

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND  
CROTHALL LAUNDRY SERVICES, INC.**

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015,  
by and between the COUNTY OF SAN MATEO, hereinafter called "County," and  
Crothall Laundry Services, Inc., hereinafter called "Contractor";

**W I T N E S S E T H:**

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

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

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO  
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 E— Corporate Compliance SMMC Code of Conduct  
Attachment H—HIPAA Business Associate Requirements  
Attachment I—§ 504 Compliance

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

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

**3. Payments**

In consideration of the services provided by Contractor in accordance with all terms,  
conditions, and specifications set forth herein 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 TWO MILLION SEVEN HUNDRED  
SEVENTEEN THOUSAND DOLLARS (\$2,717,000).

#### **4. Term and Termination**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from February 1, 2015, through January 31, 2020.

This Agreement may be terminated by Contractor, the Chief of the Health System, or his/her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as 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 materials. 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 portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

#### **5. Availability of Funds**

County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon 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.

#### **6. 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.

#### **7. Hold Harmless**

7.1 General Hold Harmless. Each party shall indemnify, defend and hold harmless the other party and its directors, officers, agents and employees, with respect to any claims, liabilities, damages, cause of actions, and costs and expenses (including reasonable attorney's fees) ("Claims") to the extent the Claims are based on or arise from the indemnifying party's negligent or willful acts or omissions. The indemnifying party shall not have an obligation to indemnify, defend and hold harmless the indemnified party for any Claims to the extent the Claims are based on or arise from the negligent or willful acts or omissions of the indemnified party.

The duty of a party to this Agreement 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.

7.2 Limitation of Liability. Contractor's total liability to County for damages, or otherwise, resulting from its performance or nonperformance under this Agreement or with regards to any obligations/responsibilities herein shall not exceed, for each occurrence, the amount of insurance coverage required under Section 9.(2) below. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, ANY CLAIM FOR DAMAGES BASED ON LOST REVENUES OR PROFITS, HOWEVER CAUSED OR UNDER ANY THEORY OF LIABILITY.

7.3 Intellectual Property Indemnification.

Contractor hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and 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 ("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; (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.

#### **8. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion thereof 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.

#### **9. Insurance**

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.

- (1) **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, (a) that 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) that it will comply with such provisions before commencing the performance of work under this Agreement.
- (2) **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 by 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 amount specified below.

Such insurance shall include:

(a) Comprehensive General Liability . . . . . \$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.

#### **10. 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 handicap 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.

Further, Contractor certifies that Contractor 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.

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

**11. 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 handicapped individual 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 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.* With respect to the provision of benefits to its employees, Contractor shall comply with Chapter 2.84 of the County Ordinance Code, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse. In order to meet the requirements of Chapter 2.84, Contractor must certify which of the following statements is/are accurate:

- ☒ Contractor complies with Chapter 2.84 by:
- ☒ offering the same benefits to its employees with spouses and its employees with domestic partners.
  - ☐ offering, in the case where the same benefits are not offered to its employees with spouses and its employees with domestic partners, a cash payment to an employee with a domestic partner that is equal to Contractor's cost of providing the benefit to an employee with a spouse.
  - ☐ Contractor is exempt from having to comply with Chapter 2.84 because it has no employees or does not provide benefits to

employees' spouses.

- ☐ Contractor does not comply with Chapter 2.84, and a waiver must be sought.

E. *Discrimination Against Individuals with Disabilities.* The Contractor shall comply fully with the nondiscrimination requirements of 41 C.F.R. 60-741.5(a), which is incorporated herein as if fully set forth.

F. *History of Discrimination.* Contractor must check one of the two following options, and by executing this Agreement, Contractor certifies that the option selected is accurate:

- ☒ No finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.
- ☐ Finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. If this box is checked, Contractor shall provide County with a written explanation of the outcome(s) or remedy for the discrimination.

G. *Violation of Non-discrimination provisions.* 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 bidding on 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 examine Contractor's employment records with respect to compliance with this Section and/or to set off 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.

Contractor shall report to the County Manager the filing by any person in any court of

any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation of allegations 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 the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

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

Contractor shall comply with Chapter 2.85 of the County's Ordinance Code, which states that a contractor shall have and adhere to a written policy providing that its employees, to the extent they 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 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."

#### **13. Retention of Records, Right to Monitor and Audit**

(a) Contractor shall maintain all required records 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 of County, a Federal grantor agency, and the State of California.

