



**Contract Number**

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**SAP Number**

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## Arrowhead Regional Medical Center

<b>Department Contract Representative</b>	<u>William L. Gilbert</u>
<b>Telephone Number</b>	<u>909-580-1050</u>

<b>Contractor</b>	<u>ECG Management Consultants</u>
<b>Contractor Representative</b>	<u>Thomas Fox</u>
<b>Telephone Number</b>	<u>On File</u>
<b>Contract Term</b>	<u>Five years from execution date</u>
<b>Original Contract Amount</b>	<u>Aggregate NTE \$5,000,000</u>
<b>Amendment Amount</b>	_____
<b>Total Contract Amount</b>	_____
<b>Cost Center</b>	_____

**IT IS HEREBY AGREED AS FOLLOWS:**

**WHEREAS**, San Bernardino County (County) desires to retain a vendor to provide professional ancillary consultancy services in various service areas to Arrowhead Regional Medical Center (ARMC); and

**WHEREAS**, the County conducted a competitive process through a Request for Qualifications to find a vendor to provide these services, and

**WHEREAS**, based upon and in reliance on the representations of ECG Management Consultants (Contractor) in its response to the County's Request for Qualifications, the County finds Contractor qualified to provide professional ancillary consultancy services in the areas of Medical Imaging Services and Clinical Laboratory Services; and

**WHEREAS**, the County desires that such services be provided by Contractor and Contractor agrees to perform these services as set forth below;

**NOW, THEREFORE**, the County and Contractor mutually agree to the following terms and conditions:

## A. DEFINITIONS

- A.1 ARMC:** Refers to Arrowhead Regional Medical Center (governed by San Bernardino County) which operates a 456-bed, state-of-the-art, acute-care hospital facility, several outpatient specialty clinics on the hospital facility campus, and four off-campus outpatient clinics.
- A.2 Contract:** This contract between the County and the Contractor including all attachments referenced and incorporated herein.
- A.4 Clinical Laboratory Services:** These ancillary services include bacteriology, microbiology, blood bank, chemistry, hematology, and serology performed by Laboratory Technologists. Laboratory Technologists work directly with ARMC's Physicians, the Medical Director and Administrative Staff. The Clinical Laboratory must be in compliance with California/Occupational Safety and Health Administration (CAL/OSHA), the College of American Pathologists certification, the Clinical Laboratory Improvement Act of 1988 certification and the Department of Health Services of the State of California license requirements.
- A.4 Medical Imaging Services:** Ancillary Medical Imaging Services staff consult with ARMC's medical personnel concerning care and treatment of patients requiring radiology services. They respond to calls for emergency radiology needs as well as for care of outpatients. Services must be in compliance with applicable federal and state laws, the requirements of the Joint Commission on Accreditation of Hospitals, State Department of Public Health and American College of Radiology. Radiology services encompass Diagnostic, Ultrasound, Angiography, Radiation Therapy, Nuclear Medicine, magnetic resonance imaging (MRI), Computed Tomography, as well as the Arrowhead Regional Medical Center School of Radiologic Technology program.
- A.5 Ancillary Services:** The requested ancillary services, responsibilities, and deliverables described in this Contract.

## B. CONTRACTOR RESPONSIBILITIES

### B.1 General Description of Clinical Laboratory/Medical Imaging Ancillary Consultancy Services:

- B.1.1** Provide ARMC with a primary point of contact to collaborate and maximize the success of the contract.
- B.1.2** Attend meetings as requested by ARMC.
- B.1.3** Provide quotes for custom-tailored services and deliverables in response to services and goals requested by ARMC.
- B.1.4** Assemble a Project Team which will work closely with ARMC leadership to ensure the objectives of the engagements are met and the project's progress and outcome(s) are in accordance with the highest standards.
- B.1.5** Provide a comprehensive study in process improvement that includes, but is not limited to the following:
- A business requirements analysis.
  - Assess current operational environment. (For Medical Imaging Services)
  - Performance metrics analysis. (For Medical Imaging Services)
  - An organizational design and change-readiness analysis survey.
  - Conduct stakeholder interviews.
  - Identify risk management issues.
  - Collect and validate data. (For Medical Imaging Services)

- Evaluate ARMC’s performance across widely accepted Key Performance Indicators (KPIs) to gauge and identify areas of variance. (For Medical Imaging Services)
- A summary of initial findings and areas of performance improvement opportunities accompanied by anticipated impact and required level of effort.
- Synthesize findings and provide recommendations including proposed adoption of industry best practices. (For Medical Imaging Services)
- Identify and pursue opportunities for process improvements.
- Identify new industry technology, improved equipment, and training and development.
- Provide a business case, including a risk assessment, for any recommended technology investments.

**B.1.6** Provide an Implementation Roadmap based on recommendations that includes key stakeholder groups, prioritized opportunities, and an efficient approach to change management.

**B.1.7** Provide a detailed Quality and Control Plan to support the implementation of key high-priority initiatives outlined in the Implementation Roadmap.

**B.1.8** Develop a detailed Action Plan for implementing change initiatives, which will include the potential financial impact, process steps, milestones, effort level, and key success factors based on findings and recommendations, as well as feedback from ARMC leadership.

**B.1.9** Provide an Implementation and Sustainability Plan by the mutually agreed upon timelines.

**B.1.10** Provide consulting staff on an “as requested” and “as needed” basis, including but not limited to:

- Principal
- Associate Principal
- Senior Manager
- Manager
- Senior Consultant

**B.1.11** Services set forth in Attachments C and D to this Contract, both of which are incorporated herein.

**B.2** The services set forth under Section B.1 of this Contract are general descriptions of services that the County *may* engage Contractor to perform under this Contract. Prior to Contractor performing any work under this Contract, County and Contractor shall execute a Statement of Work (“SOW”) for each element of the ancillary consulting services that County wishes to engage. Each SOW shall set forth the specific services to be performed by Contractor, the consulting resources to be provided, the timetable for performance, and the applicable fee for the requested services in accordance with the rates in Attachment A. Subject to the not-to-exceed dollar limit of this Contract, the ARMC Hospital Director, or its designee, is authorized to execute any SOW on behalf of the County. To the extent of any inconsistencies between any SOW and this Contract, the terms of this Contract shall control.

**B.3 No Guarantee of Minimum Amount of Ancillary Services Requested of Contractor**

Contractor acknowledges that there is no guarantee of a minimum amount of work or services that will be requested of Contractor under this Contract, except pursuant to the terms of a fully executed SOW when such representation is made in writing by the County.

**C. GENERAL CONTRACT REQUIREMENTS**

**C.1 Recitals**

The recitals set forth above are true and correct and incorporated herein by this reference.

**C.2 Contract Amendments**

Contractor agrees any alterations, variations, modifications, or waivers of the provisions of the Contract, shall be valid only when reduced to writing, executed and attached to the original Contract and approved by the person(s) authorized to do so on behalf of Contractor and County.

**C.3 Contract Assignability**

Without the prior written consent of the County, the Contract is not assignable by Contractor either in whole or in part.

**C.4 Contract Exclusivity**

This is not an exclusive Contract. The County reserves the right to enter into a contract with other contractors for the same or similar services. The County does not guarantee or represent that the Contractor will be permitted to perform any minimum amount of work or receive compensation other than on a per order basis, under the terms of this Contract.

**C.5 Attorney's Fees and Costs**

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorney fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney fees directly arising from a third-party legal action against a party hereto and payable under Indemnification and Insurance Requirements.

**C.6 Background Checks for Contractor Personnel**

Contractor shall ensure that its personnel (a) are authorized to work in the jurisdiction in which they are assigned to perform Services; (d) do not use legal or illegal substances in any manner which will impact their ability to provide Services to the County; and (c) are not otherwise disqualified from performing the Services under applicable law. If requested by the County and not in violation of applicable law, Contractor shall conduct a background check, at Contractor's sole expense, on all its personnel providing Services. If requested by the County, Contractor shall provide an attestation regarding the results of the background check of each individual to the County. Such background check shall be in the form generally used by Contractor in its initial hiring of employees or contracting for contractors or, as applicable, during the employment-screening process. The attestation will detail what vendor performed the screening, what was included in the screening, when the screening was performed, and confirmation of whether any negative findings were returned by the screening. Contractor personnel who do not meet the County's hiring criteria, in County's sole discretion, shall not be assigned to work on County property or Services, and County shall have the right, at its sole option, to refuse access to any Contract personnel to any County facility.

**C.7 Change of Address**

Contractor shall notify the County in writing, of any change in mailing address within ten (10) business days of the change.

**C.8 Choice of Law**

This Contract shall be governed by and construed according to the laws of the State of California.

**C.9 Compliance with County Policy**

In performing the Services and while at any County facilities, Contractor personnel (including subcontractors) shall:

- a) Conduct themselves in a businesslike manner;

- b) Comply with the policies, procedures, and rules of the County regarding health and safety, and personal, professional and ethical conduct;
- c) Comply with the finance, accounting, banking, Internet, security, and/or other applicable standards, policies, practices, processes, procedures, and controls of the County; and
- d) Abide by all laws applicable to the County facilities and the provision of the Services, and all amendments and modifications to each of the documents listed in subsections (b), (c), and (d) (collectively, "County Policies").

