

March 18, 2021

TO: Legal Counsel

News Media

Salinas Californian
El Sol
Monterey County Herald
Monterey County Weekly
KION-TV
KSBW-TV/ABC Central Coast
KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE – COMMITTEE OF THE WHOLE** of the Salinas Valley Memorial Healthcare System will be held **MONDAY, MARCH 22, 2021, AT 12:00 P.M., IN THE DOWNING RESOURCE CENTER, ROOMS A, B & C AT SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, OR BY PHONE OR VIDEO (Visit svmh.com/virtualboardmeeting for Access Information).**

Please note: Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.



Pete Delgado
President/Chief Executive Officer

Committee Members: Richard Turner – Chair; Juan Cabrera – Vice Chair; Pete Delgado – President/Chief Executive Officer; Augustine Lopez – Chief Financial Officer; Clement Miller – Chief Operating Officer; Harry Wardwell – Community Member; Michael Wilson – Community Member; and Orlando Rodriguez, M.D. – Medical Staff Member

**FINANCE COMMITTEE MEETING – MARCH 2021
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**MONDAY, MARCH 22, 2021
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR BY PHONE OR VIDEO
(Visit svmh.com/virtualboardmeeting for Access Information)**

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AGENDA

1. Approval of Minutes from the Finance Committee Meeting of February 22, 2021 (DELGADO)
 - Motion/Second
 - Action by Committee/Roll Call Vote
2. Consider Recommendation for Board Approval of the Unified Communications System Managed Services Agreement from Carousel Industries, Inc. as Competitive Solicitation and Contract Award (LOPEZ/PARKS)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
3. Consider Recommendation for Board Approval of the Help Desk Services Agreement for CloudWave as Competitive Solicitation and Contract Award (LOPEZ/PARKS)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
4. Consider Recommendation for Board Approval of Project Budget Augmentation and Award of Construction Contract to DMC Commercial, Inc. for the Lab Analyzers Replacement Project (MILLER/DELGADO)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote

5. Consider Recommendation for Board Approval of Project Budget and Award of Construction Contracts to Val's Plumbing and Heating, Inc. and Central Electric for the SVMH Heart Center Air Handler Unit Upgrade Project (DELGADO/STROTMAN)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
6. Consider Recommendation for Board Approval of Project Budget for the OB Cesarean Conversion Project (MILLER/LINDEMAN)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
7. Consider Recommendation for Board Approval for the Purchase of Cardiac Ultrasound Equipment (MILLER/KEARNS)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
8. Consider Recommendation for Board Approval of Project Funding for the SVMHS Retail Pharmacy Project (MILLER/CHOI/SULLIVAN)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
9. Informational Update Regarding Project Planning for the SVMH Elevator Modernization Project (DELGADO/STROTMAN/SULLIVAN)
10. Review Balanced Scorecard – January 2021 (LOPEZ)
11. Financial and Statistical Review (LOPEZ)
12. Public Input

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda.

13. No Closed Session

14. Adjournment – The April 2021 Finance Committee Meeting is scheduled for **Monday, April 26, 2021, at 12:00 p.m.**

Notes: This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Executive Assistant during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

The Committee packet is available at the Committee Meeting, at www.svmh.com, and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

**MINUTES OF THE FEBRUARY 2021 FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**MONDAY, FEBRUARY 22, 2021
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR BY PHONE OR VIDEO
(Visit svmh.com/virtualboardmeeting for Access Information)**

Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

Committee Members Present: Richard Turner, Chair; Augustine Lopez, Harry Wardwell, Michael Wilson by teleconference; Pete Delgado, Clement Miller, and Orlando Rodriguez, MD, in person.

Committee Members Absent: Juan Cabrera.

Other Board Members Present, Constituting Committee of the Whole: Victor Rey, Jr., Regina M. Gage, and Joel Hernandez Laguna by teleconference, constituting Committee of the Whole.

Also Present: Adrienne Laurent, Clint Hoffman, Judi Melton, Scott Cleveland, Karen Schroeder, Derek Ames, in person; Michelle Childs, Audrey Parks, Rolf Norman, and Renee Jaenicke by teleconference.

A quorum was present and the meeting was called to order at 12:06 p.m. by Richard Turner, Committee Chair.

**APPROVAL OF MINUTES FROM THE FINANCE COMMITTEE MEETING OF
JANUARY 25, 2021**

Pete Delgado, President/Chief Executive Officer, recommended the Finance Committee approve the minutes of the Finance Committee Meeting of January 25, 2021. This information was included in the Committee packet.

No Public Comment.

MOTION: The Finance Committee approves the minutes of the Finance Committee Meeting of January 25, 2021, as presented. Moved/Seconded/Roll Call Vote: Ayes: Turner, Delgado, Lopez, Miller, Wilson, Wardwell, Noes: None; Abstentions: None; Absent: Cabrera, Rodriguez; Motion Carried.

CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF BOARD RESOLUTION NO. 2021-01 DECLARING ITS INTENT TO REIMBURSE PROJECT EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS

Augustine Lopez, Chief Financial Officer, reported that Board Resolution No. 2018-09 Declaring Its Intent to Reimburse Project Expenditures from Proceeds of Indebtedness has been updated to Resolution No. 2021-01. This information was included in the Committee packet.

Board Resolution No. 2021-01 Declaring Its Intent to Reimburse Project Expenditures from Proceeds of Indebtedness, authorizes the District to reimburse itself from tax-exempt proceeds for amounts expended on capital projects. This Resolution reflects the following changes: (i) incorporates the project name of parking garage annex and related improvements; and (ii) raises the principal amount of the potential tax-exempt financing from \$300 million to \$450 million. The tax-exempt bonds would need to be issued no later than 18 months after the project is placed in service and no more than three years after the date any expenditure for the project is paid.

No Public Comment.

MOTION: The Finance Committee recommends that the Board of Directors approve Board Resolution No. 2021-01 Declaring Its Intent to Reimburse Project Expenditures from Proceeds of Indebtedness, as presented. Moved/Seconded/Roll Call Vote: Ayes: Turner, Delgado, Lopez, Miller, Wilson, Wardwell; Noes: None; Abstentions: None; Absent: Cabrera, Rodriguez; Motion Carried.

REVIEW BALANCED SCORECARD – DECEMBER 2020

Augustine Lopez, Chief Financial Officer, reviewed the Balanced Scorecard Summary for fiscal year 2021, year-to-date December 2020, which provided an overview of the metrics and performance of the SVMHS organizational goals for Service, People, Quality, Finance, Growth, and Community. This information was included in the Committee packet.

Orlando Rodriguez, MD, joined the meeting at 12:20 p.m.

FINANCIAL AND STATISTICAL REVIEW

Augustine Lopez, Chief Financial Officer, provided a financial and statistical performance review for the month ending January 31, 2021. This information was included in the Committee packet.

Key highlights of the consolidated financial summary for January were: (1) income from operations was \$5.4 million with an operating margin of 9.1%; (2) inpatient gross revenues were favorable to budget; (3) outpatient and Emergency Department gross revenues were unfavorable to budget; (4) payor mix was unfavorable to budget; (5) total net patient revenues were favorable to budget; (6) outpatient visits were lower than expected; (7) inpatient surgeries and outpatient surgeries were below budget; (8) average daily census and total admissions were above budget; (9) the total acute average length of stay and the Medicare average length of stay case mix index

adjusted was unfavorable to budget; (10) labor productivity was unfavorable to budget; (11) operating revenues for the Hospital and System were above expenses; (12) days cash on hand was at 347; and (13) total capital expenditures were \$1,234,713. The case mix index for all discharges with and without COVID-19 cases for July 2020 thru January 2021, was also reviewed.

There was brief discussion regarding the decline in revenues per adjusted patient day (normalized) in October 2020. Additional information will be provided to the Committee. The Committee commended Executive Leadership and staff for their outstanding efforts to continue on the course of financial stability.

PUBLIC INPUT

None.

CLOSED SESSION

Richard Turner, Committee Chair, announced that the item to be discussed in Closed Session is Report Involving Trade Secret – strategic planning/ proposed new services and programs. The meeting was recessed into Closed Session under the Closed Session protocol at 12:37 p.m.

RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Committee reconvened Open Session at 1:07 p.m. Mr. Turner reported that in Closed Session, the Committee discussed: Report Involving Trade Secret – strategic planning/proposed new services and programs. No action was taken in the Closed Session.

ADJOURNMENT

There being no other business, the meeting was adjourned at 1:08 p.m. The March 2021 Finance Committee Meeting is scheduled for **Monday, March 22, 2021, at 12:00 p.m.**

Richard Turner
Chair, Finance Committee

**RECOMMENDATION OF THE FEBRUARY 2021
FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**February Committee Meeting
Meeting of February 22, 2021
To the Board of Directors**

1. **RECOMMEND BOARD APPROVAL OF BOARD RESOLUTION NO. 2021-01
DECLARING ITS INTENT TO REIMBURSE PROJECT EXPENDITURES FROM
PROCEEDS OF INDEBTEDNESS**

RECOMMENDATION: Recommends that the Board of Directors approve Board Resolution No. 2021-01 Declaring Its Intent to Reimburse Project Expenditures from Proceeds of Indebtedness, as presented.

This item will be considered under Board Agenda Item IX of the February 25, 2021 Meeting.

Board Paper: Finance Committee

Request: Managed Services From Carousel Industries to Provide Managed Services for Our Unified Communications System (Telephone System)

Executive Sponsor: Augustine Lopez, CFO
Audrey Parks, CIO

Date: March 12, 2021

Executive Summary

The intent of Salinas Valley Memorial Healthcare System (SVMHS) Information Technology (IT) is to procure managed services to best support and maintain our current Cisco Unified Communications Management or Cisco VOIP Telephone system (UCS). 24x7x365 support is increasingly essential as we transition off of our legacy-analog telephone system. There are around 20 clinics left on the old analog phone system that are in planning stages of migration to the new Cisco Unified Communications system. As we migrate and grow our system over the Salinas Valley Medical Clinic (SVMC) locations it is imperative to have the “safety net” of support and maintenance to provide high availability or uptime of all communications including telephones/video conferencing/instant messaging/auto attendants/call queuing/call transfers/emergency calls etc.

In addition, as Salinas Valley Memorial Hospital transitions off of the legacy Avaya telephone system, we will lose the existing next business day support we have now with Avaya. In the past year, we also hired a Communications Engineering Manager, a new position, to better support and manage our growing communications system. To fill the support gap on Cisco when compared with what we have with Avaya, however, we are seeking 24 x 7 x 365 support as the system grows to support both the Hospital and SVMC.

Expert service and support is not as comprehensive as it was on legacy analog environments. In the past, we bought an insurance/maintenance policy from suppliers that entitled the ability to call for help or diagnose and repair defective hardware. The UCS solution introduces multiple complexities: data networks, quality of service settings to enable proper communications, multiple telephone carriers (AT&T, Comcast, MetTel) and security, to name a few. The need for secure monitoring tools, real-time visibility and having appropriate skills to support the UCS have become an investment area to ensure we keep our critical communication systems always on and available for our critical healthcare operations.

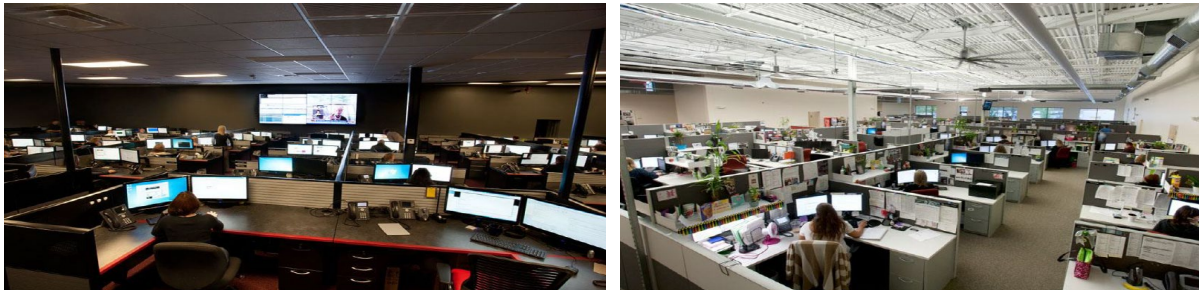
The comprehensive approach of managed services includes real time and historic reporting, onboarding and service transition, configuration management, continuous service improvement, incident management (triage and troubleshooting, complex resolution), chronic problem management, patches and updates, health and performance monitoring (to alert us to fix issues before our customers feel the pain of these issues) health checks, and designated management resources.

Background/Situation/Rationale

With managed services for our Cisco Unified Communications System (UCS) 24x7x365, we ensure the highest level of availability, support and security for our UCS system. The UCS system supports telecommunications operations for Salinas Valley Memorial Hospital (SVMH) and Salinas Valley Medical Clinics (SVMC).

From 2020 to present, we are actively working to fully migrate off of our legacy Avaya telephone system onto a modern system by Cisco (UCS). As we continue to integrate SVMC sites onto the same enterprise telecommunications platform, we are seeking ways to ensure consistency, standardization, high availability, performance and supportability of our UCS. After completing a competitive solicitation process, we selected Carousel Industries, Inc. as the service provider due, in part, to their comprehensive and cost-effective support model.

Views of the operations and customer service centers that ultimately deliver high availability and telecommunications systems performance to both SVMH and SVMC.



During the vendor selection process, we carefully reviewed pricing, breadth of support services, experience and the security architecture of each solution proposed to ensure the confidentiality, integrity, and availability of SVMHS critical data. The solutions under consideration were Axelliant, Elevate and Carousel Industries. We ultimately selected Carousel Industries based on the comprehensiveness of their response and price point.

RFP scorecard and legal review are on file.

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

It is the mission of Salinas Valley Memorial Healthcare System (SVMHS) to provide quality healthcare to our patients and to improve the health and well-being of our community. Toward this end, we are seeking to improve the telecommunications services we offer through Information Technology to minimize avoidable phone/communication system disruptions across SVMHS.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

| Key Contract Terms | Vendor: Carousel Industries, Inc. | | | | | | | | | | |
|--------------------------------|--|----------|-------|--------|---------|--------|---------|--------|---------|--------------|-------------------|
| 1. Proposed effective date | April 1, 2021 | | | | | | | | | | |
| 2. Term of agreement | July 1, 2021 – June 30, 2024 (36 months) | | | | | | | | | | |
| 3. Renewal terms | Annually renewable after initial term | | | | | | | | | | |
| 4. Termination provision(s) | May terminate as needed if contractor is not meeting service level agreements. | | | | | | | | | | |
| 5. Payment Terms | Net 45 | | | | | | | | | | |
| 6. Annual cost(s) | <p>\$ 392,477 over three (3) year term</p> <table border="1" data-bbox="678 590 1105 814"> <tbody> <tr> <td>One-time</td> <td>6,377</td> </tr> <tr> <td>Year 1</td> <td>128,700</td> </tr> <tr> <td>Year 2</td> <td>128,700</td> </tr> <tr> <td>Year 3</td> <td>128,700</td> </tr> <tr> <td>TOTAL</td> <td>\$ 392,477</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Fees increase are over a three year term. | One-time | 6,377 | Year 1 | 128,700 | Year 2 | 128,700 | Year 3 | 128,700 | TOTAL | \$ 392,477 |
| One-time | 6,377 | | | | | | | | | | |
| Year 1 | 128,700 | | | | | | | | | | |
| Year 2 | 128,700 | | | | | | | | | | |
| Year 3 | 128,700 | | | | | | | | | | |
| TOTAL | \$ 392,477 | | | | | | | | | | |
| 7. Cost over life of agreement | \$ 392,477 | | | | | | | | | | |
| 8. Budgeted (indicate y/n) | Yes. Incremental and budgeted. | | | | | | | | | | |
| 9. Contract | 1001.4099 | | | | | | | | | | |

Recommendation

Request the Finance Committee to recommend to the Board of Directors the approval of the unified communications system managed services agreement from Carousel Industries, Inc. as competitive solicitation and contract award in the amount of \$392,477 over a three-year contract term.

Attachments:

1. RFP documentation
2. Proposal dated February 24, 2021

Proposal for

Salinas Valley Memorial Healthcare System

Managed Services & Support

Cisco Unified Communications

Proposal Date: November 5, 2020
Presented to: Audrey Parks, Chief Information Officer
Presented by: Anthony Ciampa, Account Executive

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Cover Letter

Dear Audrey and the SVMHS IT Team,

It's been a pleasure partnering with you all over the last couple of years as we work together to grow and transform your network infrastructure and achieve your team's strategic goals. Through this partnership we have become intimately knowledgeable of your business drivers, challenges, and vision. We use this knowledge to create a tailored response, one we're confident will add value to your organization.

Aside from growth, refresh, and upgrade projects, we've proactively worked with you to better optimize resources in your existing Smartnet Support and Carrier Services environments. We strive to go beyond your expectations of a vendor by continuing to help you do more with less and drive innovation.

Allowing another organization to help monitor, maintain, and manage your unified communications and collaboration system is one of the most strategic and honorable business partnerships in our space. We understand the gravity of this managed services contract and are fully prepared and ready to rise to the occasion and take on more responsibility as your trusted business partner.

Carousel would make a great choice for your trusted business partner because of our deep understanding of your operational challenges, our comprehensive approach to overcome those challenges, and our continued investments in our NOC and Managed Services offering like our enhanced tooling solutions, optimized service delivery functions, and strengthened security framework.

Thank you for giving Carousel the opportunity to grow the partnership between our organizations by allowing us to participate in your Cisco UC RFP. Please feel free to reach out to me directly with any follow-up questions or feedback you may have.

Sincerely,

Anthony Ciampa

Carousel Industries

1901 S Bascom Ave Ste 1650 | Campbell, CA 95008

Mobile: 603-455-5933

ACiampa@Carouselindustries.com

Executive Summary

SVMHS & Industry Challenges

The rise of smart phones, Unified Communications, Wi-Fi access almost anywhere, mobile applications, and cloud-based solutions has put powerful IT solutions directly into the end-user's hands. The consumerization of IT has made the end-user more tech savvy and consequently they have greater demands of the technology they use. Consumer technology has trained users that technology is easy, can be effortlessly deployed, and is "always on", and they expect to be able access their data and services anytime, anywhere and on any device.

At the same time, consumer technology is getting simpler to use, but the complexity is increasingly hidden behind the scenes. This becomes a difficult dichotomy managing user expectations and the technical complexity reality. You have already invested in a Cisco UC solution to help transform the current communication and collaboration experience. Throughout multiple conversations, we have discussed your challenges to be:

- **Current operating model**
 - Limited staff and skillsets to manage the existing Cisco UCM while trying to expedite the onboarding of additional sites to gain efficiencies and standardization, resulting in a true ROI on the investment already made in Cisco.
 - Limited visibility into current environment
- **Financial challenges**
 - Limited skillset leads to lengthy mean time to repair
 - More time focused on tactical vs strategic
 - Run, Grow, Transform
 - Task Talent Misalignment
- **End User Experience**
 - No consistency between systems and sites
 - Limited focus on transformation slows down the adoption of advanced technologies to improve the patient experience
 - Severe time pressures to deploy technology solutions and drive user adoption.

Proper service and support are not as simple or straight forward as it was on legacy PBX environments. In the past, firms bought an insurance/maintenance policy from suppliers that entitled the ability to call for help or diagnose and repair defective hardware. The Cisco UC solution introduces multiple complexities including the data network, Quality of Service, telco/SIP carrier and security just to name a few. The need for proper monitoring tools, real-time visibility and having the talent to support the Cisco System now become an additional investment area.

Carousel's Approach

To address the situation, Carousel has developed a comprehensive 7x24x365 support plan to manage the day-to-day voice operations, for less financial impact than a qualified Cisco Voice administrator, to allow SVMH the ability gain the most value from the Cisco technology platform in the shortest amount of time.

Carousel has developed the ability to provide a comprehensive solution that can include the following:

- Onboarding and Service Transition
- Secure Remote Connectivity to the SVMH architecture
- Health & Performance Monitoring
- Real Time & Historical Reporting
- 7x24 Service Desk
- 7x24 Event and Incident Management including vendor and carrier agency
- Problem Management for chronic/recurring incidents with full RCA delivery
- Proactive Patch Management on a consistent cadence for the Cisco ecosystem
- Infrastructure Change Management for the Cisco environment
- Designated Service Management Resources

With the ability to provide optional services and features, such as:

- Advanced SIP Monitoring with real time synthetic voice & video transactions
- End user service requests (MACD) for voice & contact center
- Named and assigned technical oversight, guidance, & management
- e-Bonding capability for improved and consistent reporting and management
- Training for SVMHS team within Cisco UC environment as needed on a T&M basis

Why You Should Trust Carousel to be Your UC Partner

Carousel has made multiple million-dollar investments over the last 24-months to strengthen, improve and secure our delivery functions for our clients. For example:

Tooling – Carousel has restructured both our ITOM (IT Operations Management) solution and ITSM (IT Service Management) solution for improved performance, visibility, reporting and compliance. The ITOM allows for improved event suppression and correlation, acting as a MOM (Manager of Managers) to allow a single pane of glass from multiple tools and improved contextual awareness, or the ability to have one-click access to important and vital information. The ITSM system has provided for improved reporting (SLA threshold measurement, dispatching accuracy and more consistent project and service delivery).

Service Factory Philosophy – We believe our service factory philosophy has allowed us to accomplish 3 main goals: Improve service delivery & NPS, drive cost out of the business, provide improved career pathing for both retention and talent acquisition. By breaking up the service delivery functions into “PODS”, (Event, Incident, Problem, Patch, Change and Service Requests), we have been able to reduce missed events from roughly 14% 2-years ago to now averaging less than .1% misses, with the majority of those being devices that were not onboarded to the platform. Another example would be our Service Request “MAC Factory”, which are completing over 90% of MAC requests within 24-hours and 76% completed in the same day. This is a dramatic improvement from just a short year ago where MAC requests were averaging over 6-days for completion. The Service Factory model has also allowed Carousel to reduce delivery costs by more than \$3 Million in 2019, allowing us to pass that savings on to our clients.

Security – Carousel is acutely aware that one of the biggest threats to any organization is to the 3rd party remote connectivity that external business partners require to deliver service. This situation was a main contributing factor of why we invested in a fulltime Chief Information Security Officer late in 2017. Part of the CISO’s responsibility is to make sure we would not introduce additional risk to the clients we support. To that endeavor, following NIST 8-53, Carousel has strengthened our delivery framework. Today, all engineers are required to log into all internal systems with multi-factor authentication, we have leveraged password vaulting for all managed devices, and we have developed our Secure Service Delivery Platform (SDP). The SDP is a series of OVA files installed in the clients VM environment that have been hardened and spun up on demand to reduce footprint and resource requirements. The SDP, combined with the ITOM platform provides for secure monitoring, access and compliance. Every session through the SDP has a complete recording of the engineer, time-of-day, key stroke logging and the work performed.

We believe our comprehensive solutions can provide the powerful intelligent platform and services SVMHS requires for ongoing operational support, intelligent IT planning, continuous improvement and optimization to provide IT Transformation. By subscribing to our service, not only do you reap the benefits of using the contextual knowledge our solution captures to enhance your infrastructure, get access to our industry experts that become an extension of your team, but also increase the level of service you provide to your end user community, customers, prospects and business partners. We are excited at the opportunity to expand our relationship for the desired success of both organizations. Please continue below for our detailed approach of how Carousel will provide managed service functions for the SVMHS Cisco Environment.

Proposed Solution

Onboarding & Service Transition

Carousel will provide a services transition plan to achieve steady-state operation augmenting the Client’s ongoing day-to-day IT operations. Carousel’s service transition process manages and performs the following transition phases:

- **Planning Phase** —a detailed data-gathering including a series of internal reviews culminating with a transition kick-off meeting.
- **Execution Phase**— quickly get supported items loaded and configured in the monitoring tool, validate connectivity and response
- **Quality Assurance/Testing Phase** - a full quality and testing review of the proposed solution with refinement and enhancements
- **Tuning Phase** - tuning of the environment to eliminate noise, false positives and ensure that the monitoring and reporting functions are optimized and working as expected. Additionally, Carousel will finalize all delivery process and procedures
- **Steady-State Phase**— Carousel will deliver the services specified in this Statement of Services and provide regular reports on performance against agreed upon SLA metrics.

Estimated Service Transition Timeframe

Carousel estimates the entire service transitioning process will be completed within 8 weeks. The estimated timeframe begins when Carousel receives the client required information (inventory details, passwords, response procedures, etc.) Upon engagement of Carousel’s Managed Services, we will work collaboratively with your team throughout the service transition process toward steady state support from Carousel’s Support Centers. The following high-level schedule and process overview will provide you an understanding of the transition process:

| Phase | Weeks | | | | | | | |
|-------------------------------|-------|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Planning Phase | | | | | | | | |
| Execution Phase | | | | | | | | |
| QA/Testing Phase | | | | | | | | |
| Tuning Phase | | | | | | | | |
| Steady State (Go Live) | | | | | | | | |

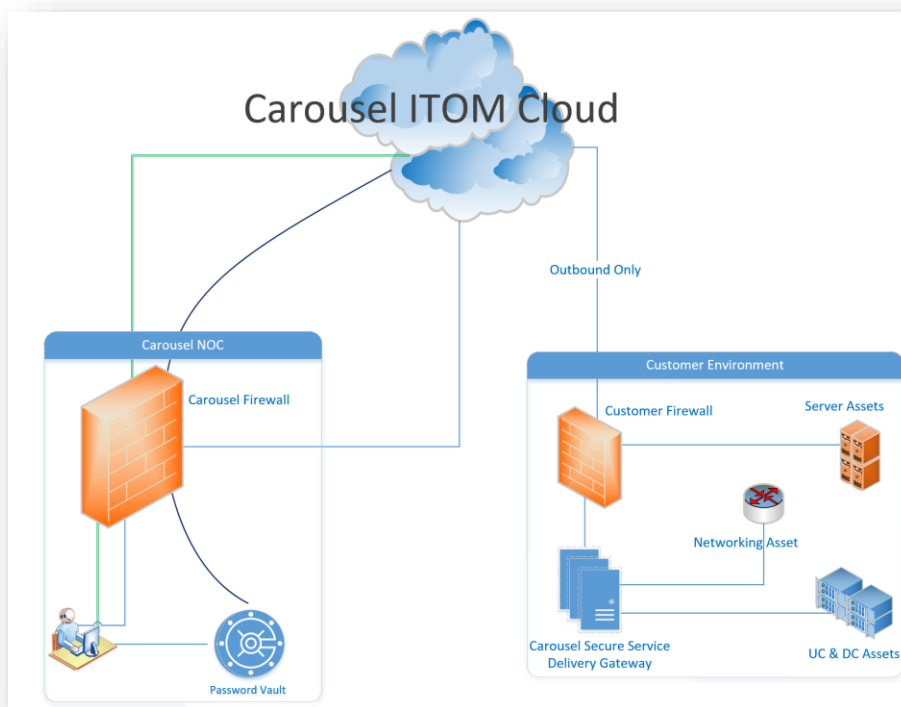
Secure Remote Connectivity to the SVMHS architecture

Carousel Secure Service Delivery Gateway

The delivery of Carousel’s Managed Services requires the implementation of our Service Delivery Gateway (SDG). The SDG is architected to provide device auto-discovery, monitoring, performance management, secure remote access, device level authentication, and tools for improved diagnostic capabilities.

The SDG is deployed with a secure abstraction layer between Carousel’s Network Operation Center and the Client’s environment ensuring the confidentiality, integrity, and availability of the Client’s critical data. Our National Institute of Standards and Technology (NIST) based architecture guarantees the highest levels of authentication, access control, auditability, availability, and scalability.

The Service Delivery Gateway allows Carousel’s managed services team to obtain alert, alarms, and performance information from The Client’s environment. As abnormal, degraded, and service affecting conditions occur Carousel’s service personnel can securely authenticate to the support devices, and investigate, evaluate, diagnose, and resolve detected incidents. In addition, our SDG maintains an audit trail of all access and records all session for detailed auditability.



Keeping Your Managed Services Program Safe from Security Threats

- **Personnel** - All Carousel Managed Services personnel undergo comprehensive and intensive background screening including criminal history, past employment verification, credit history, and more.
- **Multi-Factor Authentication** - All employees must use multi-factor authentication to access our managed services platform.
- **Abstraction Layers** - We keep our corporate network isolated from clients with a proxy gateway to monitoring, support, and maintain your environment without the need for having direct access to your network. This multi-tenancy approach allows for secure authentication, session recording and extensive logging capabilities.
- **Auditing** - Our real-time auditing tools ensure we continuously meet regulatory mandates like SOX, HIPAA, NERC, GDPR, and more to meet your data security and compliance requirements.
- **Password Management** - We maintain sensitive information like passwords and digital identities in a secure, centralized, high-availability, and encrypted vault (FIPS 140-2) for data in-transit and data-at-rest with robust role-based access control management.
- **Session Recording** - Ability to video record, archive and play back privileged sessions.

Health & Performance Monitoring

Our Service Delivery Platform measures network connectivity at regular intervals via ICMP polling (PING) to ensure the monitored elements are reachable on the network from an IP address availability perspective.

Our Service Delivery Platform monitors identified elements utilizing standard SNMP data collection, SNMP trap receiver, syslog monitoring and available APIs to receive specific information, alerts, alarms, faults and performance data.

Real Time & Historical Reporting

Carousel provides the client with access to two web-based portals. Our first portal, service management, provides direct access to our Information Technology Service Management (ITSM) system. Our service management portal provides core features such as reporting issues, submitting service requests, general questions, viewing open and closed tickets, and creating/exporting reports. An extranet will also be provided, with access to shared support documentation and static reports.

Our second portal, performance management, provides direct access to our Information Technology Management (ITOM) system. This web-based portal provides access to real time performance dashboards, KPI management tool and on-demand performance reporting. It will allow the measurement and tracking performance against predefined SLAs, streamline service delivery and better support the business with metrics and analytics.

7x24 Service Desk

Carousel will provide 7x24x365 live access to meet the communication needs of Client IT staff via phone, email or web portal. Our service desk is the focal point for reporting and updating status for existing issues, opening new incidences, and initiating a change or service request.

The Service Desk will:

- Answer incoming calls and capture valid information
 - Service request/problem description
 - Site and contact information
 - Determine Severity by assessing urgency and impact
- Review emails to understand the issue and contact information

7x24 Event and Incident Management including vendor and carrier agency

Carousel provides Event Management functionality from our operations located in the United States and India. Event Management is the process that monitors all alarms, alert, and events related to the operation of the IT environment. Our objective is to detect alarms, alerts, and events, analyses them, and determine the correct control action. Our Event Management function provides a strong foundation for service assurance, reporting, and service improvement. Event management responsibilities include:

- **Event Capture, Validation & Recording** - Our Service Delivery Platform monitors for a detectable or discernible occurrence that has significance for the management of the IT Infrastructure. We evaluate the event and record the identified conditions in our Information Technology Management System (ITSM).
- **Event Correlation & Suppression** - Our Service Delivery Platform has a powerful event correlation and suppression engine which uses advanced technology for making sense of a large number of events and pinpoint the few events that require attention. This is accomplished by looking for and analyzing relationships between events. Our Service Delivery Platform monitors for detectable or discernible occurrence that has significance for the management of the IT Infrastructure. Carousel will evaluate the event and record the identified conditions in our Information Technology Management System (ITSM).

Incident Management is designed to help restore normal service operation within a reasonable time to help contain the adverse impact on the Client’s business operations, service quality and systems availability. When an incident is opened, it is important that the appropriate priority is assigned to reflect the current service impact. As ITIL defines it, incident priority is primarily formed out of its Impact and its Urgency. There are also additional elements, like size, scope, complexity, and resources required for resolution.

The Impact of the incident is the measure of the criticality of the incident to the business. Traditionally, Impact is tied to the number of users or business processes affected. Urgency is a measure of the necessary speed of resolving an incident.

Based on the assessment of Urgency and Impact, the chart below is leveraged to assign the appropriate Priority level.

| | | Impact | | |
|---------|------|--------|-----|-----|
| | | High | Mid | Low |
| Urgency | High | 1 | 2 | 3 |
| | Mid | 2 | 3 | 4 |
| | Low | 3 | 4 | 4 |

Incident Classification

| Priority | Definition |
|-------------------|--|
| One (P1) | Occurs when there is critical impact to the business operations and urgent action is required to resolve the incident. For example, network is unavailable, a site is partially down and/or impacting a significant part of the business operations and no work-around is available. |
| Two (P2) | Occurs when performance of a supported service or environment is severely degraded causing a high to medium level of impact. Functionality may be noticeably impaired, but most business operations continue. P2 incidents have a high to medium level of urgency requiring responsiveness, the activation of SOPs, on-call procedures, and invoking vendor support. |
| Three (P3) | Occurs when operational performance is impaired while most of the business operations remain functional. Limited devices (PC, printer, terminal, extension) are not operational. There is degradation of services although issue is not mission-critical. P3 incidents are responded to using standard operating procedures and operating within the standard workflow and operational structures. |
| Four (P4) | Occurs when you require information or assistance on Carousel-provided product capabilities, installation or configuration. There is clearly little or no impact to your business operations. P4 incident are responded to using standard operation procedures as time allows. |

Incident Notification - As incidents are prioritized and entered into the Information Technology Service Management (ITSM) platform, the Client is notified via automated email response. The automated email response will contain the incident number, details collected during the event identification process, and affected device, system, service, or location information, and all actions taken. Any time an incident is open, updated, and closed automated email notification is sent to the Client. In addition, to automated email notifications, Carousel can provide automate SMS notification, if requested by the Client. SMS notification is not a bi-directional SMS texting features rather it's an informational message sent from the ITSM to the Client. Carousel recommends that this function is only enabled for incidents containing the highest level of priority. Carousel can provide additional telephonic notification for all P1 incidents, if requested by the Client.

Triage & Troubleshooting - Once the Carousel incident management team receives a service ticket, an engineer will follow step-by-step instructions to achieve predictable, standardized, and desirable results to quickly restore any unplanned interruption. This function covers the Analysis, diagnosis, resolution, and recovery of the incident.

Complex Resolution - Carousel will work with the Client IT staff or other 3rd parties through resolution when the incident may be a result of multiple technologies contributing to the incident.

Bug & Security Patch Resolution - When service affecting software anomalies (bugs) and security related vulnerability have been identified, our service delivery team will drive the resolution process. Carousel will identify the issue, work with the vendor to find a software resolution, begin an emergency service request process, and deploy the appropriate patch, service pack, or upgrade as part of the change management process.

Carrier Management - For the supported environment, Carousel owns identification, troubleshooting, and resolution of Carrier related issues. Carousel acts as an agent of the Client and drives Carrier escalations for MPLS, Ethernet, broadband, dedicated Internet, SIP trunks, PRIs, or analog circuits in the event of link down, service outage, timing & slips, or high interface errors. Carousel will:

- Create and maintain the appropriate documentation in Carousel's ITSM system
- Drive escalation with the appropriate Carrier or service provider
- Notify and communicate the issue to Client including carrier ticket number, time of outage and expected time of restoration
- Act as an intermediary between Client and the service provider
- Track and drive activities required to resolve the issue
- Update the Carousel Incident as required
- Validate the resolution of the incident
- Update and close the incident when the issue is resolved
- If available, obtain root cause.

Note: Carousel resolution SLAs do not apply to Carrier Management Services.

Note: Client is required to sign LOA (Letter of Authorization) for each service provider during the service transition process for Carousel to perform Carrier Management. Limited to circuits connected to devices under Carousel Management. Any signed LOA (Letter of Authorization) is for incidents only, Carousel will not be responsible or accountable for any procurement, payment, ordering or decommissioning of circuits.

Vendor Management - For the supported environment, Carousel owns identification, troubleshooting, and resolution of third-party vendor related issues. Carousel drives the third-party vendor escalation process and provides follow-up of a supported vendor related issue. When required, Carousel creates a ticket directly with the third-party vendor on the Client's behalf. We drive the third-party vendor to identify the issue, troubleshoot the defined issues, and ultimately obtain resolution. Carousel notifies and communicates all third-party vendor issues with the Client including, ongoing status, available work arounds, and expected time of resolution. Carousel works the incident through closure, and if available, obtains the root cause. When required, Carousel drives the escalation processes to resolve configuration, software, and hardware anomalies, manage hardware replacement, software bug fixing and patch management, and on-site engineering dispatch. Carousel will:

- Create and maintain the appropriate documentation in Carousel's ITSM system
- Drive escalate with the appropriate third-party vendor
- Notify and communicate the issue to Client including ticket number, time of outage and expected time of restoration
- Act as an intermediary between Client and the third-party vendors
- Track and drive activities required to resolve the issue
- For hardware replacement, Carousel drives the replacement process until replacement is shipped, received, installed, configured IP addressing, restore last known configuration and update serial numbers Carousel's ITSM/CMDB
- Update the Carousel Incident as required
- Validate the resolution of the incident
- Update and close the incident when the issue is resolved
- If available, obtain root cause.

Note: Client is required to sign LOA (Letter of Authorization) for each service provider during the service transition process for Carousel to perform Vendor Management.

Incident Escalation - Incident escalation is a process used to highlight or flag certain issues within an Incident, so that the appropriate personnel can respond to these situations and monitor the resolutions. Carousel's escalation management process identifies, tracks, monitors and manages situations that require increased awareness and swift action. Carousel's carefully created escalation processes can ensure that unresolved problems don't linger, and issues are promptly addressed. Using Incident Escalation Management can re-prioritize, reassign, and monitor a situation to a satisfactory completion. There are two types of escalations: hierarchical and functional. Hierarchical escalation is used to ensure attention for notification, action or resolution is moving the technical levels of operation. For example, 1st level support is unable to resolve the issue, so it is escalated to 2nd level support. In case they are also not able to solve the issue, they are escalating it to 3rd level support and so on until the issue is resolved. During the hierarchical escalation the workflow management is evaluating the incident priority against resolution progress. Functional escalation is used in case that the support team is unable to resolve the issue or stick within the agreed timeline (targeted time for resolution is exceeded). Functional escalation is the process used to assign an incident from one team to another team based on the skills required to resolve the incident. For example, escalating an incident from the unified communications team to the network team when it becomes apparent that the lack of performance is due to network conditions.

