15) working days of completion of travel to the Auditor-Controller's Office on a completed County claim form. Credit for the travel advance shall be subtracted from the amount owed to the County traveler.
- b) In the event that allowable expenses are less than the amount of the travel advance, the County traveler shall submit the difference in the form of a check or money order made out to the "County of Monterey" with the claim form.
- c) County travelers who cannot provide a required receipt shall reimburse the County for the amount of the money advanced to them for that expense.
- d) Travelers who do not submit the required documentation by the time frames set forth above may lose their eligibility for future travel advances.
- e) Department heads are responsible for ensuring that their employees settle their travel advance claims within the time frames set forth in subsection a) above. Non-compliance may jeopardize advances for the entire department.

B. Prepaid Vendor Claims

1. Vendor Claim Requests

- a) Once travel has been authorized, claims to the vendor may be submitted for lodging and registration fees when there is sufficient time for the check to be processed before the authorized County traveler commences travel.
- b) If the travel requires a "County of Monterey Travel Request" form, the approved form shall be submitted with the claim. If the original has been submitted with a previous claim, then that shall be noted on the claim form and a copy of the form attached.
- c) Whenever possible, the County shall be named as registrant for events to allow

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transfer of attendance privilege when conflicts prevent the original registrant from attending.

- d) The County will mail the warrant directly to the vendor unless the traveler requests that the warrant be returned to them to hand carry to the vendor.

2. Vendor Claim Settlements

- a) Each vendor claim must have an original receipt attached in order to settle the claim. The required receipts for vendor claims that have been prepaid shall be forwarded to the Auditor-Controller's Office within thirty (30) calendar days after completion of travel.
- b) Claims paid directly to vendors that are not substantiated by receipts within thirty (30) calendar days of the completion of travel shall be considered to be unsettled travel advances to the County traveler.
- c) Department heads are responsible for ensuring that their employees return their receipts within the time frames established by this policy. Non-compliance may jeopardize the department's ability to have travel expenses paid in advance.
- d) In the event that all or a portion of the prepaid cost to a vendor is reduced after the check has been processed, the County traveler is responsible for ensuring that the entire difference is returned to the County within the time frames established for settling the claim.

C. **Travel Reimbursement Claims**

- 1. After completion of travel, the County traveler shall submit a completed County claim form to the department head for authorization. After review and authorization, the department head shall submit the authorized claim, together with any required receipts, to the Auditor-Controller's Office. Said claim shall be received by the Auditor-Controller's Office within thirty (30) calendar days of the completion of travel.
- 2. The traveler shall not be reimbursed until s/he has signed the certification for the claim that is required by the Auditor-Controller's Office.
- 3. The Auditor-Controller's Office shall review the claim for compliance with applicable County policies and procedures. If approved by the Auditor-Controller's Office, the claim shall be processed and a check sent to the claimant within ten (10) working days. If denied, or denied in part, the department's contact person will be notified immediately. The Auditor-Controller has the final decision on allowable expenses.
- 4. No reimbursement for travel shall be paid to the employee until all required receipts

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for the travel claim have been filed with the Auditor-Controller's Office.

5. Travel reimbursements are to be paid via checks and not to be paid via petty cash.

D. Mileage Claims

1. Whenever travel requires advance authorization of the department head, or his/her designee, the resulting mileage expense shall be claimed on the same claim form as the other expenses that apply to that travel. The only exception is if mileage is the only expense of the trip, in which case the traveler may claim the mileage on the monthly "Mileage Reimbursement" claim form.
2. Whenever travel does not require advance authorization of the department head, or his/her designee, the resulting mileage expense shall be claimed on the "Mileage Reimbursement" claim form.
3. Mileage claims shall be submitted monthly, unless the total for the month is less than \$50.00, in which case the claim may be held for an additional month. However, the claim must not be held over to the next month more than twice, regardless of the dollar amount.
4. All mileage claims for the last month of the fiscal year must be processed by year-end close.
5. Mileage Claims are to be paid via warrants and not to be paid via petty cash.

