



## **AGENDA**

### **KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS**

**Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306**

Regular Meeting  
Wednesday, September 15, 2021

11:30 A.M.

#### **BOARD TO RECONVENE**

Board Members: Alsop, Berjis, Bigler, Brar, Kitchen, McLaughlin, Pelz  
Roll Call:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN COUNTY HOSPITAL AUTHORITY STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

**STAFF RECOMMENDATION SHOWN IN CAPS**



- 1) Introduction of Kern County Hospital Authority Board Member Jacqui Kitchen  
MAKE INTRODUCTION

#### PUBLIC PRESENTATIONS

- 2) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. In addition, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

#### BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

#### RECOGNITION

- 4) Presentation by the President, Hospital and Clinic Operations recognizing the contributions of Kern Medical Center Revenue Cycle Team during the COVID-19 pandemic –  
MAKE PRESENTATION

#### ITEMS FOR CONSIDERATION

- CA
- 5) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on August 18, 2021 –  
APPROVE

- CA
- 6) Proposed Amendment No. 22 to Agreement 2016-036 with Cerner Corporation, an independent contractor, containing nonstandard terms and conditions, for purchase of the CareAware Upgrade for a term of 36 months, effective September 15, 2021, in an amount not to exceed \$107,038 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- CA
- 7) Proposed retroactive Master Services Agreement with Stericycle, Inc., an independent contractor, containing nonstandard terms and conditions, for waste disposal services from August 15, 2021 through August 14, 2026, in an amount not to exceed \$942,000 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 1 to Agreement 055-2019 with United Neuroscience, Inc., an independent contractor, for professional medical services in the Department of Medicine for the period October 1, 2019 through September 30, 2021, extending the term for one year from October 1, 2021 through September 30, 2022, and increasing the maximum payable by \$1,100,000, from \$1,940,000 to \$3,040,000, to cover the extended term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Amendment No. 1 to Agreement 871-2015 with Shahab Hillyer, M.D., a contract employee, for professional medical in the Department of Surgery for the period January 1, 2016 through December 31, 2022, extending the term for three years from January 1, 2023 through December 31, 2025, and increasing the maximum payable by \$2,250,000, from \$5,724,358 to \$7,974,358, plus applicable benefits, to cover the extended term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed retroactive Rental Agreement with Mission Linen Supply, an independent contractor, for linen services from August 1, 2021 through July 31, 2024, in an amount not to exceed \$3,660,720 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Agreement with McMurtrey Lince, Inc., an independent contractor, for construction services related to the renovation of the Pediatric Clinic at 1111 Columbus, Suite 1000, in an amount not to exceed \$407,000, effective September 15, 2021 –  
MAKE FINDING THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE

CA

- 12) Proposed Agreement with Redsson, Ltd., an independent contractor, containing non-standard terms and conditions, for cancer registry data retrieval services, from September 15, 2021 through September 14, 2022, in an amount not to exceed \$2,500 –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 13) Proposed retroactive Amendment No. 1 to Agreement 040-2020 with Autumn Enterprises, Inc., doing business as Freedom Healthcare Staffing, an independent contractor, for supplemental healthcare staffing services for the period August 19, 2020 through August 18, 2021, extending the term for two years from August 19, 2021 through August 18, 2023, and increasing the maximum payable by \$1,000,000, from \$1,684,800 to \$2,684,800, to cover the extended term –  
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed approval of Medical Staff COVID-19 Vaccination Policy –  
APPROVE

CA

- 15) Proposed acceptance of donation from Safety National and MagMutual for travel and related expenses for one Kern Medical Center employee to attend the HCCA "Healthcare Research Compliance Academy" in Las Vegas, Nevada, from December 13-16, 2021 – APPROVE; ADOPT RESOLUTION
- 16) Kern County Hospital Authority financial report – RECEIVE AND FILE
- 17) Kern County Hospital Authority Chief Executive Officer report – RECEIVE AND FILE

CA

- 18) Claims and Lawsuits Filed as of August 30, 2021 – RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 19) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 20) CONFERENCE WITH LEGAL COUNSEL – FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Tyler Andrews, an individual v. Kern County Hospital Authority, a public agency that is a local unit of government, which owns and operates Kern Medical Center; and DOES 1 through 100, inclusive, Kern County Superior Court Case No. BCV-19-103529 TSC –
- 21) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(e)(2) (e)(1)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances that might result in litigation against the Authority but which the Authority believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed –
- 22) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) –
- 23) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –
- 24) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: President, Hospital and Clinic Operations (Government Code Section 54957) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, OCTOBER 20, 2021 AT 11:30 A.M.

**SUPPORTING DOCUMENTATION FOR AGENDA ITEMS**

All agenda item supporting documentation is available for public review at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, 93306 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

**AMERICANS WITH DISABILITIES ACT  
(Government Code Section 54953.2)**

The Kern Medical Center Conference Room is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Kern County Hospital Authority Board of Governors may request assistance at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, California, or by calling (661) 326-2102. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

18) CLAIMS AND LAWSUITS FILED AS OF AUGUST 31, 2021 –  
RECEIVE AND FILE

- A) Summons and Complaint in the matter of Paula Torres, Martin Alejandrez Cruz v. Yasser Ratl Mrad, M.D., et al., Kern County Superior Court Case No. BCV-21-101001 DRL
- B) Claim in the matter of Edgar Velasquez
- C) Claim in the matter of Bertha Evelia Valle de Sanchez
- D) Claim in the matter of Ray Hughes
- E) Claim in the matter of Frank R. Giardina
- F) Summons and Complaint in the matter of Robert Gaylan Speck and Elizabeth Pickering-Speck v. Kern County Hospital Authority, et al., Kern County Superior Court Case No. BCV-21-101604 TSC



## SUMMARY OF PROCEEDINGS

### KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

**Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, California 93306**

Regular Meeting  
Wednesday, August 18, 2021

11:30 A.M.

#### BOARD RECONVENED

Board Members: Alsop, Berjis, Bigler, Brar, Kitchen, McLaughlin, Pelz  
Roll Call: 5 Present; 2 Absent - Kitchen, McLaughlin

NOTE: The vote is displayed in bold below each item. For example, Alsop-McLaughlin denotes Director Alsop made the motion and Director McLaughlin seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

#### BOARD ACTION SHOWN IN CAPS

NOTE: DIRECTOR MCLAUGHLIN ARRIVED AFTER THE VOTE ON THE CONSENT AGENDA AND PRIOR TO THE VOTE ON AGENDA ITEM 16

#### PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. In addition, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**  
**NO ONE HEARD**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

**DIRECTOR BERJIS PROVIDED AN OVERVIEW OF THE UNDERGRADUATE MEDICAL EDUCATION PROGRAM AT KERN MEDICAL CENTER AND THANKED STAFF FOR THEIR EFFORTS TO BRING THIS VITAL PROGRAM TO FRUITION; CHAIRMAN BIGLER ALSO THANKED INVOLVED STAFF**

RECOGNITION

- 3) Presentation by the President, Hospital and Clinic Operations recognizing the contributions of Kern Medical Center employees upon the hospital's receipt of the PRISM Eagle Award for Excellence in Development and Implementation of COVID-19 Programs and Resources –  
MADE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on July 14, 2021 –  
APPROVED  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 5) Proposed retroactive Amendment No. 1 to Memorandum of Understanding 61320 with Kern Health Systems, an independent contractor, for translation services for Kern Medical Center patients, for the period December 14, 2020 through June 13, 2021, extending the term for six months from June 14, 2021 through December 13, 2021, in an amount not to exceed \$425,000 to cover the term –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 043-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 6) Proposed Agreement with InTouch Technologies, Inc., doing business as Teladoc Health, an independent contractor, for purchase of equipment to aid in the rapid diagnosis of patients with suspected stroke from August 18, 2021 through August 17, 2024, in an amount not to exceed \$116,760 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 044-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 7) Proposed retroactive Amendment No. 1 to Agreement 873-2015 with Jeffrey G. Nalesnik, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery for the period January 1, 2016 through December 31, 2022, extending the term for three years from January 1, 2023 through December 31, 2025, and increasing the maximum payable by \$2,550,000, from \$6,424,358 to \$8,974,358, to cover the extended term, effective August 3, 2021 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 045-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 8) Proposed retroactive Amendment No. 4 to Agreement 161-2016 with Valley Children's Medical Group, Inc., an independent contractor, for on-site consultation services to pediatric patients for the period August 2, 2015 through August 1, 2021, extending the term for one year from August 2, 2021 through August 1, 2022, and increasing the maximum payable by \$180,000, from \$969,000 to \$1,149,000, to cover the extended term, effective August 2, 2021 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 046-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 9) Proposed Amendment No. 1 to Agreement 052-2019 with Pacific Gynecologic Specialists, an independent contractor, for professional medical services in the Department of Obstetrics and Gynecology for the period September 1, 2019 through August 31, 2021, extending the term for two years from September 1, 2021 through August 31, 2023, and increasing the maximum payable by \$800,000, from \$800,000 to \$1,600,000, to cover the extended term –  
APPROVED; AUTHORIZE CHAIRMAN TO SIGN AGREEMENT 047-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 10) Proposed Agreement with Frank W. Sabatelli, M.D., a contract employee, for professional medical services in the Department of Radiology from August 28, 2021 through August 27, 2024, in an amount not to exceed \$2,350,000 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 048-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 11) Proposed retroactive Amendment No. 2 to Agreement 716-2016 with the County of Kern for health care services, finance and support, reducing the total exposure of the County to obligations associated with Cost Reports for the reporting years ending 2012 and payment of \$12,428,671 for amounts associated with reporting years ending in 2012 or before that were refunded to the Kern County Hospital Authority, effective August 10, 2021 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 049-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 12) Proposed retroactive Grant Agreement with the County of Kern to provide funding made available through the American Rescue Plan Act of 2021 to respond to the direct public health emergency and economic impacts of COVID-19 from March 3, 2021 through December 31, 2024, in an amount not to exceed \$10,000,000, effective August 10, 2021 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 050-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 13) Proposed rescission of Amendment No. 2 to Agreement 147-2019 with the County of Kern, as represented by the County Administrative Office and Kern County Sheriff's Office, for the provision of health care services to in-custody adult inmates detained in the Kern Justice Facility –  
APPROVED  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 14) Proposed retroactive Agreement with the County of Kern, as represented by the County Administrative Office and Kern County Sheriff's Office, for the provision of health care services to in-custody adult inmates detained in the Kern Justice Facility from July 1, 2021 through June 30, 2022 –  
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 051-2021  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

CA

- 15) Proposed acceptance of donation from Safety National for travel and related expenses for one Kern Medical Center employee to attend "The Workers' Compensation & Risk Conference" in Dana Point, California, from September 7-10, 2021 –  
APPROVED; ADOPTED RESOLUTION 2021-007  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

- 16) Kern County Hospital Authority financial report –  
RECEIVED AND FILED  
**Berjis-McLaughlin: 6 Ayes; 1 Absent - Kitchen**

- 17) Kern County Hospital Authority Chief Executive Officer report –  
RECEIVED AND FILED  
**Brar-McLaughlin: 6 Ayes; 1 Absent - Kitchen**

CA

- 18) Claims and Lawsuits Filed as of July 31, 2021 –  
RECEIVED AND FILED  
**Pelz-Brar: 5 Ayes; 2 Absent - Kitchen, McLaughlin**

ADJOURNED TO CLOSED SESSION

**Pelz-Berjis**

CLOSED SESSION

- 19) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 20) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Adria Ottoboni v. Kern County Hospital Authority, a public entity; and Does 1 through 50, inclusive, Kern County Superior Court Case No. BCV-19-102820 – SEE RESULTS BELOW

- 21) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Tyler Andrews, an individual v. Kern County Hospital Authority, a public agency that is a local unit of government, which owns and operates Kern Medical Center; and DOES 1 through 100, inclusive, Kern County Superior Court Case No. BCV-19-103529 TSC – SEE RESULTS BELOW
- 22) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION  
**Pelz-Berjjs**

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 19 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR BERJIS, SECOND BY DIRECTOR BRAR; 1 ABSENT - DIRECTOR KITCHEN), THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW/RELEASE OF PROCTORING, VOLUNTARY RESIGNATION OF PRIVILEGES, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 20 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Adria Ottoboni v. Kern County Hospital Authority, a public entity; and Does 1 through 50, inclusive, Kern County Superior Court Case No. BCV-19-102820 – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 21 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Tyler Andrews, an individual v. Kern County Hospital Authority, a public agency that is a local unit of government, which owns and operates Kern Medical Center; and DOES 1 through 100, inclusive, Kern County Superior Court Case No. BCV-19-103529 TSC – HEARD; HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR PELZ, SECOND BY DIRECTOR BERJIS; 1 ABSENT - DIRECTOR KITCHEN), THE BOARD AUTHORIZED COUNSEL TO FILE A PETITION FOR WRIT OF MANDATE FROM A DECISION OF THE TRIAL COURT TO DENY THE AUTHORITY'S MOTION FOR SUMMARY JUDGMENT; NO OTHER REPORTABLE ACTION TAKEN

Item No. 22 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, SEPTEMBER 15, 2021 AT 11:30 A.M.  
**Alsop**

/s/ Mona A. Allen  
Authority Board Coordinator

/s/ Russell E. Bigler  
Chairman, Board of Governors  
Kern County Hospital Authority



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed Amendment No. 22 (OPT-0252385) to the Cerner Business Agreement (Agt.# 2016-036) with Cerner Corporation, an independent contractor for the CareAware Upgrade

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed Amendment No. 22 (OPT-0252385) to the Cerner Business Agreement with the Cerner Corporation for the Cerner CareAware Upgrade. The CareAware Upgrade migrates the CareAware platform to a cloud-based solution paving the way for future cloud migration of Cerner solutions. The CareAware platform integrates medical devices and mobile solutions across the hospital into the Cerner Millennium electronic health record.

Cerner Corporation’s professional fees for this 36-month engagement are \$107,038 as outlined below.

**Year 1 maximum payable - \$103,678**

**Year 2 maximum payable - \$1,680**

**Year 3 maximum payable - \$1,680**

<b>Solution Description</b>	<b>One Time Fee</b>	<b>Yearly Fee</b>	<b>Total Payable Amendment 22</b>
Equipment and Installation	\$11,455		
Equipment Maintenance - Year 1		\$1,680	
Equipment Maintenance - Year 2		\$1,680	
Equipment Maintenance - Year 3		\$1,680	
Professional Services	\$90,543		
			\$107,038

Counsel is unable to approve as to form due to non-standard terms, which include an automatic renewal of the entire term, which is unclear in the amendment language whether or not the language applies to the entire Cerner agreement or just this amendment. Multiple attempts were made to change and/or remove this language to no avail.

Even with this issue, Kern Medical recommends that your Board approve the proposed Amendment No. 22 (OPT-0252385) with the Cerner Corporation to implement the CareAware Upgrade services to Kern Medical’s Electronic Health Record, for a term of 36 months beginning on September 15, 2021, in the amount not to exceed of \$107,038, and authorize the Chairman to sign.



## AMENDMENT NO. 22

THIS AMENDMENT NO. 22 to the Cerner Business Agreement No. 1-3H7XXBV (Client Reference HA # 2016-36) (the "Agreement") dated July 01, 2016 between Cerner Corporation ("Cerner"), a Delaware corporation with its principal place of business at 2800 Rockcreek Parkway, Kansas City, Missouri, 64117 and Kern County Hospital Authority ("Client"), a local unit of government having its principal place of business at 1700 Mount Vernon Ave, Bakersfield, CA, 93306-4018, is effective as of September 15, 2021 ("Amendment No. 22 Effective Date").

WITNESSETH:

WHEREAS, the parties hereto wish to amend Cerner System Schedule No. 3, dated November 15, 2017 ("Schedule No. 3") (as amended by Amendment No. 20), in certain respects,

NOW, THEREFORE, in consideration of the premises, the parties hereto do hereby covenant and agree as follows:

1. As of October 01, 2021, the parties hereby agree to terminate the line items set forth below:

Ordering Document	Business Model	Solution Code	Solution Description	Monthly Fees
Schedule No. 3	Licensed Software	CI-200800	CareAware iBus for Bedside Medical Devices	--
Schedule No. 3	Support Services	CI-200800_AMT	AMT_SUPT: CareAware iBus for Bedside Medical Devices	Included in FTF
Schedule No. 3	Licensed Software	CI-200700S	CareAware iBus for Laboratory Devices	--
Schedule No. 3	Support Services	CI-200700S_AMT	AMT_SUPT: CareAware iBus for Laboratory Devices	Included in FTF
Schedule No. 3	Licensed Software	CI-201000S	CareAware Smart Pump Programming	--
Schedule No. 3	Support Services	CI-201000S_AMT	AMT_SUPT: CareAware Smart Pump Programming	Included in FTF
Schedule No. 3	Licensed Software	CW-CAVLINK	Cerner CareAware VitalsLink	--
Schedule No. 3	Support Services	CW-CAVLINK_AMT	AMT_SUPT: Cerner CareAware VitalsLink	Included in FTF
Schedule No. 3	Subscriptions	CI-200999	Cerner Device Manager Driver Library	Included in FTF

2. In consideration of section 1, the RHO fee has been reduced and the following scope of work is hereby deleted from Schedule No. 3 effective October 01, 2021:

### **CareAware iBus**

- **(3) CareAware iBus Servers [(2) Production Servers and (1) Test Server]**
- **CareAware iBus to be located at CTC.**
- **Server(s) or other hardware needed to support client site devices (e.g., Welch Allyn, etc.) will be provided by Client or purchased separately.**

### **VitalsLink**

- **Solution leverages iBus configuration. Client must be contracted for iBus RHO services with sufficient scope capacity to support contracted VitalsLink workload.**
- **For Philips device integration only, Client is responsible for hosting the Philips IBE SQL Database server**



Kern County Hospital Authority  
OPT-0252385\_LA-000049164  
September 08, 2021

3. Client agrees to purchase the solutions and services set forth in Exhibit A in accordance with the terms and conditions contained therein. Exhibit A shall be considered an "Ordering Document" under the Agreement.
4. In consideration of sections 1-3, the parties hereby agree to amend and restate the FTF 'Renewal' table set forth in Amendment No. 20 to Schedule No. 3, as of October 01, 2021, with the below:

Renewal Terms	Monthly Amount
Managed Services	74,917
Equipment and Sublicensed Software Maintenance	15,404
Application Services	23,830
Subscription Services	29,629
Licensed Software Support	14,660
Discern nCode	15,000
<b>Total</b>	<b>173,440</b>

For the avoidance of doubt, the FTF Payment table set forth in Amendment No. 20 to Schedule No. 3 remains unchanged by this Amendment No. 22.

In all other respects, the Cerner Ordering Document(s) and the Agreement of which they are a part remain unchanged.

IN WITNESS WHEREOF, the parties hereto do hereby execute this Amendment No. 22 as of the Amendment No. 22 Effective Date.

**KERN COUNTY HOSPITAL AUTHORITY**

By: \_\_\_\_\_  
(signature)  
**Russell Bigler**  
(type or print)  
 Title: Chairman, Board of Governors  
 Purchase Order #: \_\_\_\_\_  
(if applicable)

**CERNER CORPORATION**

By: \_\_\_\_\_  
  
**Teresa Waller**  
 Title: Senior Director, Contract Management

**REVIEWED ONLY  
 NOT APPROVED AS TO FORM**

By: \_\_\_\_\_  
  
**Legal Services Department**

**EXHIBIT A**
**FINANCIAL OVERVIEW**

Description	One-Time Fees	Monthly Fees
<b>SOLUTIONS</b>		
Shared Computing Services	--	Included in FTF
<b>EQUIPMENT</b>		
Equipment and Installation (if applicable)	11,454.73	--
Equipment Maintenance – Year 1 Total	1,680.00	--
– Year 2 Total	1,680.00	--
– Year 3 Total	1,680.00	--
<b>PROFESSIONAL SERVICES</b>		
Fixed Fee	90,543.00	--
<b>TOTALS:</b>	<b>107,037.73</b>	<b>Included in FTF</b>

All prices in this Cerner Amendment are shown in USD. Pricing is valid until October 31, 2021. If this Cerner Amendment is not executed on or before such date, this pricing is considered null and void and will be subject to revision.

Not applicable is indicated by "--".

**PAYMENT TERMS**

<b>ONE-TIME FEES</b>			
Description	Payment Number	Percent (%) Of Total Due	Payment Due
Equipment and Installation (if applicable)	1	100%	Upon Shipment
Professional Services: Fixed Fee	1	50%	On the Effective Date
	2	50%	90 days following the Effective Date

<b>MONTHLY RECURRING FEES</b>		
Description	Percent (%) Of Total Due	Payment Due
Shared Computing Services	100%	Payment for the recurring Shared Computing Services fees reflected in this Exhibit A will begin on October 01, 2021, and are included in the FTF Payment Table set forth in Schedule No. 3.
Equipment Maintenance	100%	Annually beginning upon shipment

**TERM AND TERMINATION**

Other Services. Unless otherwise specified in this section, all other recurring Services (such as subscription services, application services, shared computing services, employer services, recurring professional services, and managed services) begin on October 01, 2021, and continue for the term set forth in the "Solutions", "Professional Services", or "Managed Services" sections.

Renewal. At the end of the applicable term, each recurring Service will renew at the rates set forth in the amended and restatement Renewal Table in section 2 of this Amendment No. 22 and at the terms set forth in Schedule No. 3.

Equipment and Sublicensed Software Maintenance. Maintenance warranties, if any, begin on the earlier of installation, or 30 days after shipment of the equipment and/or sublicensed software. Maintenance services will continue for the initial term set forth in the "Equipment/Sublicensed Software" section of this Cerner Amendment. The initial term will automatically renew for additional periods of the same duration, unless Client provides Cerner with written notification of its intent to terminate Maintenance no less than 60 days prior to the expiration of the then-current period. Cerner may terminate Maintenance services if Client fails to pay invoices for Maintenance. All unpaid charges for Maintenance will be immediately due and payable upon such termination. Client will pay all applicable penalties or fees if Maintenance services are terminated, then later reinstated.

**FEE INCREASES**

Cerner may increase the monthly fee for Support services and each recurring service (such as managed services, application services, subscription services, application management services, employer services, transaction services, and Shared Computing Services) any time following the initial twelve (12) month period after such recurring service fees begin (but not more frequently than once in any twelve (12) month period) by giving Client sixty (60) days prior written notice of the price increase. The amount of any increase in the fees shall not exceed the previous calendar year's percentage increase in CPI, plus 1% per annum. Cerner may also increase the fees at any time during the term if a Cerner third party increases the fees to be paid by Cerner, with such increase being limited to the amount of increase in Cerner's fee to the third party.

**ASSIGNMENT OF PAYMENTS**

Client agrees that Cerner may assign its interest in or otherwise grant a security interest in payments due pursuant to this Cerner Amendment in whole or in part to an assignee. Cerner will continue to perform its obligations under the Agreement following such assignment or granting of a security interest.

## SOLUTIONS

### SHARED COMPUTING SERVICES

Mfg. Part No.	Solution Detail Description	Scope of Use Metric	Qty./ Scope of Use Limit	Term (Mo.)	Monthly Range	Extended One-Time Fees	Extended Monthly Fees	Solution Description Code	Third-Party Component(s)	Pass-Through Code	Per Unit One-Time Expansion Fees	Per Unit Monthly Expansion Fees
CI-400400	CareAware iBus for Bedside Medical Device Integration	Beds	222	75	1-75	--	included in FTF	SD100042_02	--	--	--	130.00
CI-400500	CareAware iBus for Laboratory Medical Device Integration	Devices	8	75	1-75	--	included in FTF	SD100565_02	--	--	--	175.00
CI-CAVITALSLINK	CareAware VitalsLink	Beds	222	75	1-75	--	included in FTF	SD100409_02	--	--	--	35.00
IW-40458	CareAware Infusion Suite	Beds	222	75	1-75	--	included in FTF	SD100554_02	--	--	--	65.00

### EQUIPMENT/SUBLICENSSED SOFTWARE

**Technology Changes.** At the time of the actual order, Cerner may substitute individual technology solutions and/or Maintenance services based on availability or technological advancements. Cerner and Client may also agree to replace certain technology solutions with other Cerner offerings. If the substitute items or Maintenance services result in an increase in fees, Cerner and Client will discuss and agree upon the fee increase prior to ordering such items or Maintenance services.

**Shipping and Handling.** Client will pay standard shipping and handling fees, not to exceed \$161 USD. Additional fees may apply if Client requests expedited shipping. Notwithstanding any other agreement between the parties regarding shipping terms, the items set forth in this Cerner Amendment will be shipped FOB the manufacturer's plant.

### EQUIPMENT AND INSTALLATION (if applicable)

Quote: Q-68811.1

Line No.	Manufacturer Part No.	Solution Detail Description	Qty.	Per Unit One-Time Fees	Extended One-Time Fees	Pass-Through Code
6	CNR-1150GB-16COM	1U Fanless System With 16 Ports Serial, Image Upload	7	1,460.39	10,222.73	--
9	GENTERMADPT	Adapter Cable	112	11.00	1,232.00	--
<b>TOTAL:</b>					<b>11,454.73</b>	<b>--</b>

### EQUIPMENT MAINTENANCE

Quote: Q-68811.1

Line No.	Manufacturer Part No.	Solution Detail Description	Level of Service	Qty	Term (Mo.)	One-Time Fees Due - Year 1	One-Time Fees Due - Year 2	One-Time Fees Due - Year 3	One-Time Fees Due - Year 4	One-Time Fees Due - Year 5	One-Time Fees Due - Year 6 through End of Term
7	CNR-1150GB-16COM	9x5 M-F Advanced Exchange.MNT: 1U Fanless System With 16 Ports Serial, Image Upload	9x5 M-F Advanced Exchange	7	36	1,680.00	1,680.00	1,680.00	--	--	--
<b>TOTAL:</b>						<b>1,680.00</b>	<b>1,680.00</b>	<b>1,680.00</b>	<b>--</b>	<b>--</b>	<b>--</b>

**EQUIPMENT/SUBLICENSSED SOFTWARE DELIVERY**

**Delivery Information.** The following delivery information is required to process the equipment/sublicensed software in this Cerner Amendment.

Delivery Address	Delivery Contact Information
_____ <i>(Name of Facility)</i>	_____ <i>(Name – Printed)</i>
_____ <i>(Address Line 1)</i>	_____ <i>(E-mail Address)</i>
_____ <i>(Address Line 2)</i>	_____ <i>(Phone Number)</i>
_____ <i>(City, State/Province, Zip/Postal Code, Country)</i>	_____ <i>(Fax Number)</i>

**Delivery Requirements.** Please check the applicable box for each question below to help ensure a successful delivery.

Does the facility accommodate a 48-foot trailer?		Yes		No	
Does the facility have a loading dock?		Yes		No	
What are the receiving days and hours of operation? <i>(Please enter days and times available)</i>	Days:		Start Time:		End Time:
Will a lift gate and/or ramp be required?	No		Lift Gate		Ramp
To what floor will the equipment be delivered?	Basement		Ground		Floor:
Does the facility have an elevator, or will a stair crawler be required?	Elevator		Stair Crawler		N/A
Does the facility require floor covering?		Yes		No	

**PROFESSIONAL SERVICES**

FIXED FEE					
Service Project Detail	Manufacturer Part No.	Solution	One-Time Fees	Third-Party Component(s)	Pass-Through Code
<i>Custom Services</i>					
CareAware Cloud Migr	--	--	70,543	--	--
TP Hart	--	--	20,000	✓	--
<b>TOTALS:</b>			<b>90,543</b>	--	--

**SCOPE OF USE**

Client will use the solutions set forth in this Cerner Amendment in accordance with the Documentation and subject to the scope of use limits set forth in the Solutions section. If a scope of use limit is exceeded, Client agrees to pay the applicable expansion fees set forth in the Solutions section, which are valid for 2 year(s) after the Effective Date, and thereafter increase at a rate of 5% per year. In the event Client requests additional scope beyond the limits set forth in the Solutions section which requires additional setup, and no Per Unit One-Time Expansion Fee is referenced therein, Client must execute a new Ordering Document setting forth the additional scope and fees at Cerner's then-current rates. Scope of use will be measured periodically by Cerner's system tools, or, for metrics that cannot be measured by system tools or obtained through industry available reporting sources (e.g. FTEs or locations), Client will provide the relevant information (including records to verify the information) to Cerner at least once per year. Client agrees that if an event occurs that will affect Client's scope of use (such as the acquisition of a new hospital or other new facility), Client will notify Cerner in writing of such event no later than 30 days following the effective date of such event so that Client's scope of use can be reviewed. Any additional fees due under this Section will be payable within 60 days following Client's receipt of an invoice for such fees. Any additional monthly fees will begin on the date the limit was exceeded and shall be paid annually (pro-rated for any partial month).

The pricing in the Solutions section of this Cerner Amendment is based on the following scope of use metrics, which are defined as follows.

Scope of Use Metric	Scope of Use Definition
Beds	The maximum number of beds for which a hospital holds a license.
Devices	The total number of instruments, personal computers, handheld devices, or other pieces of mechanical or electronic equipment to be used in conjunction with the application being licensed.

**FACILITIES**

**Permitted Facilities.** For use and access by these facilities:

Name	Address	City	State/Province	Zip/Postal Code	Country
Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306-4018	United States

The parties may add or substitute Permitted Facilities by amending this section.

**SOLUTION DESCRIPTIONS**

Each solution with a Solution Description has a code noted in the "Solutions" section of this Cerner Amendment, and that code can be entered at <https://solutiondescriptions.cerner.com> to view the Solution Description. These Solution Descriptions are incorporated into this Cerner Amendment by reference and may also be attached as an exhibit to this Cerner Amendment.

**ADDITIONAL TERMS AND PROVISIONS**

**EQUIPMENT AND SUBLICENSED SOFTWARE MAINTENANCE TERMS**

**Maintenance Services for Equipment.** Maintenance services for Equipment are: (a) initial determination of the source of the problem, problem management, critical situation escalation and recovery services; (b) dispatching and coordinating the activities of the third party maintenance supplier; (c) communicating with the third party maintenance supplier throughout the resolution of the issue; (d) field change orders; and (e) inclusion of Equipment issues in a tracking database. Maintenance services for Equipment do not include consumables.

**Maintenance Services for Sublicensed Software.** Maintenance services for Sublicensed Software are: (a) initial determination of the source of the problem, problem management, critical situation escalation and recovery services; (b) providing all new versions, modifications, and patches of Sublicensed Software that Cerner is authorized to distribute; (c) communicating with third party maintenance providers throughout the resolution of the issue, (d) inclusion of Sublicensed Software issues in a tracking database.

**Maintenance Renewals.** The initial term for maintenance is set forth in the "Equipment/Sublicensed Software" section of this Cerner Amendment, and automatically renews for additional periods of the same duration, unless Client provides written notification of termination no less than 60 days prior to the expiration of the then-current period. Client will also notify Cerner of any Equipment items that are no longer being used by Client, and therefore no longer require maintenance. Cerner may terminate maintenance services if Client fails to pay invoices for maintenance.

Equipment	Coverage	Levels.
-----------	----------	---------

<p><u>24x7 M-Su 4 HR.</u> Monday through Sunday, 24 hours per day, 365 days per year, on-site coverage. Service effort is continuous until problem is resolved. 24x7 4 HR service does not guarantee that service will be completed same day due to part</p>		availability.
--	--	---------------

<p><u>9x5 M-F 4 HR.</u> Monday through Friday, 8 AM to 5 PM CST, on-site coverage. Service effort is continuous until problem is resolved, excluding country holidays. On-site coverage does not guarantee that service will be completed same day due to part</p>		availability.
--	--	---------------

<p><u>9x5 M-F Next Business Day.</u> Monday through Friday, 8 AM to 5 PM CST with the objective of completion the next business day.</p>		
--	--	--

<p><u>9x5 M-F Depot.</u> Monday through Friday, 8 AM to 5 PM CST for service calls. Equipment is shipped to the manufacturer where it is repaired and returned to Client's facility.</p>		
--	--	--

<p><u>9x5 M-F Advanced Exchange.</u> Monday through Friday, 8 AM to 5 PM CST for service calls. A replacement will be shipped the next business day and requires return of the replaced equipment within 15 days of receiving the replaced device. Service requests placed after 1 PM CST cannot be guaranteed next business day delivery. If more than one device is being requested for replacement, one will be Advance Exchange and the remaining will be returned on a best effort basis depending upon availability of replacements.</p>		
--	--	--

<p><u>9x5 Su-Th 4 HR.</u> Sunday through Thursday, 8 AM to 5 PM GST, on-site coverage. Service effort is continuous until problem is resolved, excluding country holidays. On-site coverage does not guarantee that service will be completed same day due to part</p>		availability.
--	--	---------------

**Sublicensed Software Coverage Levels.** Service effort is continuous until the problem is resolved.

<p><u>24x7 M-Su Phone Support.</u> Monday through Sunday, 24 hours per day, 365 days per year.</p>		
--	--	--

<p><u>9x5 M-F Phone Support.</u> Monday through Friday, 8 AM to 5 PM CST, for service calls.</p>		
--	--	--

<p><u>9x5 Su-Th Phone Support.</u> Sunday through Thursday, 8 AM to 5 PM GST, for service calls.</p>		
--	--	--

**EQUIPMENT AND SUBLICENSED SOFTWARE MAINTENANCE TERMS**

**Changes to Maintenance Services.** Changes to maintenance services must be requested in writing by Client, and will take effect within 60 days after receipt of a signed change order.

Technology components can be added to maintenance coverage if they are in good working order. If a component is not in good working order, Cerner can arrange for it to be repaired on a time and materials basis prior to being placed on maintenance. Serial numbers must be provided.

**Inventory.** Client will review all Maintenance renewal letters to ensure accuracy, and to avoid charges for uncovered items. Client will provide Cerner with any missing or incorrect serial numbers as soon as possible to keep records current. Client will notify Cerner when technology components are replaced.

**Upgrades.** Maintenance services do not include hardware/technology updates. Maintenance services include software updates once they become available and have been certified for use by Cerner.

**Pricing and Allowances.** Equipment and/or Sublicensed Software maintenance pricing and allowances granted by Cerner are confidential and are not to be discussed outside the context of this arrangement. Allowances are available for multi-year maintenance and prepaid terms of one year or greater. Prices do not include any applicable taxes.

**Multi-Year Commitments.** Fees associated with the initial term are deemed prepaid and are non-refundable.

**SHARED COMPUTING SERVICES**

**Client Responsibilities.** Client agrees to comply with all applicable laws, rules, and regulations as they relate to its use of the Services and its provision of the Services to Users. Client or its Users must obtain all appropriate and necessary authorizations and consents to use or disclose any personally identifiable information in compliance with all federal and state privacy laws, rules, and regulations. Client must have security and privacy policies and procedures in place that govern its Users' ability to access information on or through the Services and to prevent unauthorized access, use, and disclosure of personally identifiable information including, but not limited to, protected health information.

**Medical Record.** The Services do not constitute a medical record. Client and its Users are responsible for ensuring that the information sent through the Services is incorporated into the applicable patient's medical record as necessary. Client acknowledges that the health information exchanged by Users may not include the individual's full and complete medical record or history. Cerner may leverage a public cloud infrastructure to provide the Services.

**Access to Data.** Cerner may use and disclose the Data as necessary to perform, analyze and improve the Services, to the extent permitted by law. Cerner may use and disclose performance and usage data for any purpose permitted by law so long as the data does not contain protected health information as defined under HIPAA or Client-specific identifiable information. Data means data that is collected, stored, processed or generated through Client's use of the Services.

**Right to Aggregate.** Cerner may use or disclose protected health information, as defined by 45 C.F.R. 160.103, to provide data aggregation services as permitted by 45 C.F.R. 164.504(e)(2)(i)(B), including use for statistical compilations, reports and all other purposes allowed under applicable law.

**De-identify and Use Rights.** Cerner may de-identify protected health information in accordance with the standards set forth in 45 C.F.R. 164.514(b) and may use or disclose such data unless prohibited by applicable law.

**Information Management Tools.** Client acknowledges and agrees that the Services are information management tools, many of which contemplate and require the involvement of professional medical personnel, and because medical information changes rapidly, some of the medical information and formulas may be out of date. Information provided is not intended to be a substitute for the advice and professional judgment of a physician or other professional medical personnel. Client acknowledges and agrees that physicians and other medical personnel should never delay treatment or make a treatment decision based solely upon information provided through the Services. Client further acknowledges and agrees that the Services are not intended to diagnose disease, prescribe treatment, or perform any other tasks that constitute or may

**SHARED COMPUTING SERVICES**

constitute the practice of medicine or of other professional or academic disciplines.

This section defines the Service deliverables ("**Scope**") for the Services set forth in this Cerner Amendment.

**SOLUTION DETAIL SCOPE**

**Third-Party Services.** Capitalized terms used in third-party Scope shall have the meanings ascribed to them herein, or as set forth in the applicable third party's pass-through provisions. Where there is a conflict between the definitions in third-party Scope and the Agreement, the definitions in this Exhibit A shall control, but only with regards to the subject matter set forth herein.

## CAREWARE DATABASE MIGRATION SERVICES (TPS-CAREAWAREDBMIG)

<b>Supplier Responsibilities</b>	<ul style="list-style-type: none"> <li>• Project Planning               <ul style="list-style-type: none"> <li>◦ Work with Cerner to perform a Project Discovery/Planning session that will conclude with the following being identified:                   <ul style="list-style-type: none"> <li>▪ Project Phases</li> <li>▪ Schedule of Work which will consist of but not limited to the following                       <ul style="list-style-type: none"> <li>▫ Establishing meetings and Check-ins</li> <li>▫ Establishing Milestones</li> <li>▫ Review the technical implementation phase and dependencies</li> <li>▫ Establishing a Go-Live Plan; tollgate sign offs, marketing needs, operations, training and support plans</li> </ul> </li> </ul> </li> <li>◦ Identification of Project Managers and Leads</li> <li>◦ Identification of Executive Sponsors and Champions</li> </ul> </li> <li>• Project Kickoff               <ul style="list-style-type: none"> <li>◦ Abide by the executed and agreed upon Schedule of Work and perform a Project Kickoff where the following assumptions will be made:                   <ul style="list-style-type: none"> <li>▪ Ability to connect to source platform and database</li> <li>▪ Target database is available and ready for ingestion</li> </ul> </li> </ul> </li> <li>• Implementation of one or many of the following platform features:               <ul style="list-style-type: none"> <li>◦ Traditional to Cloud: A one-time migration event, or a persistent replicated state until the day of flipping Client to cloud.</li> <li>◦ Tenant Consolidation: Like Traditional to Cloud, a one-time migration or a persistent replicated state until the date of flipping the Client to cloud.</li> </ul> </li> </ul>
<b>Cerner Responsibilities</b>	<ul style="list-style-type: none"> <li>• Provide timely access to points of contact, subject matter experts (SMEs), and data source information. Cerner will notify Supplier of any system upgrades, network changes, schema changes, downtime, or outages which may cause an interruption of work.</li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>• Traditional to Cloud: A one-time migration event or a persistent replicated state until the migration to cloud is complete.               <ul style="list-style-type: none"> <li>◦ Ingest (scoop) from the MySQL traditional environment in near real-time.</li> <li>◦ Build transformation template to fit latest version that exists in cloud.</li> <li>◦ Search/replace any personnel, location, other globally unique identifiers (GUIDs) to match target system (cloud). For example, if a personnel record with alias ABC123 exists in cloud, but with a different GUID than the source system (MySQL), that GUID should be changed to match cloud (or vice versa).</li> <li>◦ Supplier shall retain the raw, untransformed data, from the source database for a period of 30 days. This will provide the ability to roll-back or replay data.</li> </ul> </li> <li>• Tenant Consolidation: Like Traditional to Cloud, a one-time migration or a persistent replicated state until the date of flipping the Client to cloud.               <ul style="list-style-type: none"> <li>◦ Ingest (scoop) from the MySQL traditional environment in near real-time.</li> <li>◦ Build transformation template to fit latest version that exists in cloud.</li> <li>◦ Rectify any overlaps in data seamlessly.</li> <li>◦ Search/replace any personnel, location, other GUIDs to match target system (cloud). For example, if a personnel record with alias ABC123 exists in cloud, but with a different GUID than the source system (MySQL), that GUID should be changed to match cloud (or vice versa).</li> <li>◦ Supplier shall retain the raw, untransformed data, from the source database for a period of 30 days. This will provide the ability to roll-back or replay data.</li> </ul> </li> </ul>
<b>Project</b>	<ul style="list-style-type: none"> <li>• Estimated Duration of Services</li> </ul>

**CAREAWARE DATABASE MIGRATION SERVICES**  
 (TPS-CAREAWAREDBMIG)

<b>Assumptions</b>	<ul style="list-style-type: none"> <li>o 12 weeks (The actual project duration could fluctuate based on Client configuration and quantity of source databases)</li> <li>• Estimated Supplier Work Effort               <ul style="list-style-type: none"> <li>o 16 weeks</li> </ul> </li> <li>• Completion Criteria               <ul style="list-style-type: none"> <li>o Project plan delivery</li> <li>o Implementation and configuration of one or many of the platform capabilities</li> </ul> </li> </ul>
--------------------	---

**CAREAWARE UPGRADE SERVICES**

<b>Services Overview</b>	<ul style="list-style-type: none"> <li>• The <i>CareAware</i> upgrade project is intended to update Client's current production <i>CareAware</i> solutions to the latest <i>CareAware</i> release available at the time the project begins, including a migration to <i>CareAware Cloud</i>. This Scope does not include modifying or building new application functionality. This <i>CareAware</i> project is being completed standalone. It is not within this Scope to modify or build new application functionality, with the exception of selected Upgrade Center Quick Wins.</li> <li>• This Scope covers only the items set forth herein and does not include product or solution upgrades not explicitly documented within the scope. For example, SkyVue Imaging upgrades require a new Ordering Document if Client requests additional tasks beyond those set forth in this Scope.</li> <li>• Upgrade Center will only assist in testing in the upgrade domain; testing in additional domains will be Client responsibility.</li> </ul>		
<b>Work Effort</b>	<ul style="list-style-type: none"> <li>• The <i>CareAware</i> upgrade project is primarily composed of technical and testing events. Cerner will complete the majority of the activities as defined in the detailed work effort below and the detailed project plan that will be defined during project planning. However, Client will be required to engage in certain events or tasks that are specific to Client's domain or environment. The grids below reflect tasks that will be included in the <i>CareAware</i> upgrade and the responsible party for each. The estimated duration of this project is based on 70 days, which begins with code installation in the first domain and ends with the <i>CareAware</i> upgrade installation in Client's production domain.</li> </ul>		
<b>Project Management Work Effort</b>	<b>(P = Primary, R = Review, A = Assist)</b>	<b>Cerner Resource</b>	<b>Client Resource</b>
	Manage the <i>CareAware</i> project	P	
	Review and update communications plan; coordinate <i>CareAware</i> upgrade calls with Client and Cerner teams; produce weekly project status reports.	P	
	Create and maintain <i>CareAware</i> upgrade project plan	P	
	Establish scope and domain strategy based on current recommended practice	P	R
	Identify and secure resources	P	A
	Determine and document initial package requirements; identify and resolve potential stray code that Client has currently installed	P	
	Collaboratively work with Client to define database build and testing requirements	P	R
	Engage appropriate resources to complete the build and testing; establish the testing strategy; ensure appropriate testers are identified	P	A
	Review training resources and strategies; communicate strategy for relaying		P

**CAREAWARE UPGRADE SERVICES**

	continuing education information to the appropriate education liaisons; verify Client has standard operating procedures (SOPs) and supplies			
	Identify and mitigate risks	P		
	Coordinate testing per project plan and domain strategy; gain appropriate sign offs		P	
	Ensure end-user training has been communicated or conducted prior to cut over to new release		P	
	Prepare cut-over plan; ensure appropriate Client and Cerner resources are scheduled for <i>CareAware</i> upgrade and post <i>CareAware</i> upgrade support	P	A	
	Manage post <i>CareAware</i> upgrade issues	P	A	
<b>Application Work Effort</b>	<b>CareAware Solutions</b>	<b>Test and Upgrade</b>	<b>Testing Only</b>	
	BMDI - includes up to 5 unique BMDI types	X		
	MDI - includes up to 15 MDI devices	X		
	CareAware VitalsLink	X		
	CareAware Auto-Programming	X		
	CareAware Critical Care	X		
	CareAware Infusion Management	X		
	<ul style="list-style-type: none"> <li>CareAware Auto Pump Programming – Application Work Effort does not include this solution</li> </ul>			
	<b>(P = Primary, R = Review, A = Assist)</b>	<b>Cerner Resource</b>	<b>Client Resource</b>	
	Evaluate solution changes and impact to production environment	P		
	Identify and execute database changes required to maintain current solution functionality	P	A	
	Validate non-production upgrade domain to ensure the domain is a true copy of the production domain prior to performing <i>CareAware</i> upgrade activities; Client resources will be needed to configure Client managed devices	P	A	
	Perform regression testing per project plan and domain strategy; Client resources will be needed to test Client managed devices	P	A	
	Perform integration testing per project plan and domain strategy			P
	Provide education updates to Client trainers			P
Manage solutions issue list; work with Client and Cerner to achieve issue resolution until code is moved to production	P	A		
Support production <i>CareAware</i> upgrade to new <i>CareAware</i> release	P	A		
Identify all applicable Quick Wins; Quick Wins include performance improvements, physician experience standard database changes, as well as Upgrade Innovations. Client may pick up to 10 Upgrade Innovations for each solution from a customized list of available enhancements provided by Cerner; Cerner will identify the appropriate build steps needed to implement each Quick Win, create and execute appropriate test scripts for each Quick Win, and will resolve issues identified with the functionality	P		R	
<b>Technical Work Effort</b>	<ul style="list-style-type: none"> <li><b>ASSUMPTIONS</b> <ul style="list-style-type: none"> <li>ALL FACILITIES ARE TRAINED AND GO LIVE AT THE SAME TIME</li> <li>1 PRODUCTION IBUS CLUSTER AND 2 NON-PRODUCTION STANDALONE SERVERS</li> <li>THIS SCOPE ASSUMES RHO</li> <li>THIS SCOPE ASSUMES HARDWARE AND/OR OS MIGRATION TO CAREAWARE</li> </ul> </li> </ul>			

