

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND EMERALD TEXTILES**

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2022, by and between the County of San Mateo, a political subdivision of the state of California, hereinafter called "County," and Emerald Textiles, hereinafter called "Contractor."

\* \* \*

Whereas, pursuant to Section 31000 of the California Government Code, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of laundry-linen rental services.

**Now, therefore, it is agreed by the parties to this Agreement as follows:**

**1. Exhibits and Attachments**

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A—Services
- Exhibit B—Payments and Rates
- Exhibit C—Performance Metrics
- Exhibit E—Corporate Compliance SMMC Code of Conduct (Third Parties)
- Attachment H—HIPAA Business Associate Requirements

**2. Services to be performed by Contractor**

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

**3. Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000). In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement. All weekly invoices must be approved by the Safety Officer or their designee and paid within thirty (30) days of receipt of the invoice. Invoices must be sent to: [SMMC-Accounts-Payable@smcgov.org](mailto:SMMC-Accounts-Payable@smcgov.org). Processing time may be delayed if invoices are not submitted electronically.

**4. Term**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from February 1, 2022, through January 31, 2025.

## **5. Termination**

This Agreement may be terminated by Contractor or by the County at any time after the second contract year without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or County funds by providing written notice to Contractor as soon as is reasonably possible after County learns of said unavailability of outside funding.

County may terminate this Agreement for cause. In order to terminate for cause, County must first give Contractor notice of the alleged breach. Contractor shall have ten (10) business days after receipt of such notice to respond and a total of thirty (30) calendar days after receipt of such notice to cure the alleged breach. If Contractor fails to cure the breach within this period, County may immediately terminate this Agreement without further action. The option available in this paragraph is separate from the ability to terminate without cause with appropriate notice described above. In the event that County provides notice of an alleged breach pursuant to this section, County may, in extreme circumstances, immediately suspend performance of services and payment under this Agreement pending the resolution of the process described in this paragraph. County has sole discretion to determine what constitutes an extreme circumstance for purposes of this paragraph, and County shall use reasonable judgment in making that determination.

## **6. Contract Materials**

At the end of this Agreement, or in the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and other written materials (collectively referred to as "contract materials") prepared by Contractor under this Agreement shall become the property of County and shall be promptly delivered to County. Upon termination, Contractor may make and retain a copy of such contract materials if permitted by law.

## **7. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of County and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of County employees.

## **8. Hold Harmless**

### **a. General Hold Harmless**

Contractor shall indemnify and save harmless County and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Contractor under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Contractor or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County and/or its officers, agents, employees, or servants. However, Contractor's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

**b. Intellectual Property Indemnification**

Contractor hereby certifies that it owns, controls, and/or licenses and retains all right, title, and/or interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and/or other technology relating to any part of the services it provides under this Agreement and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights") except as otherwise noted by this Agreement.

Contractor warrants that the services it provides under this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Contractor shall defend, indemnify, and hold harmless County from and against all liabilities, costs, damages, losses, and expenses (including reasonable attorney fees) arising out of or related to any claim by a third party that the services provided under this Agreement infringe or violate any third-party's IP Rights provided any such right is enforceable in the United States. Contractor's duty to defend, indemnify, and hold harmless under this Section applies only provided that: (a) County notifies Contractor promptly in writing of any notice of any such third-party claim; (b) County cooperates with Contractor, at Contractor's expense, in all reasonable respects in connection with the investigation and defense of any such third-party claim; (c) Contractor retains sole control of the defense of any action on any such claim and all negotiations for its settlement or compromise (provided Contractor shall not have the right to settle any criminal action, suit, or proceeding without County's prior written consent, not to be unreasonably withheld, and provided further that any settlement permitted under this Section shall not impose any financial or other obligation on County, impair any right of County, or contain any stipulation, admission, or acknowledgement of wrongdoing on the part of County without County's prior written consent, not to be unreasonably withheld); and (d) should services under this Agreement become, or in Contractor's opinion be likely to become, the subject of such a claim, or in the event such a third party claim or threatened claim causes County's reasonable use of the services under this Agreement to be seriously endangered or disrupted, Contractor shall, at Contractor's option and expense, either: (i) procure for County the right to continue using the services without infringement or (ii) replace or modify the services so that they become non-infringing but remain functionally equivalent.

Notwithstanding anything in this Section to the contrary, Contractor will have no obligation or liability to County under this Section to the extent any otherwise covered claim is based upon: (a) any aspects of the services under this Agreement which have been modified by or for County (other than modification performed by, or at the direction of, Contractor) in such a way as to cause the alleged infringement at issue; and/or (b) any aspects of the services under this Agreement which have been used by County in a manner prohibited by this Agreement.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

**9. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without County's prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice.

**10. Insurance**

**a. General Requirements**

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by County's Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

**b. Workers' Compensation and Employer's Liability Insurance**

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

**c. Liability Insurance**

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

- (a) Comprehensive General Liability... \$1,000,000
- (b) Motor Vehicle Liability Insurance... \$1,000,000

County and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of

liability of the policy and (b) if the County or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

**11. Compliance with Laws**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

The parties agree that, pursuant to Section 70713 of Title 22 of the California Code of Regulations ("Title 22"), San Mateo Medical Center (SMMC) retains all professional and administrative responsibility for services rendered under this Agreement to the extent that such services are subject to Title 22 and are rendered by a "qualified professional person" as used in Section 70713, and the parties further agree in that instance that this Agreement is otherwise subject to any applicable requirements of Title 22.

Further, Contractor certifies that it and all of its subcontractors will adhere to all applicable provisions of Chapter 4.106 of the San Mateo County Ordinance Code, which regulates the use of disposable food service ware. Accordingly, Contractor shall not use any non-recyclable plastic disposable food service ware when providing prepared food on property owned or leased by the County and instead shall use biodegradable, compostable, reusable, or recyclable plastic food service ware on property owned or leased by the County.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

**12. Non-Discrimination and Other Requirements**

**a. General Non-discrimination**

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

**b. Equal Employment Opportunity**

Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County upon request.

**c. Section 504 of the Rehabilitation Act of 1973**

Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

**d. Compliance with County's Equal Benefits Ordinance**

Contractor shall comply with all laws relating to the provision of benefits to its employees and their spouses or domestic partners, including, but not limited to, such laws prohibiting discrimination in the provision of such benefits on the basis that the spouse or domestic partner of the Contractor's employee is of the same or opposite sex as the employee.