County Policies, and additions or modifications thereto, may be communicated orally or in writing to Contractor or Contractor personnel or may be made available to Contractor or Contractor personnel by conspicuous posting at a County facility, electronic posting, or other means generally used by County to disseminate such information to its employees or contractors. Contractor shall be responsible for the promulgation and distribution of County Policies to Contractor personnel to the extent necessary and appropriate.

County shall have the right to require Contractor's employees, agents, representatives and subcontractors to exhibit identification credentials issued by County in order to exercise any right of access under this Contract.

#### **C.10 Confidentiality**

Pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act, regulations have been promulgated governing the privacy of individually identifiable health information. The HIPAA Privacy Rule and Security Rule specify requirements with respect to contracts between a Covered Entity and its Business Associates. To the extent Contractor is a Business Associate of County, as defined by HIPAA, Contractor shall enter into a mutually agreeable Business Associate Agreement with County in the form of Attachment B. Contractor further agrees to comply with the requirements of other federal and state laws that apply to the information collected and maintained by Contractor for services performed pursuant to this Contract.

#### **C.11 Primary Point of Contact**

Contractor will designate an individual to serve as the primary point of contact for the Contract. Contractor or designee must respond to County inquiries within two (2) business days. Contractor shall not change the primary contact without written acknowledgement to the County. Contractor will also designate a back-up point of contact in the event the primary contact is not available.

#### **C.12 County Internship Initiative**

Contractor agrees to be contacted by the County to solicit its participation in an internship initiative known as GenerationGo! Career Pathways, involving the potential placement and hiring of interns by Contractor's business. Contractor is encouraged, and agrees to make good faith efforts, to utilize the County's program to aid the ***County's Vision for a skilled workforce and jobs that create countywide prosperity***, and its ***goal to Create, Maintain and Grow Jobs and Economic Value in the County***. The County's objective with its internship initiative is to focus on training, education, employment and support services to develop a more highly-educated and trained workforce. When participating in the County's internship initiative, the Contractor remains an independent contractor and shall not be construed as agents, officers, or employees of the County. More information about the County's GenerationGo! Career Pathways Program can be located at <http://wp.sbcounty.gov/workforce/career-pathways/>.

#### **C.13 County Representative**

The ARMC Hospital Director or his/her designee shall represent the County in all matters pertaining to the services to be rendered under this Contract, including termination and assignment of this Contract, and shall be the final authority in all matters pertaining to the Services/Scope of Work by Contractor. If this contract was initially approved by the San Bernardino County Board of Supervisors, then the Board of Supervisors must approve all amendments to this Contract.

**C.14 Damage to County Property**

Contractor shall repair, or cause to be repaired, at its own cost, all damages to County vehicles, facilities, buildings or grounds caused by the willful or negligent acts of Contractor or its employees or agents. Such repairs shall be made immediately after Contractor becomes aware of such damage, but in no event later than thirty (30) days after the occurrence.

If the Contractor fails to make timely repairs, the County may make any necessary repairs. The Contractor, as determined by the County, shall repay all costs incurred by the County for such repairs, by cash payment upon demand, or County may deduct such costs from any amounts due to the Contractor from the County, as determined at the County's sole discretion.

**C. 15 Debarment and Suspension**

Contractor certifies that neither it nor its principals or subcontracts is presently disbarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. (See the following United States General Services Administration's System for Award Management website <https://www.sam.gov>). Contractor further certifies that if it or any of its subcontractors are business entities that must be registered with the California Secretary of State, they are registered and in good standing with the Secretary of State. Contractor hereby represents and warrants that it is not and at no time has been convicted of any criminal offense related to health care nor has been debarred, excluded, or otherwise ineligible for participation in any federal or state government health care program, including Medicare and Medicaid. Further, Contractor represents and warrants that no proceedings or investigations are currently pending or to Contractor's knowledge threatened by any federal or state agency seeking to exclude Contractor from such programs or to sanction Contractor for any violation of any rule or regulation of such programs.

**C.16 Drug and Alcohol Free Workplace**

In recognition of individual rights to work in a safe, healthful and productive work place, as a material condition of this Contract, the Contractor agrees that the Contractor and the Contractor's employees, while performing service for the County, on County property, or while using County equipment:

- C.16.1** Shall not be in any way impaired because of being under the influence of alcohol or an illegal or controlled substance.
- C.16.2** Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal or controlled substance.
- C.16.3** Shall not sell, offer, or provide alcohol or an illegal or controlled substance to another person, except where Contractor or Contractor's employee who, as part of the performance of normal job duties and responsibilities, prescribes or administers medically prescribed drugs.

The Contractor shall inform all employees that are performing service for the County on County property, or using County equipment, of the County's objective of a safe, healthful and productive work place and the prohibition of drug or alcohol use or impairment from same while performing such service for the County.

The County may terminate for default or breach of this Contract and any other Contract the Contractor has with the County, if the Contractor or Contractor's employees are determined by the County not to be in compliance with above.

**C.17 Duration of Terms**

This Contract, and all of its terms and conditions, shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties, provided no such assignment is in violation of the provisions of this Contract.

**C.18 Employment Discrimination**

During the term of the Contract, Contractor shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age, or military and veteran status. Contractor shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VI and Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

**C.19 Environmental Requirements**

In accordance with County Policy 11-08, the County prefers to acquire and use products with higher levels of post-consumer recycled content. Environmentally-preferable goods and materials must perform satisfactorily and be available at a reasonable price. The County requires Contractor to use recycled paper for any printed or photocopied material created as a result of this Contract. Contractor is also required to use both sides of paper sheets for reports submitted to the County whenever practicable.

To assist the County in meeting the reporting requirements of the California Integrated Waste Management Act of 1989 (AB 939), Contractor must be able to annually report the County's environmentally-preferable purchases. Contractor must also be able to report on environmentally-preferable goods and materials used in the provision of their service to the County, utilizing a County approved form.

**C.20 Improper Influence**

Contractor shall make all reasonable efforts to ensure that no County officer or employee, whose position in the County enables him/her to influence any award of the Contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of the Contract or shall have any relationship to the Contractor or officer or employee of the Contractor.

**C.21 Improper Consideration**

Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Contract.

The County, by written notice, may immediately terminate this Contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a contract has been awarded.

Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

**C.22 Informal Dispute Resolution**

In the event the County determines that service is unsatisfactory, or in the event of any other dispute, claim, question or disagreement arising from or relating to this Contract or breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties.

**C.23 Legality and Severability**

The parties' actions under the Contract shall comply with all applicable laws, rules, regulations, court orders and governmental agency orders. The provisions of this Contract are specifically made severable. If a provision of the Contract is terminated or held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall remain in full effect.

**C.24 Licenses, Permits and/or Certifications**

Contractor shall ensure that it has all necessary licenses, permits and/or certifications required by the laws of Federal, State, County, and municipal laws, ordinances, rules and regulations. The Contractor shall maintain these licenses, permits and/or certifications in effect for the duration of this Contract. Contractor will notify County immediately of loss or suspension of any such licenses, permits and/or certifications. Failure to maintain a required license, permit and/or certification may result in immediate termination of this Contract.

**C.25 Material Misstatement/Misrepresentation**

If during the course of the administration of this Contract, the County determines that Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the County is entitled to pursue any available legal remedies.

**C.26 Mutual Covenants**

The parties to this Contract mutually covenant to perform all of their obligations hereunder, to exercise all discretion and rights granted hereunder, and to give all consents in a reasonable manner consistent with the standards of "good faith" and "fair dealing".

**C.27 Nondisclosure**

Contractor shall hold as confidential and use reasonable care to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, confidential information that is either:

- 1) Provided by the County to Contractor or an agent of Contractor or otherwise made available to Contractor or Contractor's agent in connection with this Contract; or,
- 2) Acquired, obtained, or learned by Contractor or an agent of Contractor in the performance of this Contract. For purposes of this provision, confidential information means any data, files, software, information or materials in oral, electronic, tangible or intangible form and however stored, compiled or memorialize and includes, but is not limited to, technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data.

**C.28 Notice of Delays**

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this contract, that party shall, within twenty-four (24) hours, give notice thereof, including all relevant information with respect thereto, to the other party.

**C.29 Ownership of Documents**

All documents, data, products, graphics, computer programs and reports prepared by Contractor pursuant to the Contract shall be considered property of the County upon payment for services (and products, if applicable). All such items shall be delivered to County at the completion of work under the Contract, subject to the requirements of Section IV—Term of the Contract. Unless otherwise directed by County, Contractor may retain copies of such items.

**C.30 Participation Clause**

The County desires that Municipalities, School Districts, and other Tax Districts within the County

of San Bernardino requiring the same services provided herein may at their option and through the County Purchasing agent, avail themselves of this Contract. Upon notice, in writing, the Contractor agrees to the extension of the terms of a resultant contract with such governmental bodies as though they have been expressly identified in this bid, with the provisions that:

**C.30.1** Such governmental body does not have and will not have in force any other contract for like purchases.

**C.30.2** Such governmental body does not have under consideration for award any other bids or quotations for like purchases.

Such governmental body shall make purchases directly through and to the Contractor. The County will not be liable for any such purchase made between the Contractor and another governmental body who avails themselves of this contract.

