Health Services
LOS ANGELES COUNTY

May 8, 2007

Los Angeles County
Board of Supervisors

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Second District

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Third District

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John R. Cochran III
Chief Deputy Director

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF EQUIPMENT MAINTENANCE AND REPAIR SERVICES AGREEMENTS
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services, or his designee, to execute an Agreement, substantially similar to Exhibit I, with Gyrus ACMI, L. P. (Gyrus ACMI), effective date of Board approval through April 30, 2012, for the provision of equipment repair services of endoscopic medical equipment at Olive View-UCLA Medical Center (Olive View), with a total annual cost of $76,000, and five-year total cost of $380,000, and increase the total maximum obligation by no more than 40% above the first year allocation for additional equipment and repair services for a potential annual increase of $30,400 and total five-year potential increase of $152,000.

2. Authorize the Director of Health Services, or his designee, to execute an Agreement, substantially similar to Exhibit I, with Merry X-Ray Chemical Corporation (Merry X-Ray), effective July 1, 2007 through March 31, 2009, for the provision of maintenance and repair services at various Department of Health Services (DHS) facilities, Department of Coroner, and the Sheriff's Department, with a total annual cost of $502,916 ($478,716 for DHS, $4,200 for Department of Coroner, and $20,000 for Sheriff's Department), and 21-month total cost of $880,103 ($837,753 for DHS, $7,350 for Department of Coroner, and $35,000 for Sheriff's Department), and increase the total maximum obligation by no more than 40% above the Fiscal Year (FY) 2007-08 allocation for additional equipment and repair services for a potential annual increase of $201,166 and total 21-month potential increase of $352,041, and delegate authority to the Director of Health Services, or his designee, to extend the term of the Agreement to run concurrently with the term of DHS Agreement No. DX60015 (Novation/Merry X-Ray Corporation Imaging Distribution), as applicable.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

Board approval of the Agreement with Gyrus ACMI will ensure that services for medical equipment are provided by the Original Equipment Manufacturer (OEM).

When possible, DHS contracts with OEMs to ensure that the equipment, which often uses proprietary technology, performs in accordance with the specifications and complies with all accrediting and licensing agencies' requirements, including The Joint Commission.

Board approval of the Agreement with Merry X-Ray will ensure DHS facilities, Department of Coroner, and the Sheriff's Department the provision of maintenance and repair services for mammography film processors, other medical x-ray film processors, and Water Saver Plus units, as well as the collection and disposal of medical x-ray chemicals.

FISCAL IMPACT/FINANCING:

The total proposed annual cost for these Agreements is $810,482 ($578,916 for services and $231,566 for potential increase). The proposed annual cost for Gyrus ACMI is $106,400 ($76,000 for services and $30,400 for potential increase), and five-year cost is $532,000 ($380,000 for services and $152,000 for potential increase) (Attachment B). Funding is included in the DHS Fiscal Year (FY) 2006-07 Final Budget, is included in the FY 2007-08 Proposed Budget and will be requested in future fiscal years.

The proposed annual cost for Merry X-Ray is $704,082 ($502,916 for services comprised of $478,716 for DHS, $4,200 for Department of Coroner, and $20,000 for the Sheriff's Department and $201,166 for potential increase), and 21-month cost is $1,232,144 ($880,103 for services comprised of $837,753 for DHS, $7,350 for Department of Coroner, and $35,000 for Sheriff's Department and $352,041 for potential increase) (Attachment C). Funding is included in the FY 2007-08 Proposed Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Gyrus ACMI:

Your Board approved an Agreement with American Cytoscope Makers, Inc. (ACMI), effective July 1, 2004 through June 30, 2006, after the repair services reached the limit of the Purchasing Agent's statutory authority. Most recently on June 7, 2006, your Board approved an amendment for five years because ACMI is the OEM for Olive View's endoscopic equipment. This Amendment was never signed because ACMI was in the process of merging with Gyrus. Because DHS facilities needed this equipment to be functional at all times, DHS had no choice but to immediately obtain the necessary services from another existing DHS contract with a non-OEM contractor, although under less favorable terms. For example, under the non-OEM contract, Olive View has had to purchase new equipment when a scope could not be repaired. A contract with Gyrus ACMI, which is the OEM, is more cost effective because, among other things, it provides refurbished scopes in working condition at no additional cost to the County.

Olive View was recently approached by the newly restructured Gyrus ACMI about reestablishing an Agreement. Olive View has determined that the ACMI coverage for endoscopic scope repairs is more cost effective in the long term because ACMI provides all-inclusive, unlimited repair services and ACMI either repairs the scopes and their parts, or replaces them with a refurbished unit in working condition with no additional cost to the County. The high breakage rate of the scopes justifies having an all-inclusive repair contract, as currently offered by Gyrus ACMI, for this type of medical equipment. Additionally, as previously stated, whenever possible DHS contracts with the OEM.

Merry X-Ray:

The County currently has two Agreements with Merry X-Ray that expire June 30, 2007: 1) under the first Agreement (H-208588), Merry X-Ray has been providing maintenance and repair services for film processors and Water Saver Plus systems, chemicals delivery, and chemical waste pickup at several DHS facilities, as well as the Department of Coroner and Sheriff's Department since 1997; and 2) in November 2006, the Board approved a delegation and assignment of the Sourceone Healthcare Technologies Agreement to Merry X-Ray. Under this Agreement (H-207634), Merry X-Ray provides similar services that include maintenance and repairs for laser and processor and multi-loader equipment, chemicals delivery, and chemical waste pickup at MLK-Harbor.

DHS also has an Agreement with the Novation Diagnostic Imaging Council (Novation) for consumable products, including x-ray film and other supplies required for radiology services. In June, 2005, Novation conducted an Invitation to Bid. Merry X-Ray was selected by Novation in August, 2005. The Novation/Merry X-Ray Imaging Distribution (DX60015) Agreement is effective April 1, 2006 through March 31, 2009, and Novation has the option to extend this Agreement for two additional years. The Department advised your Board that if Merry X-Ray was selected by Novation, the Department would enter into a new single Agreement for the services presently being provided under separate Agreements with Merry X-Ray and for the same term as the Novation Agreement for consumable products.

Approval of this action will ensure maintenance and repair services for mammography and other medical x-ray film processors and Water Saver Plus units, as well as the collection and disposal of medical x-ray chemicals. The bi-weekly/monthly maintenance services for film processors ensure proper functioning of the equipment. The Water Saver Plus units at various DHS facilities are uniquely designed for medical x-ray film processing equipment and enable radiology departments to process x-rays for several weeks using bottled water during disasters when running water is unavailable. These units also reduce water usage by approximately 95 percent.

Merry X-Ray also provides x-ray chemical services, hazardous waste disposal services, and collection and disposal of scrap film and file purges. These services ensure County facilities' compliance with the local "Publicly Owned Treatment Works" standards for discharge limitations, as well as ensure no hazardous wastes are introduced into County facilities' discharge drains. Approval of this action will also ensure the services provided under the second Merry X-Ray Agreement, which include maintenance and repair services for laser and multi-loader equipment, as well as weekly chemical delivery and bi-weekly chemical waste pickup at MLK-Harbor, continue uninterrupted.

Exhibit I, a form Agreement, contains all of the latest Board-mandated provisions. The County may terminate the Agreement with a 30-day prior written notice. County Counsel has approved Exhibit I as to form.

Attachments A, B, and C provide additional information.

CONTRACTING PROCESS:

The endoscopic medical equipment was originally purchased from ACMI, the OEM. When possible, DHS contracts with OEMs to ensure that the equipment, which often uses proprietary technology, performs in The

accordance with equipment specifications and complies with all accrediting and licensing agencies' requirements, including The Joint Commission.

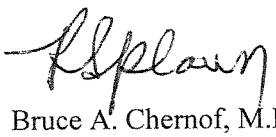
Merry X-Ray was selected as a result of a bid process conducted by Novation.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of these actions will allow DHS, Department of Coroner, and Sheriff's Department to ensure necessary maintenance and repair services are provided for critical equipment located at County facilities.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:jc
BL - Merry X-Ray & ACMI.wpd

Attachments (4)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

ATTACHMENT A

SUMMARY OF AGREEMENTS

1. TYPE OF SERVICES:

Approval of equipment maintenance and repair services agreements

2. AGENCY ADDRESSES AND CONTACT PERSONS:

Todd Frese, Senior Director, Corporate Sales
Gyrus ACMI, L. P.
6655 Wedgwood Road, Suite 160
Maple Grove, MN 55311
Telephone: (847) 498-5618

Al Lewin, Vice President
Merry X-Ray Chemical Corporation
1422 Gardena Avenue
Glendale, CA 91204
Telephone: (818) 240-8370

3. TERM:

ACMI Gyrus: Date of Board approval through April 30, 2012
Merry X-Ray: July 1, 2007 through March 31, 2009

4. FINANCIAL INFORMATION:

The total proposed annual cost for these Agreements is $810,482 ($578,916 for services and $231,566 for potential increase)

The proposed annual cost for Gyrus ACMI is $106,400 ($76,000 for services and $30,400 for potential increase), and five-year cost is $532,000 ($380,000 for services and $152,000 for potential increase). Funding is included in the DHS Fiscal Year (FY) 2006-07 Final Budget, is included in the FY 2007-08 Proposed Budget and will be requested in future fiscal years.

The proposed annual cost for Merry X-Ray is $704,082 ($502,916 for services comprised of $478,716 for DHS, $4,200 for Department of Coroner, and $20,000 for the Sheriff's Department and $201,166 for potential increase), and 21-month cost is $1,232,144 ($880,103 for services comprised of $837,753 for DHS, $7,350 for Department of Coroner, and $35,000 for Sheriff's Department and $352,041 for potential increase). Funding is included in the FY 2007-08 Proposed Budget and will be requested in future fiscal years.

5. GEOGRAPHIC AREA SERVED:

All Districts.

6. ACCOUNTABILITY FOR PROGRAM MONITORING AND EVALUATION:

Facility Administrator.

