

AS SOFTWARE, INC. LICENSE AGREEMENT

This Software License Agreement (the "Agreement"), is made by and between AS Software, Inc., a New Jersey State corporation, with offices at 560 Sylvan Avenue, Englewood Cliffs, NJ 07632 ("AS Software"), and the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, hereinafter referred to as "Client," an acute care hospital.

ATTENTION:

In consideration of the mutual promises and covenants contained herein, the parties hereby agree that AS Software shall license to Client and that Client shall accept the AS Software, software listed in Schedule A on the terms and conditions set forth herein.

1. DEFINITIONS

1.1 The term "Software" shall mean (i) those computer software programs specified in Schedule A, annexed hereto, together with such additional software as the parties may from time to time agree in writing to add to Schedule A, and (ii) all related materials in print or other format delivered by AS Software to Client (the "Documentation").

1.2 The term "Designated CPU" shall mean one or more central processing units identified by Client as the computer platform that the Software will run on.

1.3 The term "Site License" shall mean any location that has an ultrasound machine that performs scans and sends ultrasound Measurements and/or images to the Software.

1.4 The term "Ultrasound Machine License" shall mean any ultrasound machine that performs scans and sends ultrasound measurements and/or images to the Software.

2. FEES

2.1 The license fee for the Software will be hereinafter referred to as "Software Price". The Software Price as provided in Schedule A does not include any applicable fees for Support Services, as defined herein, payable to AS Software hereunder or any other costs, if any, incurred by Client in obtaining financing for the Software, or any part thereof. Any such financing costs shall be the sole obligation of Client. In addition, Client shall reimburse AS Software for any out of pocket expenses as per the County's Travel Business Expense Policy as attached to this Agreement as Exhibit II.

2.2 AS Software shall invoice Client for all sums due hereunder. Client shall pay all invoices rendered by AS Software within thirty (30) calendar days from receipt of an invoice certified for payment by the County of Monterey Auditor-Controller.

3. DELIVERY AND RISK OF LOSS

3.1 Client and AS Software shall agree on an estimated date for delivery of the Software to the Client's designated hardware.

3.2 Delivery of the Licensed Software shall be electronically transmitted via remote access through a secure portal and installed to the Client's designated server(s).

4. SOFTWARE LICENSE

4.1 Subject to the terms and conditions of this Agreement, AS Software grants to Client a perpetual, (unless breached by Client) non-exclusive, non-transferable license (the "License") to use the Software as provided herein. Client may use the Software only on the Designated CPU, located at Client's site, and only with respect to transactions and activities relating to Client's normal business practices. One copy of the Software in object code will be supplied to Client.

4.2 Client will agree to only run the AS Software in a manner and in a quantity purchased that complies with AS Software licensing.

4.3 Client may create copies of the Software for bona fide back-up and archival purposes only. No identifying marks, copyright or proprietary right notices may be deleted from any copies of the Software made by Client. Client shall not nor shall Client engage or grant any third party any right to modify, translate, decompile nor create or attempt to create, by reverse engineering or otherwise, the source code from the object code supplied hereunder or use the Software to create a derivative work. Any updates, replacements, revisions, enhancements, additions or conversions to the Software supplied to Client by AS Software by separate agreement shall become a part of, and subject to this Agreement and License.

4.4 Intentionally omitted.

4.5 Client may, from time to time, license additional software from AS Software, which, in AS Software's sole discretion, may be covered by the terms of this Agreement and added to Schedule A, or licensed pursuant to another agreement, via an amendment signed by both parties. In addition, Client may, subject to the prior written approval of AS Software and payment of any additional license fees, if applicable, license the Software for use on additional processors.

5. ACCEPTANCE

5.1 Client shall immediately, but in no event more than thirty (30) days after installation of the Software notify AS Software in writing of all non-conformities in the Software which have been identified by Client. Such non-conformities shall be limited to material failures of the Software to conform to the published specifications. Upon receipt of such written notice, AS Software shall use efforts to remedy those defects which AS Software, upon good faith consultation of Client, determines are material non-conformities from the specifications. The Software shall be deemed accepted by Client if either: (i) Client notifies AS Software in writing of its acceptance and the Acceptance date shall then be the date of such notice; or (ii) Client fails to notify AS Software in writing within the applicable time period of any material non-conformity and the Acceptance date shall then be the last day of said period; or (iii) Client places the Software, or any part thereof, in productive use and the Acceptance date shall then be the first day of such productive use.