**e. Discrimination Against Individuals with Disabilities**

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**f. History of Discrimination**

Contractor certifies that no finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other investigative entity. If any finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or other investigative entity, Contractor shall provide County with a written explanation of the outcome(s) or remedy for the discrimination prior to execution of this Agreement. Failure to comply with this Section shall constitute a material breach of this Agreement and subjects the Agreement to immediate termination at the sole option of the County.

**g. Reporting; Violation of Non-discrimination Provisions**

Contractor shall report to the County Manager the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or the Section titled "Compliance with Laws". Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Contractor from being considered for or being awarded a County contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this Section, the County Manager shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Contractor under this Agreement or any other agreement between Contractor and County.

#### **h. Compliance with Living Wage Ordinance**

As required by Chapter 2.88 of the San Mateo County Ordinance Code, Contractor certifies all contractor(s) and subcontractor(s) obligated under this contract shall fully comply with the provisions of the County of San Mateo Living Wage Ordinance, including, but not limited to, paying all Covered Employees the current Living Wage and providing notice to all Covered Employees and Subcontractors as required under the Ordinance.

#### **13. Compliance with County Employee Jury Service Ordinance**

Contractor shall comply with Chapter 2.85 of the County's Ordinance Code, which states that Contractor shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Contractor, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Contractor or that the Contractor may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Contractor certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Contractor has no employees in San Mateo County, it is sufficient for Contractor to provide the following written statement to County: "For purposes of San Mateo County's jury service ordinance, Contractor certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Contractor shall adopt a policy that complies with Chapter 2.85 of the County's Ordinance Code." The requirements of Chapter 2.85 do not apply unless this Agreement's total value listed in the Section titled "Payments", exceeds two-hundred thousand dollars (\$200,000); Contractor acknowledges that Chapter 2.85's requirements will apply if this Agreement is amended such that its total value exceeds that threshold amount. This Section's requirements only apply to Contractor employees living in San Mateo County.

#### **14. Retention of Records; Right to Monitor and Audit**

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after County makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by County, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by County.

(c) Contractor agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

**15. Merger Clause; Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

**16. Controlling Law; Venue**

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

**17. Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:

Name/Title: San Mateo Medical Center  
Attn: Chief Operations Officer  
Address: 222 W 39<sup>th</sup> Ave  
San Mateo, CA 94403

In the case of Contractor, to:

Name/Title: Emerald Textiles  
Address: 420 Industrial Dr  
Livingston, CA 95334

**18. Electronic Signature**

Both County and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

**19. Payment of Permits/Licenses**

Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

**20. Disentanglement**

Upon any termination of the Agreement, regardless of the nature or timing of the termination, County and Contractor may mutually agree, for up to twelve (12) months (the "Transition Period"), at County's option and request, to continue to receive from Contractor all maintenance and support services, at the then-applicable rates provided, however, that the annual support and maintenance fee shall be prorated and paid in advance on a monthly basis during such time, and the amount of such support and maintenance fee shall remain subject to the limitations set forth in the Agreement regarding any increase in such fee.

**21. Disaster and Emergency Response Plan**

Contractor will develop and maintain a Disaster and Emergency Response Plan ("Emergency Plan") that includes all of the elements set forth in this Section, as well as any additional elements reasonably requested by the County. The Emergency Plan will also include site-Specific emergency response plan(s) for each of the sites at which Contractor provides services pursuant to this Agreement ("Site Plans"). The Emergency Plan and associated Site Plans will address Contractor preparations to effectively respond in the immediate aftermath of a national, state or local disaster or emergency ("Emergency Response") and plans for the ongoing continuation of Services under the Agreement during and after a disaster or emergency ("Continuity of Operations").

Contractor shall submit the Emergency Plan to the County within thirty (30) days after the beginning of the Term of the Agreement and the Emergency Plan will be subject to the reasonable approval of the County. Contractor shall respond reasonably promptly to any comments or requests for revisions that the County provides to Contractor regarding the Emergency Plan. Contractor will update the Emergency Plan and associated Site Plans as circumstances warrant and shall provide County with copies of such updated plans. Contractor shall train employees on the Emergency Plan and the Emergency Plan will include a description of how employees will be trained.

The Emergency Plan will indicate, in as much detail as reasonably possible, the categories of additional staff, supplies, and services that Contractor projects would be necessary for effective Emergency Response and Continuity of Operations and the costs that the Contractor projects it would incur for such additional staff, supplies and services. Contractor shall recognize and adhere to the disaster medical health emergency operations structure, including cooperating with, and following direction provided by,

the County's Medical Health Operational Area Coordinator (MHOAC). In the event that the Contractor is required to implement the Emergency Plan during the term of the Agreement, the parties will confer in good faith regarding the additional staff, supplies and services needed to ensure Emergency Response and/or Continuity of Operations owing to the particular nature of the emergency, as well as whether the circumstances warrant additional compensation by the County for additional staff, supplies and services needed for such Emergency Response and/or Continuity of Operations.

Contractor shall reasonably cooperate with the County in complying with processes and requirements that may be imposed by State and Federal agencies (including, but not limited to the California Governor's Office of Emergency Services and the Federal Emergency Management Agency) in connection with reimbursement for emergency/disaster related expenditures.

In a declared national, state or local disaster or emergency, Contractor and its employees will be expected to perform services as set forth in the Agreement, including in the area of Emergency Response and Continuity of Operations, as set forth in the Emergency Plan and each Site Plan. Contractor shall ensure that all of its employees are notified, in writing, that they will be expected to perform services consistent with the Emergency Plan and each Site Plan.

**22. Hospital and Clinics Credentialing Program**

Contractor and Contractor representatives visiting or entering the San Mateo Medical Center (SMMC) main campus or any of its satellite clinics are required to register with SMMC's Vendor Credentialing Program prior to conducting business onsite. It is important that each Contractor representative registers individually in order to maintain the confidentiality of their personal credentials and to ensure ongoing access to our facilities. More information regarding SMMC's updated credentialing and on-site visit requirements can be found on SMMC's profile page through <https://login.ghx.com>.