Problem Management for chronic/recurring incidents with full RCA delivery

Root Cause Analysis - Our service delivery team conducts root cause analysis to determine the underlying cause of an incident, document the findings and take appropriate corrective action. Root cause analyses are performed to understand the cause of critical outages, prevent future incidents from occurring, eliminate chronic incidents, and minimize future impact to problems and outages.

1. Perform problem determination and problem resolution;
2. Perform tracking and management of outage to closure;
3. Perform root cause analysis for individual P1 and P2 incidents
4. Identify chronic problems

Chronic Problem Management - Our service delivery team will drive the identification and resolution of chronic incidents. Chronic issues are defined as the same problem occurring multiple times in a 30-day period. We will attempt to reproduce the problem, identify incident triggers, document the current state, define remediation paths and work around scenarios and provide detailed root cause analysis.

Proactive Patch Management on a consistent cadence for the Cisco ecosystem

The purpose of Patch & Release Management is to facilitate the physical control of software assets and their release into the production environment.

- (a) **Major Software Release** - Major Release is a major change to the software that introduces new optional features and functionality. Major Releases are typically designated as a change in the digit(s) to the left of the first decimal point (for example, [N], y.z) are out of scope.
- (b) **Minor Software Releases** (aka “dot” release) - A Minor Release is a change to the software that introduces a limited number of optional features and functionality. Minor Releases are typically designated as a change in the digit to the right of the first decimal point (for example, n.[Y]. z) and are out of scope.
- (c) **Patch Release** – Patch Release is a change to the software to stabilize the code based upon reported bug related issues or to correct/harden a potential security vulnerability. Patch Releases are typically designated as a change in the digit to the right of the second decimal point (for example, n.y.[Z]) and are included as part of release management.

Note: Product correction updates may require system hardware upgrades to comply with current manufacturer’s specifications. In these cases, the hardware must be upgraded before the update can be implemented. Hardware upgrades are not included as part of this service.

Note: If Carousel determines the patch is appropriate, it will follow Change Management procedures and policies

Note: Additional installation, implementation and/or customization services necessary to implement software releases are not included in this service and are defined as projects.

Note: Client must retain entitlement to receive software and/or firmware updates from their manufacturers. Carousel does not provide an alternative to upgrade entitlement or leverage Carousel entitlements on Client ‘s behalf. Carousel does not supply any software or firmware of any kind other than for Carousel owned equipment and systems.

Application Release Management - Carousel follows a semantic versioning model for application for select business enablement applications. The model is defined as MAJOR.MINOR.PATCH. We provide quarterly assessment, notification, and recommendation of patches. We provide quarterly patch implementation or more immediate if service effecting or security related. Carousel will report on MAJOR.MINOR.PATCH, but will only implement on PATCH. Any MAJOR or MINOR releases will be quoted as a project and be considered out of scope and quoted as a project.

Device Release Management & Firmware - Carousel follows a semantic versioning model for device patches. The model is defined as MAJOR.MINOR.PATCH. We provide quarterly assessment, notification, and recommendation of patches. We provide semi-annual patch implementation or more immediate if service effecting or security related. Carousel will report on MAJOR.MINOR.PATCH, but will only implement on PATCH. Device level firmware will be considered a PATCH.

Infrastructure Change Management for the Cisco environment

Carousel's IT asset change management function ensures that a standardized set of procedures is used to promptly handle all requests for service or change. It ensures that all changes are recorded, assessed, approved, prioritized, and deployed in a manner that meets business requirements and protects the stability and reliability of critical IT systems.

The main objective of change management is to control the lifecycle of while minimizing disruption to IT services. Service or change request can be broadly classified as "Standard", "Complex" and "Emergency":

- **Standard** change tasks are well known, defined, documented, and proven. The change management workflow is pre-established, and no approval is necessary.
- **Emergency** change requests need to be executed immediately to resolve imminent Critical/Sev-1/P1 incidents that threaten business continuity. Emergency request requires approval from the eCAB and will follow the workflow defined in the emergency change request.
- **Complex** change request is pervasive, less defined, and the impact of the request is not known. Complex request could change the configuration of an existing feature, enable existing capabilities, or focus resolving a known issue. Complex requests require Change Advisory Board (CAB) approval, and the specification of a maintenance window.

As part of the overall process, Carousel will provide the following where applicable:

- Manage and implement system level configuration changes
- define the changes required;
- measure the impact of the proposed change;
- develop a back-out plan;
- obtain any relevant approvals for change;
- schedule the implementation of the change;
- implement the change;
- post-implementation testing and verifying expected outcomes; and in the event of an unsuccessful change, implement the back-out plan in relation to the change

Standard Change Request - Our Service Delivery team will manage and implement "system wide" level configuration changes where the implementation process and the risks are known upfront, documented, proven, and the risk is low and well understood, and the change workflow has been pre-established. These changes are managed according to policies that have been established during Service Transitioning. Standard change request approval can be automatically granted.

Emergency Change Request - Our Service Delivery team will manage and implement emergency change requests when an unexpected error, threat occurs, or events that effect business continuity emerge. Emergency request are evaluated on the basis that the risk of not implementing the request is greater than implementing the request. Emergency request bypass the normal Change Advisory Board (CAB) process and is reviewed by the eCAB requiring a single board members approval. All emergency change requests undergo a post-implementation review process.

Complex Change Request - Complex Requests must be reviewed by the Change Advisory Board (CAB) who examines the request, assesses the associated risk and impact, and ultimately approves the request for implementation. For complex changes to be implemented, requires a minimum of 51% CAB member approval. Usually a complex request involves a significant change to the service or infrastructure, and it carries some degree of risk. All complex changes require comprehensive planning, documentation, workflow analysis, and governance. If the request is determined to be high-risk, the CAB must decide whether, when and how the request will be implemented or if the complex change request needs to be treated as project. The following list of criteria are used to determine if the complex change request should be treated as a project:

- **On site** – When the service/change request requires onsite Carousel Engineers to complete the request
- **Testing** – When the service/change request requires extensive testing by our engineering team, client team or combination or both
- **Expansion** – When the service/change request adds new devices, locations or features that fundamentally change the nature of the supported environment
- **Design** – When the service/change request changes the fundamental design, architecture or the operations of the supported environment
- **Platform** – When the service/change request impacts multiple supported platforms across the supported environment
- **Coordinate** – When the service/change request requires the Carousel team to coordinate multiple resources – vendors, people, locations or multiple phases of change implementation

Note: Based on the above defined criteria and the nature of the complex change, some request could be managed as a project and billed outside the scope of this proposal.

Designated Service Management Resources

Carousel will provide additional Service Delivery Manager (SDM) functions to expand the communications, reporting, procedural and contractual activities if/as the services grow. The SDM(s) will help pursue the client’s growth, innovation and performance agendas through proactive management of their supported environment.

Carousel’s Service Delivery Manager functions will be named resource(s) available during the standard hours of operations (Monday through Friday, 08:00 to 17:00). The assigned SDM standard hours are aligned with the center of IT operations.

The SDM(s) focus is on maintaining service excellence each day by working closely with the client’s leadership to translate essential business requirements to the broader support team such as business changes, critical system sensitivity, blackout periods for change, etc.

During all projects and onboarding of new or modified services, the SDM will continue to collaborate closely with the Project Manager through participation in service reviews with your team covering both project status and service management updates.

The following are some of the responsibilities of the assigned Service Delivery Manager:

- **Service Delivery Leadership** - During the service transition, the communication cadence between the client and the Service Delivery Manager is established. At any point during the term of the agreement, the communication cadence can be adjusted to meet the client’s changing needs. These service focused touch points will discuss upcoming service requests, change requests, patch and release management status and significant projects. Also, the Service Delivery Manager will review and update any organizational changes, process changes, and modification to client response procedures.
- **Service Level Performance Monitoring** - The Service Delivery Manager reviews open tickets queues providing feedback and direction to the services delivery team ensuring proper workflow management. During their review, the SDM will identify service trends, potential problems, and opportunities to improve the service delivery quality. Also, the SDM monitor overall service performance and reviewing Service Level Agreement attainment and escalation workflow.

- **Major Incident Management Leadership** - During the ordinary course of IT operations, significant incidents will occur, and they can have an extreme impact on the steady-state operation of the business/organization. Any events for which the timescale of disruption – to even a relatively small percentage of users – becomes excessive could be regarded as a major incident. When necessary, the major incident procedure could include the dynamic establishment of a separate Major Incident Team subject to the direct leadership of the Service Delivery Manager. The SDM's direction ensures that adequate resources and focus are provided for finding a resolution. If the incident is escalated to the point that requires a formal meeting between and should arrange a formal meeting with all invested parties. The SDM will organize, facilitate, and drive this crucial meeting with the purpose of reviewing progress and determining the best course of action. Throughout the major incident, the Service Delivery Manager ensures all activities are recorded, and the client is informed of progress. Communication is an important activity in handling major incidents.
- **Executive Business Reviews** - An Executive Business Review (EBR) is a face-to-face meeting that is strategic—rather than tactical—in nature. EBR is scheduled and conducted by the assigned Service Delivery Manager, and this briefing is not the time or place to discuss the details of specific service issues, support questions or the status of particular projects. The SDM will lead a conversation to gain a deeper understanding of the client's business and plans, and to strategize as to how Carousel can deliver more value based on those factors. At the same, the Service Delivery Manager will provide insight on Carousel's business goals and objectives, overall performance, and new solution sets. Also, the SDM will provide comprehensive insight on overall service delivery performance, areas for improvements, capacity planning recommendation and life-cycle management advice. Carousel will conduct Quarterly executive business reviews per year with the expectation is that the EBR would include critical members of the client IT team including but not limited to executive leadership. Carousel goal is to ensure that all EBR have a face-to-face experience whether through the use of technology or an in-person meeting.

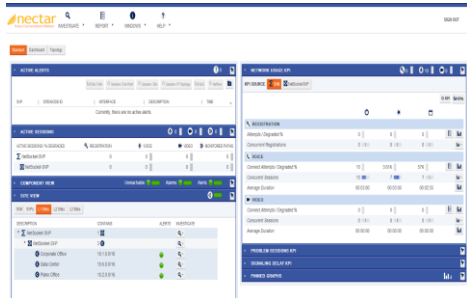
Note: Carousel has included an average of an additional 16 hours per month (not to exceed 192 hours per year) for SDM functions above and beyond the existing SDM work currently being performed.

Optional Service & Features:

Advanced SIP Monitoring

Advanced software will be installed as Nectar’s UC Professional Package that is comprised of UCF (UC Foundations), Perspective QoS and UCD (Unified Communications Diagnostics).

Unified Communications Diagnostics



Live SIP Information

Nectar’s Unified Communication Diagnostics (UCD) platform provides enterprises and service providers with comprehensive insight into UC issues for fast resolution, lower TCO and a superior user experience. The UCD platform automatically correlates session, content and topology data in real time, without probes, enabling managers to anticipate, isolate and remediate network problems. The UCD platform provides real-time visibility into the quality of the UC user’s experience (e.g., MOS, R-factor, packet loss, jitter, delay, echo and signal-to-noise ratio) for the real-time IP services monitored. The Platform unobtrusively monitors content, session and network topology data via passive taps or span ports (port mirrors).

Real Time Synthetic Voice & Video Transactions:

Extreme Visibility – Leveraging CMP’s real-time communications structure along with its distributed agent technology, a network operator can experience QoS perspective from different reaches of their wide area network – simultaneously.

Measurements for QoS – Perspective generates synthetic transactions that mimic real traffic situations based on your corporate QoS design. The module measures not only jitter, packet loss and latency for traffic types such as voice and video, it also models different applications with varying QoS requirements.

Real Time Alerts – When QoS is not being honored by the network infrastructure, Perspective displays configuration mismatches and simultaneously broadcasts alarms to CMP live dashboards in the client premise, and to their voice support service bureau provider.

End User Service requests (MACD) for Voice & Contact Center

Carousel will execute a standardized set of procedures to promptly handle end-user related changes. The service request process ensures that all requests are recorded, assessed, approved, prioritized, and deployed in a manner that meets the business requirements.

End-user service request will be broadly classified as “Standard”. Where standard service request tasks are well known, defined, documented, and proven. The service request management workflow is pre-established, and no approval is necessary.

As part of the overall process, Carousel will provide the following where applicable:

- Ensure that the client’s IT personnel requesting the change is authorized;
- manage and implement end-user level service request;

- define the changes required to complete request;
- schedule the implementation of the service requests;
- implement the end-user service request; and
- notification of the completion of the service request.

Upon the receipt of the service request, a priority scale of 1 through 4 will be applied. The assigned priority will determine the timeline for implementation where P1s are deployed within 2 hours, P2s within the same day, P3s within three business days, and P4 within five business days.

- Carousel will provide remote simple MACD services for supported IP Telephony and Contact Center. Simple MACDs are defined as administrative work performed at the user level and an unlimited number of them are included as part of the base services offered. Carousel will perform remote MACD activities during normal business hours, which are from 6:00 a.m. to 6:00 p.m. local site time, Monday through Friday, excluding Carousel-observed holidays.
- Carousel can provide remote complex MACD services for supported IP Telephony and Contact Center. Complex MACDs are defined as administrative work performed at the system level or any contact center programming beyond agent creation and removal. Complex MACs will be considered a project and will become a billable event. Carousel will perform remote Complex MACD activities during normal business hours, which are from 6:00 a.m. to 6:00 p.m. local site time, Monday through Friday, excluding Carousel-observed holidays.
- On-site MACD (Simple and Complex) activities would be performed during normal business hours, which are from 8:00 a.m. to 5:00 p.m. local site time, Monday through Friday, excluding Carousel-observed holidays. All onsite MACD (simple or complex) will be performed as a billable event.

The table below is a sample description for simple and complex MACDs:

| Simple | Complex |
|--|---|
| <ul style="list-style-type: none"> • Abbreviated Dial Lists • Call Coverage Paths • Class of Service Assignment • Extension Assignment • Station Add/Delete • Agent Add/Delete • Administrative changes to a Voice Mailbox • Name change • Number change • Password reset – VM or station • Call pick-up groups configuration • Non ACD Hunt Group • Configuring a new user to be a Presence User • Configuring a User for Single Number Reach • Call Coverage path • Station designation • Call pick-up groups | <ul style="list-style-type: none"> • Feature Access codes • VDN/Vector Configuration & Changes • Abbreviated Dial Lists • Classes of Restriction Assignment • Announcement Set-up (End User will record all announcements) • Classes of restriction configuration • World class routing • Hunt group configuration • AAR routing analysis & changes • Class of Service configuration • ANI/CLI configuration • Number ranges creation to be used for specific tasks • IP address configuration • Route pattern configuration • Trunk Group configuration • Allocate DTN's to lines • Creating threshold classes • Time of day changes • Supervisor Login Administration • Classes of restriction configuration • Skill / Hunt Group administration • Agent Aux Reason Code administration • After call work codes administration |

Based on the above defined criteria, complex end user service requests will be billed as time increments of 30-minutes as Time & Materials or deducted from a pre-paid block of hours. Any service request not listed in the criteria above will be evaluated by Carousel and discussed with the Client to determine classification.

Technical Oversight, Guidance, & Management

Carousel has incorporated Lead Support Engineer (LSE) functions as part of our per-port pricing. The LSE will be the technical conduit between your team and the Carousel support team, and functions as the technical lead and escalation point as it relates to your support program. The LSE can attend scheduled calls with your team to review any open incidents, specific areas of concern, and make recommendations towards improvement.

- Named and assigned Subject Matter Expert
- Technical Oversight & Guidance
- Change Management Approval
- Input & Assistance during Major Incident Resolution
- Owns Problem Management
- Owns Root Cause Analysis
- Services Review
 - Major Incidents
 - SLAs
 - General Questions/Concerns
- Quarterly Business Review
 - Trends/Capacity
 - Lifecycle Management
 - Improvement Areas
 - New Solution Ideas

Note: Carousel has included an average of an additional 16 hours per month (not to exceed 192 hours per year) for LSE functions above and beyond the existing LSE work currently being performed.

e-Bonding capability for improved and consistent reporting and management

Clients that subscribe to partner with Carousel for managed services solutions are looking to control cost, simplify their operations and improve the efficiency and value of the IT staff. For many clients, the standard service delivery model is effective. For mid and large-scale clients, standard communication channels are not enough, and collectively we look for additional areas to improve. One common approach is eBonding. The service from Carousel builds an integration between the service delivery platforms of Carousel and our Client's system. The integration enables real time and accurate information exchange by removing any dual entry needs or "swivel-seat" data entry, removing clutter from email communication as additional phone calls for updates. eBonding allows for co-developed reporting to reduce process disruption.

Carousel's eBonding offering typically is developed for incidents (trouble ticket) data. Other aspects of ITSM – Problem, Change, CMDB/Assets, Service Requests and Knowledge management add to both scope and / or budget.

For most clients, eBonding makes sense when the average ticket volume is 100 or more, but workflow and client team involvement can make smaller expected ticket volumes cost justify the development expense.

What to plan for with eBonding

Depending on the complexity of the client integration, the amount of consulting hours required to complete the effort will vary from client to client.

The following table outlines “guidelines” for a general estimate of three types of integrations based on expected complexity. As guidelines, there is no guarantee on the actual effort

| Complexity Level | Description | General Estimate |
|------------------|--|-----------------------|
| Low | An example of a Low complexity level integration would be a straight ServiceNow to ServiceNow bi-directional Incident Management integration where the customers ServiceNow system is not highly customized and follows standard ITIL processes with little process flow modifications to the OOB workflows. There will be field mapping required and minor data transformation with standard SLA requirements. | Total Hours: 100-180 |
| Medium | An example of a Medium complexity level integration would be a bi-directional ServiceNow to ServiceNow where SN has been highly customized or another industry standard Incident Management ticketing system that follows similar ITIL based nomenclature and Incident Management. The system will have a published API available for data access. There will be field mapping required and minor data transformation with standard Service Level Agreement (SLA) requirements. | Total Hours: 180 -250 |
| High | An example of a High complexity level integration would be a bi-directional ServiceNow to another Incident Management system with an available API and customer experience in accessing the data. Systems with non-standard Incident Management workflows and/or scripting that perform automatic actions that will require additional configuration to ensure updates are received and processed correctly. There may be extensive data transformation services required to properly configure the integration and complex assignment and SLA requirements. | Total Hours: > 250 |

Pricing Summary

Inventory Assumptions & Budgetary Pricing

| Service Bundle | OEM | Description | Qty | Monthly Price | One Time Fee |
|---|----------|---|-----|----------------|----------------|
| Proposed Solution: | | | | | |
| N/A | Carousel | Business Review - Quarterly | 1 | \$6,433 | \$6,377 |
| N/A | Carousel | Service Delivery Manager (SDM) | 1 | | |
| Operate | Xima | XIMA Chronicall | 1 | | |
| Optimize | Cisco | Contact Center Express | 2 | | |
| Optimize | Cisco | Cisco Business Edition 7000 | 2 | | |
| Optimize | Cisco | VG Series Gateway | 5 | | |
| Optimize | Cisco | SRST Server/Branch Router | 3 | | |
| Optimize | Cisco | Unified Communications Manager | 3 | | |
| Optimize | Cisco | Unity Voicemail | 2 | | |
| Optimize | Cisco | Expressway C & E | 2 | | |
| Optimize | Cisco | Paging Server | 2 | | |
| Optimize | Cisco | Attendant Console | 1 | | |
| Optimize | Cisco | UCS C-Series Server - + 1*Hypervisor | 1 | | |
| Optimize | Cisco | Cisco Catalyst 3850 Series Switches | 1 | | |
| Optional Service & Features: | | | | | |
| Nectar | Nectar | Advanced SIP Monitoring (CC Agents) | 32 | \$1,436 | TBD |
| Nectar | Nectar | Advanced SIP Monitoring (VOIP Users) | 975 | | |
| N/A | Carousel | Technical Oversight, Guidance, & Management (LSE) | 1 | \$2,856 | N/A |
| Optimize | End User | End User Service requests (MACD) for Contact Center | 32 | \$2,301 | N/A |
| Optimize | End User | End User Service requests (MACD) for VOIP | 975 | | |
| N/A | Carousel | ITSM eBonding | 1 | N/A | TBD |

Pricing Assumptions

Carousel’s pricing is based on our current understanding of the Client environment, the scope defined in this proposal, and the assumptions stated below. If during the course of this engagement any of these assumptions prove to be invalid, both parties will agree to revisit the scope of this proposal.

- Quoted pricing is based upon a 36-month agreement
- Quoted pricing is based on inventory assumptions
- Quoted pricing is based on Monthly billing via the Clients purchase order/invoice process.
- Additional scoping will be required for Advanced SIP Monitoring which will drive one time fees comprised of hardware and professional services.
- The Terms & Conditions as outlined within the Master Services Agreement in place between Carousel & SVMHS dated 12/1/2018 shall govern.

Carousel Overview

Carousel helps healthcare clients address strategic technology issues, using the right platforms to deliver safely, efficiently, and cost effectively. Our deep knowledge of the healthcare environment enables us to provide clear guidance to expedite the most appropriate solutions and meet your business goals.

With deep expertise across a vast portfolio of technologies, including security, unified communications and collaboration, data center, networking, managed services, and cloud solutions, Carousel can design, implement, and support solutions tailored to meet the unique needs of each customer. By offering professional and managed services with flexible deployments in the cloud, Carousel ensures customers achieve agility and use technologies in the way most effective for their business.

A legion of 1,300, the Carousel team has been committed to the art of customer success for its more than 6,000 highly satisfied customers since 1992. Our company has been recognized by multiple publications and industry consortiums as a top technology integrator and managed services and cloud solution provider—including the Inc. 500/5000, Healthcare Informatics 100, and CRN MSP Elite 150. Headquartered in Exeter, RI, we have offices across the United States and internationally—with three Network Operations Centers.

Healthcare Experience

Carousel’s extensive portfolio of collaboration, communication and security solutions provide healthcare organizations with a one-stop-shop for time-sensitive technology needs. Through our partnerships with some of the industry’s top providers including Cisco, Avaya, and Microsoft, we’re able to identify the right solutions for our customers and assist them in gaining the most value from their technology platforms in the shortest amount of time.

Our knowledge of the healthcare sector’s unique challenges enables us to balance patient care delivery against time, resource, and regulatory constraints. With COVID-19 cases growing, hospitals and physician organizations face complex challenges in delivering quality healthcare to patients, ensuring the safety of care givers and the public, maintaining awareness of the risks to their patient populations, and managing scarce resources—all while complying with rigorous data privacy mandates.

Carousel understands the health care industry’s complexities and strict regulatory challenges especially during COVID-19. We have worked with numerous clients in healthcare including the following managed services Carousel customers:

- Acadia Healthcare
- Ardent Health Services
- Blue Cross Blue Shield
- Boston Medical System
- Erlanger Health Systems
- Health Choice Arizona
- Maine Health
- Ohio Health
- Tenet Health System
- Quest Diagnostics ... and numerous others

“The technology Carousel helped us implement has given us a new dimension in healthcare that we wouldn’t have experienced otherwise. It’s totally transparent and we have a better possibility of good, positive outcomes. After all, is that the point of healthcare?”



Louis Grimmel
CEO, Lorien Health

Managed Services Organization

Carousel Managed Services is built to meet the challenges facing IT today and designed to modernize your IT operations. Our solution is the perfect blend of the right tools, a highly talented staff, a precise services delivery framework, and decades of experience.

Carousel's managed service provides you with access to our team of technical experts who maintain the most current levels of industry knowledge and certifications, and our performance monitoring provides you the visibility needed to get ahead of business impacting issues 24x7x365. The Carousel NOC is also available 24x7x365 to answer phone calls, monitor and respond to email as well as portal requests.

All incidents and service requests will be entered, tracked, maintained, and reported in Carousel's ITIL-based Service Desk tracking system. Carousel will become your single point of contact to resolve technology issues spanning your supported environment, and the multiple vendors this may include.

Modeling many of the attributes of modern advanced manufacturing environment, Carousel has incorporated LEAN based process improvement and innovation into our managed service offering. Focusing on the elimination of noise, automation, machine learning, and artificial intelligence, Carousel is reducing human touch dependency on non-value-added operations and activities.

This year heralded the implementation of infrastructure, connectivity, and application discovery engine, a strong event correlation system, an advanced scripting and automation function, and stronger asset management systems. Security enhancements were a significant focal point in 2018 with the implementation of two-factor authentication, enterprise password vaulting, uni-directional secure connectivity, complete session recording, and enhanced reporting and audit functionality.

The Carousel Advantage

- Full-Service Technology Solutions Integrator
- Large Portfolio of "Best of Breed" Products
- Highest Levels of Partner Certification
- Focus on Customer Satisfaction
- Nationwide Footprint, Global Reach and Coverage
- Complete Design, Implementation, Training and Day-2 Support Services
- 24/7 Monitoring through Network Operation Center

| | | |
|---|--|--|
| <p>Operations Centers</p> <p>Exeter, RI Stoughton, MA Hyderabad, India</p> | | <p>ITOM / ITSM</p> <p>ServiceNow OpsRamp</p> |
| <p>Data Centers</p> <p>Exeter, RI Dallas, TX Chicago, IL</p> | | <p>Monthly Service Statistics</p> <p>150,000 alarms 5,000 phone calls 17,000 emails 1,400 dispatches 12,000 incidents</p> |

Cisco Expertise

Carousel holds top partner status and certification with many leading technology companies. Through these relationships, we provide complete end-to-end services and solutions. These certifications are only given to business partners who have met rigorous requirements for technical expertise and customer satisfaction. These distinctions are a direct result of the talent, dedication, and commitment of the Carousel team including pre-sales engineering, project management, post-sales support, account management, and training.



Cisco is both our fastest growing and largest overall manufacturer business partner. Because of Cisco’s continued innovation and growth in the industry, Carousel is committed to growing our capabilities internally to build, deploy, and support our client’s Cisco solutions.

Our consulting practice is made up of experts who are highly specialized in Cisco’s entire portfolio of technology solutions. As a Gold Cisco partner, Carousel was honored with the 2019 Collaboration Partner of the Year Award for its innovation, leadership, and best practice as a Cisco business partner across the country

- Cisco Gold Certified Partner
- Cloud and Managed Services Express
- Master Collaboration Architecture Specialization
- Advanced Data Center Architecture Specialization
- Master Enterprise Network Architecture Specialization
- Master Security Architecture Specialization
- Advanced Video Specialization
- 40+ Cisco Certified UC&C Consultants
- 400+ Carousel held Cisco Certifications

| Individual Cisco Technical Certifications | Qty |
|---|------------|
| CCNA – Cisco Certified Network Associate | 100 |
| CCNA-DC: CCNA – Data Center | 4 |
| CCNA-S: CCNA – Security | 13 |
| CCNA-V: CCNA – Voice | 20 |
| CCNA-WL: CCNA Wireless | 8 |
| CCDA: Cisco Certified Design Architect | 29 |
| CCDP: Cisco Certified Design Professional | 6 |
| CCNP: Cisco Certified Network Professional | 27 |
| CCNP-DC: CCNP Data Center | 2 |
| CCNP-S: CCNP Security | 1 |
| CCNP-V: CCNP Voice | 10 |
| | |
| CCIE: Cisco Certified Internetworking Expert | Qty |
| CCIE – Routing & Switching | 6 |
| CCIE – Security | 2 |
| CCIE – Cisco Certified Systems Instructor | 2 |
| CCIE – Data Center | 1 |
| CCIE – Collaboration | 2 |
| TOTAL CERTIFICATIONS | 232 |

References

Temple University Health System

Phil Smolinsky

IT Manager



Temple University Health System is a 722 bed, non-profit academic healthcare network based in Philadelphia, PA. Carousel partners with Temple on their Vidyo videoconferencing and Cisco datacenter, calling and contact center environments. Our existing managed services contract includes over 7 locations, 5,304 total phones, 7355 PBX Ports, and Advanced SIP Monitoring services (Nectar UC Professional Package).

Children's Friend and Family Services

Joe Lezon

Chief Information Officer



Children's Friend and Family Services is a Non-Profit family and child services organization based in Providence, RI. A longtime client of Carousel's, we partner with Children's Friend in their security, virtualization, and network infrastructure.

Our existing managed services contract today includes proactive monitoring and support on, Microsoft Active Directory, VMware vCenter, HP SimpliVity, Fortinet Firewall, SSO, and Email Security, and Cisco UCS, Catalyst Switches, Wireless Controllers, Access Points, and Integrated Services Routers.

Philips Healthcare & Home Monitoring

Pat Riley

Head of Telecommunications Services, Philips Home Monitoring

Philips USA is a healthcare products and services company providing diagnostic, treatment, and preventative care. Domestically, Philips is based in Andover, MA. Philips is a longtime client of Carousel's. We partner with Philips Healthcare in their ServiceNow, Viptela, Cisco network infrastructure, and Avaya UC. We partner with Philips Home Monitoring in their Avaya UC, Juniper Networking, Calabrio Call Recording, and Cisco UCS environments.



Our current managed services contract with Philips Healthcare includes technical oversight, guidance, and management (LSE), Advanced SIP Monitoring, and dedicated staffing resources providing service desk functions and tier 1 support for Philips cloud healthcare application solution which leverages technology inside the AWS environment. Our current Managed Services contract with Philips Home Monitoring includes Advanced Monitoring (Nectar) and support on their Avaya UC, Cisco UCS, and VMware environments.

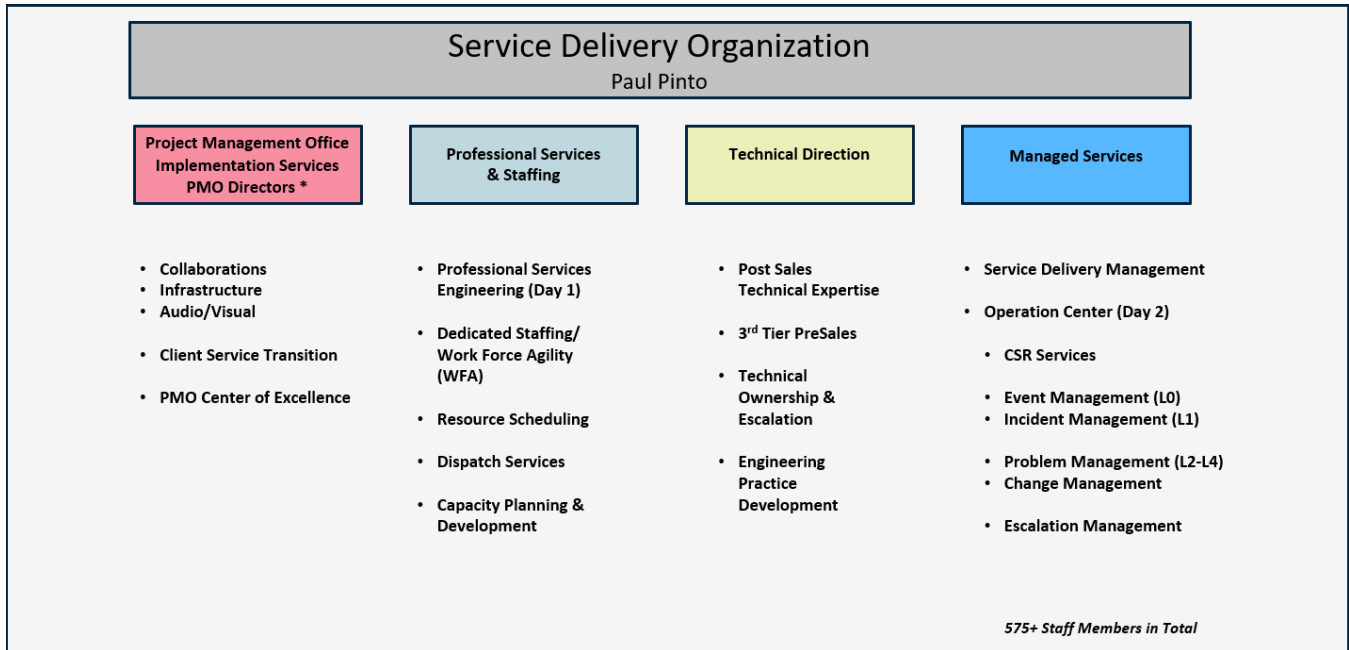
RFP Terms and Conditions

Carousel understands and complies with the T&Cs set forth in this RFP. The existing Carousel MSA and SVMSH BAA in place today covers terms and condition of Carousel's Managed Services (reducing legal review needed in onboarding).

Attachment A: Vendor Info

| | | | |
|---|--|----------------|--------------------------------|
| Name of Vendor: | Carousel Industries | | |
| Name of Owner/CEO: | Jeffrey Gardner, CEO | | |
| Name and Title of Contact/Proposer: | Anthony Ciampa, Account Executive | | |
| Address: | 1901 S Bascom Ave Ste 1650 | Number: | 603-455-5933 |
| (city, state, zip) | Campbell, CA 95008 | Email: | ACiampa@Carouselindustries.com |
| Number of Employees: | 1,300 | | |
| References: (no more than three; name, title, email) | <ol style="list-style-type: none"> 1. Temple University Health System 2. Children’s Friend and Family Services 3. Philips Healthcare & Home Monitoring <p><i>See reference section for details.</i></p> | | |

Attachment B: Carousel Project and Service Delivery Structure



COVID-19 Preparedness

As HEALTHCARE organizations face unprecedented demand and hurdles, Carousel Stands Ready

Healthcare organizations are experiencing extraordinary spikes in demand. Staff are overwhelmed with huge volumes of patient requests and providers must quickly expand their ability to triage incoming contacts.

With COVID-19 cases growing, hospitals and physician organizations face complex challenges in delivering quality healthcare to patients, ensuring the safety of care givers and the public, maintaining awareness of the risks to their patient populations, and managing scarce resources—all while complying with rigorous data privacy mandates.

Carousel helps healthcare clients address strategic technology issues, using the right platforms to deliver care safely, efficiently, and cost effectively. Our deep knowledge of the healthcare environment enables us to provide clear guidance to expedite the most appropriate solutions and meet your business goals.

YOUR CHALLENGES:

Work at home:

- Severe time pressures to deploy technology solutions and drive user adoption.
- Increased patient activity coming from multiple sides—large inbound call volumes along with an influx of patients arriving at your physical locations.
- Ability to maintain compliance with HIPAA and other privacy regulations.
- Existing technology tools and workflows are undersized, underutilized, or unable to quickly pivot to handle larger patient volumes.
- Integration with other systems within the IT stack may be hindered by proprietary technology or limited interoperability.

KEY BENEFITS:

- Fast implementation of patient-facing technology solutions, enabling your organization to meet increased demand for services without requiring additional staff.
- Improved patient experience through the use of convenient communication tools that can be accessed from the safety of the home.
- More efficient triaging of patients, resulting in reduced staff workloads and the ability to identify and focus on those requiring the most urgent care.
- Support increased patient volumes while preserving the quality of care, adherence to data privacy management obligations, and insight into operational performance and risks.

THE CAROUSEL OFFERING:

Carousel's extensive portfolio of collaboration, communication and security solutions provide healthcare organizations with a one-stop-shop for time-sensitive technology needs. Through our partnerships with some of the industry's top providers, including Cisco, Avaya, and Microsoft, we're able to identify the right solutions for our customers and assist them in gaining the most value from their technology platforms in the shortest amount of time. Our knowledge of the healthcare sector's unique challenges enables us to balance patient care delivery against time, resource, and regulatory constraints.

Need to connect with a Carousel representative on COVID-19 considerations or concerns?
Email PandemicPreparedness@carouselindustries.com or call 800-285-2502

Carousel Helps Our Healthcare Clients Address Their Most Pressing Mission-Critical Issues.

ASSESSMENT OF NEEDS & EXISTING TECHNOLOGY CAPABILITIES:

The current environment makes prioritization a key first step. Assessments should include evaluation of your organization's top-tier needs—which may vary by region or level of healthcare services offered—and the pain points identified by internal staff as well as patients and patient advocates. A review of existing infrastructure capabilities and solutions is necessary to identify gaps and drive the best technology decisions.

RELIEVE PRESSURE ON STAFF:

Work-at-home agents can help healthcare provider organizations leverage employees and contractors located in other regions. Chatbots also provide value, enabling you to automate more calls, reduce the number of agents needed to handle the growth in call volume, and decrease the strain on trunks and bandwidth. Callback assist further supports flattening your agent pool capacities, reducing hang-ups and providing a better customer experience for patients.

EXPAND CONTACT CENTER CAPACITY:

By confirming your existing inbound/outbound trunk capacities and quality, you can avoid abandons and retries. To accommodate volume increases, a license expansion agent will enable enough people to login to the queue and take calls. If you already have an IVR, sufficient licenses will ensure adequate calls/sessions can flow through your system. Cloud-based agents can help rapidly expand the number of physical bodies your business has available to take calls. Where infrastructure constraints exist, a scale-up of SIP trunking and/or bandwidth will increase your interaction volume capabilities.

ENABLE DELIVERY OF REAL-TIME HEALTHCARE SERVICES:

Emergency departments and physician offices are struggling to process large numbers of incoming patients. Telemedicine is becoming a preferred delivery method for non-urgent care, enabling your providers to quickly triage potentially infected individuals without exposing them to others, and remotely monitor those whose conditions don't require an in-office visit. This technology and other UC/collaboration solutions can reduce walk-in traffic and limit call center volumes. Automated Q&A hotlines may also help you more effectively manage incoming requests, transferring callers into your current solution as needed or directing them to lower-cost channels such as SMS, IVR, or a chatbot.