**CAREAWARE UPGRADE SERVICES**

	<p><i>CLOUD</i></p> <ul style="list-style-type: none"> <li>o <i>CareAware</i> DR license, services, and dedicated hardware is required per production iBus cluster, if applicable</li> </ul>																																													
	<table border="1"> <thead> <tr> <th style="text-align: center;">CERNER TECHNICAL SERVICES (P = Primary, R = Review, A = Assist)</th> <th style="text-align: center;">Cerner Resource</th> <th style="text-align: center;">Client Resource</th> </tr> </thead> <tbody> <tr> <td>Review technical readiness scorecard with Client and discuss hardware and software requirements; includes all of the technical minimums and requirements for all third-party software and hardware; review system capacity for both production and non-production environments</td> <td style="text-align: center;">P</td> <td style="text-align: center;">R</td> </tr> <tr> <td>Create the technical project plan and determine domain strategy in conjunction with Cerner and Client project manager and architect</td> <td style="text-align: center;">P</td> <td style="text-align: center;">R</td> </tr> <tr> <td>Manage all other necessary technical activities and escalation activities</td> <td style="text-align: center;">P</td> <td></td> </tr> <tr> <td>Prepare environment for release</td> <td style="text-align: center;">P</td> <td></td> </tr> <tr> <td>Ensure all Client owned or Client managed components related to the <i>CareAware</i> upgrade are upgraded/updated (including software and hardware), to meet the technical minimums and requirements prior to the <i>CareAware</i> commencing in the non-production and production domain</td> <td></td> <td style="text-align: center;">P</td> </tr> <tr> <td>Create non-production domain per domain strategy and project plan. Cerner system engineer will be responsible for all back-end steps to create the non-production domain. Client will need to assist with setting up interfaces, and Client managed devices. This would include any other ancillary device that is in the production domain that will need to be tested in the non-production domain.</td> <td style="text-align: center;">P</td> <td style="text-align: center;">A</td> </tr> <tr> <td>Update the non-production domain per domain strategy and project plan. This includes the <i>CareAware</i> related back-end steps as well as anything required for the <i>CareAware</i> iBus servers. The Cerner system engineer will run the uptime steps and downtime steps and capturing the timings for each of these processes.</td> <td style="text-align: center;">P</td> <td style="text-align: center;">A</td> </tr> <tr> <td>Client is responsible for all Client managed devices with respect to code dissemination in the non-production domain. This includes the setup of any Client managed devices, including, but is not limited to: Cerner Connectivity Engines, <i>RoomLink</i> devices, <i>myStation</i> devices, software programmable device adapters, capacity management tracking tags, handheld devices, Vital Sign Monitors, and any other fat client or network installed device that needs to be tested.</td> <td style="text-align: center;">A</td> <td style="text-align: center;">P</td> </tr> <tr> <td>Assist with all necessary technical issue troubleshooting and issue resolution</td> <td style="text-align: center;">P</td> <td style="text-align: center;">A</td> </tr> <tr> <td>Upgrade the training domain or any other non-production domain</td> <td></td> <td style="text-align: center;">P</td> </tr> <tr> <td>Perform the <i>CareAware</i> upgrade in the production domain; the Cerner system engineer will be responsible for installing the <i>CareAware</i> updates in the production domain; the Cerner system engineer will run the steps and capturing the timings</td> <td style="text-align: center;">P</td> <td style="text-align: center;">A</td> </tr> <tr> <td>Support production <i>CareAware</i> upgrade to new <i>CareAware</i> release</td> <td style="text-align: center;">P</td> <td style="text-align: center;">A</td> </tr> <tr> <td>Provide 48 hours of remote <i>CareAware</i> go-live upgrade support</td> <td style="text-align: center;">P</td> <td></td> </tr> <tr> <td>Provide up to 3 weeks of post go-live support to supplement standard production support protocol</td> <td style="text-align: center;">P</td> <td></td> </tr> </tbody> </table>	CERNER TECHNICAL SERVICES (P = Primary, R = Review, A = Assist)	Cerner Resource	Client Resource	Review technical readiness scorecard with Client and discuss hardware and software requirements; includes all of the technical minimums and requirements for all third-party software and hardware; review system capacity for both production and non-production environments	P	R	Create the technical project plan and determine domain strategy in conjunction with Cerner and Client project manager and architect	P	R	Manage all other necessary technical activities and escalation activities	P		Prepare environment for release	P		Ensure all Client owned or Client managed components related to the <i>CareAware</i> upgrade are upgraded/updated (including software and hardware), to meet the technical minimums and requirements prior to the <i>CareAware</i> commencing in the non-production and production domain		P	Create non-production domain per domain strategy and project plan. Cerner system engineer will be responsible for all back-end steps to create the non-production domain. Client will need to assist with setting up interfaces, and Client managed devices. This would include any other ancillary device that is in the production domain that will need to be tested in the non-production domain.	P	A	Update the non-production domain per domain strategy and project plan. This includes the <i>CareAware</i> related back-end steps as well as anything required for the <i>CareAware</i> iBus servers. The Cerner system engineer will run the uptime steps and downtime steps and capturing the timings for each of these processes.	P	A	Client is responsible for all Client managed devices with respect to code dissemination in the non-production domain. This includes the setup of any Client managed devices, including, but is not limited to: Cerner Connectivity Engines, <i>RoomLink</i> devices, <i>myStation</i> devices, software programmable device adapters, capacity management tracking tags, handheld devices, Vital Sign Monitors, and any other fat client or network installed device that needs to be tested.	A	P	Assist with all necessary technical issue troubleshooting and issue resolution	P	A	Upgrade the training domain or any other non-production domain		P	Perform the <i>CareAware</i> upgrade in the production domain; the Cerner system engineer will be responsible for installing the <i>CareAware</i> updates in the production domain; the Cerner system engineer will run the steps and capturing the timings	P	A	Support production <i>CareAware</i> upgrade to new <i>CareAware</i> release	P	A	Provide 48 hours of remote <i>CareAware</i> go-live upgrade support	P		Provide up to 3 weeks of post go-live support to supplement standard production support protocol	P	
CERNER TECHNICAL SERVICES (P = Primary, R = Review, A = Assist)	Cerner Resource	Client Resource																																												
Review technical readiness scorecard with Client and discuss hardware and software requirements; includes all of the technical minimums and requirements for all third-party software and hardware; review system capacity for both production and non-production environments	P	R																																												
Create the technical project plan and determine domain strategy in conjunction with Cerner and Client project manager and architect	P	R																																												
Manage all other necessary technical activities and escalation activities	P																																													
Prepare environment for release	P																																													
Ensure all Client owned or Client managed components related to the <i>CareAware</i> upgrade are upgraded/updated (including software and hardware), to meet the technical minimums and requirements prior to the <i>CareAware</i> commencing in the non-production and production domain		P																																												
Create non-production domain per domain strategy and project plan. Cerner system engineer will be responsible for all back-end steps to create the non-production domain. Client will need to assist with setting up interfaces, and Client managed devices. This would include any other ancillary device that is in the production domain that will need to be tested in the non-production domain.	P	A																																												
Update the non-production domain per domain strategy and project plan. This includes the <i>CareAware</i> related back-end steps as well as anything required for the <i>CareAware</i> iBus servers. The Cerner system engineer will run the uptime steps and downtime steps and capturing the timings for each of these processes.	P	A																																												
Client is responsible for all Client managed devices with respect to code dissemination in the non-production domain. This includes the setup of any Client managed devices, including, but is not limited to: Cerner Connectivity Engines, <i>RoomLink</i> devices, <i>myStation</i> devices, software programmable device adapters, capacity management tracking tags, handheld devices, Vital Sign Monitors, and any other fat client or network installed device that needs to be tested.	A	P																																												
Assist with all necessary technical issue troubleshooting and issue resolution	P	A																																												
Upgrade the training domain or any other non-production domain		P																																												
Perform the <i>CareAware</i> upgrade in the production domain; the Cerner system engineer will be responsible for installing the <i>CareAware</i> updates in the production domain; the Cerner system engineer will run the steps and capturing the timings	P	A																																												
Support production <i>CareAware</i> upgrade to new <i>CareAware</i> release	P	A																																												
Provide 48 hours of remote <i>CareAware</i> go-live upgrade support	P																																													
Provide up to 3 weeks of post go-live support to supplement standard production support protocol	P																																													
	<ul style="list-style-type: none"> <li>• This project includes only the items set forth in this Scope. A new Ordering Document must be executed by the parties if Client requests additional tasks beyond those set forth herein.</li> </ul>																																													
<b>Project Completion</b>	<ul style="list-style-type: none"> <li>• This Scope will be considered complete on the date the <i>CareAware</i> updates are moved into the production domain</li> </ul>																																													

**CAREAWARE UPGRADE SERVICES**

<p><b>Knowledge Transfer</b></p>	<ul style="list-style-type: none"> <li>• Cerner will provide knowledge transfer throughout this project. This knowledge is supplemented by Documentation found at <a href="http://cerner.com">cerner.com</a> or <i>uCern Wiki</i>:             <ul style="list-style-type: none"> <li>o Reference Pages</li> <li>o Upgrade Guides</li> <li>o Package Reports</li> <li>o Release Details</li> <li>o Illuminations sessions Additional education and training information is available at <a href="http://cerner.com">cerner.com</a> and may have additional cost</li> </ul> </li> </ul>
<p><b>Client Obligations</b></p>	<ul style="list-style-type: none"> <li>• Cerner shall perform the services provided hereunder in accordance with industry practices and standards generally applicable to such services, but Client must determine, based on its SOPs, accrediting body standards, governing regulatory bodies, patient population, employees, and tools, how best to validate all aspects of the system. Client acknowledges and agrees that it will (i) provide the test plans, (ii) perform or supervise the testing activities, (iii) provide additional training and information to end users regarding the changes made, and (iv) approve the content and completion of the testing activities. Cerner accepts no responsibility or liability for any claims, actions, losses, or damages incurred by Client or any third party arising from or out of Client failure to adequately test and/or validate the changes requested hereunder.</li> <li>• Client agrees to:             <ul style="list-style-type: none"> <li>o Provide documentation and support phone numbers for all relevant hardware and software providers</li> <li>o Provide a security officer to define and monitor user access</li> <li>o Remain actively engaged in the <i>CareAware</i> upgrade until completion</li> <li>o Ensure change control is followed, and no updates are made to the production environment during the <i>CareAware</i> upgrade</li> <li>o Provide access to all domains that will be affected during the <i>CareAware</i> upgrade via a <i>Citrix</i> connection and/or a direct connection. The preferred method is a <i>Citrix</i> or similar connection allowing multiple users access to the same environment at the same time via one connection.</li> </ul> </li> </ul>
<p><b>Client Application Obligations</b></p>	<ul style="list-style-type: none"> <li>• Provide specified contacts to work with Cerner on application specific testing and issue resolution; these contacts will be the focal point for the Cerner associates relative to the fulfillment of the request and will have the authority to act on Client's behalf in matters regarding the requests</li> <li>• Provide <i>CareAware</i> upgrade support coverage for all departmental areas affected</li> <li>• Test local devices such as BMDs, MDIs, etc.</li> <li>• Perform the responsibilities as designated in the project plan.</li> </ul>
<p><b>Client Technical Obligations</b></p>	<ul style="list-style-type: none"> <li>• Provide <i>CareAware</i> upgrade support coverage for all departmental areas affected</li> <li>• Perform the responsibilities as designated in the project plan</li> <li>• Ensure hardware and software required for the <i>CareAware</i> upgrade or installation is available and operational, this includes:             <ul style="list-style-type: none"> <li>o Ensuring hardware is available to test Client managed devices (e.g., BMDs MDIs, <i>RoomLink</i>, <i>myStation</i>, <i>Capacity Management</i>, etc.).</li> <li>o Ensuring Client managed hardware (e.g., memory, CPU, and storage space) will be sufficient to handle any increases associated with utilization of the new release</li> </ul> </li> <li>• Ensure all testing is complete that is not specifically indicated in the Work Effort as a Cerner responsibility</li> <li>• Provide documentation of requested configurations on an as needed basis</li> </ul>

**CAREAWARE UPGRADE SERVICES**

	<ul style="list-style-type: none"> <li>• Provide documentation and support phone numbers for all relevant contact people including Client contacts for hardware and software suppliers</li> <li>• Provide the performing Cerner associate appropriate access to applicable systems, if on-site travel is required. This includes physical access to spaces (typically during business hours) and user IDs and passwords to include root or system like access accounts for the execution of the <i>CareAware</i> upgrade steps and troubleshooting as well as network administrative accounts for front-end.</li> <li>• Provide suitable workspace for the Cerner associate with phone access, if on-site travel is required</li> <li>• Travel expenses will be billed as incurred and will be consistent with the expense policy as documented in Client's master Agreement</li> <li>• Ensure the service keys to any systems are made available</li> <li>• Ensure host definitions have been generated and are available for connection</li> <li>• Provide host interface information, including, but not limited to destination address, local adapter address, exchange ID, and remote and local logical unit names</li> <li>• Provide operator guides for any requested equipment that will be used in the configuration and connection process</li> <li>• Verify end-user device rollout; Client is responsible for all Client managed device code dissemination and any individual set up to Client managed devices</li> <li>• Set up and configure interfaces into non-production domains used for testing</li> </ul>
<b>Points of Presence</b>	<ul style="list-style-type: none"> <li>• Cerner will perform all work remotely unless previously agreed upon prior to the execution of this Ordering Document. When needed, as defined by the project plan, Cerner associates will work from Client facility.</li> </ul>
<b>Travel Expenses</b>	<ul style="list-style-type: none"> <li>• The fees set forth in the Ordering Document do not include travel, lodging, per diem, or other out-of-pocket expenses incurred by Cerner personnel during key project events or subsequent visits. Such expenses must be pre-approved by Client and will be billed to Client monthly, as incurred. Any estimate of expenses can change based on variables such as airfare and location of Client's facility(s).</li> </ul>



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed retroactive Master Service Agreement, HealthTrust – HPG 2621 Exhibit C-1, C-2, C-3a, C-4 with Stericycle, Inc., to dispose of hazardous waste

**Requested Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests that your Board approve the proposed retroactive Master Services Agreement, HealthTrust – HPG 2621 Exhibit C-1, C-2, C-3a, and C-4 with Stericycle, Inc., to allow Stericycle to continue providing a variety of waste disposal services at the main campus facility as well as for the outlying clinics. The proposed Agreement is through our group purchasing organization HealthTrust, but has additional terms and conditions as outlined in each Exhibit. The Agreement is for a term of sixty (60) months with an estimated not-to-exceed of \$942,000, as outlined below.

<b>Exhibit</b>	<b>Purpose of Exhibit</b>	<b>Estimated Not to Exceed</b>
Exhibit C-1	<b>Regulated Medical Waste Disposal</b> - treatment and disposal of medical and bio-hazardous waste	\$ 201,000
Exhibit C-2	<b>Sharps Disposal Management Comprehensive</b> - proactive sharps disposal service with reusable containers	\$ 300,000
Exhibit C-3a	<b>Pharmaceutical Waste Disposal</b> - help characterize, segregate, transport and properly dispose of pharmaceutical waste	\$ 300,000
Exhibit C-4	<b>Hazardous Waste Disposal</b> - environmentally sound and flexible solution for all hazardous waste streams	\$ 141,000

Counsel is unable to approve as to form due to non-standard terms, which include a termination fee if the services are terminated early for any reason and possible price increases throughout the term.

Even with these issues, Kern Medical recommends that your Board approve the proposed retroactive Master Service Agreement, HealthTrust – HPG 2621 Exhibit C-1, C-2, C-3a, C-4 with Stericycle, Inc., to dispose of hazardous waste, effective August 15, 2021 for a term of sixty (60) months, for an estimated maximum payable of \$942,000, and authorize the Chairman to sign.



## Master Service Agreement

**Customer Billing Information:**

Customer Name	<u>Kern County Hospital Authority</u>	Billing Attention	_____
Address 1	<u>PO Box 3519</u>	Billing Name	_____
Address 2	_____	Contact Phone #	_____
City/State/Zip	<u>Bakersfield, CA 93385</u>	Contact Fax #	_____
Contact Title	_____	Contact Email	_____

This Agreement is entered into, and effective as of **August 15, 2021** between **Kern County Hospital Authority**, a local unit of government which owns and operates **Kern Medical Center** (hereinafter referred to as "Customer"), for itself and on behalf of any of its operating subsidiaries, and Stericycle, Inc., a Delaware corporation, having a principal place of business at 2355 Waukegan Road, Bannockburn, Illinois 60015 (hereinafter referred to as "Stericycle").

Services to be Provided		
<input checked="" type="checkbox"/> <b>Regulated Medical Waste Disposal</b> Treatment and disposal of medical and Bio-hazardous waste	<b>Sharps Disposal Management</b> Comprehensive proactive sharps disposal service with reusable containers	<b>Integrated Waste Stream Solutions</b> All-encompassing on-site waste stream management services
<b>Pharmaceutical Waste Disposal</b> Help characterize, segregate, transport and properly dispose of pharmaceutical waste	<b>Hazardous Waste Disposal</b> Environmentally sound and flexible solution for all hazardous waste streams	<b>Medical Product Supplies</b> On-demand product/supplies containers or Mail Back auto replenishment
<b>Service Details are referenced in Corresponding Attachments included herein.</b>		

**Agreement Effective Date: September 01, 2021**

**Master Agreement ID: HealthTrust 2621 Exhibit C-1**

**Terms of Agreement: 60 Months**

This Waste Disposal Agreement ("Agreement") is entered into in connection with that certain Purchasing Agreement, HPG-2621, dated July 1, 2018 (the "Purchasing Agreement") between HealthTrust Purchasing Group, L.P. ("HealthTrust") and Stericycle, Inc. ("Stericycle" or "Vendor"). The terms and provisions of the Purchasing Agreement are incorporated into this Agreement. The terms and provisions of this Agreement are subject to and governed by the terms and provisions of the Purchasing Agreement. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Purchasing Agreement.

**NOTE: This Agreement contains obligations of mutual indemnification between Stericycle and you. Reference is made to Section 9 of this Agreement.**

By signing below, I acknowledge that I am Customer's authorized officer or agent and that I have the authority to bind Customer to this Agreement. Each of Stericycle and Customer agrees to be bound by the terms and conditions that appear in this Agreement and comply with Stericycle's Waste Acceptance Policies, which are integral parts of this Agreement.

**Stericycle, Inc.**

Service Provider Name: Stericycle, Inc.  
 Representative Name: Kathryn Evans  
 Representative Title: VP National Accounts  
 Date: September 2021  
 Signature: Kathryn Evans  
DBED1545B0F5412...

**Customer**

Customer Name: Kern County Hospital Authority  
 Signee Name: Russell Bigler  
 Signee Title: Chairman, Board of Governors  
 Date: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 GPO ID #: See Service Location Listing

**STERICYCLE USE ONLY**

Type of Agreement:	Affiliation Code: _____	LQ Record #:
Purchase Order #: _____	Segment Code: _____	LQ Contract #:

**REVIEWED ONLY  
NOT APPROVED AS TO FORM**

By [Signature]  
**Legal Services Department**

## TERMS AND CONDITIONS

**1. Regulated Medical Waste Services** Stericycle, Inc. has obtained all necessary licenses, permits, insurance and authorizations required to perform services hereunder and, upon request, shall furnish copies thereof to customer. Stericycle, Inc. shall collect, transport, treat and dispose of all Regulated Medical Waste (except Non-conforming Waste) generated by Customer during the term of this Agreement. Stericycle employees may refuse containers that are determined to be Non-conforming Waste as identified in the Waste Acceptance Policy ("WAP"). Customer shall place only "Regulated Medical Waste" as defined by 49 CFR 173.134 or by any other federal, state, and local regulations into the containers provided by Stericycle. Customer warrants that the waste presented for disposal will not contain any "hazardous", "toxic", or "radioactive" wastes as defined by all applicable laws or regulations and shall be liable for any injury, loss or damage resulting from non-conforming waste. Further definitions are part of this contract under the current WAP. Stericycle reserves the right to change the WAP at any time to ensure compliance with applicable laws or regulations. A copy of Stericycle's Waste Acceptance Policy may also be obtained from your local Stericycle representative. Title to Regulated Medical Waste (other than Non-Conforming Waste) shall transfer to and vest in Stericycle at such time as such waste is loaded onto Stericycle vehicles. Customer shall have title to the Regulated Medical Waste at all prior times. Customer shall hold title to any Non-Conforming Waste at all times, whether refused for collection, returned to the Customer for proper disposal after collection or otherwise disposed of in accordance with Customer's instructions or arrangements.

**2. Recordkeeping and Compliance with Laws** Stericycle and Customer shall keep and retain adequate books and records and other documentation including personnel records, correspondence, instructions, plans, receipts, vouchers, permits, required state registrations, copies of manifests and tracking records consistent with and for the periods required by applicable regulations and guidelines pertaining to generation, storage or handling of Regulated Medical Waste and the services to be performed under this Agreement.

**3. Term and Pricing** The term ("Term") of this Agreement is established on page one of this document, either **60** months from the date of execution of this agreement.

(a) Customer shall pay Stericycle the prices set forth on Exhibit A of this Agreement. Prices for Services may not be increased for at minimum the first eighteen (18) months of a 60-month term and for the first 12 months for any Term of less than 60 months. Thereafter, prices may be increased annually, but by no more than four percent (4%), during the then prior twelve (12) month period. Additionally, Stericycle may adjust the Rate Structure (i) to account for operational changes it implements to comply with changes in law, regulatory changes, in the waste treatment location, or to otherwise cover unforeseen, significant cost escalation.

(b) Stericycle has instituted a per invoice energy surcharge to manage and isolate the impact of Diesel fuel price fluctuations. The energy surcharge is based on the U.S. 'On Highway' Diesel Price Index. A table outlining the Energy Surcharge can be found in Attachment 1 of this agreement.

**4. Termination.** (a) Termination with cause for breach or non-performance: In the event a party materially fails to perform according to the terms and conditions outlined in this Agreement, or otherwise breaches a material term of this Agreement, the other party may terminate this Agreement upon sixty (60) days' prior written notice, provided that this Agreement shall not terminate if the defaulting party remedies such breach or failure to perform within the 60-day period after such notice. Such written notice shall set forth in reasonable detail a description of the breach or failure to perform.

(b) Purchaser may terminate this Agreement immediately upon notice if Stericycle does not comply with all applicable laws and regulations in all material respects.

(c) The Services provided in accordance with the terms and conditions of this Agreement may be suspended by Stericycle without notice if Purchaser fails to comply with terms outlined in Sections 3 and 6 (Pricing and Billing) of this Agreement. Suspension of Service due to failure to comply with payment terms shall not relieve Purchaser of the obligation to pay any amounts due under the terms of this Agreement.

(d) Purchaser shall have the right to terminate this Agreement prior to the end of the then-current Term without Cause, upon 120 days prior written notice to Stericycle, and in any such event, Purchaser shall pay to Stericycle a termination fee equal to fifty percent (50%) of Purchaser's average monthly charge on the 12 months' billings immediately prior to the termination of this Agreement (or based on any lesser period if the Agreement began less than twelve months earlier) multiplied by the number of months, including prorated partial months, remaining until the expiration date of the then-current Term.

(e) In the event Purchaser in any other way breaches this Agreement such that Stericycle's continued performance is rendered impossible or commercially impracticable, then this Agreement shall terminate and Purchaser shall pay to Stericycle a termination fee equal to fifty percent (50%) of Purchaser's average monthly charge on the 12 months' billings immediately prior

to the termination of this Agreement (or based on any lesser period if the Agreement began less than twelve months earlier) multiplied by the number of months, including prorated partial months, remaining until the expiration date of the then-current Term. This early termination fee shall be Stericycle's sole remedy for an early termination. Purchaser hereby acknowledges that Stericycle's damages resulting from the premature termination of collections are impossible to estimate, and include lost profits, inefficiencies resulting from route changes and reduced treatment plant throughput, increased administrative overhead, unrecoverable sunk training/instruction costs, and other elements of injury, and acknowledges further that the foregoing charge is reasonable and is not a penalty.

(f) Upon 30 days' notice to Stericycle, Customer shall have the right to add or delete mutually acceptable Customer facilities receiving services under this Agreement. The addition or exclusion of any facility participating under this Agreement shall have no effect on the services provided the other participating facilities.

(g) Any terms or conditions contained in any Purchase Order, Purchase Order Agreement, or other invoice acknowledgment, Order by Purchaser or proposed at any time by Purchaser in any manner, which vary from, or conflict with the terms and conditions in this Agreement shall be void and have no effect, unless specifically accepted by Stericycle in writing. Written acceptance or rejection by Stericycle of any specific terms or conditions shall not constitute an acceptance of any other additional terms or conditions.

(h) Non-appropriation. Customer, as a government entity, reserves the right to terminate this Agreement in the event insufficient funds are appropriated for this Agreement in any fiscal year under the provisions of California Constitution Article 16 section 18a. Customer's fiscal year is July 1 to June 30 of each calendar year. Upon such termination, Customer will be released from any further financial obligation to Stericycle, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Stericycle will be given 30 days' prior written notice in the event that Customer requires such an action.

**5. Survival** Any provision of this Agreement that is meant to survive the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement. This Agreement shall survive the expiration or termination of the GPO Agreement.

**6. Billing** Stericycle shall provide Customer with monthly, quarterly, or annual invoices that are due upon receipt. . Customer shall notify Stericycle as to any Customer dispute with such invoice within fifteen (15) days of receipt of the invoice. Customer shall pay the undisputed amount of an invoice in the event that a dispute arises from any portion of the total invoice. All invoices shall set forth in reasonable detail the fees and expenses described in Section 3. Stericycle shall verify that invoices are accurate and that all Services invoiced have been properly and completely performed. Customer shall bear any costs that Stericycle may incur in collecting overdue amounts from Customer, including, but not limited to, reasonable attorneys' fees and court costs. Should any amounts due pursuant to this Agreement remain unpaid for more than 30 days from the date of the debt's first invoice, Stericycle shall have the option, without notice to Customer, to suspend service under this Agreement until the overdue amounts are paid. In the event that Stericycle suspends services under this Agreement for any reason, including the expiration or termination of this Agreement or Customer's breach (see 2(c), above), Stericycle may remove all containers belonging to it from Customer's premises. Any non-compliant containers will be billed an additional container charge at the current container rate not to exceed 1.25% of Stericycle's cost. Non-compliant containers include containers that are overweight under applicable laws or regulations or containers holding Non-Conforming Waste. In addition to Stericycle's charges for services and products under this Agreement, the Customer shall pay all taxes imposed or levied by any governmental authority with respect to such services or products. These taxes include all sales, use, excise, occupation, franchise and similar taxes and tax-like fees and charges (but do not include any taxes on Stericycle's net income). Stericycle shall cooperate with the Customer to determine the applicability of any exemption certificates that the Customer provides to Stericycle in a timely manner.

**7. Surcharge** Customer shall notify Stericycle within forty-eight (48) hours of any scheduled pick-up or Customer request to cancel services. Should Customer fail to meet such notification requirement, Stericycle may impose a 'no waste' surcharge no greater than \$75 in the event that Stericycle attempts to pick up waste at a Customer location (on either a scheduled pick-up or in response to a Customer request) and, through no fault of Stericycle, either (a) there is no Regulated Medical Waste for Stericycle to pick up, (b) waste is not ready for pick-up or (c) the Customer location is closed.

**8. Liability for Equipment** Customer acknowledges that it has the care, custody and control of containers and other Products that are equipment owned by Stericycle and accepts responsibility and liability for the equipment and its contents except when it is being physically handled by employees of Stericycle. The equipment to be provided by Stericycle in accordance with the terms and conditions of this Agreement shall remain the property of Stericycle throughout the term of this Agreement and thereafter. Upon the expiration or termination of this Agreement for any reason, Customer shall return all equipment to Stericycle in good condition, reasonable wear and tear excepted. The liabilities or obligations of Customer with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Customer and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California. California Health and Safety Code Section 101853(g)

**9. Indemnification.** (a) Stericycle agrees to defend, indemnify and hold harmless Customer and its Affiliates, successors, assigns, directors, officers, agents and employees (“Customer Indemnitees”) from and against any and all liabilities, demands, losses, damages, costs, expenses, fines, amounts paid in settlements or judgments, and all other reasonable expenses and costs incident thereto, including reasonable attorneys’ fees (collectively referred to as “Damages”) arising out of or resulting from: (i) any third party claim, lawsuit, investigation, proceeding, regulatory action, or other cause of action, arising out of or in connection with Stericycle’s performance of the Services (“Injury”), except to the extent the Injury was caused by reason of a Customer Indemnitee’s negligence; (ii) the breach or alleged breach by Stericycle of the representations, warranties or covenants contained in the Purchasing Agreement or this Agreement or in materials furnished by Stericycle; or (iii) any infringement, misappropriation or alleged infringement or misappropriation of any patent, trademark, copyright, trade secret or other intellectual property right resulting from the purchase of Services and/or Products provided hereunder (including Customer’s possession and use thereof).

(b) Customer Indemnification. Customer agrees to defend, indemnify and hold harmless Stericycle, its Affiliates, successors, assigns, directors, officers, agents and employees (“Stericycle Indemnitees”) from and against any and all Damages arising out of or resulting from (i) any claim, lawsuit, investigation, proceeding, regulatory action, or other cause of action, arising out of or in connection with its performance or its obligations under this Agreement (“Claim”), except to the extent such Claim was caused by reason of a Stericycle Indemnitee’s negligence; or (ii) the breach or alleged breach by Customer of the representations, warranties or covenants contained in this Agreement or in materials furnished by Customer.

(c) If the Claim is caused by the negligence of both Stericycle and Customer, the apportionment of said Damages shall be shared between Stericycle and Customer based upon the comparative degree of each other’s negligence, and each shall be responsible for its own defense and costs, including but not limited to the costs of defense, attorneys’ fees, witnesses’ fees and expenses incident thereto.

(d) Indemnification Process. If any demand or claim is made or suit is commenced against a Customer Indemnitee or a Stericycle Indemnitee, as applicable (each, an “Indemnitee”) for which a Party has an indemnity obligation hereunder, as applicable, written notice of such shall be provided to the indemnifying Party, the indemnifying Party shall undertake the defense of any such suit, and such Indemnitee shall cooperate with the indemnifying Party in the defense of the demand, claim or suit to whatever reasonable extent the indemnifying Party requires and at the indemnifying Party’s sole expense. The indemnifying Party shall have the right to compromise such claim at the indemnifying Party’s expense for the benefit of such Indemnitee; provided, however, the indemnifying Party shall not have the right to obligate an Indemnitee in any respect in connection with any such compromise without the written consent of such Indemnitee. Notwithstanding the foregoing, if the indemnifying Party fails to assume its obligation to defend, an Indemnitee may do so to protect its interest and seek reimbursement from the indemnifying Party.

**10. Compliance with All Laws.** Each party shall comply in all material respects with all applicable laws and regulations in the performance of this Agreement.

#### **11. Intentionally Omitted.**

**12. Force Majeure.** The parties’ obligations under this Agreement will be excused if and to the extent any delay or failure to perform such obligations is due to acts of war, terrorism or nature, including hurricanes, tornados, floods, and earthquakes, provided the effects of such act or event would not have been substantially mitigated by implementation of a Disaster Recovery Plan (“Force Majeure Event”). A party affected by a Force Majeure Event will notify the other party, within 48 hours of the Force Majeure Event, explaining the nature and expected duration thereof and such party shall use all efforts to remedy or mitigate such Force Majeure Event and the effects thereof. Notwithstanding the foregoing, if Stericycle is unable to perform any of its obligations under this Agreement for a period of more than thirty (30) calendar days as a result of a Force Majeure Event, then Customer may terminate this Agreement upon written notice to Stericycle. For purposes of this Section 21, Stericycle represents and warrants to Customer that it has and shall maintain a business continuity and disaster recovery plan to enable delivery of Services upon the occurrence of any event or circumstance beyond Stericycle’s reasonable control, including without limitation acts of God, war or terrorist attack, pandemic, riot, fire, explosion, catastrophic weather event or natural disaster within Customer’s Services location(s) (“Disaster Recovery Plan”).

**13. Independent Contractor** It is the intention of the parties that the relationship existing between the parties be that of independent contractors. Except as specifically stated herein, nothing contained herein or done pursuant hereto shall constitute either party acting as the other party’s agent or employee, or the legal representative for any purpose whatsoever and such individuals or entities shall have no right, power or authority to assume, create or incur, in writing or otherwise, any expense, liability or obligation in the name of or on behalf of the other party.

**14. Amendment and Waiver** Notwithstanding anything to the contrary contained in this Agreement, changes in the types, size and amount of equipment and the frequency of Service may be mutually agreed to orally or in writing by the parties, without affecting the validity of this Agreement, and consent to such oral changes shall be evidenced by the practices and actions of the

parties. All amendments to this Agreement (other than as provided in Section 3 and those described in the first sentence of this Section) shall be affected only by a written instrument executed by the parties. Variations from the standard form of agreement, if any, are contained in the Addendum to Purchaser Service Agreement attached hereto. No waiver shall be effective unless submitted in writing by the party granting such waiver. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement and no waiver of any breach or duty under this Agreement shall be deemed a waiver of any other breach or later instances of the same duty.

**15. Severability** In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such finding shall impair the rights or increase the obligations of Stericycle hereunder, in which event, at Stericycle's option, this Agreement may be terminated.

**16. Entire Agreement** This Agreement (including any attachments, exhibits and amendments made in accordance with Paragraph 13) and the Purchasing Agreement constitutes the entire understanding and agreement of the parties and cancels and supersedes all prior negotiations, representations, understandings or agreements, whether written or oral, with respect to the subject matter of this Agreement and the Purchasing Agreement.

**17. Governing Law** This Agreement shall be governed by and construed in accordance with the laws in the state of where Customer is located without regard to the conflicts of laws rules of any jurisdiction.

**18. Notices** All notices required to be given to either party under this Agreement will be in writing and sent by traceable carrier. Notices to Customer shall be sent to the address indicated above. Notices for Stericycle shall be sent to Stericycle LQ Sales Department, 2355 Waukegan Road, Bannockburn, IL 60015. Either party may change its address for notice to such other address as a party may indicate by at least ten (10) days' prior written notice to the other party. Notices will be effective upon receipt.

**19. Assignment** Stericycle may not assign, subcontract, delegate or transfer any interest, obligation or responsibility under this Agreement without the prior written consent of Purchaser, provided that Stericycle may subcontract certain Services hereunder as contemplated by the Exhibits to this Agreement without obtaining any additional consents from Purchaser, and provided further that such subcontracting shall not relieve Stericycle of its obligations under this Agreement. Further, reference is made to Section 17.4 of the Purchasing Agreement regarding Subcontractors. Purchaser may not assign its rights or delegate its obligations under this Agreement. Notwithstanding the foregoing, either party may, without the consent of the other party, assign its rights and delegate its responsibilities under this Agreement to successors to such party by merger, consolidation, reorganization or purchase of such party, or to a purchaser of all or substantially all of the assets of such party used in the operation of the party's business that is the subject of this Agreement.

**20. Counterparts** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one single Agreement between the parties.

**21. No Brokers** Stericycle reserves the right to deal solely with Purchaser and not with any third-party agents of Purchaser for all purposes relating to this Agreement. Purchaser represents and warrants to Stericycle that it is acting for its own account and is not acting through a broker or agent. In the event that Purchaser engages or attempts to engage an agent or broker, Stericycle has no obligation to, and will not, recognize the agent or broker as Purchaser's agent. The parties' respective rights and obligations under this Agreement shall remain unaffected by Purchaser's engagement or purported engagement of an agent to act on its behalf.

## Exhibit A

### Pricing

Hospital Price Structure	See Attachments for Applicable Locations	
Service Rate Type	Effective Rate	Unit of Measure
RMW – Autoclave	\$0.390	Per Lb.
RMW – Incineration	\$0.950	Per Lb.
Minimum Pick-Up/No Waste	\$95.00	Per Stop
Minimum Weight %	65%	Per Container
Fuel/Energy Charge	%	See Attachment 1
Record Retention Fee	\$8.76	<b>Per Shipping Document</b>

Off-Site Price Structure	See Attachments for Applicable Locations	
Service Rate Type	Effective Rate	Unit of Measure
RMW - Autoclave	\$0.390	Per Lb.
RMW - Incineration	\$0.950	Per Lb.
Minimum Pick-Up/No Waste	\$95.00	Per Stop
Minimum Weight %	65%	Per Container
Fuel/Energy Charge	%	See Attachment 1
Record Retention Fee	\$8.76	<b>Per Shipping Document</b>

Stericycle reserves the right to charge for a minimum container weight for each container collected at a customer’s site. The minimum weight is determined to be 65% of a container’s gallon capacity. Stericycle will assign a minimum weight per each container type that equates to 1 lb. per each gallon of capacity (e.g., a 30-gallon container has a minimum weight of 19.5lbs). If the weight of each container collected does not meet the assigned minimum weight for that container type, Stericycle will charge the current per lb. rate to the assigned minimum weight to calculate the container price.

Customer approves Stericycle’s use of Customer’s name and/or logo in Stericycle’s marketing and promotional materials, including on Stericycle’s website.

## Service Locations

### Customers Locations, Serviced by Stericycle Under this Agreement

Cust-Site	Location Name	Type	Address	Service Frequency	GPO Member ID
6022908-001	Sagebrush Medical Plaza	Offsite	1111 Columbus Street, Bakersfield, CA 93305-1936	Weekly	
6023508-001	Kern Medical Center	Offsite	1700 Mount Vernon Avenue, Bakersfield, CA 93306-4018	Weekly	
6128799-001	KMC Physicians Group	Offsite	6401 Truxtun Avenue, Suite A, Bakersfield, CA 93309-0613	On Call	
6137156-002	Kern Med Stockdale Offices	Offsite	9300 Stockdale Highway, Suite 100, Bakersfield, CA 93311-3611	Weekly	
6154892-001	Stockdale Clinic	Offsite	9330 Stockdale Highway, Suite 400, Bakersfield, CA 93311	Weekly	
6155029-001	Whole Person Care	Offsite	3551 Q Street, Bakersfield, CA 9330-1657	Every 4 Weeks	
6156986-002	Kern Med Q St Med Office	Offsite	3551 Q Street, Office B, Bakersfield, CA 93301-1657	Weekly	
6158552-001	Columbus Clinics-Valley Fever	Offsite	1111 Columbus Street, Bakersfield, CA 93305-1936	Every Other Week	
6160929-001	Kern Medical-Grow Clinic	Offsite	820 34th Street, Suite 202, Bakersfield, CA 93301	Every Other Week	

# Regulated Medical Waste Acceptance Policy

Stericycle policy requires compliance with all applicable regulations regarding the collection, transportation and treatment of regulated medical waste. Federal Department of Transportation (DOT) Regulations require the generator of regulated medical waste to certify that the packaging and documentation of transported regulated medical waste complies with DOT regulations regarding waste classification, packaging, labeling and shipping documentation. To ensure that neither Stericycle nor the generator of regulated medical waste violates applicable regulations, it is imperative that all parties understand the rules regarding proper identification, classification, segregation, and packaging of regulated medical waste. The purpose of this policy is to summarize the minimum requirements for preparing your medical waste for collection, transportation, and treatment. Additional facility or state-specific waste acceptance policies may apply based on permit specifications. Please contact your local representative for further information or email [customerservice@stericycle.com](mailto:customerservice@stericycle.com).

## REGULATED MEDICAL WASTE

Stericycle accepts medical waste generated in a broad range of medical, diagnostic, therapeutic and research activities. The term "medical waste" includes biohazardous, biomedical, infectious, or regulated medical waste as defined under federal, state, or local laws, rules, regulations, and guidelines. Except as defined by specific state regulations, this excludes RCRA hazardous waste pharmaceuticals, all DEA scheduled drugs including controlled substances, bulk chemotherapy, waste containing mercury or other heavy metals, batteries of any type, cauterizers, non-infectious dental waste, chemicals such as solvents, reagents, combustibles or ignitable materials classified as hazardous waste under Federal and State EPA Regulations. In addition, Stericycle cannot accept bulk liquids, radioactive materials, or complete human remains (including heads, full torsos, and fetuses). Stericycle cannot accept these excluded materials packaged as regulated medical waste. All lab wastes or materials which contain or have the potential to contain infectious substances arising from those agents listed under 42 CFR Part 73 (HHS), 7 CFR Part 321 (USDA-Pest Protection and Quarantine), and 9 CFR Part 121 (USDA-Veterinary Services) are strictly prohibited from medical waste by federal law and must be pre-treated prior to disposal. Separate protocol and packaging requirements apply for the disposal of non-hazardous pharmaceuticals. Hazardous waste transportation services may be offered in certain geographical locations, under separate contract. Please contact your local representative for details and packaging specifications.

\* Un-acceptance from DEA Registrant

## WASTE SEGREGATION AND PACKAGING

The generator is solely responsible for properly segregating, packaging, and labeling of regulated medical waste. Proper segregation and packaging reduce the potential for accidental release of the contents and exposure to employees and the general public. DOT regulations require (49 CFR 173.197) that all packages of regulated medical waste be prepared for transport in containers meeting the following requirements: 1) rigid; 2) leak resistant; 3) impervious to moisture; 4) of sufficient strength to prevent tearing or bursting under normal conditions of use and handling; 5) sealed to prevent leakage during transport; and 6) puncture resistant for sharps. All regulated medical waste must be accompanied by a properly completed shipping document (See 49 CFR 172.202).

## MANAGEMENT OF NON-CONFORMING WASTE

As required by regulation and company policy, Stericycle employees may refuse containers that are non-conforming because of their contents or are improperly packaged, leaking, damaged or likely to create a risk of exposure to employees or the general public. Any waste found to be non-conforming to this Waste Acceptance Policy identified in route to, or at a Stericycle location, may be returned to the generator for proper packaging and disposal, or may be routed for appropriate destruction, this may include improperly marked regulated medical waste which should have been identified for incineration (i.e. pathological, chemotherapeutic or non-hazardous pharmaceuticals). Proper segregation and packaging are essential to ensure compliance and safe handling, collection, transportation, and treatment of regulated medical waste.

## STERICYCLE REGULATED MEDICAL WASTE ACCEPTANCE POLICY CHECKLIST

### Accepted regulated medical waste

- Sharps - Means any object contaminated with a pathogen or that may become contaminated with a pathogen through handling or during transportation and also capable of cutting a person's skin or packaging material. Sharps include needles, syringes, scalpels, broken glass, culture dishes, culture bottles, broken capillary tubes, broken rigid plastic, and exposed ends of dental wires.
- Regulated Medical Waste or Clinical Waste or (Bio) Medical Waste - Means a waste or reusable material derived from the medical treatment of a human or animal, which includes diagnosis and in a laboratory, or from biomedical research, which includes the production and testing of biological products.

### Accepted regulated medical waste which must be identified and segregated for incineration

- Trace Chemotherapy Contaminated Waste - RCRA Empty drug vials, syringes and needles, spill kits, IV tubing and bags, contaminated gloves and gowns, and related materials as defined in applicable laws, rules, regulations, or guidelines.
- Pathological Waste - Human or animal body parts, organs, tissues, and surgical specimens if excepted or formaldehyde, formalin or other preservatives as required per hazardous waste rules.
- Non-RCRA Pharmaceuticals - Must be characterized and certified as non-RCRA hazardous material by the generator. Excludes all DEA scheduled drugs, including controlled substances.
- Cytotoxic Only - Solidified Suction Canisters - Suction canisters that have been injected with solidifier material to control liquids or reaction canisters made of high heat resistant plastics such as polysulfide.

### Other regulated medical wastes NOT accepted as regulated medical waste by Stericycle

- Untreated Category A Infectious Substances
- Complete Human Remains (including heads, full torsos, and fetuses)
- Bulk Chemotherapy Waste
- Mercury-Containing Dental Waste - Non-contact and contact amalgam and products, chairside traps, amalgam sludge or vacuum pump filters, extracted teeth with mercury fillings and empty amalgam capsules
- Any Mercury-Containing Material or Devices - Any mercury thermometers, sphygmomanometers, lab, or medical devices
- RCRA Hazardous Pharmaceutical Waste and all DEA Federal and State Controlled Substances
- Chemicals - Formaldehyde, formalin, acids, alcohol, waste oil, poisons, reagents, fixative liquid, fixative solid
- Compressed Gas Cylinders, Cauterizers, Inhalers and Aerosol Cans
- Hazardous or Universal Waste - any other waste determined by Federal or State EPA regulations including but not limited to batteries, bulbs, heavy metals, etc.
- Radioactive Waste - Any container with a radioactivity level that exceeds regulatory or permitted limits; lead-containing materials

All other waste not accepted per policy may only be accepted as waste or pathogen specific to an animal. Waste not accepted for transportation services may be offered in certain geographical locations, under separate contract. Please refer to your local Stericycle Representative for additional information and contact for possible acceptance upon handling. For general information on container and labeling requirements, contact our Stericycle Customer Service Department at [customerservice@stericycle.com](mailto:customerservice@stericycle.com).

We protect what matters.

© 2018 Stericycle, Inc. All rights reserved. (Rev. 2)



**ATTACHMENT 1 - Per Invoice Energy Charge**

**Percent of Invoice Fuel Surcharge**

Stericycle uses an index-based surcharge that is adjusted monthly. Changes to the surcharge will be effective the first business day of each month. The surcharge will be based on the National U.S. Average 'On Highway' Diesel Fuel Price reported by the U.S. Department of Energy for the prior month to the adjustment. The prices on these indexes are published by the U.S. Dept. of Energy and Stericycle is not responsible for the information provided.

<b>Stericycle Energy Charge Table</b>		
<b>At Least</b> (price per gallon)	<b>But Less Than</b> (price per gallon)	<b>Surcharge</b> (% of Invoice)
0	\$2.75	5.80%
\$2.76	\$3.00	6.30%
\$3.01	\$3.25	6.90%
\$3.26	\$3.50	7.40%
\$3.51	\$3.75	7.90%
\$3.76	\$4.00	8.50%
\$4.01	\$4.25	9.00%
\$4.26	\$4.50	9.60%
\$4.51	\$4.75	10.10%
\$4.76	\$5.00	10.70%
\$5.01	\$5.25	11.20%
\$5.26	\$5.50	11.70%
\$5.51	\$5.75	12.30%
\$5.76	\$6.00	12.80%

If the diesel rate rises above \$6.00, the 12.80% surcharge will be increased 0.6% for every \$0.25 increase in the diesel rate.  
Stericycle reserves the right to update or modify the fuel table without prior notice

## **Amendments and Addenda**

Any amendments or addenda to this Agreement are set forth below



**Master Service Agreement**

**Customer Billing Information:**

Customer Name	<u>Kern County Hospital Authority</u>	Billing Attention	_____
Address 1	<u>PO Box 3519</u>	Billing Name	_____
Address 2	_____	Contact Phone #	_____
City/State/Zip	<u>Bakersfield, CA 93385</u>	Contact Fax #	_____
Contact Title	_____	Contact Email	_____

This Agreement is entered into, and effective as of **August 15, 2021** between **Kern County Hospital Authority**, a local unit of government, which owns and operates **Kern Medical Center** (hereinafter referred to as "Customer"), for itself and on behalf of any of its operating subsidiaries, and Stericycle, Inc., a Delaware corporation, having a principal place of business at 2355 Waukegan Road, Bannockburn, Illinois 60015 (hereinafter referred to as "Stericycle").

Services to be Provided		
<b>Regulated Medical Waste Disposal</b> Treatment and disposal of medical and Bio-hazardous waste	<input checked="" type="checkbox"/> <b>Sharps Disposal Management</b> Comprehensive proactive sharps disposal service with reusable containers	<b>Integrated Waste Stream Solutions</b> All-encompassing on-site waste stream management services
<b>Pharmaceutical Waste Disposal</b> Help characterize, segregate, transport and properly dispose of pharmaceutical waste	<b>Hazardous Waste Disposal</b> Environmentally sound and flexible solution for all hazardous waste streams	<b>Medical Product Supplies</b> On-demand product/supplies containers or Mail Back auto replenishment
<b>Service Details are referenced in Corresponding Attachments included herein.</b>		

**Agreement Effective Date:** September 1, 2021      **Master Agreement ID:** HealthTrust 2621 Exhibit C-2  
**Terms of Agreement:** 60 Months

This Waste Disposal Agreement ("Agreement") is entered into in connection with that certain Purchasing Agreement, HPG-2621, dated July 1, 2018 (the "Purchasing Agreement") between HealthTrust Purchasing Group, L.P. ("HealthTrust") and Stericycle, Inc. ("Stericycle" or "Vendor"). The terms and provisions of the Purchasing Agreement are incorporated into this Agreement. The terms and provisions of this Agreement are subject to and governed by the terms and provisions of the Purchasing Agreement. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Purchasing Agreement.