\* \* \*

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: EMERALD TEXTILES

  
Contractor Signature

1/13/2022  
Date

Robert Hines  
Contractor Name (please print)



COUNTY OF SAN MATEO

By:  
*President, Board of Supervisors, San Mateo County*

Date:

ATTEST:

By:  
*Clerk of Said Board*

### Exhibit A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

For purposes of this Agreement, Contractor shall provide complete, reliable, and high-quality goods and services, including but not limited to, laundering, drying, ironing, folding, presswork, garment processing, and inventory control of both rental and Customer Owned Goods (COG) services at the following two County locations, described more fully below: San Mateo Medical Center main campus (the "hospital") and San Mateo County Youth Services Center (the "youth center").

#### **Standard Laundry Services:**

- A. Locations of Service. Contractor shall provide the Services to the locations set forth in the chart below ("County Locations").

Facility Name	Facility Address	Facility Type	Service Days	Delivery Days
San Mateo Medical Center	222 W. 39 <sup>th</sup> Ave San Mateo, CA 94403	Acute Inpatient and Psych.	S- S	7
	West Loading Dock			
San Mateo County Youth Services Center	222 Paul Scannell Dr. San Mateo, CA 94402	Youth Services	Tuesday Friday	2
	Loading dock: Loop Road, Building 30 Back Loading Dock			

- B. General: During each Service day set forth above, Contractor shall provide the following Services to include:
- i. Lease to County the textiles identified on Exhibit B, attached hereto. Contractor, in its sole discretion, shall select the linen vendor it will utilize to provide the linen leased to County hereunder.
  - ii. Pick up soiled textiles from County.
  - iii. Launder, sort, fold and return comparable or like textiles to County.
  - iv. Process the COG linens set forth on Exhibit B.
- C. Textile Delivery: All textiles will be delivered to County in Contractor-provided laundry carts.
- D. Sorting of Laundry: County shall use its reasonable efforts to remove all Sharps (as defined by this section) from the soiled textiles before pick-up by Contractor. If Sharps are found by Contractor, its employees or agents, County shall be responsible for paying to Contractor the amount of Two Hundred Fifty Dollars (\$250.00) per Sharps item found in County's soiled textiles. "Sharps" means any needles, scalpels, wires, endodontic files, or other articles that could cause wounds or punctures to personnel handling them.
- E. Laundry Carts: All laundry carts furnished to County by Contractor shall remain the property of Contractor and are furnished for the exclusive use of County to facilitate the return of soiled textiles to Contractor. Contractor agrees to maintain laundry carts in good condition, free of dirt and other debris. Laundry carts furnished by Contractor to provide the Services will be fully cleaned prior to being stocked with clean textiles. All clean textiles in laundry carts will be encased in plastic to prevent soiling or contamination while in transit. County agrees to use care while laundry carts are in the possession of County. Carts with soiled laundry and empty laundry carts shall be picked up by Contractor at one location at each County Location listed above. On or before the date of termination or expiration of this Agreement, County shall return all carts provided hereunder to Contractor and County shall pay full replacement value for any carts not returned. County shall be responsible for any damage or loss to any Contractor's laundry cart while such laundry cart is under County's control except for normal wear and tear.

- F. **Leased Textiles:** The parties acknowledge all textiles provided by Contractor shall at all times be and remain the exclusive property of Contractor. County is responsible for Contractor owned textiles while in the possession of County and will make every reasonable effort to eliminate loss, theft, or misuse of textiles. On or before the date of termination or expiration of this Agreement, County shall return all textiles provided hereunder to Contractor.
- i. **Damaged or Lost Textiles:** County shall reimburse Contractor for the cost of replacing any textiles that are destroyed (whether intentionally or unintentionally) or otherwise damaged while in County's custody.
  - ii. **Textile Inventory.** Contractor has the right to inventory textiles on County property during normal business hours, provided Contractor shall not disrupt the operations of the County in any way during such inventory.
  - iii. **Textile Inventory Log and Final Textile Inventory.** Contractor shall perform an initial textile inventory, at the commencement of Services ("Initial Inventory"). Contractor shall maintain and update a log of the number of textiles that should be on-site at any given time, keeping track of each increase or decrease to textile inventory agreed upon by the parties ("Updated Inventory"). Contractor shall conduct a final inventory upon termination of the Agreement ("Final Inventory"). County shall pay Contractor's invoice price for any unreturned textiles based on the difference between the Updated Inventory and the Final Inventory.
- G. **Weighing Procedures.** Contractor shall cause all textiles picked up at County to be weighed separately at Contractor's laundry facility.
- H. **Online Linen Management Program**
- i. Contractor will implement Linen Helper and Linen Master to ensure efficient onsite management of inventory. The online management program will augment the tenets of the contractor's overall linen management program: benchmarking, inventory monitoring, linen management software, departmental delivery schedules, linen committee/floor tours, linen usage awareness and regular meetings

**Quality Control:**

**Contractor shall perform the following:**

- Contractor shall provide a representative who shall report on the performance and function of the quality control program quarterly to review the effectiveness of the program. Key performance indicators will be reported on monthly.
- Delivered linen must conform, at a minimum, to the generally accepted standards of quality for cleanliness, finish, and appearance. All work performed shall be done under sanitary conditions. Linen shall be free from soil and stains, bacteria, fungi, and other microorganisms, including pathogens, to the extent required by state, county, and city codes and regulatory agencies. Contractor shall ensure that its services meet the standards established by the Joint Commission on Accreditation of Health care Organizations and California's Title 22.
- Monitor linen inventory and communicate County requirements to suppliers.
- Weigh linen being picked up from and linen being delivered to SMMC. This weight will be logged and reported monthly.
- Provide weekly invoices. Daily deliveries must be accompanied by a packing slip.
- Provide linen inventory levels to ensure linen par levels are maintained to avoid shortages.
- Participate in an annual inventory.
- Provide the formula for wet to dry weights.
- Provide the following monthly reports: weight report, linen replacement report and discarded linen report and meet established key performance indicators
- A mutually agreed upon linen life and replacement program shall be proposed and abided by throughout the term of the Agreement

- A mutually agreed upon linen rejection program shall be proposed and abided by throughout the term of the Agreement

### **Quality Management:**

#### **Contractor shall align its services to the following quality management standards:**

Contractor's management philosophy towards quality management is multifaceted and addressed throughout the organization.