SUPPORT TEMPORARY FACILITIES:

As you activate new locations to serve priority COVID-19 patients—including testing, isolation, treatment, recovery, morgue, and material/equipment staging sites—collaboration technologies are critically important for patient triage and care in those facilities. Long-range Ethernet may serve as the primary LAN backbone by providing enhanced distance capabilities through existing cabling, while mesh wireless and other mobility solutions can extend network connectivity where a physical infrastructure is impractical or time consuming. VPN and VDI deployments help maintain network and endpoint security in temporary locations, enabling you to centrally control and protect desktops, mobile devices, and corporate data assets.

BOLSTER REMOTE ACCESS:

Portions of your administrative and support staff may be transitioning to a work-from-home structure. UC and collaboration tools provide a key link to enable these groups to maintain communications with the rest of your organization. VPN and VDI capabilities ensure these remote connections are protected, and additional security solutions may be recommended to comply with data privacy rules and avoid the risks posed by the use of workers' personal devices and home networks.

Need to connect with a Carousel representative on COVID-19 considerations or concerns?
Email PandemicPreparedness@carouselindustries.com or call 800-285-2502

Deep Portfolio of Technology Solutions to Support Healthcare

Whether your organization is already in the midst of a vigorous coronavirus response or you're still monitoring surges around your area, Carousel offers an extensive portfolio of communication, collaboration, cloud, networking, and security solutions to help you deliver quality patient care. We offer leading solutions from top vendors including Cisco, Avaya, Microsoft, VMware, InContact, Twilio, Fortinet, Aruba, and Cylance. Our experts hold more than 1,000 high-level certifications from our partner ecosystem of 35+ top-tier providers. We have the experience to help you deploy new solutions, expand existing solutions, and migrate your organization to your desired future state. Our fully staffed, 24-hour NOC is ready to support your day-to-day operations to ensure your organization can meet the evolving needs of your patient populations.

Need to connect with a Carousel representative on COVID-19 considerations or concerns?
Email PandemicPreparedness@carouselindustries.com or call 800-285-2502

Managed
Services



Carousel Managed Services

Unified Communications

Statement of Services

This document provides a high-level service definition for:

Salinas Valley Memorial Healthcare System

Proposal Date: 3/2/2021

Proposal #: 588006

Presented to: Audrey Parks

Presented by: Scott Schubert

Architected by: Sammy Homs

Disclaimer

This documentation might include technical or process inaccuracies or typographical errors and is subject to correction and other revision without notice. Carousel GIVES YOU THE CLIENT THIS DOCUMENTATION "AS IS." EXPRESS OR IMPLIED WARRANTIES OF ANY KIND ARE NOT PROVIDED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Some states or jurisdictions do not allow disclaimer of express or implied warranties in certain transactions; therefore, this statement may not apply to you.

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Managed Services Agreement

This Statement of Services Agreement (the "Agreement") is entered into between Carousel Industries of North America, Inc. ("Carousel"), with an office at 659 South County Trail, Exeter, RI 02822 ("Carousel") and Salinas Valley Memorial Healthcare System ("Client") at 450 E Romie Ln, Salinas, CA 93901, . The effective date of this Agreement is TBD (the "Effective Date"). Where the Effective Date is not defined above, this Agreement will be effective on the date that Carousel countersigns this Agreement.

This Agreement defines Carousel's IT Managed Services ("Managed Services") based upon the Carousel's 7x24 Service Delivery Platform which is driven by tight ITIL alignment from Carousel's US (primary support) and India (secondary support) service delivery centers. For this agreement, Carousel will provide a services transition plan, steady-state services to augment the client's ongoing day-to-day network operations and reduce the internal resources needed to provide operational support.

Carousel is providing Managed Service for a 36-month term length, preceded by Four weeks of service transition. The effective start date for the steady state operation will begin 60 days following receipt of client acceptance of service agreement (Signed SOS and/or PO) in all instances unless associated with a project implementation. Managed Services associated with a project implementation will commence at project cutover. The infrastructure and services herein are structured to support the Client's current locations, with committed pricing to scale based upon growth or Carousel assuming increased responsibilities at the Client's discretion. Future grow, expansion, or contraction of this agreement can be facilitated through our Change Request (CR) process.

Services Overview

Carousel will provide a services transition plan and steady-state services to augment the Client's ongoing day-to-day IT operations and reduce the internal resources needed to provide operational support.

Service Transition

Carousel will manage and perform the following transition phases in which activities required for delivery are planned, designed and implemented:

- **Planning Phase** —a detailed data-gathering including a series of internal reviews culminating with a transition kick-off meeting.
- **Execution Phase**— quickly get supported items loaded and configured in the monitoring tool, validate connectivity and response
- **Quality Assurance/Testing Phase** - a full quality and testing review of the proposed solution with refinement and enhancements
- **Tuning Phase** - tuning of the environment to eliminate noise, false positives and ensure that the monitoring and reporting functions are optimized and working as expected. Additionally, Carousel will finalize all delivery process and procedures
- **Steady-State Phase**— Carousel will deliver the services specified in this Statement of Services and provide regular reports on performance against agreed upon SLA metrics.

Estimated Service Transition Timeframe

Carousel estimates the entire service transition process will be completed within Four weeks. The estimated timeframe begins when Carousel receives the client required information (inventory details, passwords, response procedures, etc.) Upon engagement of Carousel’s Managed Services, we will work collaboratively with your team throughout the service transition process toward steady state support from Carousel’s Support Centers. The following high-level schedule and process overview will provide you an understanding of the transition process:

| Phase | Weeks | | | |
|------------------------|-------|---|---|---|
| | 1 | 2 | 3 | 4 |
| Planning Phase | | | | |
| Execution Phase | | | | |
| QA/Testing Phase | | | | |
| Tuning Phase | | | | |
| Steady State (Go Live) | | | | |

Please see Exhibit B for detailed service transition description

Steady State Delivery

Carousel offers a bundled approach to service delivery, with the most common services bundled together. The bundles aligned to your agreement are as follows:

- **OPTIMIZE** – Proactive Monitoring, Event Management, Incident Management, Problem Management, Network Configuration Management, Patch Management, Change Management and Quality Assurance Reviews

Carousel will perform the following Service Bundles by technology for the Client:

- Carousel will provide OPTIMIZE for Voice
- Carousel will provide an SDM for Service Management

Please refer to Exhibit C for Steady State Entitlement Details

List of Exhibits in this Agreement

| Exhibit # | Description | Acknowledgement |
|-----------|--------------------------------|-----------------|
| Exhibit A | Service Delivery Gateway (SDG) | Initials: |
| Exhibit B | Service Transition Details | Initials: |
| Exhibit C | Steady State Entitlements | Initials: |
| Exhibit D | Service Level Agreement | Initials: |
| Exhibit E | Supported Items | Initials: |
| Exhibit F | Terms and Conditions | Initials: |

Pricing

One Time Charges (OTC)

| Service Description | Quantity | Charge | Notes |
|--------------------------------------|----------|-----------------|-------------------------|
| Managed Services Transition Charges. | 1 | \$ 4,582 | Due at Contract Signing |
| Total One Time Charge | | \$ 4,582 | |

Monthly Recurring Charges (MRC)

| Service Description | Months | Monthly Rate | Notes |
|---|--------|-----------------|---|
| Steady State Managed Services Recurring Monthly Charges | 36 | \$ 6,460 | Managed Services charges commence 60 days following receipt of client acceptance of service agreement (Signed SOS and/or PO). |
| Total Monthly Recurring Charges | | \$ 6,460 | |

Payments are due Net 45. Local, state and federal taxes are not included in the numbers listed above and will be added at time of invoice.

Pricing Assumptions

Carousel's pricing is based on our current understanding of the Client environment, the scope defined in this support agreement, and the assumptions stated below. If during the course of this engagement any of these assumptions prove to be invalid, both parties will agree to execute a change order and revisit the scope of this support agreement.

- Quoted pricing is based upon a 36-month agreement
- Quoted pricing is based on Monthly billing via the Client's purchase order/invoice process.
- All work will be performed remotely from Carousel Operation Centers located in the United States and India.
- Any desk side assistance required to diagnose or resolve infrastructure issues will be performed by Client.
- Client is responsible for ensuring that manufacturer's maintenance and support contracts are maintained for all software and hardware components managed by Carousel.
- Performance issues or application failure due to faulty hardware or improperly configured or faulty software caused by Client is outside the scope of the services agreement and will be the responsibility of Client to remedy. Carousel will make reasonable efforts to work with Client to troubleshoot and rectify problems.
- This proposal is based on a system configuration list and specifications contained within this Statement of Services. Any changes to these specifications may result in new requirements or price changes for this program.

Out of Scope and Service Limitations

- Any project-based work is not included in this Statement of Services.
- We assume that all solutions under this agreement are designed, configured, and implemented correctly and any redesign, reconfiguration, or re-implementation are out of scope.
- We assume that all solutions covered in this agreement are operational and performing at an optimal level and any additional remediation efforts are not covered under the agreement.
- This agreement is a remote managed service offering and by default does not provide on-site support, engineering, and consulting. Any on-site requirements are out-of-scope unless clearly defined in Exhibit C (Steady State Entitlement Details).
- Any custom errors, logs, and/or parameters to monitoring.
- Any customizations to Carousel standard monitoring templates.
- Investigation and analysis of root cause of problems for P3 and P4 issues.

Signatures

Signature below indicates Client has read and agrees to all Terms and Exhibits of this Statement of Services.

Accepted By: (Client Authorized Signature)

Accepted By: (Carousel Authorized Signature)

Audrey Parks, Chief Information Officer On:

Mark Moretti, VP Managed Services On:

Bill to Address:

Address:

659 South County Trail
Exeter, RI 02822

ATTN:

ATTN:

Service Contracts Dept.
800-401-0760

maintenanace@carouselindustries.com

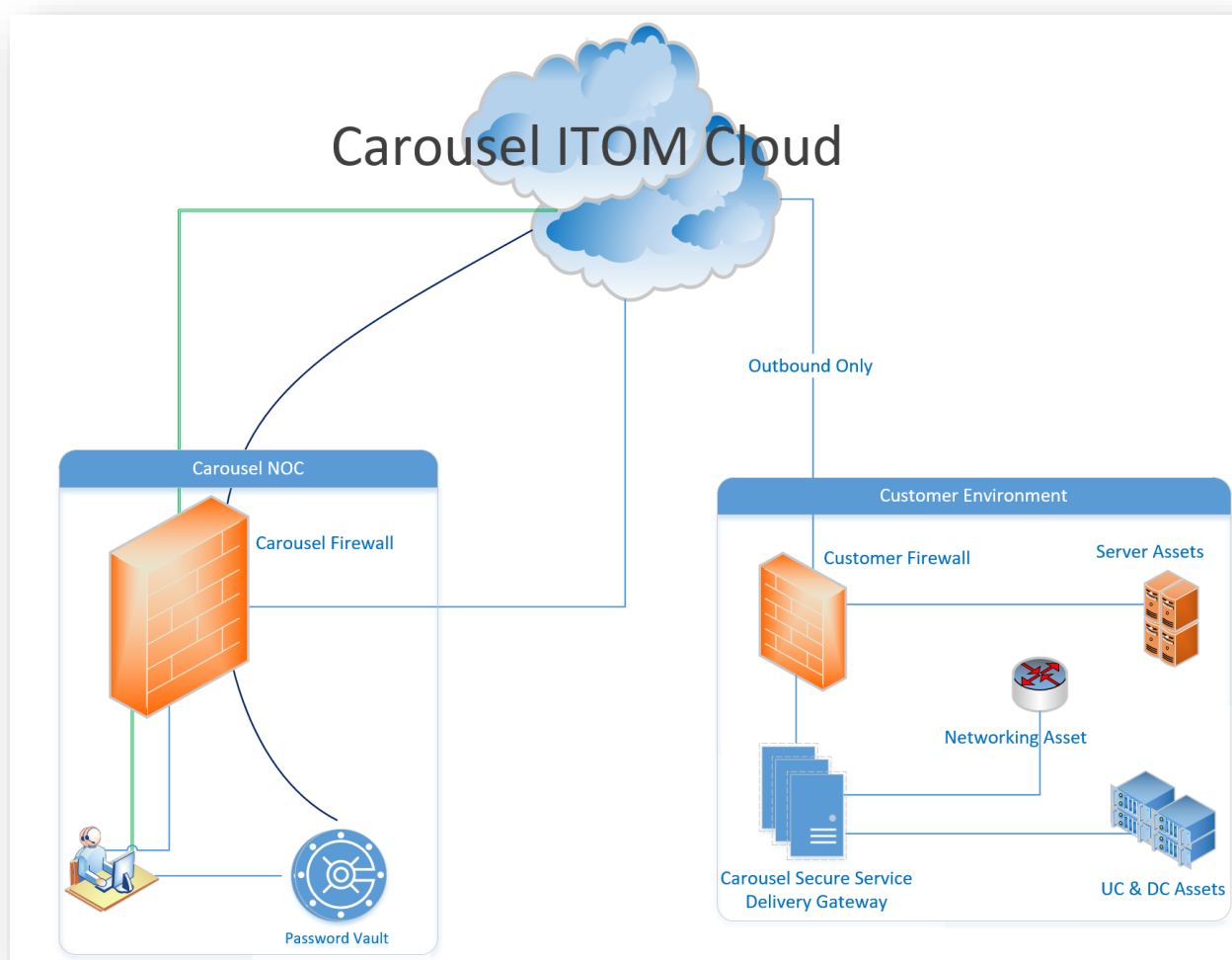
Exhibit A – Service Delivery Gateway (SDG)

Carousel Secure Service Delivery Gateway

The delivery of Carousel’s Managed Services requires the implementation of our Service Delivery Gateway (SDG). The SDG is architected to provide device auto-discovery, monitoring, performance management, secure remote access, device level authentication, and tools for improved diagnostic capabilities.

The SDG is deployed with a secure abstraction layer between Carousel’s Network Operation Center and the Client’s environment ensuring the confidentiality, integrity, and availability of the Client’s critical data. Our National Institute of Standards and Technology (NIST) based architecture guarantees the highest levels of authentication, access control, auditability, availability, and scalability.

The Service Delivery Gateway allows Carousel’s managed services team to obtain alert, alarms, and performance information from The Client’s environment. As abnormal, degraded, and service affecting conditions occur Carousel’s service personnel can securely authenticate to the support devices, and investigate, evaluate, diagnose, and resolve detected incidents. In addition, our SDG maintains an audit trail of all access and records all session for detailed auditability.



Connectivity

Carousel’s Service Delivery Gateway requires a minimum of three (3) virtual machines for secure connectivity, performance data collection and our managed services support tools. Carousel may also choose to install additional Gateways, Agents or Master Agents for increased services, capabilities and visibility to assets, based the defined support requirements.

Infrastructure Requirements

Carousel requires that the client provides a minimum of three (3) virtual machine to deliver a best in class managed services experience. The client will provide the hardware platform to support the Service Delivery Gateway, and they will provide the Virtual Machine environment and all associated licenses. Also, the client must provide all Operating System licensing associated with each Virtual Machine. Carousel will provide all licensing for the all monitoring and diagnostic tools for the supported environment. In addition, Carousel provide all operational maintenance and support of the Service Delivery Gateway once service transitioning is complete.

Each virtual machine must be configured properly to manage the supported environment. The below are the requirement for the distinct, security hardened gateways:

Service Delivery Gateway 1- (Monitoring Gateway)

| | |
|-------------------------|--|
| Description | A virtual appliance that collects data from the managed environment (Servers, Voice, Switches, Routers, Firewalls, Storage, etc.). The Gateway establishes a secure connection to the ITOM Cloud over the internet via: <ol style="list-style-type: none"> 1. OpenSSH tunnel with 256-bit encryption 2. HTTPS with TLS 1.2 |
| Form Factor | The Gateway is a Virtual Appliance that runs on VMware vSphere and Citrix XenServer platforms. |
| Operating System | Hardened configuration of Ubuntu Server. Hardening includes the following measures: <ol style="list-style-type: none"> 1. Minimal software is installed 2. All unnecessary services are turned off 3. Applying latest patches and updates 4. All unnecessary users and groups are removed |
| Access Controls | <ol style="list-style-type: none"> 1. All configuration updates for the Monitoring Gateway are pushed from the ITOM Cloud using a 256-bit encrypted channel created by the Monitoring Gateway. End users do not have access to the Monitoring Gateway. 2. The Gateway password is stored with SHA-512 encryption in a 16-character salt. Single mode login is disabled to prevent unauthorized access or prevent users from entering in single user mode. The Gateway allows only 2 new sessions for every 60 seconds and after 5 wrong passwords, the account locked for 3 minutes. |

| Infrastructure Size | Virtual Instance Requirements |
|---|---|
| Up to 25 devices | <ul style="list-style-type: none"> • 2 Virtual CPUs, 2 GB RAM / 40 GB HDD / 1 NIC • Supported hypervisors are VMware ESXi, Citrix XenServer, Microsoft Hyper-V and KVM |
| Up to 100 devices | <ul style="list-style-type: none"> • 4 Virtual CPUs, 4 GB RAM / 40 GB HDD / 1 NIC • Supported hypervisors are VMware ESXi, Citrix XenServer, Microsoft Hyper-V and KVM |
| Up to 500 devices | <ul style="list-style-type: none"> • 8 Virtual CPUs, 8 GB RAM / 100 GB HDD / 1 NIC • Supported hypervisors are VMware ESXi, Citrix XenServer, Microsoft Hyper-V and KVM |
| Greater than 500 devices at single site | <ul style="list-style-type: none"> • Deploy multiple Gateways |

Service Delivery Gateway 2- (Support Gateway)

| | |
|-------------------------|--|
| Description | A virtual appliance that is used to support the client's managed environment (Servers, Voice, Switches, Routers, Firewalls, Storage, etc.). The Service Delivery Gateway 2 can only be accessed through secure connection from the ITOM Cloud via RDP. |
| Form Factor | The Gateway is a Virtual Appliance that runs on VMware vSphere and Citrix XenServer platforms. |
| Operating System | Microsoft Windows Server 2016 <ol style="list-style-type: none"> 1. Configured with a full tool set for the support of all managed services and devices. 2. Configured with a Just in Time Toolset (JiTT) so that services are only active during the time of action needed. This greatly reduces any potential exposure window. |
| Access Controls | <ol style="list-style-type: none"> 1. Engineers must be granted access to the client environment to gain access. 2. All initial access is funneled through the Carousel ITOM Cloud 3. Secure authentication is provided through API integration with the Carousel Password Vault: (See Password Vault Details below) |
| Tools (JiTT) | Include but are not limited to: RDP, Web Browser (HTTPS), Putty, InformaCast Log Tool, LX Tool, Skype 4 Business, Cisco Agent, Cisco Supervisor, Cisco Attendant Console, RTMT, IP Communicator, configured with a virtual audio driver, CCX Editor, Kiwi Syslog Tool, Translator X, Skype Debugging Tools, Wireshark... |

| Infrastructure Size | Virtual Instance Requirements |
|--------------------------|---|
| Service Delivery Gateway | <ul style="list-style-type: none"> 2 Virtual CPUs, 8 GB RAM / 100 GB HDD (Min) / 1 NIC Supported hypervisors are VMware ESXi, Citrix XenServer, Microsoft Hyper-V and KVM |

Service Delivery Gateway 3- (Performance Monitoring Gateway)

| Description | Foundations Version | Diagnostics Version |
|-------------|--|---|
| | <p>This deployment provides for enhanced performance by focusing on the entire UC ecosystem via integrated capabilities such as resource trending and utilization, capacity monitoring and planning, and comprehensive reporting and analytics. Further, the UC Monitoring Gateway module provides simple access to voice quality metrics that include trace route and IP network visibility, real-time media analysis, and immediate UC network awareness. Comprehensive troubleshooting tools enable synthetic call testing, remote access and call tracing, file transfer and secure chat capabilities, alarm management, and SLA tracking and management.</p> <ol style="list-style-type: none"> 1. UCF Features <ol style="list-style-type: none"> a. ✓ Health & Availability b. ✓ Performance & Capacity c. ✓ UC Auto-Discovery & Inventory d. ✓ Voice & Video Quality e. ✓ Multi-Vendor Neutrality | <p>This deployment provides for real-time visibility into signaling and the UC user’s voice and video quality (for example, MOS, R-factor, packet loss, jitter, and delay). It unobtrusively monitors the network topology as well as content and session data via passive taps or span ports (port mirrors). After collection, the UCD module automatically transforms and correlates this information. It learns network topologies and the status of available network resources by using standard network and IP routing protocols. The UCD module also obtains session information by passively listening to control traffic or by interacting with application servers and session control nodes and adds media content analysis into this correlated view.</p> <ol style="list-style-type: none"> 2. UCD Features <ol style="list-style-type: none"> a. ✓ Real Time Media Analysis b. ✓ Signaling Capture & Analysis c. ✓ Route Topology d. ✓ Network Session Correlation e. ✓ Lync SDN API Integration |
| Form Factor | The Gateway is a Virtual Appliance that runs on VMware vSphere and Citrix XenServer platforms. | Hardened Network Appliance |

| Infrastructure Size | Virtual Instance Requirements |
|--|--|
| UCF: up to 1,000 users PC: up to 1,000 simultaneous RTCP streams | <ul style="list-style-type: none"> 4 Virtual CPUs, 8 GB RAM / 180 GB HDD / 1 NIC Supported hypervisors are VMware ESXi, Citrix XenServer, Microsoft Hyper-V and KVM |
| UCF: up to 7,500 users PC: up to 7,500 simultaneous RTCP streams | <ul style="list-style-type: none"> 8 Virtual CPUs, 16 GB RAM / 280 GB HDD / 1 NIC Supported hypervisors are VMware ESXi, Citrix XenServer, Microsoft Hyper-V and KVM |
| UCF: up to 30,000 users PC: up to 30,000 simultaneous RTCP streams | <ul style="list-style-type: none"> 8 Virtual CPUs, 8 GB RAM / 380 GB HDD / 1 NIC Supported hypervisors are VMware ESXi, Citrix XenServer, Microsoft Hyper-V and KVM |
| UCD-P: 250 - 600 sessions per second UCD-A: 16 - 28K concurrent RTP streams | <ul style="list-style-type: none"> Appliance deployment: Depending on customer requirements a stand-alone appliance deployment may be required. |

Note: In the event that a client is unable to provide virtual server environment, Carousel will provide hardware-based gateway(s) for an additional charge that will be listed as part of One-time Charges (OTC) in service transition cost.

Connectivity Requirements

The Service Delivery Gateway connects to Carousel's ITOM cloud platform. This connectivity requires that the client enables outbound access from their network. Listed below are the connectivity requirements:

Inbound connectivity: The Carousel SSD Gateway does not impose any inbound connectivity requirements.

Outbound connectivity: The Agent and Gateway 1 need DNS access to resolve *api.opsramp.com*. If the client's organization has firewall policies to limit outbound access to specific IP addresses, then the Agent and Gateway must have access to the specified IP ranges. Gateway 2 is only accessible via the ITOM Cloud, therefore requires no inbound connectivity. Gateway 3 requires outbound connectivity only over TCP port 443.

| Gateway 1 Outbound Connectivity Requirements | | |
|--|------------------------------------|--------------|
| Description | IP/CIDR | Ports |
| Data Center 1 | 63.251.89.0/24 | TCP:443/8443 |
| Data Center 2 | 206.80.7.128/26 140.239.76.0/24 | TCP:443/8443 |
| Gateway 2 Outbound Connectivity Requirements | | |
| Description | IP/CIDR | Ports |
| Data Center 1 | 63.251.89.0/24 | TCP:443/8443 |
| Data Center 2 | 206.80.7.128/26 140.239.76.0/24 | TCP:443/8443 |
| Gateway 3 Outbound Connectivity Requirements | | |
| Description | IP/CIDR | Ports |
| Data Center 1 | 52.3.3.211 | TCP:443 |
| Data Center 2 | 52.207.89.34 | TCP:443 |
| Data Center 3 | 35.169.184.165 | TCP:443 |

A Day in the Life of a Managed Services Engineer

As an Engineer I will begin by logging into my company provided laptop with my Active Directory (AD) domain credentials. I will start my day by logging into the Carousel ITOM cloud by launching my web browser and go to our HTTPS secured Carousel Industries ITSM portal. If I am on the Carousel domain I will be prompted via Multifactor Authentication (MFA) for my secure token. If I am not on the Carousel domain I will be prompted for my login information consisting of my email address and AD password. I will then be prompted via MFA for my secure token. I will then access our monitoring platform via HTTPS secure portal. Much like our ITSM portal we will also be leveraging MFA driven authentication. Now, I am securely authenticated into our multi-tenant structured Carousel ITOM cloud. I am prepared to support our clients.

Once an incident or alert is assigned, I can then begin our troubleshooting and remote access process. This begins by accessing the client tenant and based on my role only the assets I am allowed to access will be made available. Once I have identified the asset I need to support, I will launch a secure remote access session (e.g. SSH, RDP, HTTPS). All sessions are recorded and archived for audit purposes. Leveraging a secure API connection back to our enterprise password vault that is encrypted via AES 256 our monitoring platform retrieves the proper credentials for the asset I am supporting. This API validates that I should have access to this asset. Any credentials retrieved from the vault are obfuscated and are not cached. Once my access is validated in the password vault, the asset service account information is then passed to the device and the connection is made with no further interaction from me.

Our gateway is designed to use Just in Time Tools (JiTT). JiTT is a device hardening technique that keeps minimal services running to only allow the initial RDP connection only from the Carousel ITOM Cloud. Once a connection is established only the tools I specifically require will be enabled. Once I have completed my work and log out, the gateway will return to its hardened steady state.

Best in class security practices are the foundation of the Carousel ITOM Cloud. Every user and system interface is tracked, logged and archived. Every interaction from incident updates, to accessing the client's assets leaves an audit trail that can be retrieved and reviewed.

Remote Access

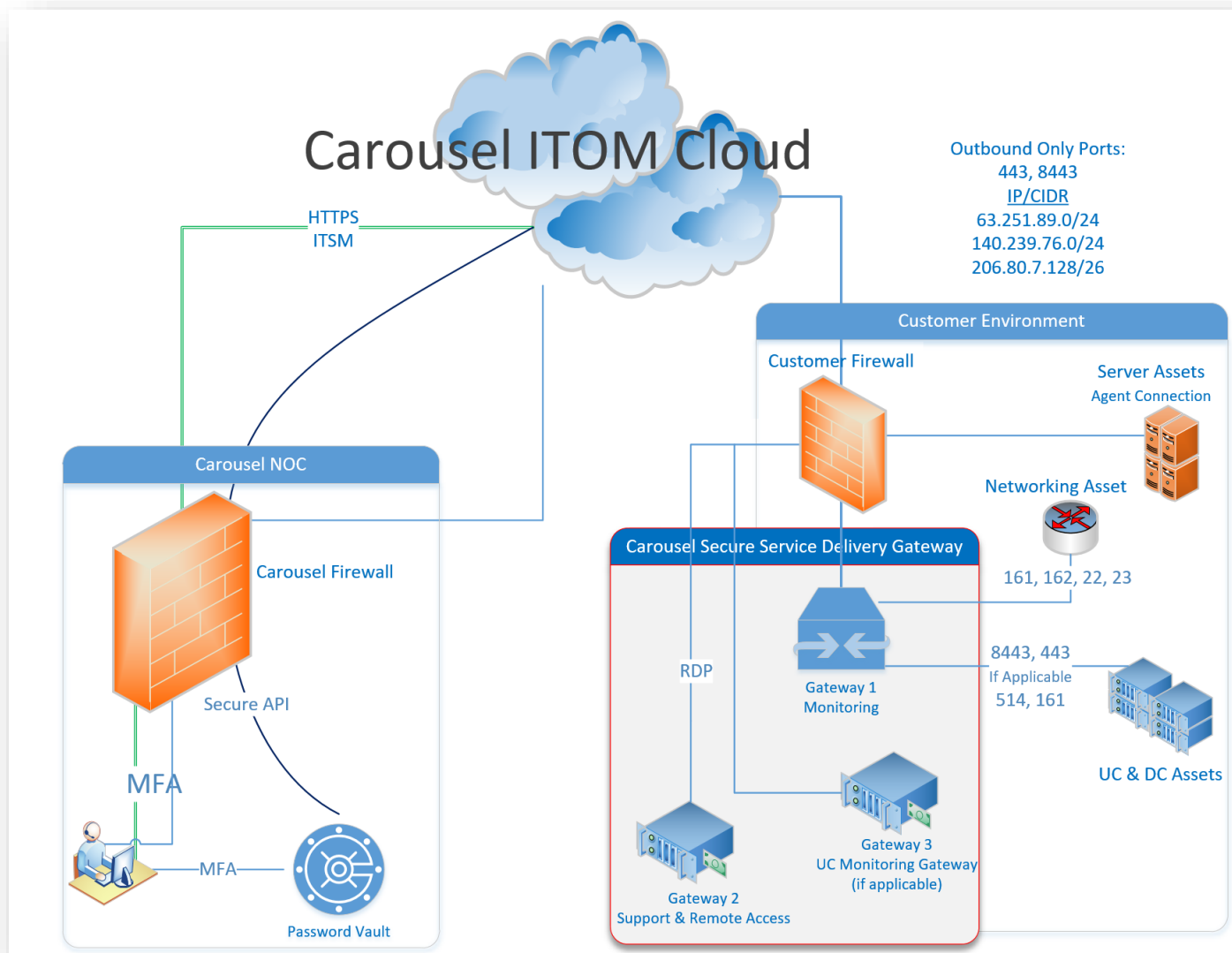
The Service Delivery Gateway gives our engineers a secure, one-click access to the support devices, including those in remote data centers that require connecting to remote access servers first and then hopping to the target devices. Secure Remote Access centralizes the management of all client credentials and access controls, so Carousel's engineers don't have to authenticate themselves at each stage of a remote access. It handles all login and authentication steps automatically, giving us one-click secure access to our client's remote resources.

Engineers assigned to support our client's environment are required to use an individualised 12-character minimum password. Additionally, each login requires a secondary authentication factor so that secure user authentication is assured. All interactions with our client's environments are logged, audited and recorded. This coupled with a single service account with a randomized password of least 15-characters or more, on our client's supported environment. Leveraging machine to machine secure API, the device level service account remains hidden from the engineering and support staff. This ensures that even an authorized engineer will not know the service account information that was used to make the connection.

The Service Delivery Gateway maintains a complete record of 'who', 'what' and 'when' of password access and provides intuitive reports on entire password management scenario in the supported enterprise. Carousel provides Real-time alerts on the occurrence of various password events through integration with Carousel's Security Information and Event Management (SIEM) solutions. Privileged sessions launched from the Service Delivery Gateway can be completely video recorded, archived and played back for forensic audits.

We take our clients trust seriously and execute measures to protect the sharing of service account credentials and resource access. All service accounts information is stored in our enterprise password vault.

Remote Access and Support Diagram



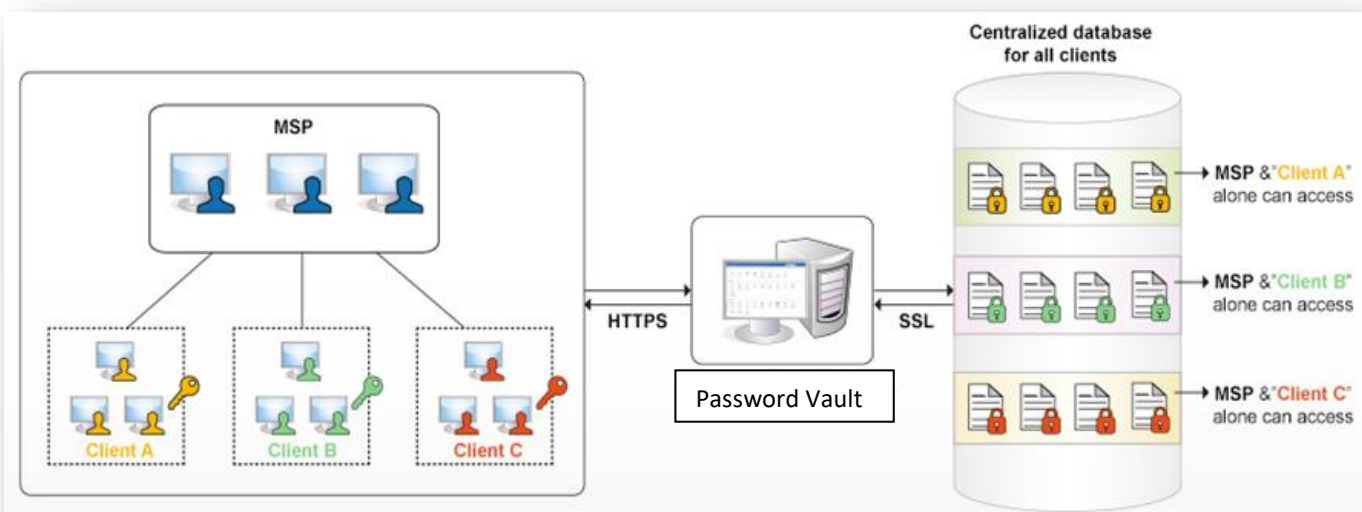
Password Vaulting

Carousel's Service Delivery Gateway provides an enterprise password vault solution to protect IT assets in the supported environment. The Enterprise Password Vault is a platform for secure storing and managing of shared sensitive information such as enterprise-passwords, privileged accounts, shared accounts, documents and digital identities in a centralized repository. This ensures Carousel can offer critical data protection above and beyond our customer's best practice security guidelines for sensitive information.

Secure Features include:

- Confidentiality, Integrity & Availability
 - High Availability Architecture
 - Passwords & sensitive data are encrypted using AES 256-bit encryption.
- Multi-Factor Authentication
 - Enforced MFA for logging in to the Password Vault.
- Automated Password Resets
 - Reset the passwords of remote resources when required or automatically through scheduled tasks.
- Enforced Password Policies

- Enforce industry standard and custom password policies.
- Comprehensive Audit Trails & Reporting
 - Complete record of 'who', 'what' and 'when' of credential access.
- Real-time Notifications, SIEM Integration
 - Real-time alerts on the occurrence of various password events with integration with Carousel's Security Information and Event Management (SIEM) solutions
- Industry Standard Secure API integration
 - RESTful API and XML-RPC API allow for application to application interaction and database instances.



Data Security and Management

Data Center Overview

The Carousel Secure Service Delivery Gateway is comprised of the various components running on company and partner infrastructure and in Data Centers that are owned and operated by 3rd party 'Best in Class' Data Center providers. Data Center providers are publicly listed U.S firms.

| | |
|-------------------------|--|
| Locations | Data center 1: Santa Clara, California Data center 2: Rancho Cordova (Sacramento), California Data center 3: Dallas, Texas Data center 4: Chicago, Illinois |
| Security Certifications | Security certifications that these data centers have include: SOC Certifications, ISO7001, PCI DSS and others. |

Data Collection

Carousel collects and stores only data necessary to perform IT operations management and support functions on devices that it manages.

| Type of Data | Data Collected | Data Storage and Security |
|------------------------|---|--|
| Performance Statistics | System level information necessary to monitor the performance and health of managed devices: <ul style="list-style-type: none"> • CPU and Memory utilization • OS Events • Hardware Events | Device performance statistics are stored only in the Carousel ITOM Cloud. The Agent and Gateway collect and transmit this data to the Carousel ITOM Cloud |
| Events and SNMP Traps | Operating System events and traps generated by SNMP agents. | The Monitoring Gateway and Agent processes events and traps locally and send resultant alerts to the ITOM Cloud via a secure channel. Raw event data is not stored in the Cloud. |

| | | |
|--|---|---|
| Device Configuration and Device Metadata | System level information necessary to asset device configuration status: <ul style="list-style-type: none"> • DNS Names • Make/Model • OS and Application Configuration Parameters | The Monitoring Gateway and Agent sends configuration data to the ITOM Cloud via a secure channel. |
| Device Credentials | Credentials (username / password) necessary to discover devices, access performance and configuration data, and log into devices to run automation scripts. | Device credentials are stored in the Carousel Enterprise Password Vault, using industry standard FIPS level encryption. |
| Support Information | Information needed to support Incident, Problem and Change Management <ul style="list-style-type: none"> • Contact Information • Asset Information | |

Types of Data Carousel Does Not Collect

Carousel does not collect, and has no means to collect, any data processed by applications that Carousel monitors. Examples of such data includes data within database tables, content of application transactions, user credentials of applications, etc.