(b) Reporting and Record Keeping: Contractor shall comply with all program and fiscal reporting requirements set forth by appropriate 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 representatives, 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.

#### **14. Merger Clause & Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement



and incorporated herein 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.

**15. Controlling Law and Venue**

The validity of this Agreement and of its terms or provisions, 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 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.

**16. 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:**

County of San Mateo  
222 W. 39th Avenue  
San Mateo, CA 94403

**In the case of Contractor, to:**

Crothall Laundry Services, Inc.  
2635 N. Airport Way  
Manteca, CA 95337

**17. Electronic Signature**

If 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, both boxes below must be checked. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

For County: ☐ If this box is checked by County, County consents to the use of electronic signatures in relation to this Agreement.

For Contractor: ☒ If this box is checked by Contractor, Contractor consents to the use of electronic signatures in relation to this Agreement.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
President, Board of Supervisors, San Mateo  
County

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

Crothall Laundry Services, Inc.

  
\_\_\_\_\_  
Contractor's Signature

Date: 01-07-2015

(Revised 7/1/13)

## **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 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”).

1. Transition Process (the period immediately after commencement of the agreement through the time when Contractor normalizes its services under this Agreement):
  - 1.) Prior to the transition from County’s prior linen service provider to Contractor, Contractor will survey the hospital and youth center with a minimum of two employees along with designated hospital and/or youth center personnel to take accurate par levels and linen counts for EVERY location in which linen is stored or found. This survey will include accounting for linen in patient rooms, in and on patient beds and exam beds, carts, closets, distribution points, linen rooms, cafeteria etc.
  - 2.) At least two days before the transition, Contractor will deliver enough linen to fill all surveyed areas with the same level of linen, plus a determined surplus amount for reserves.
  - 3.) On day(s) of the transition, Contractor will provide their installation team onsite. Hospital and youth center will provide equal amounts of personnel to assist with the transition.
  - 4.) Contractor’s staff will have pre-sorted and filled carts ready and labeled by the unit in which they will be delivered. One Contractor installation team employee will follow one hospital or youth center employee through their designated unit. The hospital/youth center employee will go through the unit one area at a time and remove all customer-owned goods (COG) linen; Contractor’s employee will then distribute the same amount of rental linen into those areas.
  - 5.) All COG linen will be placed in separate carts so that they are not comingled with the new rental linen.
  - 6.) After all rental linen is distributed and COG linen is removed, Contractor’s employees and a minimum of one hospital/youth center employee will conduct an inventory of all COG linen.
  - 7.) COG linen that is deemed to be in good, usable condition, will be purchased by Contractor at 50% of original purchase price. Contractor will purchase all un-opened linen at 100% of purchase price.
  - 8.) All linen determined to not be in good, usable condition will be given back to the hospital and youth center to use or dispose of as they see fit.
  - 9.) Upon purchase of the Customer Inventory, Customer will issue a Bill of Sale to Contractor reflecting the sale of linen inventory transaction.

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

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. Linen Purchase: Prior to the commencement of this Agreement, the parties shall conduct an inventory of County's linen (the "County Inventory"). County shall then sell to Contractor its entire usable circulating linen inventory at fifty percent (50%) of Contractor's purchase price for the existing inventory.

Contractor will purchase un-opened linen at one hundred percent (100%) of Contractor purchase price. Upon purchase of the County Inventory, County will issue a Bill of Sale to Contractor reflecting the sale of linen inventory transaction. "Usable inventory" as used herein means inventory that Contractor determines, in its sole discretion, can be utilized by Contractor at its laundry facility.

I. Contractor Vendors. In connection with Services provided hereunder, Contractor shall purchase any inventory, equipment, and services it is responsible for providing hereunder from various sellers and vendors selected by Contractor at its sole discretion. County accepts that Contractor may receive volume, trade or cash discounts or volume allowances for items or services purchased as part of providing Services under this Agreement and that those discounts/volume allowances will accrue to Contractor and will not be credited back to County.

### 3. Distribution Services

- A. General: Contractor shall provide the following distribution services at the County Locations with up to three (3) FTEs. The distribution services include:
  - i) Linen distribution personnel will maintain accurate records detailing each user area's daily linen requirements and quantities delivered.
  - ii) Linen distribution personnel will deliver linen to each user area based on par levels. As par levels are adjusted, linen delivered will adjust accordingly.
  - iii) Linen distribution personnel will maintain ongoing communication with the Contractor's Strategic Account Manager regarding specific linen issues and/or changes in user areas.
  - iv) Linen distribution personnel will maintain linen room safety stocks at the appropriate levels.
- B. Hours of Operation. Contractor shall provide the Services between during normal daytime hours as mutually agreed upon by the parties Monday through Sunday including holidays.