7. APPROVALS:

Harbor-UCLA Medical Center:	Miguel Ortiz-Marroquin, Interim CEO
High Desert Health System:	Beryl Brooks, CEO
Martin Luther King, Jr.-Harbor Hospital:	Antionette Smith-Epps, CEO
LAC+USC Medical Center:	Pete Delgado, CEO
Olive View-UCLA Medical Center:	Gretchen McGinley, Interim CEO
Rancho Los Amigo National Rehabilitation Center:	Jorge Orozco, Interim CEO
Department of Coroner:	Lakshmanan Sathyavagiswaran, Chief Medical Examiner-Coroner
Sheriff's Department:	Leroy D. Baca, Sheriff
Contracts and Grants:	Cara O'Neill, Chief
County Counsel (approval as to form):	Andrea E. Ross, Senior Associate

ATTACHMENT B

MAINTENANCE AND REPAIR SERVICE AGREEMENTS

	Annual Maintenance & Repair Services	Reserve Funds	Annual Cost	FY 2007-08 - FY 2008-12
Olive View-UCLA Medical Center				
Gyrus ACMI	75,771	229	76,000	380,000
40% Delegated Authority:			30,400	152,000
Total:			**106,400**	**532,000**

ATTACHMENT C

MERRY X-RAY CHEMICAL CORPORATION

July 1, 2007 through March 31, 2009

	Annual Maintenance & Repair Services	Reserve Funds	July 1, 2007- June 30, 2008	July 1, 2008- March 31, 2009	TOTAL
Department of Health Services:					
Harbor	$68,520.00		$68,520.00	$51,390.00	$119,910.00
Long Beach	$4,200.00		$4,200.00	$3,150.00	$7,350.00
Wilmington	$4,200.00		$4,200.00	$3,150.00	$7,350.00
High Desert & Antelope Valley Health Center	$18,036.00	$1,964.00	$20,000.00	$15,000.00	$35,000.00
LAC+USC	$148,350.00		$148,350.00	$111,262.50	$259,612.50
El Monte	$23,950.00		$23,950.00	$17,962.50	$41,912.50
Hudson	$18,750.00		$18,750.00	$14,062.50	$32,812.50
Roybal	$23,950.00		$23,950.00	$17,962.50	$41,912.50
Juvenile Court	$5,000.00		$5,000.00	$3,750.00	$8,750.00
MLK-Harbor	$90,600.00	$7,740.00	$98,340.00	$73,755.00	$172,095.00
Humphrey	$19,956.00		$19,956.00	$14,967.00	$34,923.00
Olive View, Mid-Valley, & San Fernando	$30,000.00	$1,500.00	$31,500.00	$23,625.00	$55,125.00
Rancho	$11,520.00	$480.00	$12,000.00	$9,000.00	$21,000.00
DHS Subtotal:	$467,032.00	$11,684.00	$478,716.00	$359,037.00	$837,753.00
40% Delegated Authority:			$191,486.40	$143,614.80	$335,101.20
DHS Total:			$670,202.40	$502,651.80	$1,172,854.20
Department of Coroner	$4,200.00		$4,200.00	$3,150.00	$7,350.00
40% Delegated Authority:			$1,680.00	$1,260.00	$2,940.00
Department of Coroner Total:			$5,880.00	$4,410.00	$10,290.00
Sheriff's Department	$20,000.00		$20,000.00	$15,000.00	$35,000.00
40% Delegated Authority:			$8,000.00	$6,000.00	$14,000.00
Sheriff's Department Total:			$28,000.00	$21,000.00	$49,000.00
Subtotal:	**$491,232.00**	**$23,368.00**	**$502,916.00**	**$377,187.00**	**$880,103.00**
40% Delegated Authority:			**$201,166.40**	**$150,874.80**	**$352,041.20**
Total:			**$704,082.40**	**$528,061.80**	**$1,232,144.20**

EXHIBIT I

AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

_____

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Contract No. _____

PREVENTIVE MAINTENANCE AND REPAIR (or REPAIR) SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this _____day of _____ 2007,

by and between COUNTY OF LOS ANGELES (hereafter "County"),

and _____ (hereafter "Contractor").

WHEREAS, pursuant to sections 1441 and 1445 of the California Health and Safety Code, County has established and operates, through its Department of Health Services (hereafter "DHS"), various County hospitals, comprehensive health centers, public health centers, and other health care facilities and programs (hereafter collectively referred to as "Facility(ies)"; and

WHEREAS, County desires the services of a Contractor to provide _____ services; and

WHEREAS, County has determined that the services to be provided under this Agreement are of a technical nature to the extent that DHS is unable to recruit qualified personnel with the requisite training, knowledge, or experience to perform such services; and

WHEREAS, Contractor is authorized under the laws of the State of California to engage in the business of providing preventive maintenance and repair services, and possesses the

competence, expertise, and personnel necessary to provide such services described hereunder; and

WHEREAS, this Agreement is authorized by provisions of section 1451 of the California Health and Safety Code and sections 26227 and 31000 of the California Government Code.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. TERM: The term of this Agreement shall commence effective _____, 2007, and shall continue in full force and effect to and including _____, 20__ unless sooner canceled or terminated as provided herein. (**Merry X-Ray** only: This Agreement shall be extended as necessary to run concurrently with Novation/Merry X-Ray Imaging Distribution Agreement No. DX60015 following written confirmation of the extension by the Director of Health Services unless sooner canceled or terminated as provided herein.)

2. DESCRIPTION OF SERVICES:

A. Contractor shall provide services in the form as described in the body of this Agreement and Exhibit A, attached hereto and incorporated herein by reference.

B. Contractor warrants that it possesses the competence, expertise, and personnel necessary to provide such services.

C. The Director of Department of Health Services or his designee ("Director") may add or remove related equipment at DHS Facilities as necessary to provide patient

care or to assure that facility operations are maintained. Such maintenance and repair services shall include but not be limited to, warranty expiration, emergency repairs and critical preventive maintenance.

3. NONEXCLUSIVITY: Contractor acknowledges that it is not necessarily the exclusive provider to County of services provided under the terms of this Agreement, and that County has, or may enter into, agreements with other providers of such services, or may perform all or part of same, when possible, using County employees.

4. BILLING AND PAYMENT:

A. County agrees to compensate Contractor in accordance with the terms set forth in Exhibit A and Schedule 1, attached hereto and incorporated herein by reference.

B. Contractor shall bill _____ (DHS' Harbor-UCLA Medical Center (HARBOR), Long Beach Comprehensive Health Center, and Wilmington Health Center, c/o General Accounting, Box 479, 1000 West Carson Street, Building 3.5, Torrance, CA 90509; High Desert Health System (HIGH DESERT) and Antelope Valley Health Center, 44900 North 60th Street West, Lancaster, CA 93536; LAC+USC Medical Center (LAC+USC), El Monte Comprehensive Health Center, H. Claude Hudson Comprehensive Health Center, Juvenile Court Health Services, and Edward Roybal Comprehensive Health Center, c/o Invoice Processing, P.O. Box 86601, Los Angeles, CA 90031; Martin

Luther King, Jr.-Harbor Hospital (MLK-HARBOR) and Hubert H. Humphrey Comprehensive Health Center, c/o General Accounting, Box 479, 1000 West Carson Street, Building 3.5, Torrance, CA 90509; Olive View-UCLA Medical Center (OLIVE VIEW), Attention: Invoice Processing, 14445 Olive View Drive, Sylmar, CA 91342; Rancho Los Amigos National Rehabilitation Center (RANCHO), Finance Department, Chief Financial Officer, SSA Building - Room 2208, 7601 East Imperial Highway, Downey, CA 90242; Department of Coroner (CORONER), c/o Accounts Payable, 1104 N. Mission Road, Los Angeles, CA 90033; and Sheriff's Department (SHERIFF), c/o Medical Services Bureau, Materials Management Unit, 450 Bauchet Street, Room S238, Los Angeles, CA 90012), hereunder according to the terms set forth in the payment requirements of said Exhibit.

5. MAXIMUM OBLIGATION OF COUNTY:

A. The annual maximum obligation of County for all services provided hereunder shall not exceed _____, for the period of _____, 2007 through _____, 20__.

B. The Director may adjust the County's maximum obligation during each Fiscal Year ("FY") of the Agreement term by no more than forty percent (40%) of the first year allocation for unanticipated services, and adding/removing services to/from any County Facility.

6. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for the payment of any monies, or reimbursements of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement, even if Contractor's provision of such services were requested by County directly. Should Contractor receive any such payment, it shall immediately notify County and shall repay or return all such funds or reimbursements to County within a reasonable amount of time. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or termination of this Agreement.

7. INDEMNIFICATION: Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

8. GENERAL INSURANCE REQUIREMENTS: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such

insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense. Contractor may satisfy the insurance coverage requirements specified in this Agreement by providing evidence of Contractor's self-insurance program, as described in the INSURANCE COVERAGE REQUIREMENTS Paragraph, hereinbelow. Such evidence shall be provided in a formal declaration (on Contractor's letterhead, if available) that declares Contractor is self-insured for the type and amount of coverage as described in INSURANCE COVERAGE REQUIREMENTS Paragraph, hereinbelow. Contractor's declaration may be in the form of a corporate resolution or a certified statement from a corporate officer or an authorized principal of Contractor. The statement also must identify which required coverages are self-insured and which are commercially insured. Contractors who are self-insured for workers compensation must provide a copy of their "Certificate of Consent to Self-Insure" issued by the State in which services will be provided. Further, Contractor's self-insurance program must be reviewed and approved by County's Risk Manager prior to the effective date of this Agreement.

A. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County's Risk Manager shall be delivered to Director at the: DHS; Contracts and Grants Division; 313 North Figueroa Street, 6th Floor-East; Los Angeles, California 90012-2659, and provide a copy to

DHS; Centralized Contract Monitoring Division; 5555 Ferguson Drive, Suite 210; Commerce, California 90022, prior to commencing services under this Agreement. Such certificates or other evidence shall:

(1) Specifically identify this Agreement.

(2) Clearly evidence all coverages required in this Agreement.

(3) Contain the express condition that County is to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.

(4) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insured for all activities arising from this Agreement.

(5) Identify any deductibles or self-insured retentions for County's Risk Manager approval. County's Risk Manager retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be

executed by a corporate surety licensed to transact business in the State of California.

B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County's Risk Manager with an A.M. Best rating of not less than A:VII, unless otherwise approved by County's Risk Manager.

C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County's Risk Manager, shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

D. Notification of Incidents, Claims, or Suits: Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-Employee Injury Report" to County contract manager.

(4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of subcontractors, or

(2) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the

right to obtain copies of evidence of subcontractor insurance coverage at any time.

9. INSURANCE COVERAGE REQUIREMENTS:

A. General Liability Insurance (written on Insurance Services Office ["ISO"] policy form "CG 00 01" or its equivalent) with limits of not less than the following:

General Aggregate:	$2 Million
Products/Completed Operations Aggregate:	$2 Million
Personal and Advertising Injury:	$1 Million
Each Occurrence:	$1 Million

B. Automobile Liability Insurance (written on ISO policy form "CA 00 01" or its equivalent) with a limit of liability of not less than $1 Million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	$1 Million
Disease - Policy Limit:	$1 Million
Disease - Each Employee:	$1 Million

(For Merry X-Ray only) D. Pollution Liability: This insurance shall also provide pollution liability coverage with a limit of not less than $1 million per occurrence covering the release, discharge, escape, dispersal, or emission of pollutants, whether gradual or sudden, and include the costs and expenses associated with clean-up, testing, monitoring and treatment of pollutants in compliance with governmental mandate or requests.