Data Management

| | |
|--|--|
| Data Classification | Carousel only collects and stores data required for IT operations management on devices and applications managed by it. Data that Carousel collects is limited to device performance metrics, performance and failure events, and configuration information. |
| Data Isolation | Carousel implements strict multi-tenancy controls to ensure data access is strictly isolated between customers. |
| Data Encryption (in-flight) | All data transmitted between the Carousel Agent/Gateway and the Carousel Cloud is encrypted with SSL and TLS/SSH (for gateway). |
| Data Encryption (at-rest) | Device credentials stored in the Carousel cloud is encrypted using 1024-bit RSA encryption. |
| Authentication | Carousel Cloud offers SAML and OAuth2 based authentication. Carousel additionally supports third party authentication services such as OneLogin, Okta and ADFS. Carousel Cloud offers two-factor authentication. |
| User Access Management | Carousel has extensive role-based access controls. Carousel access controls are granular to the managed device, user, and feature. |
| APIs | Carousel provides REST APIs for integration with Carousel cloud. Carousel REST APIs are backed by OAuth2 based authentication. |
| Regulatory and Compliance Requirements | Carousel does NOT collect any Personally identifiable information (PII). Carousel is hosted in co-location facilities provided by two U.S based data center providers. Each provider has their own security certifications including SAS and SSAE. |

Data Security

Carousel supports an extensive set of security features to ensure that management data collected by Carousel is accessed only by authorized users.

| | |
|----------------------------------|---|
| Encryption | All sensitive data is encrypted to FIPS (Federal Information Processing Standards) in Carousel. Customer data (inventory, metrics, alerts, and tickets) is logically partitioned and stored under the client tenant. Customer data is accessible, via Role-based Access Controls (RBAC) only to authorized users of the tenant. |
| Role Based Access Control (RBAC) | Carousel supports comprehensive Role-based Access Controls. Users' access to devices and actions within Carousel is controlled by fine-grained permissions. Permissions are assigned based on users' roles. |
| Identity Management | Carousel provides multiple options to manage user identity: <ul style="list-style-type: none"> • Built-in user management system within Carousel • Integration with Microsoft Active Directory • Integration with single sign-on service OneLogin via SAML 2.0. |

| | |
|------------------------------|---|
| Authentication and Passwords | Carousel follows standard practices for passwords: <ul style="list-style-type: none"> • NIST based rules of password strengths • CAPTCHA code-based validation • Automated lockout after multiple unsuccessful login attempts • Carousel supports two-factor authentication using, FortiToken, Google Authenticator and Yubico YubiKey. |
|------------------------------|---|

Data Retention

| Definitions | |
|-----------------------------|---|
| Active and Inactive Devices | A managed device is considered inactive if it meets all of the following criteria for 90 consecutive days or longer: No metrics are collected. No consoles are launched. No jobs, scripts, patches, or anti-virus updates are applied. An active device is one that does not meet the above criteria. |
| Active and Inactive Clients | A client is considered inactive if they meet one of the following criteria for 90 consecutive days or longer: Client has no active devices. Client has been marked as inactive within Vistara. An active client is one that does not meet the above criteria. |

| Type of data | Criteria | Retention |
|---------------------------------|--|-------------------------------|
| Devices | Inactive devices | 90 days |
| Clients | Inactive clients | 90 days |
| Tickets | Closed tickets | 12 months |
| | Open tickets | For as long as ticket is open |
| Metrics | Metrics collected from managed devices | 12 months |
| Alerts | Suppressed and closed alerts | 90 days |
| | Open alerts | For as long as alert is open |
| Graphs | Graphs with no data | 15 days |
| Reports | Recurring reports | Last 5 generated reports |
| | One-time reports | 90 days |
| Job, Script, and Patch Activity | Jobs results | 90 days |
| | Custom script results | 90 days |
| Patches | Missing patches, once detected, but not re-detected for 180 consecutive days or longer | 90 days |
| Secure Console Recordings | Rolling history of console recordings for each device. | 90 days |

Upon contract expiration Carousel inactivates the client "tenant" in the Carousel ITOM Cloud. An inactive tenant's instance inventory, metrics, and alerts data will be available in passive state, however, monitoring, alerting and other management functionality is no longer available.

Based upon an agreement between Carousel and the Client, Carousel will delete all the tenant information from the Carousel ITOM Cloud. Due to a ninety-day data archival retention policy, deleted tenant data will be available in archival repository for ninety days.

The Carousel Commitment

The Carousel Service Delivery Gateway provides secure end-to-end visibility and remote access into your most critical managed systems' health and performance. We support the world's most complex and dynamic environments and can monitor any element or service in your data center or cloud.

Our NIST based world-class practices, manage events from across your network with a laser focus on your most critical managed infrastructure, ensuring the highest levels of system security, integrity and availability for your business.

Exhibit B – Service Transition Details

Carousel's service transition management methodology is based on the Project Management's Institutes' Project Management Body of Knowledge, the most comprehensive and globally recognized standard for project management. It outlines the critical path to planning and managing the service delivery lifecycle and is tailored to meet the Client's service transition requirements as necessary. It includes tools and templates used to manage Scope, Risk, Quality, Communications, Human Resources, Procurement, Time, and Cost. Carousel's service transition activities, based on the information received from the Client, are proposed to be executed in the following phases:



Note: During Service Transition, Carousel will provide best effort reactive support for incidents. Service level metrics will be enforced ninety (90) days after service transition acceptance.

B.1. Planning Phase

Carousel will begin the service transition with a series of internal reviews culminating with a transition kick-off meeting. Carousel's Due diligence conducted during the Planning Phase plays a vital role in understanding, documenting and delivering the proposed managed services, as per its expectations and requirements. Carousel welcomes the opportunity to perform a collaborative due diligence session to assess the client IT landscape.

The objectives of the Planning Phase include:

- Conduct Service Transition kick-off meeting with Client
- Agreement Review
 - Confirm Scope of Services
 - Establish Priorities and Timelines
 - Review Supported Technologies
 - Validate Locations Supported
 - Items Supported
- Response Procedures/runbook
 - Review and Define Escalation and Prioritization Process
 - Collect Escalation Matrix details (Off Hours & Business Hours)
 - Review Vendor Management Requirements (LOA)
 - Review and Define Change Management Process
 - Discuss and Review Out-of-Scope Service Request
- Review the Project Timeline
 - Confirm Communications Plan / Contacts
 - Schedule Weekly Status Meetings
 - Take and publish Meeting Minutes
 - Establish Transition Steering Committee
- Design and formulate a knowledge transfer calendar and plan
- Review Monitoring tool requirements
 - Review Service Delivery Gateway Requirements
 - Review and Plan Service Delivery Gateway Deployment
 - Review Access Credentials
 - Security considerations
- Readiness Assessment

B.2. Execution Phase

Carousel's Service Transition Execution phase is where the plan designed in the prior phase is put into action. The purpose of the Execution phase is to deliver the project expected results (deliverable and other direct outputs). Typically, this is the longest phase of the Service transition lifecycle, where most resources are applied.

The execution team utilizes all the schedules, procedures and templates that were prepared and anticipated during the Planning phase. The Execution Phase is not a blind implementation of what was written in advance but a watchful process where doing things goes along with understanding what is being done to ensure execution corresponds to what was intend and expected.

The focus for the Execution Phase is to enable the supported environment, activate and configure the supported items, and validate connectivity and response. Here is an overview of what is accomplished during this phase:

- Gather the Technical Environment Support Information
 - Network Connectivity Diagrams
 - ISP Information
 - Custom Tasks and Procedures
 - IP Subnets to perform the discovery
 - SNMP read only string for network Devices
 - Windows Administrator credentials for Windows Servers
- Deployment of Services Delivery Gateway
 - Deploy Service Delivery Gateway
 - Configure Service Delivery Gateway
 - Ensure Bi-directional Communication with SDG
 - Perform Auto-Device Discovery
 - Configure the Identified Devices for Services
- Deploy the basic and advanced templates on managed devices and applications
- Validate the data generated by the monitoring system
- Configure Proactive Management Tasks
 - Patch Management
 - Server re-boot schedule
 - Network configuration back-up schedule
 - Application back-up scripts and scheduling
- Conduct Knowledge Transfer sessions
 - Load Client assets into ServiceNow ITSM System
 - Ensure Client Device Level Entitlement are Mapped to Appropriate Assets
 - Load Client Response Procedures into ServiceNow ITSM System
 - Collection of Standard Operating Procedures
 - Knowledge Transfer Sessions on Client's Environment and Architecture
 - Knowledge Transfer Sessions on Standard and Custom Operating Procedures
 - Knowledge Transfer Sessions on Jobs, Maintenance plans.
 - Identifying and documenting the critical items
- Identify risks and formulate a risk mitigation / readiness plan

B.3. Quality Assurance/Testing Phase

After the completion of the Service Transition Execution Phase, services will be started in a pre-steady state environment. During this phase, Carousel will focus on stabilizing the monitored environment by performing a full quality review and operational assurance testing of the managed solution. Further refinement and enhancements are also elements of this phase. The following are the critical activities performed during the phase:

- Identify devices generating higher than average alerts and provide recommendations to reduce alerts
- Building dependency maps for event correlations and noise reduction
- Build custom automation scripts to reduce noise and improve resolution
- Review the Client environment for potential change recommendation and recommend thresholds adjustments
- Review of existing support contract documentation (i.e. Cisco SmartNet,)
- Review and documentation of existing Carrier circuit ID's
- Validation of the monitoring tools and network connectivity to the Carousel Service Delivery Platform
 - All devices configured into monitoring
 - Development of monitoring dependencies
 - Additional Probes and Agents as required
- Review and update response procedures
- Validate ticket workflow

- Identify gaps and additional requirements

B.4. Tuning Phase

This phase is focused on optimizing the managed environment to eliminate noise, false positives and ensure that the monitoring and reporting functions are working as expected. Additionally, Carousel will finalize all delivery process and procedures which include:

- Finalize escalation notification processes
- Initiate 24x7x365 alert processing, validation and escalation
- Execute Standard Operating Procedures (SOPs)
- Test and Review SLAs
- Review Response Procedures/runbook with the Client to identify any changes.

B.5. Steady State Phase

During steady state support, the Carousel service delivery team incorporates a quality assurance and continuous improvement processes as a proactive component of our managed services offering. Our service delivery team compares month-to-month key performance indicators (KPIs) such as “First to Know” trends, SLA attainment, mean time to resolution measurements, “alert to incident” ratios, “alert to device” ratios, and noisy element analysis to drive continual service improvements. And daily, our team reviews a subset of incidents leading to runbook changes, new runbook development, runbook automation, increased event correlation, and improved alert aggregation. The Quality Assurance Review begins during service transitioning and continues throughout the entire contract lifecycle.

- Provide services as per agreed SLAs
- Monitor alerts 24x7x365
- Perform alert triaging and ticketing
- Escalate incidents
- Prepare new SOPs based on alerts
- Execute proactive management tasks
- Report SLAs
- Plan Service Improvement
- Perform monthly reviews
- Portal credentials and review
- Lessons learned review
- Transition closure meeting and final signoff

The Transition Closure meeting will be a key milestone that triggers steady state invoicing.

Exhibit C – Steady State Entitlements

C.1. Monitoring

C.1.1. Reachability Monitoring

Our Service Delivery Platform measures network connectivity at regular intervals via ICMP polling (PING) to ensure the monitored elements are reachable on the network from an IP address availability perspective.

C.1.2. Incident & Performance Monitoring

Our Service Delivery Platform monitors identified elements utilizing standard SNMP data collection, SNMP trap receiver, syslog monitoring and available APIs to receive specific information, alerts, alarms, faults and performance data.

Incident & Performance Monitoring provides 24x7x365 monitoring of supported devices for those Products listed in Appendix D with our Service Delivery Platform to help raise awareness of specific events that have the potential to cause a significant adverse impact to business operations.

C.2. Reporting & Portals

Carousel provides the client with access to two web-based portals. Our first portal, service management, provides direct access to our Information Technology Service Management (ITSM) system. Our service management portal provides core features such as reporting issues, submitting service requests, general questions, viewing open and closed tickets, and creating/exporting reports. An extranet will also be provided, with access to shared support documentation and static reports.

Our second portal, performance management, provides direct access to our Information Technology Management (ITOM) system. This web-based portal provides access to real time performance dashboards, KPI management tool and on-demand performance reporting. It will allow the measurement and tracking performance against predefined SLAs, streamline service delivery and better support the business with metrics and analytics

C.3. Configuration Management

C.3.1 Network Backup

Our best practice approach for network device configuration backup is a weekly cadence with immediate backup on a device configuration change. Backups will be stored within our cloud-based service delivery platform and we will maintain the last three months of archived configurations.

C.4. Event Management

Carousel provides Event Management functionality from our operations located in the United States and India. Event Management is the process that monitors all alarms, alert, and events related to the operation of the IT environment. Our objective is to detect alarms, alerts, and events, analyses them, and determine the correct control action. Our Event Management function provides a strong foundation for service assurance, reporting, and service improvement. Event management responsibilities include:

C.4.1 Service Desk

Carousel will provide 7x24x365 live access to meet the communication needs of Client IT staff via phone, email or web portal. Our service desk is the focal point for reporting and updating status for existing issues, opening new incidences, and initiating a change or service request.

The Service Desk will:

- Answer incoming calls and capture valid information
 - Service request/problem description
 - Site and contact information
 - Determine Severity by assessing urgency and impact
- Review emails to understand the issue and contact information

- Service desk may reach out to sender for clarification or additional information before opening a ticket
- Open ticket and assign to Incident Management, Change Management or Service Request queue
- Review portal requests and validate assignment to appropriate queues.

C.4.2 Event Capture, Validation and Recording

Our Service Delivery Platform monitors for a detectable or discernible occurrence that has significance for the management of the IT Infrastructure. We evaluate the event and record the identified conditions in our Information Technology Management System (ITSM).

C.4.3 Event Correlation & Suppression

Our Service Delivery Platform has a powerful event correlation and suppression engine which uses advanced technology for making sense of a large number of events and pinpoint the few events that require attention. This is accomplished by looking for and analysing relationships between events. Our Service Delivery Platform monitors for detectable or discernible occurrence that has significance for the management of the IT Infrastructure. Carousel will evaluate the event and record the identified conditions in our Information Technology Management System (ITSM).

C.5. Incident Management

Incident Management is designed to help restore normal service operation within a reasonable time to help contain the adverse impact on the Client’s business operations, service quality and systems availability. When an incident is opened, it is important that the appropriate priority is assigned to reflect the current service impact. As ITIL defines it, incident priority is primarily formed out of its Impact and its Urgency. There are also additional elements, like size, scope, complexity, and resources required for resolution.

The Impact of the incident is the measure of the criticality of the incident to the business. Traditionally, Impact is tied to the number of users or business processes affected. Urgency is a measure of the necessary speed of resolving an incident.

Based on the assessment of Urgency and Impact, the chart below is leveraged to assign the appropriate Priority level.

| | | Impact | | |
|---------|------|--------|-----|-----|
| | | High | Mid | Low |
| Urgency | High | 1 | 2 | 3 |
| | Mid | 2 | 3 | 4 |
| | Low | 3 | 4 | 4 |

Incident Classification

| Priority | Definition |
|-------------------|--|
| One (P1) | Occurs when there is critical impact to the business operations and urgent action is required to resolve the incident. For example, network is unavailable, a site is partially down and/or impacting a significant part of the business operations and no work-around is available. |
| Two (P2) | Occurs when performance of a supported service or environment is severely degraded causing a high to medium level of impact. Functionality may be noticeably impaired, but most business operations continue. P2 incidents have a high to medium level of urgency requiring responsiveness, the activation of SOPs, on-call procedures, and invoking vendor support. |
| Three (P3) | Occurs when operational performance is impaired while most of the business operations remain functional. Limited devices (PC, printer, terminal, extension) are not operational. There is degradation of services although issue is not mission-critical. P3 incidents are responded to using standard operating procedures and operating within the standard workflow and operational structures. |
| Four (P4) | Occurs when you require information or assistance on Carousel-provided product capabilities, installation or configuration. There is clearly little or no impact to your business operations. P4 incident are responded to using standard operation procedures as time allows. |

C.5.1 Incident Notification

As incidents are prioritized and entered into the Information Technology Service Management (ITSM) platform, the Client is notified via automated email response. The automated email response will contain the incident number, details collected during the event identification process, and affected device, system, service, or location information, and all actions taken. Any time an incident is open, updated, and closed automated email notification is sent to the Client.

In addition, to automated email notifications, Carousel can provide automate SMS notification, if requested by the Client. SMS notification is not a bi-directional SMS texting features rather it's an informational message sent from the ITSM to the Client. Carousel recommends that this function is only enabled for incidents containing the highest level of priority.

Carousel can provide additional telephonic notification for all P1 incidents, if requested by the Client.

C.5.2 Triage & Troubleshooting *(Operate & Optimize Only)*

Once the Carousel incident management team receives a service ticket, an engineer will follow step-by-step instructions to achieve predictable, standardized, and desirable results to quickly restore any unplanned interruption. This function covers the Analysis, diagnosis, resolution, and recovery of the incident.

C.5.3 Complex Resolution *(Operate & Optimize Only)*

Carousel will work with the Client IT staff or other 3rd parties through resolution when the incident may be a result of multiple technologies contributing to the incident.

C.5.4 Bug Resolution (Operate & Optimize Only)

When service affecting software anomalies (bugs) have been identified, our service delivery team will drive the resolution process. Carousel will identify the issue, work with the vendor to find a software resolution, begin an emergency service request process, and deploy the appropriate patch, service pack, or upgrade as part of the change management process.

C.5.5 Carrier Management *(Operate & Optimize Only)*

For the supported environment, Carousel owns identification, troubleshooting, and resolution of Carrier related issues. Carousel acts as an agent of the Client and drives Carrier escalations for MPLS, Ethernet, broadband, dedicated Internet, SIP trunks, PRIs, or analog circuits in the event of link down, service outage, timing & slips, or high interface errors.

Carousel will:

- Create and maintain the appropriate documentation in Carousel's ITSM system
- Drive escalation with the appropriate Carrier or service provider
- Notify and communicate the issue to Client including carrier ticket number, time of outage and expected time of restoration
- Act as an intermediary between Client and the service provider
- Track and drive activities required to resolve the issue
- Update the Carousel Incident as required
- Validate the resolution of the incident
- Update and close the incident when the issue is resolved
- If available, obtain root cause.

Notwithstanding anything herein to contrary, Carousel resolution SLAs do not apply to Carrier Management Services.

Note: Client is required to sign LOA (Letter of Authorization) for each service provider during the service transition process for Carousel to perform Carrier Management. Limited to circuits connected to devices under Carousel Management.

Note: Any signed LOA (Letter of Authorization) is for incidents only, Carousel will not be responsible or accountable for any procurement, payment, ordering or decommissioning of circuits.

C.5.6 Vendor Management *(Operate & Optimize Only)*

For the supported environment, Carousel owns identification, troubleshooting, and resolution of third-party vendor related issues. Carousel drives the third-party vendor escalation process and provides follow-up of a supported vendor related issue. When required, Carousel creates a ticket directly with the third-party vendor on the Clients behalf. We drive the third-party vendor to identify the issue, troubleshoot the defined issues, and ultimately obtain resolution.

Carousel notifies and communicates all third-party vendor issues with the Client including, ongoing status, available work arounds, and expected time of resolution. Carousel works the incident through closure, and if available, obtains the root cause.

When required, Carousel drives the escalation processes to resolve configuration, software, and hardware anomalies, manage hardware replacement, software bug fixing and patch management, and on-site engineering dispatch. Carousel will:

- Create and maintain the appropriate documentation in Carousel's ITSM system
- Drive escalate with the appropriate third-party vendor
- Notify and communicate the issue to Client including ticket number, time of outage and expected time of restoration
- Act as an intermediary between Client and the third-party vendors
- Track and drive activities required to resolve the issue

- For hardware replacement, Carousel drives the replacement process until replacement is shipped, received, installed, configured IP addressing, restore last known configuration and update serial numbers Carousel's ITSM/CMDB
- Update the Carousel Incident as required
- Validate the resolution of the incident
- Update and close the incident when the issue is resolved
- If available, obtain root cause.

Note: Client is required to sign LOA (Letter of Authorization) for each third-party vendor during the service transition process for Vendor Management.

C.5.7 Incident Escalation *(Operate & Optimize Only)*

Incident escalation is a process used to highlight or flag certain issues within an Incident, so that the appropriate personnel can respond to these situations and monitor the resolutions. Carousel's escalation management process identifies, tracks, monitors and manages situations that require increased awareness and swift action.

Carousel's carefully created escalation processes can ensure that unresolved problems don't linger, and issues are promptly addressed. Using Incident Escalation Management can re-prioritize, reassign, and monitor a situation to a satisfactory completion. There are two types of escalations: hierarchical and functional.

Hierarchical escalation is used to ensure attention for notification, action or resolution is moving the technical levels of operation. For example, 1st level support is unable to resolve the issue, so it is escalated to 2nd level support. In case they are also not able to solve the issue, they are escalating it to 3rd level support and so on until the issue is resolved. During the hierarchical escalation the workflow management is evaluating the incident priority against resolution progress.

Functional escalation is used in case that the support team is unable to resolve the issue or stick within the agreed timeline (targeted time for resolution is exceeded). Functional escalation is the process used to assign an incident from one team to another team based on the skills required to resolve the incident. For example, escalating an incident from the unified communications team to the network team when it becomes apparent that the lack of performance is due to network conditions.

C.6. Problem Management *(Optimize Only)*

C.6.1 Root Cause Analysis *(Optimize Only)*

Our service delivery team conducts root cause analysis to determine the underlying cause of an incident, document the findings and take appropriate corrective action. Root cause analyses are performed to understand the cause of critical outages, prevent future incidents from occurring, eliminate chronic incidents, and minimize future impact to problems and outages.

1. Perform problem determination and problem resolution;
2. Perform tracking and management of outage to closure;
3. Perform root cause analysis for individual P1 and P2 incidents
4. Identify chronic problems;

C.6.2 Chronic Problem Management *(Optimize Only)*

Our service delivery team will drive the identification and resolution of chronic incidents. Chronic issues are defined as the same problem occurring multiple times in a 30-day period. We will attempt to reproduce the problem, identify incident triggers, document the current state, define remediation paths and work around scenarios and provide detailed root cause analysis.

C.7. Patch & Release Management *(Optimize Only)*

The purpose of Patch & Release Management is to facilitate the physical control of software assets and their release into the production environment.

- (a) **Major Software Release** - Major Release is a major change to the software that introduces new optional features and functionality. Major Releases are typically designated as a change in the digit(s) to the left of the first decimal point (for example, [N], y.z) are out of scope.
- (b) **Minor Software Releases** (aka "dot" release) - A Minor Release is a change to the software that introduces a limited number of optional features and functionality. Minor Releases are typically designated as a change in the digit to the right of the first decimal point (for example, n.[Y]. z) and are out of scope.

- (c) **Patch Release** – Patch Release is a change to the software to stabilize the code based upon reported bug related issues or to correct/harden a potential security vulnerability. Patch Releases are typically designated as a change in the digit to the right of the second decimal point (for example, n.y.[Z]) and are included as part of release management.

Note: Product correction updates may require system hardware upgrades to comply with current manufacturer's specifications. In these cases, the hardware must be upgraded before the update can be implemented. Hardware upgrades are not included as part of this service.

Note: If Carousel determines the patch is appropriate, it will follow Change Management procedures and policies

Note: Additional installation, implementation and/or customization services necessary to implement software releases are not included in this service and are defined as projects.

Note: Client must retain entitlement to receive software and/or firmware updates from their manufacturers. Carousel does not provide an alternative to upgrade entitlement or leverage Carousel entitlements on Client's behalf. Carousel does not supply any software or firmware of any kind other than for Carousel owned equipment and systems.

C.7.1 Server Patch Management *(Optimize Only)*

Carousel follows an industry best practice methodology of Scan, Assess, Approve and Install for updating Microsoft and Linux server patches. We provide weekly assessment, notification, and recommendation of patches. We provide monthly patch implementation or more immediate if service effecting or security related.

C.7.2 Network Device Release Management *(Optimize Only)*

Carousel follows a semantic versioning model for network device patches. The model is defined as MAJOR.MINOR.PATCH. We provide quarterly assessment, notification, and recommendation of patches. We provide semi-annual patch implementation or more immediate if service effecting or security related. Carousel will report on MAJOR.MINOR.PATCH, but will only implement on PATCH.

Any MAJOR or MINOR releases will be quoted as a project and be considered out of scope.

C.7.3 Application Release Management *(Optimize Only)*

Carousel follows a semantic versioning model for application for select business enablement applications. The model is defined as MAJOR.MINOR.PATCH. We provide quarterly assessment, notification, and recommendation of patches. We provide quarterly patch implementation or more immediate if service effecting or security related. Carousel will report on MAJOR.MINOR.PATCH, but will only implement on PATCH.

Any MAJOR or MINOR releases will be quoted as a project and be considered out of scope.

C.8. IT Asset Change Management *(Optimize Only)*

Carousel's IT asset change management function ensures that a standardized set of procedures is used to promptly handle all requests for service or change. It ensures that all changes are recorded, assessed, approved, prioritized, and deployed in a manner that meets business requirements and protects the stability and reliability of critical IT systems.

The main objective of change management is to control the lifecycle of while minimizing disruption to IT services. Service or change request can be broadly classified as "Standard", "Complex" and "Emergency":

- **Standard** change tasks are well known, defined, documented, and proven. The change management workflow is pre-established, and no approval is necessary.
- **Emergency** change requests need to be executed immediately to resolve imminent Critical/Sev-1/P1 incidents that threaten business continuity. Emergency request requires approval from the eCAB and will follow the workflow defined in the emergency change request.
- **Complex** change request is pervasive, less defined, and the impact of the request is not known. Complex request could change the configuration of an existing feature, enable existing capabilities, or focus resolving a known issue. Complex requests require Change Advisory Board (CAB) approval, and the specification of a maintenance window.

As part of the overall process, Carousel will provide the following where applicable:

- Manage and implement system level configuration changes

- define the changes required;
- measure the impact of the proposed change;
- develop a back-out plan;
- obtain any relevant approvals for change;
- schedule the implementation of the change;
- implement the change;
- post-implementation testing and verifying expected outcomes; and
- in the event of an unsuccessful change, implement the back-out plan in relation to the change.

C.8.1 Standard Change Request *(Optimize Only)*

Our Service Delivery team will manage and implement "system wide" level configuration changes where the implementation process and the risks are known upfront, documented, proven, and the risk is low and well understood, and the change workflow has been pre-established. These changes are managed according to policies that have been established during Service Transitioning. Standard change request approval can be automatically granted.

C.8.2 Emergency Change Request *(Optimize Only)*

Our Service Delivery team will manage and implement emergency change requests when an unexpected error, threat occurs, or events that effect business continuity emerge. Emergency request are evaluated on the basis that the risk of not implementing the request is greater than implementing the request. Emergency request bypass the normal Change Advisory Board (CAB) process and is reviewed by the eCAB requiring a single board members approval. All emergency change requests undergo a post-implementation review process.

C.8.3 Complex Change Request *(Optimize Only)*

Complex Requests must be reviewed by the Change Advisory Board (CAB) who examines the request, assesses the associated risk and impact, and ultimately approves the request for implementation. For complex changes to be implemented, requires a minimum of 51% CAB member approval. Usually a complex request involves a significant change to the service or infrastructure, and it carries some degree of risk. All complex changes require comprehensive planning, documentation, workflow analysis, and governance. If the request is determined to be high-risk, the CAB must decide whether, when and how the request will be implemented or if the complex change request needs to be treated as project. The following list of criteria are used to determine if the complex change request should be treated as a project:

- **On-site** When the service/change request requires onsite Carousel engineers to complete the request.
- **Testing** When the service/change request requires extensive testing by our engineering team, client's team, or a combination of both.
- **Expansion** When the service/change request adds new devices, locations, or features that fundamentally change the nature of the supported environment.
- **Design** When the service/change request changes the fundamentally design, architecture, or the operations of the supported environment.
- **Platform** When the service/change request impacts multiple supported platform across the supported environment.
- **Coordinate** When the service/change request requires the Carousel team to coordinate multiple resources – vendors, people, locations or multiple phases of change implementation

Based on the above defined criteria and the nature of the complex change, some request could be managed as a project and billed outside the scope of this contract.

C.11. Continuous Service Improvement

Carousel's service delivery team incorporates a quality assurance and continuous improvement processes as a proactive component of our managed services offering. Our service delivery team compares month-to-month key performance indicators (KPIs) such as "First to Know" trends, SLA attainment, mean time to resolution measurements, "alert to incident" ratios, "alert to device" ratios, and noisy element analysis to drive continual service improvements. And daily, our team reviews a subset of

incidents leading to runbook changes, new runbook development, runbook automation, increased event correlation, and improved alert aggregation. The Quality Assurance Review begins during service transitioning and continues throughout the entire contract lifecycle.

C.12. Service Management

Carousel will provide a Service Delivery Manager (SDM) who will establish a framework for communications, reporting, procedural and contractual activities for the Services. The SDM helps the clients confidently pursue their growth, innovation and performance agendas through proactive management of their supported environment.

Carousel's Service Delivery Manager is an assigned resource available during the standard hours of operations (Monday through Friday, 08:00 to 17:00). The assigned SDM standard hours are aligned with the client's center of IT operations.

The SDM's focus is on maintaining service excellence each day by working closely with the client's leadership to translate essential business requirements to the broader support team such as business changes, critical system sensitivity, blackout periods for change, etc.

During all projects and onboarding of new or modified services, the SDM will collaborate closely with the Project Manager through participation in service reviews with your team covering both project status and service management updates.

The following are some of the responsibilities of the assigned Service Delivery Manager:

Service Delivery Leadership

During the service transition, the communication cadence between the client and the Service Delivery Manager is established. At any point during the term of the agreement, the communication cadence can be adjusted to meet the client's changing needs. These service focused touch points will discuss upcoming service requests, change requests, patch and release management status and significant projects. Also, the Service Delivery Manager will review and update any organizational changes, process changes, and modification to client response procedures.

Service Level Performance Monitoring

The Service Delivery Manager reviews open tickets queues providing feedback and direction to the services delivery team ensuring proper workflow management. During their review, the SDM will identify service trends, potential problems, and opportunities to improve the service delivery quality. Also, the SDM monitor overall service performance and reviewing Service Level Agreement attainment and escalation workflow.

Major Incident Management Leadership

During the ordinary course of IT operations, significant incidents will occur, and they can have an extreme impact on the steady-state operation of the business/organization. Any events for which the timescale of disruption – to even a relatively small percentage of users – becomes excessive could be regarded as a major incident.

When necessary, the major incident procedure could include the dynamic establishment of a separate Major Incident Team subject to the direct leadership of the Service Delivery Manager. The SDM's direction ensures that adequate resources and focus are provided for finding a resolution.

If the incident is escalated to the point that requires a formal meeting between and should arrange a formal meeting with all invested parties. The SDM will organize, facilitate, and drive this crucial meeting with the purpose of reviewing progress and determining the best course of action.

Throughout the major incident, the Service Delivery Manager ensures all activities are recorded, and the client is informed of progress. Communication is an important activity in handling major incidents.

Executive Business Reviews

An Executive Business Review (EBR) is a face-to-face meeting that is strategic—rather than tactical—in nature. EBR is scheduled and conducted by the assigned Service Delivery Manager, and this briefing is not the time or place to discuss the details of specific service issues, support questions or the status of particular projects.

The SDM will lead a conversation to gain a deeper understanding of the client's business and plans, and to strategize as to how Carousel can deliver more value based on those factors. At the same, the Service Delivery Manager will provide insight on Carousel's business goals and objectives, overall performance, and new solution sets. Also, the SDM will provide comprehensive insight on overall service delivery performance, areas for improvements, capacity planning recommendation and life-cycle management advice.

Carousel will conduct Quarterly executive business reviews per year with the expectation is that the EBR would include critical members of the client IT team including but not limited to executive leadership. Carousel goal is to ensure that all EBR have a face-to-face experience whether through the use of technology or an in-person meeting.

Exhibit D – Service Level Agreement

Carousel requires full access/shared control with the Client of the supported items that are at Operate and/or Optimize level of service. Client needs to inform Carousel of any device additions, deletions, or changes to supported items.

The following table describes the various priority levels and Service Level Objectives (SLO). The start of the process can originate from monitoring system alerts or from user requests entered via the ticketing system, phone or e-mails.

| Commitment | Definition | Priority | Objective | Quarterly Measurement |
|--|---|-----------------|------------------------------|-----------------------|
| Speed to Answer | | | | |
| Speed to Answer is measured across all client calls. | Service Desk live answer | | <=20 Seconds | 90% Aggregate |
| Incident Response | | | | |
| Incident Response is measured from receipt of notification via email, call, or alarm. | Notification to Incident | P1 | <=15 Minutes | 90% Aggregate |
| | - All Emails considered as P2 by default | P2 | <=30 Minutes | |
| | | P3 | <=30 Minutes | |
| | | P4 | <=30 Minutes | |
| Incident Assignment (Operate & Optimize Only) | | | | |
| Incident Assignment period is measured from the time the incident has been opened. | Incident to Engineer Assignment | P1 | <=30 Minutes | 90% Aggregate |
| | | P2 | <=1-hour | |
| | | P3 | <=4-hour | |
| | | P4 | <=8-hour | |
| Incident Resolution (Operate & Optimize Only) | | | | |
| Incident Resolution period is measured from the time the incident has been opened. | Incident Creation to Incident Resolution | P1 | <=4-hour | 80% Aggregate |
| | | P2 | <=8-hour | |
| | | P3 | <=4 Business Days | |
| | | P4 | <=10 Business Days | |
| Problem Management (Optimize Only) | | | | |
| Problem Management is measured from time of client request for RCA. | Root Cause Analysis (RCA) Inputs | Draft | 3 Business Days | 80% Aggregate |
| | | Delivery | 10 Business Days | |
| Change Management Response (Optimize Only) | | | | |
| Change Management Request Response is measured from receipt of the request to the creation of the Service Request (SR). | Emergency Change Critical | P1 | <=15 Minutes | 90% Aggregate |
| | Emergency Change Default | P2 | <=30 Minutes | |
| | Complex Change Default | P3 | <=30 Minutes | |
| | Standard Change Default | P4 | <=30 Minutes | |
| Change Management Implementation (Optimize Only) | | | | |
| Change Management Implementation is measured from the time of the change approval or from the start of the authorized change window. | Emergency Change Critical | P1 | <=2-hour | 80% Aggregate |
| | Emergency Change Default | P2 | <=Same Bus Day | |
| | Complex Change Default | P3 | <=Next Bus Days | |
| | Standard Change Default | P4 | <=3 Business Days | |

Resolution SLO timer is paused when ticket status is changed to “Handed-over to Client and/or Partner,” “On-Hold,” “Under observation,” “Work around” or “Resolved”

Below is a list of conditions that will trigger a pause in the resolution SLO timer:

| Resolution SLO timer pause conditions |
|--|
| <ul style="list-style-type: none">• Waiting for remote access/connectivity to client environment• Waiting for the arrival of replacement hardware• Waiting for the arrival of dispatched on-site engineering/resources• Waiting for 3rd Party (Carrier, Courier)• Waiting on client to perform validation, testing,• Scheduled or planned downtime |

Resolution SLO timer are stopped when the INCIDENT is experiencing the following conditions:

| Exclusions |
|---|
| <ul style="list-style-type: none">• Force Majeure conditions• Lack of power to facilities and inadequate power backup• Lack of Wide Area connectivity without appropriate redundancy• Lack of appropriate manufacturer support coverage on critical elements |

Exhibit E - Supported Items

| Location | Service Bundle | Manufacturer | Description | Quantity |
|--|----------------|--------------|--------------------------------|----------|
| Account Level, , , | | | | |
| | Not Applicable | Carousel | Business Review - Quarterly | 1 |
| | Not Applicable | Carousel | Service Delivery Manager - SDM | 1 |
| HQ, 450 E Romie Ln, Salinas, CA 93901 | | | | |
| | Operate | Verint | Verint Verba (Ping + VM Only) | 1 |
| | Optimize | Cisco | Cisco Business Edition 7000 | 2 |
| | Optimize | Cisco | VG Series Gateway | 5 |
| | Optimize | Cisco | SRST Server/Branch Router | 2 |
| | Optimize | Cisco | Unified Communications Manager | 3 |
| | Optimize | Cisco | Unity Voicemail | 2 |
| | Optimize | Cisco | Emergency Responder | 2 |
| | Optimize | Cisco | Paging Server | 1 |
| | Optimize | Cisco | Contact Center Express | 2 |

Exhibit F - Terms and Conditions

1. ORDER, PROVISION AND SCOPE OF SERVICES

In return for the payment of the fees specified in the Statement of Services (SOS), Carousel will provide the Services and Service Level Agreement (**Exhibit D**) for locations and/or products specified in Carousel's Supported Items List (**Exhibit E**). Orders are subject to acceptance by Carousel. Carousel may accept an order by beginning to perform the Services. Terms and conditions contained in Client purchase orders or other Client documents will have no effect, unless explicitly approved and noted on the SOS.

Remote Monitoring and Access. Carousel may remotely monitor or access Products and Systems serviced under this agreement for the following purposes: (i) for remote diagnostics and corrective actions; (ii) to determine system configuration and applicable charges; (iii) to verify compliance with applicable software license terms and restrictions; (iv) when providing managed Services, to assess Client's needs for additional products or Services.

Error Correction. Some Services options may include correction of Errors. An "Error" means a failure of a Supported Product to conform in all material respects to the manufacturer's specifications that were currently applicable when the Supported Product was purchased or licensed.

Replacement Hardware. Replacement hardware provided as part of Services may be new, factory reconditioned, refurbished, re-manufactured or functionally equivalent. It will be furnished only on an exchange basis. Returned hardware that has been replaced by Carousel, will become Carousel's property. Title to Carousel-installed replacement hardware provided as part of Services will pass to Customer when installed. Title to all other hardware provided as part of Services will pass to Client when it arrives at the Supported Site.

Added/ Removed Products. A. **Added/ Removed Products.** A. If Client acquires additional products of the same type and manufacturer(s) as the existing Supported Products and locates them with existing Supported Products at a Supported Site or networks them at a remote location as part of an existing Supported Products at a Supported Site, they will be considered "Added Products", and will be added to the order automatically for the remainder of the term. Added Products purchased from a party other than Carousel may be subject to certification by Carousel at Carousel's then current rates for such certification. If Added Products fail certification, Carousel may choose not to add them to the Supported Items. Services coverage will be effective immediately after Carousel certifies the added products. Charges for added products will be at the then current rate and coverage will be coterminous with the coverage for the existing Supported Items. B. **REMOVED PRODUCTS.** In the event that the Client removes components or equipment from a Carousel-supported system, any change in components, administered TDM and/or IP port counts may be accounted for on next billing date. If Client removes equipment covered under a Carousel SOS, Carousel agrees that upon receiving 30 day written notification of the removal, complete with inventory detail, the monthly pricing of the SOS will be adjusted accordingly for the Client's next billing cycle, and at the rates originally agreed in the pricing section.