### 4. Emergency Contingency Plan

#### Purpose:

The purpose of the Emergency Contingency Plan is to provide guidance and to assure the continuance of furnishing patient linen requirements under conditions which disrupt the normal processing, delivery and distribution of hospital linen. Contractor has ongoing reciprocal agreement for the continuance of linen processing with other Contractor laundries as well as local non-Contractor laundries.

Plan Creation:

Contractor shall create an Emergency Contingency Plan consistent with this Section of the Agreement, with input from Customer. Contractor shall communicate the details of the Emergency Contingency Plan on a periodic basis to Customer, and the parties will work together to address any concerns.

Plan Interpretation:

The Emergency Contingency Plan shall provide considerable detailed guidance, but it is not intended to be a rigid instruction which is to be followed under each contingency. Obviously, all emergency situations cannot be foreseen. It is expected that laundry management and supervisory personnel will be thoroughly familiar with this plan. When circumstances dictate, managers and supervisors will use the plan as a tool to assist in making judgments and taking action to meet emergency situations and potential emergency situations.

Circumstance and Action:

Emergency action will be implemented by the General Manager, the Plant manager or the Director of Engineering.

Weapons of Mass Destruction – in the event of a situation involving weapons of mass destruction, Contractor shall:

1. Identify all customer Level I & II Trauma Centers in the affected area; identify all other customer medical centers proximate to the affected area.
2. Notify all Countys that Level I & II Trauma Centers will be given service priority, followed by those facilities most proximate to the affected area.
3. Notify all facilities to limit linen use to emergency only. Do not conduct routine bed or apparel changes unless necessary.
4. Notify Warehouse Manager of possible need to access emergency linen supply.
5. Notify linen vendors of possible need for emergency deliveries.
6. Notify alternate laundries of possible need of assistance.
7. Supervisors shall contact employees utilizing call tree and have them report to alternate operating facilities as needed.
8. Stage and process linen in order to provide 24-hour requirements to all Level I & II Trauma Centers first, back fill with additional supplies at two hour intervals.

Flooding, Seismic Activity, or other natural occurrence - in the event of a situation involving flooding, seismic activity, or other natural occurrence that limits transportation options (for example, Bay area bridge closure or extensive road damage), Contractor shall:

1. Notify all customer hospitals of possible delays in linen delivery.

2. Place all healthcare facilities on notice of possible linen restriction to emergency use only.
3. Transportation Manager or Supervisor to call the Department of Public Safety to ascertain viable routes.
4. Transportation Manager or Supervisor to reroute all delivery trucks when necessary to complete deliveries.
5. Notify alternate laundries on possible need of assistance.
6. Supervisors shall contact employees utilizing call tree and have them Report to alternate operating facilities as needed.

Strike or Walk Out – in the event of a situation involving a strike or walk out by Contractor or other employees that impacts services under this Agreement, Contractor shall:

1. Notify all of the hospitals of possible delays in linen deliveries and request emergency use of linen.
2. Have all of the supervisors report to the Laundry immediately.
3. Notify other laundries that we will need their assistance processing linen through their plants.

Boiler Breakdown– in the event of a situation involving a boiler breakdown or other Contractor facility problem, Contractor shall:

1. Notify all customer hospitals of possible delays in linen delivery.
2. Place all healthcare facilities on notice of possible linen restriction to emergency use only.
3. Supervisors shall contact employees utilizing call tree and have them report to alternate operating facilities as needed.
4. Request a mobile stand-by boiler through vendors if needed.

Shut Down Due to Fire or Explosion and/or Unavailability of Water, Gas or Electricity – in the event of a situation involving a shutdown of Contractor facility due to fire or explosion or unavailability of utility services, Contractor shall:

1. Notify all customer hospitals of possible delays in linen delivery.
2. Place all healthcare facilities on notice of possible linen restriction to emergency use only.
3. Supervisors shall contact employees utilizing call tree and have them report to alternate operating facilities as needed.