5.2 In the event that the Software is not accepted by Client after reasonable good faith efforts have been made by AS Software to correct the material non-conformity, Client's sole remedy shall be to return to AS Software the effected Software and receive a refund of any amounts paid therefore. The procedure set forth above is the exclusive means by which Client shall be entitled to reject the Software, or any part thereof, and the exclusive remedy of Client for such non-acceptance.

6. PROPRIETARY RIGHTS

The Software, and all copies thereof, are proprietary to AS Software and all right, title and interest in any configuration or adaptation of any part or all of such Software is, and shall remain, the sole and exclusive property of AS Software. All applicable rights to patents, copyrights, trademarks, and trade secrets in the Software are and shall remain the proprietary property of AS Software. Any modifications or additions to the Software shall be deemed and shall be and become the proprietary property of AS Software for purposes of this Agreement.

7. CONFIDENTIALITY

7.1 Neither Party shall not sell, transfer, publish, disclose, display, or otherwise make available any portion of the Software to others. Any and all such confidential information of the Parties shall be deemed proprietary and confidential information. Each Party agrees to hold such Confidential Information of the other Party in strict confidence and secure and protect such Confidential Information in a manner consistent with the maintenance of the ownership and proprietary rights of the other Party therein, and to take appropriate action by instruction or agreement with its employees and agents who are permitted access to said Confidential Information to satisfy such Party's obligations hereunder.

7.2 Each Party shall use its best efforts to assist the other Party in identifying and preventing any unauthorized use, copying, or disclosure of the Confidential Information or any portions thereof. Without limitation of the foregoing, each Party shall advise the other immediately in the event such Party learns or has reason to believe that any person who such Party has given access to the Confidential Information, or any portion thereof, has violated or intends to violate the terms of this Agreement. Each Party acknowledges that the disclosure of any Confidential Information of the other Party, or of any information which, at law or equity ought to remain confidential, will immediately give rise to continuing irreparable injury to such Party inadequately compensable in damages at law.

7.3 Accordingly, such Party may immediately terminate this License Agreement, including all license rights granted herein. In addition, such Party shall be entitled to apply for immediate injunctive relief against the other Party for breach or threatened breach of any of the foregoing undertakings, in addition to any other legal

remedies which may be available. The provisions of this Section shall survive the termination of this Agreement.

7.4 The County of Monterey ("County") is a public agency subject to the disclosure requirements of the California Public Records Act (CPRA). If County receives a CPRA request for documents (as defined by the CPRA) and said request relates to the Confidential Information described in this Agreement, County will notify AS Software of the request by Certified Mail, email, and telephone message, and confer with AS Software regarding an appropriate response to said request. If AS Software contends that any documents are AS Software's Confidential Information, not subject to the CPRA, and/or exempt from the CPRA, and AS Software wishes to prevent disclosure of said documents, AS Software shall instruct County to withhold said documents. If AS Software fails to respond to County in writing prior to County's deadline for responding to the CPRA request, County may disclose the requested information under the CPRA without liability to AS Software. AS Software shall defend, indemnify and hold County harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and reasonable attorney fees) that may result from denial of a CPRA request made at AS Software's instruction.

8. CLIENT RESPONSIBILITIES

8.1 Client agrees to furnish all related hardware necessary to complete the task and obligations assigned to Client in terms of Schedule A. Client shall be exclusively responsible for the hardware and network performance as recommended specifications by AS Software. Client will assume supervision, management and control of its use of the Software and the operating environment, including, but not limited to: (i) providing and supporting SQL licenses and patches, (ii) assuring proper audit controls and operating methods; (iii) establishing adequate back-up plans in the event of a Software or Hardware malfunction, including restart and recovery procedures; (iv) implementing sufficient procedures and checkpoints to satisfy its requirements for security and accuracy of input and output; and (v) maintaining the proper operating environment for the Software.