**C.31 Air, Water Pollution Control, Safety and Health**

Contractor shall comply with all air pollution control, water pollution, safety and health ordinances and statutes, which apply to the work performed pursuant to this Contract.

**C.32 Records**

Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for contract performance. All records shall be complete and current and comply with all Contract requirements. Failure to maintain acceptable records shall be considered grounds for withholding of payments for invoices submitted and/or termination of the Contract.

All records relating to the Contractor's personnel, consultants, subcontractors, Services/Scope of Work and expenses pertaining to this Contract shall be kept in a generally acceptable accounting format. Records should include primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds, tangible assets, revenue and expenditures. Fiscal records must comply with the appropriate Office of Management and Budget (OMB) Circulars, which state the administrative requirements, cost principles and other standards for accountancy.

**C.33 Relationship of the Parties**

Nothing contained in this Contract shall be construed as creating a joint venture, partnership, or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.

**C.34 Release of Information**

No news releases, advertisements, public announcements or photographs arising out of the Contract or Contractor's relationship with County may be made or used without prior written approval of the County.

**C.35 Representation of the County**

In the performance of this Contract, Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County of San Bernardino.

**C.36 Strict Performance**

Failure by a party to insist upon the strict performance of any of the provisions of this Contract by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Contract thereafter.

**C.37 Subcontracting**

Contractor shall obtain County's written consent, which County may withhold in its sole discretion, before entering into Contracts with or otherwise engaging any subcontractors who may supply any part of the Services to County. At County's request, Contractor shall provide information regarding the subcontractor's qualifications and a listing of a subcontractor's key personnel including, if requested by the County, resumes of proposed subcontractor personnel. Contractor shall remain directly responsible to County for its subcontractors and shall indemnify County for the actions or omissions of its subcontractors under the terms and conditions specified in Section G. All approved subcontractors shall be subject to the provisions of this Contract applicable to Contractor Personnel.

For any subcontractor, Contractor shall:

- 37.1** Be responsible for subcontractor compliance with the Contract and the subcontract terms and conditions; and
- 37.2** Ensure that the subcontractor follows County's reporting formats and procedures as specified by County.
- 37.3** Include in the subcontractor's subcontract substantially similar terms as are provided in Sections B. Contractor Responsibilities and C. General Contract Requirements.

Upon expiration or termination of this Contract for any reason, County will have the right to enter into direct Contracts with any of the Subcontractors. Contractor agrees that its arrangements with Subcontractors will not prohibit or restrict such Subcontractors from entering into direct Contracts with County.

#### **C. 38 Subpoena**

In the event that a subpoena or other legal process commenced by a third party in any way concerning the Goods or Services provided under this Contract is served upon Contractor or County, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and County further agree to cooperate with the other party in any lawful effort by such other party to contest the legal validity of such subpoena or other legal process commenced by a third party as may be reasonably required and at the expense of the party to whom the legal process is directed, except as otherwise provided herein in connection with defense obligations by Contractor for County.

#### **C.39 Termination for Convenience**

The County and the Contractor each reserve the right to terminate the Contract, for any reason, with a thirty (30) day written notice of termination. Such termination may include all or part of the services described herein. Upon such termination, payment will be made to the Contractor for services rendered and expenses reasonably incurred prior to the effective date of termination. Upon receipt of termination notice, Contractor shall promptly discontinue services unless the notice directs otherwise. Contractor shall deliver promptly to County and transfer title (if necessary) all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

#### **C.40 Time of the Essence**

Time is of the essence in performance of this Contract and of each of its provisions.

#### **C.41 Venue**

The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue of any action or claim brought by any party to this Contract will be the Superior Court of California, County of San Bernardino, San Bernardino District. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino, San Bernardino District.

#### **C.42 Conflict of Interest**

Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors and the County. Contractor shall make a reasonable effort to prevent employees, Contractor, or members of governing bodies from using their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others such as those with whom they have family business, or other ties. Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and state law. In the event the County determines a conflict of interest situation exists, any increase in costs, associated with the conflict of interest situation, may be disallowed by the County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom Contractor's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

#### **C.43 Former County Administrative Officials**

Contractor agrees to provide, or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "County administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Executive Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

#### **C.44 Disclosure of Criminal and Civil Procedures**

The County reserves the right to request the information described herein from the Contractor. Failure to provide the information may result in a termination of the Contract. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The Contractor also may be requested to provide information to clarify initial responses. Negative information discovered may result in Contract termination.

Contractor is required to disclose whether the firm, or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the Contractor will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the Contractor is required to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the Contractor will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision "key employees" includes any individuals providing direct service to the County. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

**C.45 Copyright**

County shall have a royalty-free, non-exclusive and irrevocable license to publish, disclose, copy, translate, and otherwise use, copyright or patent, now and hereafter, all reports, studies, information, data, statistics, forms, designs, plans, procedures, systems, and any other materials or properties developed under this Contract including those covered by copyright, and reserves the right to authorize others to use or reproduce such material. All such materials developed under the terms of this Contract shall acknowledge the County of San Bernardino as the funding agency and Contractor as the creator of the publication. No such materials, or properties produced in whole or in part under this Contract shall be subject to private use, copyright or patent right by Contractor in the United States or in any other country without the express written consent of County. Copies of all educational and training materials, curricula, audio/visual aids, printer material, and periodicals, assembled pursuant to this Contract must be filed with the County prior to publication.

**C.46 Usage Rights & Third Party Data**

The services provided by Contractor under this Contract are intended solely for internal use and may not be used externally nor included in or referred to in any offering statement, purchase or financing agreement, or other documents without Contractor's prior written approval. Depending on the proposed use, such approval may require additional work and associated expenses. County acknowledges that in the course of providing services under the Contract, Contractor may provide third-party data that is used under license by Contractor. No sublicense is created by the inclusion of this data in Contractor's documents, and County agrees that this data is for County's internal use only in connection with the services, and may not be used for any other purposes or shared with third parties.

**C.47 Artwork, Proofs and Negatives**

All artwork, proofs, and/or negatives in either print or digital format for anything produced under the terms of this Contract are the property of the County. These items must be returned to the County within ten (10) days, upon written notification to the Contractor. In the event of a failure to return the documents, the County is entitled to pursue any available legal remedies. In addition, the Contractor will be barred from all future solicitations, for a period of at least six (6) months.

**C.48 Iran Contracting Act**

IRAN CONTRACTING ACT OF 2010, Public Contract Code sections 2200 et seq. (Applicable for all Contracts of one million dollars (\$1,000,000) or more). In accordance with Public Contract Code section 2204(a), the Contractor certifies that at the time the Contract is signed, the Contractor signing the Contract is not identified on a list created pursuant to subdivision (b) of Public Contract Code section 2203 as a person (as defined in Public Contract Code section 2202(e)) engaging in investment activities in Iran described in subdivision (a) of Public Contract Code section 2202.5, or as a person described in subdivision (b) of Public Contract Code section 2202.5, as applicable.

Contractors are cautioned that making a false certification may subject the Contractor to civil penalties, termination of existing contract, and ineligibility to bid on a contract for a period of three (3) years in accordance with Public Contract Code section 2205.

**D. TERM OF CONTRACT**

This Contract is effective as of the date this Contract is fully executed ("Effective Date") and expires on the fifth anniversary of the Effective Date, but may be terminated earlier in accordance with provisions of this Contract.

**E. COUNTY RESPONSIBILITIES**

**E.1** Provide Contractor with a primary point of contact to collaborate and maximize the success of the Contract.

- E.2** Attend meetings as reasonably requested by Contractor.
- E.3** For the services provided under this Contract, County shall pay Contractor in accordance with Section F and Attachment A of this Contract.
- E.4** Provide Contractor and its authorized agents reasonable access to all necessary data, database, documents, and information necessary for Contractor to perform services under this Contract.

**F. FISCAL PROVISIONS**

- F.1** The total amount of payment under this Contract shall not exceed an aggregate maximum of \$5,000,000, divided between several agreements between the County and various vendors for professional ancillary consulting services to ARMC. This Contract is only one of several agreements to which this aggregate maximum obligation applies. It is, therefore, understood by Contractor that the payment to Contractor will be only a fraction of this aggregate maximum in accordance with any applicable SOW and the fee schedule in Attachment A. The consideration to be paid to Contractor, as provided herein, shall be in full payment for all Contractor's services and expenses incurred in the performance hereof, including travel and per diem.
- F.2** All services provided by Contractor to County under this Contract shall be billed based on the hourly fee rate in the fee schedule on Attachment A. The hourly rates set forth in Attachment A are fully burdened hourly rates, meaning the hourly rates reflect the labor of the proposed personnel. In addition to these hourly rates, Contractor has a charge of 5% of professional fees for all other non-travel related expenses, including document production and indirect administrative expenses such as technology, research and benchmarking databases, and communications. The rates shall remain firm for the term of the Contract. With the exception of the aforementioned 5% charge, the County will not pay for any work deemed to be secretarial, clerical, or administrative in nature, or pay for time spent traveling to/from the offices of the Contractor to ARMC/ARMC Family Health Centers to perform work under this Contract. All other approved travel time shall be billed to the County at one-half (1/2) the normal hourly rate for the biller involved, unless otherwise agreed upon. The County expects work to be assigned to those key personnel who are most appropriate for the task in terms of the competency and experience. Whenever possible in the Contractor's judgment, the County expects Contractor to assign a certain task or activity to a key personnel billing at a lower hourly rate without loss of competency. Contractor shall provide itemized invoices, in arrears in a format acceptable to County for services performed under this Contract within twenty (20) days of the end of the previous month. The County shall make payment to Contractor within sixty (60) days after receipt of invoice or the resolution of any billing dispute.
- F.3** Contractor shall accept all payments from County via Electronic Funds Transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. Contractor shall promptly comply with directions and accurately complete forms provided by County required to process EFT payments.
- F.4** County is exempt from Federal excise taxes and no payment shall be made for any personal property taxes levied on Contractor or on any taxes levied on employee wages. The County shall only pay for any State or local sales or use taxes on the services rendered or equipment and/or parts supplied to the County pursuant to the Contract.
- F.5** Costs for services under the terms of this Contract shall be incurred during the contract period except as approved by County. Contractor shall not use current year funds to pay prior or future year obligations.
- F.6** Funds made available under this Contract shall not supplant any federal, state or any governmental funds intended for services of the same nature as this Contract. Contractor shall not claim reimbursement or payment from County for, or apply sums received from County with