10. SUBCONTRACTING:

A. For purposes of this Agreement, all subcontracts must first be approved in writing by Director. Contractor's written request to Director for approval to enter into a subcontract shall be made at least thirty (30) calendar days prior to the subcontractor's proposed effective date, and shall include:

(1) Identification of the proposed subcontractor, who shall be licensed as appropriate for provision of subcontract services, and an explanation of why and how the proposed subcontractor was selected, including the degree of competition involved.

(2) A detailed description of the services to be provided by the subcontractor.

(3) The proposed subcontract amount and manner of compensation, if any, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. Any later modification of such subcontract shall take the form of a formally written subcontract amendment which also must be approved in writing by Director in the same manner as described above, before such amendment is effective.

(5) Any other information and/or certification(s) requested by Director.

B. Director shall review Contractor's request to subcontract and shall determine, in his/her sole discretion, whether or not to consent to such a request on a case-by-case basis.

C. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirements under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Further, Director's approval of any subcontract shall also not be construed to limit in any way, any of County's rights or remedies contained in this Agreement.

D. In the event that Director consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments or other compensation to all subcontractors, and their officers, employees, and agents.

E. In the event that Director consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, or any subcontractor, or to any officers, employees, or agents, of Contractor, or any subcontractor, for any liability, damages, costs, or expenses, arising from or related to County's exercising of such a right.

F. Subcontracts shall contain the following provision: "This contract is a subcontract under the terms of a prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract." Further, Contractor shall also reflect as subcontractor requirements in the subcontract form all of the requirements of the following paragraphs of the body of this Agreement: NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT, INDEMNIFICATION, GENERAL INSURANCE REQUIREMENTS, INSURANCE COVERAGE REQUIREMENTS, SUBCONTRACTING, CONSTRUCTION, and CONFLICT OF TERMS, as well as, all of the provisions of the Standard Provisions attachment.

Contractor shall deliver to Director a fully executed copy of each subcontract entered into by Contractor, as it pertains to the provision of services under this Agreement,

on or immediately after the effective date of the subcontract, but in no event, later than the date any services are to be performed under the subcontract.

G. Director is hereby authorized to act for and on the behalf of County pursuant to this Paragraph, including but not limited to, consenting to any subcontracting.

11. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with the requirements of all federal, State, and local laws, ordinances, regulations, rules, guidelines, and directives, applicable to its performance hereunder. To the extent there is any conflict between federal and State or local laws, the former shall prevail.

Any reference to a specific statute, regulation, or any other document not prepared by County is deemed to include a reference to any amendment thereto as of the effective date of such amendment; further, this Agreement shall be interpreted consistently with, and the parties' duties and obligations under this Agreement shall be consistent with, any amendment to any applicable statute, regulation or other document not prepared by County which occurs after the effective date of the Agreement.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such

federal, State, or local laws, regulations, guidelines, or directives.

12. CONTRACTOR'S OBLIGATIONS AS AN OTHER ENTITY UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA"): Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records. Accordingly, Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records for any reason whatsoever.

Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever. Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands,

expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

13. STANDARD PROVISIONS: Attached hereto and incorporated herein by reference, is a document labeled Standard Provisions, of which the terms and conditions therein contained are part of this Agreement.

14. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

15. CONFLICT OF TERMS: To the extent that there exists any conflict or inconsistency between the language of this Agreement, including its Standard Provisions, and that of any Exhibit(s), Attachment(s), and any other documents incorporated herein by reference, the language found within this Agreement shall govern and prevail.

16. ALTERATION OF TERMS: The body of this Agreement, including its Standard Provisions, Exhibit(s), and any Attachment(s) attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal

understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

17. CONTRACTOR'S OFFICE: Contractor's primary business office is located at _____. Contractor's primary business telephone number is _____, facsimile/FAX number is _____, and electronic mail ("e-mail") address is _____. Contractor shall notify County, in writing, of any changes made to Contractor's primary business address, business telephone number, facsimile/FAX number, and/or e-mail address, as listed herein, or any other business address, business telephone number, facsimile/FAX number, and/or e-mail address used in the provision of services herein, at least ten (10) calendar days prior to the effective date(s) thereof.

18. NOTICES: Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States mail, certified or registered, postage prepaid, return receipt requested, to the parties at the following addresses and to the attention of the person named. County's Director of Health Services shall have the authority to issue all notices or demands required or permitted by the County under this Agreement. Addresses and persons to be notified may

be changed by the parties by giving ten (10) calendar days' prior written notice thereof to the parties.

A. Notices to County shall be addressed as follows:

(1) Department of Health Services
Contracts and Grants Division
313 North Figueroa Street, Sixth Floor-East
Los Angeles, California 90012-2659
Attention: Director

(2) Harbor-UCLA Medical Center
1000 West Carson Street, Building 3.5
Torrance, CA 90509
Attention: Chief Executive Officer

(3) High Desert Health System
44900 North 60th Street West
Lancaster, CA 93536
Attention: Chief Executive Officer

(4) Martin Luther King, Jr.-Harbor Hospital
12021 W. Wilmington Avenue
Los Angeles, CA 90059
Attention: Chief Executive Officer

(5) LAC+USC Medical Center
1200 N. State Street
Los Angeles, CA 90033
Attention: Chief Executive Officer

(6) Olive View-UCLA Medical Center
14445 Olive View Drive
Sylmar, CA 91342
Attention: Chief Executive Officer

(7) Rancho Los Amigos National Rehab. Center
7601 East Imperial Highway
SSA Bldg.-Room 2208
Downey, CA 90242
Attention: Chief Executive Officer

(8) Department of Coroner
c/o Accounts Payable
1104 N. Mission Road
Los Angeles, CA 90033

(9) Sheriff's Department
c/o Medical Services Bureau
Materials Management Unit
450 Bauchet Street, Room S238
Los Angeles, CA 90012

B. Notices to Contractor shall be addressed as follows:

_____
_____
_____
Attention: _____

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its

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Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

_____
Contractor

By _____
Signature

_____
Print Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

STANDARD PROVISIONS

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STANDARD PROVISIONS

1. ADMINISTRATION: Director shall have the authority to administer this Agreement on behalf of County. Contractor agrees to extend to Director, or to authorized federal, State, County, and local governmental representatives, the right to review and monitor Contractor's program(s), policies, procedures, and financial and/or other records, and to inspect its business offices, facility(ies), and/or County work site area(s), for contractual compliance at any reasonable time.

2. FORM OF BUSINESS ORGANIZATION AND FISCAL DISCLOSURE:

A. Form of Business Organization: Contractor shall prepare and submit to Director upon request, an affidavit, sworn to and executed by Contractor's duly constituted officers, or Board of Directors, containing the following information with supportive documentation:

(1) The form of Contractor's business organization, e.g., sole proprietorship, partnership, limited liability company ("LLC"), or corporation.

(2) Articles of Incorporation and By-Laws (or articles of organization, certificate of formation, certificate of registration, and operating agreement if Contractor's organization is an LLC).

(3) A detailed statement indicating whether Contractor is totally or substantially owned by another

business organization (i.e., another legal entity or parent corporation).

(4) Board Minutes, or other legal documentation, identifying who is authorized on behalf of Contractor to conduct business, make commitments, and enter into binding agreements with County. Such Board Minutes, or legal documentation, shall especially confirm that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement.

(5) A detailed statement indicating whether Contractor totally or partially owns any other business organization that will be providing services supplies, materials, or equipment to Contractor or in any manner does business with Contractor under this Agreement.

(6) If, during the term of this Agreement, the form of Contractor's business organization changes, or the ownership of Contractor changes, or Contractor's authorized person to conduct business, make commitments, and enter into binding agreements with County changes; or Contractor's ownership of other businesses dealings with Contractor under this Agreement changes; Contractor shall notify Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

B. Fiscal Disclosure: Contractor shall prepare and submit to Director, within ten (10) calendar days following execution of this Agreement, a statement executed by Contractor's duly constituted officers or Board of Directors, containing the following information:

(1) A detailed statement listing all sources of funding to Contractor, including but not limited to, private contributions, if any. The statement shall include the nature of the funding, services to be provided, total dollar amount, and period of time of such funding.

(2) If, during the term of this Agreement, the source(s) of Contractor's funding changes, Contractor shall promptly notify the Director in writing detailing such changes within thirty (30) calendar days prior to the effective date thereof.

3. NONDISCRIMINATION IN SERVICES: Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, or physical or mental disability, or sexual orientation in accordance with requirements of federal and State laws. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to

any person which is not equivalent, or is provided in a non-equivalent manner or at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative action to ensure that intended beneficiaries of this Agreement are provided services without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation.

In addition, Contractor's facility access for the disabled must fully comply with section 504 of the federal Rehabilitation Act of 1973 and Title III of the federal Americans with Disabilities Act of 1990.

4. NONDISCRIMINATION IN EMPLOYMENT:

A. Contractor certifies and agrees, pursuant to the federal Rehabilitation Act of 1973, the federal Americans with Disabilities Act of 1990, and all other federal and State laws, as they now exist or may hereafter be amended, that it, its affiliates, subsidiaries, or holding companies, will not discriminate against any employee or applicant for

employment because of race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation.

Contractor shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation, in accordance with federal and State laws. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

Contractor shall post in conspicuous places in each of Contractor's facilities providing services hereunder, positions available and open to employees and applicants for employment, and notices setting forth the provisions of this Paragraph.

B. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, national origin, ethnic group

identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation, in accordance with requirements of federal and State laws.

C. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement, or other contract of understanding, a notice advising the labor union or workers' representative of Contractor's commitments under this Paragraph.

D. Contractor certifies and agrees that it shall deal with its subcontractor, bidders, or vendors without regard to race, color, religion, national origin, ethnic group identification, ancestry, sex, age, marital status, political affiliation, physical or mental disability, or sexual orientation, in accordance with requirements of federal and State laws.

E. Contractor shall allow federal, State, and County representatives, duly authorized by Director, access to its employment records during regular business hours in order to verify compliance with the anti-discrimination provisions of this Paragraph. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the anti-discrimination provisions of this Paragraph.

F. If County finds that any of the provisions of this Paragraph have been violated, the same shall constitute a

material breach of Agreement upon which County may determine to cancel, terminate, or suspend, this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the federal Equal Employment Opportunity Commission that Contractor has violated federal or State anti-discrimination laws shall constitute a finding by County that Contractor has violated the anti-discrimination provision of this Agreement.