Contractor shall maintain the highest standard of cleanliness and operating efficiencies at its facilities, and our commitment to those principles is evident upon the first visit to our plant. Contractor's shall choose the right product to meet the Hospital's needs. Contractor has partnered with its linen suppliers to offer high quality products designed to improve patient satisfaction and lower overall costs. Contractor shall ensure that its management of the production team employs multiple quality assurance processes, including QA at each station as well as metrics that each employee is measured against.

Contractor's service department is a key component of our quality approach through interfacing with customers on a regular basis and helping with the implementation of our Linen Management Program. The program includes benchmarking to define KPIs for maintaining and constantly improving quality as well as usage reduction to include inventory monitoring, linen management software, departmental delivery schedules, linen committee/floor tours and linen usage awareness. Contractor shall o create custom reporting to capture key quality performance indicators customized to our customers' needs. The program and its reporting along with our Linen Cost Management tools such as our Linen Management Service Matrix, a Monthly Metrics Report and web-based Linen Helper by Linen Master provide visibility and tracking of important metrics and quality controls.

Contractor's vendor approval process shall include the following steps:

1. Solicit and review bids from multiple vendors
2. Conduct reference and background checks of each vendor
3. Weighted average scoring is used to assess prospective vendors
4. Vendors are selected based on scoring
5. Dual source all critical inventory and supplies wherever possible

### **Quality Assurance Program**

Contractor shall maintain strict standards for the processing of all linen to ensure quality, compliance and safety for clients and their patients.

The following policy shall remain in place to maintain high quality standards and guarantee Title 22 compliance.

#### **A. Policy**

All employees of Contractor will follow the Quality Assurance Program in order to maintain strict standards for the processing of all linen.

#### **B. Responsibilities of Contractor**

Quality Assurance extends throughout the linen processing cycle. It includes:

- Monitoring of client owned goods
- Wash formula/time controls.

- pH monitoring.
- Dryer time/temperature controls.
- Visual inspection for stains, tears, and folds on linens.
- Item and weight accountability of client linen and newly purchased linens.
- Documentation of special handling linens.
- Item and weight summary of client linen deliveries.
- Schedule and document daily, weekly and periodic housekeeping tasks.
- Weekly management operations meetings.
- Routine ironer chest temperature checks.
- Daily inspection for rejects and weekly percentage tracking.

#### C. Procedures

The following procedures shall be followed by Contractor to guarantee a standard process that is consistent and measured:

- Bag numbers are recorded to ensure separation of wash formulas, including time and temperature, and are monitored by staff and verified daily.
- Wash titrations including pH levels, active alkalinity, and bleach levels are monitored to ensure acceptable levels and are documented monthly (as a minimum) by an outside source.
- Dryer times and temperatures are monitored by staff and computers.
- Linen items are separated by type and counted by cart/rack load.
- Each cart or rack is weighed and scanned into system to document the tare and product delivery weights.
- Items that require special handling are individually counted by type, size and category.
- A summary of all linens delivered to the client is provided, as are the individual total cart weights, tare weights and net weight.
- A daily summary of all linen items is maintained including average daily deliveries for statistical purposes and accurate reporting.
- Management operations meetings are conducted monthly and on an ad hoc basis.

#### D. Engineering Maintenance

Routine and Preventative Maintenance procedures shall be implemented by Contractor to include, at a minimum:

- Daily checks of feeder, ironer and folder belts for excessive wear or damage.
- Daily operational checks of all power plant machinery including boilers, air compressors, and water softeners.
- Daily removal of lint and debris from inside washers, dryers, folders and ironers.
- Daily water temperature and flow rate level checks.
- Daily blow down of all production equipment in plant.
- Monthly checks of all conveyor belts, including tracking and adjustment of drive chains.
- Monthly lubrication of bearings and chains.
- Monthly tightness checks of set screws in pulleys, sprockets and bearings.
- Quarterly checks of gearbox oil levels.
- Ironers are visually inspected for stains, tears, pressure and temperature.
- Preventative maintenance procedures performed are documented and maintained on a daily basis.
- Visual inspection of presses is performed twice per shift.

#### E. Quality Standards for Each Item:

#### Bath Towels/Hand Towels/Washcloths

- No holes, patches or mending acceptable.
- No stains acceptable.
- Must be neatly packaged and folded.

NOTE: New items have a yellow hue that may require several washes to whiten.

#### Sheets, Fitted, Flat and Draw

- Un-mended holes up to 1/4" on sides are acceptable.
- Small, light stains on outer edges are acceptable if 1/2" or smaller.
- Reject items that are worn, thin, or in which the cotton fibers have substantially deteriorated are not acceptable.
- Must be neatly folded and packaged.

#### Pillow Cases

- No stains acceptable.
- No holes, patches or mending acceptable.
- Must be neatly folded and packaged.

#### Mattress Pads

- Center is considered entire pad surface.
- Light stains up to 1" are acceptable.
- Reject items in which the padding has pillowed or rolled.

#### Thermal Blankets/Dual Covers/Bath Blankets

- No holes are acceptable.
- No more than 1 mended area acceptable.
- No stains are acceptable.

#### Patient Gowns - 3x gowns - 10x gowns, IV, Telemetry

- Holes less than 1/4" on edges are acceptable
- Minimal wrinkles
- Must be neatly folded and packaged.

#### PJ Pants

- Replace missing drawstrings.
- No stains acceptable.

#### Baby Shirts/Diapers/ Baby Blankets

- No mending is acceptable.
- No stains acceptable.

#### Pediatric Gowns and Pants

- Replace all ties.
- No stains acceptable.
- No holes or patches acceptable.

#### Lifter Sheets/Drapes

- No holes or tears.
- Light stains are acceptable up to 1/2".

#### Incontinent Pads

- Light stains acceptable.
- No holes acceptable.
- Must be neatly folded and packaged

#### Surgery Towels

- No visible lint, hair or other debris acceptable.
- No holes acceptable.
- Light stains are acceptable up to 1".

#### Scrub Tops and Bottoms

- Replace any missing drawstrings.
- Ink stains up to 1/2" are acceptable.
- Replace snaps, if necessary.
- No other stains acceptable.

#### Warm-up Jackets and Cover Coats

- Replace missing ties.
- Replace snaps, if necessary.
- Ink stains up to 1/2" are acceptable.