General Limitations. Unless the (**Exhibit C**) provides otherwise, Carousel will provide software Services only for the unaltered current release of the software and the prior release. For software versions that are older than 1 release prior to the then current release, software Services will be limited only by the manufacturer end of support policies. The following items are included in the Services only if (**Exhibit C**) specifically includes them: (i) support of user-defined applications; (ii) support of Supported Items that have been modified by a party other than Carousel (except for installation of standard, self-installed updates provided by the manufacturer); (iii) making corrections to user-defined reports; (iv) data recovery services; (v) services associated with relocation of Supported Items; (vi) correction of Errors arising from causes external to the Supported Items (such as power failures or surges); and (vii) Services for Supported Items that have been misused, used in breach of their license restrictions, improperly installed or configured, or that have had their serial numbers altered, defaced or deleted.

2. INVOICING AND PAYMENT.

Invoicing. Carousel will invoice Client for Services in advance unless another payment option is specified in the order, or as otherwise specified in the pricing section of this document.

Payment. Payment of undisputed invoices is due within forty- five(45) days from the date of Carousel's invoice. Client will pay all bank charges, taxes, duties, levies and other costs and commissions associated with nonstandard methods of invoicing and payment. Overdue payments will be subject to a late payment charge of the lesser of 1.0% per month or the maximum rate allowed by applicable law. Unless Client provides Carousel with a tax exemption certificate, Client is solely responsible for paying all required taxes, (including, but not limited to, property, sales, use or excise taxes with respect to the provision of Carousel Equipment) except for any income tax assessed upon Carousel.

3. CUSTOMER RESPONSIBILITIES

General. Client will cooperate with Carousel as reasonably necessary for Carousel's performance of its obligations, such as: (i) providing Carousel with full, free and safe access to its facilities; (ii) providing telephone numbers, network addresses and passwords necessary for remote access; and (iii) providing interface information for Supported Items and necessary third-party consents and licenses to access them. Client shall provide to Carousel a technical resource or onsite contact person who shall assist Carousel Technicians, Engineers and Support Staff in remotely troubleshooting issues, including, but not limited to providing data logs, or assisting in reboots/ resets of certain components. All items will be provided by Client at Client's expense. If Carousel provides an update or other new release of software as part of the Services, Client will implement it promptly. Client will reasonably use, safeguard and return to Carousel any items that Carousel loans to Client ("Carousel Tools") for the purpose of providing Services under this SOS, such as, but not limited to, the Service Delivery Gateway ("SDG"). Carousel Tools shall not be considered Products.

Provision of Supported Products and Systems. Except for Carousel hosted facilities, Client will provide all Supported Items, Supported Systems and Supported Sites. Client continuously represents and warrants that: (i) Client is either the owner of, or is authorized to access and use, each of them; and (ii) Carousel, its suppliers, and subcontractors are authorized to do the same to the extent necessary to provide the Services in a timely manner.

Moves of Supported Products. Client will notify Carousel in advance before moving Supported Items. Carousel may charge additional amounts to recover additional costs in providing the Services as a result of moved Supported Items.

Vendor Management. Where Carousel is to instruct or request products or services on Client's behalf from third party vendors under Client's supply contracts with third-party vendors ("**Vendor Management**"), Client will provide Carousel upon request a letter of agency or similar document, in form reasonably satisfactory to Carousel and Client, permitting Carousel to perform the Vendor Management. Where the third-party vendor's consent is required for Carousel to be able to perform Vendor Management in a timely manner, Client will obtain the written consent of the vendor and provide Carousel a copy of it upon request.

Third Party Hosting. In the event one or more network address(es) to be monitored by Carousel are associated with systems owned, managed, and/or hosted by a third party service provider ("**Host**"), Customer will: (i) notify Carousel of the Host prior to commencement of the Services; (ii) obtain the Host's advance written consent for Carousel to perform the Services on the Host's computer systems and provide Carousel with a copy of the consent upon request; and (iii) facilitate necessary communications between Carousel and the Host in connection with the Services.

Access to Personal Data. From time to time, Client may require Carousel to access a Supported Item or Supported System containing employee, customer or other individual's personal data (collectively, "**Personal Data**"). Where Client instructs Carousel to access any Personal Data, or to provide Client or a third party identified by Client with access, Client will (i) notify all relevant employees and other individuals of the fact that Carousel will have access to such personal data in accordance with Client instructions and (ii) indemnify Carousel and its officers, directors, employees, subcontractors and affiliates against, and hold each of them harmless from, any and all liabilities, costs, damages, judgments and expenses (including reasonable attorney's fees and costs) arising out of Carousel accessing or providing access in accordance with Client's instructions.

OEM Requirements: In order to receive manufacturer support or gain access to intellectual property such as software patches and updates, manufacturers may require an end user to maintain manufacturer-direct content in the form of licensing or software subscriptions, or another type of manufacturer-direct entitlement. It is the responsibility of the customer to ensure that all subscriptions, licensing fees, software support agreements, and other manufacturer entitlements are active and up to date at commencement of, and at all times during the term of the SOS. In some cases, the OEM requires that the support provider (Carousel) contract directly with the manufacturer on behalf of the end user, with an associated cost for services. In the event of early termination of the SOS, the Customer, at a minimum, shall be subject to an early termination fee of the prorated, net amounts due to the manufacturer for all established backend OEM support as defined on this SOS, in addition to any penalty as defined in section 10. (Termination) herein.

End of Support/Extended Support: Periodically, manufacturers may declare "end of life," "end of service," "end of support," "manufacture discontinue" or similar designation ("End of Support") for certain Supported Items. For Products subject to End of Support, Carousel will continue to provide the support described, except for the End of Support exceptions listed therein ("Extended Support"). Products declared end of support/extended support, will be supported under the terms of Extended Support until contract end date, at which time the Supported Product may be removed from coverage and rates will be adjusted accordingly. Extended Support is best effort, support will be provided with the following exceptions: At the end of manufacturer support, Tier IV R&D product developer support and going forward maintenance updates (e.g., Product Correction Notices ("PCN's"), "bug fixes," interoperability / usability solutions) are no longer provided by the manufacturer. Therefore, certain complex faults or functionality issues may not be resolvable without the Client upgrading the system to a version currently supported by the manufacturer. In addition, as replacement parts are manufacturer discontinued, some products or components may become increasingly scarce or require replacement with substitute parts. This may result in delays in response or repair intervals, or may require upgrades to other components at Client's expense in order to ensure compatibility and preserve Supported Item functionality.

4. SOFTWARE LICENSE

WHERE SERVICES INCLUDE PROVISION OF PATCHES, UPDATES OR FEATURE UPGRADES FOR SUPPORTED PRODUCTS ("**NEW SOFTWARE**"), THEY WILL BE PROVIDED SUBJECT TO THE LICENSE GRANT AND RESTRICTIONS CONTAINED IN THE ORIGINAL AGREEMENT UNDER WHICH CLIENT LICENSED THE ORIGINAL SOFTWARE FROM THE OEM. WHERE THERE IS NO EXISTING LICENSE FROM THE OEM, NEW SOFTWARE WILL BE PROVIDED SUBJECT TO THE MANUFACTURERS THEN CURRENT LICENSE TERMS AND RESTRICTIONS FOR THE NEW SOFTWARE. NEW SOFTWARE MAY INCLUDE COMPONENTS PROVIDED BY THIRD PARTY SUPPLIERS THAT ARE SUBJECT TO THEIR OWN END USER LICENSE AGREEMENTS. CUSTOMER MAY INSTALL AND USE THESE COMPONENTS IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE END USER LICENSE AGREEMENT ACCOMPANYING THEM.

5. CONFIDENTIAL INFORMATION

"Confidential Information" means business and/or technical information, pricing, discounts and any other information or data that by its nature would be reasonably deemed confidential, regardless of whether in tangible or other form, including but not limited to information communicated verbally. Confidential Information excludes information that: (i) is publicly available other than by an act or omission of the receiving party; (ii) subsequent to its disclosure was lawfully received from a third party having the right to disseminate the information without restriction on its dissemination and disclosure; (iii) was known by the receiving party prior to its receipt and was not received from a third party in breach of that third party's confidentiality obligations; or (iv) is required to be disclosed by court order or other lawful government action, but only to the extent so ordered, provided the receiving party provides prompt written notification to the disclosing party of the pending disclosure so the disclosing party may attempt to obtain a protective order. In the event of a potential disclosure in the case of subsection (iv) above, the receiving party will provide reasonable assistance to the disclosing party should the disclosing party attempt to obtain a protective order. Each party will protect the secrecy of all Confidential Information received from the other party with the same degree of care as it uses to protect its own Confidential Information, but in no event with less than a reasonable degree of care. Neither party will use or disclose the other party's Confidential Information except as permitted in this Section or for the purpose of performing obligations under this SOS. The confidentiality obligations of each party will survive expiration or termination of the SOS. Upon termination of the SOS, each party will cease all use of the other party's Confidential Information and will promptly return, or at the other party's request destroy, all Confidential Information, including copies, in tangible form in that party's possession or under its control, including Confidential Information stored on any medium. Upon request, a party will certify in writing its compliance with this Section.

6. WARRANTIES

Carousel warrants to Client that Services will be carried out in a professional and workmanlike manner by qualified personnel. If the Services have not been so performed and Carousel receives Client's detailed request to cure a non-conformance within 30 days of its occurrence, Carousel will re-perform those Services. This remedy will be Customer's sole and exclusive remedy and will be in lieu of any other rights or remedies Customer may have against Carousel with respect to the non-conformance of Services.

EXCEPT AS REFERENCED AND LIMITED IN THIS SECTION, NEITHER CAROUSEL NOR ITS LICENSORS OR SUPPLIERS MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE SERVICES. IN PARTICULAR, THERE IS NO WARRANTY THAT ALL SECURITY THREATS AND VULNERABILITIES IN A SUPPORTED PRODUCT, SUPPORTED SYSTEM OR NETWORK WILL BE DETECTED OR THAT SERVICES WILL RENDER THEM SAFE FROM SECURITY BREACHES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CAROUSEL DISCLAIMS ALL IMPLIED OR STATUTORY WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

7. LIMITATION OF LIABILITY

IN NO EVENT WILL EITHER PARTY OR ITS RESPECTIVE LICENSORS OR SUPPLIERS HAVE ANY LIABILITY FOR ANY INCIDENTAL, SPECIAL, STATUTORY, INDIRECT OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS OR REVENUE, LOSS OR CORRUPTION OF DATA, TOLL FRAUD, COST OF COVER, OR SUBSTITUTE GOODS OR PERFORMANCE. EXCEPT FOR CAROUSEL'S MISAPPROPRIATION OF CLIENT'S PROPRIETARY OR CONFIDENTIAL INFORMATION, THE LIABILITY OF EITHER PARTY FOR ANY CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS SOS WILL NOT EXCEED AN AMOUNT EQUAL TO THE AGGREGATE TOTAL AMOUNT OF ALL FEES PAID OR PAYABLE UNDER IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE EVENT GIVING RISE TO THE CLAIM. THE LIMITATIONS OF LIABILITY IN THIS SECTION WILL APPLY TO ANY DAMAGES, HOWEVER CAUSED, AND ON ANY THEORY OF LIABILITY, WHETHER FOR BREACH OF CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), OR OTHERWISE, AND REGARDLESS OF WHETHER THE LIMITED REMEDIES AVAILABLE TO THE PARTIES FAIL OF THEIR ESSENTIAL PURPOSE. HOWEVER, THEY WILL NOT APPLY IN CASES OF WILFULL MISCONDUCT, PERSONAL INJURY OR BREACHES OF OEM'S LICENSE RESTRICTIONS. THE LIMITATIONS OF LIABILITY IN THIS SECTION ALSO WILL APPLY TO ANY LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND SUPPLIERS.

8. GOVERNING LAW AND DISPUTE RESOLUTION

Choice of Law. Any controversy or claim, whether based on contract, tort, strict liability, fraud, misrepresentation, or any other legal theory, related directly or indirectly to the SOS ("Dispute") shall be resolved solely in accordance with the terms of this Section 8. The SOS shall be governed by the laws of the State of California and interpreted and determined in accordance with the laws of the State of California. The parties hereto irrevocably: (a) agree that any suit, action, or other legal proceeding arising out of the SOS shall be brought exclusively in the courts of record of either the Commonwealth of Massachusetts or the courts of the United States located in the State of California; (b) consent to the jurisdiction of each such court in any such suit, action or proceeding; and (c) waive any objection which it may have to the laying of venue of such suit, action or proceeding in any of such courts.

Injunctive Relief. Either party may, at its option and at any time during the dispute resolution process, seek injunctive relief in any court of competent jurisdiction (including but not limited to preliminary injunctive relief). The parties acknowledge that each of them has a vital interest in enjoining any violation of confidentiality obligations, including unauthorized use of the Software, because damages would not adequately compensate a party for any infringements of that party's intellectual property rights.

No Withholding. Disputes will not be a basis for withholding payment of any undisputed amounts due under the SOS or offsetting other amounts due whether or not the disputed Item is on the same order or invoice, nor will any amount be retained in anticipation of a Dispute for which notice has not been received.

9. TERM AND TERMINATION

Term. The SOS will be effective from the date Carousel accepts the order unless terminated earlier in accordance with this Section. Unless a different term is defined, Carousel will provide Services for an initial term of one year. Services will be renewed automatically for successive one-year terms (unless specifically mandated) applying the then most similar current generally available support plan offering and then current rates, unless either party gives the other written notice of its intent not to renew at least 60 days prior to the expiration of the applicable initial or renewal term. Unless otherwise specified, Client may terminate Services in whole or in part upon sixty (60) days prior written notice. Client will be subject to termination fees comprised of the net amounts due to OEM for all established backend OEM support, as defined on the SOS. For prepaid SOS's, Carousel will refund or credit the prorated price of the remaining term less the applicable termination charge. Either party may terminate the SA by written notice to the other party effective immediately upon receipt if the other party fails to cure any material breach of the SA within a thirty (30) day period after having received a written notice from the non-breaching party detailing the breach and requesting the breach is cured.

Termination Notice. Client's written notice of cancellation or intent not to renew must be sent by: (i) letter via certified mail to the following address: Carousel Industries of North America, Inc., 659 South County Trail, Exeter, Rhode Island 02822 Attn: Termination; (ii) email to cancel@carouselindustries.com; or (iii) fax to 401-667-5492.

10. MISCELLANEOUS

With Client's prior written consent, Carousel may assign the SOS or any associated order to any of its affiliated entities or to any entity to which Carousel may sell, transfer, convey, assign or lease all or substantially all of the assets used in connection with its performance under this SOS. Carousel may subcontract any or all of its obligations, but will retain responsibility for them. Neither party will be liable for any delay or failure in performance to the extent the delay or failure is caused by events beyond the party's reasonable control, including without limitation, fire, flood, act of God, explosion, war or the engagement of hostilities, strike, embargo, labor dispute, government requirement, civil disturbances, civil or military authority, and inability to secure materials or transportation facilities. The failure of either party to assert any of its rights under the SOS is not a waiver by that party of its right later to enforce the SOS in accordance with its terms. These Terms constitute the entire understanding of the parties with respect to its subject matter and will supersede all previous and contemporaneous communications,

representations or understandings, either oral or written, between the parties relating to that subject matter. It will not be contradicted or supplemented by any prior course of dealing between the parties. All notices under the SOS and any modifications or amendments must be in writing which in no event shall include any form of electronic communication (such as e-mail).

Board Paper: Finance Committee

Request: Augment Help Desk Services Through Purchased Services from CloudWave and GuideIT

Executive Sponsor: Augustine Lopez, CFO
Audrey Parks, CIO

Date: March 12, 2021

Executive Summary

The intent of Salinas Valley Memorial Healthcare System (SVMHS) Information Technology (IT) is to augment our current help desk services to better support our current and anticipated needs for tier 1 technical support services. Expected outcomes from the services provider are as follows with respect to our tier 1 service requests:

- improve end-user satisfaction; currently at 75%, targeting 85% or better.
- estimated average response time is within 2 hours*
- improve resolution times, currently averaging 15 minutes*
- reduce support costs; higher resolution times result in increasing labor costs

* These estimations are based on tier 1 service requests such as password resets, software installations or access, remote access support

Each respondent to the request for proposal (RFP) was expected to provide specifics regarding pricing and capabilities that meet our stated requirements. Based on our evaluation of responses, we selected CloudWave OpSus Cloud Care Technical Service Desk powered by GuideIT.

All support services will be conducted remotely and from within the United States.

Background/Situation/Rationale

With growing demands on Information Technology Help Desk services ranging from department and staff relocations, software implementations, many iPad deployments, and routine maintenance on our desktops (workstations-on-wheels, high priority computers in the Emergency Department and Education), we are struggling to meet service level commitments in a timely fashion that is satisfactory to our staff and other clients.

Here's our Help Desk by the Numbers

- 5 full-time equivalent staff, we currently have one vacancy
- Operating 24 hours/day, 7 days/week, 365 days/year
- Opened 15,200 service requests in the past 12 months
- Backlog Averaging 400 service requests

The proposal is expected to be budget neutral. We will not back-fill the vacancy (estimated at \$139,300/year) and we will reduce the amount of on-call and overtime pay (valued at

\$121,000/year). Additionally, with augmented services for help desk support, we should be able to restore work-life-balance for the current Help Desk staff.

Common service request types include the following:

- Password resets and account unlocks
- Application user administration
- End-user device support – hardware, OS performance
- End-user mobile support – hardware, mobile OS, mobile applications
- Printer support – mapping, scan-to-email, issue troubleshooting
 - Peripheral support – scanning, credit card machines, fax machines
 - Network support – troubleshooting and triage of WAN/LAN issues
 - Hosting/virtualization support – user session troubleshooting (Citrix, RDS, etc.)
- VPN support – software installation, access management, remote connectivity
- Telecom support – hardware, user/extension management
- File management – personal/shared network drives, SharePoint document libraries
- Productivity software support – Installation and troubleshooting of Office, Webex, Adobe, etc.

We evaluated three vendors, CloudWave provided by GuideIT, The IT Support Center, and Navin-Haffty & Associates provided by Engage. CloudWave/GuideIT was the mid-priced solution whose pricing was nominally higher than The IT Support Center. We ultimately made our selection based on experience in supporting the healthcare provider industry, comprehensiveness of proposal and pricing.

RFP scorecard and legal review are on file.

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

It is the mission of Salinas Valley Memorial Healthcare System (SVMHS) to provide quality healthcare to our patients and to improve the health and well-being of our community. Toward this end, we are seeking to improve the services we offer at our Information Technology Help Desk so staff experience the least disruption due to system errors or user requests for technical resolutions.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications: Finance

| Key Contract Terms | Vendor: CloudWave |
|-----------------------------|--|
| 1. Proposed effective date | April 1, 2021 |
| 2. Term of agreement | April 1, 2021 – March 31, 2025 (48 months) |
| 3. Renewal terms | Auto renews for one-year terms after initial term. |
| 4. Termination provision(s) | May terminate as needed if contractor is not meeting service level agreements. |
| 5. Payment Terms | Net 45 |

| | | | | | | | | | | | | | |
|--------------------------------|--|----------|----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------------|--------------------|
| 6. Annual cost(s) | <p data-bbox="594 98 1424 136">\$ 1,003,561 over four (4) year term</p> <table border="1" data-bbox="678 163 1105 432"> <tr> <td data-bbox="678 163 867 205">One-time</td> <td data-bbox="867 163 1105 205">\$80,386</td> </tr> <tr> <td data-bbox="678 205 867 247">Year 1</td> <td data-bbox="867 205 1105 247">\$184,635</td> </tr> <tr> <td data-bbox="678 247 867 289">Year 2</td> <td data-bbox="867 247 1105 289">\$246,180</td> </tr> <tr> <td data-bbox="678 289 867 331">Year 3</td> <td data-bbox="867 289 1105 331">\$246,180</td> </tr> <tr> <td data-bbox="678 331 867 373">Year 4</td> <td data-bbox="867 331 1105 373">\$246,180</td> </tr> <tr> <td data-bbox="678 373 867 432">TOTAL</td> <td data-bbox="867 373 1105 432">\$1,003,561</td> </tr> </table> <ul data-bbox="646 474 1268 506" style="list-style-type: none"> • Fees are based on projected service volumes. | One-time | \$80,386 | Year 1 | \$184,635 | Year 2 | \$246,180 | Year 3 | \$246,180 | Year 4 | \$246,180 | TOTAL | \$1,003,561 |
| One-time | \$80,386 | | | | | | | | | | | | |
| Year 1 | \$184,635 | | | | | | | | | | | | |
| Year 2 | \$246,180 | | | | | | | | | | | | |
| Year 3 | \$246,180 | | | | | | | | | | | | |
| Year 4 | \$246,180 | | | | | | | | | | | | |
| TOTAL | \$1,003,561 | | | | | | | | | | | | |
| 7. Cost over life of agreement | \$1,003,561 (4 year initial term) | | | | | | | | | | | | |
| 8. Budgeted (indicate y/n) | Yes. Budget neutral. | | | | | | | | | | | | |
| 9. Contract | 1001.4098 | | | | | | | | | | | | |

Recommendation

Request the Finance Committee to recommend to the Board of Directors the approval of the Help Desk services agreement from CloudWave as competitive solicitation and contract award in the amount of \$1,003,561 over the four-year term.

Attachments:

1. RFP documentation
2. Proposal dated February 11, 2021

Audrey Parks
Chief Information Officer
aparks@svmh.com
450 East Romie Lane, Salinas, CA 93901
(831) 759-1935

Dear Audrey,

We are grateful for the opportunity to provide a proposal for a technical service desk solution for Salinas Valley Memorial Healthcare System. CloudWave and GuideIT are partnering to support your mission of providing quality healthcare to patients and improve the health and well-being of the community. Our leadership teams have decades of experience uniting technology with the practice of caring for people to create a better patient experience, better medical outcomes and the advancement of business objectives. In today's dynamic environment, our healthcare expertise and technology solutions are central to enhancing the return on investment from EMR's, achieving the targeted outcomes from acquisitions, and strengthening the operational technology foundation in support of healthcare providers through infrastructure, applications, service desk and security solutions.

CloudWave and GuideIT partner to provide cost-effective, end user solutions to the Healthcare market. CloudWave's OpSus Cloud Care IT Service Desk offering bridges the gap between end users and infrastructure issues with integration between organizations, ITSM platforms, and rigorous process and procedures for level 2/3 escalations under Cloud Care support. This integration is intended to improve time to resolution for complex IT issues while also improving first call resolution rate.

CloudWave and GuideIT both have a mission of improving IT operations for our customers with a customer first approach. Our leadership teams have an established relationship based on trust and proven track records that makes for a strong partnership.

Our companies are united in the belief that there is a better way to serve customers. This belief drives a commitment not only to provide great service, but also shapes how we serve you, conduct business and interact with every member of your team. Illustrative of this is the independent research published by KLAS.

In the 2018 AMS and Help Desk report, GuideIT:

- Was the top-rated Broad Firm with a 93.2 overall performance score received through customer feedback.
- Received above market average ratings for overall satisfaction, value for money, service delivery met timelines, quality of service staff, strategic expertise, executive involvement, innovative tools and/or processes, and avoids nickel-and-diming
- Achieved a 100% rating for, "Would you buy again?"

- Had customers highlight our accountability for meeting timelines and SLA's, its focus on building collaborative relationships with internal IT teams, and the level of executive experience for a smaller company.

To aid in your evaluation process, we will provide customer references and contact information. We are confident in

Based on the requirements, we propose a scalable service desk solution that enhances the quality of your existing operation, drives an exceptional end user experience, and provides a cost-effective, unit-based cost structure that represents value for money. We emphasize continual improvement by leveraging analytics and automation to reduce contact volumes over time driving enhanced efficiency.

Scope of Services

Our solution will meet the following specifications:

- **Operational Scope** – We will provide a us-based 24x7x365 IT Level 1 service desk, which will serve as a single point of contact for IT incidents and management of service requests. We will provide four methods for service desk contact, including telephone, email, chat and self service portal.
- **Service Management** - Our ITSM platform provides a effective cost model for service management. The solution is built around ITIL standards and implemented through policies, processes, and documentation that govern and streamline the solution's design, delivery and management. The solution provides continual operational improvements and API integration between client and partner ITSM platforms.
- **Process Optimization** – We emphasize both tactical service desk execution and strategic process optimization to drive incremental efficiency. Starting with an effective, scalable cost model, we work to reduce the number of service desk contacts through four processes: (1) leveraging knowledge base of articles for rapid self-resolution of IT issues; (2) Optimizing ticket management procedures to ensure contacts are resolved within the appropriate cost tier, and (3) analytics and trend analysis to reveal preventable causes of contacts and opportunities for contact reductions through automation and tools.
- **Service Level Agreements** – We embrace the establishment of service level agreements to govern operational standards. We will work collaboratively with you to implement the required agreements, including calculation and exclusions. We are confident that our service quality will achieve the established benchmarks of the agreements and provide financially-focused remedies to ensure consistent service quality.

Pricing

With a focus on driving first call resolution, our pricing is based on an 8-minute average handle time for service desk contacts. There will be a Base Monthly Volume of Contacts of 21,00 through phone, email,

portal, or chat channels. Pricing determined by number of contacts through each channel. Invoicing is based on the Base Monthly Volume and applicable overages. The first 105 additional contacts, or 5%, above the Base Monthly Volume will result in no incremental expense. Monthly contacts above 105% of Base Monthly Volume, will be invoiced at a per contact rate. In addition, a fixed service management fee will be included to provide continual operational improvements as well as API ITSM platform integration and development (currently provided with Freshservice). Because process improvements can have inverse effects on contact quantity and the average contact time, we will collaboratively work with you during the transition and every six months to implement initiatives that reduce contact value to adjust the Base Monthly Volume and associated cost per contact. Pricing is based on assumptions and is subject to change based on changes to Scope of Services, Base Monthly Volume, and other factors.

Transition

We launch transitions with a project initiation workshop that establishes the project plan necessary for an orderly transition of services. We will regularly report statuses of transition items.

Transition activities include:

- Configuration of the ITSM platform and API integrations
- Documentation processes procedures, and knowledge articles
- Deploying and training a team for service desk cutover
- Coordinating modifications to your telephone system
- Integrating Active Directory with the ITSM system

Qualifications & Experience

The combination of our solution and industry expertise is critical to the results we produce for customers. Our solution experts perform to best-in-class standards, while our healthcare specialists understand how to make these solutions work for healthcare businesses. This breadth of expertise is not only important to the service desk solution, but also represents a resource pool that we can deploy if needed. In terms of solution-specific qualifications, we:

- Provide service desk services to hospitals, ambulatory, post-acute and senior care, assisted living, and home health organizations
- Support approximately 70 applications and regularly assume support for new applications and technologies
- Implement, maintain and enhance Electronic Health Records, Clinical Workflow, Templates, and interface

- Architect, design, implement and support clinical infrastructure
- Our service desk offering receives an SSAE18 SOC2 audit each year

We believe that great long-term relationships are based on well-defined operational relationships, collaborative approaches focused on ongoing improvement, and cultural match. We are an organization founded on a set of values and beliefs that define what anyone working with our company should expect. In addition, we believe how we approach relationships is as important as the technical aspects of a solution. Our customer approach is based on an overall experience that delivers in all respects because of the way we partner with customers, simplify the complex and inspire confidence.

We look forward to working with you.

Sincerely,

Jeff Smith

Vice President, Healthcare

GuideIT, A Perot Company

Mike Donahue

Director, Sales Engineering

CloudWave

Request for Proposal, Help Desk Services



REQUEST FOR PROPOSAL

Help Desk Services Provider for Salinas Valley Memorial Healthcare System

Prepared by:
Salinas Valley Memorial Healthcare System
450 East Romie Lane
Salinas, California, 93901

Contact:
Audrey Parks
450 East Romie Lane
Salinas, California 93901
aparks@svmh.com
(831) 759-1947

Request for Proposal, Help Desk Services

Dear Prospective Help Desk Services Provider:

Your firm has been selected as a potential provider of help desk services for Salinas Valley Memorial Healthcare System (SVMHS). The SVMHS Information Technology group is exercising the method of engagement and is seeking responses to our request for proposal (RFP) for the provision of services as detailed below.

Please deliver your proposal directly to the contact identified on the cover sheet. Provide a soft copy proposal no later than the deadline stated below.

Introduction

About Salinas Valley Memorial Healthcare System (SVMHS).

Salinas Valley Memorial Healthcare System is a Local Health Care District organized and operated pursuant to Division 23, Sections 32000 et seq, of the California Health and Safety Code ("Local Health Care District Law," formerly known as Local Hospital District Law). By an election held pursuant to Local Health Care District Law, the voters in Monterey County approved the formation of Salinas Valley Memorial Hospital District on June 9, 1947. By resolution dated June 20, 1947, the Board of Supervisors for Monterey County formed Salinas Valley Memorial Hospital District. In 1995, the District's name was changed to Salinas Valley Memorial Health Care District by District Board Resolution Number 1995-03. Then on March 20, 1997, the Board of Directors of the District adopted District Board Resolution Number 1997-02 changing the name of the District to its current name Salinas Valley Memorial Healthcare System.

Serving Communities in Monterey County, CA since 1953, Salinas Valley Memorial Hospital, founded in 1953, is the cornerstone of what would eventually become Salinas Valley Memorial Healthcare System (SVMHS). Today, we serve thousands of individuals and families just like you throughout the Salinas Valley, Monterey Peninsula and the surrounding region. Each year, our highly trained team of healthcare professionals takes our renowned quality of patient care to the next level. Our team actively utilizes the latest medical techniques with our state-of-the-art technology to improve your health and well-being. In many cases this provides you and your family the opportunity to receive specialized care right here in your own community, without the need for travel. Our 266-bed acute care hospital employs more than 1,600 people and has a medical staff of more than 300 board- certified physicians across a broad spectrum of specialties, all dedicated to your care.

Each day we deliver exceptional, compassionate and culturally sensitive care, holding true to our Mission of improving the health and well-being of our community.

Our SVMHS family takes great pride in the quality of our many medical specialties all focused on providing you with patient-oriented care.

Purpose:

The intent of Salinas Valley Memorial Healthcare System (SVMHS) Information Technology (IT) is to procure help desk services and engage in a three (3) to four (4) year contract relationship with a service provider. This Request for Proposal (RFP) is intended to solicit detailed information regarding your organization’s capability to provide help desk services that best supports our current and anticipated near term needs. Expected outcomes from this initiative are improved end-user satisfaction, increased ticket response and resolution times, increased first response resolution, and a reduction in support costs. Respondents to this RFP are expected to provide specifics regarding pricing and capabilities that meet our stated requirements. Based on our evaluation of responses, a short list of possible providers will be selected. Providers on the short list should be prepared to present the proposal to the selection committee.

Once a service provider is selected from this process, SVMHS will begin negotiations with the selected service provider to agree upon and execute the appropriate written agreement, which includes the agreed upon service level agreements.

Scope:

Salinas Valley Memorial Healthcare System (SVMHS) currently maintains its main network infrastructure presence at its Data Center in Salinas, California, where its internet presence and connectivity to members of the Salinas Valley Memorial Healthcare System is managed. This Data Center is the primary hub for all connectivity to SVMHS clinics and physician offices. There are multiple help desks at SVMHS and this RFP is restricted to the one managed by IT. The other help desks are related to specific categories of support related to clinical informatics, medical informatics, and ambulatory informatics.

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Request for Proposal, Help Desk Services

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I. Executive Summary

SVMHS is currently providing in-house information technology services which includes help desk functions. We are in the process of evaluating alternative approaches to its current Help Desk delivery approach and as a result is issuing this request for proposal (RFP) to organizations with a scalable business model that focuses on timely responsiveness, world class customer service and a quality assurance methodology that results in increased caller satisfaction. Our goal is to identify an external contact center to handle inbound communications for calls, emails, chat, and portal tickets via contacting the SVMHS Information Technology (IT) Help Desk. The contact center and its staff must be located in the United States. The provider will be responsible for the day to day operations of the contact center, including but not limited to, the hiring, training, and managing the contact center staff.

II. Salinas Valley Memorial Healthcare System Overview

Salinas Valley Memorial Healthcare System (SVMHS) is an integrated network of health care programs, services and facilities. Our goal is to improve the overall health of patients by providing better care, improving clinical outcomes, and lowering the cost of care.

Salinas Valley Memorial Hospital (SVMH), being at the core of the system, is a 263-bed, District Public Municipal Hospital. The hospital's 350 member medical staff represents all leading medical specialties across a broad spectrum of care. SVMH employs 1800 individuals supported by a team of 300 volunteers.

Taylor Farms Family Health and Wellness Center (TFFH&WC) is a hospital based rural health clinic (RHC) operating under SVMHS as an outpatient department of the hospital.

Salinas Valley Medical Clinic (SVMC) operates as a 1206(b) district clinic and is owned and operated by SVMHS. With 15 different locations, SVMC includes over 130 providers who practice 25 specialties & sub specialties throughout Monterey County.

Doctors on Duty (DOD) is an urgent care network, which offers primary care, occupational health and specialty services. With nine locations throughout Monterey and Santa Cruz counties, DOD provides the most comprehensive employer-related healthcare services, injury prevention and wellness programs on the California Central Coast. SVMHS has 85% ownership in the organization.

Clinical Affiliations include eleven (14) independent outpatient clinics throughout Monterey County that rely on SVMH for hosting services of an ambulatory electronic medical records, e-MDs and Epic.

Central Coast Health Connect (CCHC) is a countywide health information exchange (HIE) in which SVMHS is a principle partner with Montage Health and Natividad Medical Center. CCHC's goal is to provide patients and the health care community with a trusted, integrated and efficient infrastructure to enable the exchange of health information in order to facilitate high quality, patient-centered care and population health.

III. Evaluation Process and Schedule

Our organization will evaluate responses to our request for proposal (RFP) based on how well each response addresses our stated objectives and overall Healthcare System goals. In addition, we use the following criteria in the selection process:

1. Compliance with bid requirements
2. Quality of the methodologies proposed to meet intended objectives
3. Customer service, support
4. Relevant experience
5. Cost effectiveness of professional services
6. Availability to start immediately

RFP Schedule:

| Activity | Due Date |
|---|-------------------------|
| Request for Proposal Issued | December 14, 2020 |
| Clarifying Questions Deadline | January 8, 2021 |
| Submission Deadline | January 15, 2021 |
| Anticipated Preferred Vendor Selection Notification | January 22, 2021 |
| Contract Negotiations | Ending February 5, 2021 |

IV. Part III: RFP Requirements

Notice: SVMHS reserves the right to withdraw the RFP at any time before proposals are due, to waive any irregularity in the proposal documents or the solicitation procedures, or to reject any or all proposals submitted in response to the RFP, and is not liable to any respondent for the return of any proposal, or proposal materials sent by the Proposer.

Schedule for selection (RFP timeline, evaluation, ideal start date, etc.)

1. Deadline for submission of all proposals.
2. Notice of SVMHS contact to whom proposals shall be mailed
3. Request for one original, one duplicate copy, and one electronic copy (in Word or PDF format) of the proposal.
4. Notice of any planned pre-proposal meeting to discuss RFP (if applicable)
5. Vendor's willingness to agree to SVMHS's requested changes to a master agreement or similar.

V. Part IV: RFP Terms and Conditions

By participating in this RFP, respondent agrees to abide by the following terms:

- A. Contractual status of RFP

Request for Proposal, Help Desk Services

1. This RFP is issued for and on behalf of SVMHS, and is intended to be a RFP only. The RFP is not intended to create legal relationships between SVMHS and any vendor. Subject to the foregoing, nothing contained in this RFP or any other communication made by SVMHS or its representatives to any other party or parties as part of this RFP process shall constitute an agreement, contract, representation or warranty by SVMHS to any other party.
 2. This RFP is not an offer by SVMHS with any vendor. Acceptance of a proposal neither commits SVMHS to award a contract to any Vendor (even if all requirements stated in this RFP are satisfied) nor does it limit SVMHS' right to negotiate in its best interest. SVMHS reserves the right in its absolute discretion to contract with a Vendor for reasons other than the lowest price.
 3. SVMHS reserves the right to change any aspect of, or cease, the RFP and/or a subsequent RFP process at any time.
- B. Accuracy of Information**
1. This RFP does not purport to contain all of the information which a Vendor may require for the purposes of the RFP. The information is necessarily selective and is subject to change in the future.
 2. Although SVMHS has taken all reasonable steps to ensure that, as of the date of this document, the facts which are contained in this RFP are true and accurate in all material respects, SVMHS does not make any representation or warranty as to the accuracy or completeness or otherwise of this RFP or the reasonableness of any assumption on which this document may be based. In the absence of fraud, SVMHS accepts no liability to any Vendor whatsoever and howsoever arising out of or in connection with their participation in this RFP process, or their reliance on this RFP, or any omissions from, or deficiencies in, the provided as part of the RFP process.
 3. SVMHS may use the information included in a Vendor's response for any reasonable purpose connected with this RFP.
- C. Confidentiality**
1. The information contained in this RFP and/or provided to you through other written or verbal communications relating to the RFP process is strictly confidential. In consideration of SVMHS providing such information to you and as a condition to your review of this RFP, you agree that you will:
 - a. Use all information and material disclosed to you exclusively for the purposes of responding to the RFP (the "Purpose") and will not use such information or materials to obtain any other commercial, trading, financial or other advantage or for any other purpose;
 - b. Maintain confidential all information and materials relating to the RFP that you may acquire in any manner and make copies of such information only to the extent that the same is strictly required for the Purpose;
 - c. Not disclose whether directly or indirectly any information or materials relating to the RFP (or any part thereof) except to your own personnel and/or professional advisers and then only to the extent strictly required for the Purpose and under conditions of confidentiality;
 - d. Not make any announcement, press release or other public statement in connection with the RFP and/or your participation in the RFP process without the prior written consent of SVMHS.
 - e. Upon request by SVMHS, immediately return or destroy all information and materials relating to the RFP in your possession, custody or control including all relevant working papers and electronic copies of the foregoing. If requested by

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SVMHS you shall confirm in writing that all such information has been returned or destroyed.