**NOTE: This Agreement contains obligations of mutual indemnification between Stericycle and you. Reference is made to Section 9 of this Agreement.**

By signing below, I acknowledge that I am Customer's authorized officer or agent and that I have the authority to bind Customer to this Agreement. Each of Stericycle and Customer agrees to be bound by the terms and conditions that appear in this Agreement and comply with Stericycle's Waste Acceptance Policies, which are integral parts of this Agreement.

**Stericycle, Inc.**

Service Provider Name: Stericycle, Inc.  
 Representative Name: Kathryn Evans  
 Representative Title: VP National Accounts  
 Date: September 1, 2021  
 Signature: *Kathryn Evans*  
DBED154580F5412...

**Kern County Hospital Authority**

Customer Name: Kern County Hospital Authority  
 Signee Name: Russell Bigler  
 Signee Title: Chairman, Board of Governors  
 Date: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 GPO ID #: See Service Location Listing

**STERICYCLE USE ONLY**

Type of Agreement:	Affiliation Code: _____	LQ Record #:
Purchase Order #:      From: / /      To: / /	Segment Code: _____	LQ Contract #:

**REVIEWED ONLY**  
**NOT APPROVED AS TO FORM**

By *[Signature]*  
**Legal Services Department**

## TERMS AND CONDITIONS

**1. Sharps Management Services** Stericycle, Inc. has obtained all necessary licenses, permits, insurance and authorizations required to perform services hereunder and, upon request, shall furnish copies thereof to customer. Stericycle, Inc. shall collect, transport, treat and dispose of all Sharps Waste (except Non-conforming Waste) generated by Customer during the term of this Agreement. Stericycle employees may refuse containers that are determined to be Non-conforming Waste as identified in the Waste Acceptance Policy (WAP). The term or "Sharps Waste" as used herein is defined, for the most part, in the context of existing federal and state regulations governing the management of "Regulated Medical Waste" ("RMW"). Specifically, for the purpose of this Agreement, "Sharps Waste" is defined as any object contaminated with a pathogen or that may become contaminated with a pathogen through handling or during transportation and also capable of cutting or penetrating skin or a packaging material. Sharps include needles, syringes, scalpels, broken glass, culture slides, culture dishes, broken capillary tubes, broken rigid plastic, and exposed ends of dental wires. Customer shall place only "Sharps Waste" into the containers provided. Customer warrants that the waste presented for disposal will not contain any "hazardous", "toxic", or "radioactive" wastes as defined by all applicable laws or regulations and shall be liable for any injury, loss or damage resulting from non-conforming waste. Further definitions are part of this contract under the current WAP. Stericycle reserves the right to change the WAP at any time to ensure compliance with applicable laws or regulations. A copy of Stericycle's Waste Acceptance Policy may also be obtained from your local Stericycle representative. Title to Sharps Waste (other than Non-Conforming Waste) shall transfer to and vest in Stericycle at such time as such waste is loaded onto Stericycle vehicles. Customer shall have title to the Sharps Waste at all prior times. Customer shall hold title to any Non-Conforming Waste at all times, whether refused for collection, returned to the Customer for proper disposal after collection or otherwise disposed of in accordance with Customer's instructions or arrangements. Stericycle complies with the current NIOSH Optimal Installation Height recommendations for the installation of Sharps containers. Customer may choose to select heights outside of the recommendations but must so notify Stericycle prior to installation.

**2. Recordkeeping and Compliance with Laws** Stericycle and Customer shall keep and retain adequate books and records and other documentation including personnel records, correspondence, instructions, plans, receipts, vouchers, permits, required state registrations, copies of manifests and tracking records consistent with and for the periods required by applicable regulations and guidelines pertaining to generation, storage or handling of Sharps Waste and the services to be performed under this Agreement.

**3. Term and Pricing** The term ("Term") of this Agreement is established on page one of this document, **60** months from the date of execution of this agreement.

(a) Customer shall pay Stericycle the prices set forth on the Exhibit A of this Agreement. Prices for Services may not be increased for at minimum the first eighteen (18) months of a 60-month term and for the first 12 months for any Term of less than 60 months. Thereafter, prices may be increased annually, but by no more than four percent (4%), during the then prior twelve (12) month period. Additionally, Stericycle may adjust the Rate Structure (i) to account for operational changes it implements to comply with changes in law, regulatory changes, in the waste treatment location, or to otherwise cover unforeseen, significant cost escalation.

(b) Stericycle has instituted a per invoice energy surcharge to manage and isolate the impact of Diesel fuel price fluctuations. The energy surcharge is based on the U.S. 'On Highway' Diesel Price Index. A table outlining the Energy Surcharge can be found in Exhibit C of this agreement.

**4. Termination.** (a) Termination with cause for breach or non-performance: In the event a party materially fails to perform according to the terms and conditions outlined in this Agreement, or otherwise breaches a material term of this Agreement, the other party may terminate this Agreement upon sixty (60) days' prior written notice, provided that this Agreement shall not terminate if the defaulting party remedies such breach or failure to perform within the 60-day period after such notice. Such written notice shall set forth in reasonable detail a description of the breach or failure to perform.

(b) Purchaser may terminate this Agreement immediately upon notice if Stericycle does not comply with all applicable laws and regulations in all material respects.

(c) The Services provided in accordance with the terms and conditions of this Agreement may be suspended by Stericycle without notice if Purchaser fails to comply with terms outlined in Sections 3 and 6 (Pricing and Billing) of this Agreement. Suspension of Service due to failure to comply with payment terms shall not relieve Purchaser of the obligation to pay any amounts due under the terms of this Agreement.

(d) Purchaser shall have the right to terminate this Agreement prior to the end of the then-current Term without Cause, upon 120 days prior written notice to Stericycle, and in any such event, Purchaser shall pay to Stericycle a termination fee equal to fifty percent (50%) of Purchaser's average monthly charge on the 12 months' billings immediately prior to the termination of this Agreement (or based on any lesser period if the Agreement began less than twelve months earlier) multiplied by the number of months, including prorated partial months, remaining until the expiration date of the then-current Term.

(e) In the event Purchaser in any other way breaches this Agreement such that Stericycle's continued performance is rendered impossible or commercially impracticable, then this Agreement shall terminate and Purchaser shall pay to Stericycle a termination fee equal to fifty percent (50%) of Purchaser's average monthly charge on the 12 months' billings immediately prior to the termination of this Agreement (or based on any lesser period if the Agreement began less than twelve months earlier) multiplied by the number of months, including prorated partial months, remaining until the expiration date of the then-current Term. This early termination fee shall be Stericycle's sole remedy for an early termination. Purchaser hereby acknowledges that Stericycle's damages resulting from the premature termination of collections are impossible to estimate, and include lost profits, inefficiencies resulting from route changes and reduced treatment plant throughput, increased administrative overhead, unrecoverable sunk training/instruction costs, and other elements of injury, and acknowledges further that the foregoing charge is reasonable and is not a penalty.

(f) Upon 30 days' notice to Stericycle, Customer shall have the right to add or delete mutually acceptable Customer facilities receiving services under this Agreement. The addition or exclusion of any facility participating under this Agreement shall have no effect on the Services provided the other participating facilities.

(g) Any terms or conditions contained in any Purchase Order, Purchase Order Agreement, or other invoice acknowledgment, Order by Purchaser or proposed at any time by Purchaser in any manner, which vary from, or conflict with the terms and conditions in this Agreement shall be void and have no effect, unless specifically accepted by Stericycle in writing. Written acceptance or rejection by Stericycle of any specific terms or conditions shall not constitute an acceptance of any other additional terms or conditions.

(h) Non-appropriation. Customer, as a government entity, reserves the right to terminate this Agreement in the event insufficient funds are appropriated for this Agreement in any fiscal year under the provisions of California Constitution Article 16 section 18a. Customer's fiscal year is July 1 to June 30 of each calendar year. Upon such termination, Customer will be released from any further financial obligation to Stericycle, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Stericycle will be given 30 days' prior written notice in the event that Customer requires such an action.

**5. Survival** Any provision of this Agreement that is meant to survive the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement. This Agreement shall survive the expiration or termination of the GPO Agreement.

**6. Billing** Stericycle shall provide Customer with monthly, quarterly, or annual invoices that are due upon receipt. Customer shall notify Stericycle as to any Customer dispute with such invoice within fifteen (15) days of receipt of the invoice. Customer shall pay the undisputed amount of an invoice in the event that a dispute arises from any portion of the total invoice. All invoices shall set forth in reasonable detail the fees and expenses described in Section 3. Stericycle shall verify that invoices are accurate and that all Services invoiced have been properly and completely performed. Customer shall bear any costs that Stericycle may incur in collecting overdue amounts from Customer, including, but not limited to, reasonable attorneys' fees and court costs. Should any amounts due pursuant to this Agreement remain unpaid for more than 30 days from the date of the debt's first invoice, Stericycle shall have the option, without notice to Customer, to suspend service under this Agreement until the overdue amounts are paid. In the event that Stericycle suspends services under this Agreement for any reason, including the expiration or termination of this Agreement or Customer's breach (see 2(c), above), Stericycle may remove all containers belonging to it from Customer's premises. Any non-compliant containers will be billed an additional container charge at the current container rate not to exceed 1.25% of Stericycle's cost. Non-compliant containers include containers that are overweight under applicable laws or regulations or containers holding Non-Conforming Waste. In addition to Stericycle's charges for services and products under this Agreement, the Customer shall pay all taxes imposed or levied by any governmental authority with respect to such services or products. These taxes include all sales, use, excise, occupation, franchise and similar taxes and tax-like fees and charges (but do not include any taxes on Stericycle's net income). Stericycle shall cooperate with the Customer to determine the applicability of any exemption certificates that the Customer provides to Stericycle in a timely manner.

**7. Surcharge** Customer shall notify Stericycle within forty-eight (48) hours of any scheduled pick-up or Customer request to cancel services. Should Customer fail to meet such notification requirement, Stericycle may impose a 'no waste' surcharge no greater than \$75 in the event that Stericycle attempts to pick up waste at a Customer location (on either a scheduled pick-up or in response to a Customer request) and, through no fault of Stericycle, either (a) there is no Sharps Waste for Stericycle to pick up, (b) waste is not ready for pick-up or (c) the Customer location is closed.

**8. Liability for Equipment** Customer acknowledges that it has the care, custody and control of containers and other Products that are equipment owned by Stericycle and accepts responsibility and liability for the equipment and its contents except when it is being physically handled by employees of Stericycle. The equipment to be provided by Stericycle in accordance with the terms and conditions of this Agreement shall remain the property of Stericycle throughout the term of this Agreement and thereafter. Upon the expiration or termination of this Agreement for any reason, Customer shall return all equipment to Stericycle in good condition, reasonable wear and tear excepted. The liabilities or obligations of Customer with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Customer and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California. California Health and Safety Code Section 101853(g)

**9. Indemnification.** (a) Stericycle agrees to defend, indemnify and hold harmless Customer and its Affiliates, successors, assigns, directors, officers, agents and employees (“Customer Indemnitees”) from and against any and all liabilities, demands, losses, damages, costs, expenses, fines, amounts paid in settlements or judgments, and all other reasonable expenses and costs incident thereto, including reasonable attorneys’ fees (collectively referred to as “Damages”) arising out of or resulting from: (i) any third party claim, lawsuit, investigation, proceeding, regulatory action, or other cause of action, arising out of or in connection with Stericycle’s performance of the Services (“Injury”), except to the extent the Injury was caused by reason of a Customer Indemnitee’s negligence; (ii) the breach or alleged breach by Stericycle of the representations, warranties or covenants contained in the Purchasing Agreement or this Agreement or in materials furnished by Stericycle; or (iii) any infringement, misappropriation or alleged infringement or misappropriation of any patent, trademark, copyright, trade secret or other intellectual property right resulting from the purchase of Services and/or Products provided hereunder (including Customer’s possession and use thereof).

(b) Customer Indemnification. Customer agrees to defend, indemnify and hold harmless Stericycle, its Affiliates, successors, assigns, directors, officers, agents and employees (“Stericycle Indemnitees”) from and against any and all Damages arising out of or resulting from (i) any claim, lawsuit, investigation, proceeding, regulatory action, or other cause of action, arising out of or in connection with its performance or its obligations under this Agreement (“Claim”), except to the extent such Claim was caused by reason of a Stericycle Indemnitee’s negligence; or (ii) the breach or alleged breach by Customer of the representations, warranties or covenants contained in this Agreement or in materials furnished by Customer.

(c) If the Claim is caused by the negligence of both Stericycle and Customer, the apportionment of said Damages shall be shared between Stericycle and Customer based upon the comparative degree of each other’s negligence, and each shall be responsible for its own defense and costs, including but not limited to the costs of defense, attorneys’ fees, witnesses’ fees and expenses incident thereto.

(d) Indemnification Process. If any demand or claim is made or suit is commenced against a Customer Indemnitee or a Stericycle Indemnitee, as applicable (each, an “Indemnitee”) for which a Party has an indemnity obligation hereunder, as applicable, written notice of such shall be provided to the indemnifying Party, the indemnifying Party shall undertake the defense of any such suit, and such Indemnitee shall cooperate with the indemnifying Party in the defense of the demand, claim or suit to whatever reasonable extent the indemnifying Party requires and at the indemnifying Party’s sole expense. The indemnifying Party shall have the right to compromise such claim at the indemnifying Party’s expense for the benefit of such Indemnitee; provided, however, the indemnifying Party shall not have the right to obligate an Indemnitee in any respect in connection with any such compromise without the written consent of such Indemnitee. Notwithstanding the foregoing, if the indemnifying Party fails to assume its obligation to defend, an Indemnitee may do so to protect its interest and seek reimbursement from the indemnifying Party.

**10. Compliance with All Laws.** Each party shall comply in all material respects with all applicable laws and regulations in the performance of this Agreement.

**11. Intentionally Omitted.**

**12. Force Majeure.** The parties’ obligations under this Agreement will be excused if and to the extent any delay or failure to perform such obligations is due to acts of war, terrorism or nature, including hurricanes, tornados, floods, and earthquakes, provided the effects of such act or event would not have been substantially mitigated by implementation of a Disaster Recovery Plan (“Force Majeure Event”). A party affected by a Force Majeure Event will notify the other party, within 48 hours of the Force Majeure Event, explaining the nature and expected duration thereof and such party shall use all efforts to remedy or mitigate such Force Majeure Event and the effects thereof. Notwithstanding the foregoing, if Stericycle is unable to perform any of its obligations under this Agreement for a period of more than thirty (30) calendar days as a result of a Force Majeure Event, then Customer may terminate this Agreement upon written notice to Stericycle. For purposes of this Section 21, Stericycle represents and warrants to Customer that it has and shall maintain a business continuity and disaster recovery plan to enable delivery of Services upon the occurrence of any event or circumstance beyond Stericycle’s reasonable control, including without limitation acts of God, war or terrorist attack, pandemic, riot, fire, explosion, catastrophic weather event or natural disaster within Customer’s Services location(s) (“Disaster Recovery Plan”).

**13. Independent Contractor** It is the intention of the parties that the relationship existing between the parties be that of independent contractors. Except as specifically stated herein, nothing contained herein or done pursuant hereto shall constitute either party acting as the other party’s agent or employee, or the legal representative for any purpose whatsoever and such individuals or entities shall have no right, power or authority to assume, create or incur, in writing or otherwise, any expense, liability or obligation in the name of or on behalf of the other party.

**14. Amendment and Waiver** Notwithstanding anything to the contrary contained in this Agreement, changes in the types, size and amount of equipment and the frequency of Service may be mutually agreed to orally or in writing by the parties, without affecting the validity of this Agreement, and consent to such oral changes shall be evidenced by the practices and actions of the parties. All amendments to this Agreement (other than as provided in Section 3 and those described in the first sentence of this Section) shall be affected only by a written instrument executed by the parties. Variations from the standard form of agreement, if any, are contained in the Addendum to Purchaser Service Agreement attached hereto. No waiver shall be effective unless submitted in writing by the party granting such waiver. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement

and no waiver of any breach or duty under this Agreement shall be deemed a waiver of any other breach or later instances of the same duty.

**15. Severability** In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such finding shall impair the rights or increase the obligations of Stericycle hereunder, in which event, at Stericycle's option, this Agreement may be terminated.

**16. Entire Agreement** This Agreement (including any attachments, exhibits and amendments made in accordance with Paragraph 13) and the Purchasing Agreement constitutes the entire understanding and agreement of the parties and cancels and supersedes all prior negotiations, representations, understandings or agreements, whether written or oral, with respect to the subject matter of this Agreement and the Purchasing Agreement.

**17. Governing Law** This Agreement shall be governed by and construed in accordance with the laws in the state of where Customer is located without regard to the conflicts of laws rules of any jurisdiction.

**18. Notices** All notices required to be given to either party under this Agreement will be in writing and sent by traceable carrier. Notices to Customer shall be sent to the address indicated above. Notices for Stericycle shall be sent to Stericycle LQ Sales Department, 2355 Waukegan Road, Bannockburn, IL 60015. Either party may change its address for notice to such other address as a party may indicate by at least ten (10) days' prior written notice to the other party. Notices will be effective upon receipt.

**19. Assignment** Stericycle may not assign, subcontract, delegate or transfer any interest, obligation or responsibility under this Agreement without the prior written consent of Purchaser, provided that Stericycle may subcontract certain Services hereunder as contemplated by the Exhibits to this Agreement without obtaining any additional consents from Purchaser, and provided further that such subcontracting shall not relieve Stericycle of its obligations under this Agreement. Further, reference is made to Section 17.4 of the Purchasing Agreement regarding Subcontractors. Purchaser may not assign its rights or delegate its obligations under this Agreement. Notwithstanding the foregoing, either party may, without the consent of the other party, assign its rights and delegate its responsibilities under this Agreement to successors to such party by merger, consolidation, reorganization or purchase of such party, or to a purchaser of all or substantially all of the assets of such party used in the operation of the party's business that is the subject of this Agreement.

**20. Counterparts** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one single Agreement between the parties.

**21. No Brokers** Stericycle reserves the right to deal solely with Purchaser and not with any third-party agents of Purchaser for all purposes relating to this Agreement. Purchaser represents and warrants to Stericycle that it is acting for its own account and is not acting through a broker or agent. In the event that Purchaser engages or attempts to engage an agent or broker, Stericycle has no obligation to, and will not, recognize the agent or broker as Purchaser's agent. The parties' respective rights and obligations under this Agreement shall remain unaffected by Purchaser's engagement or purported engagement of an agent to act on its behalf.

## Exhibit A Pricing

Hospital Price Structure	See Exhibits/Attachments for Applicable Locations	
Recurring Rate Type	Effective Rate	Unit of Measure
Monthly Fee (SMS) Kern Medical Center 6071928-001	\$5,765.00	Per Month
Service Rate Type	Effective Rate	Unit of Measure
Fuel/Energy Charge	%	See Exhibit C
Record Retention Fee	\$8.76	Per Shipping Document

Off-Site Price Structure	See Exhibits/Attachments for Applicable Locations	
Recurring Rate Type	Effective Rate	Unit of Measure
Monthly Fee (SMS) Sagebrush Clinic 6071928-002	\$1,285.00	Per Month
Monthly Fee (SMS) Columbus Clinic 6158552-002	\$190.44	Per Month
Monthly Fee (SMS) Kern Medical Grow Clinic 6160928-001	\$164.16	Per Month
Service Rate Type	Effective Rate	Unit of Measure
Fuel/Energy Charge	%	See Exhibit C
Record Retention Fee	\$8.29	Per Shipping Document

Size Containment Unit	Price/Box	Unit of Measure
KRB2 (Box 6-2 Gallon Units)	\$65.00	Price/Box
KRB2 (Box 2 – 8 Gallon Trap Lid Unit)	\$65.00	Price/Box
RXBI Pharm Rate	\$84.52	Per Box

Container Adjustment Period. Stericycle and Customer recognize that during the thirty (30) day period, the “Adjustment Period” following installation the number of containers on the premises or volume of containers at various locations may need modification due to a variety of factors. Stericycle fees may be increased or decreased in the event container locations and volumes vary from those originally contemplated. This increase or decrease in the monthly fee during the Adjustment Period may occur without amending this Agreement. After the adjustment period, additional container locations or volumes added to the Customer’s premises will result in increased monthly Service Fees of \$8.00 for each two (2), three (3) or four (4) gallon container, \$12.00 for each eight (8) gallon container and \$24.00 for each seventeen (17) gallon container. Additional container locations must be authorized by the Customer in writing.

**Failure to Return Equipment.**

All special function items including Funnel Tops, Traps, and Floor Dollies, will be supplied by Stericycle as needed. Customer will be responsible for all replacement charges for equipment not returned to Stericycle in usable condition upon expiration or termination of this Sharps Management Services Agreement or for replacement of equipment destroyed, damaged, or discarded by Customer during any Term of this Sharps Management Services Agreement. Replacement costs on the date of this Sharps Management Services Agreement are listed below:

Cabinet for 3 Gallon Sharps Container .....	\$28.00
Cabinet for 2 Gallon Sharps Container .....	\$28.00
Cabinet for 4 Gallon Sharps Container .....	\$38.00
Plastic, Wall Mount for 2, 3 & 4-gal Sharps Container .....	\$20.00
Wall Bracket for 8 Gallon Sharps Container.....	\$38.00
Stability Base for 2- & 3-Gallon Sharps Container.....	\$20.00
Wire Dolly for 8 Gallon Sharps Container.....	\$48.00
Wire, Step-On Dolly for 8 Gallon Sharps Container.....	\$58.00
Black Dolly for 17 Gallon Sharps Container .....	\$58.00
Wire, Step-On Dolly (Slide Top) for 17 Gallon Sharps Container .....	\$68.00
Wire, Step-On Dolly (Hamper Lid) for 17 Gallon Sharps Container.....	\$68.00

4 Gallon Sharps Container .....	\$28.00
3 Gallon Sharps Container .....	\$22.00
2 Gallon Sharps Container .....	\$22.00
8 Gallon Sharps Container .....	\$28.00
17 Gallon Sharps Container .....	\$48.00
Transport Carts .....	\$850.00
Cart Cover.....	\$58.00

Customer approves Stericycle’s use of Customer’s name and/or logo in Stericycle’s marketing and promotional materials, including on Stericycle’s website.

**Exhibit B**  
**Service Locations**

**Customers Locations, Serviced by Stericycle Under this Agreement**

Cust-Site	Location Name	Type	Address	Service Frequency	GPO Member ID
6071928-001	BIO/Kern Medical Center	Hospital	1830 Flower Street, Bakersfield, CA 93305-4144	Weekly	
6071928-002	BIO/KMC Sagebrush Clinic	Offsite	1111 Columbus Street, Bakersfield, CA 93305-1936	Weekly	
6158552-002	BIO/Columbus Clinics-Valley Fe	Offsite	1111 Columbus Street, Bakersfield, CA 93305-1936	On Call	
6160928-001	Bio/Kern Medical-Grow Clinic	Offsite	820 34th Street, Suite 202, Bakersfield, CA 93301	Every Other Week	
6154020-001	KRB/Kern Med Stockdale Offices	KRB	9300 Stockdale Highway, Suite 100, Bakersfield, CA 93311-3611	Weekly	
6156986-001	KRB/Kern Med Q St Med Office B	KRB	3551 Q Street, Bakersfield, CA 93301-1657	Weekly	

# Regulated Medical Waste Acceptance Policy

Stericycle policy requires compliance with all applicable regulations regarding the collection, transportation and treatment of regulated medical waste. Federal Department of Transportation (DOT) Regulations require the generator of regulated medical waste to certify that the packaging and documentation of transported regulated medical waste complies with DOT regulations regarding waste classification, packaging, labeling and shipping documentation. To ensure that neither Stericycle nor the generator of regulated medical waste violates applicable regulations, it is imperative that all parties understand the rules regarding proper identification, classification, segregation and packaging of regulated medical waste. The purpose of this policy is to summarize the minimum requirements for preparing your medical waste for collection, transportation and treatment. Additional facility or state-specific waste acceptance policies may apply based on permit specifications. Please contact your local representative for further information or email [customer@stericycle.com](mailto:customer@stericycle.com).

## REGULATED MEDICAL WASTE

Stericycle accepts medical waste generated in a broad range of medical, diagnostic, therapeutic and research activities. The term "medical waste" includes biohazardous, biomedical, infectious or regulated medical waste as defined under federal, state or local laws, rules, regulations and guidelines. Except as defined by specific state regulations, this excludes RCRA hazardous waste pharmaceuticals, all DEA scheduled drugs including controlled substances, bulk chemotherapy, waste containing mercury or other heavy metals, batteries of any type, casters, non-infectious dental waste, chemicals such as solvents, reagents, corrosives or ignitable materials classified as hazardous waste under Federal and State EPA Regulations. In addition, Stericycle cannot accept bulk liquids, radioactive materials or complete human remains (including heads, full torsos and fetuses). Stericycle cannot accept these included materials packaged as regulated medical waste. All lab wastes or materials which contain or have the potential to contain infectious substances arising from these agents listed under 42 CFR Part 73 (HHS), 7 CFR Part 231 (USDA-Plant Protection and Quarantine), and 9 CFR Part 121 (USDA-Veterinary Services) are strictly prohibited from medical waste by federal law and must be pretreated prior to disposal. Separate protocol and packaging requirements apply for the disposal of non-hazardous pharmaceuticals. Hazardous waste transportation services may be offered in certain geographical locations, under separate contract. Please contact your local representative for details and packaging specifications.

*\* Un-depended item DEA Regulation*

## WASTE SEGREGATION AND PACKAGING

The generator is solely responsible for properly segregating, packaging and labeling of regulated medical waste. Proper segregation and packaging reduces the potential for accidental release of the contents and exposure to employees and the general public. DOT regulations require (49 CFR 173.197) that all packages of regulated medical waste be prepared for transport in containers meeting the following requirements: 1) rigid; 2) leak resistant; 3) impervious to moisture; 4) of sufficient strength to prevent tearing or bursting under normal conditions of use and handling; 5) sealed to prevent leakage during transport; and 6) puncture resistant for sharps. All regulated medical waste must be accompanied by a properly completed shipping document (See 49 CFR 172.202).

## MANAGEMENT OF NON-CONFORMING WASTE

As required by regulation and company policy, Stericycle employees may refuse containers that are non conforming because of their contents or are improperly packaged, leaking, damaged or likely to create a risk of exposure to employees or the general public. Any waste found to be non conforming to this Waste Acceptance Policy identified in route to, or at a Stericycle location, may be returned to the generator for proper packaging and disposal, or may be reouted for appropriate destruction; this may include improperly marked regulated medical waste which should have been identified for incineration (i.e. pathological, chemotherapy or non-hazardous pharmaceuticals). Proper segregation and packaging is essential to ensure compliant and safe handling, collection, transportation and treatment of regulated medical waste.

## STERICYCLE REGULATED MEDICAL WASTE ACCEPTANCE POLICY CHECKLIST

ACCEPTED REGULATED MEDICAL WASTE	OTHER REGULATED MEDICAL WASTES NOT ACCEPTED AS REGULATED MEDICAL WASTE BY STERICYCLE
<ul style="list-style-type: none"> <li>• Sharps - Means any object contaminated with a pathogen or that may become contaminated with a pathogen through handling or during transportation and also capable of cutting or penetrating skin or a packaging material. Sharps includes needles, syringes, scalpels, broken glass, culture slides, culture dishes, broken capillary tubes, broken rigid plastic, and exposed ends of dental wires.</li> <li>• Regulated Medical Waste or Clinical Waste or (Bio) Medical Waste - Means a waste or reusable material derived from the medical treatment of an animal or human, which includes diagnosis and immunization, or from biomedical research, which includes the production and testing of biological products.</li> </ul>	<ul style="list-style-type: none"> <li>• Untreated Category A Infectious Substances</li> <li>• Complete Human Remains Including heads, full torsos, and fetuses)</li> <li>• Bulk Chemotherapy Waste</li> <li>• Mercury-Containing Dental Waste - Non-contact, and contain amalgam and products, chisel traps, amalgam sludge or vacuum pump filters, extracted teeth with mercury fillings and empty amalgam capsules</li> <li>• Any Mercury-Containing Material or Devices - Any mercury thermometers, Sphygmomanometers, lab or medical devices</li> <li>• RCRA Hazardous Pharmaceutical Waste and all DEA Federal and State Controlled Substances*</li> <li>• Chemicals - Formaldehyde, formalin, acids, alcohol, waste oil, solvents, reagents, tear developer, fluorescein</li> <li>• Compressed Gas Cylinders, Canisters, Inhalers and Aerosol Cans</li> <li>• Hazardous or Universal Waste - any other waste determined by Federal or State EPA regulations including but not limited to batteries, bulbs, heavy metals, etc.</li> <li>• Radioactive Waste - Any container with a radioactivity level that exceeds regulatory or permitted limits; lead-containing materials</li> </ul>
<p><b>ACCEPTED REGULATED MEDICAL WASTE WHICH MUST BE IDENTIFIED AND SEGREGATED FOR INCINERATION</b></p>	
<ul style="list-style-type: none"> <li>• Trace Chemotherapy Contaminated Waste - RCRA Empty drug vials, syringes and needles, spill kits, IV tubing and bags, contaminated gloves and gowns, and related materials as defined in applicable laws, rules, regulations or guidelines.</li> <li>• Pathological Waste - Human or animal body parts, organs, tissues and surgical specimen (decontated of formaldehyde, formalin or other preservatives as required per hazardous waste rules)</li> <li>• Non-RCRA Pharmaceuticals - Must be characterized and certified as non-RCRA hazardous material by the generator. Excludes all DEA scheduled drugs, including controlled substances*</li> <li>• California Only - Solidified Suction Canisters - Suction canisters that have been injected with solidifier materials to control liquids or suction canisters made of high heat resistant plastics such as polysulfone.</li> </ul>	

\*Consult Stericycle Representative for specific requirements

Additional waste acceptance policies may apply based on state or permit specific requirements. Hazardous waste transportation services may be offered in certain geographical locations, under separate contract. Please refer to your local Stericycle Representative for additional information and inquire for possible hazardous waste handling. For additional information on container and labeling requirements contact our Stericycle Customer Service Department at [customer@stericycle.com](mailto:customer@stericycle.com)

## Exhibit C - Per Invoice Energy Charge

### Percent of Invoice Fuel Surcharge

Stericycle uses an index-based surcharge that is adjusted monthly. Changes to the surcharge will be effective the first business day of each month. The surcharge will be based on the National U.S. Average 'On Highway' Diesel Fuel Price reported by the U.S. Department of Energy for the prior month to the adjustment. The prices on these indexes are published by the U.S. Dept. of Energy and Stericycle is not responsible for the information provided.

<b>Stericycle Energy Charge Table</b>		
At Least (price per gallon)	But Less Than (price per gallon)	Surcharge (% of Invoice)
0	\$2.75	5.80%
\$2.76	\$3.00	6.30%
\$3.01	\$3.25	6.90%
\$3.26	\$3.50	7.40%
\$3.51	\$3.75	7.90%
\$3.76	\$4.00	8.50%
\$4.01	\$4.25	9.00%
\$4.26	\$4.50	9.60%
\$4.51	\$4.75	10.10%
\$4.76	\$5.00	10.70%
\$5.01	\$5.25	11.20%
\$5.26	\$5.50	11.70%
\$5.51	\$5.75	12.30%
\$5.76	\$6.00	12.80%

*If the diesel rate rises above \$6.00, the 12.80% surcharge will be increased 0.6% for every \$0.25 increase in the diesel rate.  
Stericycle reserves the right to update or modify the fuel table without prior notice*

## **Amendments and Addenda**

Any amendments or addenda to this Agreement are set forth below:



**Master Service Agreement**

**Customer Billing Information:**

Customer Name	<u>Kern County Hospital Authority</u>	Billing Attention	_____
Address 1	<u>PO Box 3519</u>	Billing Name	_____
Address 2	_____	Contact Phone #	_____
City/State/Zip	<u>Bakersfield, CA 93385</u>	Contact Fax #	_____
Contact Title	_____	Contact Email	_____

This Agreement is entered into, and effective as of August 15, 2021 between Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center (hereinafter referred to as "Customer"), for itself and on behalf of any of its operating subsidiaries, and Stericycle, Inc., a Delaware corporation, having a principal place of business at 2355 Waukegan Road, Bannockburn, Illinois 60015 (hereinafter referred to as "Stericycle").

Services to be Provided		
<b>Regulated Medical Waste Disposal</b> Treatment and disposal of medical and Bio-hazardous waste	<b>Sharps Disposal Management</b> Comprehensive proactive sharps disposal service with reusable containers	<b>Integrated Waste Stream Solutions</b> All-encompassing on-site waste stream management services
<input checked="" type="checkbox"/> <b>Pharmaceutical Waste Disposal</b> Help characterize, segregate, transport and properly dispose of pharmaceutical waste	<b>Hazardous Waste Disposal</b> Environmentally sound and flexible solution for all hazardous waste streams	<b>Medical Product Supplies</b> On-demand product/supplies containers or Mail Back auto replenishment
<b>Service Details are referenced in Corresponding Attachments included herein.</b>		

**Agreement Effective Date:** September 1, 2021      **Master Agreement ID:** HealthTrust 2621 Exhibit C-3a  
**Terms of Agreement:** 60 Months

This Waste Disposal Agreement ("Agreement") is entered into in connection with that certain Purchasing Agreement, HPG-2621, dated July 1, 2018 (the "Purchasing Agreement") between HealthTrust Purchasing Group, L.P. ("HealthTrust") and Stericycle, Inc. ("Stericycle" or "Vendor"). The terms and provisions of the Purchasing Agreement are incorporated into this Agreement. The terms and provisions of this Agreement are subject to and governed by the terms and provisions of the Purchasing Agreement. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Purchasing Agreement.

**NOTE: This Agreement contains obligations of mutual indemnification between Stericycle and you. Reference is made to Section 9 of this Agreement.**

By signing below, I acknowledge that I am Customer's authorized officer or agent and that I have the authority to bind Purchaser to this Agreement. Each of Stericycle and Customer agrees to be bound by the terms and conditions that appear in this Agreement and comply with Stericycle's Waste Acceptance Policies, which are integral parts of this Agreement.

**Stericycle, Inc.**

Service Provider Name: Stericycle, Inc.  
 Representative Name: Kathryn Evans  
 Representative Title: VP National Accounts  
 Date: Sep 3 2021  
 Signature: *Kathryn Evans*  
DBED1545B0F5412...

**Customer**

Customer Name: Kern County Hospital Authority  
 Signee Name: Russell Bigler  
 Signee Title: Chairman, Board of Governors  
 Date: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 GPO ID #: See Service Location Listing

**STERICYCLE USE ONLY**

Type of Agreement:	Affiliation Code: _____	LQ Record #:
Purchase Order #: _____	From: / / To: / /	Segment Code: _____
		LQ Contract #:

**REVIEWED ONLY  
NOT APPROVED AS TO FORM**

By *[Signature]*  
 Legal Services Department

## TERMS AND CONDITIONS

**1. Pharmaceutical Waste Compliance Services** Stericycle, Inc. has obtained all necessary licenses, permits, insurance and authorizations required to perform services hereunder and, upon request, shall furnish copies thereof to customer. Stericycle, Inc. shall provide pharmaceutical waste compliance services to Customer as described in detail in Exhibit A hereto. The services shall include, the pick-up, transportation and disposal of Pharmaceutical Waste, which is defined as waste listed under the "Accepted Waste Streams" section of the Waste Acceptance Policy ("WAP") attached hereto, as the WAP may be amended to ensure compliance with applicable laws or regulations. A copy of Stericycle's Waste Acceptance Policy may also be obtained from your local Stericycle representative. Customer warrants that the waste presented for disposal will conform to the WAP. Title to Pharmaceutical Waste (other than waste that does not conform to the requirements of the WAP ("Non-Conforming Waste")) shall transfer to and vest in Stericycle at such time as such waste is loaded onto Stericycle vehicles. Customer shall have title to the Pharmaceutical Waste at all prior times. Customer shall hold title to any Non-Conforming Waste at all times, whether refused for collection, returned to the Customer for proper disposal after collection or otherwise disposed of in accordance with Customer's instructions or arrangements.

**2. Recordkeeping and Compliance with Laws** Stericycle and Customer shall keep and retain adequate books and records and other documentation including personnel records, correspondence, instructions, plans, receipts, vouchers, permits, required state registrations, copies of manifests and tracking records consistent with and for the periods required by applicable regulations and guidelines pertaining to generation, storage or handling of Pharmaceutical Waste and the services to be performed under this Agreement.

**3. Term and Pricing** The term ("Term") of this Agreement is established on page one of this document, either **60 months** from the date of execution of this agreement.

(a) Customer shall pay Stericycle the prices set forth on the Exhibit B of this Agreement. Prices for Services may not be increased for at minimum the first eighteen (18) months of a 60-month term and for the first 12 months for any Term of less than 60 months. Thereafter, prices may be increased annually, but by no more than four percent (4%), during the then prior twelve (12) month period. Additionally, Stericycle may adjust the Rate Structure (i) to account for operational changes it implements to comply with changes in law, regulatory changes, in the waste treatment location, or to otherwise cover unforeseen, significant cost escalation.

(b) Stericycle has instituted a per invoice energy surcharge to manage and isolate the impact of Diesel fuel price fluctuations. The energy surcharge is based on the U.S. 'On Highway' Diesel Price Index. A table outlining the Energy Surcharge can be found in Exhibit F of this agreement.

**4. Termination.** (a) Termination with cause for breach or non-performance: In the event a party materially fails to perform according to the terms and conditions outlined in this Agreement, or otherwise breaches a material term of this Agreement, the other party may terminate this Agreement upon sixty (60) days' prior written notice, provided that this Agreement shall not terminate if the defaulting party remedies such breach or failure to perform within the 60-day period after such notice. Such written notice shall set forth in reasonable detail a description of the breach or failure to perform.

(b) Purchaser may terminate this Agreement immediately upon notice if Stericycle does not comply with all applicable laws and regulations in all material respects.

(c) The Services provided in accordance with the terms and conditions of this Agreement may be suspended by Stericycle without notice if Purchaser fails to comply with terms outlined in Sections 3 and 6 (Pricing and Billing) of this Agreement. Suspension of Service due to failure to comply with payment terms shall not relieve Purchaser of the obligation to pay any amounts due under the terms of this Agreement.

(d) Purchaser shall have the right to terminate this Agreement prior to the end of the then-current Term without Cause, upon 120 days prior written notice to Stericycle, and in any such event, Purchaser shall pay to Stericycle a termination fee equal to fifty percent (50%) of Purchaser's average monthly charge on the 12 months' billings immediately prior to the termination of this Agreement (or based on any lesser period if the Agreement began less than twelve months earlier) multiplied by the number of months, including prorated partial months, remaining until the expiration date of the then-current Term.

(e) In the event Purchaser in any other way breaches this Agreement such that Stericycle's continued performance is rendered impossible or commercially impracticable, then this Agreement shall terminate and Purchaser shall pay to Stericycle a termination fee equal to fifty percent (50%) of Purchaser's average monthly charge on the 12 months' billings immediately prior to the termination of this Agreement (or based on any lesser period if the Agreement began less than twelve months earlier) multiplied by the number of months, including prorated partial months, remaining until the expiration date of the then-current Term. This early termination fee shall be Stericycle's sole remedy for an early termination. Purchaser hereby acknowledges that Stericycle's damages resulting from the premature termination of collections are impossible to estimate, and include lost profits, inefficiencies resulting from route changes and reduced treatment plant throughput, increased administrative overhead, unrecoverable sunk training/instruction costs, and other elements of injury, and acknowledges further that the foregoing charge is reasonable and is not a penalty.

(f) Upon 30 days' notice to Stericycle, Customer shall have the right to add or delete mutually acceptable Customer facilities receiving services under this Agreement. The addition or exclusion of any facility participating under this Agreement shall have no effect on the services provided the other participating facilities.

(g) Any terms or conditions contained in any Purchase Order, Purchase Order Agreement, or other invoice acknowledgment, Order by Purchaser or proposed at any time by Purchaser in any manner, which vary from, or conflict with the terms and conditions in this Agreement shall be void and have no effect, unless specifically accepted by Stericycle in writing. Written acceptance or rejection by Stericycle of any specific terms or conditions shall not constitute an acceptance of any other additional terms or conditions.

(h) Non-appropriation. Customer, as a government entity, reserves the right to terminate this Agreement in the event insufficient funds are appropriated for this Agreement in any fiscal year under the provisions of California Constitution Article 16 section 18a. Customer's fiscal year is July 1 to June 30 of each calendar year. Upon such termination, Customer will be released from any further financial obligation to Stericycle, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Stericycle will be given 30 days' prior written notice in the event that Customer requires such an action.

**5. Survival** Any provision of this Agreement that is meant to survive the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement. This Agreement shall survive the expiration or termination of the GPO Agreement.

**6. Billing** Stericycle shall provide Customer with monthly, quarterly, or annual invoices that are due upon receipt. Customer shall notify Stericycle as to any Customer dispute with such invoice within fifteen (15) days of receipt of the invoice. Customer shall pay the undisputed amount of an invoice in the event that a dispute arises from any portion of the total invoice. All invoices shall set forth in reasonable detail the fees and expenses described in Section 3. Stericycle shall verify that invoices are accurate and that all Services invoiced have been properly and completely performed. Customer shall bear any costs that Stericycle may incur in collecting overdue amounts from Customer, including, but not limited to, reasonable attorneys' fees and court costs. Should any amounts due pursuant to this Agreement remain unpaid for more than 30 days from the date of the debt's first invoice, Stericycle shall have the option, without notice to Customer, to suspend service under this Agreement until the overdue amounts are paid. In the event that Stericycle suspends services under this Agreement for any reason, including the expiration or termination of this Agreement or Customer's breach (see 2(c), above), Stericycle may remove all containers belonging to it from Customer's premises. Any non-compliant containers will be billed an additional container charge at the current container rate not to exceed 1.25% of Stericycle's cost. Non-compliant containers include containers that are overweight under applicable laws or regulations or containers holding Non-Conforming Waste. In addition to Stericycle's charges for services and products under this Agreement, the Customer shall pay all taxes imposed or levied by any governmental authority with respect to such services or products. These taxes include all sales, use, excise, occupation, franchise and similar taxes and tax-like fees and charges (but do not include any taxes on Stericycle's net income). Stericycle shall cooperate with the Customer to determine the applicability of any exemption certificates that the Customer provides to Stericycle in a timely manner.

**7. Surcharge** Customer shall notify Stericycle within forty-eight (48) hours of any scheduled pick-up or Customer request to cancel services. Should Customer fail to meet such notification requirement, Stericycle may impose a 'no waste' surcharge no greater than \$75 in the event that Stericycle attempts to pick up waste at a Customer location (on either a scheduled pick-up or in response to a Customer request) and, through no fault of Stericycle, either (a) there is no Pharmaceutical Waste for Stericycle to pick up, (b) waste is not ready for pick-up or (c) the Customer location is closed.

**8. Liability for Equipment** Customer acknowledges that it has the care, custody and control of containers and other Products that are equipment owned by Stericycle and accepts responsibility and liability for the equipment and its contents except when it is being physically handled by employees of Stericycle. The equipment to be provided by Stericycle in accordance with the terms and conditions of this Agreement shall remain the property of Stericycle throughout the term of this Agreement and thereafter. Upon the expiration or termination of this Agreement for any reason, Customer shall return all equipment to Stericycle in good condition, reasonable wear and tear excepted. The liabilities or obligations of Customer with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Customer and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California. California Health and Safety Code Section 101853(g)

**9. Indemnification.** (a) Stericycle agrees to defend, indemnify and hold harmless Customer and its Affiliates, successors, assigns, directors, officers, agents and employees ("Customer Indemnitees") from and against any and all liabilities, demands, losses, damages, costs, expenses, fines, amounts paid in settlements or judgments, and all other reasonable expenses and costs incident thereto, including reasonable attorneys' fees (collectively referred to as "Damages") arising out of or resulting from: (i) any third party claim, lawsuit, investigation, proceeding, regulatory action, or other cause of action, arising out of or in connection with Stericycle's performance of the Services ("Injury"), except to the extent the Injury was caused by reason of a Customer Indemnitee's negligence; (ii) the breach or alleged breach by Stericycle of the representations, warranties or covenants contained in the Purchasing Agreement or this Agreement or in materials furnished by Stericycle; or (iii) any infringement, misappropriation or alleged infringement or misappropriation of any patent, trademark, copyright, trade secret or other intellectual property right resulting from the purchase of Services and/or Products provided hereunder (including Customer's possession and use thereof).

(b) Customer Indemnification. Customer agrees to defend, indemnify and hold harmless Stericycle, its Affiliates, successors, assigns, directors, officers, agents and employees ("Stericycle Indemnitees") from and against any and all Damages arising out of or resulting from (i) any claim, lawsuit, investigation, proceeding, regulatory action, or other cause of action, arising out of or in connection with its performance or its obligations under this Agreement ("Claim"), except to the extent such Claim was caused by reason of a Stericycle Indemnitee's negligence;

or (ii) the breach or alleged breach by Customer of the representations, warranties or covenants contained in this Agreement or in materials furnished by Customer.

(c) If the Claim is caused by the negligence of both Stericycle and Customer, the apportionment of said Damages shall be shared between Stericycle and Customer based upon the comparative degree of each other's negligence, and each shall be responsible for its own defense and costs, including but not limited to the costs of defense, attorneys' fees, witnesses' fees and expenses incident thereto.

(d) **Indemnification Process.** If any demand or claim is made or suit is commenced against a Customer Indemnitee or a Stericycle Indemnitee, as applicable (each, an "Indemnitee") for which a Party has an indemnity obligation hereunder, as applicable, written notice of such shall be provided to the indemnifying Party, the indemnifying Party shall undertake the defense of any such suit, and such Indemnitee shall cooperate with the indemnifying Party in the defense of the demand, claim or suit to whatever reasonable extent the indemnifying Party requires and at the indemnifying Party's sole expense. The indemnifying Party shall have the right to compromise such claim at the indemnifying Party's expense for the benefit of such Indemnitee; provided, however, the indemnifying Party shall not have the right to obligate an Indemnitee in any respect in connection with any such compromise without the written consent of such Indemnitee. Notwithstanding the foregoing, if the indemnifying Party fails to assume its obligation to defend, an Indemnitee may do so to protect its interest and seek reimbursement from the indemnifying Party.

**10. Compliance with All Laws.** Each party shall comply in all material respects with all applicable laws and regulations in the performance of this Agreement.