Laundry Detergents / Chemicals – in the event of a situation involving a leak or other exposure to laundry detergents or chemicals, Contractor shall:  
see MSDS (Material Safety Data Sheets)

Contractor Laundry Service has mutual disaster agreements with other Contractor Laundry Services Facilities in California, Nevada and Arizona as well as local industrial laundry companies. All said laundries are currently operating as full service laundry facilities. Contractor Laundry Services has an adequate fleet of tractor/trailer



units to transport linen to and from these alternative facilities. Contractor Laundry Services has an agreement with Hertz and Ryder to lease vehicles for the transport of linen should the Contractor Laundry Services fleet be unavailable.

#### Contractor Laundry Back Up Contacts & Locations

Steve Carpenter, President, Crothall Laundry Services, Inc. 704-799-9850  
Liz Remillong, Divisional Vice President, Crothall Laundry Services, Inc. 602-625-5222  
Chris Hansen, Regional Manager, Crothall Laundry Services, Inc. 847-691-0340

Crothall Laundry Services, Inc. – La Mirada  
14710 Northam Street, La Mirada CA 90638, (714)562-9275

Crothall Laundry Services, Inc. – Ontario  
5410 East Francis Street, Ontario, CA 91761, (909)390-1470

Crothall Laundry Services, Inc. – Manteca  
2365 N. Airport Way, Manteca, CA 95337, (209)642-7300

Crothall Laundry Services, Inc. – Phoenix  
4445 South 36th street, Phoenix, AZ 85040, (602)437-1051

#### 5. Quality Control

Contractor shall ensure that linens it provides to Customer meet reasonable industry standards for quality for use in a hospital and youth facility, as applicable. Contractor shall meet the following quality Grading Standards and any other standards mutually agreed upon by the parties:

##### Bath Blankets

- a. No holes acceptable
- b. Light stains up to 3" in diameter acceptable

##### Thermal Blanket/Spread

- a. Pull for holes and tears with greater than 1" diameter
- b. Light stains up to 3" in diameter acceptable

##### Wash Cloth

- a. No holes acceptable
- b. No stains acceptable

##### Isolation Gown

- a. Pull gowns for all missing ties
- b. No holes greater than 1" in diameter
- c. Light stains up to 3" acceptable

##### Patient Gown

- a. Pull gowns for all missing ties

- b. No holes or tears greater than 1" in diameter
- c. Light stains not to exceed 1 ½" in diameter

#### Pajamas and Patient Robes

- a. Follow Patient Gown Criteria

#### Bed Sheet

- a. No holes in center of sheet over ½' in diameter
- b. Holes up to 1' in diameter passable on sides of sheet
- c. Center of sheet is 30" x 70"
- d. Light stains up to 3" in diameter is passable in center of sheet
- e. Pull for greater than 2" in length of loose hem

#### Draw Sheet

- a. No holes in center of sheet greater than ½" in diameter
- b. Up to 1" holes okay on sides of sheet
- c. Center of sheet is 30" x 30"
- d. Light stains up to 3" in diameter acceptable in center of sheet
- e. Pull for greater than 2" in length of loose hem

#### Pillow Case

- a. Pull all loose hem or open seams
- b. No holes acceptable
- c. No stain acceptable

#### Bath Towel

- a. Pull for loose hems
- b. Allow maximum of 1 hole up to ½" in diameter
- c. Light stains up to 1" in diameter
- d. No more than 2 light stains per towel

#### Baby Blanket

- a. No holes acceptable
- b. Pull for loose hems
- c. Light stains up to 1" in diameter
- d. No more than 2 light stains per blanket

#### Infant Diaper

- a. Pull for holes greater than ½"
- b. Light stains up to 2" in diameter
- c. Medium stains up to 1" in diameter

#### Infant Shirt

- a. No holes greater than 1/4" in diameter
- b. No stains acceptable

#### Pediatric Gown

- Same as Patient Gown Criteria

#### Surgeon's Gown

- a. No holes acceptable
- b. Light stains not to exceed 2" in diameter
- c. No odors acceptable

#### Surgical Drapes/Wrappers

- a. No visible lint acceptable

- b. No holes acceptable
- c. Light stains up to 2" in diameter acceptable
- d. No tape residue acceptable

#### Scrub Tops/Scrub Pants

- a. No holes or tears over 1/2" in diameter
- b. Pull for loose hems or pockets
- c. Light stains up to 2" in diameter
- d. Ink stains on pocket up to 1/2" in diameter
- e. Pull for missing drawstrings