G. The parties agree that in the event Contractor violates any of the anti-discrimination provisions of this Agreement, County shall be entitled, at its option, to the sum of Five Hundred Dollars ($500) pursuant to California Civil Code section 1671 as liquidated damages in lieu of canceling, terminating, or suspending this Agreement.

5. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees, and agents from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the federal Fair Labor Standards Act for services performed by

Contractor's employees for which County may be found jointly or solely liable.

6. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of undocumented aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations, as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for all covered employees for the period prescribed by law. Contractor shall indemnify, defend and hold harmless County, its officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

7. CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM: Contractor hereby warrants that neither it nor any of its staff members is restricted or excluded from providing services under any health care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director in writing, within thirty (30) calendar days, of: (1) any event that would require

Contractor or a staff member's mandatory exclusion from participation in a federally funded health care program; and (2) any exclusionary action taken by any agency of the federal government against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal exclusion of Contractor or its staff members from such participation in a federally funded health care program.

Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

8. RULES AND REGULATIONS: During the time that Contractor's employees, or subcontractors are at Medical Center, Contractor and such persons shall be subject to the rules and regulations of Medical Center. Medical Center's Administrator shall furnish a copy of rules and regulations to Contractor pertaining to Medical Center prior to the execution of this Agreement and, during the term of this Agreement, shall furnish Contractor with any changes thereto as from time to time may be adopted. It is the responsibility of Contractor to acquaint itself and such persons who may provide services hereunder with such rules and regulations. Contractor agrees to immediately and permanently withdraw any of its employees or subcontractors from

the provision of services hereunder upon receipt of written notice from the Director that: (1) such employee or subcontractor has violated such rules or regulations, or (2) such employee's or subcontractor's actions while on County premises, indicate that such employee or subcontractor may adversely affect the delivery of health care services to County patients. The Director must submit with such notice a written statement of the facts supporting any such alleged violation or action.

9. STAFF PERFORMANCE OF SERVICES WHILE UNDER THE INFLUENCE: Contractor shall ensure that no employee or other person under Contractor's control, performs services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance that might impair his/her physical or mental performance.

10. UNLAWFUL SOLICITATION: Contractor shall inform all of its officers and employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers and employees. Contractor agrees to utilize the attorney referral service of all those bar associations within Los Angeles County that have such a service.

11. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

12. COUNTY LOBBYISTS: Each County lobbyist as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County Lobbyist ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of any County lobbyist retained by Contractor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

13. RESTRICTIONS ON LOBBYING: If any federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all such certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully comply all such certification and disclosure requirements.

14. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agents will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms

and performance standards. Contractor deficiencies which Director determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to County's Board of Supervisors. The report will include improvement/corrective action measures taken by Director and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate Agreement or impose other penalties as specified in Agreement.

15. RECORDS AND AUDITS:

A. Service Records: Contractor shall maintain, and provide upon request by County, accurate and complete records of its activities and operations as they relate to the provision of services, hereunder.

B. Financial Records: Contractor shall prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles and also in accordance with any additional accounting principles and procedures, and standards, which may from time to time be promulgated by Director. All such records shall be sufficient to substantiate all charges billed to County in the performance of this Agreement. Further, all financial records of Contractor pertaining to this Agreement, including accurate books and records of accounts of its costs and operating expenses, and all records of services (including personnel provided), as well as other financial records pertaining to this Agreement, shall be retained by

Contractor for a minimum period of five (5) years following the expiration or prior termination of this Agreement. During such five (5) year period, as well as during the term of this Agreement, all records pertaining to this Agreement, or true and correct copies thereof, including but not limited to, those records described above, shall either: (1) be retained by Contractor, accessible for review by County representatives at a location in Los Angeles County, or (2) if retained by Contractor at a location outside of Los Angeles County, moved from such a location, to a location within Los Angeles County for review, upon Director's request, and made available during County's normal business hours, within ten (10) calendar days, to representatives of County, or federal and State governments, for purposes of inspection and audit. In the event such records are located outside Los Angeles County and Contractor is unable to move such records to Los Angeles County, then Contractor shall permit such inspection or audit to take place at an agreed to outside location, and Contractor shall pay County for travel, per diem, and other costs related to such inspection and audit.

Contractor shall further agree to provide such records, when possible, immediately to County by facsimile/FAX, or through the internet (i.e., electronic mail ["e-mail"]), upon Director's request. Director's request shall include appropriate County facsimile/FAX number(s) and/or e-mail

address(es) for Contractor to provide such records to County. In any event, Contractor shall agree to make available the original documents of such FAX and e-mail records when requested by Director for review as described hereinabove.

C. Federal Access to Records: If, and to the extent that, section 1861 (v)(1)(I) of the Social Security Act [42 United States Code ("U.S.C.") section 1395x (v)(1)(I)] is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, this Agreement, books, documents, and records of Contractor which are necessary to verify the nature and extent of the cost of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars ($10,000) or more over a twelve (12) month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the sub-contract, books, documents and records of the subcontractor.

D. <u>County To Be Provided Audit Report(s)</u>: In the event that an audit is conducted of Contractor specifically regarding this Agreement by any federal or State auditor, or any auditor or accountant employed by Contractor or otherwise, Contractor shall file a copy of each such audit report with Director and County's Auditor-Controller within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided under this Agreement, or under applicable federal or State regulations. To the extent permitted by law, County shall maintain the confidentiality of such audit report(s). Failure of Contractor to comply with these terms shall constitute a material breach of this Agreement upon which County may cancel, terminate, or suspend this Agreement.

E. <u>Audit/Compliance Review</u>: In the event County representatives conduct an audit/compliance review of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all records of services rendered and all financial records and reports pertaining to this Agreement and shall allow photocopies to be made of these documents utilizing Contractor's photocopier, for which County shall reimburse Contractor its customary charge for record copying services, if requested. Director shall provide Contractor with at least ten (10) working days prior

written notice of any audit/compliance review, unless otherwise waived by Contractor.

County may conduct a statistical sample audit/compliance review of all claims paid by County during a specified period. The sample shall be determined in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of such audit/ compliance review at which time the results shall be discussed with Contractor. Contractor shall be provided with a copy of any written evaluation reports.

Contractor shall have the opportunity to review County's findings on Contractor, and Contractor shall have thirty (30) calendar days after receipt of County's audit/ compliance review results to provide documentation to County representatives to resolve the audit exceptions. If, at the end of the thirty (30) calendar day period, there remains audit exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit, or sample, shall be applied to the total County payment made to Contractor for all claims paid during the audit/compliance review period to determine Contractor's liability to County.

F. <u>County Audit Settlements</u>: If, at any time during the term of this Agreement or at any time within five (5) years after the expiration or earlier termination of this Agreement, authorized representatives of County conduct an

audit of Contractor regarding the services provided to County hereunder and if such audit finds that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees that the difference shall be either: (1) repaid forthwith by Contractor to County by cash payment, or (2) at Director's option, deducted from any further amount due Contractor from County. If such audit finds that County's dollar liability for services provided hereunder is more than payments made by County to Contractor, then the difference shall be paid forthwith to Contractor by County by cash payment.

16. REPORTS: Contractor shall make reports as required by County, or DHS, concerning Contractor's activities and operations as they relate to this Agreement and the provision of services hereunder. In no event, however may County, or DHS, require such reports unless Director has provided Contractor with at least thirty (30) calendar days' prior written notification thereof. Director's notification shall provide Contractor with a written explanation of the procedures for reporting the information required.

17. CONFIDENTIALITY: To the extent that Contractor may gain access hereunder to County patient records and information, Contractor shall maintain the confidentiality of such records and information from third parties, including but not limited to, billings and County records, in accordance with all applicable federal, State, and local laws, ordinances, rules, regulations,

and directives relating to confidentiality. Contractor shall inform all its officers, employees, agents, subcontractors, and others providing services hereunder of this confidentiality provision requirement. Contractor shall indemnify and hold harmless County, its officers, employees, agents, and subcontractors, from and against any and all loss, damage, liability, and expense arising out of any disclosure of patient records and information by Contractor, its officers, employees, agents, subcontractors, and others providing services hereunder.

18. CONTRACTOR PERFORMANCE DURING CIVIL UNREST OR DISASTER: Contractor recognizes that health care facilities maintained by County provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this contract, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible.

Failure to comply with this requirement shall be considered a material breach by Contractor for which County may immediately terminate this Agreement.

19. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County. Any assignment or delegation which does not have such prior

County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegatee or assignee on any claim under this Agreement, absent such County's consent, shall not be paid by County. Any payments by County to any delegatee or assignee on any claim under this Agreement, in consequence of any such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to setoff, recoupment or other reduction of claims which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders or partners, or both, of Contractor may sell, exchange, assign, divest, or otherwise transfer any interest they may have therein. However, in the event any such sale, exchange, assignment, divestment or other transfer is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, then prior written consent thereof by County's Board of Supervisors shall be required. Any payments by County to Contractor on any claim under this Agreement shall not waive or constitute such County consent.

Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgement, determines that the transferee(s) is (are) lacking in experience, capability and financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

20. COMPLIANCE WITH JURY SERVICE PROGRAM:

A. Jury Service Program: This Agreement is subject to the service provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as

codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

B. Written Employee Jury Service Policy:

(1) Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service served. Contractor's policy may further provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.

(2) For purpose of this Paragraph, and as set forth in the Jury Service Program provision of the County Code as described hereinabove: "Contractor" shall mean a person, partnership, corporation, or other entity, that has a contract with County, or a subcontract with a County contractor, and has received, or will receive, an aggregate sum of Fifty Thousand Dollars ($50,000) or more in any twelve (12) month

period under one (1) or more County contracts or subcontracts; "employee" shall mean any California resident who is a full-time employee of Contractor; and "full-time" shall mean forty (40) hours or more worked per week, or a lesser number of hours, if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

(3) If Contractor is not required to comply with the Jury Service Program on the effective date of this Agreement, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Services Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury

Service Program's definition of "Contractor", or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Agreement term, and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Jury Service Program.

(4) Contractor's violation of this Paragraph of the Agreement may constitute a material breach of this Agreement. In the event of such breach, County may, in its sole discretion, terminate this Agreement and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

21. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES: Contractor shall obtain and maintain in effect during the term of this Agreement, all appropriate licenses, permits, registrations, accreditations, and certificates required by all applicable federal, State, and local laws, regulations, guidelines and directives, for the operation of its business operation and for the provisions of services hereunder.