respect to that portion of its obligations that have been paid by another source of revenue. Contractor agrees that it will not use funds received pursuant to this Contract, either directly or indirectly, as a contribution or compensation for purposes of obtaining funds from another revenue source without prior written approval of the County.

- F.7** To the extent Contractor is required to engage in any travel to provide any Services under this Contract, as requested by ARMC, Contractor shall adhere to the County's Travel Management Policy (8-02 and 08-02SP1) when travel is pursuant to this Contract and for which reimbursement is sought from the County. In addition, Contractor is encouraged to utilize local transportation services, including but not limited to, the Ontario International Airport.

## **G. INDEMNIFICATION AND INSURANCE REQUIREMENTS**

### **G.1 Indemnification**

Contractor will indemnify, defend, and hold harmless County and its officers, employees, agents and volunteers, from any and all third party claims, costs (including without limitation reasonable attorneys' fees), and losses for infringement of any United States patent, copyright, trademark or trade secret (Intellectual Property Rights) by any goods or services provided by Contractor under this Contract. If a credible claim is made or threatened, including without limitation the filing of a lawsuit against County, or County receives a demand or notice claiming actual or potential infringement or misappropriation of any Intellectual Property Rights, County will use reasonable efforts to notify Contractor promptly of such lawsuit, claim or election. However, County's failure to provide or delay in providing such notice will relieve Contractor of its obligations only if and to the extent that such delay or failure materially prejudices Contractor's ability to defend such lawsuit or claim. County will give Contractor sole control of the defense (with counsel reasonably acceptable to County) and settlement of such claim; provided that Contractor may not settle the claim or suit absent the written consent of County unless such settlement (a) includes a release of all claims pending against County, (b) contains no admission of liability or wrongdoing by County, and (c) imposes no obligations upon County other than an obligation to stop using the goods or services that are the subject of the claim. In the event that Contractor fails to or elects not to defend County against any claim for which County is entitled to indemnity by Contractor, then Contractor shall reimburse County for all reasonable attorneys' fees and expenses within thirty (30) days from date of invoice or debit memo from County. After thirty (30) days, County will be entitled to deduct any unpaid invoice or debit memo amount from any amounts owed by County to Contractor. This shall not apply to any judgment or settlement amount, which amounts County shall be entitled to notify, invoice or debit Contractor's account at any time; and County, at its sole discretion, may settle the claim or suit.

If, in Contractor's opinion, any goods or services become, or are likely to become, the subject of a claim of infringement of Intellectual Property Rights, Contractor may, at its option: (i) procure for County the right to continue using the goods or receiving the services; (ii) replace or modify the goods or services to be non-infringing, without incurring a material diminution in performance or function; or (iii) if neither of the foregoing is feasible, in the reasonable judgment of Contractor, County shall cease use of the goods or services upon written notice from Contractor, and Contractor shall provide County with a pro-rata refund of the unearned fees paid by County to Contractor for such goods or services.

Contractor also agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages and/or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities. The Contractor indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

**G.2 Additional Insured**

All policies, except for Worker's Compensation, Errors and Omissions and Professional Liability policies shall contain additional endorsements naming the County and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

**G.3 Waiver of Subrogation Rights**

The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.

**G.4 Policies Primary and Non-Contributory**

All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

**G.5 Severability of Interests**

The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.

**G.6 Proof of Coverage**

The Contractor shall furnish Certificates of Insurance to the County Department administering the Contract evidencing the insurance coverage at the time the Contract is executed, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

**G.7 Acceptability of Insurance Carrier**

Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".

**G.8 Deductibles and Self-Insured Retention**

Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

**G.9 Failure to Procure Coverage**

In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

**G.10 Insurance Review**

Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any

insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

- G.11** The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- G.11.1** Workers' Compensation/Employer's Liability – A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- G.11.2** Commercial/General Liability Insurance – The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- a. Premises operations and mobile equipment.
- b. Products and completed operations.
- c. Broad form property damage (including completed operations).
- d. Explosion, collapse and underground hazards.
- e. Personal injury.
- f. Contractual liability.
- g. \$2,000,000 general aggregate limit.

**G.11.3** Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

**G.11.4** Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a “dropdown” provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

**G.11.5** Professional Liability – Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim and two million (\$2,000,000) aggregate limits

or

Errors and Omissions Liability Insurance – Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits

or

Directors and Officers Insurance coverage with limits of not less than one million (\$1,000,000) shall be required for Contracts with charter labor committees or other not-for-profit organizations advising or acting on behalf of the County.

If insurance coverage is provided on a “claims made” policy, the “retroactive date” shall be shown and must be before the date of the state of the contract work. The claims made insurance shall be maintained or “tail” coverage provided for a minimum of five (5) years after contract completion.

**G.11.6** **Cyber Liability Insurance** - Cyber Liability Insurance with limits of no less than \$1,000,000 for each occurrence or event with an annual aggregate of \$2,000,000 covering privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy shall protect the involved County entities and cover breach response cost as well as regulatory fines and penalties.

## **H. RIGHT TO MONITOR AND AUDIT**

**H.1** The County, State and Federal government shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items to the extent such materials relate to Contractor’s performance of Services to the County as may be requested by County, and shall have absolute right to monitor the performance of Contractor in the delivery of services provided under this Contract. Contractor shall give full cooperation, in any auditing or monitoring conducted. Contractor shall cooperate with the County in the implementation, monitoring, and evaluation of this Contract and comply with any and all reporting requirements established by the County.

**H.2** All records pertaining to services delivered and all fiscal, statistical and management books and records shall be available for examination and audit by County representatives for a period of three years after final payment under this Contract or until all pending County, State and Federal audits are completed, whichever is later.

**I. CORRECTION OF PERFORMANCE DEFICIENCIES**

**I.1** In the event of a problem or potential problem that could impact the quality or quantity of Services, or the level of performance under the Contract, Contractor shall notify the County within one (1) working day, in writing and by telephone.

**I.2** Failure by Contractor to comply with any of the provisions, covenants, requirements or conditions of this Contract shall be a material breach of this Contract.

**I.3** Contractor's primary contact and ARMC representative shall attempt in good faith to promptly resolve any dispute, controversy or claim arising out of the Contract. If these representatives are unable to resolve a dispute, controversy or claim with ten (10) days after the initial request for a meeting, then the dispute shall be submitted to an executive-level performance review.

If the Contractor primary contact and ARMC representative are not successful in resolving the dispute, negotiations shall be conducted by the ARMC Hospital Director, or designee and the highest level executive for Contractor. If these representatives are unable to resolve the dispute within ten (10) days after the representatives have commenced negotiations, or 20 days have passed since the initial request for negotiations at this level, the parties may agree in writing to submit the dispute to mediation.

**I.4** In the event of a non-cured breach, County may, at its sole discretion and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

- a. Afford Contractor thereafter a time period within which to cure the breach, which period shall be established at the sole discretion of County; and/or
- b. Discontinue reimbursement to Contractor for and during the period in which Contractor is in breach, which reimbursement shall not be entitled to later recovery; and/or
- c. Withhold funds pending duration of the breach; and/or
- d. Offset against any monies billed by Contractor but yet unpaid by County those monies disallowed pursuant to Item "b" of this paragraph; and/or
- e. Terminate this Contract immediately and be relieved of the payment of any consideration to Contractor. In the event of such termination, the County may proceed with the work in any manner deemed proper by the County. The cost to the County shall be deducted from any sum due to the Contractor under this Contract and the balance, if any, shall be paid by the Contractor upon demand.

**I.5** Unless a remedy is specifically designated as exclusive, no remedy conferred by any of the specific provision of the Contract is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies by either Party shall not constitute a waiver of the right to pursue other available remedies.

**J. NOTICES**

All written notices provided for in this Contract or which either party desires to give to the other shall be deemed fully given, when made in writing and either served personally, or by facsimile, or deposited in the United States mail, postage prepaid, and addressed to the other party as follows:

Arrowhead Regional Medical Center  
400 N. Pepper Ave  
Colton, CA 92324  
Attn: Hospital Director

ECG Management Consultants  
11512 El Camino Real, Suite 200  
San Diego, CA 92130  
Attn: Legal Dept.