### **EMERALD TEXTILES DISASTER MANAGEMENT PLAN FOR CONTINUITY OF LINEN AND LAUNDRY SERVICES:**

#### **A. INTRODUCTION**

The Emerald Textiles Disaster Management Plan goes into effect immediately when a disaster or emergency occurs. A "disaster" shall include any natural occurrence (such as earthquake, flood, severe storm, volcano, etc.); bio-terrorism attack or disease outbreak; act of war or civil disobedience that threatens to disrupt normal linen processing, regular linen delivery/pick-up, continuous communication between customers and Contractor, and/or causes a sudden, dramatic, and unforeseen increase in patient care demand within the region or within a facility.

#### **B. BUSINESS CONTINUITY**

The Emerald Textiles Disaster Management Plan (hereafter referred to as the "Plan") will serve as a guide and a resource in the event of normal linen and laundry services and/or distribution becoming threatened by an emergency or disaster.

While utilizing the Emerald Linen Management Plan ensures a proactive approach to ensure a full supply of clean linen is on hand at each hospital daily, this plan goes above and beyond standard procedure and is designed to ensure continuity of service and supply of linen in a reactive manner such as in case of emergency or disaster situations.

#### **C. PURPOSE OF THE PLAN**

The purpose of the Plan is to ensure continuity and maximize the availability of linen for treating

the sick and injured in a disaster or emergency.

The Plan is in place to provide:

- a linen utilization guide for patient caregivers
- linen distribution guidelines for linen distribution personnel
- communication and coordination between customers and Contractor
- a guide and reference for laundry management

Employees and customers of Contractor are encouraged to maintain a copy of this plan and make it readily accessible in the event of emergency situations.

#### **D. COMMUNICATION IN A DISASTER**

##### **Emerald Emergency Contact Information**

Should this Disaster Plan be implemented, initial communication regarding linen service needs should be directed to the primary contact:

##### **Ken Bunk – General Manager**

Emerald Textiles - Livingston, CA

Phone: (209) 259-2772

[kbunk@emeraldus.com](mailto:kbunk@emeraldus.com)

##### **Noel Mendes – Chief Engineer**

Emerald Turlock, CA & Livingston, CA

Phone: (909) 528-7809

[nmendes@emeraldus.com](mailto:nmendes@emeraldus.com)

#### **E. HOSPITAL EMERGENCY CONTACT INFORMATION**

In addition to the normal linen department contact numbers, Contractor will provide contact information for our command center for each hospital it serves.

The contact information includes:

- the name of the facility
- designated disaster/emergency contacts
- phone numbers
- e-mail addresses
- regional trauma center(s)

#### **F. ALTERNATIVE LAUNDRY/LINEN SERVICE**

Should the Plan be implemented by Hospital Administration and the Hospital is unable to communicate with the regular laundry/linen service for 24 hours or more, the Disaster Plan Coordinator may authorize contact with an alternative laundry for temporary, emergency service.

Laundries in the region who are partnering with Contractor in this Disaster Plan include:

##### **Emerald Textiles – Turlock, CA**

Don Luckenbach, General Manager

(650) 280-4226

**Emerald Textiles – San Diego, CA**  
Stella Rancour, General Manager  
(619) 993-2164

**Emerald Textiles – Commerce, CA (LA)**  
Sean Mageean, General Manager  
(323) 264-2243

**Emerald Textiles – Reno, NV**  
Eric Romero, General Manager  
(775) 329-6433

#### **G. REGIONAL DISASTER AUTHORITY**

Directives regarding linen service and availability may come from government regional disaster authorities. For example, Contractor may be directed to provide service to facilities with the greatest need, regardless of who the normal linen service provider. Such directives will supersede the plan as outlined above.

#### **H. IMPORTANT CONTACT NUMBERS**

- County Emergency Operations Center 911 – Life threatening  
211 – Non-life threatening
- Emergency Department 911
- County Department Public Health (209) 381-1200
- County Department Emergency Mgmt 211
- State Department of Health (916) 445-4171
- Merced County Fire Dispatch (209) 385-7344
- NDMS Coordinator (800) 232-4636
- Center for Disease Control (CDC) Atlanta (404) 639-0615
- CDC Emergency Response Office (770) 488-7100
- CDC Bioterrorism Emergency Number (770) 488-7100
- CDC Hospital Infections Program (404) 639-6413
- Federal Emergency Management (FEMA) (800) 621-3362
- Federal Bureau of Investigation (FBI) (858) 565-1255

#### **I. LINEN USE REDUCTION PROCEDURES**

To ensure ample supply of linen and uninterrupted service to all customers, as standard business practice, Contractor provides all rental pool customers with a minimum of eight (8) par of linen for all standard items and sixteen (16) par of linen for non- standard items. A par is defined as one (1) average day's usage. Through Emerald Textile's Linen Management Program, all Title 22 compliant inventory levels are established and maintained throughout the facility (See Exhibit 1). Contractor's inventory management system further ensures additional emergency supply is always available, if needed. As an additional security measure, Contractor stocks two full days (two days defined as two average days of usage) supply of linen, per hospital, at the Contractor Service Center.

If an event occurs and the Plan is implemented by Hospital Administration, it is possible that normal deliveries from Contractor may be interrupted. If the Plan is implemented, the following procedures, which ensure strict linen use reduction, should be followed by all customers, even if they are not directly impacted by the disaster. In the case of emergency or disaster, it is important to minimize linen needs, enhance the utilization of linen on hand and free-up linen for disaster victims until normal linen service can be restored. With proper

use, the linen-on-hand will meet customers' needs for a minimum of 3-5 days without full linen service.