Contractor shall ensure that all of its officers, employees, and agents who perform services hereunder, obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates required by federal, State, and local laws, regulations, guidelines and directives, which are applicable to their performance hereunder. Upon Director's written request Contractor shall provide Director with a copy of each license, permit, registration, accreditation, and certificate, as required by all applicable federal, State, and local laws, regulations, guidelines and directives, within ten (10) calendar days thereafter.

22. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of employee, agent, servant, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, employees or agents of the other party for any purpose whatsoever.

B. Contractor shall be solely liable and responsible for providing to, or on behalf of, its officers and employees all legally required employee benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, State, and local taxes, or other

compensation, benefits, or taxes to, or on behalf of, any personnel provided by Contractor.

C. Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed by or on behalf of Contractor pursuant to this Agreement.

23. REQUIREMENT TO NOTIFY EMPLOYEES ABOUT FEDERAL EARNED INCOME CREDIT ("EIC"): Contractor shall notify its employees, and shall require that each of its subcontractors notify its employees, to inform them that they may be eligible for claiming federal EIC as allowed under the federal income tax laws. Such notification shall be provided in accordance with the requirements as set forth in the Department of Treasury Internal Revenue Service's ("IRS") Notice 1015; copies of which are available from the IRS Forms Distribution Center by calling (800) 829-3676.

24. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal

support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the federal Social Security Act [(42 USC section 653(a)] and California Unemployment Insurance Code section 1088.55, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department ("CSSD") Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure section 706.031 and Family Code section 5246(b).

25. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in "Contractor's Warranty of Adherence to County's Child Support Compliance Program" Paragraph immediately above, shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to the TERMINATION Paragraphs

of this Agreement and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

26. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is attached hereto and incorporated herein, and is also available on the Internet at www.babysafela.org for printing purposes.

27. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW: The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County' s policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used.

28. CONSIDERATION OF COUNTY'S DEPARTMENT OF PUBLIC SOCIAL SERVICES ("DPSS") GREATER AVENUES FOR INDEPENDENCE ("GAIN") PROGRAM OR GENERAL RELIEF OPPORTUNITY FOR WORK ("GROW") PARTICIPANTS FOR EMPLOYMENT: Should Contractor require

additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's DPSS GAIN or GROW program(s), who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to the Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

29. COUNTY EMPLOYEE'S RIGHT OF FIRST REFUSAL AND CONTRACTOR'S OFFERS OF EMPLOYMENT: To the degree permitted by Contractor's agreements with its collective bargaining units, Contractor shall give the right of first refusal for its employment openings at Contractor's facility to qualified County employees who are laid-off or who leave County employment in lieu of reduction under County's Civil Service Rule 19, and who are referred to Contractor by Director (including those on a County re-employment list). Such offers of employment shall be limited to vacancies in Contractor's staff needed to commence services under this Agreement, as well as, to vacancies that occur during the Agreement term. Such offers of employment shall be consistent with Contractor's current employment policies, and shall be made to any former or current County employee who has made application to Contractor, and is qualified for the available position. Employment offers shall be at least under

the same conditions and rates of compensations which apply to other persons who are employed or may be employed by Contractor. Former County employees who have been impacted by County's Civil Service Rule 19, and who are employed by Contractor shall not be discharged during the term of the Agreement except for cause, subject to Contractor's personnel policies and procedures, and agreement(s) with its collective bargaining units.

Contractor shall also give first consideration to laid-off or reduced County employees if vacancies occur at Contractor's other service sites during the Agreement term.

30. NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT: Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

31. SERVICE DELIVERY SITE - MAINTENANCE STANDARDS: Contractor shall assure that the location(s) [e.g., facility(ies)] where Contractor provides services under this Agreement, is/are operated at all times in accordance with all County and local community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facility(ies) shall include a review of compliance with the provisions of this Paragraph.

32. DAMAGE TO COUNTY BUILDINGS, FACILITIES, OR GROUNDS: Contractor shall repair, or cause to be repaired, at its own cost, any damage to County buildings, facilities, or grounds, caused by Contractor or any officer, employee, or agent of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event, later than thirty (30) calendar days after the occurrence.

If Contractor fails to make timely repairs, County may make any necessary repairs on its own. All costs incurred by County for such repairs, as determine by Director, shall be repaid by Contractor upon demand.

33. USE OF RECYCLED - CONTENT BOND PAPER: Consistent with County's Board of Supervisors policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content bond paper and paper products to the maximum extent possible in connection with services to be performed by Contractor under this Agreement.

34. NOTICE OF DELAYS: Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall within two (2) calendar days, give notice thereof, including all relevant information with respect thereto, to the other party.

35. CONFLICT OF INTEREST:

A. No County officer or employee whose position in County enables such officer or employee to influence the

award or administration of this Agreement or any competing agreement, and no spouse or economic dependent of such officer or employee shall be employed in any capacity by Contractor herein, or have any other direct or indirect financial interest in this Agreement. No officer, employee, agent, or subcontractor of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval process for the award of this Agreement or any competing agreement, or ongoing evaluation of such services, under this Agreement or any competing agreement, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.

B. Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to Director. Full written disclosure shall include, without limitation, identification of all persons involved, or implicated, and a complete description of all relevant circumstances.

36. TERMINATION FOR INSOLVENCY: County may terminate this Agreement immediately for default in the event of the occurrence of any of the following:

A. Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay its debts at least sixty (60) calendar days in the ordinary course of business or cannot pay its debts as they become due, whether Contractor has committed an act of bankruptcy or not, and whether Contractor is insolvent within the meaning of the federal Bankruptcy Law or not;

B. The filing of a voluntary or involuntary petition under the federal Bankruptcy Law;

C. The appointment of a Receiver or Trustee for Contractor;

D. The execution by Contractor of an assignment for the benefit of creditors.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

37. TERMINATION FOR DEFAULT: County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:

A. If, as determined in the sole judgment of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or

B. If, as determined in the sole judgment of County, Contractor fails to perform and/or comply with any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two (2) circumstances, does not cure such failure within a period of five (5) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

In the event that County terminates this Agreement as provided hereinabove, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs incurred by County for such similar services.

The rights and remedies of County provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

38. TERMINATION FOR IMPROPER CONSIDERATION: County may, by written notice to Contractor, immediately terminate Contractor's right to proceed under this Agreement, if it is found that consideration in any form, were offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent, with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment, or extension of the Agreement, or making of any

determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could in the event of default by Contractor.

Contractor shall immediately report any attempt by a County officer, employee, or agent, to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or agent, or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

(Among other items, such improper considerations may take the form of cash, discounts, services, the provision of travel or entertainment, or other tangible gifts).

39. TERMINATION FOR MATERIAL BREACH: Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, employees, agents, or subcontractors, to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

40. TERMINATION FOR CONVENIENCE: (For **ACMI GYRUS**) The performance of services under this Agreement may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest.

Termination of services hereunder shall be effected by delivery to Contractor of a thirty (30) calendar day advance Notice of Termination specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective. (For **MERRY X-RAY**) The performance of services under this Agreement may be terminated by either party at any time, with or without cause, upon the giving of at least thirty (30) calendar days' prior written notice to the other party.

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

(1) Stop services under this Agreement on the date and to the extent specified in such Notice of Termination; and

(2) Complete performance of such part of the services as shall not have been terminated by such Notice of Termination. Further, after receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination

is made, County shall pay Contractor the amount so determined.

Contractor for a period of five (5) years after final settlement under this Agreement, in accordance with the RECORDS AND AUDITS Paragraph, herein, retain and make available all its books, documents, records, or other evidence, bearing on the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder.

41. TERMINATION FOR NON-APPROPRIATION OF FUNDS: Notwithstanding any other provision of this Agreement, County shall not be obligated for preventive maintenance and repair services performed hereunder, or by any provision of this Agreement, during any of County's future July 1 - June 30 fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall be deemed to have terminated on June 30 of the last County fiscal year for which funds were appropriated. Director shall notify Contractor in writing of such non-appropriation of funds at the earliest possible date.

42. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily

perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented.

This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board

I. These terms shall also apply to any subcontractors of County Contractors.

43. SOLICITATION OF BIDS OR PROPOSALS: Contractor acknowledges that County, prior to expiration or earlier termination of this Agreement, may exercise its right to invite bids or request proposals for the continued provision of the services delivered or contemplated under this Agreement. County and/its DHS shall make the determination to solicit bids or request proposals in accordance with applicable County and DHS policies.

Contractor acknowledges that County may enter into a contract for the future provision of services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future

invitation for bids, or request for proposals, by virtue of its present status as Contractor.

44. GOVERNING LAW, JURISDICTION, AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that the venue of any action (other than an appeal or an enforcement of a judgment) brought by Contractor, on Contractor's behalf, or on the behalf of any subcontractor, which arises from this Agreement or is concerning or connected with services performed pursuant to this Agreement, shall be exclusively in the courts of the State of California located in Los Angeles County, California.

45. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or from time-to-time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

46. SEVERABILITY: If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

47. COVENANT AGAINST CONTINGENT FEES:

A. Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

B. For breach or violation of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the payment or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

EXHIBIT A

GYRUS ACMI L. P.

STATEMENT OF WORK

ENDOSCOPIC MEDICAL EQUIPMENT REPAIR SERVICES AGREEMENT

1. SCOPE OF WORK: Contractor shall provide repair services described in this Exhibit A for Medical Equipment listed in Schedule 1, attached hereto and referenced herein. Contractor's services shall include, but not be limited to, the following:

A. Unlimited Medical Equipment Repair Services;

B. Development and maintenance of a Medical Equipment risk management program.

2. DEFINITIONS: Unless otherwise expressly provided or the context otherwise requires, the following definitions for the terms identified below shall be understood to be the meaning of such terms where used in this Exhibit A:

A. "Medical Equipment" shall mean an instrument, scopes, apparatus, machine, or other similar or related article, including all components, parts, accessories, replacements, and/or upgrades, which is intended for the diagnosis, care, treatment, or monitoring of a Facility patient.

B. "Routine Repair Services" shall mean the restoration of Medical Equipment to its original function on an as-needed basis, of the Medical Equipment shipped to

Contractor for repair services by Facility in response to the failure or malfunctioning of such equipment. The repair process may also include servicing, reconditioning, modification, and refurbishment.

3. CONTRACTOR PERSONNEL:

A. Contractor shall designate an administrator to lead and coordinate Contractor's day-to-day provision of services described hereunder. Contractor's administrator shall be available at all reasonable times (Monday through Friday, 8:00 a.m. to 5:00 p.m.), excluding County holidays, to act as a central point of contact with County personnel.

Contractor shall notify County, in writing, of the name, telephone (e.g., cellular [cell phone]), pager, and facsimile/FAX number(s) of Contractor's designated day-to-day administrator within ten (10) calendar days prior to the effective date of this Agreement.