8.2 AS Software will perform on a supported version of Windows Server OS and AS Software will support all published Windows OS

8.3 Client will provide access to operate network and facilities, location, information, office resources and supplies such as telephone lines, as reasonably required for AS Software to perform its services and support the Software.

8.4 Where Client may request AS Software to perform Engineering and/or Configuration services, Client will assume the responsibility to provide AS Software with full access to any server(s), archival storage devices, and databases needed to accomplish the task.

9. LIMITED WARRANTIES

9.1 Limited Software Warranty. AS Software warrants that the Software shall perform in all material respects substantially in accordance with published specifications. AS Software's sole obligation and liability under this warranty shall be to use efforts to correct the Software to perform in accordance with such specifications, upon receipt of written notice of its failure to so perform from the Client. Any modification, maintenance or other change to the Software by the Client, or its agents or employees, or use on equipment other than the Designated CPU, except as authorized herein, shall void this warranty but not the exclusions and waivers of warranties contained herein.

9.2 Disclaimer of Warranties. Except as expressly set forth in this section 9, AS Software makes no warranties, express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose for the Software.

10. LIMITATION OF LIABILITY

10.1 AS Software shall have no liability with respect to its obligations under this agreement or otherwise for lost profits, special, incidental, consequential, punitive or exemplary damages even if AS Software has been advised of the possibility of such damages. In no event shall AS Software's liability for any reason and upon any cause of action whatsoever exceed the aggregate limits of the insurance as set forth under this agreement. Client further agrees that AS Software will not be liable for any claim or demand against the client made by any third party, or upon Termination as set forth in section 12 herein.

10.2 Client further agrees that any decision with respect to patient care or treatment or with regard to the appropriateness of the method or manner of treatment or the validity or reliability of the Software or other information is the sole responsibility of the Client or its health care provider.

11. SOFTWARE PATENT AND COPYRIGHT INFRINGEMENT

11.1 If the Software becomes, or in AS Software's opinion is likely to become, the subject of a claim of patent or copyright infringement, AS Software may either procure for Client the right to continue to use such Software, or replace or modify it to make it non-infringing. If neither of the foregoing alternatives is reasonable to AS Software, AS Software may terminate the License with respect to such infringing Software by providing written notice of termination to Client. In the event of such termination AS Software's sole liability to Client shall be to refund of a pro-rata portion of the license fees paid hereunder for such infringing Software depreciated based upon a five (5) year straight line depreciation.

11.2 AS Software shall have no liability for any claim of patent or copyright infringement based on either (i) use of the Software which has been altered by Client, (ii) use of any version of the Software which is not the then current release of the Software available from AS Software, or (iii) use of the Software with non-AS Software programs, except those tools required by Client to operate the AS Software, if those tools have been approved by AS Software prior to their use.

11.3 AS Software's entire liability with respect to any claim of infringement of any patent or copyright by the Software, or any parts thereof, is as set forth in this Section.

12. TERM and TERMINATION

12.1 Except as otherwise provided herein, the term of this Agreement is three (3) years and shall commence on April 17, 2018 (the "Effective Date").

12.2 During the term of this Agreement, Client may terminate the Agreement for any reason by giving written notice of termination to the AS Software at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

12.3 Client may cancel and terminate this Agreement for good cause effective immediately upon written notice to AS Software. "Good cause" "Good cause" means a material breach by AS Software of this or other agreements between the parties. If Client terminates this Agreement for good cause, Client may be relieved of the payment of any consideration to AS Software, and Client may proceed with the work in any manner, which Client deems proper. The cost to Client shall be deducted from any sum due the AS Software under this Agreement.

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

12.5 In addition to its right as set forth elsewhere in this Agreement, AS Software shall have the right to terminate this Agreement (i) upon a material breach by Client of any provision of this Agreement, including, but not limited to payment, which material breach remains uncured for forty five (45) days; or (ii) upon termination of the business of Client, insolvency or the filing of a petition in bankruptcy. AS Software's duties and obligations under this License Agreement shall terminate upon termination of the Maintenance Agreement contemporaneously entered into among the Parties hereto. The termination of this Agreement shall automatically, and without further action by AS Software, terminate and extinguish the License. Within ten (10) days after the termination of the License for any reason, Client shall return the Software to AS Software, or upon request of AS Software, destroy the Software and all copies thereof. Client shall provide AS Software with a written certification signed by an officer of Client certifying that all copies of the Software have been returned to AS Software or destroyed.