The strict linen-use-reduction procedures that should be followed include:

- **Bed Linen**
  - i. Change linen only when soiled
  - ii. Do not put clean or usable linen into hamper until after patient is discharged
  - iii. Do not take linen into patient room unless required for immediate use
  - iv. Patient room bath linens will be stocked to a maximum of 1 towel and 1 wash cloth per bathroom
- **Discharge Bed**
  - i. Will be cleaned and made with 1 fitted or flat sheet and 1 pillowcase only, no thermal or bath blankets
  - ii. Stretcher sheets can be used as flat sheets when necessary
- **Patient Apparel**
  - i. Patients will be instructed to use patient or IV gowns, robes, PJs, and infant apparel until as long as reasonably possible or until discharge
  - ii. All usable apparel will remain with patient until discharge
- **Scrub Apparel**
  - i. Under no circumstances are scrubs allowed to leave the facility. Scrubs not soiled with body fluids can be worn by the same individual more than once, providing scrubs are not worn in surgery or labor and delivery or other areas which may be exposed to blood borne pathogens
- **Operating Room Linen**
  - i. When possible, use linen, blankets, and pillows from transport stretchers to make up the OR table.
  - ii. When possible, use same linen on transport stretcher post-op and on bed in patient's room.
  - iii. Open sterile packs only on immediate demand
- **Patient Transport Linen**
  - i. Transport stretchers will use linen from patient's bed, the ER stretcher or other sources.
  - ii. Linen will stay with patient to eliminate one-time use. Under no circumstances is linen allowed to leave with outside transport services

## **J. IN-HOUSE LINEN DISTRIBUTION**

Under normal conditions Contractor works 8-12 hours in advance with additional warehouse supply of new linen available on demand always. In accordance with Title 22 regulations, hospitals are expected to maintain a reasonable amount of clean back-up linen on hand. The volume of back-up linen should be monitored and access to this linen should be restricted to authorized personnel only.

Contractor has a Service Center located in Livermore, CA which stocks two (2) full days of linen in case of a disaster or emergency.

In the event of an emergency or disaster, staff should expect to find the following minimum quantities on hand of the major linen items (See Exhibit 2). Linen staff should always be aware of these minimum quantities and attempt to maintain them.

## **K. EMERGENCY HOSPITAL LINEN DISTRIBUTION**

As with other supplies, internal distribution of linen during an emergency/disaster will be initially restricted to areas of greatest need based on patient care demand. These priority

areas may include triage, emergency room, operating room, intensive care or areas designated by the hospital disaster operations center. These areas will receive delivery of available linen before other areas within the hospital. Linen will be held in reserve, in anticipation of extraordinary need in these priority departments (Exhibit 3).

#### **L. HANDLING SOILED LINEN**

All soiled linen will be handled utilizing Standard Precautions as though all items are contaminated or infectious, as outlined in Exhibits 1 and 5. Identifying all possible contaminants is beyond the scope of this document. However, listed below are the standard requirements for handling all soiled linen. The procedures outlined below are appropriate for processing of all contaminated linen including linen contaminated with C diff, MRSA, flu and chicken pox.

- Adhere to Universal Precautions
- Handle soiled clothing and linen minimally to avoid agitation
- Handle soiled linen only in areas with negative air pressure relative to the clean side of the facility
- Exposed surfaces of equipment, carts carrying soiled linen, etc. will be cleaned according to plant contact precautions guidelines before reuse

#### **M. CONTRACTOR'S RESPONSIBILITY IN A DISASTER**

In a disaster, hospital linen needs may increase significantly. Accordingly, Contractor's management and staff are prepared to meet these needs. The Plan includes the following procedures to be followed by the Contractor Team:

- All management and staff not affected by the emergency will report to work as usual. Those affected by the disaster will be instructed not to report to work, which could pose a threat to safely processing linen
- Hours of operation will be extended as needed in proportion to the severity of hospital linen needs
- If disaster damage to the plant is possible, engineers will check all systems including utilities (gas, water, electricity), boilers, chemical system, overhead sling systems and other potential safety hazards before the plant becomes operational
- If normal boiler/fire alarm systems are not operational, Contractor will take appropriate manual precautions
- Check phone system
- Management will call all hospitals' Emergency Operation Centers (EOCs) to assess linen need.
- If key components of the laundry are damaged beyond immediate repair, management will contact its partnering laundry plant(s) to arrange for service as back up
- Coordinate staffing with back up facilities
- Contractor is prepared to operate 24 hours per day if needed.

#### **N. PRIORITY LINEN ITEMS**

Contractor's initial response to the disaster will be to focus on basic linen items in maximum demand for triage and emergency care for large numbers of patients. These linen items include:

- Bath blankets
- Pillowcases
- Patient gowns

- Thermals/spread blankets
- Under pads
- Scrub apparel
- Flat sheets
- Washcloths
- Surgery items
- Contour sheets
- Bath towels
- Scrub Pants and Shirts

**O. DELIVERY/PICK-UP SCHEDULES**

Hospitals with the greatest number of patients, resulting from the disaster or emergency, will be given priority for linen delivery. Contractor's management team will determine delivery priorities based on input from Regional Disaster Authorities and hospital Emergency Operations Centers.

**P. EMERGENCY SHIPMENTS FROM LINEN SUPPLIERS**

Contractor's management team actively works with supply chain to plan ahead and coordinate with suppliers and vendors of linen and textiles regarding the possible need for emergency shipments in a disaster. Actions include:

- Determining quantities of major items that should be ready to ship at all times.
- Substituting generic product for specialty items, when necessary;
- Arranging back-up agreements for all major linen items, chemicals, etc.;
- Maintaining contact information for alternative sources or vendors;
- Ensuring that suppliers carry inventory stocked locally in Southern California.

**Q. WORK STOPPAGE DELIVERY ACTION PLAN**

In the event of a work stoppage or strike at a customer's location Contractor assures the continuance of all services.

**Exhibit B**

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

**Standard Linen SMMC**

Item Description	Unit Price
Pillow, Cases (White)	\$0.24
Sheet Flat (White)	\$0.62
Sheet, Knitted Fitted	\$0.73
Patient Gown, Performax	\$0.55
Blanket, Thermal	\$1.95
Blanket, Bath	\$1.10
Towel, Bath	\$0.52
Washcloth	\$0.08
Pad, Incontinent	\$0.77

**Non-Standard Linen SMMC**

Item Description	Unit Price
Towel, Utility	\$0.12
Bag, Hamper	\$0.75
Gown, I.V., Plastic Snap, Surfboard Print OSFA	\$0.60
Pants, PJ Adult Blue XL	\$0.40
Pants, PJ Adult Blue LG	\$0.40
Pants, PJ Adult Blue 3X	\$0.40
Pants, PJ Behavioral	\$0.40
Bib, Adult	\$0.42
Gown, Bariatric Basketweave Yellow 10XL	\$0.88
Exam Gown	\$0.75
Robe, Patient, Waffle Weave	\$2.00
Tablecloth, 52x114 White	\$1.72
Napkin, 22x22 White	\$0.135
Apron Bib, White	\$0.365