**11. Intentionally Omitted.**

**12. Force Majeure.** The parties' obligations under this Agreement will be excused if and to the extent any delay or failure to perform such obligations is due to acts of war, terrorism or nature, including hurricanes, tornados, floods, and earthquakes, provided the effects of such act or event would not have been substantially mitigated by implementation of a Disaster Recovery Plan ("Force Majeure Event"). A party affected by a Force Majeure Event will notify the other party, within 48 hours of the Force Majeure Event, explaining the nature and expected duration thereof and such party shall use all efforts to remedy or mitigate such Force Majeure Event and the effects thereof. Notwithstanding the foregoing, if Stericycle is unable to perform any of its obligations under this Agreement for a period of more than thirty (30) calendar days as a result of a Force Majeure Event, then Customer may terminate this Agreement upon written notice to Stericycle. For purposes of this Section 21, Stericycle represents and warrants to Customer that it has and shall maintain a business continuity and disaster recovery plan to enable delivery of Services upon the occurrence of any event or circumstance beyond Stericycle's reasonable control, including without limitation acts of God, war or terrorist attack, pandemic, riot, fire, explosion, catastrophic weather event or natural disaster within Customer's Services location(s) ("Disaster Recovery Plan").

**13. Independent Contractor** It is the intention of the parties that the relationship existing between the parties be that of independent contractors. Except as specifically stated herein, nothing contained herein or done pursuant hereto shall constitute either party acting as the other party's agent or employee, or the legal representative for any purpose whatsoever and such individuals or entities shall have no right, power or authority to assume, create or incur, in writing or otherwise, any expense, liability or obligation in the name of or on behalf of the other party.

**14. Amendment and Waiver** Notwithstanding anything to the contrary contained in this Agreement, changes in the types, size and amount of equipment and the frequency of Service may be mutually agreed to orally or in writing by the parties, without affecting the validity of this Agreement, and consent to such oral changes shall be evidenced by the practices and actions of the parties. All amendments to this Agreement (other than as provided in Section 3 and those described in the first sentence of this Section) shall be affected only by a written instrument executed by the parties. Variations from the standard form of agreement, if any, are contained in the Addendum to Purchaser Service Agreement attached hereto. No waiver shall be effective unless submitted in writing by the party granting such waiver. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement and no waiver of any breach or duty under this Agreement shall be deemed a waiver of any other breach or later instances of the same duty.

**15. Severability** In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such finding shall impair the rights or increase the obligations of Stericycle hereunder, in which event, at Stericycle's option, this Agreement may be terminated.

**16. Entire Agreement** This Agreement (including any attachments, exhibits and amendments made in accordance with Paragraph 13) and the Purchasing Agreement constitutes the entire understanding and agreement of the parties and cancels and supersedes all prior negotiations, representations, understandings or agreements, whether written or oral, with respect to the subject matter of this Agreement and the Purchasing Agreement.

**17. Governing Law** This Agreement shall be governed by and construed in accordance with the laws in the state of where Customer is located without regard to the conflicts of laws rules of any jurisdiction.

**18. Notices** All notices required to be given to either party under this Agreement will be in writing and sent by traceable carrier. Notices to Customer shall be sent to the address indicated above. Notices for Stericycle shall be sent to Stericycle LQ Sales Department, 2355 Waukegan

Road, Bannockburn, IL 60015. Either party may change its address for notice to such other address as a party may indicate by at least ten (10) days' prior written notice to the other party. Notices will be effective upon receipt.

**19. Assignment** Stericycle may not assign, subcontract, delegate or transfer any interest, obligation or responsibility under this Agreement without the prior written consent of Purchaser, provided that Stericycle may subcontract certain Services hereunder as contemplated by the Exhibits to this Agreement without obtaining any additional consents from Purchaser, and provided further that such subcontracting shall not relieve Stericycle of its obligations under this Agreement. Further, reference is made to Section 17.4 of the Purchasing Agreement regarding Subcontractors. Purchaser may not assign its rights or delegate its obligations under this Agreement. Notwithstanding the foregoing, either party may, without the consent of the other party, assign its rights and delegate its responsibilities under this Agreement to successors to such party by merger, consolidation, reorganization or purchase of such party, or to a purchaser of all or substantially all of the assets of such party used in the operation of the party's business that is the subject of this Agreement.

**20. Counterparts** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one single Agreement between the parties.

**21. No Brokers** Stericycle reserves the right to deal solely with Purchaser and not with any third-party agents of Purchaser for all purposes relating to this Agreement. Purchaser represents and warrants to Stericycle that it is acting for its own account and is not acting through a broker or agent. In the event that Purchaser engages or attempts to engage an agent or broker, Stericycle has no obligation to, and will not, recognize the agent or broker as Purchaser's agent. The parties' respective rights and obligations under this Agreement shall remain unaffected by Purchaser's engagement or purported engagement of an agent to act on its behalf.

**22. Proprietary Waste Characterization** Stericycle's Waste Characterization software, processes, protocols data, reports, and other related intellectual property is proprietary and confidential and shall remain the property of Stericycle. Customer agrees not to disclose Stericycle's proprietary and confidential waste characterization software, processes, protocols, reports, or data except on a need to know basis only for Customer's employees whose job function requires access and use of the data. Customer agrees that any disclosure by Customer or Customer's employees of Stericycle's proprietary and confidential Waste Characterization software, processes, protocols, data, reports and other related intellectual property is a breach of this Agreement and will cause Stericycle irreparable harm, and that in addition to any remedies Stericycle may have at law, Stericycle may seek an injunctive or other equitable relief in the event that Customer breaches the terms of this paragraph. Stericycle is aware that Customer is a government entity and is subject to the California Public Records Act, *Cal.Govt.Code §6250 et seq.*, the Brown Act, *Cal.Govt.Code §54950 et seq.*, and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

## **Exhibit A – Scope of Work**

### **STERICYCLE PHARMACEUTICAL WASTE COMPLIANCE PROGRAM**

Stericycle shall provide pharmaceutical waste compliance services to Customer. These services shall include:

#### **Phase I: Rx Formulary Waste Characterization, Program Design & Start-Up**

##### **Rx Formulary Waste Characterization**

**Stericycle shall provide initial and ongoing waste characterization of the formulary.**

Pharmaceutical Waste Program Design & Start-Up Stericycle will assist Customer with designing the program elements needed for an effective Pharmaceutical Waste Compliance Program. The program design, implementation, and training include:

- Assistance in establishing the internal labeling system for pharmaceuticals dispensed from the pharmacy in order to allow hospital staff to properly identify waste streams
- Identification and set-up of satellite accumulation areas / points of collection
- Evaluation of Customer's current centralized hazardous waste storage area and making of recommendations on the space requirements, material flow, and necessary equipment to establish a central accumulation area appropriate for the Customer's Rx waste compliance needs
- Assistance in establishing the internal logistics system for satellite container supply, transfer, and storage
- Recommendations as to set of containers to be used in the satellite accumulation areas.

#### **Phase II: On-site Segregation & Disposal**

Stericycle will provide on-site pharmaceutical waste labeling and packing services by a Field Technician trained in proper handling and safety procedures. Customer is solely responsible for segregating non-hazardous waste, hazardous waste, incompatible hazardous.

**\*\*In the event the Customer account currently uses our Reusable Sharps Management Services \*\* Stericycle will also provide internal transport of containers from the Satellite Accumulation Areas (SAA) to the Central Accumulation Area (CAA) for a fee noted on Exhibit.**

Transportation & Disposal services include:

- Manifested pickup of pharmaceutical waste from Customer sites
- DOT Waste disposal containers with labeling
- Transport to a regulated destruction facility for disposal

#### **Phase III: On-going Consulting, and Support**

Stericycle will provide guidance and recommendations based on customer waste generation patterns. Customer may request, and Stericycle may provide additional training for an additional fee.

## Exhibit B Pricing

Hospital Price Structure		See Exhibits/ Attachments for Applicable Locations		Off-Site Price Structure		See Exhibits/ Attachments for Applicable Locations	
Recurring Rate Type	Effective Rate	Unit of Measure		Recurring Rate Type	Effective Rate	Unit of Measure	
RX Compliance Program – Flat Monthly Fee	\$8,013.79	Per Month		RX Affiliate Program	Please see pricing grid below	Per Month	
Service Rate Type	Effective Rate	Unit of Measure		Service Rate Type	Effective Rate	Unit of Measure	
Fuel/Energy Charge	%	See Exhibit F		Fuel/Energy Charge	%	See Exhibit F	
Record Retention Fee	\$8.76	Per Shipping Document		Record Retention Fee	\$8.76	Per Shipping Document	

### Flat Fee Pricing

#### Transportation

Your monthly fee is based on 12 scheduled hazardous waste stops per year. Additional hazardous waste stops will result in a monthly fee adjustment of \$17.00 per month for each additional scheduled stop.

#### Disposal Fees

Disposal Fees\*

Annual monthly fee is based on hospital staff segregating non-hazardous from hazardous waste. The hospital annual fee will be analyzed each year and no fee adjustment will be made if the hospital does not exceed hazardous waste set limits. The limits are shown below, and the amount charged per unit if limits are exceeded.

Limits	Amount Charged for exceeding limit
55 Gallon Drum <u>26 per year</u>	<u>\$563.75</u>
33 Gallon Drum	\$ _____
Other container _____	\$ _____

#### CONTAINER ADJUSTMENT PERIOD

Stericycle and CUSTOMER recognize that during the thirty (30) day period, the “Adjustment Period” following installation the number of containers on the Premises or volume of containers at various locations may need modification due to a variety of factors. Stericycle fees may be increased or decreased in the event container locations and volumes vary by more than 3% from the facility survey conducted. This increase or decrease in the monthly fee during the Adjustment Period may occur without amending this Agreement.

After the Adjustment Period additional container locations or volumes added to the CUSTOMER Premises will result in increased monthly Service Fees of \$18.00 for each two (2), three (3) or four (4) gallon container, \$27.00 for each eight (8) gallon container and \$34.00 for each seventeen (17) gallon container.

Internal Transport Fee	\$ Included
Packing Fee	\$ Included
Non-hazardous Waste Disposal & Transportation	\$ Included
Hazardous Waste Disposal	\$ Included*
Dual Waste Disposal	\$ Included
Hazardous Transportation	\$ Included
Containers/	\$ Included (See leasing Exhibit C)

**Optional Services**

Characterization of Clinical Study Drugs	\$500.00 each
Additional Training	\$150 per hour plus travel expenses
Unscheduled Stop Charge	\$204 per stop
Zip lock Baggies 1 Qt. (500)	\$58.32
Zip lock Baggies 1 gallon (250)	\$52.48

Rx Waste Affiliate Pricing		
Stops Per Year	Containers Per Year	Monthly Fee
1	1	\$56.35
1	2	\$67.85
2	2	\$112.70
2	4	\$155.25
3	6	\$189.75
4	8	\$241.50
6	12	\$345.00
12	24	\$655.50

**Note 1:** Each additional container beyond the annual allotment = \$195.00

**Note 2:** Each additional stop beyond the annual allotment = \$400.00

**Optional Menu pricing for Initial start-up cost for container/hardware and on-going supplies:**

*\*Note Member charged only for supplies ordered these are not required to be purchased from Stericycle.*

Gloves Nitrile Powder Free, Ansell/ Tnt- ( XLG)	\$	8.64
6 Pack of Tape	\$	7.72
Clip Board with Storage Area	\$	22.93
Zip Lock Baggies - 1Qt. (500)	\$	58.32
Zip Lock Baggies - 1 Gallon (250)	\$	52.48
Paperwork Box	\$	18.80
Tape Gun	\$	5.68
Stability Base for 2 Gallon Container	\$	11.32
Wall Mount for 2 Gallon Container	\$	18.73
No Smoking Sign	\$	13.68
Emergency Eye/ Face Wash Station	\$	36.72
Hazardous Waste Sign	\$	13.68
Authorized Persons Only Sign	\$	13.68
Fire Extinguisher Sign	\$	13.68
Plastic Spill Containment Platform One Drum	\$	90.10
Plastic Spill Containment Platform Two Drum	\$	124.60
Spill Response Kit 20 Gal	\$	349.50
Scale Utility- Pelouze 250 lb. Max Capacity	\$	188.10
DOT Placard Kit	\$	93.63
Cable Ties (pack of 100)	\$	4.17
2 Gallon Black Aerosols Finished	\$	7.70
2 Gallon Black Corrosives Finished	\$	7.70
2 Gallon Black Flammables/Toxic Finished	\$	7.70
2 Gallon Black Hazardous Waste Finished	\$	7.70
2 Gallon Black Oxidizer Finished	\$	7.70
2 Gallon Blue California Finished	\$	7.70
2 Gallon Blue Compatible Finished	\$	7.70
2 Gallon Blue Non-Hazardous Finished	\$	7.70
2 Gallon Purple Finished	\$	7.70
3 Gallon Blue California w/Vertical Lid Finished	\$	14.93
4 Gallon Blue California w/Horizontal Lid Finished	\$	24.23
4 Gallon Blue California w/Vertical Lid Finished	\$	19.08
4 Gallon Blue Compatible w/Horizontal Lid Finished	\$	21.63
4 Gallon Blue Compatible w/Vertical Lid Finished	\$	17.10
4 Gallon Blue Non-Hazardous w/Horizontal Lid Finished	\$	21.63
4 Gallon Blue Non-Hazardous w/Vertical Lid Finished	\$	17.10

4 Gallon Purple Finished	\$	21.63
8 Gallon Black Aerosols Finished	\$	16.50
8 Gallon Black Corrosives Finished	\$	16.50
8 Gallon Black Flammables/Toxic Finished	\$	16.50
8 Gallon Black Hazardous Waste Finished	\$	16.50
8 Gallon Black Oxidizer Finished	\$	16.50
8 Gallon Blue California Finished	\$	16.50
8 Gallon Blue Compatible Finished	\$	16.50
8 Gallon Blue Non-Hazardous Finished	\$	16.50
8 Gallon Purple Finished	\$	16.50
Package of 500 liners for 8 Gallon Container	\$	29.83
Standard Dolly for 8 Gallon Container	\$	45.73
Step-on Dolly for 8 Gallon Container	\$	67.37
Labels	\$	0.47
BULK Label	\$	0.50
NO SHARPS Label	\$	0.50
Purple Dual Waste Label	\$	0.47
Barcode Label for RX24	\$	0.20
Barcode Label for RXBI	\$	0.20
Tracking Label (50 Sheets - 6 Labels per Sheet)	\$	0.02
TRACE Label	\$	0.50
43 x 49 Red Bag Liner	\$	0.32
43" X 49" RED BAG LINER	\$	0.32
Plastic Caps for 2 Gal Containers (Red)	\$	0.12
Large Overpack Box - 19.625 x 14.375 x 26.625	\$	1.75
RX24	\$	1.75
Small Overpack Box - 25 x 14.125 x 21.125	\$	1.92
Wire Wall Mount for 4 Gallon Container	\$	22.03
Wire Wall Mount for 8 Gallon Container	\$	29.65
Zip Lock Bag Dispenser	\$	26.00
Pharmaceutical Identification Stickers (P, Black, Incompatibles)	\$	5.00

Customer approves Stericycle's use of Customer's name and/or logo in Stericycle's marketing and promotional materials, including on Stericycle's website.

**Exhibit C**  
**to**  
**Master Service Agreement**

**Leasing Agreement for Flat Fee Pricing Only**

**LICENSED EQUIPMENT**

All containers and other equipment furnished by STERICYCLE to CUSTOMER (“Pharmaceutical Waste Equipment”) are provided pursuant to a License as more fully described below:

(a) License Grant. STERICYCLE grants to CUSTOMER, as Licensee, under intellectual and personal property rights, and Licensee hereby accepts, a non-exclusive, non-transferable, revocable, non-sublicensable right and license, during the Term and subject to payment of the applicable Fees, to use the STERICYCLE equipment solely and exclusively for the purpose of Pharmaceutical Waste Services on the Premises.

(b) Terms and Restriction of Use. The Licensee is permitted to use the Pharmaceutical Waste Equipment exclusively in conjunction with STERICYCLE Rx Waste Services. Licensee may not, directly, or indirectly, allow any other person to use or access the pharmaceutical waste Equipment, and may not, directly, or indirectly, use or permit the use of Pharmaceutical Waste Equipment for any purpose other than STERICYCLE Rx Waste Services. Without limiting the foregoing, Licensee is expressly prohibited from selling, renting, sublicensing, leasing or otherwise making available the Pharmaceutical Waste Equipment for any purpose including but not limited to, reverse engineering, disassembling, or outsourcing for the benefit of any third parties, except to the extent otherwise expressly permitted by applicable law; or

(c) Notices of Unauthorized Use or Alleged Infringement. Licensee agrees to notify STERICYCLE immediately if it becomes aware of any unauthorized use or disclosure of the Pharmaceutical Waste Equipment or if it becomes aware of any alleged facts that, if true, would support a claim that a third party is infringing the rights of STERICYCLE in the Pharmaceutical Waste Equipment. Licensee will advise STERICYCLE of the specific details of the unauthorized use or infringement claim.

(d) Reservation of Rights. Any use of the Pharmaceutical Waste Equipment not specifically permitted by this Exhibit is expressly prohibited. All rights not expressly granted hereunder by STERICYCLE are expressly reserved by STERICYCLE or its licensors, and no other license or right is granted to Licensee by implication, estoppel or otherwise.

**Exhibit D**  
**Service Locations**

**Customer locations, serviced by Stericycle under this agreement**

Additional Locations: In the event that Customer acquires, leases, takes control or otherwise adds a location in a Stericycle service area, Customer shall notify Stericycle of the new location, and upon receiving notification, Stericycle shall add those serviced locations under the provisions of this service agreement, via an addendum.

In the event any new Customer Location is party to an existing agreement for services similar to the Services by a vendor other than Stericycle: (i) Customer will use commercially reasonable efforts to terminate such agreement as soon as possible; and (ii) such locations shall immediately become a Customer Location upon the expiration of such agreement.

Account #	Site #	Location Name	Address	City	ST	Zip Code	Service Frequency	Pricing Structure	EPA ID Number	GPO Member ID
6071928	750	RxW/Kern County Hospital Authority	1830 Flower Street	Bakersfield	CA	93305-4144	Weekly	Hospital		

## Exhibit E – Stericycle Waste Acceptance Policy



### STERICYCLE NON HAZARDOUS PHARMACEUTICAL WASTE ACCEPTANCE POLICY

#### ACCEPTED WASTE WHICH MUST BE IDENTIFIED AND SEGREGATED FOR INCINERATION:

- ✓ **Trace-Chemotherapy Contaminated Waste** – RCRA Empty drug vials, syringes and needles, spill kits, IV tubing and bags, contaminated gloves and gowns, and related materials as defined in applicable laws, rules, regulations, or guidelines.
- ✓ **Non-RCRA Hazardous Pharmaceuticals** – Must be characterized and certified as non-RCRA hazardous material by the generator. Consult Stericycle Representative for specific requirements.

#### WASTE NOT ACCEPTED BY STERICYCLE

- ✗ **RCRA Hazardous Pharmaceutical Waste**
- ✗ **Chemicals** – Formaldehyde, formalin, acids, alcohol, waste oil, solvents, reagents, fixer, developer
- ✗ **Hazardous Waste** – Drums or other Containers with a hazard warning symbol, batteries, and other heavy metals
- ✗ **Radioactive Waste** – Any Container with a radioactivity level that exceeds regulatory or permitted limits; lead-containing materials
- ✗ **Bulk Chemotherapy Waste**
- ✗ **Compressed Gas Cylinders, Canisters, Inhalers, and Aerosol Cans**
- ✗ **Any Mercury-Containing Material or Devices** – Any mercury thermometers, sphygmomanometers, laboratory or medical devices
- ✗ **Mercury-Containing Dental Waste** – Non-contact and contact amalgam and products, chairside traps, amalgam sludge or vacuum pump filters, extracted teeth with mercury fillings, and empty amalgam capsules

#### RESPONSIBILITY FOR PROPER SEGREGATION

Customer is solely responsible for ensuring the proper segregation of non-RCRA hazardous waste. If any of the Waste Not Accepted by Stericycle (Non-conforming Waste) is found in the non-RCRA hazardous waste stream, then Customer will be solely responsible for all costs associated with clean-up, transportation, treatment, and disposal of the Non-conforming Waste by a company or companies permitted to clean-up, transport, treat, and dispose of such Non-conforming Waste.

#### ADDITIONAL POLICIES

Additional waste acceptance policies may apply based on state or permit specific requirements.

## Exhibit F - Energy Charge

### Percent of Invoice Fuel Surcharge

Stericycle uses an index-based surcharge that is adjusted monthly. Changes to the surcharge will be effective the first business day of each month. The surcharge will be based on the National U.S. Average 'On Highway' Diesel Fuel Price reported by the U.S. Department of Energy for the prior month to the adjustment.

The prices on these indexes are published by the U.S. Dept. of Energy and Stericycle is not responsible for the information provided.

Stericycle Energy Charge Table		
At Least (price per gallon)	But Less Than (price per gallon)	Surcharge (% of Invoice)
0	\$2.75	5.80%
\$2.76	\$3.00	6.30%
\$3.01	\$3.25	6.90%
\$3.26	\$3.50	7.40%
\$3.51	\$3.75	7.90%
\$3.76	\$4.00	8.50%
\$4.01	\$4.25	9.00%
\$4.26	\$4.50	9.60%
\$4.51	\$4.75	10.10%
\$4.76	\$5.00	10.70%
\$5.01	\$5.25	11.20%
\$5.26	\$5.50	11.70%
\$5.51	\$5.75	12.30%
\$5.76	\$6.00	12.80%

*If the diesel rate rises above \$6.00, the 12.80% surcharge will be increased 0.6% for every \$0.25 increase in the diesel rate.  
Stericycle reserves the right to update or modify the fuel table without prior notice.*

# **Addendum to Customer Service Agreement**



**Master Service Agreement**

**Customer Billing Information:**

Customer Name	<u>Kern County Hospital Authority</u>	Billing Attention	_____
Address 1	<u>PO Box 3519</u>	Billing Name	_____
Address 2	_____	Contact Phone #	_____
City/State/Zip	<u>Bakersfield, CA 93385</u>	Contact Fax #	_____
Contact Title	_____	Contact Email	_____

This Agreement is entered into, and effective as of August 15, 2021 between Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center (hereinafter referred to as "Customer"), for itself and on behalf of any of its operating subsidiaries, and Stericycle, Inc., a Delaware corporation, having a principal place of business at 2355 Waukegan Road, Bannockburn, Illinois 60015 (hereinafter referred to as "Stericycle").

Services to be Provided		
<b>Regulated Medical Waste Disposal</b> Treatment and disposal of medical and Bio-hazardous waste	<b>Sharps Disposal Management</b> Comprehensive proactive sharps disposal service with reusable containers	<b>Integrated Waste Stream Solutions</b> All-encompassing on-site waste stream management services
<b>Pharmaceutical Waste Disposal</b> Help characterize, segregate, transport and properly dispose of pharmaceutical waste	<input checked="" type="checkbox"/> <b>Hazardous Waste Disposal</b> Environmentally sound and flexible solution for all hazardous waste streams	<b>Medical Product Supplies</b> On-demand product/supplies containers or Mail Back auto replenishment
<b>Service Details are referenced in Corresponding Attachments included herein.</b>		

**Agreement Effective Date: September 1, 2021**      **Master Agreement ID: HealthTrust 2621 Exhibit C-4**  
**Terms of Agreement: 60 Months**

This Waste Disposal Agreement ("Agreement") is entered into in connection with that certain Purchasing Agreement, HPG-2621, dated July 1, 2018 (the "Purchasing Agreement") between HealthTrust Purchasing Group, L.P. ("HealthTrust") and Stericycle, Inc. ("Stericycle" or "Vendor"). The terms and provisions of the Purchasing Agreement are incorporated into this Agreement. The terms and provisions of this Agreement are subject to and governed by the terms and provisions of the Purchasing Agreement. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Purchasing Agreement.

**NOTE: This Agreement contains obligations of mutual indemnification between Stericycle and you. Reference is made to Section 9 of this Agreement.**

By signing below, I acknowledge that I am Customer's authorized officer or agent and that I have the authority to bind Customer to this Agreement. Each of Stericycle and Customer agrees to be bound by the terms and conditions that appear in this Agreement and comply with Stericycle's Waste Acceptance Policies, which are integral parts of this Agreement.

**Stericycle, Inc.**

Service Provider Name: Stericycle, Inc.  
 Representative Name: Kathryn Evans  
 Representative Title: VP National Accounts  
 Date: SEP 3 2021  
 Signature: Kathryn Evans  
DBED1545B0F5412...

**Customer**

Customer Name: Kern County Hospital Authority  
 Signee Name: Russell Bigler  
 Signee Title: Chairman, Board of Governors  
 Date: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 GPO ID #: See Service Location Listing

STERICYCLE USE ONLY			
Type of Agreement:	From: / / To: / /	Affiliation Code: _____	LQ Record #: _____
Purchase Order #:		Segment Code: _____	LQ Contract #: _____

**REVIEWED ONLY**  
**NOT APPROVED AS TO FORM**

By [Signature]  
Legal Services Department

## TERMS AND CONDITIONS

### 1. Hazardous Waste Services and Customer Responsibilities

(a) Certain capitalized terms as used in this Agreement or any attachment hereto shall have the definitions given to them in Exhibit A hereto. Stericycle, Inc. has obtained all necessary licenses, permits, insurance and authorizations required to perform services hereunder and, upon request, shall furnish copies thereof to customer. Stericycle will manage Customer's Waste that are Hazardous Waste and/or Universal Waste, as more fully described in Exhibit B. Customer shall place only Conforming Waste into the containers provided. Customer warrants that the Waste presented for disposal will not contain any Non-Conforming Waste and Customer shall be liable for any injury, loss or damage resulting from Non-Conforming Waste. Stericycle employees may refuse containers that are determined to contain Non-Conforming Waste or otherwise do not comply with Stericycle's Waste Acceptance Policy ("WAP"). Stericycle reserves the right to change the WAP at any time to ensure compliance with applicable laws or regulations. A copy of Stericycle's Waste Acceptance Policy may also be obtained from your local Stericycle representative. Title to Conforming Waste shall transfer to and vest in Stericycle at such time as such Waste is loaded onto Stericycle vehicles. Customer shall have title to the Conforming Waste at all prior times. Customer shall hold title to any Non-Conforming Waste at all times, whether refused for collection, returned to the Customer for proper disposal after collection or otherwise disposed of in accordance with Customer's instructions or arrangements.

(b) Any Waste tendered to Stericycle by Customer or at Customer's locations will conform fully with the applicable Waste Characterization Data for that Waste, be labelled by Customer in conformance with applicable laws and so as to communicate its contents to Stericycle and be segregated from other Wastes in accordance with the WAP. Customer will provide Stericycle with complete and accurate Profile Sheet(s), Waste Characterization Form(s), and other Waste Characterization Data to assure accurate Waste Characterizations. Customer shall tender to Stericycle only fully Conforming Waste and follow all applicable Laws in storing, handling, treating, segregating, labelling, securing, manifesting, and inspecting such Waste and in preparing and maintaining records relating to that Waste. Customer agrees to comply with Stericycle's Waste Acceptance Policy set forth in the attachment hereto. Customer will provide Stericycle advance notice of any changes in the ingredients of, character of, substances contained in or processes involved in generating any Waste for which services are performed, and Customer shall conduct a new Waste Characterization and provide Stericycle with revised Waste Characterization Data before tendering such Waste to Stericycle for services.

**2. Recordkeeping and Compliance with Laws** Stericycle and Customer shall keep and retain adequate books and records and other documentation including personnel records, correspondence, instructions, plans, receipts, vouchers, permits, required state registrations, copies of manifests and tracking records consistent with and for the periods required by applicable regulations and guidelines pertaining to generation, storage or handling of Waste and the services to be performed under this Agreement.

**3. Term and Pricing** The term ("Term") of this Agreement is established on page one of this document, **60** months from the date of execution of this agreement.

(a) Customer shall pay Stericycle the prices set forth on the Exhibit B of this Agreement. Prices for Services may not be increased for at minimum the first eighteen (18) months of a 60-month term and for the first 12 months for any Term of less than 60 months. Thereafter, prices may be increased annually, but by no more than four percent (4%), during the then prior twelve (12) month period. Additionally, Stericycle may adjust the Rate Structure (i) to account for operational changes it implements to comply with changes in law, regulatory changes, in the waste treatment location, or to otherwise cover unforeseen, significant cost escalation.

(b) Stericycle has instituted a per invoice energy surcharge to manage and isolate the impact of Diesel fuel price fluctuations. The energy surcharge is based on the U.S. 'On Highway' Diesel Price Index. A table outlining the Energy Surcharge can be found in Attachment 1 of this agreement.

**4. Termination.** (a) Termination with cause for breach or non-performance: In the event a party materially fails to perform according to the terms and conditions outlined in this Agreement, or otherwise breaches a material term of this Agreement, the other party may terminate this Agreement upon sixty (60) days' prior written notice, provided that this Agreement shall not terminate if the defaulting party remedies such breach or failure to perform within the 60-day period after such notice. Such written notice shall set forth in reasonable detail a description of the breach or failure to perform.

(b) Purchaser may terminate this Agreement immediately upon notice if Stericycle does not comply with all applicable laws and regulations in all material respects.

(c) The Services provided in accordance with the terms and conditions of this Agreement may be suspended by Stericycle without notice if Purchaser fails to comply with terms outlined in Sections 3 and 6 (Pricing and Billing) of this Agreement. Suspension of Service due to failure to comply with payment terms shall not relieve Purchaser of the obligation to pay any amounts due under the terms of this Agreement.

(d) Purchaser shall have the right to terminate this Agreement prior to the end of the then-current Term without Cause, upon 120 days prior written notice to Stericycle, and in any such event, Purchaser shall pay to Stericycle a termination fee equal to fifty percent (50%) of Purchaser's average monthly charge on the 12 months' billings immediately prior to the termination of this Agreement (or based on any lesser period if the Agreement began less than twelve months earlier) multiplied by the number of months, including prorated partial months, remaining until the expiration date of the then-current Term.

(e) In the event Purchaser in any other way breaches this Agreement such that Stericycle's continued performance is rendered impossible or commercially impracticable, then this Agreement shall terminate and Purchaser shall pay to Stericycle a termination fee equal to fifty percent (50%) of Purchaser's average monthly charge on the 12 months' billings immediately prior to the termination of this Agreement (or based on any lesser period if the Agreement began less than twelve months earlier) multiplied by the number of months, including prorated partial months, remaining until the expiration date of the then-current Term. This early termination fee shall be Stericycle's sole remedy for an early termination. Purchaser hereby acknowledges that Stericycle's damages resulting from the premature termination of collections are impossible to estimate, and include lost profits, inefficiencies resulting from route changes and reduced treatment plant throughput, increased administrative overhead, unrecoverable sunk training/instruction costs, and other elements of injury, and acknowledges further that the foregoing charge is reasonable and is not a penalty.

(f) Upon 30 days' notice to Stericycle, Customer shall have the right to add or delete mutually acceptable Customer facilities receiving services under this Agreement. The addition or exclusion of any facility participating under this Agreement shall have no effect on the services provided the other participating facilities.

(g) Any terms or conditions contained in any Purchase Order, Purchase Order Agreement, or other invoice acknowledgment, Order by Purchaser or proposed at any time by Purchaser in any manner, which vary from, or conflict with the terms and conditions in this Agreement shall be void and have no effect, unless specifically accepted by Stericycle in writing. Written acceptance or rejection by Stericycle of any specific terms or conditions shall not constitute an acceptance of any other additional terms or conditions.

(h) Non-appropriation. Customer, as a government entity, reserves the right to terminate this Agreement in the event insufficient funds are appropriated for this Agreement in any fiscal year under the provisions of California Constitution Article 16 section 18a. Customer's fiscal year is July 1 to June 30 of each calendar year. Upon such termination, Customer will be released from any further financial obligation to Stericycle, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Stericycle will be given 30 days' prior written notice in the event that Customer requires such an action.

**5. Survival** Any provision of this Agreement that is meant to survive the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement. This Agreement shall survive the expiration or termination of the GPO Agreement.

**6. Billing** Stericycle shall provide Customer with monthly, quarterly, or annual invoices that are due upon receipt. Customer shall notify Stericycle as to any Customer dispute with such invoice within fifteen (15) days of receipt of the invoice. Customer shall pay the undisputed amount of an invoice in the event that a dispute arises from any portion of the total invoice. All invoices shall set forth in reasonable detail the fees and expenses described in Section 3. Stericycle shall verify that invoices are accurate and that all Services invoiced have been properly and completely performed. Customer shall bear any costs that Stericycle may incur in collecting overdue amounts from Customer, including, but not limited to, reasonable attorneys' fees and court costs. Should any amounts due pursuant to this Agreement remain unpaid for more than 30 days from the date of the debt's first invoice, Stericycle shall have the option, without notice to Customer, to suspend service under this Agreement until the overdue amounts are paid. In the event that Stericycle suspends services under this Agreement for any reason, including the expiration or termination of this Agreement or Customer's breach (see 2(c), above), Stericycle may remove all containers belonging to it from Customer's premises. Any non-compliant containers will be billed an additional container charge at the current container rate not to exceed 1.25% of Stericycle's cost. Non-compliant containers include containers that are overweight under applicable laws or regulations or containers holding Non-Conforming Waste. In addition to Stericycle's charges for services and products under this Agreement, the Customer shall pay all taxes imposed or levied by any governmental authority with respect to such services or products. These taxes include all sales, use, excise, occupation, franchise and similar taxes and tax-like fees and charges (but do not include any taxes on Stericycle's net income). Stericycle shall cooperate with the Customer to determine the applicability of any exemption certificates that the Customer provides to Stericycle in a timely manner.

**7. Surcharge** Customer shall notify Stericycle within forty-eight (48) hours of any scheduled pick-up or Customer request to cancel services. Should Customer fail to meet such notification requirement, Stericycle may impose a 'no waste' surcharge no greater than \$75 in the event that Stericycle attempts to pick up Waste at a Customer location (on either a scheduled pick-up or in response to a Customer request) and, through no fault of Stericycle, either (a) there is no Waste for Stericycle to pick up, (b) Waste is not ready for pick-up or (c) the Customer location is closed.

**8. Liability for Equipment** Customer acknowledges that it has the care, custody and control of containers and other Products that are equipment owned by Stericycle and accepts responsibility and liability for the equipment and its contents except when it is being physically handled by employees of Stericycle. The equipment to be provided by Stericycle in accordance with the terms and conditions of this Agreement shall remain the property of Stericycle throughout the term of this Agreement and thereafter. Upon the expiration or termination of this Agreement for any reason, Customer shall return all equipment to Stericycle in good condition, reasonable wear and tear excepted. The liabilities or obligations of Customer with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Customer and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California. California Health and Safety Code Section 101853(g)

**9. Indemnification.** (a) Stericycle agrees to defend, indemnify and hold harmless Customer and its Affiliates, successors, assigns, directors, officers, agents and employees ("Customer Indemnitees") from and against any and all liabilities, demands, losses, damages, costs, expenses, fines, amounts paid in settlements or judgments, and all other reasonable expenses and costs incident thereto, including reasonable attorneys' fees (collectively referred to as "Damages") arising out of or resulting from: (i) any third party claim, lawsuit, investigation, proceeding, regulatory action, or other cause of action, arising out of or in connection with Stericycle's performance of the Services ("Injury"), except to the extent the

Injury was caused by reason of a Customer Indemnitee's negligence; (ii) the breach or alleged breach by Stericycle of the representations, warranties or covenants contained in the Purchasing Agreement or this Agreement or in materials furnished by Stericycle; or (iii) any infringement, misappropriation or alleged infringement or misappropriation of any patent, trademark, copyright, trade secret or other intellectual property right resulting from the purchase of Services and/or Products provided hereunder (including Customer's possession and use thereof).

(b) **Customer Indemnification.** Customer agrees to defend, indemnify and hold harmless Stericycle, its Affiliates, successors, assigns, directors, officers, agents and employees ("Stericycle Indemnitees") from and against any and all Damages arising out of or resulting from (i) any claim, lawsuit, investigation, proceeding, regulatory action, or other cause of action, arising out of or in connection with its performance or its obligations under this Agreement ("Claim"), except to the extent such Claim was caused by reason of a Stericycle Indemnitee's negligence; or (ii) the breach or alleged breach by Customer of the representations, warranties or covenants contained in this Agreement or in materials furnished by Customer.

(c) If the Claim is caused by the negligence of both Stericycle and Customer, the apportionment of said Damages shall be shared between Stericycle and Customer based upon the comparative degree of each other's negligence, and each shall be responsible for its own defense and costs, including but not limited to the costs of defense, attorneys' fees, witnesses' fees and expenses incident thereto.

(d) **Indemnification Process.** If any demand or claim is made or suit is commenced against a Customer Indemnitee or a Stericycle Indemnitee, as applicable (each, an "Indemnitee") for which a Party has an indemnity obligation hereunder, as applicable, written notice of such shall be provided to the indemnifying Party, the indemnifying Party shall undertake the defense of any such suit, and such Indemnitee shall cooperate with the indemnifying Party in the defense of the demand, claim or suit to whatever reasonable extent the indemnifying Party requires and at the indemnifying Party's sole expense. The indemnifying Party shall have the right to compromise such claim at the indemnifying Party's expense for the benefit of such Indemnitee; provided, however, the indemnifying Party shall not have the right to obligate an Indemnitee in any respect in connection with any such compromise without the written consent of such Indemnitee. Notwithstanding the foregoing, if the indemnifying Party fails to assume its obligation to defend, an Indemnitee may do so to protect its interest and seek reimbursement from the indemnifying Party.

**10. Compliance with All Laws.** Each party shall comply in all material respects with all applicable laws and regulations in the performance of this Agreement.

**11. Intentionally Omitted.**

**12. Force Majeure.** The parties' obligations under this Agreement will be excused if and to the extent any delay or failure to perform such obligations is due to acts of war, terrorism or nature, including hurricanes, tornados, floods, and earthquakes, provided the effects of such act or event would not have been substantially mitigated by implementation of a Disaster Recovery Plan ("Force Majeure Event"). A party affected by a Force Majeure Event will notify the other party, within 48 hours of the Force Majeure Event, explaining the nature and expected duration thereof and such party shall use all efforts to remedy or mitigate such Force Majeure Event and the effects thereof. Notwithstanding the foregoing, if Stericycle is unable to perform any of its obligations under this Agreement for a period of more than thirty (30) calendar days as a result of a Force Majeure Event, then Customer may terminate this Agreement upon written notice to Stericycle. For purposes of this Section 21, Stericycle represents and warrants to Customer that it has and shall maintain a business continuity and disaster recovery plan to enable delivery of Services upon the occurrence of any event or circumstance beyond Stericycle's reasonable control, including without limitation acts of God, war or terrorist attack, pandemic, riot, fire, explosion, catastrophic weather event or natural disaster within Customer's Services location(s) ("Disaster Recovery Plan").

**13. Independent Contractor** It is the intention of the parties that the relationship existing between the parties be that of independent contractors. Except as specifically stated herein, nothing contained herein or done pursuant hereto shall constitute either party acting as the other party's agent or employee, or the legal representative for any purpose whatsoever and such individuals or entities shall have no right, power or authority to assume, create or incur, in writing or otherwise, any expense, liability or obligation in the name of or on behalf of the other party.

**14. Amendment and Waiver** Notwithstanding anything to the contrary contained in this Agreement, changes in the types, size and amount of equipment and the frequency of Service may be mutually agreed to orally or in writing by the parties, without affecting the validity of this Agreement, and consent to such oral changes shall be evidenced by the practices and actions of the parties. All amendments to this Agreement (other than as provided in Section 3 and those described in the first sentence of this Section) shall be affected only by a written instrument executed by the parties. Variations from the standard form of agreement, if any, are contained in the Addendum to Purchaser Service Agreement attached hereto. No waiver shall be effective unless submitted in writing by the party granting such waiver. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement and no waiver of any breach or duty under this Agreement shall be deemed a waiver of any other breach or later instances of the same duty.

**15. Severability** In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement; this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such finding shall impair the rights or increase the obligations of Stericycle hereunder, in which event, at Stericycle's option, this Agreement may be terminated.

**16. Entire Agreement** This Agreement (including any attachments, exhibits and amendments made in accordance with Paragraph 13) and the Purchasing Agreement constitutes the entire understanding and agreement of the parties and cancels and supersedes all prior negotiations,

representations, understandings or agreements, whether written or oral, with respect to the subject matter of this Agreement and the Purchasing Agreement.

**17. Governing Law** This Agreement shall be governed by and construed in accordance with the laws in the state of where Customer is located without regard to the conflicts of laws rules of any jurisdiction.

**18. Notices** All notices required to be given to either party under this Agreement will be in writing and sent by traceable carrier. Notices to Customer shall be sent to the address indicated above. Notices for Stericycle shall be sent to Stericycle LQ Sales Department, 2355 Waukegan Road, Bannockburn, IL 60015. Either party may change its address for notice to such other address as a party may indicate by at least ten (10) days' prior written notice to the other party. Notices will be effective upon receipt.

**19. Assignment** Stericycle may not assign, subcontract, delegate or transfer any interest, obligation or responsibility under this Agreement without the prior written consent of Purchaser, provided that Stericycle may subcontract certain Services hereunder as contemplated by the Exhibits to this Agreement without obtaining any additional consents from Purchaser, and provided further that such subcontracting shall not relieve Stericycle of its obligations under this Agreement. Further, reference is made to Section 17.4 of the Purchasing Agreement regarding Subcontractors. Purchaser may not assign its rights or delegate its obligations under this Agreement. Notwithstanding the foregoing, either party may, without the consent of the other party, assign its rights and delegate its responsibilities under this Agreement to successors to such party by merger, consolidation, reorganization or purchase of such party, or to a purchaser of all or substantially all of the assets of such party used in the operation of the party's business that is the subject of this Agreement.

**20. Counterparts** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one single Agreement between the parties.

**21. No Brokers** Stericycle reserves the right to deal solely with Purchaser and not with any third-party agents of Customer for all purposes relating to this Agreement. Customer represents and warrants to Stericycle that it is acting for its own account and is not acting through a broker or agent. In the event that Customer engages or attempts to engage an agent or broker, Stericycle has no obligation to, and will not, recognize the agent or broker as Customer's agent. The parties' respective rights and obligations under this Agreement shall remain unaffected by Customer's engagement or purported engagement of an agent to act on its behalf.

# Exhibit A

## Definitions

“**Conforming Waste**” means Waste that is tendered to Stericycle for Services under this Agreement in compliance with the terms of this Agreement and applicable Law and that: (a) fully conforms to correct and complete Waste Characterization Data; (b) conforms in its content to any associated labelling or packaging; (c) is properly segregated from other types of Wastes; and (d) is properly packaged or containerized.

“**Hazardous Waste**” means any waste containing hazardous or toxic substances, as such terms are defined by applicable Laws, including any substance regulated by the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*, as amended, or any listed or characteristic hazardous waste under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*, as amended (“**RCRA**”) or under any comparable state or local laws, and any waste material that has been mixed with, derived from or came into contact with any of the foregoing, put shall not include pharmaceutical waste.

“**Nonconforming Waste**” means any material tendered to Stericycle under this Agreement that is not a Conforming Waste.

“**Profile Sheet**” or “**Waste Characterization Data Form**” means form(s) used to obtain Waste Characterization Data that may be made available to Customer by Stericycle on a case-by-case basis depending on the type of Waste managed.

“**Universal Waste**” means specific hazardous wastes that the EPA has identified in 40 CFR part 273 (batteries, lamps, mercury-containing equipment, pesticides) and any other waste that individual states may have added to this list.

“**Waste**” means Hazardous Waste or Universal Waste.

“**Waste Characterization**” means the process of determining a Waste’s regulated status according to applicable laws.

“**Waste Characterization Data**” means all information used for Waste Characterization, including but not limited to generator knowledge, descriptions of the processes generating the Waste, material safety data sheets, ingredient information, package inserts, analytical testing, and other information describing a Waste’s characteristics.

