



Contract Number

SAP Number

Arrowhead Regional Medical Center

Department Contract Representative Andrew Goldfrach
Telephone Number (909) 580-6150

Contractor Premier Cost Recovery, Inc.
Contractor Representative Renz Kuipers
Telephone Number (720) 306-9595
Contract Term Three years from date of execution
Original Contract Amount NTE \$1,000,000
Amendment Amount _____
Total Contract Amount NTE \$1,000,000
Cost Center _____
Grant Number (if applicable) _____

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, San Bernardino County (“County”) desires to contract with a vendor to provide accounts payable analysis and recovery services as needed, with the goal of recovering overpayments and identifying procedures and processes for future over/duplicate payments recovery for Arrowhead Regional Medical Center (“ARMC”); and

WHEREAS, the County conducted a competitive process through a Request for Proposal (“RFP”) to find a vendor to provide these services, and

WHEREAS, based on the representations of Premier Cost Recovery, Inc. (“Contractor” or “PCR”) in its proposal in response to the County’s RFP, the County finds Contractor qualified to provide accounts payable analysis and recovery services as needed to ARMC, with the goal of recovering overpayments and identifying procedures and processes for future over/duplicate payments recovery; 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 AP: Refers to ARMC’s accounts payable.

A.2 Contract: Refers to this contract, including all attachments referenced (all of which are incorporated herein), between County and Contractor.

A.3 Services: The requested services described in this Contract.

B. CONTRACTOR RESPONSIBILITIES

B.1 Project goal and objectives

- a. Review and evaluate AP transactions for accuracy.
- b. Identify and recover overpayments made to vendors.
- c. Eliminate duplicate payments to vendors.
- d. Ensure compliance with vendor contracts.

B.2 Deliverables/Requirements

- a. Conduct comprehensive audit of ARMC's accounts payable, as directed by ARMC, for the last five years and/or during the timeframe specifically requested by ARMC in accordance with the scope of work on Exhibit 1.
- b. Analysis of accounts payables processes where overspend may occur, including vendor returns, pricing, rebates and trade-in allowances, sales and use tax payments through the application of best-in-class strategies
- c. Recover overpayments or duplicate payments made to vendors based on the analysis/audit conducted by Contractor. Notwithstanding the foregoing, Contractor may not initiate or pursue any lawsuit on behalf of the County to recover overpayments or duplicate payments without the approval of the County Board of Supervisors and County Counsel.

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 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 a minimum amount of compensation, under the terms of this Contract.

C.4 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's fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney's fees directly arising from a third-party legal action against a party hereto and payable under Indemnification and Insurance Requirements.

C.5 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; (b) 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 the results of the background check of each individual to

verify that the individual meets Contractor's standards for employment. 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 but must, at a minimum, have been performed within the preceding 12-month period. 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 of Contractor's personnel to any County facility.

C.6 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.7 Choice of Law

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

C.8 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 items addressed 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.9 Confidentiality

Contractor shall protect from unauthorized use or disclosure the names and other identifying information concerning persons receiving services pursuant to this Contract, except for statistical information not identifying any participant. Contractor shall not use or disclose any identifying information for any purpose other than carrying out the Contractor's obligations under this Contract, except as may otherwise be required by law. This provision will remain in force even after the termination of the Contract.

C.10 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.11 County Representative

The ARMC Chief Executive Officer 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, unless otherwise delegated.

C.12 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.13 Debarment and Suspension

Contractor certifies that neither it nor its principals or subcontractors is presently debarred, 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 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.14 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.14.1** Shall not be in any way impaired because of being under the influence of alcohol or an illegal or controlled substance.
- C.14.2** 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.14.3** 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.

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.15 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.16 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.17 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.18 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.19 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.20 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.21 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.22 Licenses, Permits and/or Certifications

Contractor shall ensure that it has all necessary licenses, permits and/or certifications required by 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.23 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.24 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.25 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.26 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.27 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 Article D—Term of the Contract. Unless otherwise directed by County, Contractor may retain copies of such items.

C.28 RESERVED.

