

[REDACTED]

This Services Agreement ("Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and: _____, Stericycle, Inc. (hereinafter "CONTRACTOR").

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

1. **SERVICES TO BE PROVIDED.**

1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:
Provide retrieval and proper disposal of medical waste.

2. **HAZARDOUS MATERIALS:** CONTRACTOR shall comply with the Superfund Amendments and Reauthorization Act (SARA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) while performing all services of this Agreement. CONTRACTOR shall be solely responsible for the transportation and disposal or release of any hazardous material. County does not take responsibility for the improper packaging and/or transportation of any hazardous materials ordered by the County while in transit or storage of services performed for this Agreement.

3. **PAYMENTS BY COUNTY.** County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$ 20,000.00.

4. **TERM OF AGREEMENT.**

4.01 The term of this Agreement is from July 1, 2011 to June 30, 2012, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.

4.02 The County reserves the right to cancel this AGREEMENT, or any extension of this AGREEMENT, without cause, with a thirty day (30) written notice, or with cause immediately.

4.03 CONTRACTOR must commence negotiations for rate changes a minimum of ninety days (90) prior to the expiration of the AGREEMENT.

4.04 If the County exercises its option to extend, the parties shall mutually agree upon changes to rates, terms and conditions.

5. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions
Exhibit B Business Associate Agreement

6. **PERFORMANCE STANDARDS.**

6.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

6.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

6.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

7. **PAYMENT CONDITIONS.**

7.01. Prices shall remain firm for the initial term of the AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.

7.02. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the AGREEMENT.

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

7.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this AGREEMENT, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

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

9. INSURANCE.

9.01. **Coverage Requirements.** Without limiting its Indemnities, CONTRACTOR will secure and maintain insurance coverage meeting requirements herein. CONTRACTOR may use a combination of primary and excess insurance coverage to satisfy these requirements. If CONTRACTOR fails to fully satisfy the Coverage Requirements set forth herein, CONTRACTOR agrees that it shall be liable for any loss, injury, damage, attorney's fees or defense costs, or expenses, that the COUNTY incurs that would have been insurable under the required coverages, if such coverages were obtained. CONTRACTOR further agrees that any failure of the COUNTY to verify the placement and continued existence of all insurance required herein, or the COUNTY'S knowledge that such requirements are not fully satisfied, shall not be considered a waiver of such requirements, or in any way alter CONTRACTOR'S obligations to provide such coverages, unless the Coverage Requirements have been amended in a writing properly executed by both the COUNTY and CONTRACTOR.

9.02. CONTRACTOR further agrees that the **General Liability Insurance, Pollution Liability Insurance, and Automobile Liability Insurance** shall each include provisions, either by blanket endorsement(s), or by specific endorsement(s), satisfying the following requirements to be documented:

9.02a. "The County of Monterey, and its agents, officers, and employees" shall be an additional insured under an ISO CG 2010 11/85 form, or a functional equivalent;

9.02b. All such insurance shall include a waiver of any subrogation rights of that insurer against "The County of Monterey, and its agents, officers, and employees"; and

9.02c. All such insurance shall contain provisions that the insurance is primary and non-contributing with any other insurance or self-insurance programs maintained by the "County of Monterey, and its agents, officers, and/or employees".

9.03. CONTRACTOR further agrees that the **General Liability Insurance, Pollution Liability Insurance, and Automobile Liability Insurance** required herein shall each include provisions that make the CONTRACTOR responsible for the payment of any deductible or self-insured retention such that "the County of Monterey and its agents, officers, and employees" shall be entitled to a dollar-one defense and indemnity as additional insureds.

9.04. In addition, to the extent that **any primary or excess liability policy** issued to CONTRACTOR with limits of liability in excess of the minimum limits stated below provides

coverage to an additional insured to the extent required by contract, this contract shall be construed to obligate CONTRACTOR to obtain additional insured protection for the COUNTY under that/those policy(ies).