**Staff Apparel SMMC**

Item Description	Unit Price
*Jacket, Warm-up	\$0.65
*Scrub, Top Women	\$0.40
*Scrub, Pants Women	\$0.42
*Scrub, Top Men	\$0.40
*Scrub, Pants Men	\$0.42

**Dust Control Items SMMC**

Item Description	Unit Price
Microfiber Mop, Wet Housekeeping	\$0.22

**OR**

Item Description	Unit Price
Surgery Towel Pack – 50 count	\$14.50

**COG**

Item Description	Unit Price
Lab Coat, Steam Finish	\$2.75
Cubicle Curtain	\$14.27

**Special Services SMMC**

Item Description	Unit Price
Mending	\$4.00 each
Linen Helper	\$150.00 per month
Labeling	\$1.50 each
Special Deliveries	\$150 per delivery
Handling of Bio-Hazardous Waste	\$250 per occurrence

**Standard Linen SMCYSC**

Item Description	Unit Price
Single top flat sheet, 50/50, T180 white	\$0.80 each
Single flat bottom sheet 50/50 T180 white	\$0.97 each
Pillow Cases Standard, White 50/50 T180	\$0.24 each
*Blanket, Thermal	\$1.95 each

\*40% minimum inventory turn required, and actual losses charged for these items if need to be a special purchase by Contractor

**Increase in Fees to Cover Increased Costs**

Annually, after the first contract year, Contractor may increase fees and/or charges to cover demonstrated increases in its direct expenses which include, but are not limited to, waste disposal, labor, transportation, vehicle fuel, utilities and supplies, subject to noticing the County thirty (30) days in advance. Such increases shall not exceed the then-current CPI-U rate. Upon the termination of this Agreement, if both parties agree to a Transition Period, as outlined in Section 20. Disentanglement, an increase limited to the then-current CPI-U rate shall apply

**Invoicing:**

For services provided at SMMC (hospital) location under this agreement, invoices for such services shall be sent to:

San Mateo Medical Center  
 Attn: Accounts Payable; [SMMC-Accounts-Payable@smcgov.org](mailto:SMMC-Accounts-Payable@smcgov.org)  
 222 W. 39th Avenue  
 San Mateo, CA 94403

For services provided at SMCYSC (youth center) location under this agreement, invoices for such services shall be sent to:

San Mateo County Youth Services Center  
 Attn: Fiscal Services; Rakesh Kapadia [rkapadia@smcgov.org](mailto:rkapadia@smcgov.org)  
 222 Paul Scannell Drive  
 San Mateo, CA 94402

**Exhibit C**  
Performance Metrics

County will measure Contractor performance of the services in accordance with the procedures set forth by the performance indicators below. Contractor acknowledges that the performance indicators are a reasonable minimum standard by which to measure Contractor performance of the services.

1. 100% of requested reports are delivered on-time (monthly). Reports may include, but are not limited to:
  - a. Billing accuracy
  - b. Washing performance
  - c. Inventory control
  - d. Service dependability
  - e. Quality dependability (to include % rejects)
2. Wash temperatures at a minimum temperature of 71 degrees C (160 degrees F) for at least 24 minutes during washing process, formula length, and chemical concentration requirements are met 100% of the time.
3. Par level issues do not persist in any one area for more than a two-week period without par adjustment – 100% of the time
4. Linen deliveries occur on time, unless otherwise agreed upon – 98% of the time
5. Linen rejects shall exist <3%

## **EXHIBIT E**

### **CORPORATE COMPLIANCE SMMC CODE OF CONDUCT (THIRD PARTIES)**

Contractor recognizes and is fully dedicated to advancing San Mateo Medical Center's (SMMC) commitment to full compliance with all Federal, State, and other governmental health care program requirements, including its commitment to prepare and submit accurate claims consistent with such requirements.

Contractor will comply with all Federal, State or other governmental health care program requirements.

Contractor, to the extent its contractual duties require it to submit the reports covered in this paragraph, will promptly submit accurate information for Federal health care cost reports including, but not limited to, the requirement to submit accurate information regarding acute available bed count for Disproportionate Share Hospital (DSH) payment.

Contractor will report to the SMMC Compliance Officer any suspected violation of any Federal health care program requirements within fifteen (15) days of discovery of the violation.

Contractor has the right to use the SMMC Disclosure Program by calling the Compliance Hotline at (800) 965-9775 or reporting incidents directly to the Compliance Officer. SMMC is committed to non-retaliation and will maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

Contractor understands that non-compliance with Federal and State health care program requirements, and failing to report any such violations, could result in termination of the Agreement and/or any other penalties as permitted by law.

Contractor is responsible for acquiring sufficient knowledge to recognize potential compliance issues applicable to the duties outlined in the Agreement and for appropriately seeking advice regarding such issues.

Contractor will not offer, give, or accept any "kickback," bribe, payment, gift, or thing of value to any person or entity with whom SMMC has or is seeking any business or regulatory relationship in relation to said business or regulatory relationship (other than payments authorized by law under such relationships). Contractor will promptly report the offering or receipt of such gifts to the SMMC Compliance Officer.

Contractor will not engage in any financial, business, or other activity which may interfere or appear to interfere with the performance of the duties under the Agreement or that involve the use of SMMC/County property, facilities, or resources.

Contractor will cooperate fully and honestly in the event that SMMC and/or County is audited by an outside agency including, but not limited to, compliance audits regarding enforcement of Federal and State regulations, any applicable accreditation standards, and/or SMMC system-wide policies.

***TO REPORT VIOLATIONS,  
CALL THE COMPLIANCE HOT LINE: (800) 965-9775***

Contractor, in executing this Agreement, certifies that an authorized representative has received this Code of Conduct, understands it, has authority to commit Contractor to this Code of Conduct, and has committed Contractor to comply with this Code of Conduct.

## Attachment H

### Health Insurance Portability and Accountability Act (HIPAA) Business Associate Requirements

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#### DEFINITIONS

Terms used, but not otherwise defined, in this Schedule shall have the same meaning as those terms are defined in 45 Code of Federal Regulations (CFR) sections 160.103, 164.304, and 164.501. All regulatory references in this Schedule are to Title 45 of the Code of Federal Regulations unless otherwise specified.