13. TAXES

The Maintenance and Support charges listed in Schedule A of the Software License Agreement at the time of the Agreement are not taxable. The amount of any applicable sales, use, personal property, or other similar tax applicable to such future licenses or purchases made via addendum to this Agreement shall be paid directly by Customer or shall be paid to CBORD on receipt of invoice therefore.

14. RESPONSIBILITIES

14.1 AS Software and Client shall each be financially responsible to the other and hold the other Party and their respective officers, directors, agents, subcontractors, consultants, successors and assigns harmless (each a "Damaged Party") from and against out-of-pocket losses arising out of or relating to (i) any patent trademark, trade secret, or other intellectual property infringement or misappropriation or (ii) any breach of the other Party's Confidentiality or data security obligations. Each Party shall have the right to select its own counsel, at its own cost and expense in the defense of any Claim. "Claim," in this Agreement shall mean any

civil or criminal administrative, regulatory, or investigative action or proceeding commenced by a third party including, without limitation governmental authorities or regulatory agencies.

14.2 Notwithstanding section 14.1, AS Software will assume the sole Responsibilities in regards to Section 11 therein.

15. INSURANCE

15.1 Evidence of Coverage:

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

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

15.2 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 Client's Contracts/Purchasing Director.

15.3 Insurance Coverage Requirements: AS Software shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

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

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

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

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

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

9.4 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to Client and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date AS Software completes its performance of services under this Agreement.

Each liability policy shall provide that Client shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for AS Software and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, AS Software shall file certificates of insurance with Client's Contracts/Purchasing Department, showing that the AS Software has in effect the insurance required by this Agreement. AS Software shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

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

16. GENERAL

16.1 Entire Agreement. This Agreement constitutes the complete and exclusive statement of the terms and conditions between the parties, which supersedes and merges all prior proposals, understandings and all other agreements, oral and written, between the parties relating to this Agreement. This Agreement may not be modified or altered except by written instrument duly executed by both parties.

16.2 No Waiver. The waiver or failure of AS Software to exercise any right provided for herein shall not be deemed a waiver of any further right hereunder.

16.3 Limitation of Action. No action, regardless of form, arising out of this Agreement may be brought by either party more than one (1) year after the cause of action has arisen, or either party becomes aware of the cause of action, whichever is later, but in no event shall a cause of action arise beyond the applicable statute of limitations. This section shall not apply to violations of AS Software's proprietary rights in the Software or for non-payment of Client.

16.4 No Assignment. Neither party may not assign or sub-license, without the prior written consent of the other party, its rights, duties, or obligations under this Agreement, in whole or in part, to any person or entity.

16.5 Governing Law. This Agreement and performance hereunder shall be governed by the laws of the State of California without regard to conflicts of laws. The parties acknowledge and agree that the forum for all disputes arising out of this Agreement shall be an appropriate federal or state court in the County of Monterey, California.

16.6 Invalidity of Terms. If any provision of this Agreement or any Schedule attached hereto is held invalid or otherwise unenforceable, they are, to that extent, to be deemed omitted, and the enforceability of the remaining provisions of this Agreement and the Schedules will not be impaired thereby.

16.7 Exclusivity of Remedies. Client's remedies set forth in this Agreement are exclusive.

16.8 Force Majeure. AS Software shall not be liable for default or delay in performance of any obligation of this Agreement caused by any occurrence beyond its reasonable control, including but not limited to fires, strikes, accidents, acts of God, or delays caused by other parties. AS Software shall use best efforts to promptly resume or remedy a situation.

16.9 Section Headings. Captions and paragraph headings in this Agreement are inserted only as a matter of convenience and in no way define, limit, or describe the scope or intent of this Agreement.