9.05. **General Liability Insurance** written on ISO policy form CG 00 01 (occurrence) or its equivalent (and not CG 00 02 claims made) with limits of not less than the following:

- 9.05a. General Aggregate: ~~\$6 million~~ - \$2 million
- 9.05b. Products/Completion Operations Aggregate: ~~\$6 million~~ - \$2 million
- 9.05c. Personal and Advertising Injury: ~~-\$5 million~~ - \$1 million
- 9.05d. Each Occurrence: ~~-\$5 million~~ - \$1 million

x Sub 2 11/16/11
date:

9.06. **Pollution Legal Liability Coverage** shall include any deductible or self-insured retention, covering loss (including cleanup costs) that CONTRACTOR becomes legally obligated to pay as a result of claims for bodily injury, property damage, and cleanup costs (including expenses required by environmental laws or incurred by federal, state, or local governments or third parties) that arise or are alleged to arise from pollution conditions related to CONTRACTOR'S performance of its obligations under this AGREEMENT, including the loading, unloading, or transportation of cargo/waste, and including a defense for all such claims. For the purpose of this subsection, "pollution conditions" includes the dispersal, discharge, release, or escape of any solid, liquid, gaseous or thermal irritant or contaminant (such as smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste, and waste materials) into or upon land, any structure on land, the atmosphere, or any watercourse or body of water (including groundwater), provided the conditions are not naturally present in the environment in the amounts or concentrations discovered. The liability coverage for pollution must provide contractual liability coverage, by endorsement or schedule, if necessary, for CONTRACTOR'S Indemnities. Coverage shall be with limits of not less than the following: Each Occurrence: ~~-\$50 million~~ - \$5 million.

x Sub 2 11/16/11
date:

9.07. **Automobile Liability Coverage** written on ISO policy forms CA 00 12 pr CA 00 20 (or their equivalent) shall include any deductibles or self-insured retentions; endorsed to delete the pollution and/or the asbestos exclusion and include pollution liability (using form CA 99 48 or its equivalent) for accidental spills and discharges while transporting and/or processing materials, unless such coverage is otherwise provided under the Pollution Legal Liability Coverage; and covering all Vehicles (any auto). Coverage shall be with limits of not less than the following: Each Accident: ~~-\$10 million~~ - \$5 million

x Sub 2 11/16/11
date:

9.08. If CONTRACTOR is subject to federal regulations, CONTRACTOR also will maintain any other coverage necessary to satisfy state or federal financial responsibility requirements.

9.09. **Workers' Compensation and Employers' Liability insurance** providing workers' compensation benefits required by the California Labor Code or by any other state labor law, and for which CONTRACTOR is responsible, and Employers' Liability coverage with limits of not less than the following:

- 9.09a. Each accident: \$1 million
- 9.09b. Disease - policy limit: \$1 million
- 9.09c. Disease - each employee: \$1 million

9.10. **Blanket Crime Coverage** shall cover losses of Customer service charges received from Customers and held by Contractor prior to remittance of Contractor

payment obligations therefrom to County, with the County to be a Loss Payee under such coverage, to the extent that its interests may appear or be affected. If CONTRACTOR fails to secure and maintain any insurance required by this Agreement, at its sole option COUNTY may secure and maintain that insurance at its expense and CONTRACTOR will pay COUNTY the COUNTY'S reimbursement costs therefore. This remedy is in addition to COUNTY'S right to declare a Default and terminate the Agreement. Coverage shall be with limits of not less than the following: Incidents of Employee Theft: ~~-\$25 million--~~ N/A

x 8/16/11
date:

10. RECORDS AND CONFIDENTIALITY.

10.01. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.02. Access to and Audit of Records. The County shall have the right to examine, monitor, and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services and their performance under this Agreement during the term of the Agreement and for a period up to three years after the termination or expiration and final payment under the Agreement. Pursuant to Government Code section 8546.7 or otherwise, this Agreement may be subject, at the request of the County or as part of any audit of the County, to an examination and audit pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

11. **NON-DISCRIMINATION.** During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

13. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
<u>Ray Bullick, Director of Health</u>	<u>Dietrah Weber-Stiles, Strategic Customer Analyst</u>
Name and Title	Name and Title
1270 Natividad Road	4010 Commercial Avenue
Salinas, CA 93906	Northbrook, IL 60062
Address	Address
<u>(831) 755-4526</u>	<u>(847) 943-6744</u>
Phone/Fax	Phone/Fax
	<u>dweber@stericycle.com</u>
Email	Email

14. MISCELLANEOUS PROVISIONS.

- 14.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 14.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 14.03 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 14.04 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 14.05 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 14.06 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

- 14.07 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 14.08 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 14.09 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 14.10 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California with venue and jurisdiction being the County of Monterey.
- 14.11 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 14.12 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 14.13 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 14.14 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 14.15 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.
- 14.16 Severability. If any provision or any portion of any provision of this Agreement becomes invalid, illegal, or unenforceable, the remaining provisions or portions of any provisions shall be valid and enforceable to the extent possible.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: [Signature]
Contracts/Purchasing Officer
Date: 8-19-11