## Exhibit B

### Hazardous Waste Disposal Pricing:

Service Description	UOM	Process Code	Tower Code	Rate	Minimums
<b>Lab Packs:</b>					
Fuels for thermal treatment	DR55	AF07	LPA01	\$312.00	
Oxidizer	DR55	INC14-E	LPI02	\$1,120.00	
Isocyanates	DR55	INC14-I	LPI03	\$1,089.00	
Reactive Metals (Li, Na, K - 1 lb. under oil)	LB	INC15-1	LPI05	\$52.50	Lab Pack Minimums Apply
Dioxins (F027)	LB	INC15-F2	LPI06	\$63.63	Lab Pack Minimums Apply
Landfill, Non-regulated	DR55	LF06	LPL01	\$358.00	
Non-reactive	DR55	LP01	Missing	\$603.00	
Reactive	LB	LP02	Missing	\$7.63	Lab Pack Minimums Apply
Treatment, corrosives	DR55	LP04	Missing	\$407.00	
Retort, Inorg Hg Cmpd/Soln	DR55	REC04-H1	LPR01	\$4,338.00	
Treatable oxidizers	DR55	STAB06-6	LPS01	\$780.00	
Stab, Characteristic Metal	DR55	STAB19	LPS02	\$510.00	
<b>Containerized Waste Streams:</b>					
Flammable liquid (xylene, methanol, ethanol, stains)	DR55	AF01	A0100	\$239.00	
AF<1" Sludge 3-6%halo BTU > 5k	DR55	AF01-1	A0101	\$189.00	
AF<1" Sludge 6-10% halo BTU>5k	DR55	AF01-2	A0102	\$178.00	
AF<1" Sludge 20-25%halo BTU>5k	DR55	AF01-4	A0104	\$212.00	
AF<1" sldge,>25% halog BTU >5K	DR55	AF01-5	A0105	CBC	
High Water Solvents - 55 gallon drum	DR55	AF01-9	A0109	CBC	
AF 0-25% sludge<3%halo BTU> 5k	DR55	AF02	A0200	\$272.00	
AF 25-50% sludge<3%halo BTU>8k	DR55	AF03	A0300	\$291.00	
AF >50% sludge<3% halo BTU>10k	DR55	AF04	A0400	\$332.00	
AF <3" sldge3% hal NR BTU > 50	DR55	AF05	A0500	\$204.00	
Waste paint - (oil based D001 code)	DR55	AF06	A0600	\$318.00	
AF solid/debris haz to kilns	DR55	AF09	A0900	\$524.00	
*Non DOT, Non-RCRA Hazardous Waste - 55 gallon drum (oily rags, sorbents, antifreeze)	DR55	AF12	A1200	\$291.00	
Non-Hazardous Fixer/Developer WTE- 55 gallon drum	DR55	AF13	A1300	CBC	
AF Spec Handling	DR55	AF16	A1600	CBC	
AF solid/debris haz to kilns	DR55	AF17	A1700	\$266.00	
AF solid/debris haz	DR55	AF17-2	A1702	CBC	
COVID-19 Decon Debris for Waste to Energy	DR55	AF24-1	Missing	\$425.00	
Flammable Aerosols	DR55	INC01-1	I0101	\$497.00	
<b>CALIBRATION GAS CYLINDERS</b>					
Cat 1 cyl lecture INC03-1LE	Each	INC03-1LE	I31LE	\$257.00	
Cat 1 cyl med INC03-1M	Each	INC03-1M	I310M	\$435.00	
Cat 1 cyl small INC03-1S	Each	INC03-1S	I310S	\$308.00	
Cat 2 cyl lecture INC03-2LE	Each	INC03-2LE	I32LE	\$361.00	
Cat 3 cyl lecture INC03-3LE	Each	INC03-3LE	I33LE	\$472.00	
Cat 4 cyl lecture INC03-4LE	Each	INC03-4LE	I34LE	\$929.00	
CN LIQ 0-100k ppm INC04	DR55	INC04	I0400	\$1,665.00	
<b>LIQUIDS - PESTICIDE SOLUTIONS</b>					
Liquids- Lean waters, < 5% chlorinated solvents , <2500 btu	DR55	INC09	I0900	\$624.00	
LP, oxidizer	LB	INC11	LPI02	\$3.45	Common Container Minimums Apply
LP, Reactive	LB	INC11-1	LPI04	\$9.00	Common Container Minimums Apply
LP, Non-reactive	LB	INC13	LPI01	\$1.48	Common Container Minimums Apply
Debris for incin	LB	INC16	I1600	\$1.82	Lab Pack Minimums Apply
Cont solid for incineration	LB	INC17	I1700	\$2.01	Common Container Minimums Apply
Halo Liq >10% halogens- incin	DR55	INC18-2	I1802	\$814.00	
Non-comp for Direct Pump Incin	LB	INC19	I1900	CBC	Common Container Minimums Apply

Reac non-comp LIQ INC19-3	LB	INC19-3	I1903	\$3.03	Common Container Minimums Apply
BUTANE REFILL	LB	INC19-6	I1906	\$2.15	Common Container Minimums Apply
Methanol, Glacial Acetic Acid Poly Drum - 15 gallon drum	DR55	INC20	I2000	\$791.00	
INC Alk liq-incin/DIRincin	DR55	INC21	I2100	\$780.00	
ACID ALK <5000 BTU INC24	LB	INC24	I2400	\$2.23	Common Container Minimums Apply
Pest/Fert Solid INCIN	LB	INC25	I2500	\$2.08	Common Container Minimums Apply
Formalin for RCRA incin	LB	INC27	I2700	\$1.75	Common Container Minimums Apply
Biopsy Methanol Vials - 55 gallon drum	DR55	INC27-2	I2702	\$512.00	
Formalin and Animal Parts for RCRA Incineration	DR55	INC27-3	I2703	\$512.00	
Fuel LIQ>5k BTU<5% halo INC28	LB	INC28	I2800	\$0.96	Common Container Minimums Apply
RCRA pharmaceuticals containing HG for incineration	DR55	INC29-1	I2901	\$524.00	
Chemo Hood Filters	DR55	INC29-3	I2903	CBC	
LP, oxidizer	DR55	INC29-5	LP102	\$746.00	
LP, Non-reactive	DR55	INC29-8	LP101	\$678.00	
RCRA/Non-RCRA DEA pharm INC30	DR55	INC30	I3000	CBC	
COVID-19 Decon Debris for Incineration	DR55	INC32-1	Missing	\$605.00	
LNDFL ready, non-reg	DR55	LF01	L0100	\$185.00	
Landfill, Crushed drums	DR55	LF04	L0400	\$83.00	
LNDFL ready reg meets UTS	DR55	LF07	L0700	\$225.00	
LNDFL wet SOLIDIFY CA st 90%FL	DR55	LF08	L0800	\$242.00	
Lead Aprons/ Lead Indicators	DR55	LF09	L0900	\$395.00	
X Ray Film	DR55	LF10	L1000	\$495.00	
Asbestos, double bagged and wetted, for landfill, regulated	DR55	LF11	L1100	\$278.00	
COVID-19 Decon Debris for Landfill	DR55	LF18-1	Missing	\$240.00	
PCB Ballasts for incineration	DR55	PCB01	PCB01	CBC	
PCB ball/caps for TSCA LNDFL	DR55	PCB09	PCB09	CBC	
*PCB Ballasts	LB	PCB10	PCB10	CBC	Common Container Minimums Apply
Latex Paint for recycling - 55 gallon drum	DR55	REC01	R0100	CBC	
Mercury Compounds, Mercury spill materials for waste disposal	DR55	REC04	R0400	\$3,872.00	
*Lead Acid	LB	REC05	R0500	\$0.77	\$10 Minimum Applies
Fluorescent Bulbs/Lamps: 4ft, 8ft, U-Shaped, and Circular	LB	REC06	R0600	\$1.87	\$15 Minimum Applies
Bulbs - U-Shaped/Circular Fluorescent	LB	REC06-1	R0601	\$1.67	\$15 Minimum Applies
Bulbs - 8 Ft Fluorescent	LB	REC06-2	R0602	\$1.67	\$15 Minimum Applies
Bulbs - Compact Fluorescent	LB	REC06-3	R0603	\$1.67	\$15 Minimum Applies
Bulbs - Incandescent	LB	REC06-4	R0604	\$1.67	\$15 Minimum Applies
Used Oil/Refrigerant Oil	DR55	REC07	R0700	\$212.00	
Antifreeze/Propylene Glycol	DR55	REC08	R0800	\$265.00	
*Lithium	LB	REC09	R0900	\$6.81	\$50 Minimum Applies
Oil filters, Non-regulated	DR55	REC10	R1000	\$211.00	
*Nickel Cadmium	LB	REC11	R1100	\$2.13	\$25 Minimum Applies
*Nickel Metal Hydride	LB	REC11-1	R1101	\$1.30	\$25 Minimum Applies
Devices containing Mercury (Recycle) (Amalgam)	LB	REC14	R1400	\$7.76	Lab Pack Minimums Apply
Devices Containing Mercury	LB	REC14-L	R14L0	CBC	Lab Pack Minimums Apply
Crushed Fluorescents Lamps	LB	REC15	R1500	\$3.91	Common Container Minimums Apply
BATTERIES SILVER OXIDE	LB	REC19	R1900	CBC	\$25 Minimum Applies
*Alkaline	LB	REC24	R2400	\$1.74	\$25 Minimum Applies
RCRA empty drums, for reconditioning or scrap recycling	DR55	REC27	R2700	\$47.00	
Pb Aprons/ Pb Indicators Recyc	DR55	REC40	R4000	CBC	
Mixed Batteries	DR55	REC41	R4100	CBC	
Bulbs: HID, Halogenated, and Incandescent	LB	REC42	R4200	\$5.17	\$25 Minimum Applies
Bulbs - Halogens	LB	REC42-3	R4203	CBC	\$25 Minimum Applies
*Non-PCB Ballasts	LB	REC45	R4500	\$0.94	Common Container Minimums Apply

CRT intact-recycle REC50	LB	REC50	R5000	#N/A	\$25 Minimum Applies
X Ray Film Recycling	LB	REC50-1	R5001	CBC	\$25 Minimum Applies
Flat Screen Monitors	LB	REC50-L	R5002	\$1.50	\$25 Minimum Applies
Electronic Devices	LB	REC55	R5500	\$1.68	\$25 Minimum Applies
Cylinders, flammable, propane-small, camp type, for recycle	Each	REC61	R6100	\$34.00	
Flammable Cylinders - Small	Each	REC61-1	R6101	\$41.00	
Cyl CO2 for recycle REC63	Each	REC63	R6300	\$42.00	
Cyl Oxygen for Recycle	Each	REC65	R6500	\$63.00	
Latex Paint for solidification- 55 gallon drum	DR55	STAB01	S0100	\$198.00	
LNDFL wet SOLIDIFY CA st	DR55	STAB02	S0200	\$300.00	
Sludge pH<4 w/RCRA metal STAB2	DR55	STAB02-1	S0201	\$355.00	
ALK SOL/SLG/RCRA mtl STAB02-2	DR55	STAB02-2	S0202	\$355.00	
SLDG F6-F9 F19 CN<590 STAB03	DR55	STAB03	S0300	\$313.00	
HAZ DEB Alk F6-F9 F19 CN <590	DR55	STAB03-2	S0302	CBC	
Treatable oxidizers STAB06	DR55	STAB06	S0600	CBC	
Treat Oxi LIQ Class A STAB06-1	DR55	STAB06-1	S0601	\$814.00	
Sludge pH7 w/RCRA metals STAB7	DR55	STAB07	S0700	\$355.00	
Acid D7 25-50% acid WAT01-2	DR55	STAB12	S1200	\$476.00	
NR shreddble sol w/free liq-LF	DR55	STAB14	S1400	\$241.00	
HZ shreddble sol w/free liq-LF	DR55	STAB15	S1500	CBC	
HAZ DEB Alk F6-F9 F19 CN <590	DR55	STAB17-1	S1701	CBC	
Mercury Debris, or Mercury Containing Liquids, > 260 ppm (No metallic), for stab	DR55	STAB22-2	S2202	CBC	
HYDROCHLORIC ACID LAB PACK	DR55	WAT01	W0100	CBC	
Acid aqueous no Cr/acid< 25%	DR55	WAT01-1	W0101	\$313.00	
Acid no Cr 10-25%HNO3 WAT01-10	DR55	WAT01-10	W0110	CBC	
Acid no D7 >26%HNO3 WAT01-11	DR55	WAT01-11	W0111	CBC	
Acid D7 25-50% acid WAT01-2	DR55	WAT01-2	W0102	\$442.00	
Acid LIQ Acid > 50% WAT01-3	DR55	WAT01-3	W0103	\$604.00	
POTASSIUM HYDROXIDE, SOLUTION	DR55	WAT02	W0200	CBC	
Alkali waste water-Caustic<25%	DR55	WAT02-1	W0201	\$339.00	
AF<1" Sludge 6-10% halo BTU>5k	DR55	WAT02-2	W0202	\$355.00	
ALK LIQ <50% caustic WAT02-3	DR55	WAT02-3	W0203	\$373.00	
CHROMIC ACID SOLUTIONS 0-100%	DR55	WAT04	W0400	CBC	
Acid chromic total Cr<5000 ppm	DR55	WAT04-1	W0401	\$543.00	
H2O,<10% floc NR treat & discharge	DR55	WAT05	W0500	\$204.00	
H2O/Oil <10% floc NR WAT05-1	DR55	WAT05-1	W0501	CBC	
Fixer/Developer Containing Silver	DR55	WAT08	W0800	\$218.00	
Water w/orgs D codes <10% floc	DR55	WAT13	W1300	CBC	
Inorganic cyanides	DR55	WAT16-J	LPW03	\$787.00	
CN Liq 5k-15k PPM WAT20-2	DR55	WAT20-2	W2002	\$476.00	

**Hazardous Waste Non-Disposal Pricing:**

Service Description	UOM	Process Code	Rate	Minimums
<b>Transportation:</b>				
Stop Fee Zone 1 (0-50 RT Miles)	Each	TRSTOP1	\$260.00	
Stop Fee Zone 2 (51-100 RT Miles)	Each	TRSTOP2	\$325.00	
Stop Fee Zone 3 (101-150 RT Miles)	Each	TRSTOP3	\$435.00	
Stop Fee Zone 4 (151-200 RT Miles)	Each	TRSTOP4	\$550.00	
Stop Fee Zone 5 (>200 RT Miles)	Each	TRSTOP5	\$600.00	
Demurrage	Hour	TRADMDEM	\$116.00	
AK Surcharge Fee	Each	TRADMHM	\$650.00	
HI Surcharge Fee	Each	TRADMHM	\$400.00	
PR Surcharge Fee	Each	TRADMHM	\$400.00	
<b>Labor:</b>				
Lab packing and sorting	Hour	LBLABRST	\$66.00	4 hour minimum (Portal to Portal)
Field Tech	Hour	LBLABRST	\$66.00	4 hour minimum (Portal to Portal)
Field Chemist	Hour	LBCHEMST	\$95.00	4 hour minimum (Portal to Portal)
Project Manager, Straight Time	Hour	LBPROJMST	\$110.00	4 hour minimum (Portal to Portal)
Consulting Services/Training	Hour	ADMCCOST	\$145.00	
<b>Supplies:</b>				
Box (4 foot) Fluorescent Lamp Box	Each	SPBXBUB4	\$41.00	
Box (8 foot) Fluorescent Lamp Box	Each	SPBXBUB8	\$48.00	
Steel Drum - 5 gallon	Each	SPDM05NO	\$44.00	
Poly Drum - 5 gallon	Each	SPDP05NO	\$28.00	
Drum, Fiber, 5 gallon, New, Open Top	Each	SPDF05NO	\$28.00	
Drum, Fiber, 8 gallon	Each	SPDF10NC	\$73.00	
Drum, 10 gallon	Each	SPDP10NO	\$73.00	
Drum, 15 gallon	Each	SPDP15NC	\$73.00	
Drum, 15 gallon, RX	Each	SPDF15NC	\$73.00	
Drum, Fiber, 15 gallon, New, Open Top	Each	SPDF15NO	\$73.00	
Drum, Fiber/Poly, 30 gallon, New, Open Top	Each	SPDF30NO	\$94.00	
Drum, Metal, 55 gallon, New, Closed Top	Each	SPDM55NC	\$123.00	
Drum, Metal, 55 gallon, New, Open Top	Each	SPDM55NO	\$123.00	
Drum, Poly, 55 gallon, New, Open Top	Each	SPDP55NO	\$108.00	
Drum, Poly, 55 gallon, New, Closed Top	Each	SPDP55NC	\$108.00	
Drum, Poly, 5 gallon, Recon, Closed Top	Each	SPDP05UO	\$23.00	
Drum, Poly, 15 gallon, Recon, Closed Top	Each	SPDP15UC	\$55.00	
Drum, Poly, 30 gallon, Recon, Open Top	Each	SPDP30UO	\$63.00	
Drum, Poly, 55 gallon, Recon, Open Top	Each	SPDP55UO	\$80.00	
Liner, Drum, 2 mil	Each	SPLINED	\$8.00	
Liner, Cubic Yard Box Liners	Each	SPLINECYB	\$16.00	
Lab packer, 55 gallon	Each	SPLABPK55	\$36.00	
Steel Overpack - 85 gallon	Each	SPDM85NO	\$313.00	
Poly Overpack - 85 gallon	Each	SPDF85NO	\$310.00	
Vermiculite - bag	Each	SPVERM	\$56.00	
Cubic Yard Box	Each	SPBXCYP	\$152.00	
PIH Box	Each	SPBX916P	\$256.00	
Labels	Each	SPLABEL	\$1.20	
Spill Pads - bale	Each	SPSORAL	\$146.00	
Poly Sheeting - roll	Each	SPLINELUG	\$195.00	
EPA E-Manifest Fee	Each	ADMEMANFST	\$25.00	
NITRILE GLOVES	Each	SPPEGLNI	\$6.00	
Personal Protective Equip (Level D)	Day	SPPPED	\$62.00	

## Conversions and Minimums:

Non-Specified Container Conversions		Conversion Table Notes
Container Size	Conversion	
1-5 Gallon	35%	These conversions will apply to all disposal and Transportation items priced per container unless quoted separately
6-15 Gallon	50%	
16-30 Gallon	75%	The greater of the conversion factor or location container minimum of \$40 will be applied unless quoted a different rate
31-55 Gallon	1x	
85 Gallon	1.5x	Some Waste may have a different, typically lower, minimum which is reflected on the Non-Standard Minimum table below.
Cubic Yard Boxes	4x	
250/275 Gallon Totes	5x	Small container sizes can be converted to larger containers using the following steps: 1) Divide the smaller container price by its conversion factor for the 55-gallon price (e.g., 5-gallon price).
330/350 Gallon Totes	6x	

Per Pound Standard Minimums			
Container (Gal)	Common Containers	Lab Pack Containers	Light Weight Containers
	Minimums		
5 or less	50 lbs.	25 lbs.	30 lbs.
6 to 15	125 lbs.	50 lbs.	75 lbs.
16 to 30	175 lbs.	110 lbs.	100 lbs.
31 to 55	250 lbs.	250 lbs.	150 lbs.
56 to 85	400 lbs.	300 lbs.	275 lbs.
Cubic box/pallet	525 lbs.	550 lbs.	500 lbs.
Tote (<300 gal)	1950 lbs.	-	-
1. Excludes Lab Pack and Light Weight items. 2. Includes: LPL01, LPS01, series of codes for I1400, I1500, LPW01 3. Includes: A1700, I0200, I1600 4. All other container sizes are case by case (CBC)			

Ancillary Charges	Service Code	UOM	Price
<b>Profiling Fees</b>			
<24 Hour URGENT Profile Fee	ADMPROPRU	Each	\$150.00
<b>Off Spec &amp; Discrepancy Fees</b>			
Rejection Fee	ADMREJECT	Each	\$75.00
Manifest Discrepancy/Paperwork Error	ADMMAN	Each	\$75.00
Off Spec/Discrepant - Storage Fee	ADMSTOR	Day	\$25.00
<b>Transportation, Labor, and Other Fees</b>			
e-Manifest Administration Fee (per manifest)	ADMMAFEE	Each	\$25.00
Demurrage, after 1-hour loading	TRADMDEM	Hour	\$105.00
Scheduled Pickup Cancellation	ADMCAN	Each	\$150.00
Repacking/Overpacking Fee	ADMREPCK	Each	\$150.00
Overpack Handling Fee	ADMVOPK	Each	\$50.00
Technical Lab Pack Review "Flat Rate fee - \$175.00 the Flat Fee Criteria":			
(1) Excel Submitted inventories:	ADTECHRVW	Each	\$175.00
(2) Maximum of 500 inventory items:			
(3) <5% of items with Trade Names:			

Non-Standard Minimums	
Container Min	Service Codes
\$0	REC51-3
\$5	R6000, R6101, R6200, R6300, R6400, R6500
\$10	R0500
\$15	L0100, R600, R2700
\$25	R1100, R1101, R1200, R1600, R1900, R2400, R4200, R4400, R5000, R5500
\$50	R0900, R09100

\*Please Note: The greater of the disposal minimum or \$40 per container will be charged unless quoted otherwise. A minimum charge of \$325 will apply to the invoice.

## Assumptions:

### Standard Pricing Conditions:

- This section and the terms and conditions apply to this quote unless superseded by a service agreement.
- Pricing is based on the information provided and will be confirmed following receipt of a completed waste profile. All pricing is pending profile approval and/or waste sample analysis.
- Pricing is based on the volume assumptions provided. Stericycle reserves the right to adjust pricing if waste quantity differs from what was provided.
- A minimum charge of \$325 applies to all invoices.
- Transportation, labor and equipment is portal to portal, and requires a four hour minimum unless otherwise specified.
- Unless otherwise specified, transportation rates include one hour of loading at the customer facility. Demurrage rates will apply after one hour and will be billed in 15 minute increments.
- All invoices are subject to applicable Federal, State, and local taxes & fees as well as an Energy & Insurance recovery charge tied to the National monthly average price for diesel fuel as published by the Department of Energy.
- E-Manifest Fee's will be applied
- In order to offer the safest and most complete services, we may need to apply price adjustments as necessary to cover costs that are beyond our control such as extraordinary or unexpected increases in disposal costs, regulatory changes, economic changes, war, etc.

### Waste Specific Conditions

- Disposal prices for gas cylinders are for those with original label, operable valve and in acceptable DOT shipping condition.
- Unknown identification fee of \$350 may be charged for each unknown gas that is sampled and analyzed
- A confirmation fee of \$200 may be charged for each suspected gas that requires confirmation due to lack of original label. If results do not match suspected contents, then unknown ID rate will apply along with additional disposal costs if applicable.
- Inoperable valve fee: No charge for Category A cylinders. For Categories B thru E, a tapping fee of \$350 per cylinder will apply regardless of size of cylinder. For categories F & G, inoperable valve fee will be Case-by-Case.
- Batteries not in original manufacturer's packaging must have both ends taped to avoid arc. Additional fees may apply if Stericycle personnel must tape the battery ends.

### General Disposal Terms and Conditions

- Bulk waste is typically defined as tanker or roll-off loads.
- Non-bulk waste means drums, boxes, totes, pails, bags, and cubic yard boxes and other containerized waste.
- Electronic profiling is included in the price. Paper profiles will be charged at \$50 each.
- Unless otherwise specified, prices quoted do not include the following:
  - Radioactive Waste
  - Biohazard or Infectious Waste
  - Explosives of any type
  - Liquid or free mercury
  - Isocyanates
  - Reactive materials (metals, solids, liquids)

Customer approves Stericycle's use of Customer's name and/or logo in Stericycle's marketing and promotional materials, including on Stericycle's website.

# Service Locations

## Customers Locations, Serviced by Stericycle Under this Agreement

Account #	Site #	Location Name	Address	City	ST	Zip Code	Service Frequency	Pricing Structure	EPA ID Number	GPO Member ID
6134855	001	HAZ/Kern Medical Center	1700 Mount Vernon Avenue	Bakersfield	CA	93306-4018	On Call	Hospital		
6153660	001	HAZ/Kern County Hospital Authority	1830 Flower Street	Bakersfield	CA	93305-4144	On Call	Hospital		

# STERICYCLE WASTE ACCEPTANCE POLICY

## NON-HAZARDOUS WASTES MUST BE IDENTIFIED, SEGREGATED AND

### PACKAGED SEPARATELY FROM HAZARDOUS & UNIVERSAL WASTES: Examples Include:

- ✓ **Trace-Chemotherapy Contaminated Waste** – RCRA Empty drug vials, syringes and needles, spill kits, IV tubing and bags, contaminated gloves and gowns, and related materials as defined in applicable laws, rules, regulations, or guidelines.
- ✓ **Non-RCRA Hazardous Pharmaceuticals** – Must be characterized and certified as non-RCRA hazardous material by the generator. Consult Stericycle Representative for specific requirements.
- ✓ **Non-hazardous waste does not include RCRA Pharmaceuticals, Hazardous Chemical / Laboratory Wastes, Compressed Gas Cylinders, Universal Wastes or E-Wastes**

## HAZARDOUS (RCRA) WASTES MUST BE IDENTIFIED, SEGREGATED AND PACKAGED

### SEPARATELY FROM NON-HAZARDOUS AND UNIVERSAL WASTES: Examples Include:

- ✓ **RCRA Hazardous Wastes**
- ✓ **Hazardous Chemical / Laboratory Wastes** – Drums or other containers that contain characteristically or listed hazardous wastes - Formaldehyde, formalin, acids, alcohol, waste oil, solvents, reagents, fixer, developer
- ✓ **Compressed Gas Cylinders** - Canisters, Inhalers, and Aerosol Cans
- ✓ **Mercury - Containing Dental Waste** – Non-contact and contact amalgam and products, chair side traps, amalgam sludge or vacuum pump filters, extracted teeth with mercury fillings, and empty amalgam capsules

## UNIVERSAL AND E-WASTES WASTES MUST BE IDENTIFIED, SEGREGATED AND PACKAGED

### SEPARATELY FROM HAZARDOUS AND NON-HAZARDOUS WASTES: Examples Include:

- ✓ **Universal Wastes:** Batteries, Mercury Containing Equipment, Fluorescent Lamps, Pesticides (Pharmaceuticals in some states)
- ✓ **E-Wastes** – computers, monitors, medical devices, lab equipment, miscellaneous electronics

## SEGREGATION AND LABELING

- ✓ **Segregate Wastes:** Do **NOT** store Incompatible wastes in the same container
- ✓ **Labeling:** Affix labels required by RCRA to appropriately identify contents

Customer is solely responsible for ensuring the proper segregation and labeling of all wastes. If any of the Waste is Not packaged properly, then Customer will be solely responsible for all costs associated with clean-up, transportation, treatment, and disposal of the Non-conforming Waste by a company or companies permitted to clean-up, transport, treat, and dispose of such Non-conforming Waste.

## ATTACHMENT 1 - Per Invoice Energy Charge

### Percent of Invoice Fuel Surcharge

Stericycle uses an index-based surcharge that is adjusted monthly. Changes to the surcharge will be effective the first business day of each month. The surcharge will be based on the National U.S. Average 'On Highway' Diesel Fuel Price reported by the U.S. Department of Energy for the prior month to the adjustment. The prices on these indexes are published by the U.S. Dept. of Energy and Stericycle is not responsible for the information provided.

<b>Stericycle Energy Charge Table</b>		
<b>At Least</b> (price per gallon)	<b>But Less Than</b> (price per gallon)	<b>Surcharge</b> (% of Invoice)
0	\$2.75	5.80%
\$2.76	\$3.00	6.30%
\$3.01	\$3.25	6.90%
\$3.26	\$3.50	7.40%
\$3.51	\$3.75	7.90%
\$3.76	\$4.00	8.50%
\$4.01	\$4.25	9.00%
\$4.26	\$4.50	9.60%
\$4.51	\$4.75	10.10%
\$4.76	\$5.00	10.70%
\$5.01	\$5.25	11.20%
\$5.26	\$5.50	11.70%
\$5.51	\$5.75	12.30%
\$5.76	\$6.00	12.80%

If the diesel rate rises above \$6.00, the 12.80% surcharge will be increased 0.6% for every \$0.25 increase in the diesel rate.  
Stericycle reserves the right to update or modify the fuel table without prior notice

## **Amendments and Addenda**

Any amendments or addenda to this Agreement are set forth below



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed Amendment No. 1 to Agreement 055-2019 with United Neurosciences, Inc.

**Recommended Action:** Approve, Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed agreement with United Neurosciences, Inc., an independent contractor, for professional medical services in the Department of Medicine. The group has provided neurology, neuro-interventional radiology and telemedicine services at Kern Medical since 2015 adding seizure and epilepsy monitoring coverage in 2017.

Therefore, it is recommended that your Board approve the Amendment No. 1 to Agreement 055-2019 with United Neurosciences, Inc., for professional medical services in the Department of Medicine for the period October 1, 2019 through September 30, 2022, extending the term one-year, effective October 1, 2021, increasing the maximum payable by \$1,100,000, from \$1,940,000 to \$3,040,000, to cover the extended term, and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
INDEPENDENT CONTRACTOR  
(Kern County Hospital Authority – United Neuroscience, Inc.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and United Neuroscience, Inc., a California professional medical corporation (“Contractor”), with its principal place of business located at 2323 16th Street, Suite 400, Bakersfield, California 93301.

**RECITALS**

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. #055-2019, dated September 18, 2019) (“Agreement”), for the period October 1, 2019 through September 30, 2021, for professional medical services in the Department of Medicine at KMC; and

(b) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(c) The Agreement is amended effective October 1, 2021;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. **Term.** This Agreement shall be effective and the term shall commence as of October 1, 2019 (the “Effective Date”), and shall end September 30, 2022, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 4, Payment for Services, paragraph 4.2, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“4.2 **Maximum Payable.** The maximum payable under this Agreement shall not exceed \$3,040,000 over the three-year term of this Agreement.”

3. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

6. Except as provided herein, all other terms, conditions, and covenants of the Agreement shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 1 as of the day and year first written above.

UNITED NEUROSCIENCE, INC.

By \_\_\_\_\_  
Kiron Thomas, M.D.  
Its President

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Governors

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Russell V. Judd  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
Vice President & General Counsel  
Kern County Hospital Authority

Amend1.United Neuroscience.082321



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed Amendment No. 1 to Agreement 871-2015 with Shahab Hillyer, M.D.

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed retroactive agreement with Shahab Hillyer, M.D., a contract employee, for professional medical and administrative services in the Department of Surgery. Dr. Hillyer has been employed by Kern Medical since January 1, 2016.

Dr. Hillyer's annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents the reasonable fair market value compensation for the services provided. Dr. Hillyer receives a base salary for his teaching and administrative duties as well as patient care and on-call coverage for Kern Medical. Dr. Hillyer will continue to receive the same complement of benefits, including eligibility to participate in the physicians' pension plan, health care coverage, vacation and sick leave, education days and CME reimbursement, and the option to elect voluntary benefits at no cost to Kern Medical

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 871-2015 with Shahab Hillyer, M.D., for professional medical and administrative services in the Department of Surgery for the period January 1, 2016 through December 31, 2022, extending the term through December 31, 2025, effective September 15, 2021, increasing the maximum payable by \$2,250,000, from \$5,724,358 to \$7,974,358, plus applicable benefits, to cover the extended term, and authorize the Chairman to sign.

**AMENDMENT NO. 1  
TO  
AGREEMENT FOR PROFESSIONAL SERVICES  
CONTRACT EMPLOYEE  
(Kern County Hospital Authority – Shahab Hillyer, M.D.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, between the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Shahab Hillyer, M.D. (“Physician”).

**RECITALS**

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Kern County Agt. #871-2015, dated December 8, 2015) (the “Agreement”), for the period January 1, 2016 through December 31, 2022, whereby Physician provides professional medical services in the Department of Surgery at KMC; and

(b) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(c) The Agreement is amended effective September 15, 2021;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. **Term.** The term of this Agreement shall be for a period of 10 years, commencing as of January 1, 2016 (the “Commencement Date”), and shall end December 31, 2025 (the “Term”), unless earlier terminated pursuant to other provisions of this Agreement as herein stated. This Agreement may be renewed for additional terms, but only upon mutual written agreement of the parties. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.”

2. Section 4, Obligations of Physician, paragraph 4.6, Managed Care Organizations, shall be deleted in its entirety and replaced with the following:

“4.6 **Managed Care Contracting.** Physician shall cooperate in all reasonable respects necessary to facilitate KMC’s entry into or maintenance of any third-party payer arrangements for the provision of services under any other public or private health and/or hospital care programs, including but not limited to insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. To enable Authority or KMC to participate in any third-party payer arrangements,

Physician shall, upon request: (i) enroll as a provider (if required by the third-party payer), separate from Authority and KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a “Managed Care Organization”) designated by Authority or KMC for the provision of professional services to patients covered by such Managed Care Organization; (ii) enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.”

3. Section 5, Compensation Package, shall be amended as follows:

“5. **Compensation Package.** Physician shall work full time, which is a minimum of 80 hours per biweekly pay period, and will be compensated with cash and other value as described below in this section 5.”

4. Section 5, Compensation Package, paragraph 5.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.5 **Maximum Payable.** The maximum compensation payable under this Agreement shall not exceed \$7,974,358 over the 10-year Term of this Agreement.”

5. Section 5, Compensation Package, paragraph 5.6, Fair Market Value Compensation, shall be made part of the Agreement as follows:

“5.6 **Fair Market Value Compensation.** The compensation provided under section 5 represents the parties’ good faith determination of the reasonable fair market value compensation for the services to be provided by Physician under this Agreement.”

6. Section 6, Benefits Package, shall be deleted in its entirety and replaced with the following:

“6. **Benefits Package.**

6.1 **Retirement.** Physician participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (f/k/a Kern County Pension Plan for Physician Employees) (the “Plan”), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern County Employees’ Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

6.2 Health Care Coverage. Physician shall receive the same health benefits (medical, dental, prescription and vision coverage) as all eligible Authority employees. The employee share of cost is 20% of the current biweekly premium. Physician's initial hire date is the initial opportunity to enroll in the health plan. Physician must work at least 40 hours per biweekly pay period to be eligible for coverage.

6.3 Holidays. Physician shall be entitled to paid holidays subject to Authority policy, as amended from time to time. Physician will not be paid for banked holidays upon termination of employment.

6.4 Vacation. Physician shall be credited with vacation leave of 9.23 hours for each pay period of service, for a maximum accrual of 240 hours per Employment Year. Total unused vacation leave accumulated will not exceed a maximum of 280 hours. No further vacation leave will accrue as long as Physician has the maximum number of hours credited. The Department Chair must approve all vacation leave in advance. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

6.5 Sick Leave. Physician shall be entitled to sick leave subject to Authority policy, as amended from time to time. Physician will not be paid for accrued and unused sick leave upon termination of employment.

6.6 Education Leave. Physician shall receive 80 hours paid education leave annually. The first 80 hours will accrue on the Commencement Date. On each successive Employment Year, if any, an additional 80 hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave upon termination of employment. The Department Chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

6.7 CME Expense Reimbursement. Authority shall reimburse Physician for all approved reasonable and necessary expenditures related to continuing medical education in an amount not to exceed \$2,500 per Employment Year, payable in arrears, in accordance with Authority policy, as amended from time to time. This amount may not be accumulated or accrued and does not continue to the following Employment Year.

6.8 Flexible Spending Plan. Physician shall be eligible to participate in flexible spending plans to pay for dependent care, non-reimbursed medical expenses, and certain insurance premiums on a pre-tax basis through payroll deduction. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.9 Attendance at Meetings. Physician shall be permitted to be absent from KMC during normal working days to attend professional meetings and to attend to such outside professional duties in the healthcare field as may be mutually agreed upon between Physician and the Department Chair. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and will not be considered vacation or education leave.

6.10 Unpaid Leave of Absence. Physician may take an unpaid leave of absence in accordance with Authority policies in effect at the time the leave is taken.

6.11 Social Security. Physician is exempt from payment of Social Security taxes as the Kern County Hospital Authority Defined Contribution Plan for Physician Employees is a qualified alternative to the insurance system established by the federal Social Security Act.

6.12 Deferred Compensation. Physician shall be eligible to participate in the Kern County Deferred Compensation Plan (“457 Plan”) on a pre-tax basis. Physician shall make all contributions if he elects to participate in the 457 Plan.

6.13 Disability Insurance. Physician shall be eligible to purchase Long Term Disability or Short Term Disability insurance coverage through payroll deduction on a post-tax basis. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.14 Employee Assistance/Wellness Programs. Physician shall be eligible to participate in any Authority-sponsored employee assistance and employee wellness programs.

6.15 Limitation on Benefits. Except as expressly stated herein, Physician shall receive no other benefits from Authority.”

7. Section 30, Liability of Authority, shall be made part of the Agreement as follows:

“30. **Liability of Authority.** The liabilities or obligations of Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Authority and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California.”

8. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

9. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

10. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

11. Except as provided herein, all other terms, conditions and covenants of the Agreement shall remain in full force and effect.

[Intentionally left blank]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 1 as of the day and year first written above.

PHYSICIAN

By \_\_\_\_\_  
Shahab Hillyer, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Chairman  
Board of Governors

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
Russell V. Judd  
Chief Executive Officer

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By \_\_\_\_\_  
Vice President & General Counsel  
Kern County Hospital Authority

Amend1.Hillyer.082321



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**SUBJECT:** Proposed retroactive Rental Agreement with Mission Linen Supply to provide linens to main campus facility and clinics

**Requested Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests that your Board approve the proposed retroactive Rental Agreement with Mission Linen Supply, for the provision of various linens to the main campus and clinic facilities. The Agreement is for a term of thirty-six months with an estimated maximum payable of \$3,660,720, as outlined below.

<b>Annual Cost Per Year</b>	<b>Estimated Not to Exceed</b>
<b>Year 1</b>	\$1,200,000
<b>Year 2 – 2% Increase</b>	\$1,224,720
<b>Year 3 – 3% Increase</b>	\$1,236,720

Kern Medical recommends that your Board approve the proposed retroactive Rental Agreement with Mission Linen Supply, to provide linen services, effective August 1, 2021 for a term of thirty-six (36) months, for an estimated maximum payable of \$3,660,720, and authorize the Chairman to sign.



## RENTAL AGREEMENT

This AGREEMENT is made this September 15, 2021 by and between MISSION LINEN SUPPLY (“Supplier”) and KERN COUNTY HOSPITAL AUTHORITY, a local unit of government, which owns and operates KERN MEDICAL CENTER (“Customer”).

The parties agree as follows:

### SCOPE OF SERVICES

1. SUPPLIER agrees to furnish and CUSTOMER agrees to rent and use the linen supply items listed herein, in accordance with the conditions and terms set forth below (See Attachment “A”). Initial linens provided by SUPPLIER shall be new or like new condition.
2. Except as may be provided herein, all linen items and garments supplied shall remain the property of, and be processed exclusively by, SUPPLIER. Alterations to rental items by CUSTOMER are not allowed. (1) Supplier will implement a defined lost linen maintenance program in conjunction with department heads of CUSTOMER.
3. Additional services may be provided under this Agreement upon mutual agreement between SUPPLIER and CUSTOMER, and shall then be expressed and identified by a written Addendum. Upon signed acceptance by both SUPPLIER and CUSTOMER, this Addendum shall become a part of this Agreement.
4. At time of delivery an invoice will be given, or sent electronically, reflecting the individual item counts. If there is a discrepancy in the count, it will be brought to the attention of SUPPLIER’S service department promptly and will be addressed immediately. All clean linens will be billed by invoice at the contracted price per item. (See attachment “A”). A monthly report will break out the calibrated weight of items provided.

### AGREEMENT TERM

5. This AGREEMENT is effective on August 1, 2021 , and shall remain in effect until July 31, 2024. This agreement may be renewed by written agreement between the parties not less than thirty (30) days in advance of the expiration date of the then current term. This agreement shall not be binding upon SUPPLIER until it has been accepted by its District Manager or General Manager.

### SERVICE DELIVERY PERFORMANCE

6. Deliveries and pick-ups will be made by SUPPLIER on a regular scheduled basis at a time mutually agreed upon by both parties. At no additional cost to CUSTOMER, an answering service will be provided 24 hours a day.
  - a. During normal business hours (8:00 am to 5:00 pm, M-F), there are office staff available to take all calls. All calls are given to the respective manager for response.
  - b. All other hours are handled by our answering service. They have mobile numbers for all management. Response would be within 1 hour.
  - c. Additionally, Mission shall provide a phone directory listing for all management personnel and service personnel, which includes their mobile access numbers.
7. As often as necessary, with a minimum 24 hour notice, it is agreed that SUPPLIER shall have access to CUSTOMER'S place of business during normal business hours to check or inventory any or all of the linen items furnished by SUPPLIER.
8. CUSTOMER shall provide an area which SUPPLIER can deliver clean product to at CUSTOMER'S facility/facilities as agreed to by all parties. All clean linen products shall be delivered by SUPPLIER in covered containers with manifest specifying the content of each cart. In addition, CUSTOMER shall also provide a secured area in which soiled linen carts shall be stored for pick-up by SUPPLIER.
9. CUSTOMER shall agree to make sure that all soiled textile products which may be wet, are sealed and secured within plastic bags that prevent leakage which could result in contamination of the environment, during collection, transportation and storage prior to processing. CUSTOMER also agrees that selected bags must not tear when filled to capacity and are capable of being securely closed to prevent textiles from falling out.
10. CUSTOMER agrees to utilize red bags to contain soiled textiles known to be contaminated. Red bags will be identified with bio-hazard symbol and shall not be put in with regular soiled linen. All other soiled textiles shall be put in standardized dark blue or black containment bags.
11. SUPPLIER shall provide all transport carts required for service to CUSTOMER'S facility locations.
12. SUPPLIER shall maintain and clean all carts that have been used to transport soiled linen in accordance with all requirements as stated in our Policies and Procedures documents. In addition, SUPPLIER shall insure the separation of clean and soiled linen in transport from CUSTOMER facilities to SUPPLIER service facilities.

### **PRODUCT PERFORMANCE**

13. Except as may be provided herein, all linen items and garments supplied shall remain the property of, and be processed exclusively by, SUPPLIER. All linen items shall be standardized in accordance to SUPPLIERS specifications and product line. All products will be folded as per standard SUPPLIER specifications. Custom folding or bundling requested by CUSTOMER may require additional cost at SUPPLIERS discretion. Any specialty items requested by CUSTOMER, must be approved by both parties, and may result in pricing adjustments. Alterations to rental items by CUSTOMER are not allowed. SUPPLIER will implement a defined lost linen maintenance program in conjunction with department heads of CUSTOMER (See Exhibit "A"). On no less than a quarterly basis, a physical inventory of the below listed medical items will be taken in concert with SUPPLIER and CUSTOMER. In the event of loss, damage, misuse or abuse to such items, normal

wear and tear excluded, CUSTOMER shall pay to SUPPLIER the then current replacement rate. This replacement rate may vary depending upon the material goods market.

14. All weighing of clean linens will be conducted at the SUPPLIER'S plant. At time of delivery an invoice will be given or sent electronically. If there is a discrepancy in the delivery item amounts, it will be brought to the attention of SUPPLIER'S service department promptly and will be addressed immediately. All clean linens will be billed by invoice at the contracted unit price. (See Exhibit "A").
15. SUPPLIER will establish an on site quality control program to ensure that linen meets CUSTOMER standards of quality. Quality issues will be reviewed on a quarterly basis or at the request of CUSTOMER. CUSTOMER may reject any linen that they feel does not meet their quality standards. All rejected items must be kept separately and returned to SUPPLIER for credit.

### **TERMINATION**

16. In the event of cancellation of this Agreement for any reason, CUSTOMER agrees to:
  - (a) Purchase the entire inventory of any and all Non-Standard items in service or otherwise held for CUSTOMER'S use at the then current replacement cost.
  - (b) Pay all outstanding amounts owed to SUPPLIER.
17. Should CUSTOMER believe that SUPPLIER has failed to provide service in accordance with the standard and quality comparable to that of other commercial laundries rendering like service in the same area, it shall notify SUPPLIER in writing by certified mail, setting forth the specific nature of the complaint. Should SUPPLIER in its discretion find such complaint to be valid but then fail to remedy the complaint within (30) days, CUSTOMER may terminate this Agreement by giving (60) days' written notice to SUPPLIER and by purchasing all special items in issue and/or in inventory at the then current replacement value.
18. **Non-appropriation.** Customer as a government entity, reserves the right to terminate this Agreement in the event insufficient funds are appropriated for this Agreement in any fiscal year under the provisions of California Constitution Article 16 section 18a. Customer's fiscal year is July 1 to June 30 of each calendar year. Upon such termination, Customer will be released from any further financial obligation to SUPPLIER, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. SUPPLIER will be given 30 days prior to the date of termination or any liability due to any default existing at the time this clause is exercised. SUPPLIER will be given 30 days' prior written notice in the event that CUSTOMER requires such action.

### **PRICING**

19. SUPPLIER shall provide the services and products as established and agreed upon as per the pricing listed in Exhibit "A".
20. SUPPLIER shall have the right to, and be entitled to a price increase on each anniversary date of this Agreement. The amount of this increase shall be in accordance with the percentage increase of the Consumer Price Index (CPI), for the Kern County, California area for the prior 12-month period. The amount of increase will be 2% for the 2<sup>nd</sup> year and 3% for the 3<sup>rd</sup> year.

21. This Agreement and its pricing is based on the quality and quantity mix of all products being requested by CUSTOMER and provided by SUPPLIER at the time of this Agreement. Should CUSTOMER substantially change product selection or delete product provision from the program, SUPPLIER may need to adjust pricing for services. Both CUSTOMER and SUPPLIER must mutually agree to the changes, and a signed Addendum by both parties shall become part of this Agreement.
22. SUPPLIER will guarantee this contract price for twelve (12) months from date of installation. In the event of unexpected market conditions which significantly change and increase cost of services to CUSTOMER, SUPPLIER can impose additional charges above the annual increase stated in paragraph twenty (20) of this agreement. SUPPLIER shall send written notice and meet with CUSTOMER no less than thirty (30) days before the implementation of any such increase. SUPPLIER shall discuss with CUSTOMER the conditions which necessitate such action with the intent of reaching mutual agreement. If after both parties have met and discussed any rate or charge increases, and an agreement has not been reached which results in an impasse, SUPPLIER may cancel this agreement by giving CUSTOMER one hundred twenty (120) days written notice and fulfilling all requirements of paragraph nineteen (19) of this agreement. SUPPLIER shall not include any "energy charge", "environmental charge", "service charge", or any other ancillary charge as described in paragraph twenty-three (23) without the mutual agreement of CUSTOMER.

## **PAYMENT**

23. All invoices of SUPPLIER shall be deemed to be true and correct, and unless an objection to an invoice is made by the CUSTOMER in writing on or before the due date, or unless the account is C.O.D. etc., all charges are due and payable by the 10<sup>th</sup> of the month following service. In the event CUSTOMER charges are not paid in a timely manner, SUPPLIER has the option to place CUSTOMER on a C.O.D. basis, plus a percentage of any past due bills. SUPPLIER shall apply any payment received toward the current bills first and any balance against past due bills until CUSTOMER is again current.
24. This statement describes the billing policies and practices of Mission Linen Supply regarding charges that will appear on your invoice. Please read it carefully. Like many companies, SUPPLIER'S price for the goods it rents and the services it provides is made up of several components. The goods and services are referred to on the CUSTOMER invoice by descriptive words such as "bar towel" or "shop towel." The basic price charged is determined by multiplying the number of goods rented or the quantity of services provided by a price per item of such goods or services called the "unit price." The unit price will be the amount determined by the agreement with Mission. The result will be the basic price and will be entered as a dollar amount on one line of the CUSTOMER invoice. Mission reserves the right to charge amounts in addition to the basic unit prices based on its costs and market conditions. Such additional charges will be described on the CUSTOMER invoice variously as "environmental charge," "ancillary charge," "fuel charge," "energy charge," "service charge," or "additional charge." Some CUSTOMER invoices will have charges added and others will not. Charges may be temporary and will be collected for less than the full term of the agreement. Others may be permanent and will be collected over the entire term of the agreement. The method of calculation will vary but usually will be either a flat charge or a percentage of the total invoice amount. In unusual situations the charge may be based on circumstances unique to a particular CUSTOMER. Generally, there will be no exact correlation between the charge assessed and any specific cost or expense incurred by Mission. Instead, the

charges are intended to recover Mission's costs associated with energy, gasoline, environmental compliance, wastewater and related expenses on a company wide basis but the amount charged to a particular CUSTOMER will not bear an exact relationship to actual costs incurred on behalf of that CUSTOMER. Other charges shown on a CUSTOMER invoice may be related to actual CUSTOMER experience. Those charges will be described variously as an "abuse charge," "loss charge," "loss and abuse charge," "inventory maintenance charge," "replacement charge," or "linen maintenance charge." Typically they will be assessed on a percent of invoice basis but may be based on another method. These charges may be collected in addition to or in lieu of other charges. The addition or omission of such charges, the amount and method of calculation, and the determination of whether charges are temporary or permanent, are all matters within the discretion of SUPPLIER and may not be applied in the same way for all CUSTOMERS or in all locations because of variations in costs, the needs of different CUSTOMERS and the effects of competition in different markets. Unit prices and additional charges may vary according to locale. If charges are added the amount charged and the method of calculation will be separately reflected on the CUSTOMER invoice in addition to the unit price.

25. The projected payment under this agreement will be \$1,200,000 each year based on current usage by Kern Medical Center or \$3,600,000 for the duration of the agreement for linen services. If the needs and or usage increase beyond this projection, customer will be notified.

#### **FOURCE MAJEURE**

26. In the event of strikes, lockouts, riots, fire, war, government acts, acts of God, and other conditions beyond the control of SUPPLIER or CUSTOMER, either party may be excused to the extent that such things as mentioned prevent the performance of services described within this Agreement. SUPPLIER has a contingency plan on file to service CUSTOMER without interruption. This plan provides for management intervention and involvement to insure the delivery of goods. Please see Exhibit "D" for further clarification as to this contingency plan.

#### **SHARPS/MEDICAL WASTE**

27. CUSTOMER agrees and acknowledges that "sharps" or contaminated Red Bio-Bag medical waste must not be mixed with soiled linens. Should sharps be found in soiled linen returned from the hospital to the laundry, each item shall be documented and notice made to the CUSTOMER'S Infectious Control Nurse (ICN). After the third such occurrence, SUPPLIER will assess a handling fee of \$250 for each subsequent incident. SUPPLIER will request a written plan that demonstrates the measures CUSTOMER is taking to ensure that potentially dangerous instruments do not become mixed with soiled linens. Additionally, CUSTOMER will be responsible for the disposal costs of medical waste received at the laundry mixed with soiled linens.