- a. **Business Associate.** "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the parties to this agreement shall mean Contractor.
- b. **Covered Entity.** "Covered entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement shall mean County.
- c. **HIPAA Rules.** "HIPAA rules" shall mean the Privacy, Security, Breach Notification and Enforcement Rules at 45 CFR part 160 and part 164, as amended and supplemented by Subtitle D of the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009.
- d. **Designated Record Set.** "Designated Record Set" shall have the same meaning as the term "designated record set" in Section 164.501.
- e. **Electronic Protected Health Information.** "Electronic Protected Health Information" (EPHI) means individually identifiable health information that is transmitted or maintained in electronic media; it is limited to the information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity.
- f. **Individual.** "Individual" shall have the same meaning as the term "individual" in Section 164.501 and shall include a person who qualifies as a personal representative in accordance with Section 164.502(g).
- g. **Privacy Rule.** "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
- h. **Protected Health Information.** "Protected Health Information" (PHI) shall have the same meaning as the term "protected health information" in Section 160.103 and is limited to the information created or received by Business Associate from or on behalf of County.
- i. **Required By Law.** "Required by law" shall have the same meaning as the term "required by law" in Section 164.103.
- j. **Secretary.** "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or his or her designee.
- k. **Breach.** The acquisition, access, use, or disclosure of PHI in violation of the Privacy Rule that compromises the security or privacy of the PHI and subject to the exclusions set

forth in Section 164.402. Unless an exception applies, an impermissible use or disclosure of PHI *is presumed* to be a breach, unless it can be demonstrated there is a low probability that the PHI has been compromised based upon, at minimum, a four-part risk assessment:

1. Nature and extent of PHI included, identifiers and likelihood of re-identification;
  2. Identity of the unauthorized person or to whom impermissible disclosure was made;
  3. Whether PHI was actually viewed or only the opportunity to do so existed;
  4. The extent to which the risk has been mitigated.
- l. **Security Rule.** "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 160 and Part 164, Subparts A and C.
- m. **Unsecured PHI.** "Unsecured PHI" is protected health information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in relevant HHS guidance.
- n. **Security Incident.** "Security Incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. "Security Incident" includes all incidents that constitute breaches of unsecured protected health information.

#### **OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE**

- a. Business Associate agrees to not use or further disclose Protected Health Information other than as permitted or required by the Agreement or as required by law.
- b. Business Associate agrees to use appropriate safeguards to comply with Subpart C of 45 CFR part 164 with respect to EPHI and PHI, and to prevent the use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- c. Business Associate agrees to make uses and disclosures requests for Protected Health Information consistent with minimum necessary policy and procedures.
- d. Business Associate may not use or disclose protected health information in a manner that would violate subpart E of 45 CFR part 164.504 if used or disclosed by Covered Entity.
- e. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- f. Business Associate agrees to report to County any use or disclosure of Protected Health Information not authorized by this Agreement.
- g. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of County, agrees to adhere to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
- h. If Business Associate has Protected Health Information in a Designated Record Set, Business Associate agrees to provide access, at the request of County, and in the time

and manner designated by County, to Protected Health Information in a Designated Record Set, to County or, as directed by County, to an Individual in order to meet the requirements under Section 164.524.

- i. If Business Associate has Protected Health Information in a Designated Record Set, Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the County directs or agrees to make pursuant to Section 164.526 at the request of County or an Individual, and in the time and manner designed by County.
- j. Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of County, available to the County at the request of County or the Secretary, in a time and manner designated by the County or the Secretary, for purposes of the Secretary determining County's compliance with the Privacy Rule.
- k. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.
- l. Business Associate agrees to provide to County or an Individual in the time and manner designated by County, information collected in accordance with Section (k) of this Schedule, in order to permit County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.
- m. Business Associate shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of County.
- n. Business Associate shall conform to generally accepted system security principles and the requirements of the final HIPAA rule pertaining to the security of health information.
- o. Business Associate shall ensure that any agent to whom it provides EPHI, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect such EPHI.
- p. Business Associate shall report to County any Security Incident within three (3) business days of becoming aware of such incident. Business Associate shall also facilitate breach notification(s) to the appropriate governing body (i.e. HHS, OCR, etc.) as required by law. As appropriate and after consulting with County, Business Associate shall also notify affected individuals and the media of a qualifying breach.
- q. Business Associate understands that it is directly liable under the HIPAA rules and subject to civil and, in some cases, criminal penalties for making uses and disclosures of Protected Health Information that are not authorized by this Attachment, the underlying contract as or required by law.

**PERMITTED USES AND DISCLOSURES BY CONTRACTOR AS BUSINESS ASSOCIATE**

Except as otherwise limited in this Schedule, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, County as specified in the Agreement; provided that such use or disclosure would not violate the Privacy Rule if done by County.

#### **OBLIGATIONS OF COUNTY**

- a. County shall provide Business Associate with the notice of privacy practices that County produces in accordance with Section 164.520, as well as any changes to such notice.
- b. County shall provide Business Associate with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.
- c. County shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that County has agreed to in accordance with Section 164.522.

#### **PERMISSIBLE REQUESTS BY COUNTY**

County shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if so requested by County, unless the Business Associate will use or disclose Protected Health Information for, and if the Agreement provides for, data aggregation or management and administrative activities of Business Associate.

#### **DUTIES UPON TERMINATION OF AGREEMENT**

- a. Upon termination of the Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from County, or created, maintained, or received by Business Associate on behalf of County, that Business Associate still maintains in any form. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- b. In the event that Business Associate determines that returning or destroying Protected Health Information is infeasible, Business Associate shall provide to County notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of the Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protection Health Information.

#### **MISCELLANEOUS**

- a. **Regulatory References.** A reference in this Schedule to a section in the HIPAA Privacy Rule means the section as in effect or as amended, and for which compliance is required.
- b. **Amendment.** The Parties agree to take such action as is necessary to amend this Schedule from time to time as is necessary for County to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
- c. **Survival.** The respective rights and obligations of Business Associate under this Schedule shall survive the termination of the Agreement.
- d. **Interpretation.** Any ambiguity in this Schedule shall be resolved in favor of a meaning that permits County to comply with the Privacy Rule.
- e. **Reservation of Right to Monitor Activities.** County reserves the right to monitor the security policies and procedures of Business Associate.