Approved as to Form

By: [Signature]
Deputy County Counsel¹
Date: 8/4/11

Approved as to Fiscal Provisions

By: [Signature]
Deputy Auditor/Controller²
Date: 8/4/11

Approved as to Liability Provisions
APPROVED AS TO INDEMNITY/
INSURANCE LANGUAGE

By: [Signature]
Risk Management
Date: 8-18-11

CONTRACTOR

Stericycle Inc
Contractor's Business Name*

By: [Signature]
(Signature of Chair, President, or
Vice-President)*

Dietrich Weber / SCA-6
Name and Title

Date: 7-21-11

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

Eugene Tan / AM
Name and Title

Date: 07/21/11

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

¹Approval by County Counsel is required

²Approval by Auditor-Controller is required

³Approval by Risk Management is required

EXHIBIT-A

**To
Professional Service Agreement
Between
The County of Monterey
AND
Stericycle, Inc.**

Scope of Services / Payment Provisions

A. SCOPE OF SERVICES

- A.1 CONTRACTOR will provide services on a scheduled and routine basis. Locations where CONTRACTOR will provide services include, but are not limited to:

Account Number	Clinic	Frequency
6107652	Alisal Health Center 559 East Alisal St., Suite 201 Salinas, CA 93905	Weekly
6107859	Laurel Health Clinics 1441 Constitution Blvd. Building 151, 200 Salinas, CA 93906	Weekly
6107873	Seaside Family Health Center 1150 Fremont Blvd. Seaside, CA 93955	Weekly
6107874	Seaside Family Health Center 1150 Fremont Blvd. Seaside, CA 93955	Weekly
6107983	Monterey Health Clinic at Marina 3155 De Forest Road Marina, CA 93933	Bi-Weekly

The CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

A.1.1 CONTRACTOR AGREES TO THE FOLLOWING:

- a. To provide all Labor and transportation, necessary or required, to perform all work for the process of the removal of medical waste, as defined in Attachment to Exhibit A, from County grounds.
- b. To pick up medical waste from designated County areas within 24 hours of request (EMERGENCY PICK-UP).
- c. To comply with all applicable state and federal, health and safety codes, rules and regulations during the term of this contract period, including the Medical Waste Management Act (MWMA) (California Health and Safety Code, Sections 117600 – 118360).

- d. To provide tracking documentation for all containers received from County. Said documentation will be in compliance with all government regulations and will serve as proof of disposal and destruction of medical waste.
- e. To take title to the County's medical waste upon pickup by assuming full responsibility for all containers at the time of receipt.
- f. To guarantee appropriate treatment through complete destruction of medical waste at a licensed facility.
- g. To provide either "scheduled" or "as needed" pickup based upon County's needs. Trained, licensed, professional drivers in vehicles licensed and registered with the State of California will perform all pickups. All items removed from site will be listed on CONTRACTOR'S approved form and form will be signed by site personnel.
- h. To sell medical waste container products to County at competitive pricing.

A.1.2 COUNTY AGREES TO THE FOLLOWING:

- a. County will notify CONTRACTOR at least one business day prior to when services are requested, except as routinely scheduled.
- b. To place only medical waste as defined per Attachment 1 to Exhibit A in containers for pickup. Other types of waste, i.e., pharmaceutical, radioactive chemicals or other hazardous waste shall not be placed in containers designated for medical waste.
- c. All syringes/needles will be placed in Sharps containers and all blood/infectious waste will be placed in Biohazard bags by County staff prior to pickup by CONTRACTOR.
- d. To place only pharmaceutical waste into containers provided by CONTRACTOR prior to pickup by CONTRACTOR. Pharmaceutical containers must be labeled "Incinerate Only" on all sides and on top.

B. PAYMENT PROVISIONS

B.1 COMPENSATION/ PAYMENT

County shall pay an amount not to exceed (\$20,000.00) for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. It is mutually understood and agreed by both parties that CONTRACTOR shall be compensated under the Agreement in accordance with this Exhibit A. Charges not stated on this rate sheet shall not be invoiced to County. CONTRACTOR'S compensation for services rendered shall be based solely on the following rates.