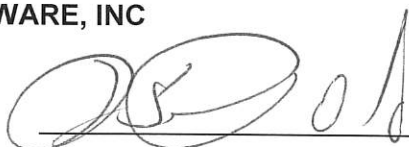
16.10 Notices. Any notice provided pursuant to this Agreement shall be in writing and shall be deemed given (i) if by hand delivery, upon receipt thereof; (ii) if mailed, three (3) days after deposit in the U.S. mails, postage prepaid, certified mail return receipt requested. All notices shall be addressed to the parties at the respective addresses indicated herein. Either party may change its address by giving written notice to the other party.

16.11 Client Acknowledgment. Client acknowledges that he has read this Agreement, understands it and agrees to be bound by its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, personally or by their duly authorized representatives.

AS SOFTWARE, INC

Signature:



Name:

Ari Sandman

Title:

President & CEO

Date:

3/9/2018

County of Monterey, on behalf of
Natividad Medical Center

Signature: _____

Name: _____

Title: _____

Date: _____

Reviewed as to fiscal provisions

Auditor-Controller
County of Monterey
3-21-18

AB
ABrennan
3-20-18
MOWCOO

Schedule – A

Qty.	Application Software	Price
1	AS-Ultrasound Structured Ultrasound Reporting Suite AS-OBGYN Structured Ultrasound Reporting OBGYN and MFM Ultrasound Reporting Modules Included: Messages, Demographics, OB History, OB Ultrasound, GYN Ultrasound, Non Stress Test, Fetal Echocardiography, Follicles, Genetic Counseling Letters, Consultation Letters AS-Radiology Structured Ultrasound Reporting Radiology Ultrasound Reporting Modules Included: Messages, Demographics, Female Pelvis, Follicles, Scrotal, Thyroid, Extremities, Renal, Aorta, Breast, Abdominal , Chest, Male Pelvis, Other Ultrasound, Neonatal Head, Ultrasound Guided, Transplant and Consultation Letters AS-Vascular Structured Ultrasound Reporting Vascular Ultrasound Reporting Modules Included: Messages, Demographics, Carotid, Abdominal Duplex, , Peripheral Venous Duplex, Lower Peripheral Arterial Duplex, Upper Peripheral Arterial Duplex, Radial Artery Duplex for Harvest, Hemodialysis Access Duplex, Transplant, Renal Artery Duplex, Mesenteric Duplex, Aortic-Inferior Vena CavaDuplex, Arterial Physiologic Testing, Temporal Artery Duplex, Transcranial Doppler, and Consultation Letters AS-COMM Auto Measurement downloads from ultrasound machine AS-FAX Auto faxing and fax management system AS-DATA Intelligent data mining & statistical analysis tools	\$ 50,000
1	AS-Plugin-To-PACS Open / Display ultrasound reports based on the active Image studies in PACS supporting Single-Sign-On Engineering and Configuration	\$ 25,000
5	AS-Workstation License (\$3,000 per workstation) Workstation license for creating, editing and viewing ultrasound information	\$ 15,000
5	AS-Ultrasound-Machine License (\$5,000 per US) Images and Measurements Ultrasound machine license (requires license per ultrasound machine)	\$ 25,000
		Subtotal \$ 115,000
		Special Discount 35% \$ 40,250
		Total \$ 74,750

Qty.	Interfaces	Price
1	AS-HL7 Bi-Directional Interface Inbound ADT Patient Demographics Inbound ORM Orders Outbound ORU Finalized Reports Engineering and Configuration	\$ 25,000
1	AS-PDF Export finalized reports via PDF Engineering and Configuration	\$ 15,000
1	AS-Connect Import from PowerScribe Receive signed dictation from PowerScribe Engineering and Configuration	\$ 15,000
1	AS-Reports-To-PACS Exports finalized reports in DICOM format to PACS Engineering and Configuration	\$ 15,000
		Subtotal \$ 70,000
		Special Discount 35% \$ 24,500
		Total \$ 45,500

Qty.	Implementation	Price
5	On-Site Training Days (\$900 per day) Travel and lodging billed separately in accordance with the County of Monterey Travel and Business Expense Reimbursement Policy (Exhibit B)	\$ 4,500
		Total \$ 4,500