B. Contractor's administrator shall be responsible for determining daily work duties, staffing levels, scheduling, and staffing hours needed to properly provide services hereunder, which shall be prepared in writing and submitted to the Director for approval, before any such services are provided. During the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of Director, the names of Contractor's staff (including any subcontractor staff),

their titles, professional degrees (if any), salary history, and experience in providing services hereunder.

C. Contractor's administrator shall institute and maintain appropriate supervision of all persons providing services pursuant to this Agreement. Further, unless directed pursuant to this Agreement by Director to do otherwise, Contractor shall work independently on designated assignments in accordance with the Statement of Work duties contained hereunder.

D. Contractor service personnel shall be appropriately licensed, certified, credentialed, or trained to perform the Repair Services hereunder.

E. Contractor shall assume the sole responsibility for the timely completion of all activities assigned or to be performed hereunder.

4. COUNTY PERSONNEL: County does not anticipate assigning County personnel or employees to assist Contractor on a full-time or even a part-time basis regarding services to be provided by Contractor pursuant to this Agreement. However, County personnel will be made available to Contractor at the discretion of Director to provide necessary input and assistance in order to answer questions and provide necessary liaisons between Contractor and County. In any event, County further will provide Contractor with an appropriate contact person at each work site location to be served under this Agreement.

5. COUNTY FURNISHED PROPERTY AND SERVICES: At the Director's sole discretion, County may assign space, chairs, and desks, on a non-exclusive basis, for work area and related used by Contractor. In the event the Director assigns space to the Contractor, Contractor shall use the space only for the purpose of the performance of services hereunder. Contractor is prohibited from use of such space, desks, and chairs for the purposes other than the performance of this Agreement.

At the Director's sole discretion, County may provide access to telephones, fax machines, typewriters, and photocopying equipment, on a non-exclusive basis, for the purpose of Contractor's performance of this Agreement. Contractor is prohibited from use of such equipment for the purposes other than for the performance of this Agreement.

6. SERVICES TO BE PERFORMED BY CONTRACTOR: Contractor shall provide the following services for all Medical Equipment listed in Schedule 1:

A. Unlimited Medical Equipment Repair Services: Contractor shall perform all-inclusive Unlimited Medical Equipment Repair Services on an as-needed basis, as required by Facility, at the rate set forth in Schedule 1 for Medical Equipment. If the said equipment cannot be repaired, the Contractor shall provide Facility with a refurbished unit in working condition at no cost to the County. Contractor shall complete repairs or replace the equipment within two

(2) business days upon receipt of said equipment from Facility.

Contractor shall provide unlimited repairs for each Equipment listed in Schedule 1 at no additional cost to County. Such services shall not include warranty repairs. Contractor shall decide, in its sole discretion, whether a repair qualifies as a warranty repair or a repair under the Agreement.

A "repair" is defined as the return of Equipment, shipped to Contractor by Facility for servicing, regardless of the extent or value of the Services to be provided by Contractor. All shipments are Free On Board (F.O.B.) shipping point.

A "warranty repair" is defined as repairs required for Manufacturer defects.

B. Risk Management Program: Contractor shall, in association with Facility staff, develop and maintain an equipment risk management program. Such Program shall provide written documentation of any Medical Equipment which has been involved in a medical incident, e.g., any mechanical problem/failure which involves injury to a patient. Such documentation shall describe the incident, describe the Medical Equipment involved in the incident, and shall describe any inspection performed by Contractor on such equipment as a result of an incident.

C. Additional Services:

(1) Breakage and/or Loss: Contractor shall replace and/or repair (at the time of servicing) any Equipment and/or parts thereof which suffer breakage, damage or loss at the time of servicing or repair, which is caused by the negligence or willful misconduct of Contractor, and to the extent thereof, at no additional cost to County.

(2) Rework: Contractor shall rework improperly repaired Equipment, correct any damage resulting therefrom, and supply all necessary parts and materials therefore at no additional cost to County. Service personnel shall also repair any defective parts purchased and installed by such service personnel and shall repair any damage to the Equipment resulting from, and to the extent of, Contractor's negligence or willful misconduct, at no additional cost to County.

(3) Reports: Contractor shall prepare and maintain a written record of all services (service report) provided on each Equipment at the Facility. Such service report(s) shall: (a) meet all licensing, accrediting and regulatory agency requirements,

(b) clearly identify the Equipment serviced by model number, serial number, Los Angeles County Capital Asset Leasing or Los Angeles County number (if available), (c) include an itemization and description of services performed, including electrical checks and calibration reading, (d) list any parts installed, (e) include the service date(s), and (f) give the name of the service technician who performed the service. A copy of such service report shall be given to the Facility at the time the service is performed. Such service reports are the property of County and shall remain on-site at each Facility.

7. BILLING AND PAYMENT:

A. Billing:

(1) Billings to County shall be submitted in arrears in accordance with the rate schedule set forth in this Exhibit A and Schedule 1.

(2) All billings hereunder shall be by Facility, shall be in duplicate, and shall be forwarded to the appropriate Facility and address as specified in the Agreement, Paragraph 4, BILLING AND PAYMENT.

(3) All billings hereunder shall clearly reflect and provide reasonable details of the services for which claim is made, a description of services

performed, the date(s) of such services, and shall include a copy of the service report(s).

(4) All billings rendered by Contractor shall be in the name of Contractor as said name appears on the first page of this Agreement and shall include the County contract number.

B. Payment:

(1) Subject to the terms and conditions of this Agreement and upon receipt of a complete and correct billing statement, and upon approval by Director of same, County shall reimburse Contractor within thirty (30) calendar days in arrears upon receipt of Contractor's billing(s). County shall pay for all services which County considers complete and correct. Payment for incorrect billings shall be included when resolved in the next payment cycle.

(2) County shall compensate Contractor in arrears in accordance with the following rate schedules set forth hereinbelow and further described in Schedule 1:

(a) Monthly rate set forth in Schedule 1 for all Medical Equipment for unlimited as-needed Repair Services;

(b) Replacement of major parts, including glassware and batteries, and major components, including generators, motors, tables and electronic boards, are not included in the rates

listed hereinabove. Such parts or components provided herein shall be invoiced at Contractor's then current list or exchange price plus sales tax and freight upon written consent of Director.

(3) Director shall evaluate all services and tasks performed by Contractor. If, in the Director's sole discretion, a service or task is not satisfactorily performed, Director shall provide Contractor with a written assessment of the deficiencies. Contractor shall, within ten (10) working days of receipt of Director's deficiency notification, remedy the identified deficiencies, at no additional cost to County. This approval process shall be repeated until Director deems all deficiencies have been remedied. Unless and until Contractor remedies all identified deficiencies, County shall not have any obligation to pay Contractor for deficient work performed under this Agreement.

8. GENERAL CONTRACTOR REQUIREMENTS:

A. Business License: Prior to the execution of this Agreement, Contractor shall provide the Department of Health Services, Contracts and Grants Division with a copy of its current business license(s) and appropriate Employer Identification Number.

B. Recruitment: Contractor shall screen all personnel prior to assigning such personnel to provide

services at Facility to assure that all such persons have the qualifications and training necessary to perform the services contemplated under this Agreement. All such service personnel shall be appropriately licensed, certified, credentialed, registered or trained to perform the maintenance and repair services and shall have, as a minimum, knowledge and expertise in the following areas:

(1) Diagnosis and inspection of each Medical Equipment to determine maintenance and repair needs;

(2) Routine cleaning and lubrication, as necessary, of each Medical Equipment;

(3) Electrical and safety inspections, as necessary, of Medical Equipment; and

(4) Calibration and functional testing, as necessary.

C. Contractor Personnel Qualifications: Contractor personnel providing services hereunder shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance hereunder. Copies of such licenses, permits, registrations and certificates shall be made available to County upon request for purposes of inspection and audit.

D. Infection Control: If any of Contractor's personnel are diagnosed with having an infectious disease, and Contractor is made aware of such a diagnosis and such

person has had contact with a County employee or patient during the usual incubation period for such infectious disease, then Contractor shall report such occurrences to Facility's Infection Control Department within twenty-four (24) hours of becoming aware of the diagnosis.

If a County employee or patient is diagnosed with having an infectious disease, and such County employee or patient has had contact with Contractor's personnel during the usual incubation period for such infectious disease, Facility shall report such occurrences to Contractor.

For purposes of this Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases.

E. Physical Examination: Contractor shall ensure that each person who performs services at a Facility site under this Agreement is examined by a licensed physician, or other licensed medical practitioner authorized to perform such physical examinations, on an annual basis or biannual basis, as required by Facility based on such person's work location. Upon request by Director or his designee, Contractor shall provide County, with evidence that each such person is free of infectious and/or contagious disease(s) which would interfere with the person's ability to perform the services hereunder or which

could be transmitted in the work place at Facility. Such evidence shall include documentation that the person:

(1) received a physical examination, including a chest X-ray or tuberculin skin test, and

(2) is immune to measles (Rubeola and Rubella) and Hepatitis B through vaccination or antibody titer test demonstrating such immunity.

In those instances where persons have no demonstrated immunity, and have refused vaccination, a waiver to that effect must be on file and provided upon request.

Written certification that such person is free of infectious disease(s), has been tested and/or vaccinated as required above, and physically able to perform the duties described herein shall be retained by Contractor for purposes of inspection and audit and made available to County upon request.