E. Reimbursement by Outside Source

1. County travelers receiving reimbursement from an outside source for travel on County time shall forward said reimbursement to the Auditor-Controller for handling and deposit if the traveler intends to submit an expense claim to the County or use County resources, including a County vehicle, to travel. In such cases, the traveler shall then be entitled to submit a claim for actual and necessary expenses for transportation, meals, lodging, and incidentals, subject to the claiming conditions set forth in this travel policy. Said reimbursement shall be delivered to the Auditor-Controller's Office within thirty (30) days of the receipt of the funds.
2. If a County volunteer or non-employee will be receiving a per diem or other reimbursement of travel expenses from a source outside of the County, the volunteer shall not be eligible to claim or receive any additional reimbursement from the County for the same expenses.

F. Late Claims

If a claim for reimbursement or settlement of a travel claim is submitted after the allowed time frames, the payment to the employee shall not be made until the claim has

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been reviewed and approved by the Auditor-Controller or his/her designee.

G. Travel Card Use

Subject to the rules contained in the Travel Card Policy, travel expenses (airline, hotel, vehicle rental, gas, emergency repair of county vehicles and airport parking) may be charged to County of Monterey Travel Cards. Prohibited items include employee meals, room service, movies, cash advances, gift cards of any kind, liquor, tobacco and other items prohibited by the Travel Card Policy. Under no circumstances should personal items (even if reimbursed to the county) be charged to the travel card. Expenses paid on the travel card should not be included on a claim for reimbursement.

VII. INTERPRETATIONS

The Auditor-Controller, or his/her designee, shall be responsible for interpretations of this policy.

VIII. EXCEPTIONS

Exceptions to this policy require the approval of the Auditor-Controller or his/her designee.

IX. CONFLICT WITH RULES

In the event that this County Travel policy is in conflict with another County policy, the policy with the strictest application shall prevail.



Group Purchasing Program Statement of Work

Vizient, Inc., a Delaware corporation, ("**Vizient**"), will provide the services detailed in this **Group Purchasing Program Statement of Work** ("**SOW**") to the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center ("**Member**"), an acute care hospital, and Member's Covered Facilities (defined below), for the Service Fees indicated below. This SOW is made pursuant to the terms and conditions set forth in the Master Services Agreement dated July 1, 2019, and any amendments or addendums thereto (collectively, the "**Master Agreement**"). As such, all capitalized terms used herein and not otherwise defined in this SOW will have the meanings ascribed to such terms in the Master Agreement. As of the Effective Date, this SOW shall supersede that certain SOW for the Group Purchasing Services between County of Monterey on behalf of Natividad Medical Center dated July 1, 2014, as amended. For the avoidance of doubt, this Agreement shall govern the period commencing on the Effective Date. This SOW is effective as of July 1, 2019 ("**Effective Date**"). Vizient and Member are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**." Any reference to, or description of any right or obligation of, "Member" in this SOW will also include its Covered Facilities (as defined in Section 2) unless specifically delineated.

1. **Services.** Vizient will provide Group Purchasing Program services to Member (collectively, the "**Services**"). Specifically, the Services include:

1.1 **GPO Services and Agent Designation.** Vizient is a health care group purchasing organization ("**GPO**") that, on behalf of participating organizations, negotiates, directly and through its contracting subsidiaries, such as Vizient Supply, LLC ("**Vizient Supply**") and MedAssets Performance Management Solutions, Inc. ("**MedAssets**"), vendor and distributor ("**Suppliers**") agreements ("**Supplier Agreements**") for goods, services, or intangible items (collectively, "**Covered Items**") and offers related supply chain and clinical improvement services (collectively referred to as the "**Group Purchasing Program**"). Member designates, for itself and on behalf of its Covered Facilities, Vizient and its agents, including, but not limited to, Vizient Supply and MedAssets, to act as Member's primary GPO agent for purposes of negotiating and entering into Supplier Agreements under which Member may purchase as a third-party beneficiary; provided, however, Vizient shall remain Member's exclusive GPO for purposes of negotiating and entering into pharmaceutical and pharmacy-related Supplier Agreements.