C.29 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.30 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, contractors, 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.31 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. 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 San Bernardino County. Any provision of this Contract that may appear to give the County any right to direct the Contractor concerning the details of performing the services/Scope of Work, or to exercise any control over such performance, shall mean only that the Contractor shall follow the direction of the County concerning the end results of the performance.

C.32 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.33 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.34 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 Article G. All approved subcontractors shall be subject to the provisions of this Contract applicable to Contractor Personnel.

For any subcontractor, Contractor shall:

- 34.1** Be responsible for subcontractor compliance with the Contract and the subcontract terms and conditions; and

- 34.2** Ensure that the subcontractor follows County's reporting formats and procedures as specified by County.
- 34.3** Include in the subcontractor's subcontract substantially similar terms as are provided in Articles 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.35 Subpoena

In the event that a subpoena or other legal process commenced by a third party in any way concerning the 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.36 Termination for Convenience

The County reserves the right to terminate the Contract, for its convenience, with or without cause, 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) to all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

C.37 Time of the Essence

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

C.38 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.39 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 officers, employees, subcontractors, 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.

Contractor understands per the attached Conflict of Interest and Political Reform Act Obligations (Attachment A) that the ARMC Chief Executive Officer has determined Contractor meets Disclosure Determination number 1 and that no disclosure is required.

C.40 Former County Administrative Officials

Contractor agrees to provide, or has already provided information on former San Bernardino County 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.41 Disclosure of Criminal and Civil Procedures

County reserves the right to request the information described herein from 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.42 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 San Bernardino County 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.43 RESERVED.

C.44 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.

C.45 RESERVED.

C.46 Errors, Omissions and/or Conflicts

Contractor shall be responsible for the integrity of all design and research studies prepared or approved by the Contractor and should County suffer damages due to errors, omissions, and/or conflicts within such documents, the Contractor shall be responsible to County for costs of all such damages.

C.47 Regulatory Agencies

Except for emergencies, or except for situations where contact is required by law or relevant professional canons of ethics (in which case Contractor will use its professional efforts to notify and confer with the County before such contact, the parties recognizing that there may not be time for such in an emergency), Contractor shall not contact the Local Enforcement Agency, South Coast Air Quality Management District or other regulatory agencies concerning any site that is the subject of this Contract without ARMC Chief Executive Officer prior approval.

C.48 California Consumer Privacy Act

To the extent applicable, if Contractor is a business that collects the personal information of a consumer(s) in performing Services pursuant to this Contract, Contractor must comply with the provisions of the California Consumer Privacy Act (CCPA). (Cal. Civil Code §§1798.100, et seq.). For purposes of this provision, “business,” “consumer,” and “personal information” shall have the same meanings as set forth at Civil Code section 1798.140. Contractor must contact the County immediately upon receipt of any request by a consumer submitted pursuant to the CCPA that requires any action on the part of the County, including but not limited to, providing a list of disclosures or deleting personal information. Contractor must not sell, market or otherwise disclose personal information of a consumer provided by the County unless specifically authorized pursuant to terms of this Contract. Contractor must immediately provide to the County any notice provided by a consumer to Contractor pursuant to Civil Code section 1798.150(b) alleging a violation of the CCPA, that involves personal information received or maintained pursuant to this Contract. Contractor must immediately notify the County if it receives a notice of violation from the California Attorney General pursuant to Civil Code section 1798.155(b).

C.49 Executive Order N-6-22 Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country->

[information/ukraine-russia-related-sanctions](https://www.dgs.ca.gov/OLS/Ukraine-Russia)), as well as any sanctions imposed under state law (<https://www.dgs.ca.gov/OLS/Ukraine-Russia>). The EO directs state agencies and their contractors (including by agreement or receipt of a grant) to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should it be determined that Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. Contractor shall be provided advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the County.

C.50 Campaign Contribution Disclosure (SB 1439)

Contractor has disclosed to the County using Attachment B - Campaign Contribution Disclosure Senate Bill 1439, whether it has made any campaign contributions of more than \$250 to any member of the Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, Auditor-Controller/Treasurer/Tax Collector and the District Attorney] within the earlier of: (1) the date of the submission of Contractor's proposal to the County, or (2) 12 months before the date this Contract was approved by the Board of Supervisors. Contractor acknowledges that under Government Code section 84308, Contractor is prohibited from making campaign contributions of more than \$250 to any member of the Board of Supervisors or County elected officer for 12 months after the County's consideration of the Contract.