#### Surgery Towels

##### Bulk Towels:

- a. No holes greater than 1/8" in diameter
- b. No more than 2 light stains up to 1" in diameter

##### Towel Pack

- a. No holes acceptable
- b. No stains acceptable
- c. No patches acceptable
- d. No lint acceptable

#### Kitchen Aprons

- a. Pull for missing strings and ties
- b. Pull for dark grease stains
- c. No odors acceptable
- d. No holes or tears over 1/2" in diameter
- e. Light stains up to 2" in diameter, medium stains up to 1" in diameter

#### Laundry Bags

- a. No dark stains over 3" in diameter
- b. No holes or tears over 1" in diameter

#### Incontinent Pad

- a. No holes or tears over 1" in diameter on face side of pad
- b. No holes or tears on barrier side
- c. Dark stain up to 2" in diameter, 2 stains per pad acceptable

## **Exhibit B**

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

As consideration for Contractor's performance of the Services, County agrees to pay Contractor for the Services rendered hereunder, as set forth below (the "Service Fees"). Contractor shall submit its first invoice one (1) week following the commencement of services and on a weekly basis thereafter. County shall pay all invoices upon receipt.

1. Leased Textiles. Contractor will rent to County the rental items at the rates listed below. Textile items requested by County not specified below will be provided at a charge to be mutually agreed upon by both parties.

a. Contractor will rent to County the standard items listed below at the rate of 0.495 per clean pound which includes replacement.

Pillow, Cases (white)
Sheet Flat (white)
Sheet, Draw (white)
Sheet, Knitted Fitted
Blanket, Thermal
Blanket, Bath
Towel, Bath
Washcloth
Pad, Incontinent
Gown, With Patient Tie
Gown, I.V. Large
Pants, PJ Adult
SMCYSC Flat Sheet
SMCYSC Pillow Case
SMCYSC Blanket, Mircoloft

b. Contractor will rent to County the non-standard items listed below at the rate of \$ 0.55 per clean pound and includes replacement.

Towel, Surgery Loose
Bag, Hamper
Bib, Adult
Blanket, Baby

c. Contractor will rent to County the per piece items at the per piece rates listed below. Per piece items will be billed for loss at the replacement prices set forth below.

Price Per Item	Per Piece	Replacement Price
Jacket, Warm-up	\$0.75 ea	\$8.00 ea
Scrub, Top Women	\$0.75 ea	\$6.50 ea
Scrub, Pants Women	\$0.75 ea	\$6.50 ea
Scrub, Top Men	\$0.75 ea	\$6.50 ea
Scrub, Pants Men	\$0.75 ea	\$6.50 ea

2. COG (Customer Owned Goods) Items. The COG Items listed below will be billed at the per piece rates listed

COG Per Piece Item	Per Piece Price
Cubicle Curtains	\$3.00 ea
Table linen any size	\$1.25 ea
Coat, Lab	\$1.10 ea
Wet Mops (housekeeping)	\$0.55 ea

3. Distribution. Contractor will provide the Distribution Services outlined on Exhibit A for \$2,714.40 per week.
4. For specialty blankets used at YSC the fee will be as follows:  
Blanket rental will be charged at \$0.495 plus a surcharge of \$0.25 per blanket and includes replacement. .
5. Service Fee Modifications.
- Annual Inflation Modifications. On every anniversary of the Effective Date of this Agreement, the Service Fees shall be increased by the lesser of (i) the same percentage increase as the Consumer Price Index for All Urban Consumers: U.S. City Average, Hospital Services, for the most recently published twelve (12) month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics (ii) or 2%. Should the applicable inflation rate over the most recently published twelve (12) month period decrease, the Service Fees shall not change from the previous year.
  - Service Fee Modifications. Contractor may, at its option, upon thirty (30) days prior written notice, increase the Service Fees if it incurs unforeseen increases, of at least 10%, in the cost of performing the services in Exhibit A. For purposes of this Agreement, "unforeseen increases" includes, without limitation, increases in the cost of linen, utilities, diesel, natural gas, supplies, labor, transportation, waste disposal, or other costs not within the control of Contractor. Customer shall have an option to terminate this agreement based on any such fee increase.
  - Extraordinary Linen Loss Charges. Contractor and County will jointly review the clean pounds delivered and the actual soiled pounds

returned. In the event the actual soiled pounds returned compared to the clean pounds delivered are less than seven percent (7%) ("7% Soil Return") for thirty (30) days, the parties agree to develop and implement an action plan to address the textile losses. If after an additional thirty (30) days, the County continues to have a Seven Percent Soil Return or less, Contractor shall provide County written notice and County will reimburse Contractor for textile losses. Losses will be charged at \$4.00 per pound for all pounds under the Seven Percent Soil Return.