Notice shall be deemed communicated two (2) County working days from the time of mailing if mailed as provided in this paragraph.

**K. ELECTRONIC SIGNATURES**

The Contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Contract. The parties shall be entitled to sign and transmit an electronic signature of this Contract (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing electronic signature agrees to promptly execute and deliver to the other party an original signed Contract upon request.

**L. LIMITATION OF LIABILITY**

Except for claims based on indemnification, gross negligence, fraud, willful misconduct and violation of law by Contractor, Contractor's liability for damages associated with services provided under this Contract shall not exceed the greater of \$3,000,000 or ten times the total amount paid for such services. Neither party will be liable for any lost revenue. In no event will either party be liable for punitive, incidental, or consequential damages, even if advised of the possibility of such damages.

**M. ENTIRE AGREEMENT**

This Contract, including all attachments, which are attached hereto and incorporated by reference, and other documents incorporated herein, represents the final, complete and exclusive agreement between the parties hereto. Any prior agreement, promises, negotiations or representations relating to the subject matter of this Contract not expressly set forth herein are of no force or effect. This Contract is executed without reliance upon any promise, warranty or representation by any party or any representative of any party other than those expressly contained herein. Each party has carefully read this Contract and signs the same of its own free will.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, San Bernardino County and the Contractor have each caused this Contract to be subscribed by its respective duly authorized officers, on its behalf.

SAN BERNARDINO COUNTY

ECG Management Consultants

*(Print or type name of corporation, company, contractor, etc.)*

►  
\_\_\_\_\_  
Curt Hagman, Chairman, Board of Supervisors

By ► \_\_\_\_\_  
*(Authorized signature - sign in blue ink)*

Dated: \_\_\_\_\_  
SIGNED AND CERTIFIED THAT A COPY OF THIS  
DOCUMENT HAS BEEN DELIVERED TO THE  
CHAIRMAN OF THE BOARD

Name Thomas Fox  
*(Print or type name of person signing contract)*

Lynna Monell  
Clerk of the Board of Supervisors  
San Bernardino County

Title Principal  
*(Print or Type)*

By \_\_\_\_\_  
Deputy

Dated: \_\_\_\_\_

Address 11512 El Camino Real, Suite 200  
San Diego, CA 92130

**FOR COUNTY USE ONLY**

Approved as to Legal Form  
► \_\_\_\_\_  
Charles Phan, Deputy County Counsel  
Date \_\_\_\_\_

Reviewed for Contract Compliance  
► \_\_\_\_\_  
Date \_\_\_\_\_

Reviewed/Approved by Department  
► \_\_\_\_\_  
William L. Gilbert, Director  
Date \_\_\_\_\_

ATTACHMENT A – FEE SCHEDULE

**KEY PERSONNEL**

<b>Role/Position</b>	<b>Hourly Rate</b>
Principal	\$560
Associate Principal	\$465
Senior Manager	\$415-\$425
Manager	\$365
Senior Consultant	\$290

Project-related expenses are billed in addition to professional fees. These expenses include (a) direct out-of-pocket expenses, such as travel, meals, and lodging, and (b) a charge of 5% of professional fees for all other expenses, including document production and indirect administrative expenses such as technology, research and benchmarking databases, and communications.

Note: The rates shall remain firm for the term of the Contract term. The County will not pay for time spent traveling to/from the offices of the Contractor to ARMC/ARMC Family Health Center to perform work under the Contract. All other approved travel time shall be billed to the County at one-half (1/2) the normal hourly rate for the biller involved.

The County expects work to be assigned to those key personnel who are most appropriate for the task in terms of the competency and experience. Whenever possible in the Contractor's judgment, the County expects Contractor to assign a certain task or activity to a key personnel billing at a lower hourly rate without loss of competency.

## ATTACHMENT B

### BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (Agreement) supplements and is made a part of the contract (Contract) by and between San Bernardino County on behalf of Arrowhead Regional Medical Center (hereinafter Covered Entity) and ECG Management Consultants (hereinafter Business Associate). This Agreement is effective as of the effective date of the Contract.

#### RECITALS

**WHEREAS**, Covered Entity (CE) wishes to disclose certain information to Business Associate (BA) pursuant to the terms of the Contract, which may include Protected Health Information (PHI); and

**WHEREAS**, CE and BA intend to protect the privacy and provide for the security of the PHI disclosed to BA pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (HITECH Act), their implementing regulations, and other applicable laws; and

**WHEREAS**, The Privacy Rule and the Security Rule require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, sections 164.314, subdivision (a), 164.502, subdivision (e), and 164.504, subdivision (e) of the Code of Federal Regulations (C.F.R.) and contained in this Agreement; and

**WHEREAS**, Pursuant to HIPAA and the HITECH Act, BA shall fulfill the responsibilities of this Agreement by being in compliance with the applicable provisions of the HIPAA Standards for Privacy of PHI set forth at 45 C.F.R. sections 164.308 (Administrative Safeguards), 164.310 (Physical Safeguards), 164.312 (Technical Safeguards), 164.316 (Policies and Procedures and Documentation Requirements), and, 164.400, et seq. and 42 United States Code (U.S.C.) section 17932 (Breach Notification Rule), in the same manner as they apply to a CE under HIPAA;

**NOW THEREFORE**, in consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree as follows:

#### A. Definitions

Unless otherwise specified herein, capitalized terms used in this Agreement shall have the same meanings as given in the Privacy Rule, the Security Rule, the Breach Notification Rule, and HITECH Act, as and when amended from time to time.

1. Breach shall have the same meaning given to such term under the HIPAA Regulations [45 C.F.R. §164.402] and the HITECH Act [42 U.S.C. §§17921 et seq.], and as further described in California Civil Code section 1798.82.
2. Business Associate (BA) shall have the same meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including but not limited to 42 U.S.C. section 17921 and 45 C.F.R. section 160.103.
3. Covered Entity (CE) shall have the same meaning given to such term as under the Privacy Rule and Security Rule, including, but not limited to 45 C.F.R. section 160.103.
4. Designated Record Set shall have the same meaning given to such term under 45 C.F.R. section 164.501.
5. Electronic Protected Health Information (ePHI) means PHI that is maintained in or transmitted by electronic media as defined in the Security Rule, 45 C.F.R. section 164.103.
6. Individual shall have the same meaning given to such term under 45 C.F.R. section 160.103.

7. Privacy Rule means the regulations promulgated under HIPAA by the United States Department of Health and Human Services (HHS) to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Parts 160 and 164, subparts A and E.
8. Protected Health Information (PHI) shall have the same meaning given to such term under 45 C.F.R. section 160.103, limited to the information received from, or created or received by Business Associate from or on behalf of, CE.
9. Security Rule means the regulations promulgated under HIPAA by HHS to protect the security of ePHI, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, subparts A and C.
10. Unsecured PHI shall have the same meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act, including, but not limited to 42 U.S.C. section 17932, subdivision (h).

## **B. Obligations and Activities of BA**

### **1. Permitted Uses and Disclosures**

BA may disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) for purposes of Treatment, Payment and Operations (TPO); (iv) as required by law; or (v) for Data Aggregation purposes for the Health Care Operations of CE. Prior to making any other disclosures, BA must obtain a written authorization from the Individual.

If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach. [42 U.S.C. section 17932; 45 C.F.R. sections 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

### **2. Prohibited Uses and Disclosures**

- i. BA shall not use, access or further disclose PHI other than as permitted or required by this Agreement and as specified in the attached Contract or as required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act. BA shall disclose to its employees, subcontractors, agents, or other third parties, and request from CE, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder.
- ii. BA shall not use or disclose PHI for fundraising or marketing purposes.
- iii. BA shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates. (42 U.S.C. section 17935(a) and 45 C.F.R. section 164.522(a)(1)(i)(A).)
- iv. BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act (42 U.S.C. section 17935(d)(2); and 45 C.F.R. section 164.508); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to this Agreement.

### **3. Appropriate Safeguards**

- i. BA shall implement appropriate safeguards to prevent the unauthorized use or disclosure of PHI, including, but not limited to, administrative, physical and technical safeguards that reasonably protect the confidentiality, integrity and availability of the PHI BA creates, receives, maintains, or transmits on behalf of the CE, in accordance with 45 C.F.R. sections 164.308, 164.310, 164.312 and 164.316. [45 C.F.R. sections 164.504(e)(2)(ii)(b) and 164.308(b).]
- ii. In accordance with 45 C.F.R. section 164.316, BA shall maintain reasonable and appropriate written policies and procedures for its privacy and security program in order to comply with the

standards, implementation specifications, or any other requirements of the Privacy Rule and applicable provisions of the Security Rule.

- iii. BA shall provide appropriate training for its workforce on the requirements of the Privacy Rule and Security Rule as those regulations affect the proper handling, use confidentiality and disclosure of the CE's PHI.

Such training will include specific guidance relating to sanctions against workforce members who fail to comply with privacy and security policies and procedures and the obligations of the BA under this Agreement.