Qty.	Maintenance and Support	Price
1	1st Year Maintenance and Support included	N/C
1	2nd Year Maintenance and Support	\$ 33,300
1	3rd Year Maintenance and Support	\$ 33,300
		Total \$ 66,600

Maintenance and Support

12 months of Support and Maintenance included in price
Support and Maintenance for a period of one year - 18% of initial price quote

Client Responsibilities

Hardware Server, Workstation and US Machine
OS & SQL Licenses
Cabling / Hubs / Switches
Provide AS Software VPN access to Server and Workstations
Assign a Project Liaison or Manager to assist AS with project scheduling and management

Terms

50% deposit due upon signing of contract with the balance due upon installation

Exhibit II

TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY



Revised December 11, 2012

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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.

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

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.

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

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

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.

- (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

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.

- (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

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.

- 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

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

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.

- 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.

- 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

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

"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

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 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

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.

Exhibit III

AS-ULTRASOUND Ultrasound Information System Hardware Requirements

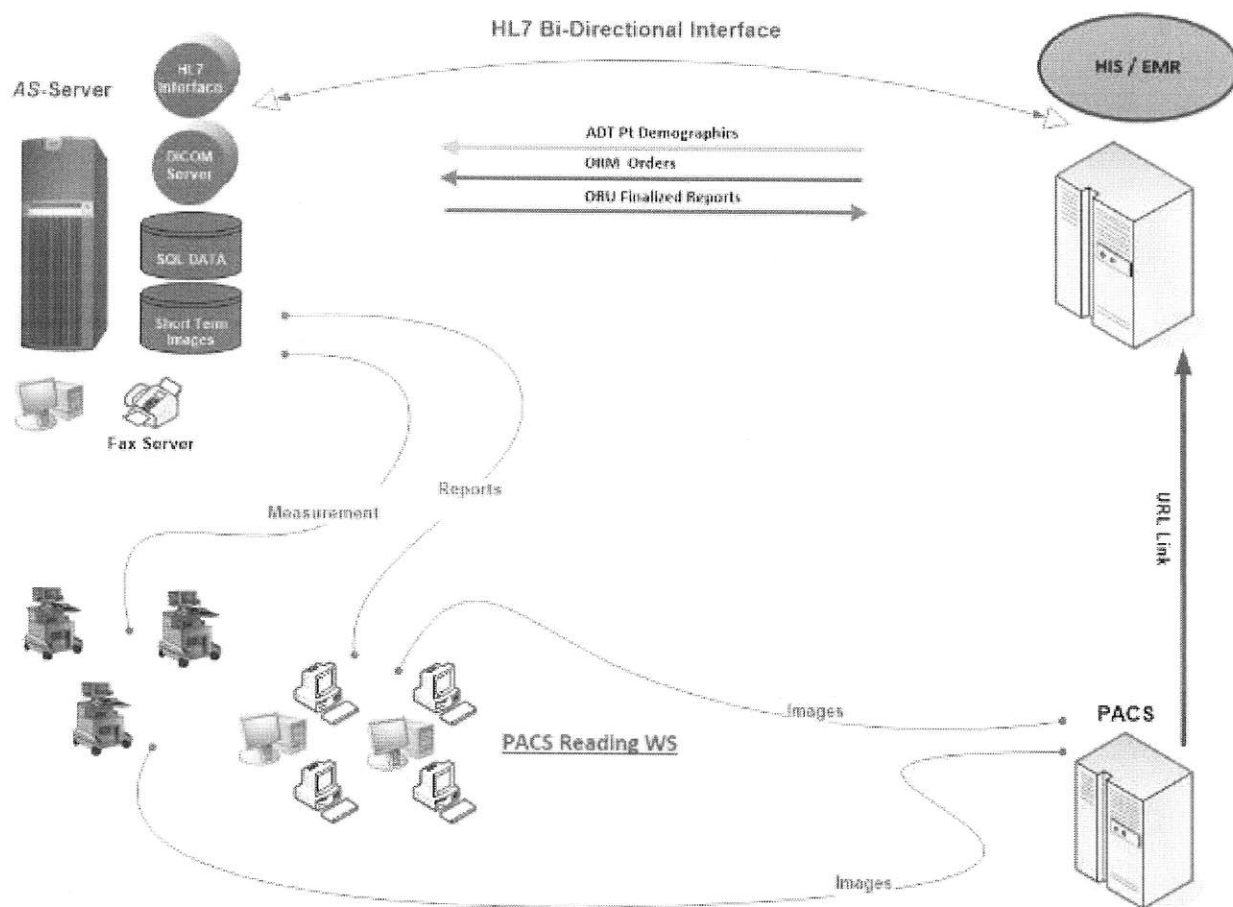
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Physical Production Server