Services included with linen program provided at no charge are listed below:

Dedicated S.A.M., w/ non-performance penalties
Bi Annual Patient Experience Team Seminars
National Performance Center access and technology provisions (Spring 2015)
Guarantees with non-performance penalties
Management, training, standardized processes and protocols for distribution FTEs

For services provided at the SMMC (hospital) location under this agreement, in no event shall County's total fiscal obligation under this Agreement exceed \$2,600,000 for the term of the agreement.

Invoices for such services shall be sent to:

San Mateo Medical Center  
Attn: Accounts Payable  
222 W. 39<sup>th</sup> Avenue  
San Mateo, CA 94403

For services provided at the YSC (youth center) location under this agreement, in no event shall County's total fiscal obligation under this Agreement exceed \$117,000 for the term of the agreement.

Invoices for such services shall be sent to:

San Mateo County Youth Services Center  
Attn: Fiscal Services  
222 Paul Scannell Drive  
San Mateo, CA 94402

In no event shall County's total fiscal obligation for all services provided under this Agreement exceed \$2,717,000.

## **EXHIBIT E**

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

The person/entity listed below (the "Undersigned") recognizes and is fully dedicated to advancing SMMC's 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.

The Undersigned will comply with all Federal, State or other governmental health care program requirements and with SMMC's policies and procedures relating to SMMC's Corporate Compliance Program, including the requirements set forth in the Corporate Integrity Agreement (CIA) to which SMMC is a party (available online at [http://oig.hhs.gov/fraud/cia/agreements/the\\_county\\_of\\_san\\_mateo\\_03062009.pdf](http://oig.hhs.gov/fraud/cia/agreements/the_county_of_san_mateo_03062009.pdf)).

The Undersigned, 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.

The Undersigned will report to the SMMC Compliance Officer any suspected violation of any Federal health care program requirements or of SMMC's Compliance Program policies and procedures.

The Undersigned has the right to use the SMMC Disclosure Program by calling the Compliance Hotline or reporting incidents to the Compliance Officer. SMMC is committed to non-retaliation and will maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

The Undersigned understands that non-compliance with Federal health care program requirements and SMMC's Compliance Program policies and procedures, and failing to report such violations, could result in termination of the Agreement and/or any other penalties permitted by law.

The Undersigned 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.

The Undersigned will not offer, give or accept any 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). The Undersigned will promptly report the offering or receipt of such gifts to the SMMC Compliance Officer.

The Undersigned will not engage in any financial, business, or other activity which competes with SMMC/County business 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, except to the extent consistent with the SMMC/County Incompatible Activities and Outside Employment policy and the Agreement.

The Undersigned will cooperate fully and honestly with internal audits and monitoring programs to help assure that SMMC's compliance is maintained with all applicable federal/state regulations, the Joint Commission standards, and hospital system-wide policies.

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

The Undersigned hereby certifies by signing below that an authorized representative has received this Code of Conduct, understands it, has authority to commit the Undersigned to this Code of Conduct, and hereby commits the Undersigned to comply with this Code of Conduct.

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Name of Person/Entity (the "Undersigned")



Steve Carpenter

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Signature and Printed Name

01-07-2015

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Date



## 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 164.503 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 164.501.
- 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.

## **PERMISSABLE 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 Protected 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.

## ATTACHMENT I

### Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

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The undersigned (hereinafter called "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- ☐ a. Employs fewer than 15 persons.
- ☒ b. Employs 15 or more persons and, pursuant to section 84.7 (a) of the regulation (45 C.F.R.

84.7 (a), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

**Name of 504 Person:**

Steve Carpenter

**Name of Contractor(s):**

Crothall Laundry Services, Inc.

**Street Address or P.O. Box:**

2635 N. Airport Way

**City, State, Zip Code:**

Manteca, CA 95337

I certify that the above information is complete and correct to the best of my knowledge

**Signature:**



**Title of Authorized Official:**

President, Crothall Healthcare

**Date:**

01-07-2015

\*Exception: DHHS regulations state that: "If a recipient with fewer than 15 employees finds that, after consultation with a disabled person seeking its services, there is no method of complying with (the facility accessibility regulations) other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."