In the event of a proposed amendment to this Contract, the Contractor will provide the County a written statement disclosing any campaign contribution(s) of more than \$250 to any member of the Board of Supervisors or other County elected officer within the preceding 12 months of the date of the proposed amendment.

Campaign contributions include those made by any agent/person/entity on behalf of the Contractor or by a parent, subsidiary or otherwise related business entity of Contractor.

D. TERM OF CONTRACT

This Contract is effective for a three-year period effective as of the date of full execution but may be terminated earlier in accordance with the provisions of this Contract.

E. COUNTY RESPONSIBILITIES

E.1 Coordinate with Contractor to provide Contractor, its employees, agents, and permitted subcontractors reasonable access to ARMC's premises and documents to perform the services under this Contract.

E.2 For the services provided under this Contract, County shall pay Contractor in accordance with Exhibit 2 and Section F of this Contract.

E.3 The County reserves the right to approve or reject any processes or methods to be used by Contractor, as well as approval or disapproval of all personnel.

E.4 The County will not be responsible for Contractor's personal belongings that may be damaged, lost, or stolen.

F. FISCAL PROVISIONS

F.1 The total payments under this Contract shall not exceed \$1,000,000 and shall be subject to availability of other funds to the County. Contractor will be paid on a contingency fee basis in accordance with Exhibit 2 only when any overpayments, duplicate payments, etc. are fully received by the County or refunded to the County in the form a credit balance memo, check, or other form acceptable to the County as a result of the Contractor's Services under this Contract. 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. Contractor is not entitled to any additional compensation by

virtue of its costs (including wages or for travel) for any work which Contractor may claim exceeds or is in addition to the contingency fee set forth on Exhibit 2.

Contractor bears the risk that it may not be able to generate its anticipated (or any) profit in completing its performance of all required items of work for the specified level of compensation. In no event shall Contractor be entitled to receive compensation for any item of work required of Contractor under the terms of the Contract, which item of work is not performed by Contractor (including Contractor's agents and approved subcontractors).

- F.2** Contractor shall provide County itemized monthly invoices, in arrears, and in a format acceptable to the County for all recovery made by Contractor and received by County within fifteen (15) days of the end of the each month where a recovery is made. Unless otherwise requested by ARMC, the invoice shall separately specify for each recovery: (1) the amount of recovery, (2) the name of the vendor at issue in the recovery, (3) the contract number, invoice number, or purchase order number at issue, (4) a brief description of the work that Contractor undertook to obtain the recovery, (5) a description of what caused the overpayment, duplicate payment, etc., and (6) the amount of fees owed to Contractor as a result of the recovery in accordance with Exhibit 2. The County shall make payment to Contractor within sixty (60) working 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** 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 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

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 Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. 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

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 Contractor and County or between County and any other insured or additional insured under the policy.

G.6 Proof of Coverage

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, 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, County has the right but not the obligation or duty to cancel this Contract or obtain insurance if it deems necessary

and any premiums paid by County will be promptly reimbursed by 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 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 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 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 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 County.

G.11 Contractor agrees to provide insurance set forth in accordance with the requirements herein. If Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, 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, 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 –Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of 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 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 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

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. SUCCESSORS AND ASSIGNS

H.1 This Contract shall be binding upon County and Contractor and their respective successors and assigns.

H.2 Neither the performance of this Contract, nor any part thereof, nor any monies due or to become due thereunder may be assigned by Contractor without the prior written consent and approval of County.