2. Information received in response to this RFP will be held by SVMHS in confidence and, subject to any applicable legal or regulatory requirements, will not be disclosed to any party, other than to its own personnel and professional advisers and engaged consultants, without the express written consent of the Vendor.
 3. SVMHS is under no obligation to share any of the results or conclusions of the RFP process with any Vendor.
- D. Ownership of Intellectual Property
1. All intellectual property rights in this RFP and all materials provided by SVMHS or its professional advisers in connection with this RFP are and shall remain the property of SVMHS.
 2. SVMHS may exclude any Vendor from this process who has been found to be in breach of the above obligations in relation to confidential information and/or intellectual property rights and may pursue any remedy or take any other action for such breach as it considers appropriate.
- E. No collaboration between bidders
1. You are prohibited from discussing the RFP with any other Vendor to whom the RFP has been provided. If you wish to include third party products and/or services as part of your proposal you must obtain the prior written consent of SVMHS before providing details of the RFP to such other Vendor.
- F. Non-solicitation of SVMHS employees
1. No Vendor shall, during the RFP process and for a period of six (6) months thereafter, directly or indirectly offer employment to or otherwise endeavor to entice away from SVMHS any of its employees with whom such Vendor came into contact during the RFP process. This provision will not restrict any Vendor from engaging such employee pursuant to a bona fide recruitment advertisement not specifically directed at any employee of SVMHS and published in a national, regional or trade publication and where the employee responds to such advertisement without any form of prior approach by, or on behalf of, the Vendor.
- G. Costs
1. Each Vendor will bear its own cost in preparing a response to this RFP and any associated work effort regardless of whether a contract is awarded. SVMHS will not accept any liability or responsibility for any costs incurred by the Vendor in preparing a response to this RFP document or any associated work effort.
- H. Timing of responses
1. All responses must be received no later than the deadline specified. Any responses received after that date and time may, subject to SVMHS' absolute discretion, be eliminated from further consideration.

VI. Vendor Instructions

- **Submission Deadline:** On or before January 15, 2021.
- **Response Submission Instruction:** Proposals should be submitted via electronic mail to the below contact:

Audrey Parks
Chief Information Officer
aparks@svmh.com
450 East Romie Lane, Salinas, CA 93901

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(831) 759-1935

- **Clarifying Questions:** If your organization has any questions pertaining to the contents of this RFP, you are encouraged to send your questions or comments to the contact above and no other contacts at SVMHS to ensure all responses are shared among the participants of this RFP. Answers to the questions from any vendor shall be provided to all participating vendors.
- **Attachments:** Vendors are encouraged to provide concise answers and provide relevant attachments or web links as necessary.
- **Notice:** SVMHS reserves the right to withdraw the RFP at any time before proposals are due to waive any irregularity in the proposal documents or the solicitation procedures, or to reject any or all proposals submitted in response to this RFP. SVMHS is not liable to any respondent for the return of any proposal or proposal materials sent by the proposer.

VII. Part I: Vendor Information

| | | | |
|---|--|---------|---------------------------|
| Name of Vendor: | CloudWave | | |
| Name of Owner/CEO: | Erik Littlejohn, President & COO, CloudWave | | |
| Name and Title of Contact/Proposer: | Mike Donahue, Director Sales Engineering, CloudWave | | |
| Address: | 100 Crowley Dr | Number: | 978.761.2768 |
| (city, state, zip) | Marlborough, MA 01752 | Email: | mwdonahue@gocloudwave.com |
| Number of Employees: | 127 | | |
| References: (no more than three; name, title, email) | <p>1. Stephanie McDonell, SVP/CIO United Regional Healthcare System</p> <p>2. Chuck McQuerry, COO Advocare</p> <p>3. Dr. Christopher Crow, CEO StratiFi Health</p> <p>Contact details will be provided in coordination with GuideIT and CloudWave consistent with customer agreements.</p> | | |

VIII. About Our Environment

SVMHS support locations include approximately 2,300 employees, 300 providers (such as physicians, physician assistants), and 500 contracted clinic-based staff principally located at 450 East Romie Lane or within Monterey County.

Currently, our IT infrastructure, including hardware, network and software support, consists of the following:

- Largely a Windows environment with virtual desktop infrastructure technologies by both VMware and Citrix
- Approximately 600 virtual servers supporting applications and providing desktop virtualization

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- Approximately 170 distinct applications with 30 of them being cloud-based
- Approximately 2,200 end user devices (excluding printers and peripherals)
- Approximately 4,500 active users with an estimated 3,000 likely to call our current Help Desk
- Approximately 18 separate locations (addresses) for our main Hospital and its departments

The current call average is about 2,100 per month. Enterprise projects will occur occasionally that may increase current support requirement levels by approximately 2% - 5% during implementation.

IX. Proposal Requirements

Service provider's description of prior experience providing this type of service. Include attachments as necessary.

The objectives for the outsourced Help Desk services are as follows. **For this section, "Proposal Requirements," please provide any additional information that will help us in our selection process. If there is an item the service provider cannot meet, please provide additional details.**

| Criteria | Response/Acknowledgement |
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| <p>a. Describe on-boarding process</p> | <p><i>CloudWave and GuidelT are leveraging the benefits and strengths of both organizations to provide a solution. This joint relationship will be referenced in this document as "Partner."</i></p> <p>Partner's onboarding process begins with a project kickoff to identify stakeholders, review deliverables and timeline, and begin scheduling tasks for each workstream. The Transition is broken into four workstreams:</p> <ul style="list-style-type: none"> • ITSM System Configuration • Process & Procedure Documentation • Service Desk Training • Infrastructure Access <p>ITSM System Configuration is the workstream for Partner's Service Management Organization to build Partner's ITSM system components to mirror SVMHS's existing configurations within its own ITSM system (e.g. ticket categorization, team names, etc.). Partner has a standard process and template to capture this information. This workstream will also be responsible for coordinating with the SVMHS resource to configure the bi-directional API between systems, which is documented in more detail in a response below.</p> <p>Process & Procedure Documentation is the workstream responsible for creating the process and procedures for Service Desk support and transitioning any existing knowledge documentation into Partner's ITSM system for consumption. As part of this workstream, the Service Management Organization will also review and</p> |

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| | <p>optimize processes for knowledge and ticket management. Transition leaders will identify key SVMHS stakeholders and schedule sessions with various support groups in advance to review and document each group's workflow and understand how the Service Desk best integrates into existing ticket management process. The Transition team will also need access to the existing Service Desk team or team leader to transition existing Service Desk specific documentation and understand any existing support processes.</p> <p>Service Desk Training is responsible for converting the knowledge articles into training materials and providing comprehensive training to all Service Desk team members who will be supporting SVMHS. Training is instructor-led and includes both exercises and assessments to confirm Service Desk team member readiness. Prior to go-live, mock calls are also facilitated as a final milestone.</p> <p>Infrastructure Access is the workstream that facilitates connectivity and access to the SVMHS system resources needed to support. This is typically a point-to-point VPN tunnel to allow Partner resources to access required systems like Active Directory Users & Computers. Partner can also make use of an existing external solution like Citrix Remote Access, SecureLink, etc. This workstream is also used to identify account permission requirements for the Service Desk into various systems needed for support.</p> |
| <p>b. 24 by 7 by 365 live support coverage (on-shore)</p> | <p>Partner will make available a Service Desk staffed 24x7x365 with on-shore resources. The staff supporting SVMHS end-users will be trained on SVMHS specific support processes and have the appropriate access required to resolve all applicable incidents and requests.</p> |
| <p>c. Level 1 phone and chat support, based in the United States for all service provider employees/contractors/business partners with access to SVMHS systems</p> | <p>Partner will work with SVMHS to generate or forward a phone number into Partner's Service Desk. Partner will also provide SVMHS with a web URL to Partner's Service Desk chat. Both phone and chat workflows utilize the Gartner Magic Quadrant leader for Contact Center as a Service, NICE inContact enterprise contact center.</p> |
| <p>d. Work directly with SVMHS IT staff for end user device issues</p> | <p>Partner will attempt to resolve end-device issues as part of its routine troubleshooting, leveraging knowledge articles gathered during the Transition period. If Partner determines the end-device needs to be physically reviewed, a ticket will be reassigned to the appropriate deskside support queue with detailed troubleshooting documentation and physical location of the asset.</p> |

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| <p>e. Provide details on how the transition plan will be executed along with acceptance criteria and schedule</p> | <p>Please see response (a.) above for an overview of the Transition plan. Partner has developed a Transition project plan with milestones.</p> <p><u>Please see Supporting Document A for Transition Plan.</u></p> |
| <p>f. Describe effects of termination of agreement</p> | <p>Partner will provide two termination methods in its agreement:</p> <ol style="list-style-type: none"> 1. Termination with sixty days' notice if Partner fails to meet any particular SLA for three consecutive months or any four months in a rolling six-month period. 2. Termination with ninety days' notice at the end of the agreement term <p>If termination is requested, Partner will provide the services to facilitate transfer to a new entity. An estimate will be provided for any transition effort required that will be completed outside of Partner personnel currently dedicated to providing the service.</p> <p>All documentation, including knowledge articles and other process documents, as well as ticket history, will be provided back to SVMHS in the appropriate format during the transition.</p> |
| <p>g. Describe tools used for remote support</p> | <p>Partner uses Bomgar as its remote control tool. Bomgar can be configured to the client's needs and does not require an agent to connect. Partner does recommend installing the unattended agent on end-devices to increase speed to remote control.</p> |
| <p>Service Desk Staff On-Going Training</p> | |
| <ul style="list-style-type: none"> • SVMHS will provide access to training materials for relevant SVMHS systems and services as well as provide initial training if requested by service provider. Service provider is responsible for subsequent training to its current and new Service Desk staff. | <p>Partner will take a train-the-trainer approach toward training, both during and after the initial Transition period. Partner has a dedicated training and quality team whose focus is to create training materials and coordinate training across all team members.</p> <p><u>See Supporting Document B for training framework.</u></p> |
| <ul style="list-style-type: none"> • Work with Subject Matter Experts to gather and update knowledge base articles to improve resolvability over time | <p>Partner accepts the responsibility of drafting all knowledge articles for Service Desk support. Partner will work with SVMHS staff as needed to request information, validate article accuracy prior to publication, and ensure articles are kept up-to-date over time. Partner will monitor for resolution opportunities and initiate the request for information and/or access through SVMHS's designated</p> |

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| | points of contact. Additional resolution opportunities will be tracked through the Continual Improvement program. |
| Service Desk Process for Incident Escalation | |
| <ul style="list-style-type: none"> Service provider must have a clearly articulated procedure for escalation of incidents using prioritization | <p>Partner's standard for prioritization is an ITIL-aligned matrix for prioritizing by urgency to restore service and impact to the business. Prioritization is output on a numeric scale from 1 to 4, where 1 is used for major enterprise outages. Partner will work with SVMHS during the Transition to determine critical IT Services and any unique processes that drive certain prioritizations as well as to ensure that Partner's priority standard integrates into SVMHS's standard, if different.</p> <p>In addition, Partner will follow a streamlined procedure for escalating Partner hosted issues directly to Partner support. This reduces the burden of SVMHS's technical teams from spending time troubleshooting, triaging, and coordinating issues with Partner hosted services.</p> |
| <ul style="list-style-type: none"> Describe service provider's processes for integrating into existing level 2 or higher support models | <p>During the Transition period, sessions will be held with each major support group to review a series of discovery questions. The following outcomes will be accomplished through these sessions:</p> <ul style="list-style-type: none"> Turnover of support documentation for the Service Desk's use Identifying services that each team supports Identifying desired ticket handoff process for each team (warm, cold, etc.) Documenting troubleshooting/documentation requirements for each team |
| <ul style="list-style-type: none"> Describe incident escalation and notification tools such as text messages, email distribution groups, or other. Service provider must be able to communicate incident status through closure to all parties | <p>In the support model that Partner is proposing, regular ticket assignment notifications would be sent via SVMHS's ticketing system workflow. In addition to regular ticket assignment emails, Partner can configure these additional notifications as required during the Transition period:</p> <ul style="list-style-type: none"> Email and SMS notifications to pre-defined lists by support team (e.g. high priority ticket assignment) Warm hand-off and escalation by the Service Desk to designated SVMHS personnel for high priority tickets or after-hours escalations <p>The Service Desk will maintain access to every ticket and all updates within to provide status to the end-user when requested.</p> |
| <ul style="list-style-type: none"> Describe service provider's preferred process for escalation | <p>The Service Desk will work to identify trends based on repeat calls, communicating internally amongst the team</p> |

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| <p>of major incidents to the appropriate SVMHS contact</p> | <p>to identify a larger scale pattern. Partner's preferred process for major incident escalation is as follows:</p> <ol style="list-style-type: none"> 1. The Service Desk identifies a trend in issue reports, or is proactively notified by a L2 or L3 team of a major service interruption 2. If call volume is high, a front-end message may be placed on the phone line to proactively notify callers of a new service event 3. A "parent" ticket is identified, generally the first report of the incident, and classified as a Major Incident with a Priority 1 or 2 4. If SVMHS has a major incident response team, the Service Desk will escalate to that team per SVMHS's process 5. If SVMHS does not have a major incident response team, the Service Desk prefers to ensure a warm hand-off occurs to the L2 or L3 team responsible for service restoration 6. After the major incident is reported, the Service Desk will track all subsequent issue reports as "child" tickets, linking records to the parent ticket to ease of closure when service is restored 7. During service restoration, the Service Desk will leverage any updates provided to them to update the front-end message with issue status and provide callers with detail 8. When service is restored, the Service Desk can assist with end-user validation as needed |
| Service Desk Service Level Agreements | |
| <p>SVMHS and Service provider will arrive at mutually acceptable Service Level Agreements (SLAs) for which support is contracted, and these SLAs will become part of the written agreement. SLA's will be reviewed by both parties annually for the life of the agreement.</p> | <p>Partner acknowledges and agrees to this requirement.</p> |
| <p>The following is a list of current risk and performance standards to be measured, evaluated and tied to performance monitoring and penalties. Additional SLA's not listed may be negotiated and agreed to.</p> | <p>Partner is not proposing any additional SLA's in its submission.</p> |
| <ul style="list-style-type: none"> • Percentage of First Contact Resolution – 85% or greater | <p>Partner agrees to this SLA with the following exclusions:</p> <ul style="list-style-type: none"> • Contacts involving Incidents that should be resolved by an organization other than the IT Service Desk. |

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| | <ul style="list-style-type: none"> • Contacts deemed unresolvable by the IT Service Desk because a Ticket has already been opened for the Incident or because the Incident is among those included on a predefined list of unresolvable or in-action items. • Incidents for which a knowledge base article documenting the process for First Contact Resolution does not exist. • Partner or CW Customer system/ application outages not within the control of Partner. |
| <ul style="list-style-type: none"> • Average speed to answer (ASA) phone call to Service Desk – 85% or greater answered within 45 seconds | <p>Partner agrees to this SLA with the following exclusions:</p> <ul style="list-style-type: none"> • Calls where the End User selects the option to leave a voicemail message. • Abandoned Calls (as defined below). • Calls where the End User selects the option for a call back. • Calls related to SVMHS system/ application outages not within the control of Partner. |
| <ul style="list-style-type: none"> • Percentage of abandoned calls – 7% or less | <p>Partner agrees to this SLA with the following exclusions:</p> <ul style="list-style-type: none"> • Calls answered by an IT Service Desk representative. • Calls not answered due to the End User hanging up or disconnecting the telephone call 30 seconds or less after entering the system hold queue. • All telephone calls made to the Service Desk where the End User leaves a voicemail. • Calls where the End Users selects the option for a call back. • Calls related to SVMHS system/ application outages not within the control of Partner. |
| <ul style="list-style-type: none"> • SVMHS Satisfaction Scores – average 3 or greater out of 4 | <p>Partner agrees to this SLA with the following exclusions:</p> <ul style="list-style-type: none"> • Surveys where both parties agree that the survey was not related to Partner's services. • Clear and obvious surveys where the submitter made a mistake when completing the survey. |
| <p>Service provider should be prepared to have the above performance standards incorporated into a service level agreement and be enforceable with monetary penalties for non-compliance. SVMHS is open to adopting the Service provider's standard SLA language assuming</p> | <p>Partner is prepared to incorporate both monetary penalties for monthly SLA misses as well as a contract termination clause for failure to perform over multiple consecutive months.</p> |

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| that language can support the performance standards. | |
| Service Desk Incident Tracking | |
| <ul style="list-style-type: none"> Level 1 email and self-service portal support, based in the United States, utilizing SVMHS's IT service management (ITSM) system or Service provider's ITSM system with an interface between the Service provider's ITSM system and SVMHS's ITSM system to send and receive tickets, ticket updates, and communications | <p>Partner will provide Level 1 technical support, using staff in the United States, through the contact channels of phone, chat, email and self-service portal. For email and portal channels, the ticket will originate in SVMHS's ITSM platform and create an identical ticket record in Partner's ITSM platform for the Service Desk to action.</p> <p>To accomplish this, Partner proposes a bi-directional API integration between Partner's ITSM platform and SVMH's ITSM platform to generate tickets and send updates through the lifecycle of each ticket. For phone and chat tickets, the ticket will be created in Partner's ITSM system and an API request will be made to SVMHS's ITSM system to generate the record. If the ticket is updated (e.g. notes added, assignment updated) in Partner's ITSM system, updates will be passed into the corresponding SVMHS ticket.</p> <p><u>Please see Supporting Document C for technical overview of ITSM integration.</u></p> |
| <ul style="list-style-type: none"> Service provider must either have tools and technology in place to track each incident/request reported, or adopt or integrate with SVMHS's ITSM system to track all incidents/requests. Ability to track average handle time per call | <p>Using the API integration described in the response above, Partner will maintain access to all tickets and their respective notes, assignments, and other details at all times.</p> <p>Partner also can track handle time per call as well as many other ACD metrics.</p> |
| <ul style="list-style-type: none"> Service provider must have tools and methodologies to analyze patterns drawn from documented incidents and immediately notify SVMHS of system issues | <p>Partner will leverage its major incident process for issue identification and escalation of any systematic issues impacting multiple users. Partner's preferred process is documented in the response to Criteria Item: <i>Describe service provider's preferred process for escalation of major incidents to the appropriate SVMHS contact</i></p> <p>Partner will also perform trending analysis, leveraging an internal Business Intelligence tool, to provide observations of issue patterns and remediation recommendations where possible. Trending analysis reporting will be incorporated as part of the Continual Improvement Program.</p> |
| <ul style="list-style-type: none"> Describe Service Level Agreements to limit "hold time" waiting for Help Desk call availability | <p>The proposed SLA for answer speed at 85% or greater answered within 45 seconds is sufficient to ensure a high degree of phone availability to the Service Desk. If this SLA is being met, we generally see the actual average answer speed is around 30 seconds or less with a</p> |

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| | significant percentage of calls routing to an immediately available analyst. |
| <ul style="list-style-type: none"> • Generate a ticket in the designated ITSM system for each incident or request received from end-user | The Service Desk will create a ticket for each new incident or request submitted via phone call and chat. Partner has audit and reconciliation reporting in place to ensure tickets are being generated consistently. |
| <ul style="list-style-type: none"> • Ability to use remote access to resolve technical issues with their provided tool | Partner uses Bomgar for screen share and mouse/keyboard control; this includes the ability to elevate privileges locally on the end-device, if permitted by SVMHS. Privilege elevations allows for the Service Desk to perform activities such as approved software installation, reinstallation, Window setting changes that require User Access Control, etc. It is standard procedure for the Service Desk to initiate remote control for advanced support to maximize resolvability. |
| Service Desk Service Performance Evaluations | |
| <ul style="list-style-type: none"> • Service provider must supply reports to SVMHS on a weekly, monthly, quarterly and annual basis any reports supporting service level agreements | Partner agrees to this requirement and expands on reporting in the below Criteria section <i>Service Desk Service Reports and Deliverables</i> . |
| <ul style="list-style-type: none"> • At least monthly communication with a designated SVMHS leader(s) and provider's counterpart | Partner agrees to this requirement; monthly reporting on metrics and improvement initiatives will be delivered to the designated SVMHS leader for discussion. |
| <ul style="list-style-type: none"> • Meet all service levels agreed upon and report on a monthly basis | Partner agrees to the SLAs described in this RFP and will provide a monthly SLA report which measures Partner performance against the SLA targets. |
| <ul style="list-style-type: none"> • Escalation of repetitive, unresolved issues to appropriate SVMHS IT management | Repetitive, unresolved issues are identified through trending analysis and SVMHS will be notified as part of the Continual Improvement Program. |
| Service Desk Service Reports and Deliverables | |
| <ul style="list-style-type: none"> • Service providers must include sample reports as part of their responses | Partner has included sample reports as their response to the below desired metric reports. |
| <ul style="list-style-type: none"> • Key metric reports must include, at a minimum, the following: | |
| <ul style="list-style-type: none"> ○ Automated call distribution reports (weekly, monthly) containing week to week and month to month service level metrics regarding calls | Partner utilizes a Business Intelligence platform to consolidate and combine data from multiple sources (e.g. contact center platform and ITSM platform). Partner will formally deliver a Service Level report at the completion of each calendar month which reports the month's performance against the agree upon Service Levels. In addition, reports can be generated for other ACD data points. Additional report requirements, scheduling and distribution can be decided upon during the Transition period. |

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| <ul style="list-style-type: none"> - volume of calls received by week | Partner can deliver this metric - see sample report. |
| <ul style="list-style-type: none"> - average hold time | We do not provide average time a caller spends on hold as a standard report but have the data available to provide on request. |
| <ul style="list-style-type: none"> - answer time | Partner can deliver this metric - see sample report. |
| <ul style="list-style-type: none"> - abandoned calls | Partner can deliver this metric - see sample report. |
| <ul style="list-style-type: none"> o Volume of tickets | Partner can deliver this metric - see sample report. |
| <ul style="list-style-type: none"> - Types of incidents and requests | Partner can deliver this metric - see sample report. |
| <ul style="list-style-type: none"> - Categorization of tickets | Partner can deliver this metric - see sample report. |
| <ul style="list-style-type: none"> - First call resolution rate | Partner can deliver this metric - see sample report. |
| <ul style="list-style-type: none"> o Business impact reports – monthly comparison of service levels that include call stats, ticket volumes, top incident categories and SLA trends | Partner can deliver this metric - see sample report. |
| <ul style="list-style-type: none"> o Service Level Attainment Summary – monthly review of service levels, SLA trend analysis, and root cause for any issues | Partner can deliver this metric - see sample report. |
| Customer Satisfaction | |
| <ul style="list-style-type: none"> • Service provider and SVMHS shall develop a formal program for measuring satisfaction at the management and end-user levels | Partner will work with SVMHS over the Transition period to define the end-user survey associated with tickets, including the questions, frequency, and scoring to adapt to the 4-point scale score established in the SLA. Partner will also conduct a project survey at the end of the Transition as well as an annual survey for Management satisfaction of the services being provided. |
| <ul style="list-style-type: none"> • Satisfaction surveys will be sent from the SVMHS's ITSM system which the Service Provider will have access to for survey reporting | Partner acknowledges and agrees to this requirement. |
| <ul style="list-style-type: none"> • Satisfaction measurement results are to be shared with SVMHS quarterly with scoring from 1 to 4 with a minimum of 3 success rating. | Partner will report on results of end-user satisfaction surveys monthly as part of the agreed upon SLA. Any data associated with surveys will be provided to SVMHS as needed. |
| <ul style="list-style-type: none"> • Service provider will review all low surveys pertaining to the Service Desk service and report on actions taken to remediate the cause of a dissatisfied survey | During the transition period, Partner will develop a process for receiving and reviewing low survey scores. As applicable, Partner leadership may contact the end-user directly to clarify or expound on any survey feedback. A recurring report of all low score reviews and outcomes will be tracked and shared with SVMHS, including incorrectly completed surveys that need to be excluded per Partner's |

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| | exclusion request documented in our Satisfaction Score SLA response. |
| Account Manager | |
| There will be a leader at SVMHS who will serve as the business contact for the selected service provider. A service provider Account Manager shall be assigned to SVMHS and the individual will be responsible for the following: | Partner will assign a dedicated Customer Success Manager (CSM) to act as a single point of contact for any issues or escalations of the service. The CSM will also be responsible for providing and presenting all reporting metrics captured as a part of the service. |
| <ul style="list-style-type: none"> • Be available during standard business hours via phone and email | Partner acknowledges and agrees to this requirement. |
| <ul style="list-style-type: none"> • Be able to be reached in emergency off-hours via cell phone or make arrangements for emergency contact | Partner acknowledges and agrees to this requirement. |
| <ul style="list-style-type: none"> • Have a backup contact identified if the account manager cannot be reached within a reasonable amount of time or four (4) business hours | Partner acknowledges and agrees to this requirement. |
| <ul style="list-style-type: none"> • Account Manager shall not change more than once every eighteen (18) months unless at the request of SVMHS | Partner acknowledges and agrees to this requirement. |
| Continual Service Improvement | |
| SVMHS expects the service provider to implement and manage an Information Technology Infrastructure Library (ITIL)-based continual service improvement practice to recommend and action improvements to the service over time. These improvements may be a mixture of observations and trending causing a recommendation for the SVMHS to action, or an improvement within the responsibility of the provider to action. Provider will maintain a continual improvement register which will be used to identify improvements, baseline, track progress, and measure value output from completion. The following areas are expected to be evaluated for continual improvement: | <p>Partner will implement a Continual Improvement Program, incorporating the below Criteria into continual Areas of Focus. Each Area will be reviewed on an ongoing basis to identify trends and to either make recommendations back to SVMHS for an improvement or generate an actionable item for the Partner delivery team to complete. The improvement register will be tracked by a Partner's Service Management team and updates will be provided no less than monthly on progress. The primary goals for the Continual Improvement Program will be to:</p> <ul style="list-style-type: none"> • Increase efficiency and speed to resolution • Increase quality of support processes and integration into SVMHS's support teams • Increase quality of customer experience • Reduce Support cost through maximizing Service Desk resolvability • Reduce Service Desk cost through ticket elimination |
| <ul style="list-style-type: none"> • Proactively monitor for repeat issues that may be part of a | Partner agrees to this requirement and will incorporate into its Continual Improvement Program. |

Request for Proposal, Help Desk Services

| Criteria | Response/Acknowledgement |
|--|---|
| <p>larger problem, and escalate to SVMHS leadership with detailed analysis</p> | |
| <ul style="list-style-type: none"> • Create the template for knowledge articles, recommend and create new articles to improve service, and ensure articles are kept updated | <p>Partner agrees to this requirement and will incorporate into its Continual Improvement Program.</p> |
| <ul style="list-style-type: none"> • Continually analyze existing processes to identify ways to increase service delivery efficiency and quality | <p>Partner agrees to this requirement and will incorporate into its Continual Improvement Program.</p> |
| <ul style="list-style-type: none"> • Identify, recommend, and drive opportunities to shift-left work items to the Service Desk for increased Level 1 resolution | <p>Partner agrees to this requirement and will incorporate into its Continual Improvement Program.</p> |
| <ul style="list-style-type: none"> • Recommend ITSM improvements for better data capture, workflow, etc. | <p>Partner agrees to this requirement and will incorporate into its Continual Improvement Program.</p> |
| <ul style="list-style-type: none"> • Maintain a Quality Assurance program that measures Service Desk staff against SVMHS processes | <p>Partner will incorporate SVMHS's specific support requirements into its larger Quality Assurance program. The Quality Assurance program will be overseen as a component of the Continual Improvement program.</p> <p><u>See Supporting Document D for sample QA workflow.</u></p> |
| <ul style="list-style-type: none"> • Regular meetings (phone or in-person) with SVMHS staff to discuss operational improvements, recent problems, trends and management issues. At minimum these meetings should be bi-weekly. | <p>During transition, Partner and SVMHS will identify key stakeholder teams and leadership that the Service Desk will interact with most regularly. Recurring, agenda-driven meetings will be scheduled to promote operational improvements. Improvement examples may be a request for knowledge, team-to-team assignment changes, communication of upcoming changes, etc. Discussions and action items will be tracked and reviewed during each meeting. Some items discussed during these meetings may be transferred to or shared with the overall continual improvement program for tracking.</p> |
| <ul style="list-style-type: none"> • Monthly Summary – Deliver trend observations, recommendations for improvements, and provide update on continual improvement program's active initiatives and results from previously completed initiatives | <p>Partner agrees to this requirement and will incorporate into its Continual Improvement Program.</p> |
| <ul style="list-style-type: none"> • Describe scope of services provided and excluded from proposed solution. | <p>Partner provides a leveraged Service Desk service that scales to your support volume needs, with 24x7x365 access to trained professionals through up to four contact channels (phone, chat, email, portal).</p> |

Request for Proposal, Help Desk Services

| Criteria | Response/Acknowledgement |
|----------|--|
| | <p>The Service Desk team will be a single point of contact to attempt resolution at user-initiated issues and service requests. If unresolved, the Service Desk will escalate to the appropriate team for additional support using defined and agreed upon methods of ticket transfer and communication.</p> <p>The Service Desk will make use of a remote-control tool, capable of viewing the user's screen and controlling mouse/keyboard as well as local administrator rights elevation on the device when necessary. The Service Desk will be trained on SVMHS support processes, applications and services and have access to knowledge articles follow any task where resolution steps are documented. Absent a knowledge article, the Service Desk will perform off-script troubleshooting, using their technical skillset and online resources to attempt resolution.</p> <p>The Service Desk will intake any type of technical support issue or request, including basic user administration to common systems like email. Below are the types of support items that are most frequently supported:</p> <ul style="list-style-type: none"> • Software Issues (OS, Commercial Off-The-Shelf) • Clinical Application Issues • Business Applications Issues • Password Resets / Account Unlocks • Hardware Break / Fix (PCs, Desk Phones) • Peripheral Break / Fix (Printers, Scanners) • Access Management, including provisioning and deprovisioning • How To / Education requests • Software installations • Telecom (extension management) • Mobile Devices (Mobile Mail, mobile OS) • VPN Support |

X. Supporting Documentation Index

A: Transition Plan

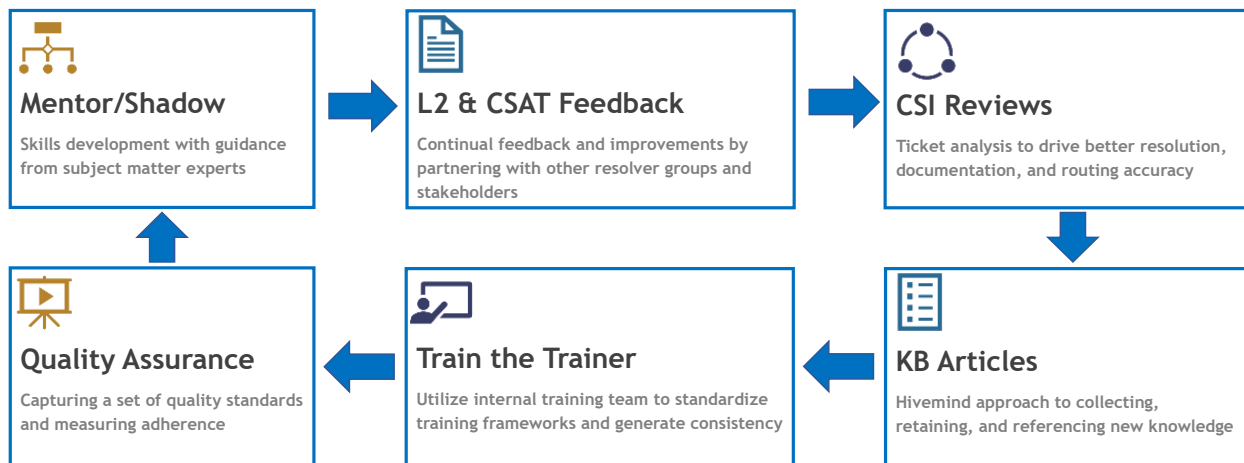
See Attached Document:

"SVMHS Transition Master Plan 012121.pdf"

B: Training Framework

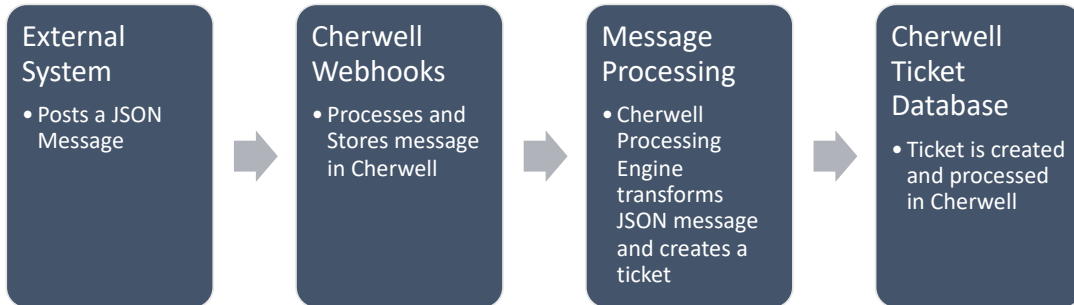
Technical Service Desk Training Framework

Training & Collaboration



C. Technical overview of ITSM integration.

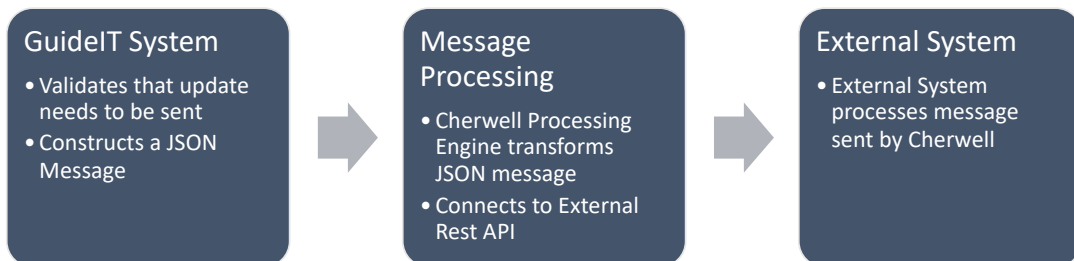
GuidelT API - Normal Messages (Incoming) - Asynchronous



GuidelT API - Normal Messages (Incoming) - Synchronous



GuidelT API - Outgoing Messages - Normal



GuidelT API - Typical Messages Exchanged



GuidelT API - New Incident Record Creation

Required Fields

- Customer Email
- Short Description
- Description
- Service
- Category
- Description
- Priority
- Call Source
- Owned by Team
- Vendor Ticket Number
- Vendor Ticket ID