Quantity	Description	Price
Stop Charge ¹	Per Stop fee	\$38.00
California AB 1807 Fee	Permit fee for offsite treatment of medical waste	\$0.0127/lb
48 Gal Tub (Bio) CT 12.7 Lb	Treatment fee for 48 gallon biohazard tub.	\$27.00
44 Gal Tub (Bio) CT 12.7 Lb	Treatment fee for 44 gallon biohazard tub.	\$27.00
20 Gal Tub (Bio) CT 5.7 Lb	Treatment fee for 20 gallon biohazard tub.	\$27.00
2 Gal (Pharm)	Treatment fee for 2 Gallon Pharmaceutical container.	\$40.00
3 Gal (Pharm)	Treatment fee for 3 Gallon Pharmaceutical container.	\$45.00
8 Gal (Pharm)	Treatment fee for 8 Gallon Pharmaceutical container.	\$65.00
12 Gal (Pharm)	Treatment fee for 12 Gallon Pharmaceutical container.	\$80.00
48 Gal Tub (Bio) CT 12.7 Lb ²	Biohazard Waste Container	\$27.00
44 Gal Tub (Bio) CT 12.7 Lb ²	Biohazard Waste Container	\$27.00
20 Gal Tub (Bio) CT 5.7 Lb ²	Biohazard Waste Container	\$25.00
5.4 Qt Sharps (Bio)	Sharps Waste Container	\$9.00
2 Gallon PharmaSafety White ²	Pharmaceutical Waste Container	\$18.21
3 Gallon PharmaSafety White ²	Pharmaceutical Waste Container	\$28.82
8 Gallon PharmaSafety White ²	Pharmaceutical Waste Container	\$35.75
12 Gallon PharmaSafety White ²	Pharmaceutical Waste Container	\$60.64

¹ Laurel Women's Health, Laurel Pediatrics, Laurel Internal Medicine, and Laurel Family Practice shall be collectively charged as one trip. CONTRACTOR shall not have extra charges for emergency pick-up.

² CONTRACTOR shall provide replacement biohazard and pharmaceutical container(s) for ones to be treated at no cost to the County. Container prices are only for extra containers, as requested by County.

ATTACHMENT TO EXHIBIT A

- I. MEDICAL WASTE IS COMPOSED OF WASTE WHICH IS GENERATED OR PRODUCED AS A RESULT OF:
 - a. Diagnosis, treatment, or immunization of human beings or animals.
 - b. Research pertaining thereto.
 - c. Production or testing of biologicals.
- II. MEDICAL WASTE IS FURTHER DEFINED TO INCLUDE:
 - a. Sharps waste, which means any device having acute rigid corners, edges or protuberances capable of cutting or piercing. Including but not limited to, all of the following:
 1. Hypodermic needles, syringes, blades and needles with attached tubing.
 2. Broken glass items, such as Pasteur pipettes and blood vials contaminated with other medical waste.
- III. BIO-HAZARDOUS WASTE WHICH MEANS ANY OF THE FOLLOWING:
 - a. Laboratory waste, including, but not limited to all of the following:
 1. Human or animal specimen cultures from medical and pathological laboratories.
 2. Cultures and stocks of infectious agents from research and industrial laboratories.
 3. Wastes from the production of bacteria, viruses, or the use of spores, discarded live and attenuated vaccines, and culture dishes and devices used to transfer, inoculate and mix cultures.
 - b. Waste containing any microbiological specimens sent to a laboratory for analysis.
 - c. Human surgery specimens or tissues removed at surgery or autopsy, which are suspected by the attending physician and surgeon or dentist of being contaminated with infectious agents known to be contagious to humans. Human surgery specimens or tissues, which have been fixed with formaldehyde or other fixatives, are not bio-hazardous.
 - d. Animal parts, tissues, fluids, or carcasses suspected by the attending veterinarian of being contaminated with infectious agents known to be contagious to humans.
 - e. Waste, which at the point of transport from the generator's site, at the point of disposal, or thereafter, contains recognizable fluid blood, fluid blood products, containers, or equipment containing blood that is fluid or blood from animals known to be infected with diseases which are highly communicable to humans.
 - f. Waste containing discarded materials contaminated with excretion, exudates, or secretions from humans who are required to be isolated by the infection control staff, the attending physician and surgeon, the attending veterinarian, or the local health officer, to protect others from highly communicable diseases or isolated animals known to be infected with diseases which are highly communicable to humans.