#### 4. Subcontractors

BA shall enter into written agreements with agents and subcontractors to whom BA provides CE's PHI that impose substantially the same restrictions and conditions on such agents and subcontractors that apply to BA with respect to such PHI, and that require compliance with all appropriate safeguards as found in this Agreement.

#### 5. Reporting of Improper Access, Use or Disclosure or Breach

Every suspected and actual Breach shall be reported promptly, but no later than five (5) business days upon discovery, to CE's Office of Compliance, consistent with the regulations under HITECH Act. Upon discovery of a Breach or suspected Breach, BA shall complete the following actions:

- i. Provide CE's Office of Compliance with the following information (to the extent such information is known at the time of notification) to include but not limited to:
  - a) Date the Breach or suspected Breach occurred;
  - b) Date the Breach or suspected Breach was discovered;
  - c) Number of staff, employees, subcontractors, agents or other third parties and the names and titles of each person allegedly involved;
  - d) Number of potentially affected Individual(s) with contact information; and
  - e) Description of how the Breach or suspected Breach allegedly occurred.
- ii. Conduct and document a risk assessment by investigating without unreasonable delay and in no case later than ten (10) business days of discovery of the Breach or suspected Breach to determine the following:
  - a) The nature and extent of the PHI involved, including the types of identifiers and likelihood of re-identification;
  - b) The unauthorized person who had access to the PHI;
  - c) Whether the PHI was actually acquired or viewed; and
  - d) The extent to which the risk to PHI has been mitigated.
- iii. Provide a completed risk assessment and investigation documentation to CE's Office of Compliance within ten (10) business days of discovery of the Breach or suspected Breach with a determination as to whether a Breach has occurred. At the discretion of CE, additional information may be requested.
  - a) If BA and CE agree that a Breach has not occurred, notification to Individual(s) is not required.
  - b) If a Breach has occurred, notification to the Individual(s) is required and BA must provide CE with affected Individual(s) name and contact information so that CE can provide notification.
- iv. Make available to CE and governing State and Federal agencies in a time and manner designated by CE or governing State and Federal agencies, any policies, procedures, internal practices and records relating to a Breach or suspected Breach for the purposes of audit or should the CE reserve the right to conduct its own investigation and analysis.

#### 6. Access to PHI

To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI maintained by BA or its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act. If BA receives a request from an Individual for access to PHI, BA shall immediately forward such request to CE.

7. Amendment of PHI

If BA maintains a Designated Record Set on behalf of the CE, BA shall make any amendment(s) to PHI in a Designated Record Set that the CE directs or agrees to, pursuant to 45 C.F.R. section 164.526, or take other measures as necessary to satisfy CE's obligations under 45 C.F.R. section 164.526, in the time and manner designated by the CE.

8. Access to Records

BA shall make internal practices, books, and records, including policies and procedures, relating to the use, access and disclosure of PHI received from, or created or received by BA on behalf of, CE available to the Secretary of HHS, in a time and manner designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule and Security Rule and patient confidentiality regulations. Any documentation provided to the Secretary shall also be provided to the CE upon request.

9. Accounting for Disclosures

BA, its agents and subcontractors shall document disclosures of PHI and information related to such disclosures as required by HIPAA. This requirement does not apply to disclosures made for purposes of TPO. BA shall provide an accounting of disclosures to CE or an Individual, in the time and manner reasonably designated by the CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents or subcontractors for at least six (6) years prior to the request. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

10. Termination

CE may immediately terminate this agreement, and any related agreements, if CE determines that BA has breached a material term of this agreement. CE may, at its sole discretion, provide BA an opportunity to cure the breach or end the violation within the time specified by the CE.

11. Return of PHI

Upon termination of this Agreement, BA shall return all PHI required to be retained by the BA or its subcontractors, employees or agents on behalf of the CE. In the event the BA determines that returning the PHI is not feasible, the BA shall provide the CE with written notification of the conditions that make return not feasible. Additionally, the BA must follow established policies and procedures to ensure PHI is safeguarded and disposed of adequately in accordance with 45 C.F.R. section 164.310, and must submit to the CE a certification of destruction of PHI. For destruction of ePHI, the National Institute of Standards and Technology (NIST) guidelines must be followed. BA further agrees to extend any and all protections, limitations, and restrictions contained in this Agreement, to any PHI retained by BA or its subcontractors, employees or agents after the termination of this Agreement, and to limit any further use, access or disclosures.

12. Breach by the CE

Pursuant to 42 U.S.C. section 17934, subdivision (b), if the BA is aware of any activity or practice by the CE that constitutes a material Breach or violation of the CE's obligations under this Agreement, the BA must take reasonable steps to address the Breach and/or end eliminate the continued violation, if the BA has the capability of mitigating said violation. If the BA is unsuccessful in eliminating the violation and the CE continues with non-compliant activity, the BA must terminate the Agreement (if feasible) and report the violation to the Secretary of HHS.

### 13. Mitigation

BA shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to BA of a use, access or disclosure of PHI by BA, its agents or subcontractors in violation of the requirements of this Agreement.

### 14. Costs Associated to Breach

BA shall be responsible for reasonable costs associated with a Breach caused by BA (including its agents, employees, representatives, and subcontractors). Costs shall be based upon the required notification type as deemed appropriate and necessary by the CE and shall not be reimbursable under the Agreement at any time. CE shall determine the method to invoice the BA for said costs. Costs shall incur at the current rates and may include, but are not limited to the following:

- Postage;
- Alternative means of notice;
- Media notification; and
- Credit monitoring services.

### 15. Direct Liability

BA may be held directly liable under HIPAA for impermissible uses and disclosures of PHI; failure to provide breach notification to CE; failure to provide access to a copy of ePHI to CE or individual; failure to disclose PHI to the Secretary of HHS when investigating BA's compliance with HIPAA; failure to provide an accounting of disclosures; and, failure to enter into a business associate agreement with subcontractors.

### 16. Indemnification

BA agrees to indemnify, defend and hold harmless CE and its authorized officers, employees, agents and volunteers from any and all third party claims, actions, losses, damages, penalties, injuries, costs and expenses (including costs for reasonable attorney fees) actually incurred by CE that are caused by or result from the acts or omissions of BA, its officers, employees, agents and subcontractors, with respect to the use, access, maintenance or disclosure of CE's PHI, including without limitation, any Breach of PHI or any expenses incurred by CE in providing required Breach notifications resulting from a Breach caused by BA (or its officers, employees, agents and subcontractors). Notwithstanding anything in this Agreement to the contrary, BA's aggregate liability to CE or an indemnified party hereunder, regardless of theory of liability, shall not exceed \$3,000,000. In no event shall BA be liable for any consequential, indirect, special or punitive damages under this Section 16. Any penalties levied against CE as a result of a breach of PHI caused by BA shall not be construed as punitive damages for purposes of this Section 16.

### 17. Judicial or Administrative Proceedings

CE may terminate the Contract, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which the BA has been joined that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the Privacy Rule, Security Rule or other security or privacy laws.

### 18. Insurance

In addition to any general and/or professional liability insurance coverage required of BA under the Contract for services, BA shall provide appropriate liability insurance coverage during the term of this Agreement to cover any and all claims, causes of action, and demands whatsoever made for loss, damage, or injury to any person arising from the breach of the security, privacy, or confidentiality obligations of BA, its agents or employees, under this Agreement and under HIPAA 45 C.F.R. Parts 160 and 164, Subparts A and E.

### 19. Assistance in Litigation or Administrative Proceedings

BA shall make itself, and any subcontractors, employees, or agents assisting BA in the performance of its obligations under the Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers, or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where BA or its subcontractor, employee or agent is a named adverse party.

### **C. Obligations of CE**

1. CE shall notify BA of any of the following, to the extent that such may affect BA's use, access, maintenance or disclosure of PHI:
  - i. Any limitation(s) in CE's notice of privacy practices in accordance with 45 C.F.R. section 164.520.
  - ii. Any changes in, or revocation of, permission by an individual to use, access or disclose PHI.
  - iii. Any restriction to the use, access or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. section 164.522.
  - iv. CE's Disclosure of PHI to BA shall be limited to (1) PHI that BA has requested from CE to provide services under the Contract and (2) PHI that BA is reasonably expected to need to perform the services under the Contract. In addition, CE shall only Disclose the minimum necessary amount of PHI to BA as required (1) for BA to provide services to CE pursuant to the Agreement, and (2) to accomplish the intended purpose of the Disclosure.

### **D. General Provisions**

#### 1. Remedies

BA agrees that CE shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which CE may have at law or in equity in the event of an unauthorized use, access or disclosure of PHI by BA or any agent or subcontractor of BA that received PHI from BA.

#### 2. Ownership

The PHI shall be and remain the property of the CE. BA agrees that it acquires no title or rights to the PHI.

#### 3. Regulatory References

A reference in this Agreement to a section in the Privacy Rule and Security Rule and patient confidentiality regulations means the section as in effect or as amended.