Non-Required Fields

- Impact
- Urgency

GuidelT API - Record Closure

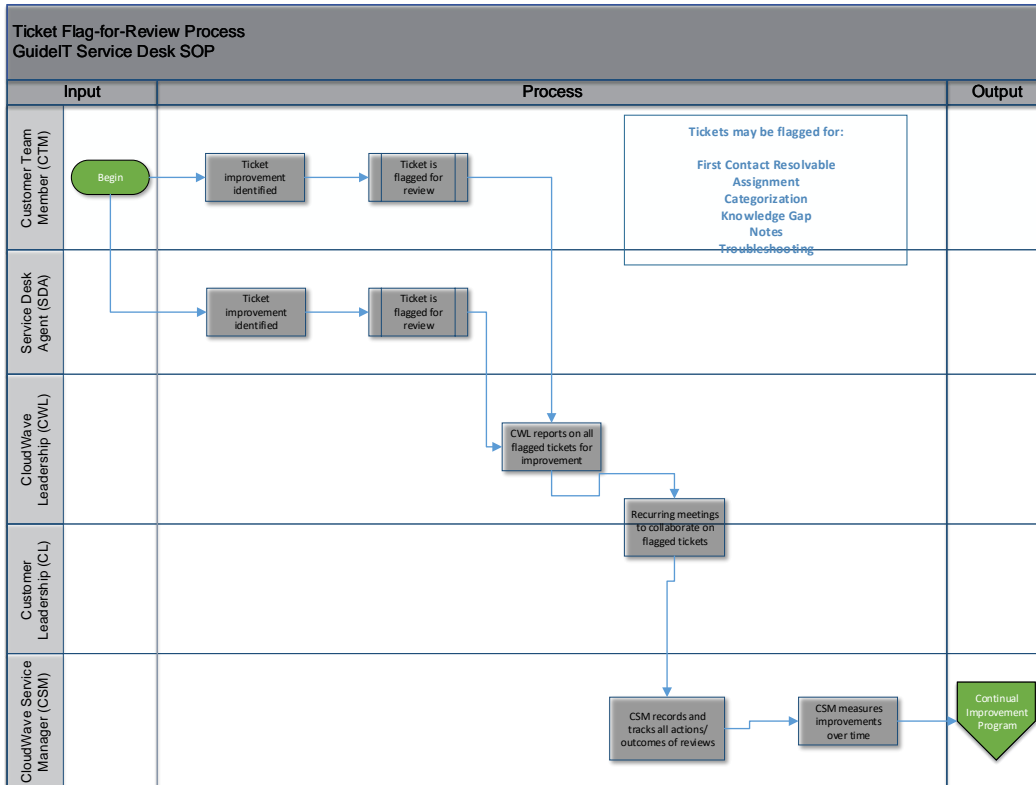
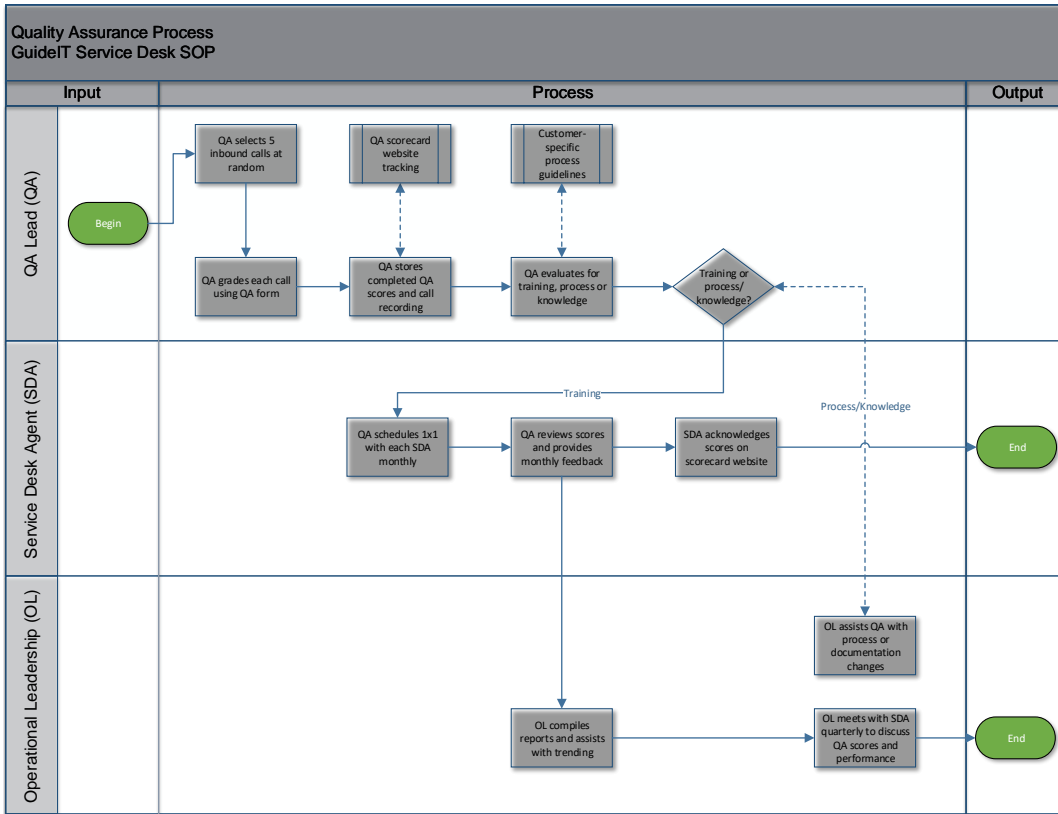
Required Fields

- Close Description
- Resolution Code

Non-Required Fields

- Impact
- Urgency

D. Sample Quality Assurance Workflow



Request for Proposal, Help Desk Services

E. Partner Profiles – Qualifications & Experience
[\(Go to referenced section\)](#)

See Attached Documents:

“Levi Pagsuberon Resume.pdf”

“Nicole Woods Resume.pdf”

“Taylor Walker Resume.pdf”

“Rahul Sharma Resume.pdf”

F. Pricing Schedule by Month

Based on information provided in the RFP and consistent with the model presented in the cover letter, the table below represents pricing per month for the proposed 48 months of the agreement.

| Month | 1-3 (Transition) | 4-12 | 13-24 | 24-36 | 37-48 | Total |
|-------------|---------------------|------------------|------------------|------------------|------------------|--------------------|
| FEE* | \$134,052 | \$253,941 | \$344,900 | \$353,472 | \$362,259 | \$1,448,625 |

*Excluding future volume growth or decline adjustments

Request for Proposal, Help Desk Services

G. Proposed Service Level Agreements

| Priority Matrix | | Impact | | |
|-----------------|--------|----------|----------|--------|
| | | Major | Moderate | Minor |
| Urgency | High | Critical | High | Medium |
| | Medium | High | Medium | Low |
| | Low | Medium | Low | Low |

| Impact | |
|-----------------|--|
| Major | <ul style="list-style-type: none"> The Customer Facility is down for all Customer employees and they are not able to perform their work. If not resolved promptly, the Incident may result in lost revenue for Customer. The Incident requires notification to Customer's Senior Leaders (C-suite). |
| Moderate | <ul style="list-style-type: none"> A significant number, but not all, Customer employees are unable to work due to the Incident. There is currently no workaround or corrective action that is readily available to correct the Incident. The Incident requires notification to the Customer. |
| Minor | <ul style="list-style-type: none"> A single, or minimum, number of Customer employees are impacted by an outage or slow-down of the Incident. Only a selected amount of impact to Customer's employees and a solution is known or can be readily implemented. No damage to the reputation of the Customer's business, the business unit, or the Customer is likely to be noticed. |
| Urgency | |
| High | <ul style="list-style-type: none"> The damage caused by the Incident increases rapidly. No workaround is available or the Incident cannot be immediately rectified. Several End Users with VIP status are affected. |
| Medium | <ul style="list-style-type: none"> The damage caused by the Incident increases considerably over time. A workaround may be implemented or known but has not been tested. A single End User with VIP status is affected. |
| Low | <ul style="list-style-type: none"> The damage caused by the Incident only marginally increases over time. A workaround is available but has not been implemented for the Incident. Default for all non-VIP End Users, standard entry point into ITSM. |

Request for Proposal, Help Desk Services

Table 1 – Service Level Agreements (SLAs)

| SLA No. | Service Area - Name of SLA | Description | Effective Date / Hours of Operation | Data Capture | SLA Target | Exclusions | Calculation |
|---------|-----------------------------------|---|--|--------------------|--|---|--|
| 1 | IT Service Desk &–Speed to Answer | The time within which a telephone call placed to the IT Service Desk by an End User (each, a “Call”) is answered (“Speed to Answer”). The duration is measured from the time that the Call enters the hold queue until the Call is answered by an IT Service Desk representative, as applicable | Contract Month 6 IT Service Desk Hours, as applicable | GuideIT PBX System | Speed to Answer Rate not more than 45 seconds for 85.0% of Calls received in a month | <ul style="list-style-type: none"> • Calls where the End User selects the option to leave a voicemail message. • Abandoned Calls (as defined below). • Calls where the End User selects the option for a call back. • Calls related to Customer system/application outages not within the control of GuideIT. | Speed to Answer Rate = (number of Calls with a 45 second or less Speed to Answer in a month / total number of Calls in that month * 100% (Results for IT Service Desk are aggregated for measurement purposes) |
| 2 | IT Service Desk– Abandon Rate | The percentage of Calls during a month where the caller stayed on the line for more than 30 seconds from the time the call enters the hold queue, then abandons the call (each, a “Abandoned Call”) as a percentage of the Calls received by the IT Service Desk during the same month. | Contract Month 6 IT Service Desk Hours, as applicable | GuideIT PBX System | Abandon Rate not to exceed 7.0% | <ul style="list-style-type: none"> • Calls answered by an IT Service Desk representative. • Calls not answered due to the End User hanging up or disconnecting the telephone call 30 seconds or less after entering the system hold queue. • All telephone calls made to the IT Service Desk where the End User leaves a voicemail. • Calls where the End Users selects the option for a call back. | Abandon Rate = (# of Abandoned Calls / Total # of Calls) * 100% (Results for IT Service Desk are aggregated for measurement purposes) |

Request for Proposal, Help Desk Services

| SLA No. | Service Area - Name of SLA | Description | Effective Date / Hours of Operation | Data Capture | SLA Target | Exclusions | Calculation |
|---------|--|--|--|--------------|--|--|---|
| | | | | | | <ul style="list-style-type: none"> Customer system/application outages not within the control of GuideIT. Any month in which the volume of Calls is less than 300. | |
| 3 | IT Service Desk – First Contact Resolution | The percentage of Eligible First Contacts during a month that are resolved by an IT Service Desk representative responding during the first telephone call to the IT Service; <i>or</i> by the first response to an email or web portal entry by a IT Service Desk representative, as the case may be (the “First Response”). “Eligible First Contact” means a Contact by an End User via Call, email or web portal reporting an Incident for which a knowledge base article documenting the process for resolution of the Incident has been agreed upon and documented. | Contract Month 6 IT Service Desk Hours, as applicable | ITSM System | Not less than 85.0% of Eligible First Contacts are resolved by the First Response. | <ul style="list-style-type: none"> Contacts involving Incidents that should be resolved by other than the IT Service Desk. Contacts deemed unresolvable by the IT Service because a ticket has already been opened for the Incident or because the Incident is among those included on a predefined list of unresolvable or in-action items. Incidents for which a knowledge base article documenting the process for First Contact Resolution does not exist. Customer system/application | First Contact Resolution = (number of Eligible First Contacts during the period resolved by the First Response / total number of Eligible First Contacts during the period) * 100%. (Results for IT Service Desk are aggregated for measurement purposes) |

Request for Proposal, Help Desk Services

| SLA No. | Service Area - Name of SLA | Description | Effective Date / Hours of Operation | Data Capture | SLA Target | Exclusions | Calculation |
|---------|----------------------------|-------------|-------------------------------------|--------------|------------|--|-------------|
| | | | | | | outages not within the control of GuideIT. | |

Table 2 – Service Level Objective (SLO)

| SLO No. | Service Area - Name of SLO | Description | Effective Date / Hours of Operation | Data Capture | SLO Target | Exclusions | Calculation |
|---------|--|---|--|--------------|--|--|---|
| 1 | Service Management – End User Customer Satisfaction Survey | Provide quantifiable feedback from End Users to measure GuideIT’s performance against End User expectations and assist in identifying opportunities for improvement in service. | Contract Month 6 IT Service Desk Hours, as applicable | ITSM System | Average score for all returned surveys in the aggregate of three point zero (3.0) or greater on a scale ranging from one to four (1 to 4), with a score of four (4.0) being the highest level of satisfaction. The following are sample survey questions: <ul style="list-style-type: none"> • How satisfied are you with the way this request for service was handled from start to finish? • How satisfied are you with the way your request was handled at the IT Service Desk? • How satisfied are you with the overall communication throughout the process of | <ul style="list-style-type: none"> • None | For each satisfaction question, the following scale will apply: <ul style="list-style-type: none"> • Very Unsatisfied (1) • Unsatisfied (2) • Satisfied (3) • Very Satisfied (4) Every closed Incident Ticket or Request Ticket will generate an automated email that will present the End User with a web-based form to report End User’s satisfaction with the response or resolution for the particular Incident or requested Service. Changes to the frequency with which End Users will be surveyed will be agreed-upon |

Request for Proposal, Help Desk Services

| SLO No. | Service Area - Name of SLO | Description | Effective Date / Hours of Operation | Data Capture | SLO Target | Exclusions | Calculation |
|---------|----------------------------|-------------|-------------------------------------|--------------|-------------------------------------|------------|---|
| | | | | | resolving your Incident or Request? | | <p>between Customer and GuideIT.</p> <p>Average customer satisfaction = (total of scores received on all surveys / total number of surveys).</p> <p>Non-returned surveys will be excluded from the scoring.</p> |

Request for Proposal, Help Desk Services

[THIS SECTION INTENTIONALLY LEFT BLANK]

Appendix A: RFP Terms and Conditions

Questions

Any questions must be submitted by email to Audrey Parks, aparks@svmh.com, by January 8, 2021 close of business. The questions will be answered and issued to **all** participating vendors by close of business within one week from the deadline for clarifying questions. Full consideration will be provided for all responsible responses to our request for proposal (RFP) received no later than the deadline for responses. See "RFP Schedule" for details.

RFP Terms and Conditions

1. **Salinas Valley Memorial Healthcare System (SVMHS) will evaluate the written responses received and may choose to invite firms offering satisfactory solution proposals to meet with SVMHS IT to further refine and revise the project scope, the scope of services to be provided, and the implementation approach.**
2. Evaluation may involve the identification and correction of proposal weaknesses, ambiguities or other deficiencies.
3. Evaluation will be structured to safeguard information and ensure that all firms are treated fairly.
4. SVMHS reserves the right to withdraw the request for solutions at any time before proposals are due, to waive any irregularity in the proposal documents or the solicitation procedures, or to reject any or all proposals submitted in response to the RFP, and is not liable to any respondent for the return of any proposal, or proposal materials sent by the Proposer.
5. Preparation and submission of a proposal by interested providers will be at no cost or obligation to SVMHS.
6. Proposals and other materials submitted will become the property of SVMHS and will not be returned. Your proposal must not be marked proprietary or confidential. SVMHS is subject to the California Public Records Act and cannot honor such request for confidentiality.
7. Withdrawal of proposals may be made by email by an authorized representative of provider organization to Jim Garrett, jgarrett@svmh.com.
8. Proposals must be valid for a period of six months following submission deadline.

Evaluation Criteria

The following evaluation criteria, not necessarily listed in order of significance, will be used to evaluate project proposals received in response to this RFP:

1. The contractor's general and detailed approach and plans to meet the project requirements.
2. The contractor's documented experience in successfully completing projects of a similar size and scope. (Provide references.)
3. The qualifications and experience of the contractor's personnel assigned to the project, with emphasis on documented experience in successfully completing work on projects of similar size and scope. ([See Supporting Document E](#))
4. The overall ability of the contractor to mobilize, undertake and successfully complete the project.
5. The contractor's proposed implementation approach for project completion. As this is an MSSP proposal, SVMHS expects that the solution provider will provide sufficient resources to execute the project management, architecture, engineering, integration, training, testing, and operational support on all facets of the deliverable.
6. The cohesiveness of solution and the integration of products and resources supporting the proposal. It is the expectation that the solution provides a Cyber Security Ecosystem for SVMHS, where threats, vulnerabilities, remediation identified in each deliverable feed back into each other and support ongoing recommendations for improvement, investment, and organizational or process change.
7. Cost effectiveness of the proposed solution. Although **this is not a Request for Quote**, the proposal should demonstrate a flexible solution approach that enables SVMHS to engage in a best practice and high quality MSSP framework at a low entry cost and then to mature the solution in subsequent phases. SVMHS is a California State Hospital.
8. Acceptance of our Business Associate Agreement. See sample below.

Appendix B: NONDISCLOSURE AGREEMENT

This Nondisclosure Agreement (“NDA”) is made and effective on _____, 202_ (“Effective Date”), by and between _____ (“Vendor”), and **Salinas Valley Memorial Healthcare System**, a local health care district (“SVMHS”).

RECITALS

- A. Related to discussions and/or negotiations between the parties and Vendor’s review of information related to SVMHS’s information technology systems, technologies, architecture and operations (“IT Information”), Vendor may receive and review SVMHS’s Confidential Information. SVMHS’s IT Information, whether subject to trade secret, trade dress, trademark or copyright protection, protected by privacy laws, or not capable of being so protected but otherwise a proprietary method of doing business, is highly confidential and proprietary to and constitutes trade secrets of SVMHS.
- B. SVMHS is willing to disclose to Vendor certain IT Information, reports, and documents as Confidential Information only if Vendor, on behalf of itself, its affiliates, subsidiaries, employees, agents, successors, and assigns, agrees to make no use or disclosure of such information except as provided in this NDA. Both parties wish to protect the confidentiality of, maintain its rights in and prevent the unauthorized use and disclosure of all such information exchanged.

The parties agree as provided below.

1. **Confidential Information.** For purposes of this NDA, the term “Confidential Information” means and includes any and all (i) IT Information, (ii) operating, information or other process, business and affairs of either party considered a trade secret, data, know-how, processes and ideas, services and patient census, referral figures and statistics and billing data, insurance company and other payor arrangement, reimbursement rates, scope of services and specialties provided, population studies, referral statistics, market studies, business plans, information technology status, physician and other staff recruitment contracts, plans and pay arrangements, utilization and plans, know-how, vendor agreements, and any other information, however documented, that is a proprietary, confidential or trade secret within the meaning of applicable law, and (iii) information concerning the business and affairs of a party, which includes historical financial statements, financial projections and budgets, historical capital spending budgets and plans, the names and backgrounds of key personnel, personnel training techniques and materials, however documented, that have been or may hereafter be provided or shown by one party to the other party or its representatives or is otherwise obtained from review of a party’s documents or property or discussions with the disclosing party’s representatives by the other party or its representatives, irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, forecasts and other material prepared by the recipient party’s representatives containing or based on any information included in the foregoing.

Request for Proposal, Help Desk Services

2. **HIPAA/Confidentiality of Medical Information Act.** The parties agree that Protected Health Information (“PHI”) as such term is defined in under the Health Insurance Portability and Accountability Act (HIPAA) is Confidential Information if disclosed pursuant under this NDA.
3. **Excluded Information.** Notwithstanding any provision of this NDA, Confidential Information shall not include information that: (i) is or becomes generally available to the public without breach of confidentiality obligations by Vendor; and (ii) is lawfully received by Vendor on a non-confidential basis from a third party without breach by such third party of any legal, contractual, or fiduciary obligation to SVMHS. However, Confidential Information disclosed under this NDA shall not be considered within the foregoing exception merely because (a) it is specific and embraced by more general information in the public domain or Vendor’s prior possession, or (b) it is a combination which can be pieced together to reconstruct the Confidential Information from multiple sources, none of which shows the whole combination, its principle(s) of operation or method(s) of use.
4. **Obligations of Vendor.** Vendor and its Representatives will: (i) hold Confidential Information in strict confidence and use their reasonable best efforts to prevent the unauthorized disclosure of Confidential Information; (ii) not disclose the Confidential Information in any manner whatsoever, except as required by applicable law, regulation or legal process, and only after compliance with Paragraph 5 of this NDA; (iii) use Confidential Information only for the purpose discussions between SVMHS and Vendor and for no other purpose; and (iv) not copy, reproduce, modify, alter, disassemble, reverse engineer or decompile any of the Confidential Information. Vendor will provide access to the Confidential Information to only those of its Representatives who have a need to know the Confidential Information. Vendor will cause its Representatives to observe the terms of this NDA and will be responsible for any breach of this NDA by any of its Representatives.
5. **Certain Permitted Disclosure.** In the event that Vendor or any of its Representatives are requested pursuant to, or required by, applicable law, regulation or legal process to disclose any of the Confidential Information, Vendor will notify SVMHS promptly in writing of such request or requirement and the documents or Confidential Information requested (unless prohibited from doing so by law or regulation), so that SVMHS may seek a protective order or other appropriate remedy or, in its sole discretion, waive compliance with the terms of this NDA. If no such protective order or other remedy is obtained, or if SVMHS does not waive compliance with the terms of this NDA, Vendor will furnish only that portion of the Confidential Information legally required and will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information to the extent possible.
6. **Return of Information.** Upon SVMHS’s request, Vendor shall either promptly return to SVMHS all the Confidential Information or certify in writing to SVMHS that all media containing Confidential Information has been destroyed, except to the extent stored solely

Request for Proposal, Help Desk Services

due to back up archiving, in which case such archival storage shall not be accessed for any other purpose after the termination of this NDA, or otherwise used inconsistent herewith, regardless of whether this NDA has terminated by its terms.

7. **Limited Relationship.** This Agreement will not create a joint venture, partnership or other formal business relationship or entity of any kind, or an obligation to form any such relationship or entity. Each party will act as an independent contractor and not as an agent of the other party for any purpose, and neither will have the authority to bind the other.
8. **No Obligation Regarding Potential Relationship or Contract.** Neither this NDA nor the disclosure or receipt of Confidential Information will constitute or imply any promise to or intention to make or consummate a potential relationship or Contract by SVMHS with Vendor, whether currently or in the future.
9. **No Creation of Ownership Rights or License.** The Confidential Information shall be deemed the exclusive property of SVMHS and shall remain the valuable scientific, trade and engineering secrets of SVMHS. Nothing in this NDA, nor any action taken by either party, shall be construed to convey to Vendor any right, title or interest in the Confidential Information, or any license to use (except to evaluate as stated in this NDA), sell, exploit, copy or further develop in any way any Confidential Information. No license is granted or implied under any patent, copyright or trademark, or any trade name, trade secret or other proprietary information, in which SVMHS has any right, title or interest.
10. **Governing Law.** This NDA shall be construed under and according to the laws of the State of California without regard to its conflict of law provisions. Jurisdiction and venue for any actions relating to this NDA will be in the state or federal courts located in Monterey County, California. Both parties consent to the jurisdiction of such courts.
11. **Remedies; Legal Fees.** Vendor acknowledges that remedies at law may be inadequate to protect SVMHS against any actual or threatened breach of this NDA by Vendor, and, without prejudice to any other rights and remedies otherwise available, Vendor agrees that SVMHS shall be entitled to seek injunctive relief. In the event of litigation relating to this NDA, if a court of competent jurisdiction determines that this NDA has been breached by Vendor, then Vendor will reimburse SVMHS for its costs and expenses (including legal fees and expenses) incurred in connection with all such litigation.
12. **Term.** A party's obligations under this NDA shall terminate shall terminate two (2) years from the Effective Date of this NDA.
13. **Dispute Resolution**
 - 13.1 **Informal Dispute Resolution.** The parties desire to avoid the cost and delay attendant to litigation. To that end, all parties agree that if any dispute arises relating to this Agreement, including but not limited to its meaning, interpretation, effect, or

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the enforcement of the provisions hereof, then the party who believes a dispute has arisen shall give written notice of such to the other party. For a period of thirty (30) days after such notice, the parties shall attempt to resolve the dispute by informal discussions among themselves, using the services of a mediator if the parties agree that such a mediator would facilitate resolution of the dispute.

- 13.2 **Arbitration.** All claims and disputes arising under this Agreement and after an attempt to resolve the dispute and/or claim informally pursuant to Section 13.1, shall be submitted to neutral, binding arbitration in Monterey, California, pursuant to the Streamlined Arbitration Rules and Procedures of JAMS, except that the provisions governing the right to discovery as set forth in Cal. Code of Civil Procedure §1283.05 are incorporated into this Agreement. The arbitrator may construe or interpret but shall not ignore the terms of this Agreement and shall be bound by substantive California law. The parties hereby agree to give up any rights they might possess to have any such claim or dispute litigated in a court or jury trial. The costs of the arbitration shall be divided equally between both parties. Each party shall pay its own expenses and the fees and costs of its attorneys, other professional advisors, experts, and other witnesses.
14. **Severability.** If any provision or portion of this NDA is held invalid, illegal, void or unenforceable by reason of any rule of law, administrative or judicial provision or public policy, all other provisions of this NDA shall nevertheless be construed so as to remain in full force and effect.
15. **No Waiver.** Vendor agrees SVMHS's failure or delay in exercising any right, power or privilege under this NDA will not operate as a waiver, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any of SVMHS's right, power or privilege under this NDA.
16. **Entire Agreement.** This NDA contains the entire agreement between the parties concerning the subject matter of this NDA. No modifications of this NDA or waiver of the terms and conditions of this NDA will be binding on the parties, unless approved in writing by the parties.

The parties execute this NDA as of the Effective Date first set forth above.

SVMHS

Salinas Valley Memorial Healthcare System

By: _____

Pete Delgado, President/CEO

Date: _____

VENDOR

By: _____

Date: _____

Request for Proposal, Help Desk Services

Appendix C: BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is made and entered into effective _____ (“Effective Date”) by and between **Salinas Valley Memorial Healthcare System**, a public health care district organized and operating pursuant to Division 23 of the California Health and Safety Code (“SVMHS”), and (“Business Associate”).

RECITALS

- A. SVMHS is the owner and operator of Salinas Valley Memorial Hospital, an acute care hospital located at 450 East Romie Lane, Salinas, California 93901, and is a “Covered Entity” as that term is defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), including but not limited to, Title 45 Code of Federal Regulations (“C.F.R.”) Part 160.3.
- B. Business Associate provides services to SVMHS pursuant to an arrangement between Business Associate and SVMHS (“Principal Agreement”). Under the Principal Agreement, Business Associate provides certain services to SVMHS (“Services”).
- C. The parties are entering into this Agreement to assist SVMHS in complying with HIPAA, and to set forth Business Associate’s obligations under the Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH Act”), and 45 C.F.R. Parts 160 and 164 Subpart C, Security Standards for the Protection of Electronic Protected Health Information (“Security Rule”), Subpart D (“Breach Notification Rule”) and Subpart E, Privacy of Individually Identifiable Health Information (“Privacy Rule”) (collectively, the HIPAA Regulations).
- D. “Business Associate” shall mean as that term is defined in the Privacy Rule, the Security Rule, and the HITECH Act, including but not limited to, 42 U.S.C. 17938 and 45 C.F.R. 160.103.
- E. In connection with the Services provided by Business Associate, SVMHS discloses to Business Associate Protected Health Information (“PHI”). PHI means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. 160.103. PHI includes Electronic Protected Health Information (“E PHI”) as defined in 45 CFR 160.103, 164.501. For purposes of this Agreement, PHI also includes medical information, as defined in California Civil Code §56.05(g).
- F. SVMHS and Business Associate intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to the Principal Agreements in compliance with HIPAA, the HITECH Act, the California Confidentiality of Medical Information Act (Civil Code §§56 et seq.), and all regulations promulgated thereunder, as they may be amended from time to time.
- G. Pursuant to California law, which includes the Confidentiality of Medical Information Act and the Health and Safety Code, certain health facilities are required to prevent unlawful or unauthorized access to, or use or disclosure of, a patient’s medical information, and to report such unlawful or unauthorized activity.
- H. This agreement applies to any PHI Business Associate receives from SVMHS, or creates,

Request for Proposal, Help Desk Services

receives or maintains on behalf of SVMHS, under its Principal Agreements with SVMHS.

The parties agree as follows:

ARTICLE I DEFINITIONS

- 1.1 Unless otherwise provided in this Agreement, which shall include the Recitals, terms not defined in this Agreement have the meanings assigned to them as set forth in the Privacy and Security Rules.

ARTICLE II SCOPE OF USE AND DISCLOSURE BY BUSINESS ASSOCIATE OF PROTECTED HEALTH INFORMATION

- 2.1 Business Associate shall be permitted to access, use and disclose PHI that is disclosed to it by SVMHS as necessary to perform its obligations under the Principal Agreement, provided that such access, use or disclosure would not violate the HIPAA regulations or California law if so accessed, used or disclosed by SVMHS.
- 2.2 Unless otherwise limited by this Agreement, in addition to any other access, uses and/or disclosures permitted or authorized by this Agreement or required by law, Business Associate may:
 - 2.2.1 Make use of the PHI in its possession for its proper management and administration and to fulfill any legal responsibilities of Business Associate;
 - 2.2.2 Disclose the PHI in its possession to a third party for the purpose of Business Associate's proper management and administration or to fulfill any legal responsibilities of Business Associate; provided, however, that the disclosures are required by law or Business Associate has received from the third party written assurances that: (i) the information will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the third party; and (ii) the third party will notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached;
 - 2.2.3 Aggregate the PHI with that of other Covered Entities for providing SVMHS with data analyses relating to the health care operations of SVMHS. Business Associate may not disclose the PHI of one Covered Entity to another Covered Entity without the written authorization of the Covered Entity involved; and
 - 2.2.4 De-identify any and all PHI created or received by Business Associate under this Agreement; provided, that the de-identification conforms to the requirements of the Privacy Rule.

ARTICLE III OBLIGATIONS OF BUSINESS ASSOCIATE UNDER PRIVACY RULES

In connection with its access, use and disclosure of PHI and/or EPHI, Business Associate agrees that it will:

- 3.1 Access, use or further disclose PHI only as permitted or required by this Agreement or as

Request for Proposal, Help Desk Services

- required by law.
- 3.2 Use reasonable and appropriate safeguards, and comply, where applicable, with HIPAA Security Rule with respect to electronic protected health information, to prevent access, use or disclosure of PHI other than as provided for by this Agreement.
 - 3.3 To the extent practicable, mitigate any harmful effect that is known to Business Associate, regarding any access, use or disclosure of PHI by Business Associate in violation of this Agreement.
 - 3.4 Report to SVMHS in writing within ten (10) calendar days of any access, use or disclosure of PHI not provided for by this Agreement of which Business Associate becomes aware.
 - 3.5 Ensure that any Business Associate's subcontractors that create, receive, maintain, or transmit PHI on behalf of the Business Associate agree in writing to the same restrictions and conditions that apply to Business Associate with respect to such information, including compliance with HIPAA Security Rule with respect to EPHI. Business Associate shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation (45 CFR 164.30(f) and 164.530(e)(1)).
 - 3.6 To the extent that Business Associate carries out SVMHS' obligations under the Privacy Rule, comply with the requirements of the Privacy Rule that apply to SVMHS in the performance of such obligations.
 - 3.7 Make available to the US Secretary of Health and Human Services Business Associate's internal practices, books and records relating to the access, use and disclosure of PHI for purposes of determining compliance with Privacy and Security Rules, subject to applicable legal privileges.
 - 3.8 For each Disclosure for which Business Associate is required to keep record within fifteen (15) days of receiving a request from SVMHS, make available the information necessary for SVMHS to make an accounting of access, use and disclosures of PHI about an individual.
 - 3.9 Within ten (10) days of receiving a written request from SVMHS, make available PHI necessary for SVMHS to respond to an individuals' requests for access to PHI about him or her in the event that the PHI in Business Associate's possession constitutes a Designated Record Set.
 - 3.10 Within fifteen (15) days of receiving a written request from SVMHS incorporate any amendments or corrections to the PHI in accordance with the Privacy Rule in the event that the PHI in Business Associate's possession constitutes a Designated Record Set.
 - 3.11 Maintain for a period of six (6) years an accounting of all access, use and disclosures of PHI as required to be maintained under 45 C.F.R. §164.528 of the HIPAA regulations. Such accounting will include the date of access, use and disclosures, the name of the recipient, a description of PHI accessed, used or disclosed and the purpose for such access, use or disclosure.

ARTICLE IV

OBLIGATIONS OF BUSINESS ASSOCIATE UNDER SECURITY RULES

Request for Proposal, Help Desk Services

In connection with its retention and transmittal of EPHI, Business Associate agrees that it will:

- 4.1 Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that it creates, receives, maintains, or transmits, as required by the Security Rule.
- 4.2 Report to SVMHS in writing no later than ten (10) calendar days of any security incident with respect to EPHI of which Business Associate becomes aware, including breaches of unsecured PHI as required by the Data Breach Notification Rule (45 CFR 164.410), and any security incident of which Business Associate becomes aware.

ARTICLE V

REIMBURSEMENT OBLIGATIONS OF BUSINESS ASSOCIATE

- 5.1 Business Associate acknowledges that SVMHS is responsible for notifying the Individual(s), and in certain circumstances the California Department of Public Health, the Secretary of HHS and the media of any access, use or disclosure of PHI by Business Associate in violation of this Agreement.
- 5.2 Business Associate shall reimburse SVMHS for all reasonable and actual notification costs SVMHS incurs which arise out of any access, use or disclosure of PHI by Business Associate in violation of this Agreement. Actual costs may include, but are not limited to costs of drafting and mailing notifications, legal costs, the responding to follow up questions from Individual(s), the California Department of Public Health, the Secretary of HHS, and if applicable, any fines or penalties imposed on SVMHS.

ARTICLE VI OBLIGATIONS OF HOSPITAL

SVMHS agrees that it:

- 6.1 Has included, and will include, in SVMHS' Notice of Privacy Practices required by the Privacy Rule that SVMHS may disclose PHI for Health Care Operations purposes.
- 6.2 Has obtained, and will obtain, from Individuals consents, authorizations and other permissions necessary or required by laws applicable to SVMHS for Business Associate and SVMHS to fulfill their obligations under the Principal Agreement and this Agreement.
- 6.3 Will promptly notify Business Associate in writing of any restrictions on the access, use and disclosure of PHI about individuals that SVMHS has agreed to that may affect Business Associate's ability to perform its obligations under the Principal Agreement or this Agreement.
- 6.4 Will promptly notify Business Associate in writing of any change in, or revocation of, permission by an individual to access, use or disclose PHI, if such change or revocation may affect Business Associate's ability to perform its obligations under the Principal Agreement or this Agreement.
- 6.5 Will promptly notify individual(s) in writing of any breaches the Business Associate reports to SVMHS, and if required under State or Federal law, the California Department of Public Health, the Secretary of HHS and/or the media.

ARTICLE VII

TERMINATION

- 7.1 Termination for Breach. SVMHS may terminate this Agreement if SVMHS determines that Business Associate has breached a material term of this Agreement. Alternatively, SVMHS

Request for Proposal, Help Desk Services

may choose to provide Business Associate with notice of the existence of an alleged material breach and afford Business Associate an opportunity to cure the alleged material breach. In the event Business Associate fails to cure the breach to the satisfaction of SVMHS, SVMHS may immediately thereafter terminate this Agreement.

7.2 Automatic Termination. This Agreement will automatically terminate upon the termination or expiration of the Principal Agreement.

7.3 Effect of Termination.

7.3.1 Termination of this Agreement will result in termination of the Principal Agreement.

7.3.2 Upon termination of this Agreement or the Principal Agreement, Business Associate will return or destroy all PHI received from SVMHS or created or received by Business Associate on behalf of SVMHS that Business Associate still maintains and retain no copies of such PHI; provided that if such return or destruction is not feasible, Business Associate will extend the protections of this Agreement to the PHI and limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Amendment. SVMHS may amend this Agreement by providing thirty (30) days prior written notice to Business Associate in such manner as SVMHS determines necessary to maintain compliance with the Privacy Rule and other applicable law. Such amendment shall be binding upon Business Associate at the end of the notice period and shall not require the consent of Business Associate. Upon receipt of the notice, Business Associate may elect to terminate the Principal Agreement as permitted by its terms.

8.2 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

8.3 Survival. The obligations of Business Associate under Section 7.3.2 of this Agreement shall survive any termination of this Agreement.

8.4 Indemnification. SVMHS and Business Associate shall, to the fullest extent permitted by law, protect, defend, indemnify and hold harmless the other party and its directors, officers and employees from and against any and all losses, costs, claims, penalties, fines, liabilities or legal actions in association with third-party claims from or related to their acts or omissions of its employees, directors, agents, contractors or consultants related to the performance or nonperformance of this Agreement, or in Breach of HIPAA or HITECH.

8.5 Interpretation. Any ambiguity in this Agreement shall be resolved to permit SVMHS to comply with the HIPAA, the HITECH Act, or with California law where California law is more stringent than HIPAA, and the regulations promulgated thereunder, as amended from time to time.

8.6 Inconsistent Provisions. In the event of any inconsistency between this Agreement and the Principal Agreement, this Agreement shall prevail.



Request for Proposal, Help Desk Services

The parties hereby executed this Agreement as of the Effective Date first set forth above.

SVMHS

Business Associate

Salinas Valley Memorial Healthcare System _____

By: _____

Date: _____

By: _____

Date: _____

Audrey Parks
Salinas Valley Memorial Healthcare System
450 E Romie Ln
Salinas, CA 93901

February 11th, 2021

Audrey:

CloudWave is pleased to provide Salinas Valley Memorial Healthcare System (Customer) with this Statement of Work for OpSus Cloud Care Technical Service Desk, powered by GuideIT. CloudWave's mission is to help hospitals achieve *Operational Sustainability* so that your organization can focus on delivering best-in-class Healthcare IT Services to your end users that meet your goals for patient care, financial management, and compliance.

OpSus Cloud Care Technical Service Desk uses state-of-the-art tools and proven ITIL processes, the Technical Service Desk team provides a single point of entry and first-touch support for Tier 1 incidents and service requests. Routing of incidents that can't be resolved during initial contact are handled according to pre-defined and agreed upon escalation procedures. The team is able to address and resolve many issues right away, with an extensive knowledge base that includes documentation of known support issues and resolution information.

The remainder of this Statement of Work describes our services and includes specific pricing and service plans for Salinas Valley Memorial Health System. We look forward to discussing your Information Technology and organizational requirements further and would like to set up a time to present our proposal in person or via web conference so that we may directly address your questions. CloudWave is grateful for the opportunity to earn your business.

Sincerely,

Lori Nepini and Mike Donahue
Regional Sales Team

OpSus Cloud Care – Technical Service Desk Solution Overview

The technical service desk services ("TSD Services") will feature:

- Single point of entry and first-touch support for Tier 1 incidents and service requests
- Routing of incidents that can't be resolved during initial contact to 2nd and 3rd level support with agreed upon escalation procedures
- 2 channels to reach support directly: phone and chat
- Email and self-service web portal tickets supported by TSD via integration between CloudWave ITSM and Customer ITSM
- Access management, including password resets and support for employee onboarding, transition, and offboarding
- Development, use and maintenance of a knowledge base to document all known support
- Available 24x7x365 with fully trained and proficient agents regardless of time of day
- Use of industry leading tools to support service desk function
- Standard reporting for CSAT, volume by channel and service level by channel
- Transition and on-going training for CloudWave agents
- Provision of remote connectivity support

Commencement Dates for the Services.

- The "TSD Transition Services Commencement Date" is: *TBD*
- The "TSD Services Commencement Date" is: *TBD*

Service Level Effective Dates.

The "TSD Service Level Effective Date" is: 60 days after the TSD Services Commencement Date

Hours of Operation

The hours of operation for the TSD Services (following the TSD Commencement Date) are as follows:

- 24x7x365 ("TSD Hours")

OpSus Cloud Care – Technical Service Desk

Statement of Work

Commencing on the TSD Transition Services Commencement Date and continuing for the remainder of the agreement term, in exchange for Customer's payment of the Fees and Costs set forth in Acceptance and Authorization below, CloudWave will perform the TSD Services for the Supported Applications during the defined TSD Hours by performing its responsibilities in this Statement of Work (or SOW) as set forth below. Customer acknowledges and agrees that the TSD Services may be delivered by CloudWave's subcontractor and that all references to CloudWave herein are deemed to refer to CloudWave and its subcontractor. Capitalized terms used in this SOW and defined in the Solution Overview will have the same meanings in the SOW as the Solution Overview.