Schedule 1

Gyrus ACMI, L. P.
Unlimited Medical Equipment Repair Services Agreement

Olive View-UCLA Medical Center

Product #	Serial #(s)	Equipment Description	Quantity	Number of Repairs
DUR-8		Flexible Ureteroscope		UNLIMITED
ACN-2		Flexible Cystoscope		UNLIMITED
M3-30A		Elite Telescope, 30 Degree		UNLIMITED
M3-70A		Elite Telescope, 70 Degree		UNLIMITED
M3-0A		Elite Telescope, 0 Degree		UNLIMITED
M3-12A		Elite Telescope, 12 Degree		UNLIMITED
MR-6A		Semi-Rigid Ureteroscope		UNLIMITED
MR-6LA		Semi-Rigid Ureteroscope, Long		UNLIMITED
		Monthly bulk rate for all equipment		$ 6,314.24
		Total Annual Cost for Unlimited Repairs		$ 75,770.88
		Reserve Funds		$ 229.12
		Maximum Obligation:		**$ 76,000.00**

EXHIBIT A

MERRY X-RAY CHEMICAL CORPORATION

STATEMENT OF WORK

MAINTENANCE AND REPAIR SERVICES

1. SCOPE OF WORK: Contractor shall provide services described in this Exhibit A for Equipment listed in Schedule 1, attached hereto and referenced herein. Contractor's services shall include, but not be limited to, the following:

A. Equipment Maintenance and Repair Services:

I. Provide preventive maintenance services:

a. Provide routine preventive maintenance services for all Los Angeles County film processors every four (4) weeks, except for dedicated mammography and high volume and critical care area processors, which will be serviced every two (2) weeks upon request. Preventive maintenance service shall be performed during regular business hours of 7:00 a.m. through 5:00 p.m., Monday through Friday. Preventive maintenance services shall include, but not be limited to, inspection, lubrication, functional tests and adjustments necessary to facilitate proper functioning of the equipment, and replacement of broken or defective parts with new

parts specifically designed, manufactured and sold by the equipment manufacturer for the processor requiring said parts.

b. Provide preventive maintenance service every two (2) weeks on mammography film processors, and the high volume and critical care area processors, upon request. A sensitometric (QC) strip shall be run prior to beginning service and a second QC strip shall be run at the completion of servicing. The two strips shall be compared to insure that the same QC standards exist before and after servicing is completed.

c. Provide the following services at MLK-Harbor Trauma Building:

i. Provide routine maintenance service every two (2) weeks, with the exception of all Multi-Loader equipment, which shall be serviced every four (4) weeks.

ii. Provide chemicals delivery and chemical waste pickup for Rooms T1-101H, TO-208B, TO-211, and Main Radiology 1E-14 every three (3) weeks.

iii. Test equipment operation, including pumps and reservoir stations every two (2) weeks, including providing all reservoir tanks with sub-tanking for each processor, and maintaining all tubing, clamps and pumps to re-circulate, and pumping for each processor. Contractor shall follow the policy guidelines established by Los Angeles County, Department of Public Works, which are available for review by contacting MLK-Harbor Radiology Chief. Contractor shall ensure that no part per million should go down any drain system.

II. Provide emergency repair services on the film processors located at Facilities on twenty-four (24) hours a day, seven (7) days per week, three hundred sixty-five (365) days a year, including all legal holidays, by calling Contractor at (818) 240-8370. Contractor shall respond by telephone within one (1) hour of a request for emergency repair service. Calls for service during regular business hours of 7:00 a.m. through 5:00 p.m. shall be handled directly by Contractor. Calls for service after working hours shall

be made to the automated after-hour dispatch system. The caller shall be prompted to leave specific information and the request for service shall be responded to by one of three service technicians on call at all times when Contractor's office is closed. Contractor shall respond to the after-hour calls by telephone within one (1) hour and have service personnel on site at the Facility requesting service within two (2) hours after the receipt of a request for emergency repair service.

III. Replace and/or repair each Equipment and/or parts which suffer breakage or loss at the time of servicing or repair, at no additional cost to County.

IV. Rework improperly repaired processors, correct any equipment damage resulting therefrom, and supply all necessary parts and materials therefore at no additional charge to County. Service personnel shall also repair or replace any defective parts purchased and installed by such service personnel and shall repair any damage to processors resulting therefrom at no additional cost to County.

V. Provide each Facility with all maintenance records and documentation required by licensing and

accreditation agencies. Each processor shall have a permanent service record attached to it for County staff to access the date of last service performed, set developer temperature and replenisher rates for developer and fixer.

VI. Contractor shall provide an annual schedule, in the beginning of each FY, for each preventive maintenance service to be performed. Said schedule shall be in the Contractor's proprietary data format.

B. Medical X-Ray Chemical Services:

I. Deliver and provide all medical x-ray chemicals, developer and fixer for all medical facilities.

II. Developer shall be pre-mixed and of the brand specified by Facility, including developers manufactured by Fuji, Kodak, and Contractor.

III. Fixer shall be new material with no recycled components.

IV. All chemistry shall have been mixed within the forty-eight (48) hours preceding delivery.

C. Hazardous Waste Disposal Services:

I. Contractor shall collect, haul and properly dispose all spent fixer. Contractor shall be responsible for the preparation of all necessary and appropriate documentation over the course of this contract to ensure compliance with all laws, ordinances and regulations for the handling of hazardous waste.

II. Ensure all County Facilities are in compliance with the local POTW (Publicly Owned Treatment Works) for discharge limitations by hauling waste off site for treatment, recycling and/or disposal. Contractor further ensures that no hazardous wastes shall be introduced into Facilities discharge drains in connection with Agreement. Hauling off-site shall eliminate the possibility of malfunction for on-site treatment that may result in waste discharge exceeding the legal allowable limits of silver content.

D. Collection and Disposal of Scrap Film and/or File Purge:

I. Pickup and dispose of scrap film, file purges and other film based silver bearing waste in accordance with all applicable laws, ordinances, and regulations.

II. County shall receive payment for the scrap value of the film with a minimum pickup weight (net weight of film, minus jackets or other papers) of two hundred fifty (250) pounds, which equates to the approximate capacity of one 50-gallon fiber drum. Contractor shall not provide any payment to County for pickups with less than 250 pounds in net weight of film.

III. County shall give a minimum of two (2) days notice prior to the desired pick-up date.

E. Water Saver Plus Units: For the Water Saver Plus (WSP) units located at County Facilities listed in Exhibit 1, Contractor shall:

I. Provide routine preventive maintenance services every two (2) weeks. Preventive maintenance service shall be performed during regular business hours of 7:00 a.m. through 5:00 p.m., Monday through Friday. Preventive maintenance services shall include, but not be limited to the following:

a. Drain WSP holding tank;

b. Clean WSP tank interior;

C. Wipe down exterior of WSP;

d. Inspect outgoing screen for blockage;

e. Fill WSP water tank;

f. Check for proper inflow;

g. Top off algaecide tank;

h. Test water fill solenoid for proper operation;

i. Test algaecide solenoid for proper operation;

j. Adjust clock and timer;

k. Insure unit is operating properly;

l. Inspect, lubricate, and conduct any functional tests or adjustments necessary to facilitate proper functioning of the equipment; and

m. Replace broken or defective parts with new parts specifically designed, manufactured and sold by the equipment manufacturer for the WSP units requiring said parts; provide said replacement parts at a cost to County of no more than eighty percent (80%) of the price on the manufacturer's price list, as of the date of execution of this Agreement.

II. Respond to service calls made to Contractor at (818) 240-8370, during regular business hours of 7:00 a.m. through 5:00 p.m., Monday through Friday. Contractor shall provide any needed replacement parts with new parts specifically designed, manufactured and sold by the equipment manufacturer for WSP units requiring said parts; provide said replacement parts at a cost to County of no more than eighty percent (80%) of the price on the

manufacturer's price list, as of the date of execution of this Agreement.

Contractor shall respond by telephone and services personnel shall be on site at the Facility requesting service within two (2) hours after receipt of service calls.

III. Provide emergency repair services. Contractor shall provide any needed replacement parts with new parts specifically designed, manufactured and sold by the equipment manufacturer for the WSP units requiring said parts; provide said replacement parts at a cost to County of no more than eighty percent (80%) of the price on the manufacturer's price list, as of the date of execution of this Agreement.

Emergency repair shall be performed after regular business hours and be available twenty-four (24) hours a day, seven (7) days per week, three hundred sixty-five (365) days a year, including all legal holidays.

Emergency repair service calls shall be made to (818) 240-8370 and shall be answered by Contractor's automated after-hour dispatch system. The caller shall be prompted to leave specific information and the request for service shall be responded by one of three (3) service technicians on call at all times. Service personnel shall be on site at the Facility

requesting service within two (2) hours after receipt of a request for emergency repair service.

IV. Replace and/or repair any WSP unit and/or parts which suffer breakage or loss at the time of servicing or repair, at no additional cost to County.

V. Rework improperly repaired WSP unit, correct any equipment damage resulting therefrom, and supply all necessary parts and materials therefore at no additional charge to County. Service personnel shall also repair or replace any defective parts purchased and installed by such service personnel and shall repair any damage to WSP unit resulting therefrom at no additional cost to County.

VI. Provide each Facility with all maintenance records and documentation required by licensing and accreditation agencies. Each WSP unit shall have a permanent service record attached to it for County staff to access the date of last service performed.

VII. Provide an annual schedule, in the beginning of each FY, for each preventive maintenance service to be performed. Said schedule shall be in the Contractor's proprietary data format.

2. CONDITIONS:

A. Business License: Prior to the execution of this Agreement, Contractor shall provide the Department of Health Services, Contracts and Grants Division with a copy of its

current business license(s) and appropriate Employer Identification Number.

B. Recruitment: Contractor shall screen all personnel prior to assigning such personnel to provide services at the Facility to assure that all such persons have the qualifications and training necessary to perform the services contemplated under this Agreement. All such service personnel shall be appropriately licensed, certified, credentialed, registered or trained to perform the maintenance and repair services and shall have, as a minimum, knowledge and expertise in performing the required maintenance and repair services and knowledge of relevant laws, ordinances and regulations.

C. Contractor Personnel Qualifications: Contractor personnel providing services hereunder shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance hereunder. Copies of such licenses, permits, registrations and certificates shall be made available to County upon request for purposes of inspection and audit.

D. Infection Control: If any of Contractor's personnel are diagnosed with having an infectious disease,

and Contractor is made aware of such a diagnosis and such person has had contact with a County employee or patient during the usual incubation period for such infectious disease, then Contractor shall report such occurrences to Facility's Infection Control Department within twenty-four (24) hours of becoming aware of the diagnosis.

If a County employee or patient is diagnosed with having an infectious disease, and such County employee or patient has had contact with Contractor's personnel during the usual incubation period for such infectious disease, each Facility shall report such occurrences to Contractor.

For purposes of this Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases.

E. Physical Examination: Contractor shall ensure that each person who performs services at a Facility site under this Agreement is examined by a licensed physician, or other licensed medical practitioner authorized to perform such physical examinations, on an annual basis or biannual basis, as required by each Facility based on such person's work location. Upon request by Director or his designee, Contractor shall provide County, with evidence that each such person is free of infectious and/or contagious disease(s)

which would interfere with the person's ability to perform the services hereunder or which could be transmitted in the work place at each Facility. Such evidence shall include documentation that the person:

(1) received a physical examination, including a chest X-ray or tuberculin skin test, and

(2) is immune to measles (Rubeola and Rubella) and Hepatitis B through vaccination or anti-body titer test demonstrating such immunity.

In those instances where persons have no demonstrated immunity, and have refused vaccination, a waiver to that effect must be on file and provided upon request.

Written certification that such person is free of infectious disease(s), has been tested and/or vaccinated as required above, and physically able to perform the duties described herein shall be retained by Contractor for purposes of inspection and audit and made available to County upon request.