Exhibit B
BUSINESS ASSOCIATE AGREEMENT

This Agreement, hereinafter referred to as "**Agreement**", is made effective 7/1 by and between the County of Monterey, a political subdivision of the State of California, on behalf of the Health Department, hereinafter referred to as "**Covered Entity**", and Stericycle, Inc., hereinafter referred to as "**Business Associate**", (individually, a "Party" and collectively, the "Parties").

WITNESSETH:

WHEREAS, Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, known as "the Administrative Simplification provisions," direct the Department of Health and Human Services to develop standards to protect the security, confidentiality and integrity of health information; and

WHEREAS, pursuant to the Administrative Simplification provisions, the Secretary of Health and Human Services has issued regulations modifying 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule"); and

WHEREAS, the United States Congress has enacted the American Recovery and Reinvestment Act of 2009 ("ARRA"), which amends HIPAA and the HIPAA Privacy Rule; and

WHEREAS, the State of California has enacted statutes designed to safeguard patient privacy including, without limitation, the Confidentiality of Medical Information Act ("CMIA"), California Civil Code § 56 *et seq.*, Senate Bill 541, enacted September 30, 2008, and Assembly Bill 211, enacted September 30, 2008; and

WHEREAS, the parties acknowledge that California law may include provisions more stringent and more protective of the confidentiality of health information than the provisions of HIPAA; and

WHEREAS, the Parties wish to enter into or have entered into an arrangement whereby Business Associate will provide certain services to Covered Entity, hereby referred to as the "Service Agreement" and, pursuant to such arrangement, Business Associate may be considered a "business associate" of Covered Entity as defined in the HIPAA Privacy Rule and under California law; and

WHEREAS, Business Associate may have access to Protected Health Information (as defined below) in fulfilling its responsibilities under such arrangement;

THEREFORE, in consideration of the Parties' continuing obligations under the Service Agreement, compliance with the HIPAA Privacy Rule, as amended by ARRA, compliance with California law, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the provisions of this Agreement in order to address the requirements of the HIPAA Privacy Rule, as amended by ARRA, and California law and to protect the interests of both Parties.

I. DEFINITIONS

Except as otherwise defined herein, any and all capitalized terms in this Section shall have the definitions set forth in the HIPAA Privacy Rule. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of the HIPAA Privacy Rule, as amended, the HIPAA Privacy Rule shall control. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of CMIA or other California law, California law shall control. Where provisions of this Agreement are different than those mandated in the HIPAA Privacy Rule and California law, but nonetheless are permitted by the HIPAA Privacy Rule and California law, the provisions of this Agreement shall control.

The term "Protected Health Information" means individually identifiable health information including, without limitation, all information, data, documentation, and materials, including without limitation, demographic, medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

Business Associate acknowledges and agrees that all Protected Health Information that is created or received by Covered Entity and disclosed or made available in any form, including paper record, oral communication, audio recording, and electronic display by Covered Entity or its operating units to Business Associate or is created or received by Business Associate on Covered Entity's behalf shall be subject to this Agreement.

II. CONFIDENTIALITY REQUIREMENTS

(a) Business Associate agrees:

(i) to access, use, or disclose any Protected Health Information solely: (1) for meeting its obligations as set forth in any agreements between the Parties evidencing their business relationship or (2) as required by applicable law, rule or regulation, or by accrediting or credentialing organization to whom Covered Entity is required to disclose such information or as otherwise permitted under this Agreement, the Service Agreement (if consistent with this Agreement the HIPAA Privacy Rule, and California law), the HIPAA Privacy Rule, or California law and (3) as would be permitted by the HIPAA Privacy Rule and California law if such use or disclosure were made by Covered Entity;

(ii) at termination of this Agreement, the Service Agreement (or any similar documentation of the business relationship of the Parties), or upon request of Covered Entity, whichever occurs first, if feasible, Business Associate will return or destroy all Protected Health Information received from or created or received by Business Associate on behalf of Covered Entity that Business Associate still maintains in any form and retain no copies of such information, or if such return or destruction is not feasible, Business Associate will extend the protections of this Agreement to the information and limit further access, uses, and disclosures to those purposes that make the return or destruction of the information not feasible; and

(iii) to ensure that its agents, including a subcontractor, to whom it provides Protected Health Information received from or created by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply to Business Associate with respect to such information. In addition, Business Associate agrees to take reasonable steps to ensure that its employees' actions or omissions do not cause Business Associate to breach the terms of this Agreement.