H.3 Death or Incapacity: If the Contractor transacts business as an individual, his/her death or incapacity shall automatically terminate this Contract as of the date of such event, and neither he/she nor his/her estate shall have any further right to perform hereunder, and County shall pay him/her or his/her estate the compensation payable under Article F, Fiscal Provisions, for any services rendered prior to such termination not heretofore paid, reduced by the

amount of additional costs which will be incurred by County by reason of such termination. If there be more than one Contractor and any one of them die or become incapacitated and the others continue to render the services covered herein, County will make payment to those continuing as though there had been no such death or incapacity and County will not be obliged to take any account of the person who died or became incapacitated or to make any payments to such person or his estate. The provision shall apply in the event of progressive or simultaneous occasions of death or incapacity among any group of persons named as Contractor herein, and if death or incapacity befalls the last one of such group before this Contract is fully performed, then the rights shall be as if there had been only one Contractor.

I. RIGHT TO MONITOR AND AUDIT

- I.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 as requested, 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.
- I.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 the Contract or until all pending County, State and Federal audits are completed, whichever is later.

J. CORRECTION OF PERFORMANCE DEFICIENCIES

- J.1** 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.
- J.2** 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, County may proceed with the work in any manner deemed proper by County. The cost to County shall be deducted from any sum due to Contractor under this Contract and the balance, if any, shall be paid by Contractor upon demand.
- J.3** 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.

K. 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 deposited in the United States mail, postage prepaid, and addressed to the other party as follows:

San Bernardino County

Premier Cost Recovery, Inc.

Arrowhead Regional Medical Center
400 North Pepper Street
Colton, CA 92324
Attn: ARMC Chief Executive Officer

1624 N. Washington Street
Denver, CO 80203
Attn: Renz Kuipers, Senior Director

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

L. ENTIRE AGREEMENT

This Contract, including all Attachments, Exhibits and other 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.

M. ELECTRONIC SIGNATURES

This 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 mail transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Contract upon request.

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

SAN BERNARDINO COUNTY

PREMIER COST RECOVERY, INC.

►

Dawn Rowe, Chair, Board of Supervisors

By ► _____

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

Name Renz Kuipers

Title Senior Director

Lynna Monell
Clerk of the Board of Supervisors
San Bernardino County

By _____
Deputy

Dated: _____

Address 1624 N. Washington Street
Denver, CO 80203

FOR COUNTY USE ONLY

Approved as to Legal Form	Reviewed for Contract Compliance	Reviewed/Approved by Department
► Charles Phan, Supervising Deputy County Counsel Date _____	► _____ Date _____	► Andrew Goldfrach, ARMC Chief Executive Officer Date _____

EXHIBIT 1

SCOPE OF WORK

The Audit process run by PCR's team is focused on the client's accounting software data which guides the overpayment analysis process. Many firms PCR competes against use vendor statement gathering as the cornerstone of a recovery audit. PCR's team goes beyond statement gathering by reviewing the data surrounding duplicate payments, contract compliance, supplier returns, and capital purchase orders resulting in much greater overpayment recovery than the industry average.

PCR's team is self-sufficient and only reaches out to our client for assistance as a last resort so our projects do not burden our client with additional workloads. This also translates to efficiently communicating with vendors in a respectful way to ensure the relationships our clients have developed with their vendors are maintained. Our team communicates clearly with vendors and keeps their representatives informed of our project. If there is ever a dispute that requires additional action our team is quick to schedule a meeting with all affected parties. We take pride when our clients tell us a vendor told them one of our team members was a pleasure to work with.

PCR recovers overpayments due to a variety of reasons. Below is a highlight of recovery by type of overpayment and what percent of a project each represents over the past 10 years:



PCR's staff review the following areas for recovering overpayments:

- Duplicate Payments
- Supplier Returns
- Contract Compliance
- Item Pricing
- Freight Terms
- Payment Terms
- Rebates/Allowances
- Capital Purchase Orders
- Sales & Use Tax

All overpayments recovered are submitted with thorough documentation of how the overpayment occurred. The documentation includes a paid history, a vendor statement, and a credit memo as well as any relevant vendor correspondence. These documented overpayments are submitted for review to our clients via our web portal. This web portal has full access to all the credits being worked on by our team along with real-time reporting of key performance indicators.

During an AP recovery audit project, there are occasional vendor disputes of findings. If a vendor disputes a credit claim the Audit Team will request details on what occurred to clear the matter. The Audit Team then reconciles how the credit was cleared in the data or with the client to reconcile the matter quickly.