1.2 **Ancillary Document Agent Designation.** Member appoints Vizient as its authorized agent for the limited purpose of entering into, executing, and submitting to Suppliers, on Member's behalf, purchase-level tier assignments, letters of participation, letters of commitment, or other relevant documentation, to the extent such documentation is required to provide Member with access to and benefit from Supplier Agreements.

1.3 **Vizient Catalog.** Vizient will provide Member with access to Vizient's electronic contract management and catalog database ("**Vizient Catalog**") which provides access to: i) Supplier Agreements; ii) information regarding Vizient's products and services; iii) Administrative Fees Database (as defined below); and iv) Annual Disclosure Reports (as defined below).

1.4 **Supplier Disputes.** Vizient will provide Member with reasonable assistance to resolve disputes with Suppliers related to Supplier Agreements; provided, however, Vizient will not provide legal analysis or legal counseling to Member or any dispute-resolution assistance requiring legal expertise.

2. **Covered Facilities.**

2.1 **Covered Facility.** A "**Covered Facility**," or collectively, "**Covered Facilities**," are individual sites or facilities whereby Member represents and warrants Member: i) has managerial or operational responsibilities including,

without limitation, primary control of each Covered Facility's procurement activities related to supply chain management; ii) has the authority to bind each Covered Facility to the terms and conditions of this SOW; and iii) is authorized to accept any applicable Fee Share, Discounts, or Rebates (as defined below) on behalf of Covered Facilities. The term "primary control" means Member has the power, directly or indirectly, whether through ownership or via a management agreement, to direct, oversee, manage, or implement policies as it relates to procurement activities or facility operations. Vizient reserves the right to require reasonable written documentation a Covered Facility meets the requirements of this section. Member agrees to indemnify Vizient against, and hold Vizient harmless from, any claim arising from the breach of this representation and warranty.

2.2 Covered Facility Addition Form. Upon execution of this SOW, Vizient will provide Member with an electronic form whereby Member can add Covered Facilities to Member's Group Purchasing Program membership ("Covered Facility Addition Form"). Thereafter, Member has 30 days to complete and return the Covered Facility Addition Form to Vizient at the email address described therein. Member may add a Covered Facility at any time by submitting a Covered Facility Addition Form which will take effect within 3 business days of receipt. Member may remove a Covered Facility by providing written notice to Vizient. Member is responsible for providing all information necessary to roster Covered Facilities under Member's Group Purchasing Program membership. Each Covered Facility must comply with the terms hereof and Vizient will have no obligation to provide Services or Fee Share to any site or facility not rostered as a Covered Facility in accordance with this SOW. Vizient reserves the right to, reasonably and in good faith, condition the addition of a Covered Facility on a mutually agreeable amendment to this SOW.

3. Term and Termination.

3.1 Term. The initial term of this SOW will commence on the Effective Date and continue for a period of (36) months ("Initial Term") and will have an option to renew for additional 3 year terms (each, a "Renewal Term") by providing at least 90 days prior to the expiration of the then current Term (the Initial Term and any Renewal Terms are collectively referred to herein as the "Term") written notice.

3.2 Termination for Convenience. This SOW may not be terminated for convenience. If the Master Agreement expires or is terminated for convenience prior to the expiration of this SOW, the applicable terms and conditions of the Master Agreement survive for the limited purpose of governing this SOW for its remaining Term.

3.3 Termination for Cause. The Parties may terminate this SOW for material breach in accordance with the terms of the Master Agreement. Notwithstanding the foregoing, all notices to or from a Covered Facility relating to any material breach will require a simultaneous notice to the Member.

3.4 Effect of Termination. The termination of this SOW relative to a Covered Facility will not automatically result in the termination of this SOW as between Vizient and Member; provided, however, termination of this SOW relative to the Member will result in the automatic termination of this SOW as between Vizient, Member, and all Covered Facilities.