#### **MISCELLANEOUS**

28. In the event of sale, disposal, or closing of any or all CUSTOMER'S business or locations, CUSTOMER shall immediately notify SUPPLIER in writing and shall be liable to SUPPLIER for all linen items and garment furnished, until such notice is given.
29. CUSTOMER warrants that the execution of this agreement will not constitute a breach or violation of any existing contract to which CUSTOMER is a party.

30. CUSTOMER acknowledges that the items furnished under this agreement are for general purposes, and are not designated or recommended for use in areas of flammability risk or where contact with hazardous materials or ignition sources is possible.
31. CUSTOMER covenants that it is in compliance with the U.S. Department of Labor, Occupational Safety and Health Administration's standards covering exposure to blood-borne pathogens as published in the Federal Registrar on December 6, 1991, and will consistently maintain compliance with that standard.
32. SUPPLIER shall comply with local, state, federal laws and regulations and the Joint Commission Accreditation of Health Care Organizations which apply to occupational exposure to blood or other potentially infectious materials and performing their duties and obligations hereunder. Additionally, SUPPLIER shall comply with all requirements of California Code of Regulations, Title 22, §70825 and §70827. Notwithstanding the content of §11.(1)(a), failure to comply with the foregoing shall be grounds for the immediate termination of this Agreement.
33. Equal Opportunity Employer—it is the policy of SUPPLIER to provide equal employment opportunity to all of its applicants and employees. SUPPLIER does not unlawfully discriminate on the basis of race, color, religion, sex, national origin, ancestry, age, medical condition, handicap, veteran's status, marital status, or sexual orientation. SUPPLIER also makes reasonable accommodations for handicapped and disabled employees. This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer and social and recreational programs.
34. The CUSTOMER shall assume the liability for and shall indemnify, defend and hold harmless SUPPLIER and its officers, agents and employees, and each of the foregoing, with respect to any and all liability, losses, claims, suits, damages, taxes, charges and demand of any kind and nature whatsoever by any party which any of them may incur or suffer as a result of any negligent act or omission by CUSTOMER.
35. The SUPPLIER shall indemnify, defend and hold harmless the CUSTOMER and its officers, agents and employees, and each of the foregoing with respect to any and all liability, losses, claims, suits, proceedings, damages, taxes, charges and demands of any kind and nature whatsoever by any party which any of them may incur or suffer as a result of any action relating to or arising out of any negligent act or omission of SUPPLIER, its agents, or its employees.
36. The liabilities or obligations of Customer with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Customer and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California. California Health and Safety Code Section 101853(g)
37. **Federal Eligibility.** Supplier represents and warrants to Hospital that during the term of this Agreement, that Seller and all of its owners, officers, directors and managing employees shall not have been (a) suspended or excluded from participation in any federal or state health care program (including, without limitation, Medicare, Medi-Cal, or CHAMPUS/Tricare), or (b) convicted of any criminal offense related to the delivery of any good or service paid for by a federal or state health care program or to the neglect or abuse of patients, or (c) suspended, excluded or sanctioned under any other federal program, including the Department of Defense, the Department of Veterans Affairs. Seller shall notify Hospital immediately if any event occurs which would make the foregoing representation untrue. Breach of this provision shall be grounds for immediate termination of this Agreement.

38. **Compliance with Medicare Books and Records Access Law:** Until the expiration of four (4) years after the furnishing of the services provided under this contract, Seller shall cooperate fully with Hospital by maintaining and making available all necessary records, or by executing any agreements, in order to assure that Hospital will be able to meet all requirements for participation and payment associated with public or private third party payment programs including, but not limited to, the Federal Medicare program. Consistent with the foregoing, Seller agrees to comply with § 1861(v)(1)(I) of the Social Security Act, as amended, and any regulations promulgated pursuant thereto, under which Seller agrees to maintain its books, documents and records that are necessary to certify the nature and extent of such services and payments under this Agreement and to furnish such books, documents and records, upon written request to the Secretary of Health and Human Services or to the Comptroller General, or any of their duly authorized representatives. If Seller is requested to disclose books, documents or records pursuant to this Section for purpose of an audit, Seller shall notify Hospital of the nature and scope of such request and Seller shall make available, upon written request of Hospital, all such books, documents or records, during regular business hours of Seller.

If Supplier carries out the duties of the contract through a subcontract worth \$10,000.00 or more over a twelve (12) month period with a related organization, the subcontract will also contain an access clause to permit access by the Secretary of Health and Human Services or to the Comptroller General, or any of their duly authorized representatives to the related organization's books and records.

39. **Insurance.** Supplier shall maintain adequate general public liability, property damage and workers compensation insurance against any claim or claims which might or could arise as a result of this Agreement. Upon execution of the Agreement and when requested by Hospital, an insurance certificate indicating the foregoing coverage, issued by an insurance company licensed to do business in the relevant state or states and signed by an authorized agent, shall be furnished.

40. **Governing Law; Venue.** The parties agree that this Agreement shall be deemed as having been executed in the offices of Hospital. This Agreement will be governed by and construed in accordance with the laws of the State of California. The venue for any litigation arising out of this Agreement shall be a state or federal court of competent jurisdiction in Kern County, California.

41. This agreement contains entire agreement between the parties and any terms or conditions not set forth herein are null and void. If any term or provision of this agreement or the application thereof to any person or circumstance is held to be void or unenforceable to any extent, then the remaining provisions of this agreement shall continue in full force and effect.

42. This agreement contains entire agreement between the parties and any terms or conditions not set forth herein are null and void. If any term or provision of this agreement the application thereof to any person or circumstance is held to be void or unenforceable to any extent, then the remaining provisions of this agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed as of the date and year first above written.

**Mission Linen Supply**

720 20<sup>th</sup> ST Bakersfield, CA 93301

Mel Kent

Authorized Representative: Mel Kent

General Manager

Title

Mel Kent

Signature

9-6-21

Date

**Kern County Hospital Authority**

1700 Mt. Vernon Bakersfield, CA 93306

Russell Bigler

Authorized Representative: Please Print

Chairman, Board of Governors

Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**APPROVE AS TO CONTENT**  
*Kern Medical Center*

\_\_\_\_\_  
Signature

**APPROVE AS TO FORM**  
*Kern County Hospital Authority, Legal Services  
Department*

[Signature]  
Signature

Scott Thygerson

Please Print: *President, Hospital and Clinic Operations*

Shannon Hochstein

Please Print: *Hospital Counsel*

\_\_\_\_\_  
Date

9/7/2021  
Date



**ATTACHMENT "A"  
SCHEDULE OF CHARGES  
RENTAL LINEN PROCESSING**

*PRICING/ FEE SCHEDULE*

**PATIENT & NON-SPECIALTY ITEMS**

Mission Linen Supply will place into service, pick-up soiled, process, and deliver all linen requirements for Kern Medical. The items quoted here are agreed upon standard items or items that have been reviewed, approved and may be special for Kern Medical. Any items required outside this agreement will be priced according to mutual agreement between the two parties.

**Poundage Pricing**

Finished goods will be bundled and stacked in clean delivery carts only. They will then be weighed as "Clean dry weight" by scale, and not by product count and pre-calibrated weight.

The weight of the cart is subtracted from the gross weight, and the net weight is then billed per this schedule. Quarterly calibration and certification of our scale will be done to ensure accuracy. All clean transportation carts will be of uniform size, and reflect their actual empty net weight on the side.

**Standard Patient Linen**

The following list of items will be charged at a price of \$.50 per clean delivered pound.

Sheet, hospital Std	Blanket, baby rec	Gown, patient blue
Sheet, OR	Blanket, thermal	Cape, mammography
Sheet, birthing	Towel, bath	Gown, pedi
Sheet, contour fitted	Towel, blue	T-shirt, baby
Pillow slip	Washcloth	
Blanket, spread	Pad, bed under quilted	
Blanket, bath	Gown, patient (IV)	

A five percent (5%) Linen Maintenance will be applied to all invoices to help defray the cost of linen Replacement for the items listed above.

**Staff Apparel, Specialty Items, & Floor Care**

The following list of items will be charged at the unit prices reflected here.

Tablecloths \$17.88  
Scrub Tops \$0.64

Scrub Bottoms \$0.64  
 Lab Coats \$.47  
 Microfiber Towels \$0.17  
 Microfiber Flat Mops \$0.36

All garment charges are based on a predetermined percentage rate amount based on the stated weekly inventory requirements. All replacements on uniforms and scrubs are charged at Current replacement value (CRV).

**Outlying Clinics and other Non-Specified Business Units**

The following list of items will be charged at the unit prices reflected here:

Fitted Sheets \$.83  
 Pillow Slip \$.27  
 Single Sheet \$.49  
 Bath Towels \$.33  
 Wash Cloths \$.17  
 Bath Blankets \$.80  
 Patient Gowns \$.80

**REPLACEMENT PROGRAM**

The following replacement program is designed to provide for mutual involvement in the maintenance and Continuation of a quality linen supply program. Normal replacement of standard patient linen is a continuous process. A large part of this replacement is generated by premature retirement of product through abuse or loss. In order to facilitate a genuine partnership in this program, Mission Linen Supply will apply a five (5) percent linen maintenance charge on all standard patient linen. This is calculated on the amount of the poundage invoice total.

The following items represent the amount by which actual replacements exceed standard replacement by pieces used and are factored by the following rates.

Item:	Maintenance Charge:	Replacement Charge:
Sheet, fitted	2.50%	\$16.64
Pillowslip	2.50%	\$2.49
Sheet, hospital Stnd	2.50%	\$8.93
Blanket, Baby	2.77%	\$3.47
Gown, IV	1.21%	\$8.76
Gown, patient blue	1.21%	\$8.76
Blanket, flannel	2.50%	\$17.85
Gown, ped	2.62%	\$6.65
Pad, Bed under-quilt	2.46%	\$9.51
Towel, bath	2.50%	\$3.93
Washcloth	7.00%	\$.51
Towel, blue	3.00%	\$2.74
T-shirt, baby	1.90%	\$2.47
Scrub Top	0%	CRV
Scrub Bottom	0%	CRV

Both SUPPLIER and CUSTOMER realize that linen loss and abuse is a major contributor to cost. SUPPLIER has provided a cost program to address and account for the common conditions of loss And early mortality of the textile products provided for and supplied to CUSTOMER. An area of Loss not accounted for within this program is the loss of linen which is allowed to go out of the Hospital via transfer patients to other facilities (i.e. Skilled Nursing, Long Term Care, Rehabilitation, Other hospitals...) and linen taken by Emergency Response Units through the ER.

SUPPLIER shall incorporate a program of tracking and monitoring of a soil to clean variance. This Program will track the amount of soil linen returned to the amount of clean linen delivered. The base Line for soil to clean shall be ten percent (10%) per month. Amounts less than this can indicate a Significant amount of linen may be leaving CUSTOMER's facility.

CUSTOMER agrees that should the variance drop below a nine percent (9%) threshold of soil to clean variance, it will immediately enact procedures to resolve. SUPPLIER and CUSTOMER shall work together to correct and eliminate the loss conditions through the development of a written action plan.

**COG (Customer Owned Goods) ITEMS**

The following Customer Owned Goods shall be laundered at the following unit price.

Cubicle Curtain	\$7.90
-----------------	--------

Any new or additional items will be priced according to mutual agreement between the two parties.



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed Construction Contract with McMurtrey Lince, Inc. for the Columbus Pediatric Waiting Room Remodel

**Recommended Action:** Make finding the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of state CEQA guidelines; Approve; Authorize Chairman to sign; Authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the total contract price

**Summary:**

Kern Medical requests your Board approve the proposed Construction Contract with McMurtrey Lince, Inc., to provide renovations to the existing waiting room at Columbus Clinic Suite 1000 that houses the Pediatric clinic to incorporate a sick and well-baby separation, registration modifications, flooring, and paint.

The contract is effective September 15, 2021 and is anticipated to be completed within 6 months, with a maximum payable of \$447,700, which includes future change orders up to 10% of the original (anticipated) contract amount of \$407,000.

Funding for this project comes from the Grant Agreement with California Health Facilities Financing Authority under the Children's Hospital Bond Act of 2018 (Proposition 4) approved by your Board on November 18, 2020. The Grant was awarded to fund projects for the Kern Medical 'Every Kid' program that will include updating and renovating both the inpatient and outpatient pediatric clinical areas.

Therefore, it is recommended that your Board make a finding that this project is exempt from further CEQA review per sections 15301, 15302, and 15061(b)(3) of state CEQA guidelines, approve and authorize Chairman to sign, and authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the original contract amount.

**DOCUMENT 00500**

**AGREEMENT**

THIS AGREEMENT, dated this 15th day of September, is by and between McMurtrey Lince, Inc., whose place of business is located at 1025 Espee Street, Bakersfield, CA 93301 ("Contractor"), and the KERN COUNTY HOSPITAL AUTHORITY, a local unit of government (hereinafter "Owner and/or Authority"), acting under and by virtue of the authority vested in Owner by the laws of the State of California

WHEREAS, in consideration for the promises and payment to be made and performed by Authority, and under the conditions expressed in the Incorporated Bid Proposal (Bid), bonds and related papers, Contractor agrees to do all the work and furnish all the materials at the expense of Contractor (except such as the Specifications state will be furnished by Authority) necessary to construct and complete in a good and workmanlike manner to the satisfaction of the Chief Executive Officer for the Kern County Hospital Authority all the work shown and described in the plans and specifications for the project known as:

**Columbus Pediatric Waiting Room Remodel (10077)**

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and Owner agree as follows:

**ARTICLE 1 - SCOPE OF WORK OF THE CONTRACT**

**1.01 Work of the Contract**

- A. Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents (**Work**).

**1.02 Price for Completion of the Work**

- A. Owner shall pay Contractor the following Contract Sum **four hundred seven thousand dollars (\$407,000)** for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid, attached hereto.

**ARTICLE 2 - COMMENCEMENT AND COMPLETION OF WORK**

**2.01 Commencement of Work**

- A. Contractor shall commence Work on the date established in the Notice to Proceed (**Commencement Date**).
- B. Owner reserves the right to modify or alter the Commencement Date.

**2.02 Completion of Work**

- A. Contractor shall achieve Final Completion of the entire Work **90 Working Days**, as defined in Document 01422, from the Commencement Date.

**ARTICLE 3 - LIQUIDATED DAMAGES FOR DELAY IN COMPLETION OF WORK**

**3.01 Liquidated Damage Amounts**

- A. As liquidated damages for delay Contractor shall pay Owner one hundred (\$100.00) for each Calendar Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

**3.02 Scope of Liquidated Damages**

- A. Measures of liquidated damages shall apply cumulatively.
- B. Limitations and stipulations regarding liquidated damages are set forth in Document 00700 (General Conditions).

**ARTICLE 4 - CONTRACT DOCUMENTS**

**4.01** Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:

Document 00001	Title Page
Document 00100	Notice to Contractors
Document 00200	Instruction to Bidders
Document 00300	Geotechnical Data and Existing Conditions
Document 00410	Bid Form
Document 00412	Bidder Registration Form
Document 00431	Subcontractors List
Document 00452	Non-Collusion Declaration
Document 00455	Bidder Certifications
Document 00500	Agreement
Document 00501	Proposed Contract Documents Transmittal
Document 00601	Construction Performance Bond
Document 00602	Construction Labor and Material Payment Bond
Document 00603	Guaranty
Document 00590	Release of Claims
Document 00700	General Conditions
Document 00738	Apprenticeship Programs
Document 00800	Supplementary Conditions – Insurance
Document ADM-IC-100	Construction, Renovation, Refurbishment and Maintenance: Infection Control
Addendum A	Infection Control Risk Assessment
Addendum B	Interim Infection Control Safety Measure – Daily Check List
ILSM	Interim Life Safety Tool
Master Specifications	Divisions 1 through 16
Drawings	

**4.02** There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented as provided in Document 00700 (General Conditions).

**ARTICLE 5 – LIABILITY OF AUTHORITY**

**5.01** The liabilities or obligations of Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Authority and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the State of California.

**ARTICLE 6 – MISCELLANEOUS**

**6.01** Terms and abbreviations used in this Agreement are defined in Document 00700 (General Conditions) and Section 01422 (Definitions) and will have the meaning indicated therein.

**6.02** It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of Owner or acting as an employee, agent, or representative of Owner, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise,

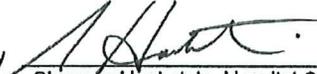
and it is further understood and agreed that liability of Owner is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.

- 6.02** In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time Owner tenders final payment to Contractor, without further acknowledgment by the parties.
- 6.03** This project is subject to prevailing wage laws. Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at Owner's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code §§ 1860 and 1861, in accordance with the provisions of Section 3700 of the Labor Code, every contractor will be required to secure the payment of compensation to his employees. Contractor represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor shall comply with such provisions before commencing the performance of the Work of the Contract Documents.
- 6.04** This Agreement and the Contract Documents shall be deemed to have been entered into in the County of Kern, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in the Superior Court for the County of Kern.

IN WITNESS WHEREOF the parties have executed seven original Agreements on the day and year first above written.

Remaining Page Intentionally Left Blank

APPROVED AS TO FORM:  
LEGAL SERVICES DEPARTMENT

By   
Shannon Hochstein, Hospital Counsel

KERN COUNTY HOSPITAL AUTHORITY

By \_\_\_\_\_  
Russell Bigler, Chairman

"AUTHORITY"

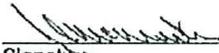
APPROVED AS TO CONTENT:  
KERN MEDICAL CENTER

By \_\_\_\_\_  
Scott Thygerson, President

By   
Michael Fink, Facility Director

Contractor's Name

Type of Entity  
(corporation, partnership, sole proprietorship)

By   
Signature

James McMurcay  
Typed Name

VP/CEO  
Title of Individual Executing  
Document on behalf of Firm

"CONTRACTOR"

**NOTICE:** CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND ARE REGULATED BY CONTRACTORS' STATE LICENSE BOARD. QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR OF THAT BOARD, WHOSE ADDRESS IS: CONTRACTORS' STATE LICENSE BOARD, 1020 "N" STREET, SACRAMENTO, CALIFORNIA 95814.

**END OF DOCUMENT**



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed Agreement with Redsson, Ltd. for tracking of oncology patients

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the proposed Agreement For Lost To Follow Up Service with Redsson, Ltd., for assistance in tracking lost oncology patients for follow-up service. Redsson will assist in keeping patient information up to date in our cancer registry, which is required for accreditation.

Counsel is unable to approve as to form due to non-standard terms, which includes a limitation of liability to the cost of the agreement. Multiple attempts were made to change and/or remove this language to no avail.

Even with these issues, Kern Medical recommends that your Board approve the proposed agreement, containing non-standard terms and conditions, for a period beginning September 15, 2021 through September 14, 2022, in an amount not to exceed \$2,500, and authorize the Chairman to sign.

## AGREEMENT FOR LOST TO FOLLOW UP SERVICE

This Agreement for Lost To Follow Up Service ("Agreement") is between Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center, having a principal place of business located at 1700 Mount Vernon Ave, Bakersfield, CA 93306 ("Customer") and Redsson, Ltd. having a principal place of business located at 25 South Huron Street, Toledo, Ohio 43604 ("Redsson"), each individually a Party ("Party") and collectively the Parties ("Parties"), and is effective the latest date set forth in the signature blocks of this Agreement ("Effective Date").

1. **SERVICES:** Customer retains Redsson to perform the following services ("Services"). The services include data retrieval from public records ("Public Records Services"). Customer will transmit to Redsson data files with records containing lost patient identification and contact information (also referred to as "batch data"). Customer agrees to transmit files containing records in the required format specified by Redsson. Customer is solely responsible for sending correctly formatted files and understands that Redsson does not check for correct formatting in advance of performing searches. If Customer sends incorrectly formatted files to Redsson search results may be errant. If search results are errant due to incorrectly formatted files provided by the Customer, Customer will be responsible for the additional cost of resubmitting records for search. Following the receipt of a file, Redsson shall use its commercially reasonable efforts to perform a search for each patient. The search process includes Public Records Services. Redsson will provide reports containing search results to Customer. Such reports may include contact or deceased information plus associated dates. One of the reports will be formatted to allow Customer to import results directly into their cancer registry software. Both Customer and Redsson will use secure, encrypted transmission methods to exchange information.

### 2. PROGRAM DESCRIPTION AND FEES:

#### 1,500 Program

- \$495 one-time account setup fee
- \$1,500 pre-paid annually, non-refundable
- First 1,500 searches included during 12 month program
- Once you exceed 1,500 searches, additional searches (1,501+) are 89¢ each and are billed for monthly

3. **TERM AND TERMINATION:** This Agreement shall continue for twelve (12) months from the Effective Date, and shall thereafter automatically renew for successive twelve (12) month periods, unless either Party gives the other notice of nonrenewal at least thirty (30) days prior to the then current expiration date. Either Party may terminate this Agreement in the event of breach by the other party, if such breach is not cured within ten (10) days of written notice of breach.

4. **STANDARDS OF PERFORMANCE:** Redsson represents and warrants to Customer that it shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and shall comply with applicable law. Except as expressly stated in this Agreement, Redsson does not warrant the Services, and Redsson expressly disclaims any warranty, express or implied, concerning the Services.

5. **CONFIDENTIALITY:** Redsson and Customer agree to protect the others' Confidential Information from unauthorized use or disclosure with the same degree of care that it utilizes in protecting its own Confidential Information. Under no circumstances, whether during or after the expiration or termination of this Agreement, will either party utilize for its own benefit, or disclose the contents of, the others Confidential Information to any unauthorized party. For the purposes of this Agreement, Confidential Information shall include all information, and materials of every kind which is not generally known to the public, including, without limitation, personal identities, personal information, software, computer programs, financial and pricing information, processes, marketing plans, and all other information and materials that under the circumstances, a reasonable person would consider to be confidential. Upon the written request from one Party to the other, the recipient of such Confidential Information will promptly return all of the requesting Party's Confidential Information in its possession or under its control, and will not make or retain copies of any such Confidential Information without the prior express written consent of the other. Redsson is aware that Customer is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §6250 et seq., the Brown Act, Cal.Govt.Code §54950 et seq., and other laws pertaining to

government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

**6. INDEMNIFICATION:** Redsson agrees to protect, indemnify, defend, and hold harmless Customer from and against any and all costs, claims, demands, damages, losses, and liabilities (including attorneys' fees and costs) arising from Redsson's misuse of information received from Customer, subject to the terms of this Agreement. Customer agrees to protect, indemnify, defend, and hold harmless Redsson from and against any and all costs, claims, demands, damages, losses, and liabilities (including attorneys' fees and costs) arising from or in any way related to use of information received by Customer from Redsson, subject to the terms of this Agreement.

**7. PUBLIC RECORDS SERVICES LIMITED WARRANTY AND LIMITATION OF LIABILITY:** Customer acknowledges that Redsson obtains data from third-party sources in performing the Public Records Services. Customer accepts all Public Records Services information supplied by Redsson on an "AS-IS" basis without warranty of any kind by Redsson or any third-party data provider to Customer for the accuracy or completeness of Public Records Services information supplied by Redsson. Redsson shall not be liable to Customer under any circumstances for Public Records Services. Redsson and Customer each agree that they will not seek any incidental, indirect, special, consequential, or punitive damages from the other for Public Records Services.

**8. PAYMENT TERMS:** Redsson will bill Customer for applicable fees as specified in the Agreement. All amounts owed by Customer shall be due and payable within thirty (30) days from the date of invoice. Redsson reserves the right to suspend Services until Customer remits payment for overdue invoices.

**9. PERMISSIBLE USE:** Customer will use the Services and the information provided thereby solely for Customer's own internal, legitimate business purposes. Customer agrees that it will comply with all applicable laws in connection with its use of the Services. Customer will not resell or broker the Services to any third party. If public records are provided to Customer as part of the services provided by Redsson, Customer certifies the following:

- a. GLBA Data: Customer certifies that it will only use the Redsson services and any deliverable resulting therefrom for transactions authorized by a consumer, as necessary to effect, administer or enforce a transaction requested or authorized by the consumer.
- b. DPPA Data: Customer certifies that it will only use the Redsson services and any deliverable resulting therefrom for the normal course of business, but only to verify the accuracy of personal information submitted by an individual to the Customer.
- c. Limited Access Death Master File Data: Customer certifies that it will only use the Redsson services and any deliverable resulting therefrom for at least one of the following purposes:
  - i. Fraud prevention and identity verification purposes;
  - ii. For uses permitted or required by law;
  - iii. For uses permitted or required by governmental rules;
  - iv. For uses permitted or required by regulation; and/or
  - v. For uses necessary to fulfill or avoid violating fiduciary duties.

**10. INSURANCE:** In connection with the performance of this Agreement, Redsson will provide Customer a Certificate of Insurance setting forth Redsson's coverage.

Commercial General Liability - \$1,000,000 each occurrence / \$2,000,000 aggregate  
Technology Errors & Omissions Liability - \$2,000,000 each occurrence / \$2,000,000 aggregate  
Umbrella Liability - \$4,000,000 each occurrence / \$4,000,000 aggregate

**11. MISCELLANEOUS:**

- a) **NOTICES:** All notices related to the Agreement shall be deemed to have been given when delivered personally, via email, via United States mail, or other delivery service and addressed to the other Party at such address such Party indicates for receipt of notices.
- b) **SURVIVAL:** The representations and warranties of the Parties as contained in the Agreement shall survive the termination of the Agreement.

- c) **SEVERABILITY:** If any part of Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement will remain in full force and effect, and the provision affected will be construed so as to be enforceable to the maximum extent permissible by law and to reflect the Parties' mutual intention.
- d) **NO JOINT VENTURE:** Nothing in this Agreement constitutes a partnership, joint venture, or agency agreement between Redsson and Customer.
- e) **ASSIGNMENT:** Neither Party shall assign its rights and obligations under the Agreement to any entity without consent of the other Party, which shall not be unreasonably withheld. Upon assignment, the Agreement shall inure to the benefit of, and be binding upon, the Parties hereto and their successors and assigns.
- f) **AMENDMENT AND MODIFICATION:** This Agreement may only be amended or modified in a writing signed by both Parties.
- g) **FORCE MAJURE:** Neither Redsson nor Customer shall be deemed to be in default of any provision of the Agreement for failures in performance, or be liable for any indirect, incidental, special or consequential damages, (including, but not limited to loss of profits or goodwill) resulting from acts or events beyond its reasonable control for the duration of the act or event. Such acts and events shall include but are not limited to acts of God, civil or military authority, terrorists, civil disturbance, war, strikes, fires, other catastrophes, labor disputes, or other events beyond Redsson's or Customer's reasonable control.
- h) **LIABILITY OF CUSTOMER:** The liabilities or obligations of Customer with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Customer and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California. California Health and Safety Code Section 101853(g).

**12. SUPPLEMENTAL TERMS:** The provisions of this Agreement are supplemented by additional obligations, restrictions, terms, and conditions. Customer agrees to be bound by and comply with such Supplemental Terms that may be found at: [supplementalterms.redsson.com](http://supplementalterms.redsson.com). The additional obligations and terms found via the provided link are hereby incorporated into this Agreement by reference in their entireties. At Redsson's sole discretion, the Supplemental Terms may be revised or updated and Customer shall be bound by such revisions or updates. Redsson shall give Customer notice of pending updates to the Supplemental Terms not less than thirty (30) days prior to the update taking effect. In the event Customer does not wish to be bound by an update to the Supplemental Terms, Customer may at its own option terminate the Services by providing Redsson with written notice of termination of the Agreement.

**13. COUNTERPARTS AND SIGNATURES:** This Agreement may be executed in counterparts and forwarded by electronic methods by the Parties. Each of the representatives signing this Agreement on behalf of their respective Party hereto represents and warrants that he or she has been duly authorized to execute and deliver this Agreement and upon the execution and delivery hereto, this Agreement shall be binding and enforceable in accordance with its terms against such Party for whom such representative has signed.

**CUSTOMER**

By: \_\_\_\_\_  
 Name: Russell Bigler  
 Title: Chairman, Board of Governors  
 Date: September 15, 2021

**REDSSON**

By:   
 Name: Richard Schurfeld  
 Title: General Manager  
 Date: 08 SEP 21

REVIEWED ONLY  
 NOT APPROVED AS TO FORM

By:   
 Legal Services Department

## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“BAA”) is entered into by and between the Kern County Hospital Authority on behalf of Kern Medical Center (“Covered Entity”) and Redsson, Ltd. (“Business Associate”) (each a “Party” and collectively the “Parties”), effective as of effective date of the underlying agreement (the “Effective Date”).

### RECITALS

**WHEREAS**, Covered Entity is a “Covered Entity” as that term is defined under the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-91), as amended, (“HIPAA”), and the regulations promulgated thereunder by the Secretary of the U.S. Department of Health and Human Services (“Secretary”), including, without limitation, the regulations codified at 45 C.F.R. Parts 160, 162, and 164 (“HIPAA Rules”);

**WHEREAS**, Business Associate performs Services for or on behalf of Covered Entity, and in performing said Services, Business Associate creates, receives, maintains, or transmits Protected Health Information (“PHI”);

**WHEREAS**, the Parties intend to protect the privacy and provide for the security of PHI Disclosed by Covered Entity to Business Associate, or received or created by Business Associate, when providing Services in compliance with HIPAA, the Health Information Technology for Economic and Clinical Health Act (Public Law 111-005) (the “HITECH Act”) and its implementing regulations and guidance issued by the Secretary; and

**WHEREAS**, the Privacy and Security Rules (defined below) require Covered Entity and Business Associate to enter into a BAA that meets certain requirements with respect to the Use and Disclosure of PHI, which are met by this BAA.

### AGREEMENT

**NOW THEREFORE**, in consideration of the Recitals and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

#### ARTICLE I DEFINITIONS

- 1.1 “Breach” shall have the meaning given under [45 C.F.R. § 164.402](#).
- 1.2 “Breach Notification Rule” shall mean the Breach Notification for Unsecured Protected Health Information interim final rule at 45 C.F.R. Parts 160 and 164, Subpart D, as may be amended from time to time.
- 1.3 “Designated Record Set” shall have the meaning given such term under [45 C.F.R. § 164.501](#).

1.4 “**Disclose**” and “**Disclosure**” mean, with respect to PHI, the release, transfer, provision of access to, or divulging in any other manner of PHI outside of Business Associate or to other than members of its Workforce, as set forth in [45 C.F.R. § 160.103](#).

1.5 “**Electronic PHI**” or “**e-PHI**” means PHI that is transmitted or maintained in electronic media, as set forth in [45 C.F.R. § 160.103](#).

1.6 “**Protected Health Information**” and “**PHI**” mean any information created, received or maintained by Business Associate on behalf of Covered Entity, whether oral or recorded in any form or medium, that: (a) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an individual; (b) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (c) shall have the meaning given to such term under the Privacy Rule at [45 C.F.R. § 160.103](#). Protected Health Information includes e-PHI.

1.7 “**Privacy Rule**” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended from time to time.

1.8 “**Security Rule**” shall mean the Security Standards at 45 C.F.R. Parts 160 and 164, Subparts A and C, as may be amended from time to time.

1.9 “**Services**” shall mean the services for or functions on behalf of Covered Entity performed by Business Associate pursuant to any service agreement(s) between Covered Entity and Business Associate which may be in effect now or from time to time (the “**Underlying Agreement**”), or, if no such agreements are in effect, then the services or functions performed by Business Associate that constitute a Business Associate relationship, as set forth in [45 C.F.R. § 160.103](#).

1.10 “**SubContractor**” shall have the meaning given to such term under [45 C.F.R. § 160.103](#).

1.11 “**Unsecured PHI**” shall have the meaning given to such term under [42 U.S.C. § 17932\(h\)](#), [45 C.F.R. § 164.402](#), and guidance issued pursuant to the HITECH Act including, but not limited to the guidance issued on April 17, 2009 and published in 74 Federal Register 19006 (April 27, 2009) by the Secretary.

1.12 “**Use**” or “**Uses**” mean, with respect to PHI, the sharing, employment, application, utilization, examination or analysis of such PHI within Business Associate’s internal operations, as set forth in [45 C.F.R. § 160.103](#).

1.13 “**Workforce**” shall have the meaning given to such term under [45 C.F.R. § 160.103](#)

Capitalized terms not otherwise defined in this Agreement shall have the meanings given to them in HIPAA or the HITECH Act, as applicable.

## ARTICLE II OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate shall not Use or Disclose PHI other than as permitted or required by any Underlying Agreement, this BAA, or as Required by Law. Business Associate shall not Use or Disclose PHI in any manner that would constitute a violation of the Privacy Rule if so Used or Disclosed by Covered Entity, except that Business Associate may Use or Disclose PHI (i) for the proper management and administration of Business Associate; (ii) to carry out the legal responsibilities of Business Associate, provided that with respect to any such Disclosure either: (a) the Disclosure is Required by Law; or (b) Business Associate obtains a written agreement from the person to whom the PHI is to be Disclosed that such person will hold the PHI in confidence and shall not Use and further Disclose such PHI except as Required by Law and for the purpose(s) for which it was Disclosed by Business Associate to such person, and that such person will notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached. Business Associate may perform Services, including Data Aggregation for the Health Care Operations purposes of Covered Entity and de-identification of PHI in accordance with 45 C.F.R. § 164.514, if required by any Underlying Agreement or with the advance written permission of Covered Entity.

2.2 Adequate Safeguards of PHI. Business Associate shall implement and maintain appropriate safeguards to prevent Use or Disclosure of PHI other than as provided for by this BAA. Business Associate shall reasonably and appropriately protect the confidentiality, integrity, and availability of e-PHI that it creates, receives, maintains or transmits on behalf of Covered Entity and shall comply with Subpart C of 45 C.F.R. Part 164 to prevent Use or Disclosure of PHI other than as provided for by this BAA.

2.3 Reporting Non-Permitted Use or Disclosure.

2.3.1 Reporting Security Incidents and Non-Permitted Use or Disclosure. Business Associate shall report to Covered Entity in writing each Security Incident or Use or Disclosure that is made by Business Associate, members of its Workforce, or SubContractors that is not specifically permitted by this BAA no later than twenty-four (24) hours after becoming aware of such Security Incident or non-permitted Use or Disclosure, in accordance with the notice provisions set forth herein. Notwithstanding the foregoing, Business Associate and Covered Entity acknowledge the ongoing existence and occurrence of attempted but ineffective Security Incidents that are trivial in nature, such as pings and other broadcast service attacks, and Covered Entity acknowledges and agrees that no additional notification to Covered Entity of such ineffective Security Incidents is required, as long as no such incident results in unauthorized access, Use or Disclosure of PHI. Business Associate shall investigate each Security Incident or non-permitted Use or Disclosure of Covered Entity's PHI that it discovers to determine whether such Security Incident or non-permitted Use or Disclosure constitutes a reportable Breach of Unsecured PHI and shall provide a summary of its investigation and risk assessment to Covered Entity. Business Associate shall document and retain records of its investigation of any suspected Breach, including its reports to Covered Entity under this Section 2.3.1. Business Associate shall take prompt corrective action and any action required by applicable state or federal laws and regulations relating to such Security Incident or non-permitted disclosure. If Business Associate or Covered Entity, in its review of this initial report, determines that such Security Incident or non-permitted Use or Disclosure constitutes a reportable Breach of Unsecured PHI, then Business Associate shall comply with the additional requirements of Section 2.3.2 below.

2.3.2 Breach of Unsecured PHI. If Business Associate or Covered Entity determines that a reportable Breach of Unsecured PHI has occurred, Business Associate shall provide a written report to Covered Entity without unreasonable delay but no later than five (5) calendar days after discovery of the Breach. To the extent that information is available to Business Associate, Business Associate's written report to Covered Entity shall be in accordance with 45 C.F.R. §164.410(c). Business Associate shall cooperate with Covered Entity in meeting Covered Entity's obligations under the HIPAA Rules with respect to such Breach. Covered Entity shall have sole control over the timing and method of providing notification of such Breach to the affected individual(s), the Secretary and, if applicable, the media. Business Associate shall reimburse Covered Entity for its reasonable and actual costs and expenses in providing the notification, including, but not limited to, any administrative costs associated with providing notice, printing and mailing costs, public relations costs, and costs of mitigating the harm (which may include the costs of obtaining credit monitoring services and identity theft insurance) for affected individuals whose PHI has or may have been compromised as a result of the Breach.

2.3.3 Data Breach Notification and Mitigation Under Other Laws. In addition to the requirements of Sections 2.3.1 and 2.3.2, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach of individually identifiable information (including but not limited to PHI, and referred to hereinafter as "Individually Identifiable Information") that, if misused, disclosed, lost or stolen, Covered Entity believes would trigger an obligation under applicable state security breach notification laws ("State Breach") to notify the individuals who are the subject of the information. Business Associate agrees to: (i) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach; (ii) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach conducted by a state agency or Attorney General; (iii) comply with Covered Entity's determinations regarding Covered Entity's and Business Associate's obligations to mitigate to the extent practicable any potential harm to the individuals impacted by the State Breach; and (iv) assist with the implementation of any decision by Covered Entity or any State agency to notify individuals impacted or potentially impacted by a State Breach.

2.4 Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this BAA.

2.5 Use of SubContractors. Business Associate shall require each of its SubContractors that creates, maintains, receives, or transmits PHI on behalf of Business Associate, to execute a Business Associate Agreement that imposes on such SubContractors substantially the same restrictions, conditions, and requirements that apply to Business Associate under this BAA with respect to PHI.

2.6 Access to Protected Health Information. To the extent that Business Associate maintains a Designated Record Set on behalf of Covered Entity and within fifteen (15) days of a request by Covered Entity, Business Associate shall make the PHI it maintains (or which is maintained by its SubContractors) in Designated Record Sets available to Covered Entity for inspection and copying, or to an Individual to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.524. If Business Associate maintains PHI in a Designated Record Set electronically, Business Associate shall provide such information in the electronic form and format requested by the Covered Entity if it is readily reproducible in such form and format, and, if not, in such other form and format agreed to by Covered Entity to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.524(c)(2). Business

Associate shall notify Covered Entity within five (5) days of receipt of a request for access to PHI from an Individual.

2.7 Amendment of Protected Health Information. To the extent that Business Associate maintains a Designated Record Set on behalf of Covered Entity and within fifteen (15) days of a request by Covered Entity, Business Associate shall amend the PHI it maintains (or which is maintained by its SubContractors) in Designated Record Sets to enable the Covered Entity to fulfill its obligations under 45 C.F.R. § 164.526. Business Associate shall notify Covered Entity within five (5) days of receipt of a request for amendment of PHI from an Individual.

2.8 Accounting. Within thirty (30) days of receipt of a request from Covered Entity or an Individual for an accounting of disclosures of PHI, Business Associate and its SubContractors shall make available to Covered Entity the information required to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.528 and 42 U.S.C. § 17935(c). Business Associate shall notify Covered Entity within five (5) days of receipt of a request by an Individual or other requesting party for an accounting of disclosures of PHI from an Individual.

2.9 Delegated Responsibilities. To the extent that Business Associate carries out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164, Business Associate must comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligations.

2.10 Availability of Internal Practices, Books, and Records to Government. Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, created, maintained, or transmitted by Business Associate on behalf of Covered Entity promptly available for inspection and copying to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with the HIPAA Rules. In addition, Business Associate agrees that Covered Entity shall have the right to audit and monitor all applicable activities and records of Business Associate to determine Business Associate's compliance with the HIPAA Rules and shall promptly make available to Covered Entity such books, records, or other information relating to the Use and Disclosure of PHI provided, created, received, maintained or transmitted by Business Associate on behalf of Covered Entity for such purpose.

2.11 Minimum Necessary. Business Associate (and its SubContractors) shall, to the extent practicable, limit its request, Use, or Disclosure of PHI to the minimum amount of PHI necessary to accomplish the purpose of the request, Use or Disclosure, in accordance with 42 U.S.C. § 17935(b) and 45 C.F.R. § 164.502(b)(1) or any other guidance issued thereunder.

2.12 Acknowledgement. Business Associate acknowledges that it is obligated by law to comply, and represents and warrants that it shall comply, with HIPAA, the HITECH Act, and the HIPAA Rules. Business Associate shall comply with all applicable state privacy and security laws, to the extent that such state laws are not preempted by HIPAA or the HITECH Act.

### **ARTICLE III OBLIGATIONS OF COVERED ENTITY**

### 3.1 Covered Entity's Obligations.

3.1.1 Covered Entity shall notify Business Associate of any limitation(s) in the Notice of Privacy Practices of Covered Entity under 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI.

3.1.2 Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to Use or Disclose his or her PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.

3.1.3 In the event Covered Entity agrees with an Individual to any restrictions on Use or Disclosure of PHI pursuant to 45 C.F.R. § 164.522(a) or if Covered Entity determines that it is obligated to accommodate a reasonable request of an Individual to receive communications of PHI pursuant to 45 C.F.R. § 164.522(b), Covered Entity promptly shall notify Business Associate of the same, as well as any revocation or modification of the same, and Business Associate thereupon shall observe such restriction or accommodation (or revocation or modification, if any, thereof) to the extent applicable to its Use or Disclosure of PHI hereunder, notwithstanding any other provision hereof, except as otherwise required by law.

3.1.4 Covered Entity agrees to obtain any consent or authorization that may be required under HIPAA or any other applicable law and/or regulation prior to furnishing Business Associate with PHI.

3.1.5 Covered Entity shall not request Business Associate to make any Use or Disclosure of PHI that would not be permitted under HIPAA if made by Covered Entity. Covered Entity agrees to fulfill its obligations under this BAA in a timely manner.

## **ARTICLE IV TERM AND TERMINATION**

4.1 Term. Subject to the provisions of Section 4.1, the term of this BAA shall be the term of any Underlying Agreement.

### 4.2 Termination of Underlying Agreement.

4.2.1 A breach by Business Associate of any provision of this BAA, as determined by Covered Entity, shall constitute a material breach of the Underlying Agreement and shall provide grounds for immediate termination of the Underlying Agreement, any provision in the Underlying Agreement to the contrary notwithstanding.

4.2.2 Covered Entity may terminate the Underlying Agreement, effective immediately, if: (i) Business Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Rules or other security or privacy laws or (ii) a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Rules or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

4.3 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in any Underlying Agreement, upon Covered Entity's knowledge of a material breach or violation of this BAA by Business Associate, Covered Entity shall either:

4.3.1 Notify Business Associate of the breach in writing, and provide an opportunity for Business Associate to cure the breach or end the violation within ten (10) business days of such notification; provided that if Business Associate fails to cure the breach or end the violation within such time period to the satisfaction of Covered Entity, Covered Entity may terminate this BAA and any Underlying Agreement upon thirty (30) calendar days written notice to Business Associate; or

4.3.2 Upon thirty (30) calendar day written notice to Business Associate, immediately terminate this BAA and any Underlying Agreement if Covered Entity determines that such breach cannot be cured.

4.4 Disposition of Protected Health Information Upon Termination or Expiration.

4.4.1 Upon termination or expiration of this BAA, Business Associate shall return or destroy all PHI received from, or created or received by Business Associate on behalf of Covered Entity, that Business Associate still maintains in any form and retain no copies of such PHI. If Covered Entity requests that Business Associate return PHI, PHI shall be returned in a mutually agreed upon format and timeframe.

4.4.2 If return or destruction is not feasible, Business Associate shall: (a) retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities; (b) return to Covered Entity the remaining PHI that the Business Associate still maintains in any form; (c) continue to extend the protections of this BAA to the PHI for as long as Business Associate retains the PHI; (d) limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction of the PHI not feasible and subject to the same conditions set out in Sections 2.1 and 2.2 above, which applied prior to termination; and (e) return to Covered Entity the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

## **ARTICLE V MISCELLANEOUS**

5.1 Regulatory References. A reference in this BAA to a section or other part of HIPAA, the HIPAA Rules, or the HITECH Act means, as of any point in time, the section or part as it may be amended or in effect at such time.

5.2 Amendment. The Parties agree to take such action as is necessary to amend this BAA from time to time as necessary for Covered Entity to implement its obligations pursuant to HIPAA, the HIPAA Rules, or the HITECH Act.

5.3 Relationship to Underlying Agreement Provisions. In the event that a provision of this BAA is contrary to a provision of an Underlying Agreement, the provision of this BAA shall control.

Otherwise, this BAA shall be construed under, and in accordance with, the terms of such Underlying Agreement, and shall be considered an amendment of and supplement to such Underlying Agreement.

5.4 Headings. The headings of the paragraphs and sections of this BAA are inserted solely for convenience of reference and are not intended to govern, limit or aid in the construction of any term or provision hereof.

5.5 Equitable Relief. Business Associate understands and acknowledges that any Disclosure or misappropriation of any PHI in violation of this BAA will cause Covered Entity irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that Covered Entity shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any such further Disclosure or Breach and for such other relief as Covered Entity shall deem appropriate. Such right of Covered Entity is to be in addition to the remedies otherwise available to Covered Entity at law or in equity. Business Associate expressly waives the defense that a remedy in damages will be adequate and further waives any requirement in an action for specific performance or injunction for the posting of a bond by Covered Entity.

5.6 Insurance. In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance on an occurrence basis, covering any and all claims, liabilities, demands, damages, losses, costs and expenses arising from a breach of the security or privacy obligations of Business Associate, its officers, employees, agents and SubContractors under this BAA. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity's request.

5.7 Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any SubContractors or members of its Workforce assisting Business Associate in the performance of its obligations under this BAA available to Covered Entity, at no cost to Covered Entity, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claim of violation of the HIPAA or other applicable laws relating to privacy or security.

5.8 Indemnification. Notwithstanding anything to the contrary which may be contained in any Underlying Agreement, including but not limited to any limitations on liability contained therein, Business Associate hereby agrees to indemnify and hold harmless Covered Entity and its respective officers, directors, managers, members, employees and agents from and against any and all losses, damages, fines, penalties, claims or causes of action and associated expenses (including, without limitation, costs of judgments, settlements, court costs and attorney's fees) resulting from Business Associate's (including its employees, directors, officers, agents, or other members of its Workforce, and its SubContractors) breach of PHI or violation of the terms of this BAA, including but not limited to failure of Business Associate to perform its obligations under this BAA, or to comply with HIPAA or applicable state privacy or security law.

5.9 Legal Actions. Promptly, but no later than five (5) business days after notice thereof, Business Associate shall advise Covered Entity of any actual or potential action, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to it that may affect the interests of Covered Entity or jeopardize this BAA, and of any facts and circumstances that

may be pertinent to the prosecution or defense of any such actual or potential legal action or proceeding, except to the extent prohibited by law.

5.10 Notice of Request or Subpoena for Data. Business Associate agrees to notify Covered Entity promptly, but no later than five (5) business days after Business Associate's receipt of any request or subpoena for PHI or an accounting thereof. Business Associate shall promptly comply with Covered Entity's instructions for responding to any such request or subpoena, unless such Covered Entity instructions would prejudice Business Associate. To the extent that Covered Entity decides to assume responsibility for challenging the validity of such request, Business Associate agrees to reasonably cooperate with Covered Entity in such challenge. The provisions of this Section shall survive the termination of this BAA.

5.11 Requests from Secretary. Promptly, but no later than five (5) calendar days after notice thereof, Business Associate shall advise Covered Entity of any inquiry by the Secretary concerning any actual or alleged violation of the Privacy Rule or the Security Rule.