#### 4. No Third-Party Beneficiaries

Nothing express or implied in the Contract or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

#### 5. Amendment

The parties acknowledge that state and federal laws related to privacy and security of PHI are rapidly evolving and that amendment of the Contract or this Agreement may be required to ensure compliance with such developments. The parties shall negotiate in good faith to amend this Agreement when and as necessary to comply with applicable laws. If either party does not agree to so amend this Agreement within 30 days after receiving a request for amendment from the other, either party may terminate the Agreement upon written notice. To the extent an amendment to this Agreement is required by law and this Agreement has not been so amended to comply with the applicable law in a timely manner, the amendment required by law shall be deemed to be incorporated into this Agreement automatically and without further action required by either of the parties. Subject to the foregoing, this Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by BA and CE.

#### 6. Interpretation

Any ambiguity in this Agreement shall be resolved to permit CE and BA to comply with the Privacy and Security Rules, the HITECH Act, and all applicable patient confidentiality regulations.

7. Compliance with State Law

In addition to HIPAA and all applicable HIPAA Regulations, BA acknowledges that BA and CE may have confidentiality and privacy obligations under State law, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq. ("CMIA")). If any provisions of this Agreement or HIPAA Regulations or the HITECH Act conflict with CMIA or any other California State law regarding the degree of protection provided for PHI and patient medical records, then BA shall comply with the more restrictive requirements.

8. Survival

The respective rights and obligations and rights of CE and BA relating to protecting the confidentiality or a patient's PHI shall survive the termination of the Contract or this Agreement.

## Proposed Approach

### Engagement Objective

The objective of this engagement is to partner with ARMC in assessing its operations and developing an organized approach and service development roadmap to achieve its aspirations for laboratory services.

Recommendations generated through this initiative will align laboratory services with ARMC's organizational long-term strategic, capital, operational, and IT plans. In addition, this engagement will identify opportunities for financial, operational, and service performance improvements. Key anticipated activities of the engagement are described below.

### Project Management

Our proposed approach to each project will be highly collaborative, engaging clinical, administrative, and executive leadership and other key stakeholders from across ARMC to better understand current performance, challenges, and constraints and to facilitate communication and build consensus for future improvement recommendations. At the outset of the engagement, we envision establishing a project structure that includes an executive steering committee (ESC) and project sponsors that will exist for the duration of the project. In addition, we envision engaging key stakeholders and, when appropriate, focused work groups for the assessment component and deploying structured work groups for the implementation and sustainability component. Details on the anticipated structure are outlined in figure 1.

**FIGURE 1: Project Roles and Meetings**

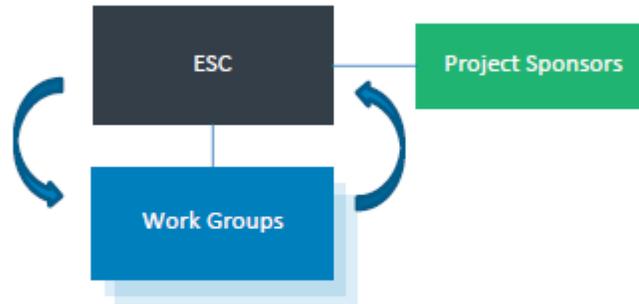
	Executive Steering Committee	Project Sponsors	Work Groups
Project Role	<ul style="list-style-type: none"> <li>I. Functions as the primary oversight group for the engagement</li> <li>II. Composed of executive and senior organizational stakeholders from across ARMC</li> <li>III. Reviews and approves all recommendations</li> </ul>	<ul style="list-style-type: none"> <li>IV. Serve as ECG’s day-to-day contacts</li> <li>V. Participate in working sessions and conference calls</li> <li>VI. Oversee the provision of requested data and scheduling of meetings with key stakeholders</li> <li>VII. Provide initial review of and feedback on findings</li> </ul>	<ul style="list-style-type: none"> <li>Function as expert advisory groups for specific workflows as needed</li> </ul>
Meetings	Convenes approximately three times over the first two phases of the engagement	Convene by phone approximately every two weeks over the course of the engagement	Convene in person or virtually as needed throughout the course of the engagement

The key participants and roles are further described below.

- **ESC:** The ESC will be the primary oversight group for this project. This group is anticipated to consist of executive and service line leadership from across the organization. Ideal steering committee composition is 12 people or fewer, representing key decision-makers and influencers. The ESC’s role will be to guide the course of the overall project, validate assumptions, provide input and feedback on findings, assist in building consensus, and ultimately endorse recommendations.
- **Project Sponsors:** The project sponsors will work closely with ECG to review the objectives of upcoming meetings, preview material before its presentation to the ESC, and manage day-to-day issues related to the project.
- **Work Groups:** Over the course of the engagement, it may become necessary to convene smaller, focused work groups to gain a more nuanced technical understanding and increase buy-in on key recommendations. The role of these work groups will be to review detailed analyses and craft targeted recommendations in relation to their respective focus areas. Each work group will be facilitated by ECG subject matter leads.

The envisioned organizational and reporting structure for the proposed participant groups is shown in figure 2.

**FIGURE 2: Project Organizational Structure**



### Project Phases and Work Plan

In order to assist ARMC’s laboratory service line to identify and implement improvement efforts, our approach marries analytics, industry best practices, and areas of frequent improvement opportunities for similar health systems. Based on our experience leading similar engagements, our Performance Transformation Division has developed a three-phased approach as described in figure 3 below.

**FIGURE 3: Project Phases**

Phase One: Current-State Assessment	Phase Two: Design Implementation Roadmap	Phase Three: Implementation and Sustainability
<ul style="list-style-type: none"> <li>Collect and validate data.</li> <li>Interview stakeholders, and observe operations.</li> <li>Assess the current operational environment, organizational design, and change readiness.</li> <li>Analyze performance metrics.</li> <li>Synthesize findings and provide recommendations, including proposed adoption of industry best practices.</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize opportunities to inform an implementation roadmap, including key stakeholder groups and an approach to change management.</li> <li>Provide a business case, including a risk assessment, for any recommended technology investments.</li> <li>Finalize the resource plan and targeted deliverables for the implementation phase.</li> </ul>	<ul style="list-style-type: none"> <li>Establish an implementation governance structure and identify resources for key work groups.</li> <li>Develop and collaboratively execute implementation plans for each approved initiative.</li> <li>Achieve targeted cost, revenue, and operational improvements, and validate achievements with financial and operational leadership.</li> <li>Establish operational control processes.</li> </ul>

To achieve the proposed approach, detailed work plans with key activities and deliverables to complete each phase will be developed for each engagement, similar to the example work plan below.

At the outset of the engagement, ECG will collaborate with ARMC's organizational and laboratory services leadership to review and confirm project scope, structure and participant roles, and timeline and key milestones. In addition, we will gather background information to understand current operations and in-flight activities that may impact this project and introduce the ECG team to the ARMC team.

#### Task One: Collect and Validate Data

Our team will issue a comprehensive data request encompassing operational and financial data at the aggregate and patient level for an agreed-upon time period. ECG will also request documents regarding both inpatient and ambulatory operations so that we understand the policies, procedures, practices, and structures that exist to manage the organization. As part of this task, we will also confirm if ARMC is using any internal productivity targets, and if so, what these are for each area and how they are defined. ECG will evaluate ARMC's performance across widely accepted key performance indicators (KPIs) to gauge and identify areas of variance in the following domains:

- Staffing composition and productivity
- Throughput and capacity management
- Facility and fixed asset utilization
- Supply chain and purchased services
- Revenue capture and leakage
- Lab formulary and utilization
- Overhead and nonclinical support
- Technology infrastructure, utilization, and support

### **Task Two: Interview Stakeholders, and Observe Operations**

In order to place the data and our findings into a broader organizational context, our team will work with the project sponsors to identify the key operational and clinical stakeholders for focused interviews. ECG's subject matter experts (SMEs) will conduct meetings with these stakeholders to gain an understanding of current-state operations; learn what challenges exist related to demand-based staffing and productivity management; examine procurement, distribution and inventory locations and review reference lab usage and outreach lab processes; explore facility layout and design, current testing equipment, and process flows; review EHR usage and other supporting technology available to monitor operational performance; understand special circumstances and nuances specific to units, departments, and processes; and appreciate the real or perceived constraints that exist. We prefer meeting with stakeholders in person; however, our SMEs will conduct stakeholder interviews virtually if necessary and as dictated by state public health safety requirements or the project schedule. In addition, we will conduct observations in relevant resource-intensive areas. These observations will support discrete data and information collection to inform both qualitative and quantitative analyses of ARMC's laboratory services against leading industry practice.

### **Task Three: Assess Current Operational Environment, Organizational Design, and Change Readiness**

ECG will assess the current environment of the organization relative to industry best practices to identify performance improvement opportunities and efficiency gains related to people, processes, and technology. ECG also appreciates that employees across an organization will have varied feelings about change – whether change occurred as a result of outside factors or due to internal initiatives. Where appropriate, ECG will conduct an anonymous electronic engagement survey at the outset of the project to assess employees' and providers' appetite for change and willingness to engage in improvement efforts. Employee satisfaction will also be measured as a baseline for comparison at the culmination of the project. Findings from this survey will inform the degree of change management support that will be required across the organization and where areas of concern or aversion to change are greatest.

#### Task Four: Analyze Performance Metrics

ECG applies a tiered approach to our quantitative assessments by using outcomes-based financial and operational KPIs to provide a clear landscape of current performance and identify areas of underperformance and/or opportunity. As opportunity areas are prioritized, more focused, process-based measures are used to highlight root causes of underperformance and support recommendations for improvement. In our experience, this approach facilitates a more focused assessment that efficiently highlights relevant topics with direct influence on overall performance.