4. Administrative Fees, Discounts and Rebates, and Supplier Agreement Obligations.

4.1 Administrative Fees. Member acknowledges and agrees that, pursuant to the terms of Supplier Agreements, Vizient i) will receive administrative fees from Suppliers based on Member's purchases ("Administrative Fees") and ii) may furnish certain administrative and promotional services to such Suppliers.

4.2 Administrative Fees Database. Except as otherwise provided for in a Supplier Agreement, each Supplier Agreement provides for a fixed Administrative Fee of 3% or less of the purchase price for Covered Item(s). For Supplier Agreements that provide for an Administrative Fee greater than 3%, Member can access such Administrative Fee amounts ("Administrative Fees Database") via Vizient Catalog, which Vizient will update as necessary, and is incorporated herein by reference. This section is intended to maintain the Parties'

compliance with the federal health care GPO anti-kickback statutory exception, 42 USC 1320a-7b(b)(3)(C), and regulatory safe harbor, 42 CFR 1001.952(j), as amended.

- 4.3 Discounts and Rebates.** Member acknowledges and agrees that, in addition to any Fee Share, Member: i) may receive discounts ("Discounts") or rebates ("Rebates") from Suppliers or Vizient that may be subject to 42 USC 1320-7b and thus Member may have an obligation under federal or state law to disclose such Discounts or Rebates to federal or state health care programs or other payors part of the cost reporting process or otherwise; and ii) agrees to comply with all such laws. This section is intended to maintain the Parties' compliance with the federal health care GPO anti-kickback statutory exception, 42 USC 1320a-7b(b)(3)(C) and discount safe harbor, 42 CFR 1001.952(h)-(j), as amended.
- 4.4 Impact Standardization Program.** Vizient's Impact Standardization Program ("Impact Program") provides quarterly Rebates to those members who enroll and comply with the Impact Program's standardization purchasing requirements. Upon successful enrollment and compliance with the Impact Program's requirements, Member will receive all Impact Program Rebates paid to Vizient, on behalf of Member, during each calendar quarter. Vizient will pay all Rebates to Member within 120 days following the end of each calendar quarter.
- 4.5 Annual Disclosure Report.** Vizient will provide Member, no less than annually and via Vizient Catalog, an annual report listing Member's purchases and respective Administrative Fees, Rebates, or Discounts received by Vizient based on such purchases ("Annual Disclosure Report"). Member acknowledges and agrees Vizient has no obligation to provide an Annual Disclosure Report to Covered Facilities. As such, Member represents and warrants it will provide Covered Facilities with any information relating to Administrative Fees necessary for Covered Facilities to comply with all relevant state and federal cost reporting or other laws and regulations. Member agrees to indemnify Vizient against, and hold Vizient harmless from, any claim arising from breach of this representation and warrant.
- 4.6 Supplier Agreement Obligations.** Member is bound to the terms and conditions of each Supplier Agreement if Member: i) purchases Covered Items under that agreement; or ii) agrees to be bound to that agreement in an ancillary document (such as a Letter of Commitment or Letter of Participation). Member warrants that any purchase made under any Supplier Agreement will not cause Member to breach any third-party agreement or obligation. Vizient has no responsibility for interpreting, negotiating, or managing ancillary agreements Member enters into with an individual Supplier. Notwithstanding the foregoing, Member determines, in its sole discretion, whether and how much to purchase through Supplier Agreements.
- 4.7 Own Use.** Member represents and warrants that all Covered Items purchased will be for Member's "own use," within the meaning of the Nonprofit Institutions Act as interpreted by the U.S. Supreme Court in Abbott Laboratories v. Portland Retail Druggists Association Inc., 425 U.S. 1 (1976), and its successor line of cases, and will comply with the Prescription Drug Marketing Act of 1987, as applicable and amended. Member will indemnify and hold Vizient harmless from any and all manner of liability including, but not limited to, any and all costs of defense resulting from any breach by Member of this section. Vizient will have the right to immediately terminate this SOW should Member breach the foregoing representation and warranty.
- 5. Service Fees, Committed Purchases Requirement, and Fee Share.**
- 5.1 Service Fees.** Vizient will provide the Services described herein to Member in consideration of the Administrative Fees retained by Vizient hereunder ("Service Fees"), and Member acknowledges and agrees the retained Administrative Fees represent the fair market value of such Services.
- 5.2 Committed Purchases Requirement.** For each 12-month period, commencing on the Effective Date (each, a "Contract Year"), Member's aggregate purchases reported by Suppliers, not acting in the capacity of a distributor ("Manufacturer Purchases"), will equal or exceed the applicable spend amount (the "Committed Purchases Requirement" or "CPR"), as follows:

Contract Year	Committed Purchases Requirement
July 1, 2019 – June 30, 2020	\$19,436,000
July 1, 2020 – June 30, 2021	\$19,436,000
July 1, 2021 – June 30, 2022	\$19,436,000

In the event of a Renewal Term, the then-current CPR will increase by 3% for each Renewal Term.

- 5.3 **Fee Share.** Vizient will pay Member 30% of Administrative Fees reported by Suppliers, based on Member’s purchases during the Term (“Fee Share”), within 120 days following the end of each calendar quarter.

- 5.4 **Member Statement.** After the end of each calendar quarter, Vizient will provide Member with a summary account statement (“Member Statement”) showing total Fee Share earned, other cash payments, and any other fees offset for the respective calendar quarter. If the Member Statement reflects a total net due amount owed from Vizient to Member, Vizient will pay Member such amounts within 120 days after the last day of the applicable period. If the Member Statement reflects a total net amount due from Member to Vizient, Vizient will issue an invoice for such amounts and Member will pay all invoices within 30 days from receipt of a certified invoice by the County of Monterey Auditor-Controller. Vizient reserves the right to offset any Service Fees, Reimbursable Expenses, or any other amounts owed under the Master Agreement, past due 90 days, against amounts due to Member as reflected in the Member Statement. The Member Statement will provide a summary of any Service Fees, Reimbursable Expenses, and other amounts offset by Vizient.

- 5.5 **No Obligation.** Notwithstanding anything to the contrary stated herein, Vizient will not be obligated to pay Fee Share in the event: i) Member breaches a material term of the Master Agreement or this SOW that remains uncured; ii) Administrative Fees are received for which a Supplier has failed to provide sufficient detail to determine whether they are derived from purchases made by Member or a Covered Facility; iii) a change in law or regulation occurs which Vizient reasonably believes prohibits the sharing of such Administrative Fees with its members; or iv) a Supplier Agreement prohibits the sharing of Administrative Fees.

- 5.6 **Term Expiration.** Following the expiration of the Term, Vizient will pay Member Fee Share for purchases i) made prior to the Term expiration date; and ii) reported to Vizient by a Supplier within 90 days of the Term expiration date. For purposes of clarification, Vizient will have no obligation to pay Fee Share for any purchases made by Member following the expiration of the Term or reported by a Supplier more than 90 days after the expiration of the Term. An early termination of this SOW, for any reason, will terminate Vizient’s obligation to pay any Fee Share to Member after the effective date of such termination.

- 5.7 **Reimbursable Expenses.** Omitted

[Signatures on next page]

Natividad Medical Center – Group Purchasing Program

(Member ID# 83098)

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

Vizient, Inc.

Natividad Medical Center

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

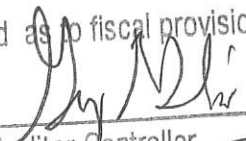
Title: _____

Date: _____

Date: _____

Please sign, scan, and email to: executedagreements@vizientinc.com. Vizient will provide a fully executed electronic copy to Member.

Reviewed as to fiscal provisions



Auditor-Controller
County of Monterey

7-1-19



A. Breerton

Dep. CO CO.

June 28, 2019

Exhibit A – Covered Facilities

	NAME	Vizient MID	Address	City	ST	ZIP