PCR's goal is to not only provide a comprehensive review of the procurement and payment processes and recover all overspend issues but also to identify and report the causes of those errors and recommend improvements for our clients moving forward. These final reports include recommendations such as a policy for data entry of invoices, or enhanced processes for utilizing the ERP system tools to better track products returned to vendors and even optimal PO usage.

WORK PLAN AND SCHEDULE

PCR uses a four-step implementation plan for each project. A description of each step is listed below along with audit area-specific resources and tasks.



PCR utilizes a project timeline that incorporates each aspect and task of the audit. This timeline is important to our clients to gauge and monitor audit progress as well as to lay out specific goals and measurable objectives.

Meanwhile, throughout every step of the process, PCR's clients have access to the progress of all work through PCR's portal. This portal has been custom-created based on client feedback, so navigation is easy to perform and provides full transparency to PCR auditor notes, documentation, and final claims.

Project Schedule

a) Data Acquisition

o Timeline: 10-14 days

PCR's data services department is familiar with financial table structures in multiple environments. Working with a point person, PCR is quickly able to identify relevant files and the best extraction process. PCR does not require any custom programming to extract data but pulls full files at the server level. This method ensures all required data is provided and greatly simplifies the extraction task from a technical level. PCR supports all standard data formats and a wide array of media and software systems. The data tables are to be uploaded to PCR's secure AWS servers for analysis by our team.

ACTIVITY	PLANNED START	PLANNED EXECUTION	RESPONSIBLE PARTIES
<u>Data Acquisition</u>	TBD	14 days	
Identify IT Resource for Client	TBD	1 day	PCR: Systems Analyst Client: IT Resource
Define Data Extracts	TBD	1 day	PCR: Systems Analyst
Move Data from Client to PCR	TBD	1 day	Client: IT Resource
Analyze Data	TBD	10 days	PCR: Systems Analyst

b) Process Assessment

o Timeline: 5-7 days

PCR's next step in serving our clients is to analyze our clients' current procurement process while simultaneously analyzing the data and running exception reports. We begin by interviewing key individuals who are involved in the procurement cycle. After reviewing the processes, a detailed audit plan is created. We believe this workflow analysis knowledge is the key to maximizing recovery and developing long-term recommendations that will improve our client's processes in the future.

Sample questions asked of our clients during the process assessment include:

- How are supplier returns handled in Supply Chain and conveyed to the Accounts Payable department?
- What percentage of invoices are matched the first time?
- What is the most common discrepancy during the match process – item pricing or quantity received? How are these discrepancies resolved?
- Is the healthcare facility affiliated with a Group Purchasing Organization?
- What internal controls are in place for setting up a new vendor in the system?

ACTIVITY	PLANNED START	PLANNED EXECUTION	RESPONSIBLE PARTIES
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<u>Process Assessment</u>	TBD	8 days	
Identify Key Personnel	TBD	1 Day	PCR: Audit Manager Client: AP Management
Schedule Interviews	TBD	1 Day	PCR: Audit Manager Client: AP Management
Perform Interviews	TBD	1 Day	PCR: Audit Manager Client: AP Management
Document Feedback	TBD	1 Day	PCR: Audit Manager
Create Audit Plan	TBD	2 Days	PCR: Audit Manager
Analyze Data Flow	TBD	1 Day	PCR: Audit Manager
Analyze Process Interview Feedback	TBD	1 Day	PCR: Audit Manager
Consolidate Audit Plan specific to Client Environment	TBD	1 Day	PCR: Audit Manager
Identify Client Point Person	TBD	1 Day	PCR: Audit Manager

c) Claims Administration

o **Timeline: 12-16 weeks**

For AP recovery audits, PCR handles the entire claims (i.e. credit via credit memo or refund check) administration process to ensure maximum economic benefit. This process includes vendor correspondence and vendor claim approval from start to finish. We will also pursue claims from vendors our clients are no longer using. By providing documented claims and acting professionally, we strive to preserve and even enhance vendor relationships.