#### Task Five: Synthesize Findings and Provide Recommendations, Including Proposed Adoption of Industry Best Practices

Our SMEs will share with the ESC qualitative findings from stakeholder interviews, on-site observations, and document reviews synthesized with our detailed quantitative analyses. Findings will include unit, department, and organization-specific financial and FTE opportunities. In addition, ECG will provide specific recommendations based on our findings and industry expertise.

#### Phase One Deliverables

- ❖ Project kickoff materials
- ❖ Project plan
- ❖ Steering committee roster
- ❖ Data request
- ❖ Stakeholder interviews and observation findings
- ❖ Organizational design and change readiness analysis survey
- ❖ Summary of initial findings and areas of performance improvement opportunities, accompanied by anticipated impact and required level of effort
- ❖ Final recommendations

Based on our findings and recommendations, as well as feedback from ARMC leadership, we will develop a detailed action plan for implementing change initiatives, which will include the potential financial impact, process steps, milestones, effort level, and key success factors.

**Task One: Prioritize Opportunities to Inform an Implementation Roadmap, Including Key Stakeholder Groups and an Approach to Change Management**

ECG will incorporate feedback and input from the ESC to refine specific recommendations and actionable opportunities. From this, we will develop a proposed implementation roadmap with specific actions, realistic timelines, and leadership roles most suited to own improvement elements. The detailed roadmap will also include an approach to change management, expected labor cost savings, staffing and operational efficiencies, and the tools or technologies necessary to support the recommended changes. ECG will employ various tools and frameworks, including ADKAR and process and value stream mapping, to guide collaborative process design sessions.

**Task Two: Provide a Business Case, Including a Risk Assessment, for Any Recommended Technology Investments**

ECG has extensive experience conducting competitive vendor selections and is well versed in technology applications that support healthcare organizations. We are expert facilitators and will ensure a balanced and objective process with broad involvement across your organization. ECG brings the tools and techniques necessary to guide the process, identify key issues, determine total cost of ownership, and bring your organization to consensus on the best-fit vendor to support your productivity management goals.

**Task Three: Finalize the Resource Plan and Targeted Deliverables for the Implementation Phase**

ECG will provide our proposed implementation structure and approach once we have agreed on an implementation roadmap. The final deliverables will include examples of playbooks, policies and procedures, dashboards, and tools used to support implementation, in addition to an approach to change management based upon employee engagement survey findings.

### Phase Two Deliverables

- ❖ A prioritized implementation roadmap based on these recommendations
- ❖ A detailed quality and control plan to support the implementation of key high-priority initiatives outlined in the implementation roadmap
- ❖ Final deliverables

### Phase Three

### Implementation and Sustainability

Implementation assistance can be critical to ensuring the timely and effective execution of the agreed-upon transformation plan and may include interim management to support and facilitate changes. ECG is prepared to assist ARMC throughout this process, and at your request, we will develop a formal scope of work for implementation assistance at the appropriate time.

**ATTACHMENT D**  
**Ancillary Imaging Consulting Services**

## Proposed Approach

### **Engagement Objective**

The objective of this engagement is to partner with ARMC in assessing its operations and developing an organized approach and service development roadmap to achieve its aspirations for imaging services.

Recommendations generated through this initiative will align imaging services with ARMC's organizational long-term strategic, capital, operational, and IT plans. In addition, this engagement will identify opportunities for financial, operational, and service performance improvements. Key anticipated activities of the engagement are described below.

### **Project Management**

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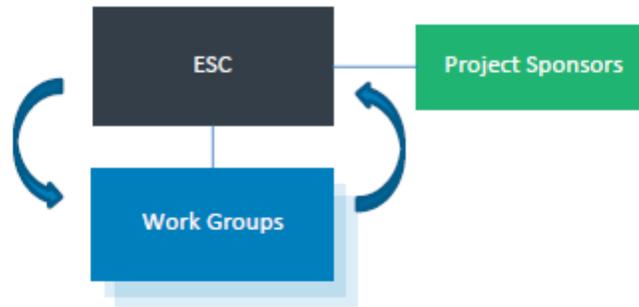
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- Technology infrastructure, utilization, and support

### **Task Two: Interview Stakeholders, and Observe Operations**

In order to place the data and our findings into a broader organizational context, our team will work with the project sponsors to identify the key operational and clinical stakeholders for focused interviews. ECG's subject matter experts (SMEs) will conduct meetings with these stakeholders to gain an understanding of current-state operations; learn what challenges exist related to demand-based staffing and productivity management; explore facility layout and design, current testing equipment, and process flows; review EHR usage and other supporting technology available to monitor operational performance; understand special circumstances and nuances specific to units, departments, and processes; and appreciate the real or perceived constraints that exist. We prefer meeting with stakeholders in person; however, our SMEs will conduct stakeholder interviews virtually if necessary and as dictated by state public health safety requirements or the project schedule. In addition, we will conduct observations in relevant resource-intensive areas. These observations will support discrete data and information collection to inform both qualitative and quantitative analyses of ARMC's imaging services against leading industry practice.

### **Task Three: Assess Current Operational Environment, Organizational Design, and Change Readiness**

ECG will assess the current environment of the organization relative to industry best practices to identify performance improvement opportunities and efficiency gains related to people, processes, and technology. ECG also appreciates that employees across an organization will have varied feelings about change – whether change occurred as a result of outside factors or due to internal initiatives. Where appropriate, ECG will conduct an anonymous electronic engagement survey at the outset of the project to assess employees' and providers' appetite for change and willingness to engage in improvement efforts. Employee satisfaction will also be measured as a baseline for comparison at the culmination of the project. Findings from this survey will inform the degree of change management support that will be required across the organization and where areas of concern or aversion to change are greatest.

### **Task Four: Analyze Performance Metrics**

ECG applies a tiered approach to our quantitative assessments by using outcomes-based financial and operational KPIs to provide a clear landscape of current performance and identify areas of underperformance and/or opportunity. As opportunity areas are prioritized, more focused, process-based measures are used to highlight root causes of underperformance and support recommendations for improvement. In our experience, this approach facilitates a more focused assessment that efficiently highlights relevant topics with direct influence on overall performance.

### Task Five: Synthesize Findings and Provide Recommendations, Including Proposed Adoption of Industry Best Practices

Our SMEs will share with the ESC qualitative findings from stakeholder interviews, on-site observations, and document reviews synthesized with our detailed quantitative analyses. Findings will include unit, department, and organization-specific financial and FTE opportunities. In addition, ECG will provide specific recommendations based on our findings and industry expertise.

#### Phase One Deliverables

- ❖ Project kickoff materials
- ❖ Project plan
- ❖ Steering committee roster
- ❖ Data request
- ❖ Stakeholder interviews and observation findings
- ❖ Organizational design and change readiness analysis survey
- ❖ Summary of initial findings and areas of performance improvement opportunities, accompanied by anticipated impact and required level of effort
- ❖ Final recommendations

#### Phase Two

#### Design Implementation Roadmap

Based on our findings and recommendations, as well as feedback from ARMC leadership, we will develop a detailed action plan for implementing change initiatives, which will include the potential financial impact, process steps, milestones, effort level, and key success factors.

#### Task One: Prioritize Opportunities to Inform an Implementation Roadmap, Including Key Stakeholder Groups and an Approach to Change Management

ECG will incorporate feedback and input from the ESC to refine specific recommendations and actionable opportunities. From this, we will develop a proposed implementation roadmap with specific actions, realistic timelines, and leadership roles most suited to own improvement elements. The detailed roadmap will also include an approach to change management, expected labor cost savings, staffing and operational efficiencies, and the tools or technologies necessary to support the recommended changes. ECG will employ various tools and frameworks, including ADKAR and process and value stream mapping, to guide collaborative process design sessions.

**Task Two: Provide a Business Case, Including a Risk Assessment, for Any Recommended Technology Investments**

ECG has extensive experience conducting competitive vendor selections and is well versed in technology applications that support healthcare organizations. We are expert facilitators and will ensure a balanced and objective process with broad involvement across your organization. ECG brings the tools and techniques necessary to guide the process, identify key issues, determine total cost of ownership, and bring your organization to consensus on the best-fit vendor to support your productivity management goals.

**Task Three: Finalize the Resource Plan and Targeted Deliverables for the Implementation Phase**

ECG will provide our proposed implementation structure and approach once we have agreed on an implementation roadmap. The final deliverables will include examples of playbooks, policies and procedures, dashboards, and tools used to support implementation, in addition to an approach to change management based upon employee engagement survey findings.

**Phase Two Deliverables**

- ❖ A prioritized implementation roadmap based on these recommendations
- ❖ A detailed quality and control plan to support the implementation of key high-priority initiatives outlined in the implementation roadmap
- ❖ Final deliverables

**Phase Three**

**Implementation and Sustainability**

Implementation assistance can be critical to ensuring the timely and effective execution of the agreed-upon transformation plan and may include interim management to support and facilitate changes. ECG is prepared to assist ARMC throughout this process, and at your request, we will develop a formal scope of work for implementation assistance at the appropriate time.