5.12 Notices. Any notices required or permitted to be given hereunder by either Party to the other shall be given in writing: (1) by personal delivery; (2) by electronic mail or facsimile with confirmation sent by United States first class registered or certified mail, postage prepaid, return receipt requested; (3) by bonded courier or by a nationally recognized overnight delivery service; or (4) by United States first class registered or certified mail, postage prepaid, return receipt, in each case, addressed to a Party on the signature page(s) to this BAA, or to such other addresses as the Parties may request in writing by notice given pursuant to this Section 5.12. Notices shall be deemed received on the earliest of personal delivery; upon delivery by electronic facsimile with confirmation from the transmitting machine that the transmission was completed; twenty-four (24) hours following deposit with a bonded courier or overnight delivery service; or seventy-two (72) hours following deposit in the U.S. mail as required herein.

Covered Entity's Notice Address:

Kern Medical Center  
1700 Mount Vernon Avenue  
Bakersfield, CA 93306  
Attn: Chief Executive Officer

Business Associate's Notice Address:

Redsson  
25 S. Huron St  
Toledo, OH 43604  
Attn: General Manager

5.13 Relationship of Parties. Notwithstanding anything to the contrary in any Underlying Agreement, Business Associate is an independent Consultant and not an agent of Covered Entity under this BAA. Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed all Business Associate obligations under this BAA.

5.14 Survival. To the extent that Business Associate retains PHI, the respective rights and obligations of the Parties set forth in Sections 2.3, 4.4, 5.8, and 5.10 of this BAA shall survive the termination, expiration, cancellation, or other conclusion of the BAA or any Underlying Agreement.

5.15 Interpretation. Any ambiguity in this BAA shall be interpreted to permit the Parties to comply with HIPAA, the HITECH Act, and the HIPAA Rules.

5.16 Governing Law; Applicable Law and Venue. This BAA shall be construed in accordance with the laws of the State of California applicable to agreements made and to be performed in such state. Any dispute between the Parties shall be brought before the Superior Court of Kern County, California, which shall have jurisdiction over all such claims.

5.17 Waiver of Provisions. Any waiver of any terms and conditions hereof must be in writing and signed by the Parties hereto. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other term or condition hereof.

5.18 Assignment and Delegation. Neither this BAA nor any of the rights or duties under this BAA may be assigned or delegated by either Party hereto.

5.19 Disclaimer. Neither Party represents or warrants that compliance by the other Party with this BAA, HIPAA, the HIPAA Rules, or the HITECH Act will be adequate or satisfactory for the other Party's own purposes. Each Party is solely responsible for its own decisions regarding the safeguarding of PHI.

5.20 Certification. To the extent that Covered Entity determines that such examination is necessary to comply with Covered Entity's legal obligations pursuant to HIPAA relating to certification of its security practices, Covered Entity or its authorized agents or Consultants may, at Covered Entity's expense, examine Business Associate's facilities, systems, procedures, and records, as may be necessary for such agents or Consultants to certify to Covered Entity the extent to which Business Associate's security safeguards comply with HIPAA, the HIPAA Rules, the HITECH Act, or this BAA.

5.21 Counterparts. This BAA may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding on both Parties hereto.

The Parties hereto have executed this BAA as of the Effective Date.

**COVERED ENTITY:**

The Kern County Hospital Authority on  
behalf of Kern Medical Center

\_\_\_\_\_  
Title: Chairman, Board of Governors

Date: September 15, 2021

**BUSINESS ASSOCIATE:**

Redsson

  
\_\_\_\_\_  
Title: General Manager

Date: 08 SEP 21

APPROVED AS TO FORM  
Legal Services Department

By   
Kern County Hospital Authority



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed retroactive Amendment No. 1 to the Staffing Agreement with Autumn Enterprises, Inc., dba Freedom Healthcare Staffing

**Recommended Action:** Approve; Authorize Chairman to sign

**Summary:**

Kern Medical requests your Board approve the Amendment No. 1 to extend the Staffing Agreement with Autumn Enterprises, Inc., dba Freedom Healthcare Staffing for an additional two (2) year term. Autumn Enterprises, Inc., dba Freedom Healthcare Staffing specializes in rapid response and crisis RN staffing and is able to deploy nurses in as little as five days with variable contract lengths to meet the ever-growing needs of Kern Medical. Kern Medical is under no obligation to utilize these services unless we determine we have a need.

<b>Agreement</b>	<b>Term</b>	<b>Maximum Payable</b>
HA040-2020	August 19, 2020 – August 18, 2021	\$1,684,800 (1 year)
Proposed Amendment No. 1	August 19, 2021 – August 18, 2023	\$1,000,000 (2 additional years)
		Total Payable: \$2,684,800

Therefore, it is recommended that your Board approve the proposed retroactive Amendment No. 1 to the Staffing Agreement with Autumn Enterprises, Inc., dba Freedom Healthcare Staffing extending the current agreement from August 19, 2021 to August 18, 2023, in an amount not to exceed \$1,000,000, and authorize the Chairman to sign.



# AMENDMENT NO. 1

This Extension Agreement ("Agreement") is made September 15, 2021.

Between: Autumn Enterprises, Inc d/b/a Freedom Healthcare Staffing, a corporation organized and existing under the laws of Colorado, located at:  
2851 South Parker Road, Suite 1100, Aurora, Colorado 80014

AND: Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center, located at:  
1700 Mt Vernon Avenue, Bakersfield, CA 93306

In consideration of the mutual covenants contained in the agreement, the parties agree as follows:

WHEREIN said Agreement will expire on August 18, 2021, and the parties desire to extend and continue said Agreement; therefore Section III. General Provisions, subsection K shall be deleted in its entirety and replaced with the following; "K. This Agreement shall effective for three (3) years beginning on August 19, 2020 and expiring on August 18, 2023."

This extension shall be inclusive of the same terms and conditions in the original Agreement and as is set forth herein including all Agreements, Attachments, Addendums and Schedules executed prior to, or during the original term, and to include the COVID Rider, and shall include the following additional language:

***Facility and Agency may, from time to time, choose to modify rates and credentialing requirements due to crisis or rapid needs of Facility. The Facility will have sole approval of any requested rate or credentialing requirements by Agency, as it deems necessary to support the needs of its organization.***

IN WITNESS WHEREOF, the parties have executed this agreement at their designated places of business, on 9/6/2021.

  
\_\_\_\_\_  
Signature  
Autumn Enterprises Inc.  
Susan Whitman, EVP

\_\_\_\_\_  
Signature  
Kern County Hospital Authority  
Russell Bigler, Chairman, Board of Governors

APPROVED AS TO FORM  
Legal Services Department

By   
\_\_\_\_\_  
Kern County Hospital Authority



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed approval of Medical Staff COVID-19 Vaccination Policy

**Recommended Action:** Approve

**Summary:**

The state of California recently issued multiple public health officer orders impacting vaccination for certain health care workers. The first, issued July 26, 2021, requires testing of unvaccinated workers beginning no later than August 23, 2021. The subsequent health order issued August 5, 2021, requires that employees be fully vaccinated or provide proof of religious or medical exemption by September 30, 2021. The proposed policy conforms to these state mandates.

Compliance with the policy is a condition to physical access to the hospital and clinics and does not constitute a restriction of clinical privileges or disciplinary action and is not subject to a fair hearing or the other rights more particularly set forth in the Bylaws of the Medical Staff.

The policy was approved by the Medical Executive Committee at its regular monthly meeting on September 7, 2021. The final step in the process is approval by your Board, as required by the Medical Staff Bylaws. The policy has the force and effect of the Bylaws upon approval by your Board.

Therefore, it is recommended that your Board approve the Medical Staff COVID-19 Policy, effective September 15, 2021.

**KERN MEDICAL CENTER**  
**MEDICAL STAFF**  
**Policy and Procedure**  
**COVID-19 VACCINATION**

APPROVALS:

Medical Executive Committee: September 7, 2021  
Board of Governors:  
Review Date:

All members of the Medical Staff present in patient care areas of Kern Medical Center and its affiliated clinics (the “Premises”) are required to document their compliance with the California Public Health Officer Order of August 5, 2021. Documentation must demonstrate either both doses of an approved COVID-19 two-dose regimen vaccine or one dose of an approved COVID-19 one-dose regimen vaccine by September 30, 2021. Members must also document compliance with further COVID-19-related mandates, such as any mandate requiring booster vaccination. Documentation shall be presented in person or by email copy to the Medical Staff Office at [Tracy.Subriar@kernmedical.com](mailto:Tracy.Subriar@kernmedical.com) or [Elvia.Cardoza@kernmedical.com](mailto:Elvia.Cardoza@kernmedical.com).

Any member requesting exemption from this mandate must provide documentation of religious grounds or a medical provider’s written attestation that the member qualifies for an exemption based on the member’s health status. Any member who qualifies for an exemption will be tested twice weekly and must wear an approved mask while on the Premises.

Compliance with this policy is a condition to physical access to the Premises and does not constitute a restriction of clinical privileges or disciplinary action and is not subject to a fair hearing or the other rights more particularly set forth in the Bylaws of the Medical Staff.



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Proposed acceptance of donation of travel and related expenses from Safety National and MagMutual for the “Healthcare Research Compliance Academy”

**Recommended Action:** Approve; Adopt Resolution

**Summary:**

The Authority’s conflict of interest policy prohibits employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment.

Safety National covers the Authority’s workers’ compensation program; MagMutual provides Health Facilities Excess Coverage insurance to the Authority. Safety National and MagMutual have offered to donate to the Authority all travel and related expenses for one Kern Medical employee to attend the HCCA “Healthcare Research Compliance Academy” in Las Vegas, Nevada, from December 13-16, 2021. This training session is necessary in connection with official Authority business.

Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from Safety National and MagMutual for travel and related expenses and authorize the Chief Executive Officer to designate one employee to attend this important conference.

**BEFORE THE BOARD OF GOVERNORS  
OF THE KERN COUNTY HOSPITAL AUTHORITY**

---

In the matter of:

Resolution No. 2021-\_\_\_\_

**ACCEPTANCE OF DONATION OF TRAVEL  
AND RELATED EXPENSES FROM SAFETY  
NATIONAL AND MAGMUTUAL FOR THE  
HEALTHCARE RESEARCH COMPLIANCE  
ACADEMY**

---

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 15th day of September, 2021, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

**MONA A. ALLEN**  
Authority Board Coordinator  
Kern County Hospital Authority

---

Mona A. Allen

---

**RESOLUTION**

Section 1. WHEREAS:

(a) The conflict of interest policy for the Kern County Hospital Authority (“Authority”) prohibits Authority employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment; and

(b) Safety National provides coverage for the Authority's workers' compensation program; and

(c) MagMutual provides Health Facilities Excess Coverage insurance to the Authority; and

(d) Safety National and MagMutual have offered to donate to the Authority all travel and related expenses for one Authority employee to attend the HCCA "Healthcare Research Compliance Academy" in Las Vegas, Nevada, from December 13-16, 2021; and

(e) The training session is necessary in connection with official Authority business; and

(f) The Authority desires to obtain the donation of travel and related expenses from Safety National and MagMutual to the Authority and will retain full control over the use of the donation; and

(g) Neither Safety National nor MagMutual has made any restrictions as to how the donation may be used.

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

1. This Board finds the facts recited herein are true, and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. This Board hereby accepts from Safety National MagMutual the donation of travel and related expenses to cover all costs for one Authority employee to travel to Las Vegas, Nevada, to attend the HCCA "Healthcare Research Compliance Academy" from December 13-16, 2021.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the HCCA "Healthcare Research Compliance Academy" in Las Vegas, Nevada, from December 13-16, 2021.

4. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Chief Financial Officer  
Legal Services Department  
Human Resources Department



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Kern County Hospital Authority Financial Report – July 2021

**Recommended Action:** Receive and File

**Summary:**

Kern Medical Operations:

Kern Medical key performance indicators:

- Average Daily Census of 152 for July is 5 more than the July budget of 147 and 8 more than the 144 average over the last three months
- Admissions of 889 for July are 166 more than the July budget of 723 and 64 more than the 825 average over the last three months
- Total Surgeries of 502 for July are 6 less than the July budget of 508 and 20 less than the 522 average over the last three months
- Clinic Visits of 16,023 for July are 178 more than the July budget of 15,845 and 3,844 less than the 19,867 average over the last three months. The large budget variances are due to 1,375 of COVID-19 vaccinations provided during July

The following items have budget variances for the month of July 2021:

**Patient Revenue:**

Gross patient revenue has a favorable budget variance for July mainly because of strong average daily census levels. A January 1, 2021 price increase for many patient services is also responsible for the increase in revenue. In addition, there has been an overall increase in revenue cycle efficiency due to the implementation of the Cerner electronic health record. Gross patient revenue has increased 12% compared to prior year.

**Indigent Funding Revenue:**

Indigent funding has an unfavorable budget variance due to a conservative approach to recognizing indigent funding revenue. During each month of fiscal year 2022 Kern Medical will only recognize 95% of the total projected revenue for the Managed Care Rate Range Program, the Medi-Cal Quality Assurance Fee Program, the Physician SPA Program, the Graduate Medical Education (GME) Program, and the AB915 Outpatient Supplemental Funding Program. Kern Medical will recognize 100% of total projected revenue for the Medi-Cal waiver programs including the Global Payment Program (GPP), the Whole Person Care Program (WPC), the Enhanced Payment Program (EPP), and the Quality Incentive Program (QIP).

**Other Operating Revenue:**

Other operating revenue has a favorable budget variance for July due to the receipt of funds from the County of Kern for the operation of COVID-19 testing facilities and COVID-19 mobile vaccination units. This revenue is offset by Kern Medical's costs to provide these services for the County of Kern. Kern Medical also received an

Owned and Operated by the Kern County Hospital Authority  
A Designated Public Hospital

1700 Mount Vernon Avenue | Bakersfield, CA 93306 | (661) 326-2000 | KernMedical.com

allocation of Proposition 56 funding in July. Proposition 56 is a California tax on tobacco products. The tax revenue is used for research, prevention, and treatment of tobacco related health issues.

**Other Non-Operating Revenue:**

Other non-operating revenue has an unfavorable budget variance for the month because federal and state COVID-19 related funding is budgeted evenly throughout FY 2022 as other non-operating revenue; however, this COVID-19 funding is not received consistently on a monthly basis. Therefore, the actual dollar amount recorded for this line item may fluctuate vs. budget on a monthly basis but should align with budget on a year-to-date basis by year-end.

**Salaries Expense:**

Salaries are under budget for the month of July due to lower than average expenses for physicians, technicians and specialists, and clerical and administrative staff.

**Benefits Expense:**

There is an unfavorable budget variance for benefits expense due to higher than average retirement and pension obligations.

**Nurse Registry Expense:**

Nurse registry expense is over budget because of higher than average registry usage in the ICU, the ER, the 2C Med/Surg unit, the 3C Med/Surg unit, and Peri-Anesthesia due to the pandemic.

**Medical Fees:**

Kern Medical operated over budget for medical fees due to higher than average usage of Acute Care Surgery Group services. In addition, expense for Kern Vascular Call Group was under accrued in the prior month.

**Other Professional Fees:**

Other professional fees are over budget for the month because of an implementation fee charged by the Acute Care Surgery Group. In addition, legal expenses were higher than average.

**Supplies Expense:**

Supplies expense is over budget for the month due to ongoing operations of the outpatient pharmacies.

**Purchased Services:**

Kern Medical operated over budget for the month for purchased services expenses due in part to under accruals in the prior month for HFRI Collection Agency services and for Health Advocates Financial Counseling services. In addition, the COVID-19 mobile clinic expenses are reported on this line item. The mobile clinic expenses are offset by reimbursement received from the County of Kern and reported as other operating revenue.

**Other Expenses:**

Other expenses are slightly over budget for the month primarily because of higher than average electricity costs in July.

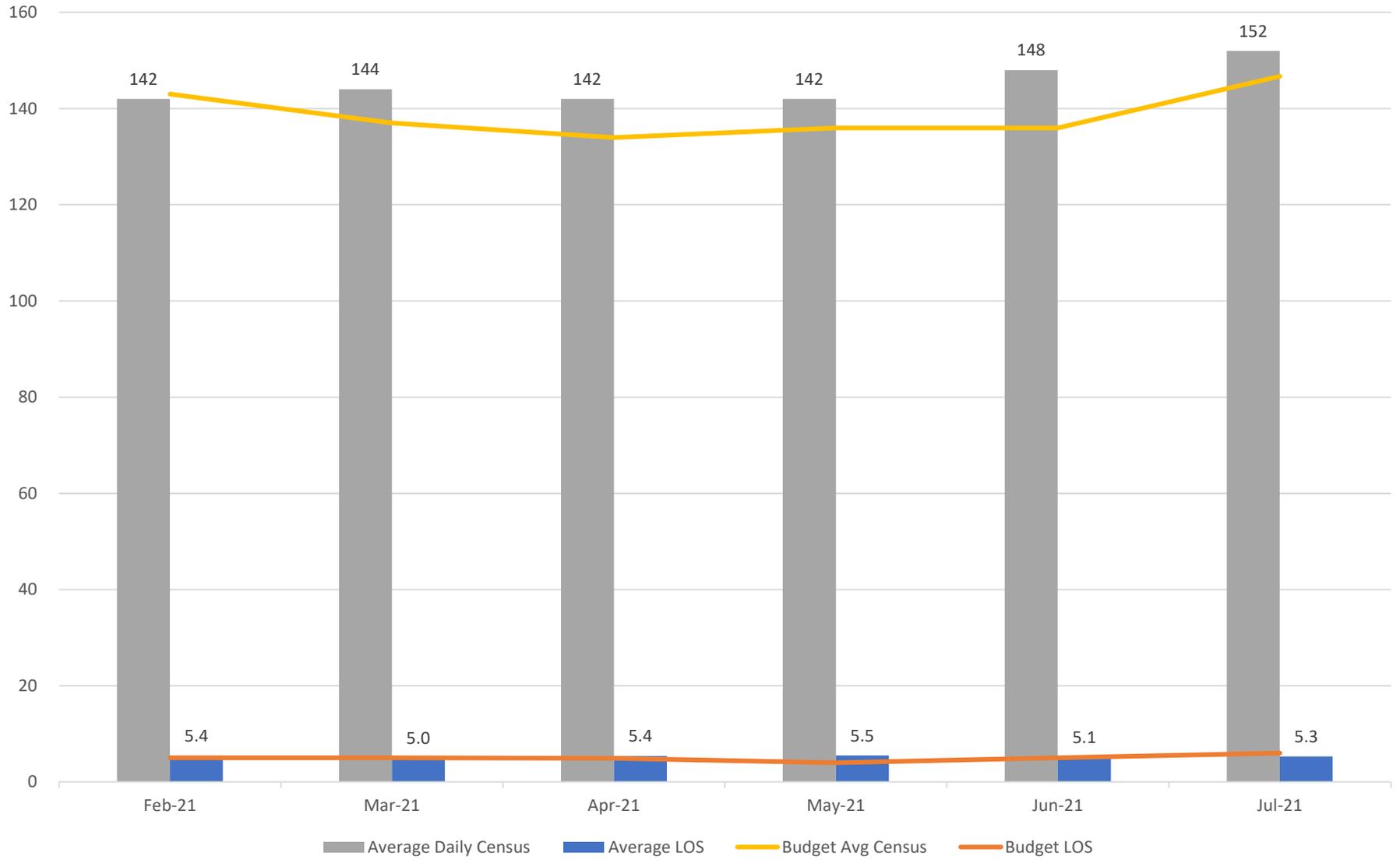
**Depreciation and Amortization Expense:**

Depreciation expense is over budget for the month because of construction-in-progress (CIP) projects that were put into service and have now started depreciating each month.