All our claims are presented to our client and processed through our Client Management System (CMS). The CMS is a fully integrated online dashboard that handles the entire claim and approval process. This provides many benefits to our clients including:

- o Detailed claim information with imaged supporting documentation
- o Online client claim verification and approval
- o Easy access to real-time reporting for all aspects of the audit and KPIs
- o Supported with mobile browser

While real-time reports can be generated at any time in the CMS portal, we also feel it is important to provide weekly reporting to our clients. The purpose of the weekly reports is to:

- o Track goals and specific audit objectives

- Measure audit status and completion
- Provide a rolling summary of recoveries
- Highlight different areas and percentages of recovery

ACTIVITY	PLANNED START	PLANNED EXECUTION	RESPONSIBLE PARTIES
<u>Claims Administration</u>	TBD	90 Days	
Research Claims	TBD	30 Days	PCR: Audit Team
Gather Applicable Claim Documentation	TBD	30 Days	PCR: Audit Team
Obtain Vendor Pre-Approval	TBD	90 Days	PCR: Audit Team
Submit Researched and Approved Claims to Client thru CMS Portal	TBD	90 Days	PCR: Audit Manager
Provide Weekly Reports	TBD	90 Days	PCR: Audit Manager

d) Final Client Report

- **Timeline: 1 week after audit completion**

Our final report translates our findings into powerful solutions for our clients. This document combines “best practices” and a detailed review of the major audit areas. Most importantly, it provides opportunities for enhancing and improving internal processes. To meet our client’s specific needs, we provide training for the staff involved in implementing our recommendations. The final report demonstrates our consistent commitment to improving our client’s bottom line.

ACTIVITY	PLANNED START	PLANNED EXECUTION	RESPONSIBLE PARTIES
<u>Final Client Report</u>	TBD	3 Days	
Present Audit Findings to Management	TBD	1 Day	PCR: Audit Manager Client: AP Management
Highlight Opportunities for Process Improvement	TBD	1 Day	PCR: Audit Manager
Provide Staff Training on Recommended Practices	TBD	1 Day	PCR: Audit Manager Client: AP Staff

EXHIBIT 2
FEE SCHEDULE

Line Item	Total Recovery Amount	Proposed Fee (percentage of actual funds recovered)
001	Up to \$5,000	18%
002	\$5,001 to \$50,000	18%
003	\$50,001 to \$100,000	18%
004	\$100,001 to \$150,000	18%
005	\$150,001 and over	18%

PCR charges no set up charges and no travel costs should an onsite meeting be required. The work is primarily conducted remotely from PCR's offices. An on-site visit is not a prerequisite to a successful engagement with PCR.

ATTACHMENT A

CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS

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.

During the term of this Contract Contractor shall not act a Contractor or perform services of any kind for any person or entity whose interests conflict in any way with those of the County. Contractor shall at all times comply with the terms of the Political Reform Act and the local conflict of interest code. Contractor shall immediately disqualify itself and shall not use its official position to influence in any way, any matter coming before the County in which the Contractor has a financial interest as defined in Government Code section 87103. Contractor represents that it has no knowledge of any financial interests which would require it to disqualify itself from any matter on which it might perform services for the County.

“Contractor” means an individual who, pursuant to a contract with a state or local agency:

(A) Makes a governmental decision whether to:

1. Approve a rate, rule or regulation;
2. Adopt or enforce a law;
3. Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;
4. Authorize the County to enter into, modify, or renew a contract provided it is the type of contract that requires County approval;
5. Grant County approval to a contract that requires County approval and to which the County is a party, or to the specifications for such a contract;
6. Grant County approval to a plan, design, report, study, or similar item;
7. Adopt, or grant County approval of, policies, standards, or guidelines for the County, or for any subdivision thereof; or

(B) Serves in a staff capacity with the County and in that capacity participates in making a governmental decision as defined in Regulation 18702.2 or performs the same or substantially all the same duties for the County that would otherwise be performed by an individual holding a position specified in the County’s Conflict of Interest Code.