3. BILLING COMPENSATION:

A. Equipment Maintenance and Repair Services: County shall compensate Contractor monthly in arrears for the equipment maintenance and repair service in accordance with each processor's monthly payment rate described below. Invoices shall be generated on approximately the 20th of each month for current month's

service and mailed to each County Facility serviced by Contractor. Monthly payment rates are based on the number of processors at the County Facility, the number of which may increase or decrease, and the processor workload.

I. Group A County Facilities are major medical centers with ten (10) or more processors, including Harbor-UCLA Medical Center, LAC+USC Medical Center, and Olive View-UCLA Medical Center.

II. Group B County Facilities are smaller hospitals, including Martin Luther King, Jr.-Harbor Hospital and Rancho Los Amigos National Rehabilitation Center.

III. Group C County Facilities include High Desert Health System, DHS health and comprehensive health centers, Department of Coroner, and the Sheriff's Department.

In addition, at each County Facility, the equipment is further described by workload (high utilization), which determines the preventive maintenance (PM) schedule or type of processor (dedicated mammography processor).

Facility Group	4-week PM	2-week PM	Dedicated Mammography
A	$610.00	$745.00	$790.00
B	$480.00	$557.00	$596.00
C	$350.00	$462.00	$501.00

B. Medical X-Ray Chemical Services: As County's consideration for the medical X-ray chemical services provided by Contractor hereunder, Contractor shall retain one hundred percent (100%) of the silver recovered from the spent fixer. Said consideration shall be payment in full for providing premixed chemicals. There shall be no billings to County for chemical services.

C. Collection and Disposal of Scrap Film: County's payment to Contractor for the collection and disposal of scrap film services provided by Contractor hereunder shall be thirty percent (30%) of the net revenue (total revenue less the silver refiner's charges and freight costs) collected from the sale of the scrap film to a silver refiner. Contractor shall reimburse County seventy percent (70%) of the net revenue as defined above, by check, referencing the pickup slip number on which the material was picked up, within forty-five (45) days of pickup on all film pickups exceeding 250 pounds net weight of film.

D. Water Saver Plus (WSP) Units: County shall compensate Contractor monthly in arrears for routine preventive maintenance services that are provided every two (2) weeks at a rate of $50.00 per visit for the WSP units located at Facilities listed in Schedule 1. There shall be no additional compensation for service calls and/or emergency service calls.

Invoices shall be generated on approximately the 20th of each month for the current month's service and mailed to each Facility serviced by Contractor. Invoice payment terms are net 30 days. Said monthly payment shall be based on the number WSP units at Facility, the number of which may increase or decrease.

In extreme conditions, depending on local conditions and water quality, cleaning may be needed sooner than two (2) weeks, the same rate of $50.00 shall apply.

SCHEDULE 1

MERRY X-RAY CHEMICAL CORPORATION
EQUIPMENT LIST
July 1, 2007 through March 31, 2009

DEPARTMENT OF HEATLH SERVICES

HARBOR-UCLA MEDICAL CENTER

Location	*Equipment Description*	*Serial No.*
Cysto	KODAK M6B # 11125	11125
Auxilary 2W-R6	KODAK M6A # 11644	11644
PCDC X-RAY DK Room	KODAK M6B # 2244	2244
Mammo B200A	KODAK M35 # 233108	233108
Mammo Img Center	KODAK M35A # 233194	233194
OR Surgery	KODAK M35 # 10075	10075
Auxilary	Water Saver Plus Unit	
Radiation Oncology	Water Saver Plus Unit	
Long Beach Comprehensive Health Center:		
Radiology 2nd Floor	Kodak R-P X-omt 380 Film Processor	16050
Radiology 2nd Floor	X-Rite Densitometer	001649
Wilmington Health Center:		
Radiology	Kodak M-35 Film Processor	1588

HIGH DESERT HEALTH SYSTEM

Location	*Equipment Description*	*Serial No.*
Main	M-6AN	06160
Mammo	M-6AN	50443
Antelope Valley Health Center		
K-6	35A	3291

LAC+USC MEDICAL CENTER

Location	*Equipment Description*	*Serial No.*
Main A 3512	Kodak M6B	152203
Surgery A 9011	Kodak M6AN	11619
#1 OP3P38 Mammo	Kodak M6B Dedicated Mammography	7059
Women Mammo 3K9	Kodak M6AN Dedicated Mammography	1109
Cysto	Kodak M6B	4631
Surgery 9th Floor	Kodak M6B	3040
Jail 13611	Kodak M7B	23757
Surgery 15640	Kodak M6B	7197
Rad Therapy	Kodak M7B	22577
Dental OP 1P51	Kodak M35	35533
Angio 3rd Floor	Kodak LP180	873
Angio	Water Saver Plus Unit	
OR	Water Saver Plus Unit	
Cysto	Water Saver Plus Unit	
Rad Therapy	Water Saver Plus Unit	
Dental	Water Saver Plus Unit	
OR #2	Water Saver Plus Unit	
Main #1	Water Saver Plus Unit	
El Monte Comprehensive Health Center		
Room 2128A	Kodak M8	11924
Room 2129A	Kodak M8	101349
Room 2132A	Kodak M8	101348
Room 2128	Kodak M8	101350
Room 2128A	Water Saver Plus Unit	
Room 2129A	Water Saver Plus Unit	
Room 2132A	Water Saver Plus Unit	
Room 2128	Water Saver Plus Unit	
Hudson Comprehensive Health Center:		
Room 2129A	Kodak M6AW Film Processor	1131
Room 2126A	Kodak M6AW Film Processor	12728
Room 2132A	Kodak M6B Film Processor	15074
Room 14180	Kodak M6B Film Processor	11588
Juvenile Court Health Services:		
Central Juvenile Hall Medical Unit	Kodak Film Processor	10285
Roybal Comprehensive Health Center:		
Room 1268	Ultrasound M6AW Film Processor	1271
Room 1268	#1 M6AW Film Processor	1124
Room 1268	Mammo M6AW Film Processor	528
Room 1285 (Chest Room)	M6AW Film Processor	1124
Room 1268	Water Saver Plus Unit	
Room 1268	Water Saver Plus Unit	
Room 1268	Water Saver Plus Unit	

MARTIN LUTHER KING, JR.-HARBOR HOSPITAL

Location	*Equipment Description*	*Serial No.*
Room 4L Dental	Kodak M-35	3535
Room 1012E ER #1	Kodak M-6B Film Processor	15233
Room 1012E ER #2	Kodak M-6B Film Processor	15252
Trauma TO-108B (Main #1)	FPM 60000SP Processor	6619861017
Trauma TO-211 (MAMMO/US)	FPM 60000SP Processor	767981044B
Trauma TO-108B (Main #2)	FPM 60000SP Processor	7669861039B
Trauma TO-211 (MAMMO/US)	Multi-Loader FEM 430MOL-7	76669031553B
Trauma TO-208B (Main #2)	Multi-Loader FEM 430MOL-7	7619031514B
Trauma TO-208B (Main #1)	Multi-Loader FEM 430MOL-7	7619091517B
Hubert H. Humphrey Comprehensive Health Center:		
Main	Kodak RP X-Omat M-6B Film Processor	15475
Chest	Kodak RP X-Omat M-7B Film Processor	23151
Mammo Room #1160	Kodak RP X-Omat M-6B Film Processor	21367
DRK Room #2161-Dental	Kodak RP X-Omat M-6B Film Processor	12902

OLIVE VIEW-UCLA MEDICAL CENTER

Location	*Equipment Description*	*Serial No.*
Main B 2nd Floor	Kodak M-6B Film Processor	15203
Cysto NW220 3rd Floor	Kodak M-6B Film Processor	4362
Mammo U/S 1st Floor, #1D111	Kodak M 35 Film Processor	152351
	Water Saver Plus Unit	
	Water Saver Plus Unit	
Mid Valley Comprehensive Health Center:		
X-Ray Department	Kodak M-6B Film Processor	28612
San Fernando Health Center:		
X-Ray Department	Kodak 2000A Film Processor	215552

RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER

Location	*Equipment Description*	*Serial No.*
Room 161, Building 100	Kodak M-6B Film Processor #1	05710
Room 161, Building 100	Kodak M-6AN Film Processor #2	02993

DEPARTMENT OF CORONER

Location	*Equipment Description*	*Serial No.*
1104 N. Mission Road, Room S-28	Kodak PRX-OMAT X-Ray Processor MG-AN	6069

SHERIFF'S DEPARTMENT

Location	*Equipment Description*	*Serial No.*
Men's Central Jail Room #6098	Kodak X-OMAT M6-B Processor	3040
Men's Central Jail Room #6098	Kodak X-MAT M7-B Processor	25901
MSB/CTC 2nd Floor, Room M2139	Kodak X-OMAT M6-B Processor	20222
MSB/CTC 2nd Floor, Room M2139	Kodak X-MAT M6-B Processor	20388
North County Correctional Facility, Room 432A	M-6AN	9569

MERRY X-RAY CHEMICAL CORPORATION

July 1, 2007 through March 31, 2009

	Annual Maintenance & Repair Services	Reserve Funds	7/1/2007 - 6/30/2008	7/1/2008 - 3/31/2009	TOTAL
Department of Health Services:					
Harbor	$68,520.00		$68,520.00	$51,390.00	$119,910.00
Long Beach	$4,200.00		$4,200.00	$3,150.00	$7,350.00
Wilmington	$4,200.00		$4,200.00	$3,150.00	$7,350.00
High Desert	$18,036.00	$1,964.00	$20,000.00	$15,000.00	$35,000.00
LAC+USC	$148,350.00		$148,350.00	$111,262.50	$259,612.50
El Monte	$23,950.00		$23,950.00	$17,962.50	$41,912.50
Hudson	$18,750.00		$18,750.00	$14,062.50	$32,812.50
Roybal	$23,950.00		$23,950.00	$17,962.50	$41,912.50
Juvenile Court	$5,000.00		$5,000.00	$3,750.00	$8,750.00
MLK-Harbor	$90,600.00	$7,740.00	$98,340.00	$73,755.00	$172,095.00
Humphrey	$19,956.00		$19,956.00	$14,967.00	$34,923.00
Olive View, Mid-Valley, & San Fernando	$30,000.00	$1,500.00	$31,500.00	$23,625.00	$55,125.00
Rancho	$11,520.00	$480.00	$12,000.00	$9,000.00	$21,000.00
DHS Total:	$467,032.00		$478,716.00	$359,037.00	$837,753.00
Department of Coroner	$4,200.00		$4,200.00	$3,150.00	$7,350.00
Sheriff's Department	$20,000.00		$20,000.00	$15,000.00	$35,000.00
Grand Total:	**$491,232.00**	**$11,684.00**	**$502,916.00**	**$377,187.00**	**$880,103.00**