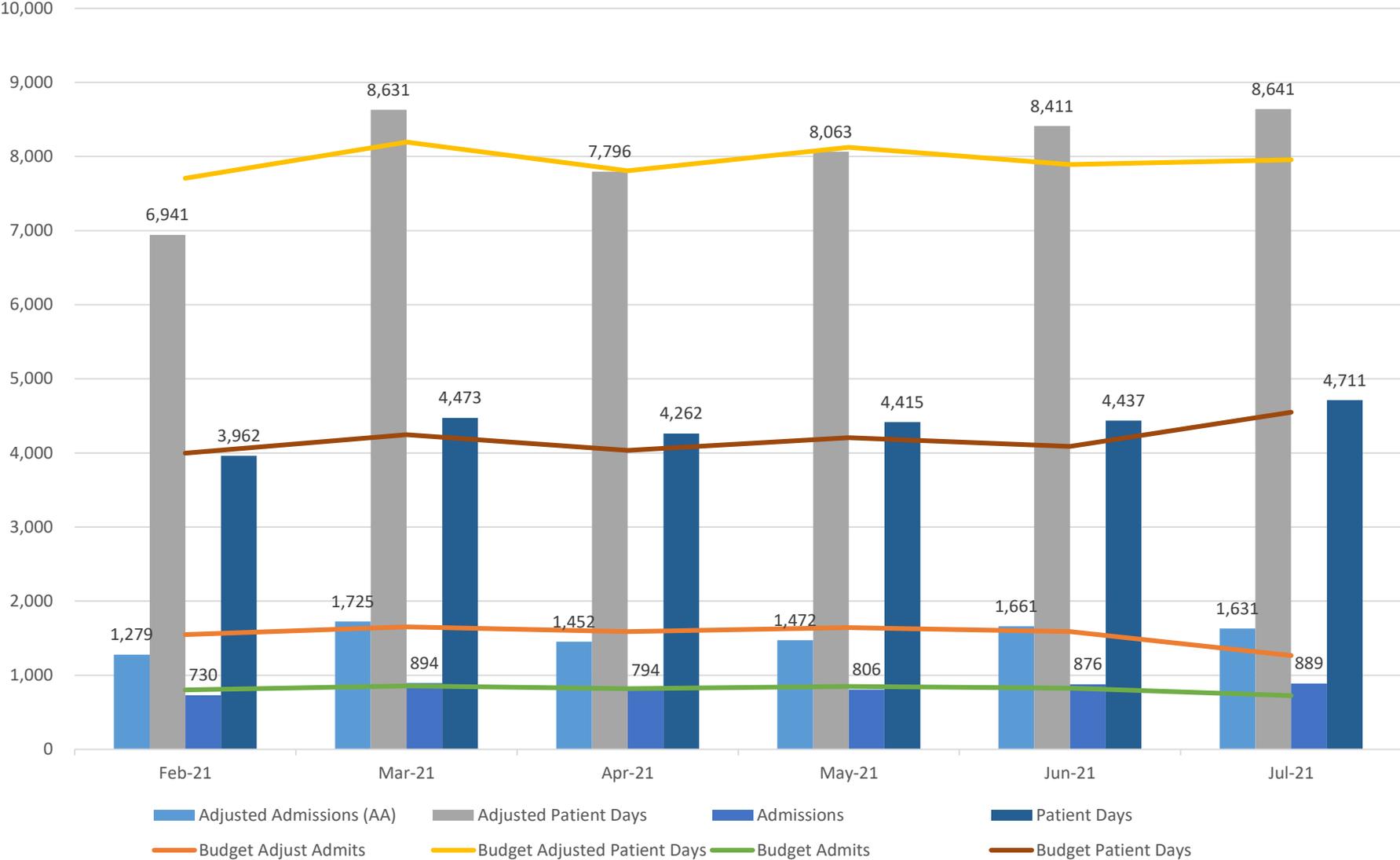


**BOARD OF GOVERNORS' REPORT  
KERN MEDICAL – JULY 2021**

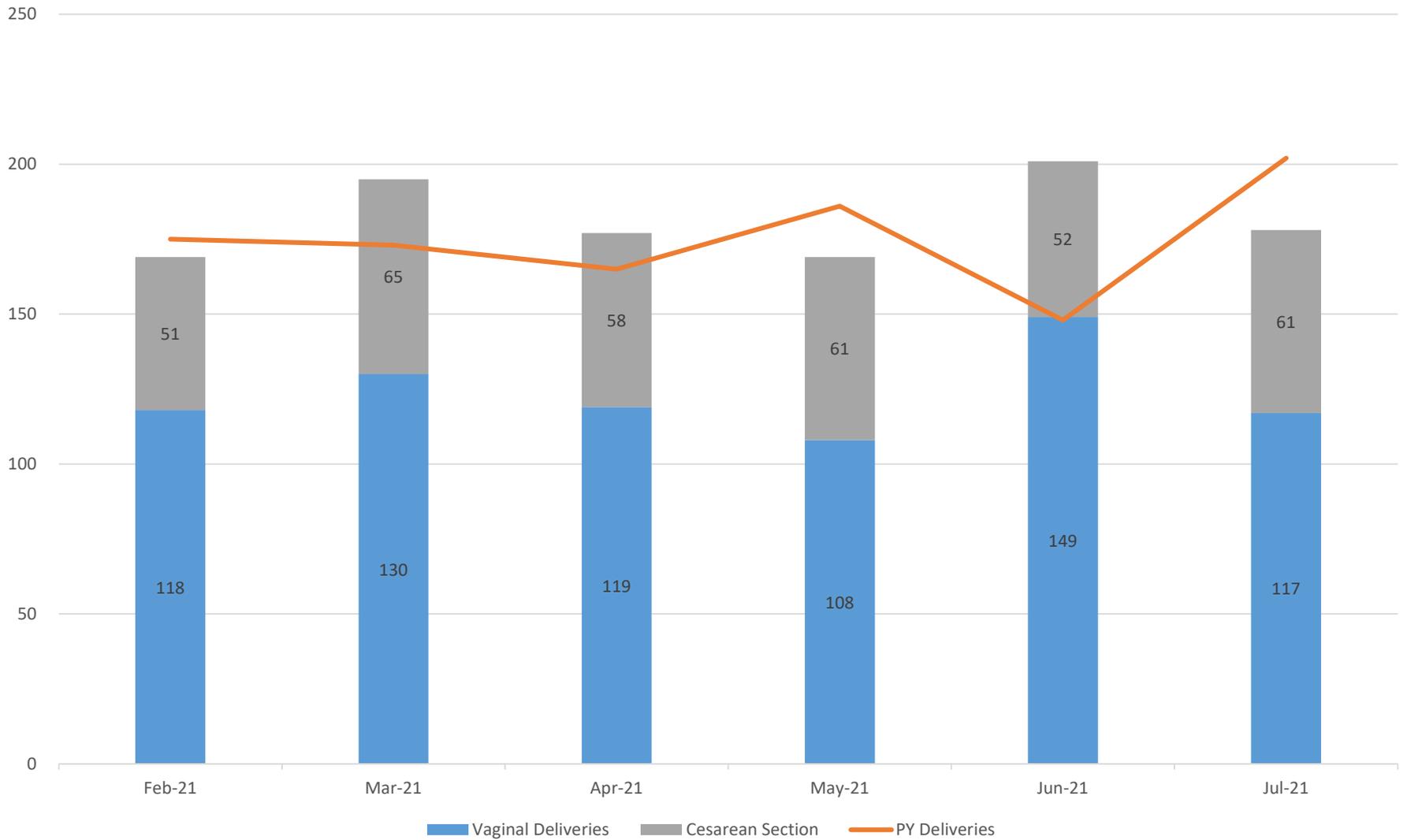
## Census & ALOS



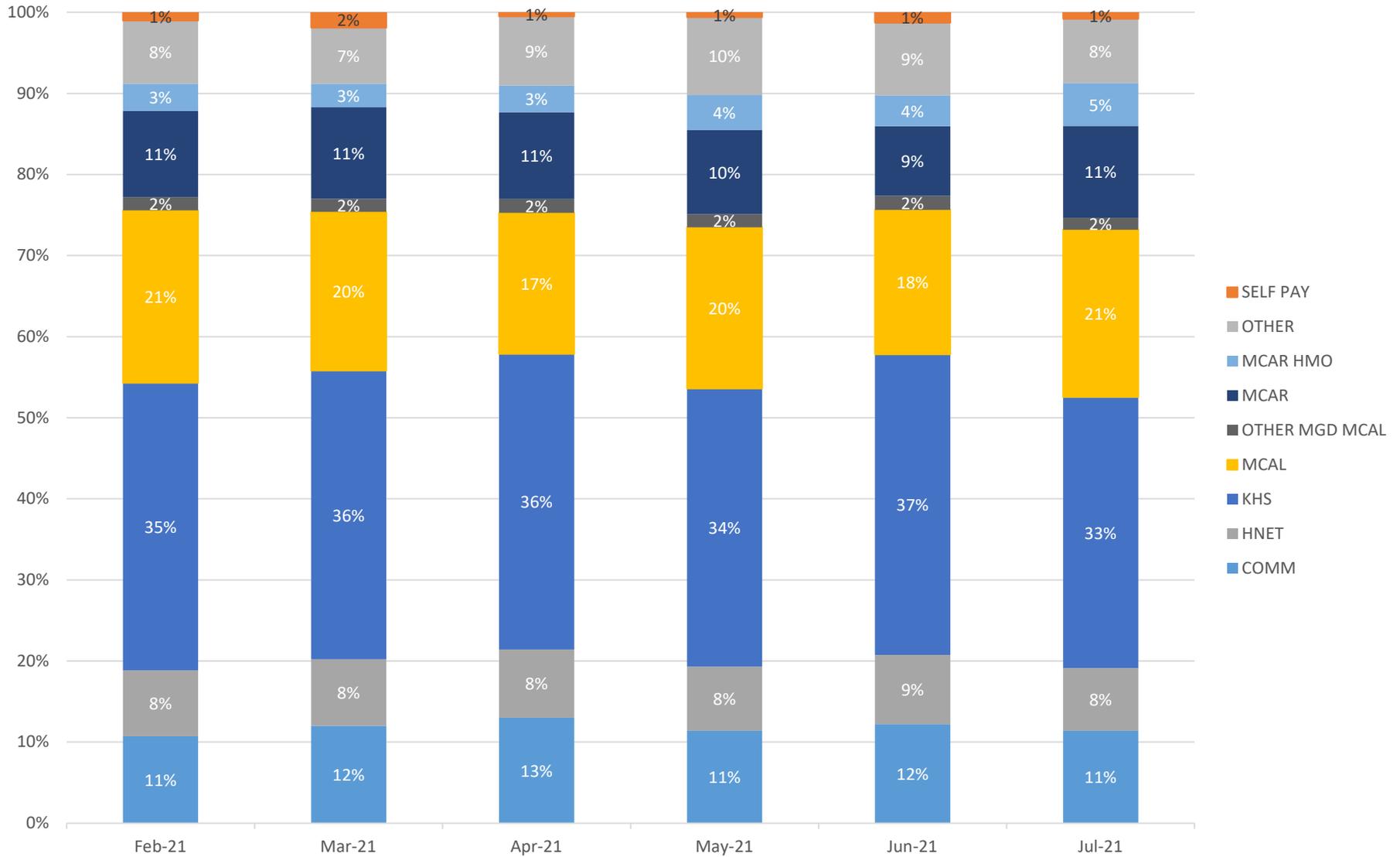
# Hospital Volumes



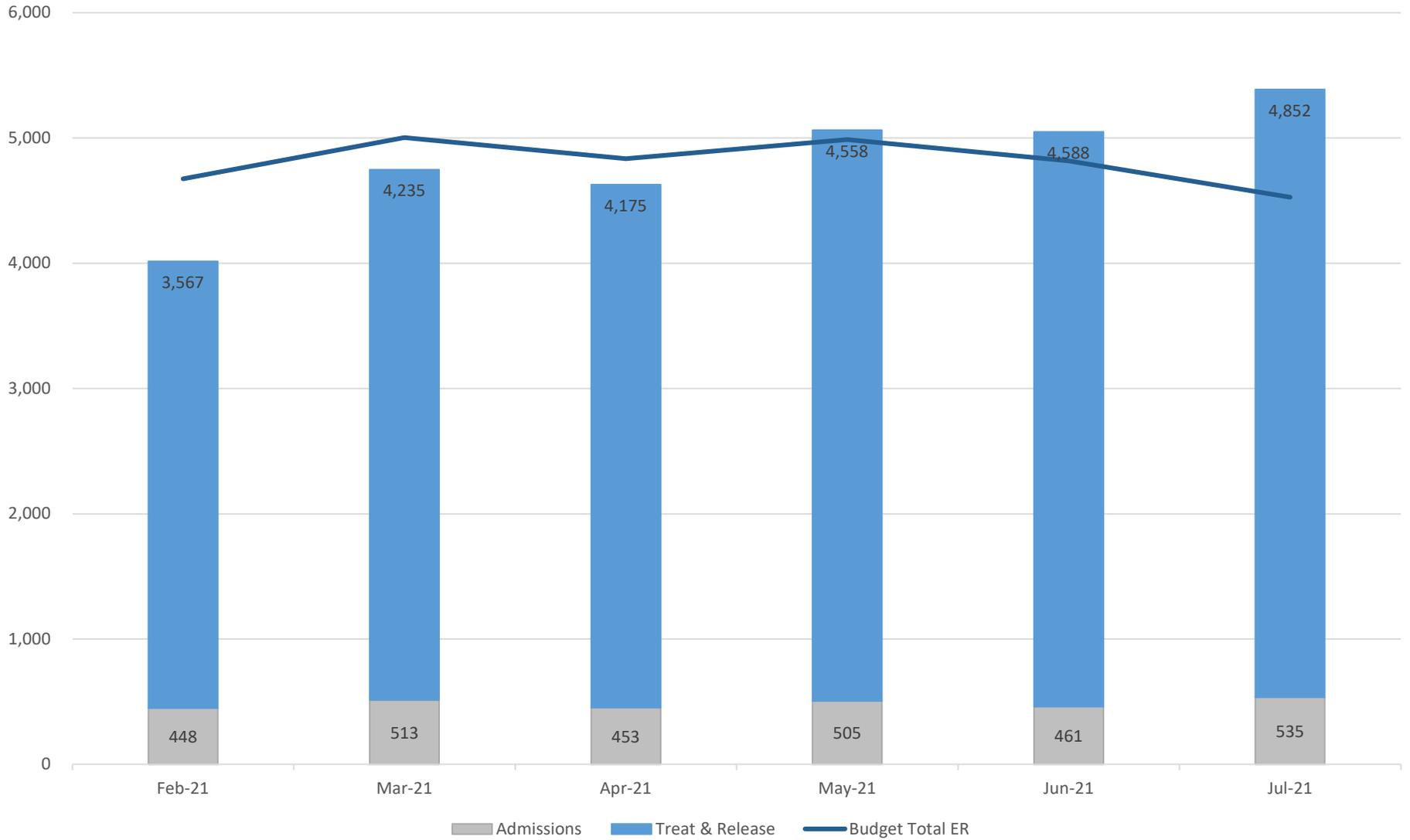
## Deliveries



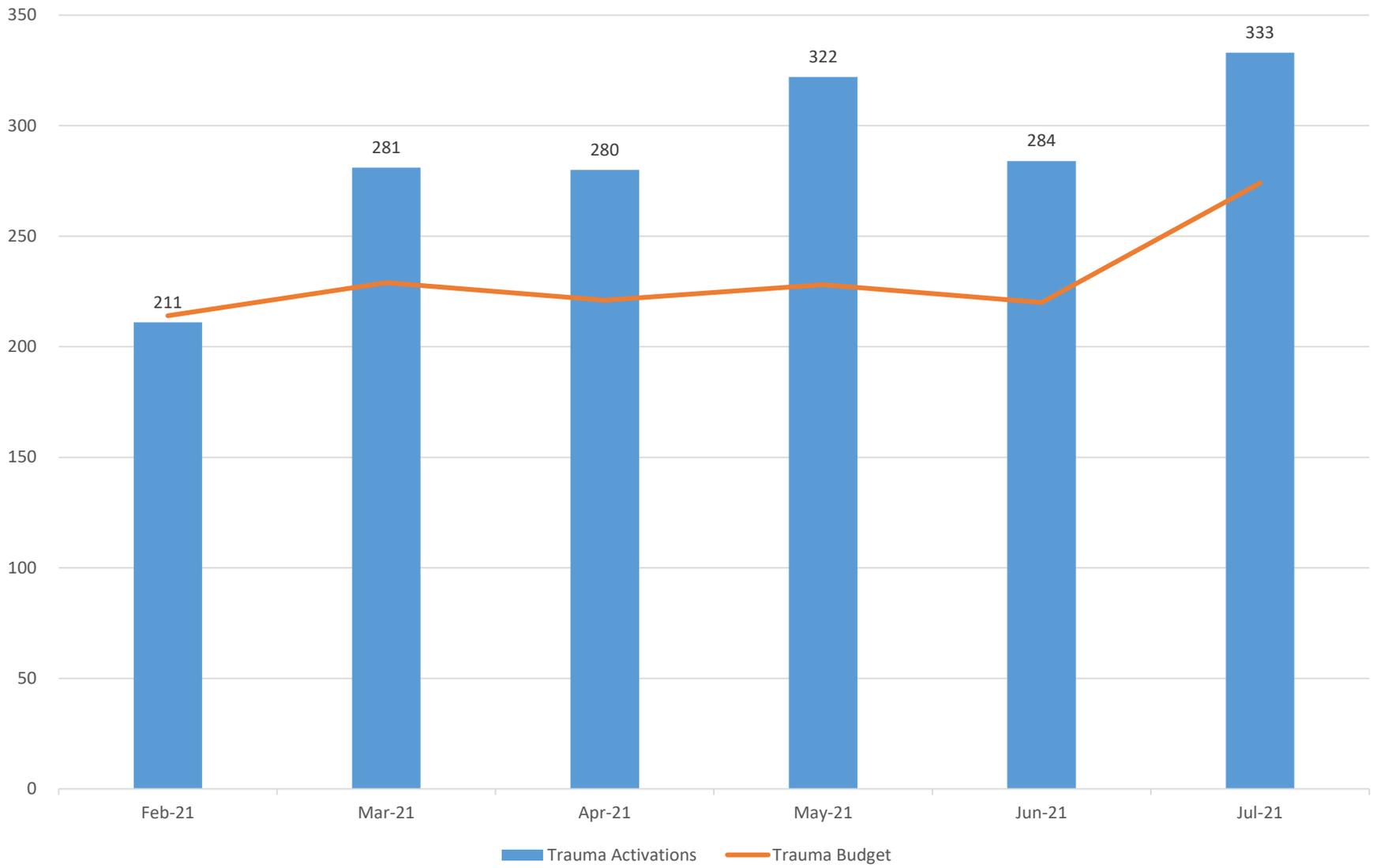
## PAYER MIX



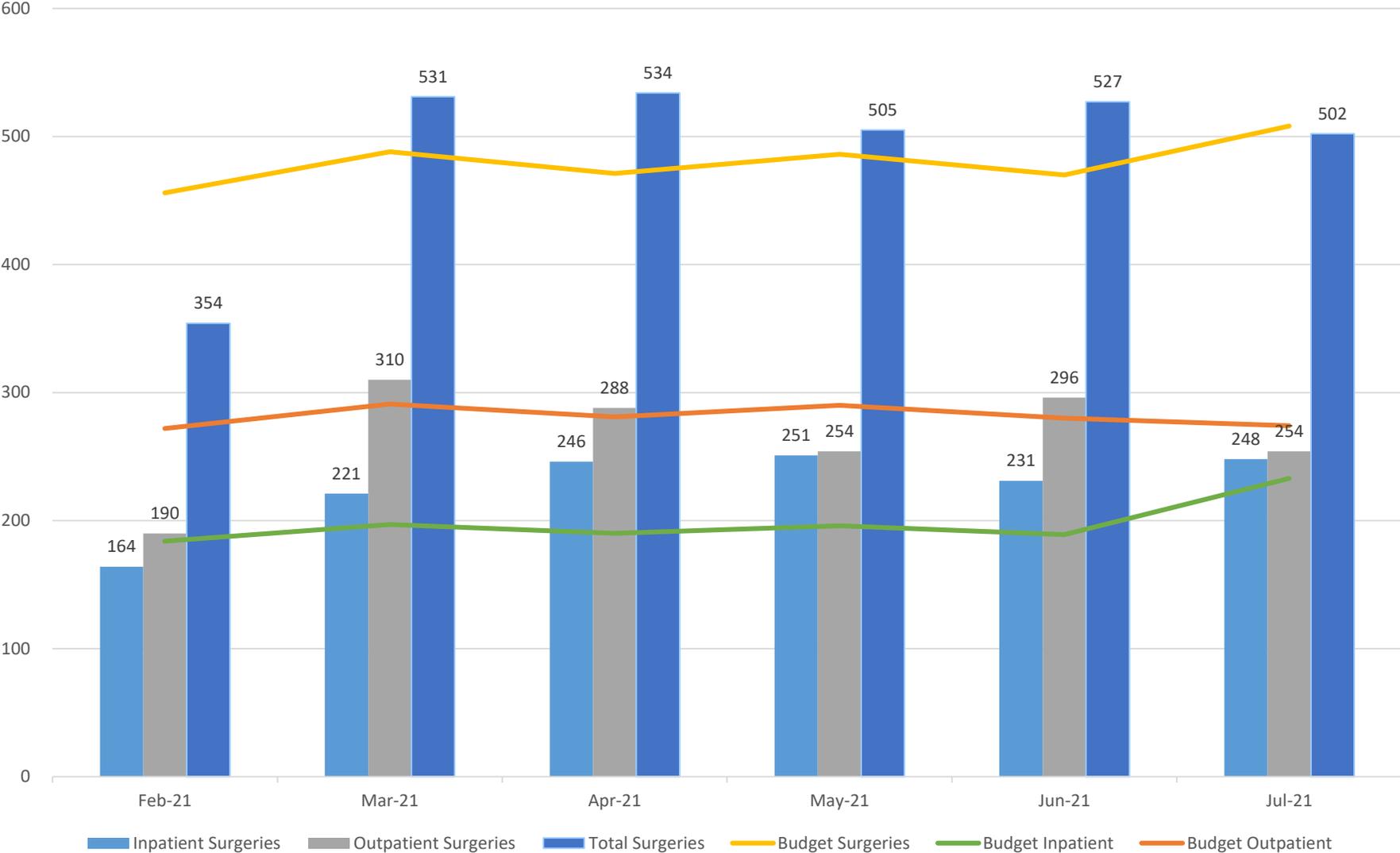
## Emergency Room Volume



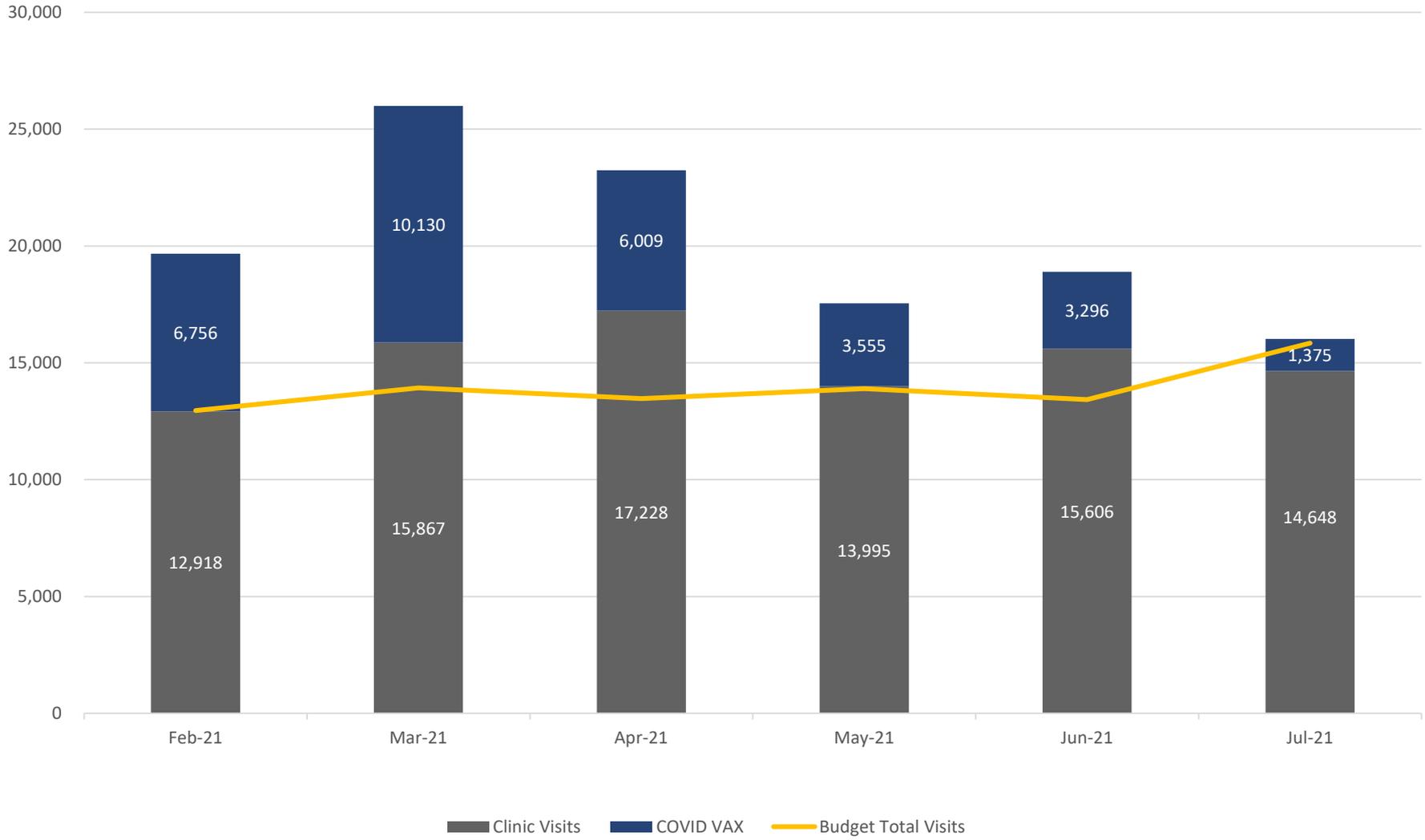
## Trauma Activations



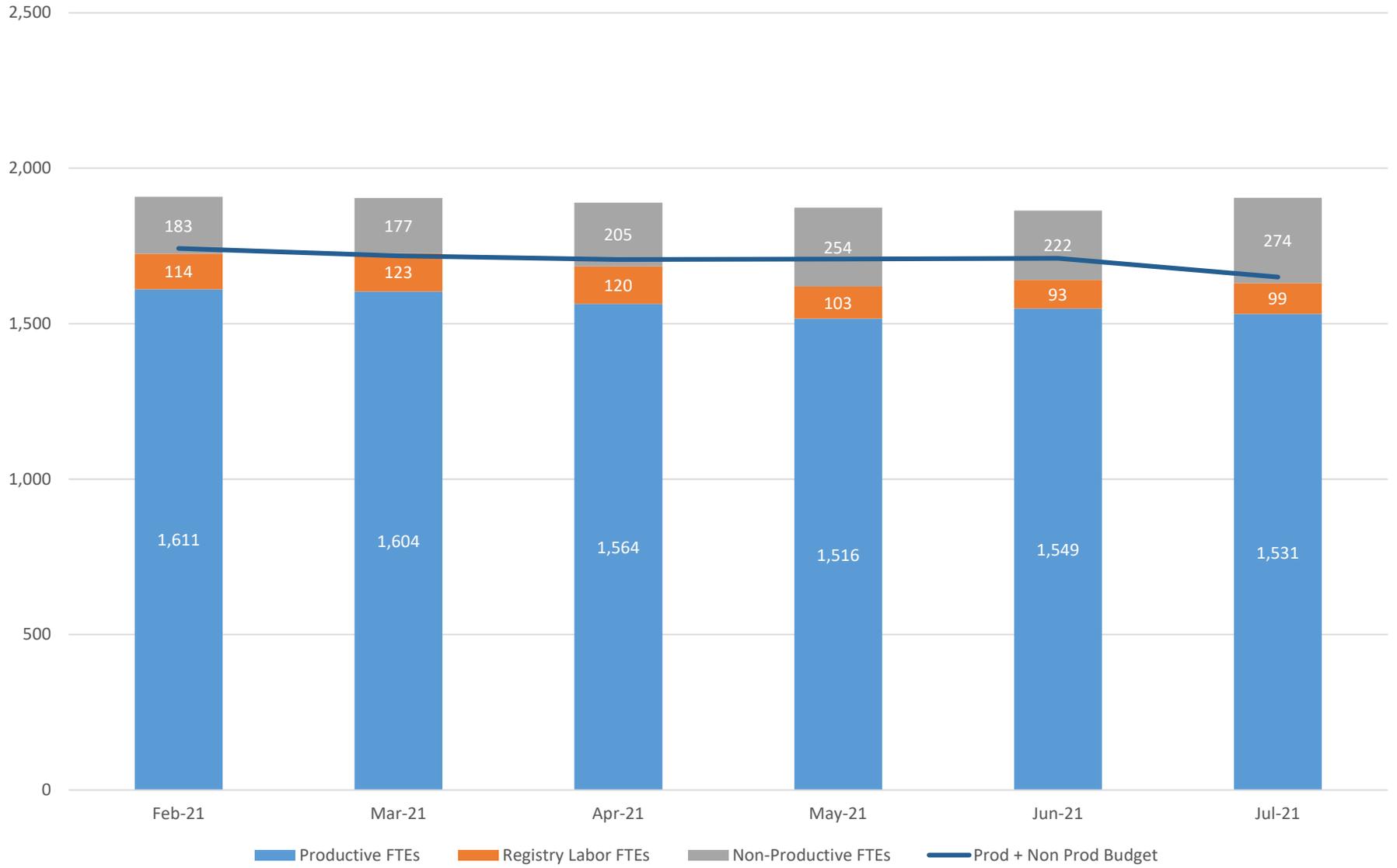
# Surgical Volume



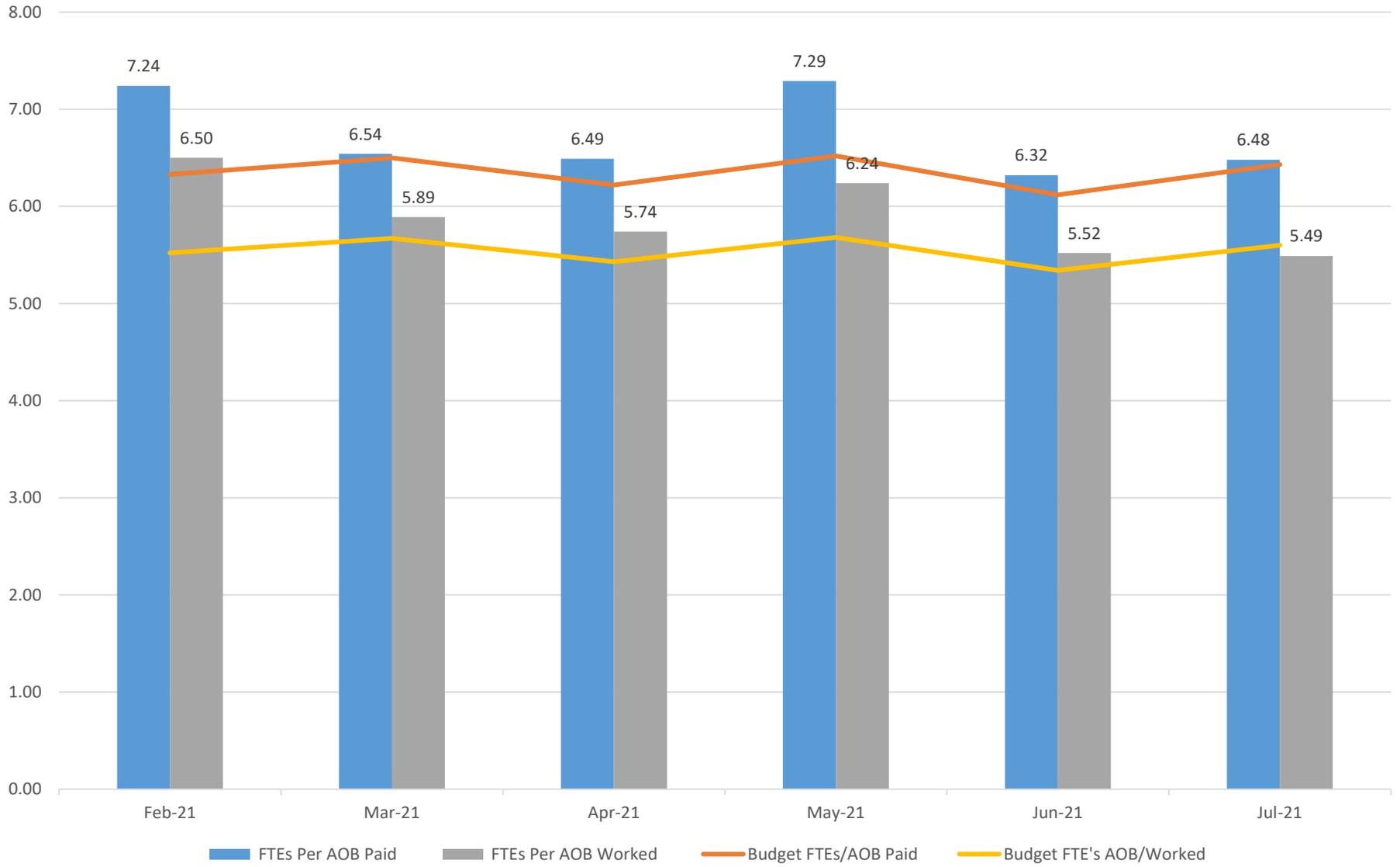
## Clinic Visits



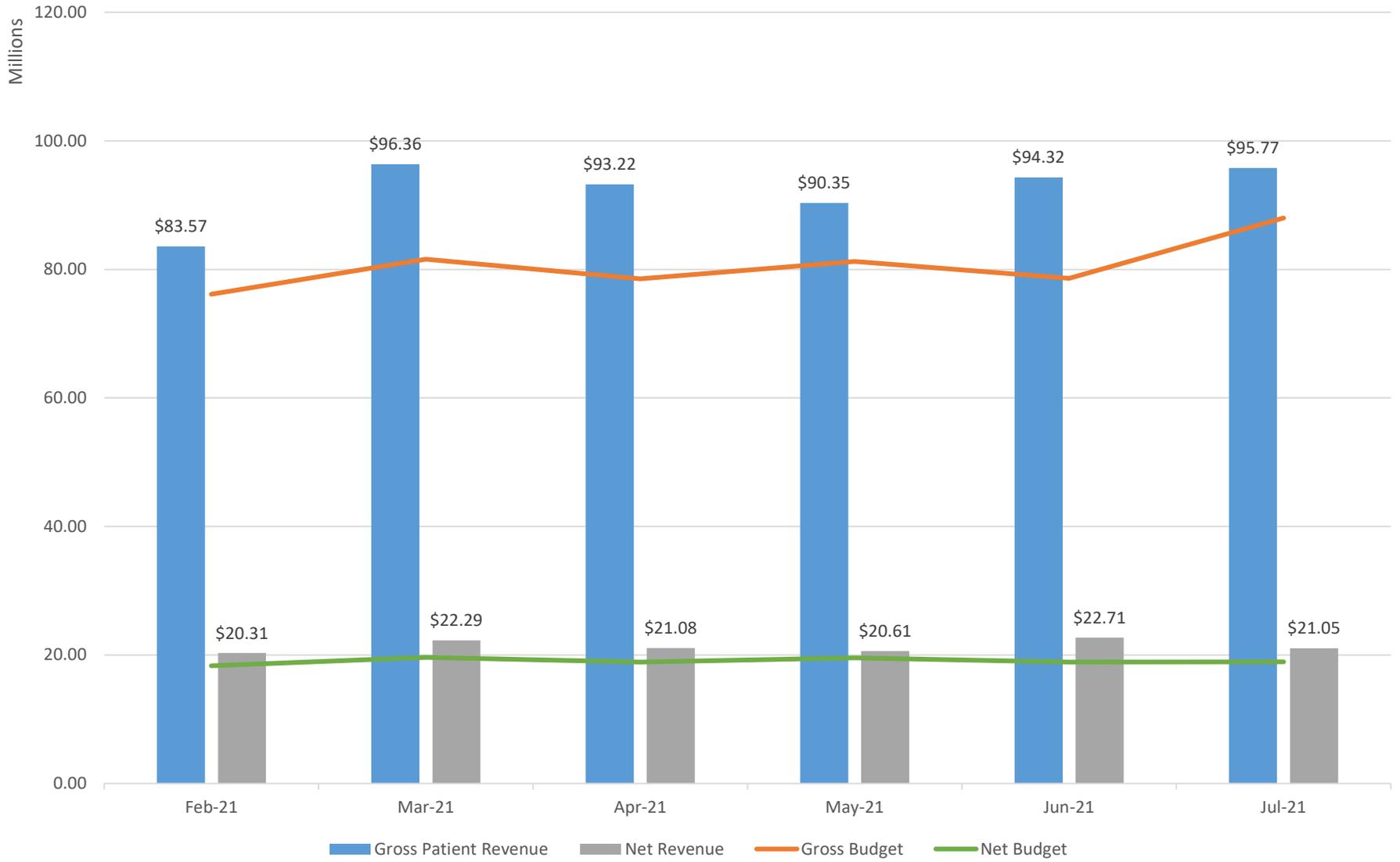
# Productivity



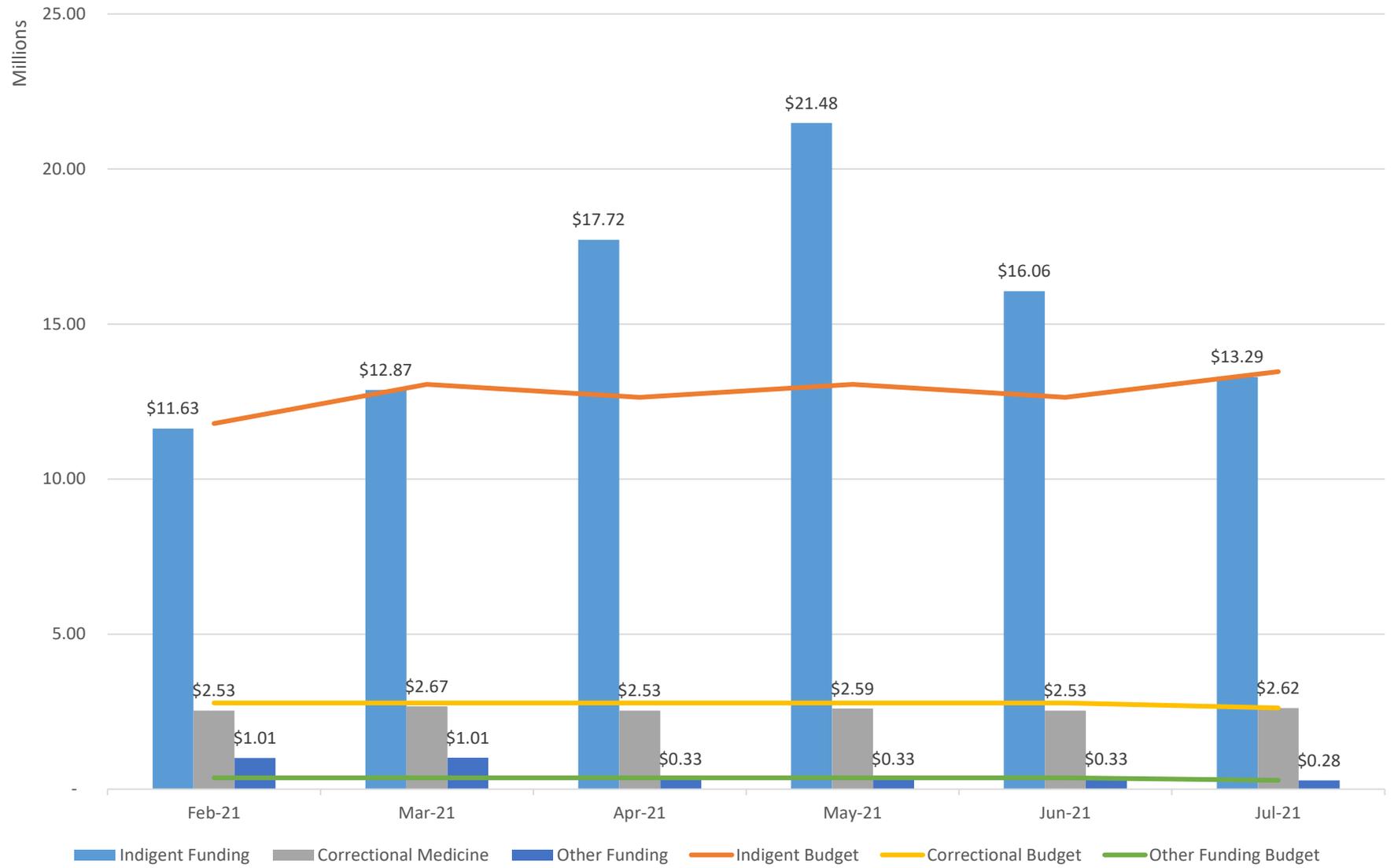
## Labor Metrics



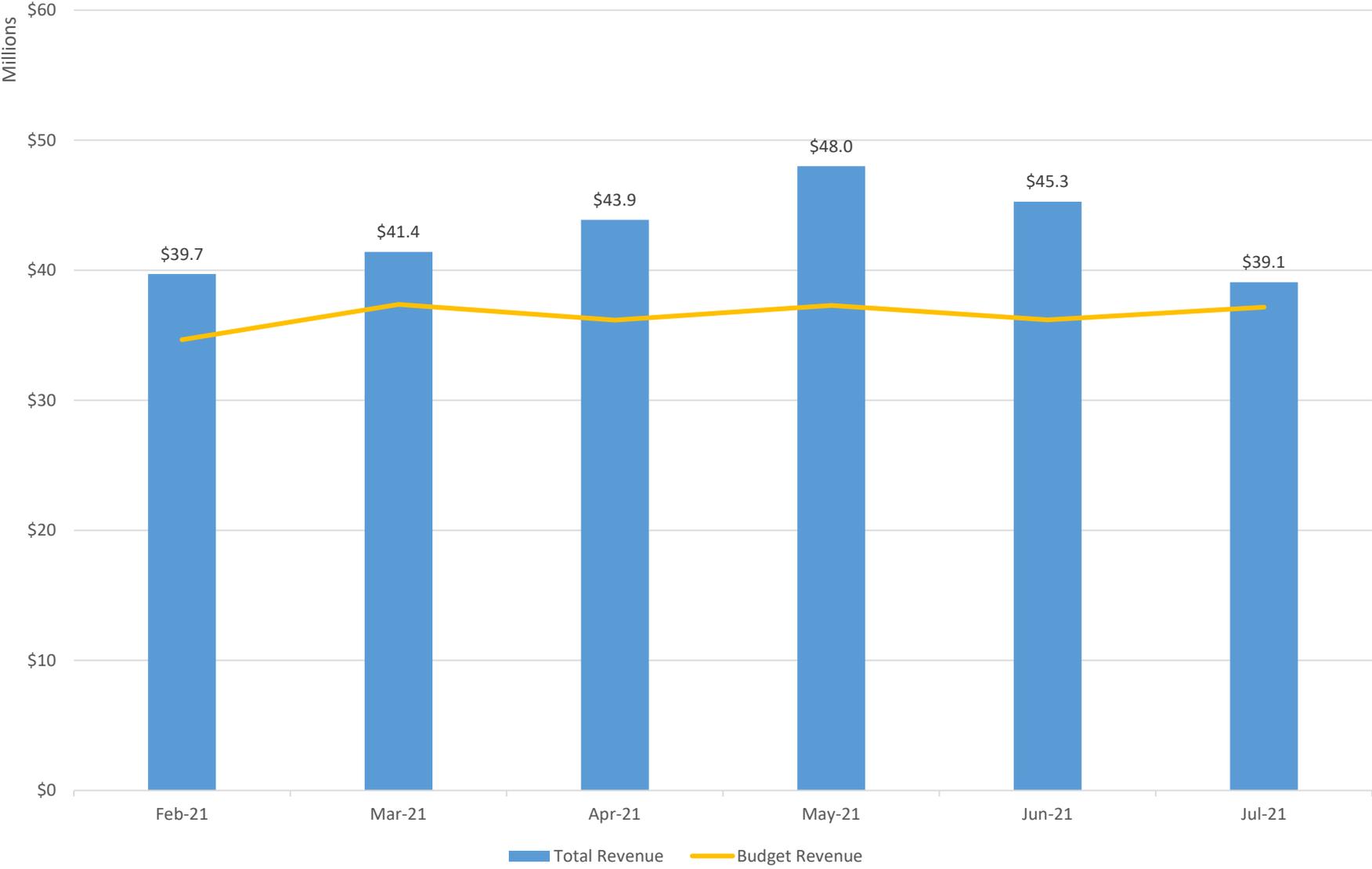
## Patient Revenue



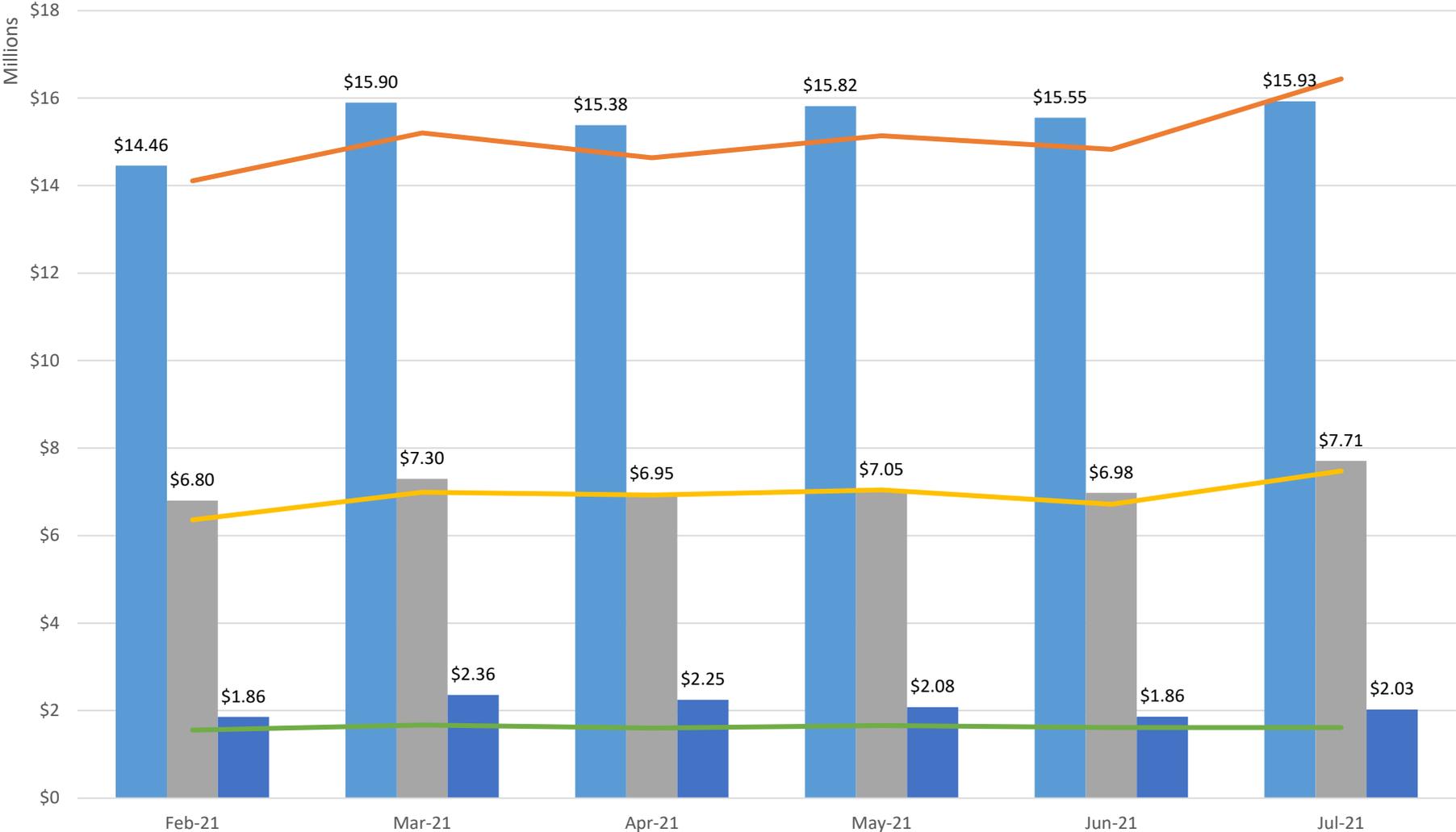
## Indigent & Correctional Revenue



# Total Revenue



# Expenses



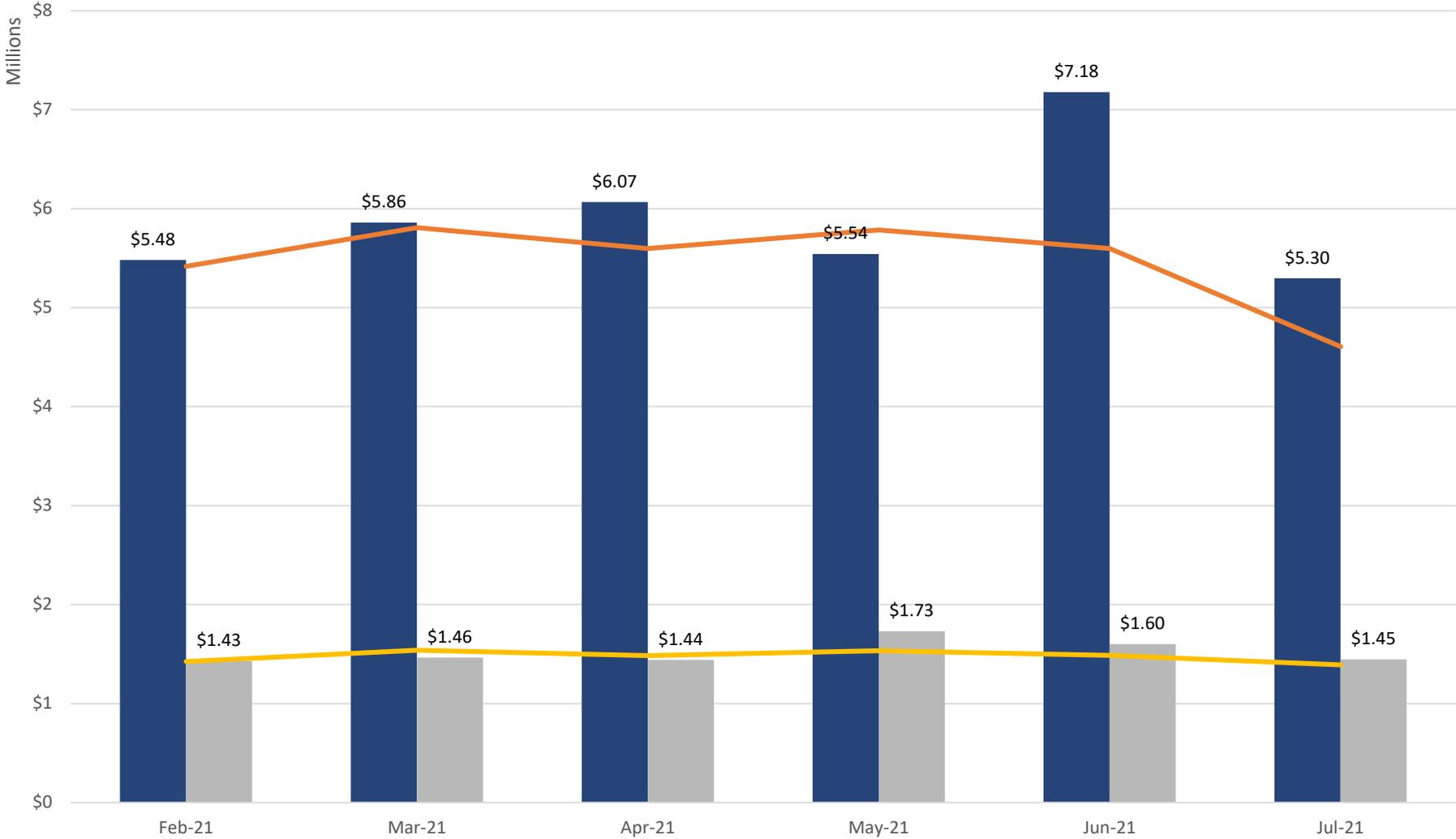
■ Salaries   
 ■ Employee Benefits   
 ■ Registry   
 — Salaries Budget   
 — Benefits Budget   
 — Registry Budget

# Expenses



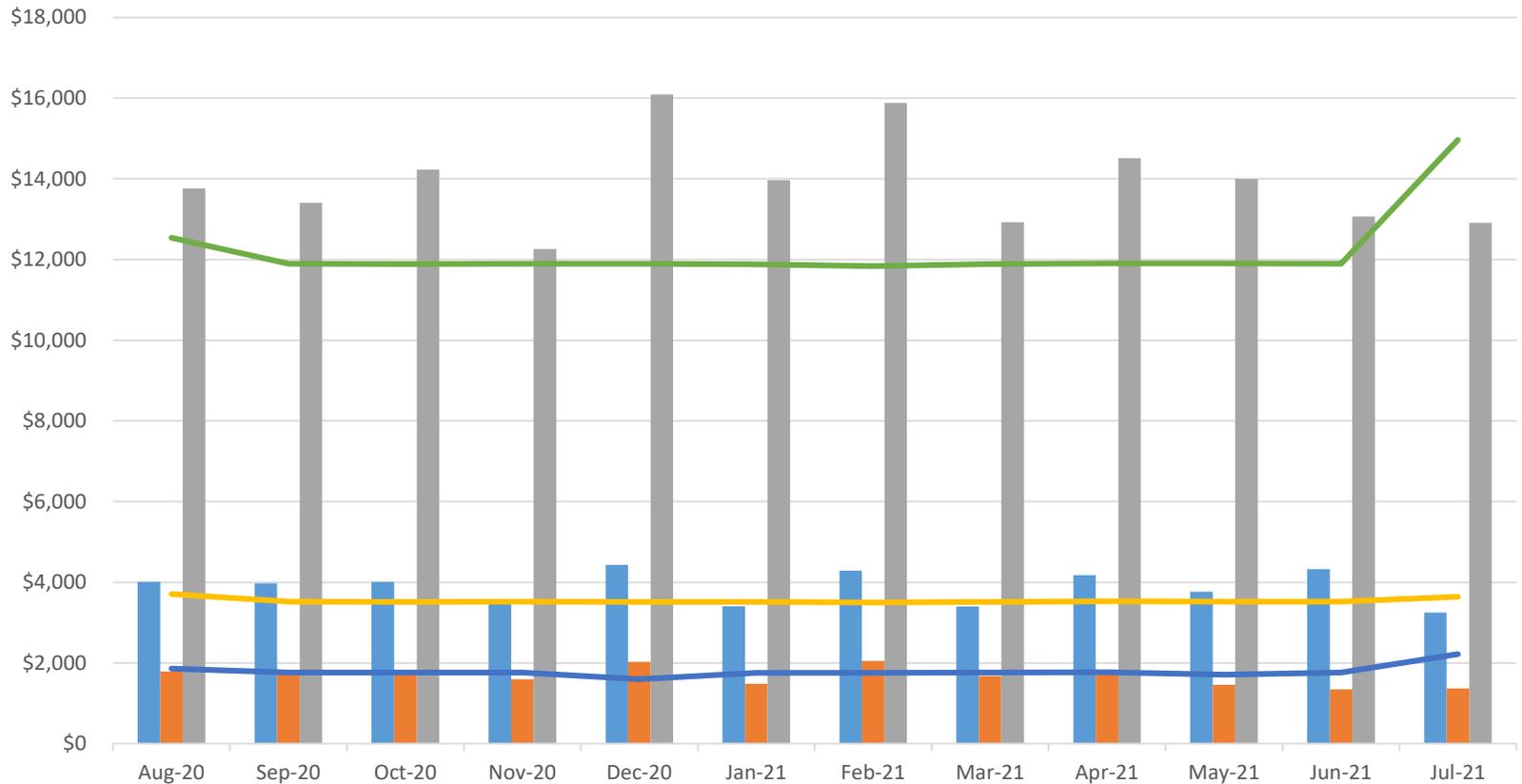
■ Medical Fees 
 ■ Other Professional Fees 
 ■ Purchased Services 
 — Medical Fees Budget 
 — Other Prof Budget 
 — Purchased Serv Budget

# Expenses



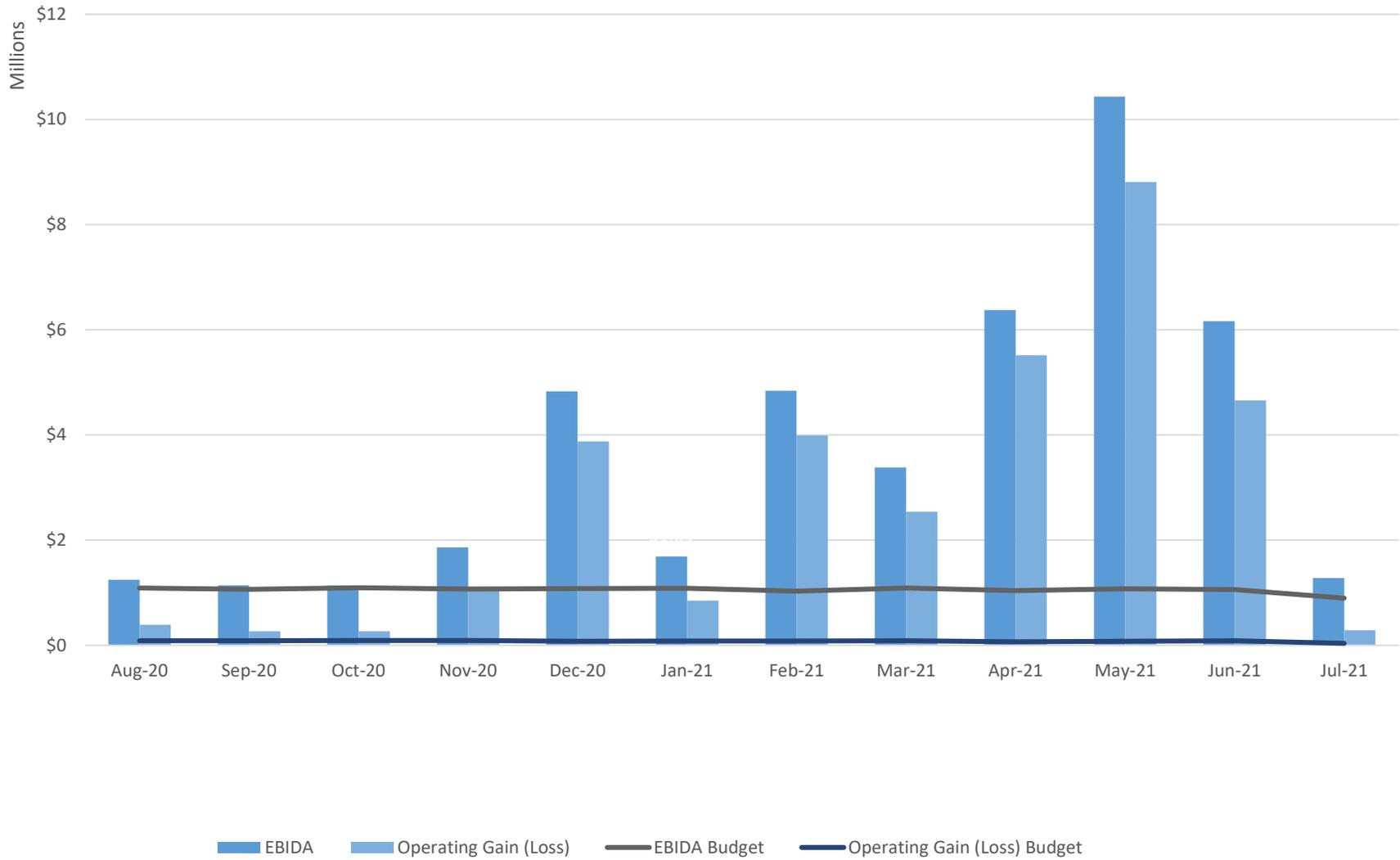
■ Supplies   ■ Other Expenses   — Supplies Budget   — Other Expenses Budget

## Operating Metrics

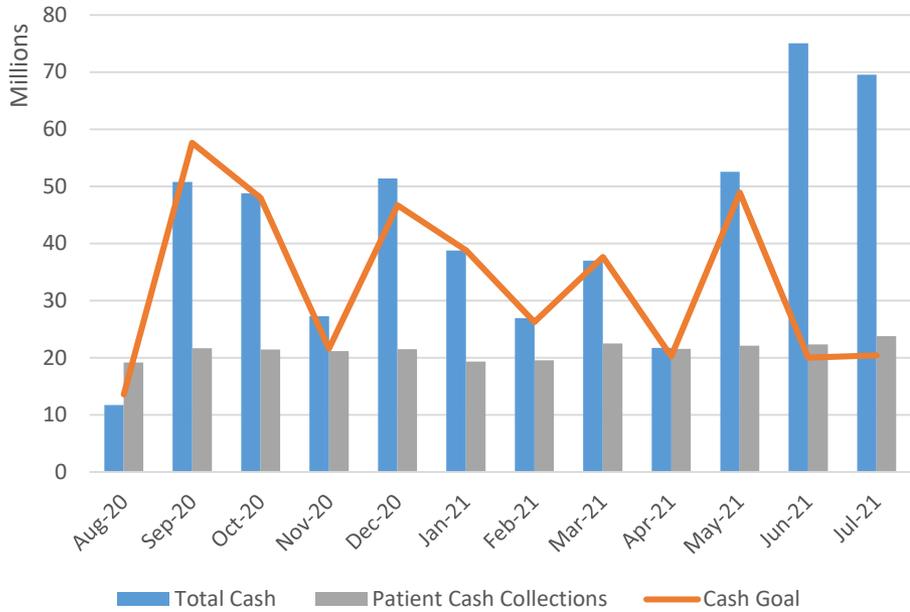


	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21
Supply Expense per AA	\$4,014	\$3,973	\$4,011	\$3,574	\$4,431	\$3,408	\$4,285	\$3,396	\$4,176	\$3,765	\$4,323	\$3,247
Pharm Cost per AA	\$1,787	\$1,823	\$1,735	\$1,597	\$2,028	\$1,481	\$2,050	\$1,678	\$1,809	\$1,458	\$1,345	\$1,370
Net Revenue Per AA	\$13,765	\$13,403	\$14,225	\$12,256	\$16,093	\$13,968	\$15,879	\$12,922	\$14,513	\$13,999	\$13,071	\$12,910
Budget Supp/AA	\$3,711	\$3,520	\$3,517	\$3,519	\$3,516	\$3,511	\$3,501	\$3,518	\$3,526	\$3,522	\$3,522	\$3,641
Budget Pharm/AA	\$1,859	\$1,763	\$1,762	\$1,762	\$1,596	\$1,759	\$1,755	\$1,763	\$1,767	\$1,714	\$1,764	\$2,217
Budget Net Rev/AA	\$12,543	\$11,892	\$11,891	\$11,893	\$11,893	\$11,882	\$11,833	\$11,892	\$11,902	\$11,900	\$11,897	\$14,966

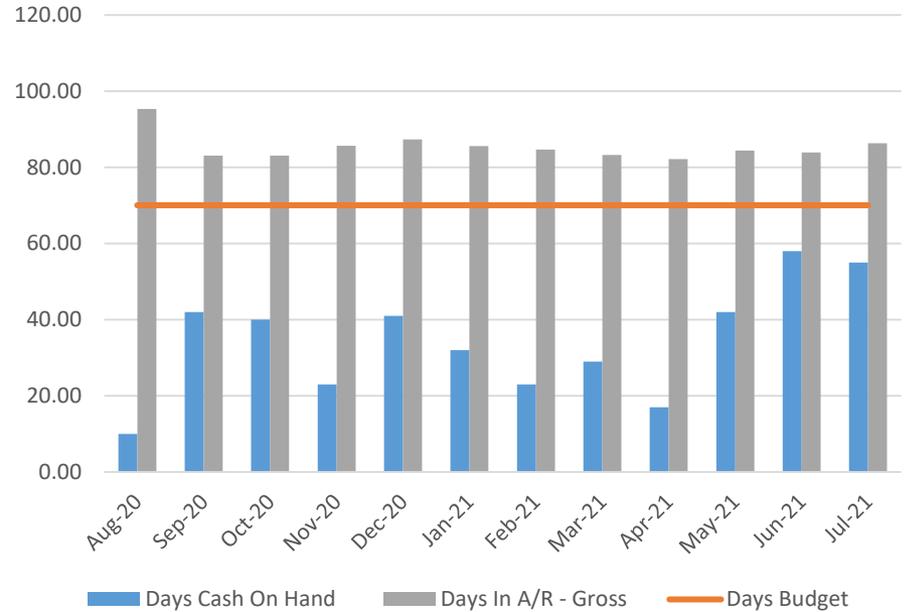
# EBIDA



### Cash 2022 FYTD



### AR Days 2022 FYTD



**KERN MEDICAL**  
**3-Month Trend Analysis: Revenue & Expense**  
 July 31, 2021

	MAY	JUNE	JULY	BUDGET JULY	VARIANCE POS (NEG)	PY JULY
<b>Gross Patient Revenue</b>	\$ 90,350,855	\$ 94,318,326	\$ 95,767,767	\$ 87,988,932	9%	\$ 85,593,513
Contractual Deductions	(69,744,813)	(71,613,043)	(74,716,092)	(69,062,924)	8%	(64,872,744)
<b>Net Revenue</b>	20,606,042	22,705,283	21,051,675	18,926,008	20.0%	20,720,768
Indigent Funding	21,480,999	16,062,210	13,293,612	13,468,684	(1%)	12,629,251
Correctional Medicine	2,594,724	2,531,665	2,616,667	2,616,667	0%	2,777,083
County Contribution	285,211	285,211	282,894	282,894	0%	285,250
Incentive Funding	41,667	41,667	0	0	0%	640,227
<b>Net Patient Revenue</b>	45,008,643	41,626,035	37,244,847	35,294,253	5.5%	37,052,579
Other Operating Revenue	1,725,702	3,259,421	1,816,105	1,575,339	15%	768,456
Other Non-Operating Revenue	1,270,529	389,271	11,237	283,903	(96%)	32,868
<b>Total Revenue</b>	48,004,873	45,274,726	39,072,190	37,153,495	5%	37,853,903
<b>Expenses</b>						
Salaries	15,817,374	15,549,537	15,928,005	16,437,260	(3%)	15,872,728
Employee Benefits	7,047,340	6,975,207	7,708,993	7,479,082	3%	7,510,372
Registry	2,079,722	1,863,763	2,025,318	1,614,623	25%	1,640,686
Medical Fees	1,856,884	1,658,574	1,803,424	1,699,575	6%	1,904,074
Other Professional Fees	1,397,258	1,974,856	1,566,540	1,277,372	23%	1,190,198
Supplies	5,541,552	7,389,416	5,295,324	4,605,056	15%	5,035,687
Purchased Services	2,100,012	2,101,592	2,020,501	1,751,886	15%	1,897,536
Other Expenses	1,730,438	1,600,455	1,445,733	1,389,575	4%	1,753,585
Operating Expenses	37,570,581	39,113,398	37,793,838	36,254,430	4%	36,804,865
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 10,434,292	\$ 6,161,328	\$ 1,278,352	\$ 899,065	42%	\$ 1,049,037
EBIDA Margin	22%	14%	3%	2%	35%	3%
Interest	121,483	156,970	84,680	138,079	(39%)	168,646
Depreciation	1,246,519	1,106,226	682,784	466,931	46%	468,306
Amortization	256,257	244,190	224,132	254,168	(12%)	256,257
Total Expenses	39,194,841	40,620,784	38,785,434	37,113,608	5%	37,698,075
<b>Operating Gain (Loss)</b>	\$ 8,810,033	\$ 4,653,942	\$ 286,756	\$ 39,887	619%	\$ 155,828
<b>Operating Margin</b>	18.4%	10.3%	0.7%	0.11%	584%	0.41%

**KERN MEDICAL**  
**Year-to-Date: Revenue & Expense**  
July 31, 2021

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
<b>Gross Patient Revenue</b>	\$ 95,767,767	\$ 87,988,932	9%	\$ 85,593,513	12%
Contractual Deductions	(74,716,092)	(69,062,924)	8%	(64,872,744)	15%
<b>Net Revenue</b>	21,051,675	18,926,008	11%	20,720,768	
Indigent Funding	13,293,612	13,468,684	(1%)	12,629,251	5%
Correctional Medicine	2,616,667	2,616,667	0%	2,777,083	(5.8%)
County Contribution	282,894	282,894	0%	285,250	(0.8%)
Incentive Funding	0	0	0%	640,227	(100%)
<b>Net Patient Revenue</b>	37,244,847	35,294,253	6%	37,052,579	1%
Other Operating Revenue	1,816,105	1,575,339	15%	768,456	136%
Other Non-Operating Revenue	11,237	283,903	(96%)	32,868	(66%)
<b>Total Revenue</b>	39,072,190	37,153,495	5%	37,853,903	3%
<b>Expenses</b>					
Salaries	15,928,005	16,437,260	(3%)	15,872,728	0%
Employee Benefits	7,708,993	7,479,082	3%	7,510,372	3%
Registry	2,025,318	1,614,623	25%	1,640,686	23.4%
Medical Fees	1,803,424	1,699,575	6%	1,904,074	(5%)
Other Professional Fees	1,566,540	1,277,372	23%	1,190,198	32%
Supplies	5,295,324	4,605,056	15%	5,035,687	5.2%
Purchased Services	2,020,501	1,751,886	15%	1,897,536	6%
Other Expenses	1,445,733	1,389,575	4%	1,753,585	(18%)
Operating Expenses	37,793,838	36,254,430	4%	36,804,865	3%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,278,352	\$ 899,065	42%	\$ 1,049,037	22%
EBIDA Margin	3%	2%	35%	3%	18%
Interest	84,680	138,079	(39%)	168,646	(50%)
Depreciation	682,784	466,931	46%	468,306	46%
Amortization	224,132	254,168	(11.8%)	256,257	(13%)
Total Expenses	38,785,434	37,113,608	5%	37,698,075	3%
<b>Operating Gain (Loss)</b>	\$ 286,756	\$ 39,887	619%	\$ 155,828	84%
<b>Operating Margin</b>	1%	0.1%	584%	0%	78%

**KERN MEDICAL  
BALANCE SHEET**

	<b>JULY 2021</b>	<b>JULY 2020</b>
<b>ASSETS:</b>		
<b><i>Total Cash</i></b>	<b>\$ 69,511,168</b>	<b>\$ 40,277,586</b>
Patient Receivables Subtotal	263,172,655	275,397,279
Contractual Subtotal	(222,883,718)	(213,854,256)
<b><i>Net Patient Receivable</i></b>	<b>40,288,937</b>	<b>61,543,023</b>
Total Indigent Receivable	119,240,571	122,814,586
Total Other Receivable	7,907,800	8,094,461
Total Prepaid Expenses	5,286,360	3,643,447
Total Inventory	4,349,636	5,953,876
<b><i>Total Current Assets</i></b>	<b>246,584,471</b>	<b>242,326,980</b>
Deferred Outflows of Resources	87,863,462	85,573,671
Total Land, Equipment, Buildings and Intangibles	213,499,830	194,510,134
Total Construction in Progress	8,733,822	17,256,571
<b><i>Total Property, Plant &amp; Equipment</i></b>	<b>222,233,652</b>	<b>211,766,706</b>
Total Accumulated Depr & Amortization	(126,289,726)	(116,405,997)
<b><i>Net Property, Plant, and Equipment</i></b>	<b>95,943,925</b>	<b>95,360,709</b>
<b><i>Total Long Term Assets</i></b>	<b>87,863,462</b>	<b>85,573,671</b>
<b><i>Total Assets</i></b>	<b>\$ 430,391,858</b>	<b>\$ 423,261,360</b>

**KERN MEDICAL  
BALANCE SHEET**

	JULY 2021	JULY 2020
<b>ASSETS:</b>		
<b>LIABILITIES &amp; EQUITY:</b>		
Total Accounts Payable	\$ 11,013,352	\$ 20,836,467
Total Accrued Compensation	29,656,284	30,605,172
Total Due Government Agencies	35,137,425	34,198,425
Total Other Accrued Liabilities	46,416,105	68,488,742
<b><i>Total Current Liabilities</i></b>	<b>122,223,166</b>	<b>154,128,807</b>
Unfunded Pension Liability	322,103,797	307,234,709
Other Long-Term Liabilities	80,914,207	103,115,962
<b><i>Total Long-Term Liabilities</i></b>	<b>403,018,004</b>	<b>410,350,671</b>
<b><i>Total Liabilities</i></b>	<b>525,241,170</b>	<b>564,479,478</b>
Fund Balance	36,714,022	36,913,884
Retained Earnings	(131,563,333)	(178,132,002)
<b><i>Total Fund Balance</i></b>	<b>(94,849,312)</b>	<b>(141,218,118)</b>
<b><i>Total Liabilities and Fund Balance</i></b>	<b>\$ 430,391,858</b>	<b>\$ 423,261,360</b>



**BOARD OF GOVERNORS  
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

September 15, 2021

**Subject:** Kern County Hospital Authority Chief Executive Officer Report

**Recommended Action:** Receive and File

**Summary:**

The Chief Executive Officer of the Kern County Hospital Authority will provide your Board with a hospital-wide update.

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(j)(2)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 15, 2021, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

  X   Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on September 15, 2021, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

  X   CONFERENCE WITH LEGAL COUNSEL – FORMALLY INITIATED LITIGATION  
(Government Code Section 54956.9(d)(1)) Name of case: Tyler Andrews, an individual v. Kern County Hospital Authority, a public agency that is a local unit of government, which owns and operates Kern Medical Center; and DOES 1 through 100, inclusive, Kern County Superior Court Case No. BCV-19-103529 TSC –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on September 15, 2021, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X   CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
(Government Code Section 54956.9(e)(2) (e)(1)) Number of cases: One (1)  
Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances that might result in litigation against the Authority but which the Authority believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 15, 2021, to consider:

- X   CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6)

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 15, 2021, to consider:

  X   PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –

**KERN COUNTY HOSPITAL AUTHORITY  
BOARD OF GOVERNORS  
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on September 15, 2021, to consider:

  X   PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: President, Hospital and Clinic Operations (Government Code Section 54957) –