DISCLOSURE DETERMINATION:

1. Contractor will not be “making a government decision” or “serving in a staff capacity” as defined in Sections A and B above. No disclosure required.
2. Contractor will be “making a government decision” or “serving in a staff capacity” as defined in either Section A or B above. As a result, Contractor shall be required to file a Statement of Economic Interest with the Clerk of the Board of Supervisors in a timely manner as required by law.



ATTACHMENT B

Campaign Contribution Disclosure (SB 1439)

DEFINITIONS

Actively supporting the matter: (a) Communicate directly with a member of the Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, District Attorney, Auditor-Controller/Treasurer/Tax Collector] for the purpose of influencing the decision on the matter; or (b) testifies or makes an oral statement before the County in a proceeding on the matter for the purpose of influencing the County's decision on the matter; or (c) communicates with County employees, for the purpose of influencing the County's decision on the matter; or (d) when the person/company's agent lobbies in person, testifies in person or otherwise communicates with the Board or County employees for purposes of influencing the County's decision in a matter.

Agent: A third-party individual or firm who, for compensation, is representing a party or a participant in the matter submitted to the Board of Supervisors. If an agent is an employee or member of a third-party law, architectural, engineering or consulting firm, or a similar entity, both the entity and the individual are considered agents.

Otherwise related entity: An otherwise related entity is any for-profit organization/company which does not have a parent-subsidary relationship but meets one of the following criteria:

- (1) One business entity has a controlling ownership interest in the other business entity;
- (2) there is shared management and control between the entities; or
- (3) a controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.

For purposes of (2), "shared management and control" can be found when the same person or substantially the same persons own and manage the two entities; there are common or commingled funds or assets; the business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis; or there is otherwise a regular and close working relationship between the entities.

Parent-Subsidiary Relationship: A parent-subsidiary relationship exists when one corporation has more than 50 percent of the voting power of another corporation.

Contractors must respond to the questions on the following page. If a question does not apply respond N/A or Not Applicable.

1. Name of Contractor: Premier Cost Recovery, Inc

2. Is the entity listed in Question No.1 a nonprofit organization under Internal Revenue Code section 501(c)(3)?

Yes If yes, skip Question Nos. 3-4 and go to Question No. 5 No X

3. Name of Principal (i.e., CEO/President) of entity listed in Question No. 1, if the individual actively supports the matter and has a financial interest in the decision: Joel Vaandrager

4. If the entity identified in Question No.1 is a corporation held by 35 or less shareholders, and not publicly traded ("closed corporation"), identify the major shareholder(s):

Joel Vaandrager

5. Name of any parent, subsidiary, or otherwise related entity for the entity listed in Question No. 1 (see definitions above):

Company Name	Relationship
N/A	

6. Name of agent(s) of Contractor:

Company Name	Agent(s)	Date Agent Retained (if less than 12 months prior)
N/A		

7. Name of Subcontractor(s) (including Principal and Agent(s)) that will be providing services/work under the awarded contract if the subcontractor (1) actively supports the matter and (2) has a financial interest in the decision and (3) will be possibly identified in the contract with the County or board governed special district.

Company Name	Subcontractor(s):	Principal and//or Agent(s):
N/A		

8. Name of any known individuals/companies who are not listed in Questions 1-7, but who may (1) actively support or oppose the matter submitted to the Board and (2) have a financial interest in the outcome of the decision:

Company Name	Individual(s) Name
N/A	

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9. Was a campaign contribution, of more than \$250, made to any member of the San Bernardino County Board of Supervisors or other County elected officer within the prior 12 months, by any of the individuals or entities listed in Question Nos. 1-8?

No If **no**, please skip Question No. 10.

Yes If **yes**, please continue to complete this form.

10. Name of Board of Supervisor Member or other County elected officer: _____

Name of Contributor: _____

Date(s) of Contribution(s): _____

Amount(s): _____

Please add an additional sheet(s) to identify additional Board Members or other County elected officers to whom anyone listed made campaign contributions.

By signing the Contract, Contractor certifies that the statements made herein are true and correct. Contractor understands that the individuals and entities listed in Question Nos. 1-8 are prohibited from making campaign contributions of more than \$250 to any member of the Board of Supervisors or other County elected officer while award of this Contract is being considered and for 12 months after a final decision by the County.