Professional Server
 Dual Processor Quad Core 3.2Ghz Processor
 16 GB RAM
 Storage / Volumes
 100 GB System
 250 GB APP/SQL/Database

Backup System

Windows® Server 2012 64-bit Standard
 SQL Server® 2014 64-bit Standard

Virtual Production Server

VMware or Hyper V
 4 Processors 3.2GHz
 16 GB RAM
 Storage / Volumes
 100 GB System
 250 GB APP/SQL/Database

Backup System

Windows® Server 2012 64-bit Standard
 SQL Server® 2014 64-bit Standard

Test Environment Server

PC / Server VMware or Virtual PC / Server
 Dual Core 2.5GHz
 4G RAM
 100 GB HD / 48X CD-ROM Drive
 10/100 Ethernet Controller
 Windows® XP / 7 or Windows® Server 2012

AS-OBGYN Work Station

<u>Minimum</u>		<u>Recommended</u>
• Processor Dual Core 2.5 GHz	-	Processor Quad Core 3.2Ghz
• 4 GB RAM	-	8 GB RAM
• 20" Display	-	24" Display 1920x1080
• 100 GB HD / 48X CD-ROM Drive	-	250 GB HD / 48X CD-ROM Drive
• 10/100 Ethernet Controller	-	10/100/1000 Ethernet Controller
• Windows® XP	-	Windows® 7 64-bit / 8 64-bit / 10 64-bit

AS-OBGYN - Dual Monitor Work Station

<u>Minimum</u>		<u>Recommended</u>
• Processor Dual Core 3.2 GHz	-	Processor Quad Core 3.2Ghz
• 6 GB RAM	-	12 GB RAM
• Dual 128MB Video Card	-	Dual 1GB Video Card
• 2 x 20" Display 1920x1080	-	2 x 24" Display 1920x1080
• 150 GB HD / 48X CD-ROM Drive	-	250 GB HD / 48X CD-ROM Drive
• 10/100 Ethernet Controller	-	10/100/1000 Ethernet Controller
• Windows® XP	-	Windows® 7 64-bit / 8 64-bit / 10 64-bit

AS- Fax

<u>Minimum</u>		<u>Recommended</u>
• Processor Dual Core 2.5 GHz	-	Processor Quad Core 3.2Ghz
• 4 GB RAM	-	8 GB RAM
• 20" Display	-	20" Display
• 100 GB HD / 48X CD-ROM Drive	-	250 GB HD / 48X CD-ROM Drive
• 10/100 Ethernet Controller	-	10/100/1000 Ethernet Controller
• Windows® XP	-	Windows® 7 64-bit / 8 64-bit / 10 64-bit
• Fax / Modem Multi-Tech – MT9234ZBA-USB-CDC		
• http://www.multitech.com/en_US/PRODUCTS/Families/MultiModemZBA/		
• Dedicated Analog line		

Printer

Black and White or Color - Network Printer

Network Requirements

Ethernet 10 / 100 /1000 Mbps

Network Drop Cabling / Wiring

U/S Machine, U/S Measurements, PC-WorkStation

Support requirements

Remote Access via VPN to Server, Fax-Server, Reading Room PC-Work Station

Client Responsibilities

- Hardware Server, Work-stations, Cabling / Hub / Switch
- OS & SQL Licenses
- Assign a project liaison or manager to assist AS with project scheduling and administration.
This person will be responsible to resolve any resource problems that may occur that will adversely impact the successful completion of the tasks.