(b) Notwithstanding the prohibitions set forth in this Agreement, Business Associate may use and disclose Protected Health Information as follows:

(i) if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that as to any such disclosure, the following requirements are met:

(A) the disclosure is required by law; or

(B) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and accessed, used, or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached, within five calendar days of discovering said breach of confidentiality;

(ii) for data aggregation services, if to be provided by Business Associate for the health care operations of Covered Entity pursuant to any agreements between the Parties evidencing their business relationship. For purposes of this Agreement, data aggregation services means the combining of

Protected Health Information by Business Associate with the protected health information received by Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

(c) Business Associate will implement appropriate safeguards to prevent access to, use of, or disclosure of Protected Health Information other than as permitted in this Agreement. The Secretary of Health and Human Services shall have the right to audit Business Associate's records and practices related to use and disclosure of Protected Health Information to ensure Covered Entity's compliance with the terms of the HIPAA Privacy Rule. Business Associate shall report to Covered Entity any access, use, or disclosure of Protected Health Information which is not in compliance with the terms of this Agreement, the HIPAA Privacy Rule, as amended by ARRA, or under California law, of which it becomes aware within five calendar days of discovering such improper access, use, or disclosure. In addition, Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use, disclosure, or access of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

III. AVAILABILITY OF PHI

Business Associate agrees to make available Protected Health Information to the extent and in the manner required by Section 164.524 of the HIPAA Privacy Rule. Business Associate agrees to make Protected Health Information available for amendment and incorporate any amendments to Protected Health Information in accordance with the requirements of Section 164.526 of the HIPAA Privacy Rule. In addition, Business Associate agrees to make Protected Health Information available for purposes of accounting of disclosures, as required by Section 164.528 of the HIPAA Privacy Rule.

IV. TERMINATION

Notwithstanding anything in this Agreement to the contrary, Covered Entity shall have the right to terminate this Agreement and the Service Agreement immediately if Covered Entity determines that Business Associate has violated any material term of this Agreement. If Covered Entity reasonably believes that Business Associate will violate a material term of this Agreement and, where practicable, Covered Entity gives written notice to Business Associate of such belief within a reasonable time after forming such belief, and Business Associate fails to provide adequate written assurances to Covered Entity that it will not breach the cited term of this Agreement within a reasonable period of time given the specific circumstances, but in any event, before the threatened breach is to occur, then Covered Entity shall have the right to terminate this Agreement and the Service Agreement immediately, and seek injunctive and/or declaratory relief in a court of law having jurisdiction over Business Associate.

V. MISCELLANEOUS

Except as expressly stated herein, in the HIPAA Privacy Rule, or under California law, the parties to this Agreement do not intend to create any rights in any third parties. The obligations of Business Associate under this Section shall survive the expiration, termination, or cancellation of this Agreement, the Service Agreement and/or the business relationship of the parties, and shall continue to bind Business Associate, its agents, employees, contractors, successors, and assigns as set forth herein.

This Agreement may be amended or modified only in a writing signed by the Parties. No Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party. None of the provisions of this Agreement are intended to create, nor will they be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and any other agreements between the Parties evidencing their business

relationship. This Agreement will be governed by the laws of the State of California. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

The parties agree that, in the event that any documentation of the parties, pursuant to which Business Associate provides services to Covered Entity contains provisions relating to the use or disclosure of Protected Health Information which are more restrictive than the provisions of this Agreement, the provisions of the more restrictive documentation will control. The provisions of this Agreement are intended to establish the minimum requirements regarding Business Associate's use and disclosure of Protected Health Information.

In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect. In addition, in the event a party believes in good faith that any provision of this Agreement fails to comply with the then-current requirements of the HIPAA Privacy Rule or California law, such party shall notify the other party in writing. For a period of up to thirty days, the parties shall attempt in good faith to address such concern and amend the terms of this Agreement, if necessary to bring it into compliance. If, at the conclusion of such thirty-day period, a party believes in good faith that the Agreement still fails to comply with the HIPAA Privacy Rule or California law, then either party has the right to terminate this Agreement and the Service Agreement upon written notice to the other party. Neither party may terminate this Agreement without simultaneously terminating the Service Agreement, unless the parties mutually agree in writing to modify this Agreement or immediately replace it with a new Business Associate Agreement that fully complies with the HIPAA Privacy Rule and California law.

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

COVERED ENTITY:

By: 

Title: Director of Health

Date: 7/27/11

BUSINESS ASSOCIATE:

By: 

Title: SCA-6

Date: 7-21-11