1. Transition Services. The period beginning on TSD Transition Services Commencement Date and ending on the TSD Services Commencement Date (the "Transition Period") is Phase 1 for onboarding into the OpSus Cloud Care Technical Service Desk. This transition will move the operational responsibility for the TSD Services from **Customer**. Throughout the Transition Period, Customer will provide the necessary access to documentation, Customer employees and contractors as needed to plan for and provide the Transition Services. The "Transition Services" consist of the following:
 - Project Initiation Workshop. During the initiation phase of the Transition Services, Customer will participate in a Project Initiation Workshop conducted by the CloudWave. Customer will bring the appropriate stakeholders and resources together to identify, define and clarify the objectives, scope, schedule, resources, risks, issues and assumptions for the Transition Services and will set the foundation and schedule for the Transition Services.
 - Transition Plan. During the Transition Period, CloudWave will work with Customer to develop an initial transition plan. The initial transition plan will be reviewed by each Party, which upon each Party's approval, will be the "Transition Plan." During the Transition Services, the services provider and Customer agree to utilize the Change Control Procedures in the management of material changes to the Transition Plan.
 - Execute the Transition Services Plan. CloudWave will transition the Customer's identified services into an operational support structure as described in the Transition Plan. Each Party agrees to perform its obligations set forth in the Transition Plan.
 - ITSM System Interface. The Customer will collaborate on the development and implementation of an interface between the information technology service management tool (the "ITSM System") used to provide the TSD Service and Customer's ticketing system. Each Party will be responsible for its own expenses associated with their vendor's efforts to develop and implement the interface.
 - Close-out of the Transition Services. During the shutdown stage of the Transition Services, CloudWave will verify steady state operations are in place and request Customer approval to close out the Transition Services.

- Control of the Transition Services. Throughout the Transition Period, CloudWave will coordinate the necessary project meetings, status reports and management of RAID (Risks, Assumptions, Issues and Definitions).
 - Duration. The Parties anticipate completing the Transition Services on or before Insert Date for completed Transition Phase
2. Service Desk Services. Beginning on the TSD Services Commencement Date, CloudWave will provide the Service Desk Services described as its responsibility in the table in the Operational Responsibility Matrix attached as **Exhibit A** (the "Operational Responsibility Matrix") to this SOW as provided in the SLA Agreement (defined below) for the TSD Supported Applications during the TSD Hours. In the event of a failure to achieve a service level under the SLA Agreement, CloudWave will promptly investigate, and report to Customer, the cause of such failure. Customer acknowledges and agrees that the Service Desk Services may be provided remotely, unless otherwise specifically noted.
 3. Reports. As part of the TSD Services, CloudWave will provide Customer with the following recurring reports:

| Report Name | Distribution Frequency |
|---------------------------------|------------------------|
| Incident and Request Management | Weekly, Monthly |
| Incident and Request Trending | Monthly |
| Service Level Attainment | Weekly, Monthly |

4. Termination Assistance Services. In the event of termination of this SOW and at Customer's request, CloudWave will provide the services that are reasonably necessary to facilitate the transfer of the TSD Services from CloudWave to Customer or a new services provider (the "Termination Assistance Services"). Customer agrees to pay for any requested Termination Assistance Services at CloudWave's commercially reasonable rates. Termination Assistance Services may include, but are not limited to:
 - Assistance in developing a transition of TSD Services plan.
 - TSD Services process documentation knowledge transfer.
 - Training of Customer personnel on the TSD Services.
 - Other information, documentation or services as reasonably requested by Customer.
 - Third party vendor management transition.

In the event of termination of this SOW by CloudWave for non-payment, CloudWave will provide Customer with a reasonable estimate of CloudWave's fees for the Termination Assistance Services to be provided during each month and Customer will pay CloudWave in advance of providing such services. Customer acknowledges and agrees that, in the case of such a termination, the provision of Termination Assistance Services is contingent upon CloudWave's receipt of payment for such services.

5. Changes. Changes to the TSD Services are subject to the Change Control Procedures defined in **Exhibit B**.
6. Additional Definitions. In addition to terms defined throughout this document, the following terms will have the meanings provided below:

"Contact" means any contact requiring attention from Service Desk personnel, including all Service Desk inquiries, reports of incidents and requests for assistance whether made via telephone call, email, automated system, web portal, chat, reporting, or otherwise.

“End User” means an individual authorized by Customer to receive or utilize the TSD Services.

“Incident” means any event which is not part of the standard operation of the Customer’s systems or applications which are supported by CloudWave as part of the Services that causes, or may cause, an interruption to, or reduction in, the quality of service provided by those systems or applications.

“Problem” means the cause of one or more Incidents.

“Service Desk” or “Technical Service Desk” means the personnel that receive and respond to Contacts from End Users and the actual receipt and responses to those Contacts.

Customer Responsibilities

In addition to its responsibilities as set forth in in the Operational Responsibility Matrix, Customer will perform all its specific responsibilities and obligations set forth in this SOW and will reasonably cooperate with CloudWave in timely facilitating the performance of the Services by CloudWave.

1. Customer will:
 - Provide CloudWave with timely access to Customer personnel and systems, cause Customer's other service providers and vendors to reasonably cooperate with CloudWave and make and communicate Customer decisions to CloudWave.
 - Provide CloudWave with information and issue approvals and acceptances or communicate the fact that they are being withheld and the reasons therefor.
 - Provide CloudWave onsite personnel (if any) with a reasonable work environment required by such personnel to perform the TSD Services.
 - Provide access and use any third-party hardware or software licensed by Customer in order for CloudWave to provide the TSD Services.
 - Provide CloudWave with the right to access and use such software and hardware at no expense to CloudWave. Unless otherwise specifically provided in this SOW.
 - Be responsible for backing up data on its systems and for disaster recovery and business continuity. Except to the extent that Customer has contracted for specific assets for OpSus Backup, OpSus Live, and/or OpSus Recover.
 - Ensure Customer's approvals, consents and agreements are in writing and signed by an authorized Customer representative.

2. The CloudWave Executive may agree in advance in writing that, as to certain specific matters, oral approval, consent, or agreement will be sufficient. To the extent CloudWave is required under this SOW, or applicable policies and procedures, to work with Customer's vendors or other third parties in the performance of this SOW, Customer will:
 - Ensure the necessary cooperation of the Third Parties.
 - Use reasonable efforts to keep CloudWave informed about aspects of Customer's business that could reasonably be expected to have a material effect on the demand for, or provision of, the Services.
 - Provide to CloudWave information regarding Customer's business volumes and plans that CloudWave reasonably requests in order to assist CloudWave in performing resource and capacity planning for the Services.

Acceptance and Authorization

| | |
|---|-------------|
| OpSus Cloud Care Technical Service Desk Pricing | |
| <u>Description:</u> | |
| <u>Transition Fees (One Time)</u> | \$80,386.00 |
| <u>Monthly Cost (Months 4-48) (adjusted pursuant to Terms and Conditions)</u> | \$20,515.00 |

| | |
|--|-----------------------|
| OpSus Cloud Care Technical Service Desk – 4 Year Contract (adjusted pursuant to Terms and Conditions) | \$1,003,541.00 |
|--|-----------------------|

Terms and Conditions

- Prices quoted are in US Dollars and are valid until March 31st, 2021 unless modified in writing by CloudWave before your order is accepted
- "SLA Agreement" means: Exhibit D to this SOW
- Any applicable sales & use taxes are not included in the above fees and are the Customer's responsibility
- Payment Schedule:
 - For full details, see Exhibit C: "Charges and Financial Responsibility"
- Changes to the equipment and services proposed may result in changes to this SOW and pricing

By signing below, I represent that I am a duly authorized individual or officer of Customer.

Accepted: Salinas Valley Memorial Healthcare System

| | |
|--------------------|-------|
| _____ | _____ |
| Customer Signature | PO # |
| _____ | _____ |
| Print Name | Date |

| | | |
|---------------------|-------|-------|
| _____ | | |
| CloudWave Signature | | |
| _____ | _____ | _____ |
| Print Name | Title | Date |

If you are tax exempt, please fax your Tax Exemption Certificate along with this signed page to: 800-829-5457.

EXHIBIT A
Operational Responsibility Matrix

| TSD Services | CloudWave | Salinas |
|--|-----------|---------|
| Service Desk | | |
| 1. Adhere to ITIL-based Service Management processes for the operation of the Service Desk. | X | |
| 2. Develop and maintain Service Desk procedures. | X | |
| 3. Approve Service Desk procedures that apply to delivery of TSD Services. | | X |
| 4. Review Service Desk procedures with Customer and advise appropriate Customer personnel on relevant aspects of the procedures. | X | |
| 5. Maintain the Service Desk operation to be available during the TSD Hours. | X | |
| Single Point of Contact | | |
| 1. Provide a single point of communication on the Service Desk for each Contact. Contacts may be submitted by: | X | |
| a) Telephone. | X | |
| b) Chat. | X | |
| c) Web Portal | | X |
| d) Email | | X |
| 2. Publish the telephone number and chat link for End Users to contact the Service Desk. | | X |
| 3. Manage Contacts with End Users via telephone, email, web portal, chat and tickets received through the integration with the Customer's ITSM system. | X | |
| 4. Escalate all non-resolvable Contacts that require Customer support into CloudWave's ITSM system or Customer's ITSM system, as applicable. | X | |
| Ticket-Tracking System | | |
| 1. Document, publish and maintain Service Desk procedures. | X | |
| 2. Educate and encourage all End Users to contact the Service Desk with all requests for service. | | X |
| 3. Provide a ticket-tracking system to expedite management of Contacts. | X | |
| 4. Escalate all non-resolvable Contacts into the Customer's ITSM system | X | |
| 5. Maintain and support CloudWave's end of the interface with the ITSM System. | X | |
| 6. Maintain and support Customer's end of the interface with the ITSM System. | | X |
| 7. Publish a customer satisfaction survey upon ticket closure and provide data to CloudWave upon request. | | X |
| 8. Review customer satisfaction surveys on a monthly basis. | X | |
| Level 1 Support | | |
| 1. Utilize ticket-tracking system to expedite management of Contacts. | X | |
| 2. Open tickets with respect to Contacts and log and assign priority of tickets. | X | |
| 3. Query the End User for all relevant information concerning the Contact, including name, location/department, phone number, impact and description of request or Incident. | X | |

| TSD Services | CloudWave | Salinas |
|---|-----------|---------|
| 4. Perform Incident and Contact management in accordance with approved handling requirements. | X | |
| 5. Maintain appropriate Level 2 Support and Level 3 Support contact information for personnel to whom Incidents and Contacts will be assigned. | X | |
| 6. Route tickets regarding Incidents and Contacts to appropriate Customer Personnel, CloudWave or Third-Party Level 2 Support and/or Level 3 Support, as appropriate, for resolution. | X | |
| 7. Provide status and updates on tickets at End User request or according to approved ticket handling and/or Incident escalation procedures. | X | |
| 8. Re-open ticket if End User indicates that the ticket regarding a Contact was not resolved. | X | |

| Problem, Incident and Request Management | CloudWave | Salinas |
|--|-----------|---------|
| Problem Management | | |
| 1. Develop and maintain an ITIL-based Problem management process. | X | |
| 2. Review ITIL-based Problem management process with Customer and advise appropriate Customer personnel on relevant aspects of the process. | X | |
| 3. Implement the ITIL-based Problem management process. | X | |
| <ul style="list-style-type: none"> For Services within CloudWave's scope, determine and resolve Problems that cause Critical Incidents and Incidents that cause a missed Service Level, in each case through a written root cause analysis. | X | |
| <ul style="list-style-type: none"> Provide access to and cause End Users to cooperate with reasonable requests from CloudWave in determining and resolving Problems. | | X |
| <ul style="list-style-type: none"> Document workarounds or knowledge management articles with solutions designed to reduce Incidents. | X | |
| <ul style="list-style-type: none"> Approve workarounds or knowledge management articles with solutions designed to reduce Incidents. | | X |
| <ul style="list-style-type: none"> Provide access to and cause End Users to cooperate with reasonable requests from CloudWave in creating and documenting workarounds and solutions designed to reduce Incidents. | | X |
| <ul style="list-style-type: none"> Maintain a repository of solutions and workarounds to Problems and place solutions and workarounds into knowledge database or within the ITSM System. | X | |
| Incident Management | | |
| 1. Develop and maintain the ITIL-based Incident management process. | X | |
| 2. Review ITIL-based Incident management process with Customer and advise appropriate Customer personnel on relevant aspects of the process. | X | |
| 3. Implement the ITIL-based Incident management process as follows: | X | |
| <ul style="list-style-type: none"> Verify Incident reports contain accurate information and are routed correctly. | X | |

| Problem, Incident and Request Management | CloudWave | Salinas |
|---|-----------|---------|
| <ul style="list-style-type: none"> Verify the process is flexible and is designed to facilitate coordination across functions; sites; End Users; and other Third Parties providing services to Customer. | X | |
| <ul style="list-style-type: none"> Establish end-to-end responsibility and ownership of each Incident. | X | |
| <ul style="list-style-type: none"> Clearly define and develop different levels of support with specific identification of roles, responsibilities and skills required for each level of Incident. | X | |
| <ul style="list-style-type: none"> Work with Customer to develop and approve knowledge-based articles to commonly recurring Incidents. | X | |
| <ul style="list-style-type: none"> Assist CloudWave in the development of knowledge-based articles as developed and documented. | | X |
| 4. Track and manage Incidents as follows: | X | |
| <ul style="list-style-type: none"> Categorize and document the relative importance of each Incident. | X | |
| <ul style="list-style-type: none"> Employ procedures for proactive monitoring, logging, tracking, escalation, review, and reporting (historical and predictive) for Incidents. | X | |
| <ul style="list-style-type: none"> Indicate clear accountability for Incidents. | X | |
| <ul style="list-style-type: none"> Coordinate Incident tracking efforts and notification to End Users through the Service Desk; maintain regular communications until Incident resolution. | X | |
| Request Management | | |
| 1. Develop and maintain an ITIL-based request management process. | X | |
| 2. Review ITIL-based request management process with Customer and advise appropriate Customer personnel on relevant aspects of the process. | X | |
| 3. Implement the ITIL-based request management process as follows: | X | |
| <ul style="list-style-type: none"> Receive proposed requests from Customer and End Users. At a minimum, each request will contain the following: | X | |
| <ul style="list-style-type: none"> <ul style="list-style-type: none"> A description of the request. | | X |
| <ul style="list-style-type: none"> <ul style="list-style-type: none"> The purpose and justification for the request. | | X |
| 4. Route tickets for Contacts that are requests to the appropriate Third Party or other resolver group for appropriate action. | X | |

| Continual Service Improvement | CloudWave | Salinas |
|--|-----------|---------|
| Continual Service Improvement | | |
| 1. Develop and maintain an ITIL-based Continual Service Improvement ("CSI") Program. | X | |
| 2. Review ITIL-based CSI process with Customer and advise appropriate Customer personnel on relevant aspects of the process. | X | |
| 3. Implement the ITIL-based CSI process. | X | |
| <ul style="list-style-type: none"> Maintain a CSI registry to track all CSI initiatives. | X | |

| Continual Service Improvement | CloudWave | Salinas |
|---|-----------|---------|
| <ul style="list-style-type: none"> Implement Knowledge Article template for the Service Desk's use and maintain articles to ensure they are kept up to date. | X | |
| <ul style="list-style-type: none"> Analyze tickets no less than monthly to identify and report Incident and Request trends to the Customer. | X | |
| <ul style="list-style-type: none"> Implement recurring operational review meetings with designated Customer's support teams to review tickets for improvement opportunities. | X | |
| <ul style="list-style-type: none"> Cause Customer's support teams to participate in the operational review meetings. | | X |
| <ul style="list-style-type: none"> Provide CloudWave with documentation as requested to create Knowledge Articles and provide training to the Service Desk personnel. | | X |
| <ul style="list-style-type: none"> As identified, provide recommendations for operational improvements. | X | |
| <ul style="list-style-type: none"> Approve operational improvement recommendations as needed. | | X |

EXHIBIT B Change Control Procedures

The Parties shall use the following Change Control Procedures to implement Changes. "Changes" are defined as any:

- Changes to the hardware and software used by CloudWave to provide the Services
- Changes to the scope of Services, including any changes to the Customer's obligations under this SOW
- Changes to the provisions of this SOW, including changes to the Charges.

Changes shall be implemented only by mutual written agreement of the parties through these Change Control Procedures. All requests for Changes shall include a reasonably detailed description of the requested Change together with the basis for such Change. All requests for Changes by Customer shall be communicated in writing through the Customer's designated representative or his or her authorized designee. CloudWave shall have no obligation to implement Changes requested by other Customer personnel. All requests for Changes by the services provider shall be communicated in writing to Customer through the designated representative.

Promptly after any approval of a Change by CloudWave and Customer's designated representatives, the parties shall execute a change order ("Change Order"), the form of which shall be mutually agreed by the parties, to incorporate the Change and jointly communicate their requirements to the project teams as appropriate. No Change Order shall be valid unless

- It is executed by both parties
- The Change Order specifically refers to the SOW
- The Change Order expressly states any and all Changes to the fees payable by Customer and any schedules or exhibits to this SOW.

Within ten business days after CloudWave receives a request from Customer for a Change, CloudWave shall prepare and provide to Customer a written response summarizing the impact, if any, of the proposed Change on

- any applicable schedule for performing the Services, including but not limited to Customer's obligations under this SOW
- The resources required to perform services resulting from the proposed Change
- The additional Charges, if any, for the proposed Change to the services.

If Changes are initiated by CloudWave, CloudWave will provide to Customer a written proposal summarizing the effect, if any, of the proposed Change on:

- Any applicable schedule for performing the Services, including but not limited to Customer's obligations under this SOW.
- The resources required to perform Services resulting from the proposed Change.
- The additional Charges, if any, for the proposed Change to the Services.

Within ten business days, or other time period as the Parties may agree in writing, after receiving such information Customer shall approve or reject CloudWave response or withdraw the request for such

Change as applicable. Customer's failure to approve or reject CloudWave's response or withdraw the request within the applicable time period shall be deemed a rejection of CloudWave's response, and the Change shall not be implemented by CloudWave.

EXHIBIT C Charges and Financial Responsibility

1) Charges

- a) Transition Services Fee. On or about the execution of this SOW by both Parties, CloudWave will deliver an invoice to Customer in the amount of the Transition Fee set forth in Authorization and Acceptance.
- b) Monthly Cost. Commencing on or about the TSD Services Commencement Date occurs and or about the first of each month thereafter for the remainder of the term of the SOW Term, CloudWave will invoice Customer for the applicable Monthly Cost set forth In Authorization and Acceptance TSD Services to be provided during that month.
- c) IT Resource Baselines. The Monthly Cost includes up to the following maximum number of Contacts per month (collectively, the "IT Resource Baselines"):
 - (a) 1,900 Contacts via phone, web portal and email ("PWE Contact Baseline"); and
 - (b) 200 Contacts by chat ("Chat Contact Baseline").
 - ii) In any month in which the number of phone, web portal and email Contacts exceeds the PWE Contact Baseline, CloudWave will invoice Customer in the following month for an additional amount equal to \$7.38 for each such Contact in excess of the PWE Contact Baseline; and
 - iii) In any month in which the number of chat Contacts exceeds Chat Contact Baseline, CloudWave will invoice Customer in the following month for an additional amount equal to \$5.54 for each such Contact in excess of the Chat Contact Baseline.
- d) Cost of Living Adjustment. The rates for the Fees and Costs in this SOW will be adjusted, effective on the applicable anniversary of TSD Transition Services Commencement Date, for the increase, if any, in the cost of living by multiplying the rates for the Fees and Costs in effect immediately prior to such anniversary by the following factor (if the Current ECI is greater than the Prior ECI):
 - i) Current ECI/Prior ECI
 - ii) Where: "ECI" means the Employment Cost Index, Total Compensation, Not Seasonally Adjusted, Private Industry for Professional Specialty and Technical Occupations published by the Bureau of Labor Statistics of the United States Department of Labor or, if such index ceases to be published, a comparable index published by the United States Department of Labor or another reputable source agreed to by the parties.
 - iii) "Current ECI" means the ECI most recently published at the time of the applicable anniversary.
 - iv) "Prior ECI" means the ECI most recently published prior to (i) with respect to the first anniversary, the TSD Transition Services Commencement Date and (ii) with respect to all subsequent anniversaries, the immediately preceding anniversary on which an adjustment was made or, if no prior adjustment has been made, the TSD Transition Services Commencement Date.

- e) IT Resource Baseline Adjustment. During the SOW Term, CloudWave will record the actual number of telephone, web portal and email Contacts and chat Contacts for each month. Based upon the data collected, the IT Resource Baselines will be evaluated for change as follows:
 - 2) Twice annually during the SOW Term, the Parties will meet to determine whether each of the Contacts baselines should be adjusted to the average number of its corresponding Contacts during the prior 6 months with an agreed adjustment in the Monthly Cost.
 - 3) During the SOW Term, in the event Customer incurs a significant event with respect to its business operations that could reasonably be expected to impact the IT Resource Baselines or actual monthly Contacts by more than 20%.
 - i) Upon the occurrence of any of the events described above, the Parties will work through the Change Control Procedures to document any agreed upon changes to the Contacts Baselines, the Monthly Cost, and any other provisions. The Parties will execute an amendment to this SOW to reflect all such agreed adjustments.

Additional terms.

- 1. Any applicable sales & use taxes are not included in the above fees and are the customer's responsibility
- 2. Payment Schedule:
- 3. Transition Fees will be invoiced upon full execution of this SOW.
 - a. Subsequent payments for OpSus Cloud Care – Technical Service Desk monthly services are billed in advance on or about the first of each month thereafter for the remainder of the contact.
 - b. Initial term will be for a period of 48 months from full execution of this SOW.
 - c. At the end of the initial term and for each year thereafter, the term will automatically renew for successive twelve (12) month periods unless either party gives the other party written notice at least ninety (90) days prior to the expiration of the then current term that such party does not want the agreement to be renewed.
 - d. Travel and living expenses are not included in the above and will be billed at actual cost.
- 4. Standard payment terms: Net 45 from date of invoice

EXHIBIT D SLA Agreement

1. Service Levels and Service Level Targets. The Service Levels (or "SLAs") and associated targets for each of the Service Levels (the "SLA Targets") for the TSD Services are described in the table below. All Service Levels will be effective on the TSD Service Level Effective Date. Each Service Level calculation will be rounded to the smallest place value included in the applicable Service Level. Both Parties acknowledge that, as of the SOW Effective Date, little reliable baseline data exists for the Service Levels and that the Parties will work together to address any process, personnel, hardware, or technology issues affecting CloudWave's ability to meet the SLA Targets.

2. Service Level Limitations. Service Levels are intended to provide an objective measure of service performance but are not without their limitations and bias. For example, performance metrics for a Service Level that are based on a percentage are especially sensitive to variations in the denominator. A small denominator to begin with can yield major swings in the overall performance indicator with only minor unit changes in the numerator. Likewise, as CloudWave works to improve the overall quality of the TSD Services, one result may be a decrease in the overall number of events that are counted in a particular metric. The potential unintended consequence of these service improvement efforts is the appearance of a decline in the service metric that are calculated as a percentage. As the overall number of counted events used in the denominator decline, the impact of an exception in the numerator increases giving the appearance of an overall service decline. It is CloudWave's intent to work with Customer to develop and report performance metrics for each of the Service Levels in a manner that objectively reports service performance and encourages ongoing service improvement.

3. Reporting. Commencing with the TSD Service Level Effective Date, CloudWave will provide Customer with soft copy reports on CloudWave's performance against the applicable Service Levels on a monthly basis, no later than the 15th calendar day after the end of each month. Upon Customer request, available supporting data for any Service Level report will be provided to Customer.

4. Failure to Meet SLA Targets. In the event CloudWave fails to meet any particular SLA Target (the "Service Level Default"), and the cause of such Service Level Default is not excused pursuant to Section 5 below, CloudWave will provide Customer with a credit ("Service Level Credit") on CloudWave's next monthly invoice in an amount equal to two percent of the Monthly Cost for the month in which the Service Level Default occurred. Service Level Credits are subject to the following:
 - 4.1 If more than one Service Level Default has occurred in a single month, the sum of the corresponding Service Level Credits shall be provided to Customer.
 - 4.2 In no event shall the amount of Service Level Credits credited to Customer with respect to all Service Level Defaults occurring in a single month exceed, in total, four percent of the Monthly Cost for the month in which the Service Level Defaults occurred.
 - 4.3 With respect to a Service Level Default involving the End User Customer Satisfaction Survey (SLA No. 4), no Service Level Credit will be provided.

5. Excused Performance. CloudWave will not be responsible for its failure to meet any SLA Targets to the extent its performance of the TSD Services is adversely affected by (i) Customer's failure to perform its obligations under the agreement or this SOW; (ii) the wrongful acts or omissions of Customer or its third party vendors; (iii) the failure of any of Customer employees to adequately perform their tasks related to the TSD Services; (iv) unreasonable, untimely, incomplete or inaccurate information from Customer; (v) Customer's failure to make available information, materials, software, hardware, equipment, third party services or personnel in the manner required by the agreement or this SOW; (vi) the failure of equipment or software or in a manner that is not CloudWave's fault; (vii) the applicable provisions of the agreement, or (viii) other reasons outside of CloudWave's control.

6. Classifications of Service Levels. CloudWave will classify the Severity Level of each Incident using the table and definitions below. For any given Incident CloudWave and Customer may mutually agree to escalate in priority as the business may require.

Priority Matrix

| | | Impact | | |
|---------|--------|----------|----------|--------|
| | | Major | Moderate | Minor |
| Urgency | High | Critical | High | Medium |
| | Medium | High | Medium | Low |
| | Low | Medium | Low | Low |

| Impact | |
|----------|--|
| Major | <ul style="list-style-type: none"> An entire location or site is down for all Customer employees and they are not able to perform their work. The Incident if not resolved quickly will result in lost revenue for Customer. The Incident requires notification to Senior Leaders (C-suite). |
| Moderate | <ul style="list-style-type: none"> A significant number, but not all (i.e. a Business Unit or Department), Customer employees are unable to work due to the Incident. There is currently no workaround or corrective action that is readily available to correct the Incident. The Incident requires notification to Business Unit or Department Owner. |
| Minor | <ul style="list-style-type: none"> A single, or minimum, number of Customer employees are impacted by an outage or slow-down of the Incident. Only a selected amount of impact to Customer's employees and a solution is known or can be readily implemented. No damage to the reputation of the Customer's business, the business unit, or the Customer is likely to be noticed. |

| Urgency | |
|---------|--|
| High | <ul style="list-style-type: none"> The damage caused by the Incident increases rapidly. No workaround is available, or the Incident cannot be immediately rectified. Several End Users with VIP status are affected. |
| Medium | <ul style="list-style-type: none"> The damage caused by the Incident increases considerably over time. A workaround may be implemented or known but has not been tested. A single End User with VIP status is affected. |
| Low | <ul style="list-style-type: none"> The damage caused by the Incident only marginally increases over time. A workaround is available but has not been implemented for the Incident. Default for all non-VIP End Users, standard entry point into ITSM. |

**Attachment 1 to Exhibit D
Service Level Table**

| SLA No. | Name of SLA | Description | Hours of Operation | Data Capture | SLA Target | Exclusions | Calculation |
|---------|-------------------------|--|--------------------|----------------------|--|--|--|
| 1 | Average Speed to Answer | The time within which a telephone call placed to the Service Desk by an End User (each, a "Call") is answered (the "Speed to Answer"). The duration is measured from the time that the Call enters the hold queue until the Call is answered by an IT Service Desk representative | TSD Hours | CloudWave PBX System | Speed to Answer Rate not more than 45 seconds for 85.0% of Calls received in a month | <ul style="list-style-type: none"> • Calls where the End User selects the option to leave a voicemail message. • Abandoned Calls (as defined below). • Calls where the End User selects the option for a call back. • Calls related to Customer system/application outages not within the control of CloudWave. | Speed to Answer Rate = (number of Calls with a 45 second or less Speed to Answer in a month / total number of Calls in that month * 100% |
| 2 | Abandon Rate | The percentage of Calls during a month where the caller stayed on the line for more than 30 seconds from the time the call enters the hold queue, then abandons the call (each, a "Abandoned Call") as a percentage of the Calls received by the Service Desk during the same month. | TSD Hours | CloudWave PBX System | Abandon Rate not to exceed 7.0% | <ul style="list-style-type: none"> • Calls answered by a Service Desk representative. • Calls not answered due to the End User hanging up or disconnecting the telephone call 30 seconds or less after entering the system hold queue. • All telephone calls made to the Service Desk where the End User leaves a voicemail. • Calls where the End Users selects the option for a call back. • Customer system/application outages not within the control of CloudWave. | Abandon Rate = (# of Abandoned Calls / Total # of Calls) * 100% |

| SLA No. | Name of SLA | Description | Hours of Operation | Data Capture | SLA Target | Exclusions | Calculation |
|---------|--------------------------|--|--------------------|-----------------------|--|--|--|
| 3 | First Contact Resolution | The percentage of Eligible First Contacts during a month that are resolved by a Service Desk representative responding during the first telephone call to the Service Desk or by the first response to an email, web portal, or chat conversation by a Service Desk representative, as the case may be (the "First Response"). "Eligible First Contact" means a Contact via telephone call, email, web portal or chat reporting an Incident for which a knowledge base article documenting the process for resolution of the Incident has been agreed upon and documented. | TSD Hours | CloudWave ITSM System | Not less than 85.0% of Eligible First Contacts are resolved by the First Response. | <ul style="list-style-type: none"> • Contacts involving Incidents that should be resolved by an organization other than the Service Desk. • Contacts deemed unresolvable by the Service Desk because a Ticket has already been opened for the Incident or because the Incident is among those included on a predefined list of unresolvable or in-action items. • Incidents for which a knowledge base article documenting the process for First Contact Resolution does not exist. • Customer system/application outages not within the control of CloudWave. | First Contact Resolution = (number of Eligible First Contacts during the period resolved by the First Response / total number of Eligible First Contacts during the period) *100%. |

| SLA No. | Name of SLA | Description | Hours of Operation | Data Capture | SLA Target | Exclusions | Calculation |
|---------|---------------------------------------|---|--------------------|------------------------|--|---|---|
| 4 | End User Customer Satisfaction Survey | Provide quantifiable feedback from End Users to measure CloudWave's performance against End User expectations and assist in identifying opportunities for improvement in service. | 7x24x365 | Customer's ITSM System | <p>Average score for all returned surveys in the aggregate of three point zero (3.0) or greater on a scale ranging from one to four (1 to 4), with a score of four (4.0) being the highest level of satisfaction. The following are sample survey questions:</p> <ul style="list-style-type: none"> • How satisfied are you with the way this request for service was handled from start to finish? • How satisfied are you with the way your request was handled at the Service Desk? • How satisfied are you with the way your request was handled by other IT personnel (if applicable)? • How satisfied are you with the overall communication throughout the process of resolving your incident or request? | <ul style="list-style-type: none"> • Surveys where both parties agree that the survey was not related to CloudWave services • Clear and obvious surveys where the submitter made a mistake when completing the survey | <p>For each satisfaction question, the following scale will apply:</p> <ul style="list-style-type: none"> • Very Unsatisfied (1) • Unsatisfied (2) • Satisfied (3) • Very Satisfied (4) <p>Every closed Incident Ticket or Service Request Ticket will generate an automated email that will present the End User with a web-based form to report End User's satisfaction with the response or resolution for the particular Incident or requested Service. Changes to the frequency with which End Users will be surveyed will be agreed-upon between CloudWave and Customer. Average customer satisfaction = (total of scores received on all surveys / total number of surveys). Non-returned surveys will be excluded from the scoring.</p> |

Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board Approval of Project Budget Augmentation and Award Construction Contract to DMC Commercial, Inc. for the Lab Analyzers Replacement Project**

Executive Sponsor: Clement Miller, Chief Clinical Officer
Arnulfo Delgado, Director of Laboratory/Pathology Services

Date: March 4, 2020

Executive Summary:

Salinas Valley Memorial Hospital's main laboratory is located on the first level of the hospital and provides various specimen collection, transport and testing. SVMHS is pursuing equipment replacement activities within the main laboratory to replace two Siemens chemistry analyzers that are at their end of useful life with two of Siemens' Atellica Solution packaged units which feature chemistry analyzers that are automated and scalable. In addition to the equipment replacement, renovations include code required upgrades to the existing heating, ventilation and air conditioning system, upgrades to the high purity water system, removal of barriers to accessibility and optimization of workflow.

Facilities Management approached the Board and received approval in October 2020 for capital funding to complete design, permitting and equipment procurement for the SVMH Lab Analyzer Replacement in the total estimated amount of \$1,900,000. Facilities Management is now returning to the Board to request comprehensive funding approval in the total estimated amount of \$2,220,000 and recommend award construction contract to DMC Commercial, Inc. in the amount of \$875,000.

Background/Situation/Rationale:

In late 2015, two Siemens Vista 500 chemistry analyzers were installed at the core of the department to accelerate sample analysis and improve workflow. Currently, the laboratory has been experiencing continuous failure to both instruments and in some cases simultaneous failure which is crippling to the department's workflow, clinical mission and support of the main hospital. The Laboratory Department has received approval under a sole source justification to procure two of Siemens' Atellica Solution packaged units which include a Sample Handler, CH930 Analyzer, IM Analyzer and Decapper to replace the obsolete Vista 500 units.

To facilitate the installation of the new Siemens Atellica packaged units, upgrades to existing infrastructure are required including; (A) new electrical panel and distribution, (B) modification to the existing heating, ventilation and air conditioning system and installation of a supplementary cooling unit to bridle additional heat loads, (C) upgrades to the existing high purity water system to produce the specified reagent water requirements, (D) removal of barriers to accessibility and (E) optimization to workflow in an already congested area. Salinas Valley Memorial Hospital has acquired two (2) competitive bids for construction services with DMC Commercial, Inc. submitting the lowest responsive and responsible bid.

Timeline/Review Process to Date:

March 2021 – Anticipated approvals from Finance Committee and Board of Directors for construction services.

April 2021 – Secure building permit with the Authority Having Jurisdiction

May 2021 – Commence with construction activities.

December 2021 – Project substantial completion.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Fiscal year capital budgeting:

Fiscal year 2021 approved capital budget allocated funding to complete design, permitting, equipment procurement and administration for the SVMH Lab Analyzer Replacement Project in the amount of \$1,487,512. Additional funding in fiscal year 2021 and 2022 is being requested to complete construction, implementation and administration required for the Lab Analyzers Replacement Project in the total estimated amount of \$2,220,000. The budget augmentation of \$320,000 is required to cover the following items not contemplated in the original scope; (A) hazardous material abatement, (B) new electrical infrastructure, (C) labor and material price escalation and (D) extended general conditions due to equipment validation period.

| | |
|---|--|
| Fiscal Year 2021 Approved Capital | \$1,487,512 |
| October 2020 Board Approved Capital Project Costs | \$1,900,000 (forecast was \$1.5m in FY21, \$400k in FY22) |
| Fiscal Year 2021 Estimated Spend | \$1,658,150 |
| Fiscal Year 2022 Estimated Spend | <u>\$ 561,850</u> |
| Total Project Spend | <u>\$2,220,000</u> |

Project Spend to Date:

Total project spend to date is \$121,720 which procured planning, design and administration.

Recommendation:

Consider recommendation to Board of Directors (i) to approve the total estimated project costs for the SVMH Lab Analyzers Replacement Project in the amount of \$2,220,000 and (ii) award construction contract to DMC Commercial, Inc. for the SVMH Lab Analyzers Replacement Project in the amount of \$875,000.

Attachments:

- (1) Total project estimated costs prepared March 4, 2021 at procurement phase.
- (2) Proof of publication for the advertisement for bids.
- (3) Bid results for construction services from March 4, 2021.

Salinas Valley Memorial Healthcare System (10348)

Project Cost Summary: Lab Analyzer Replacement - C.I.P. 01.1250.3595

Architect: Smith Karng Architecture

Budget Generated at Procurement Phase

Budget Date: 3/4/2021

Print Date: 3/4/2021



| Budget Summary | | | | | | |
|----------------|--|--------------------|------------------|--------------------|--------------------|------------------|
| | | A | B | A + B | Cash Flow | |
| Line Item | Description | Original Budget | Budget Changes | Current Budget | FY21 Projection | FY22 Projection |
| | 1 Construction | | | | | |
| 0100 | Construction Contract | \$555,000 | \$320,000 | \$875,000 | \$612,500 | \$262,500 |
| 0102 | Owner Construction Contingency | \$50,000 | \$0 | \$50,000 | 0 | \$50,000 |
| | 2 Design | | | | | |
| 0200 | Professional Fees - Fixed | \$160,000 | \$0 | \$160,000 | \$144,000 | \$16,000 |
| | 3 Inspections and Consultation | | | | | |
| 0300 | Inspector of Record | \$25,000 | \$0 | \$25,000 | \$17,500 | \$7,500 |
| 0301 | Special Inspections | \$10,000 | \$0 | \$10,000 | \$8,000 | \$2,000 |
| 0303 | Environmental / Abatement Testing | \$4,000 | \$0 | \$4,000 | \$4,000 | \$0 |
| | 4 AHJ Fees | | | | | |
| 0400 | OSHPD | \$21,000 | \$0 | \$21,000 | \$19,950 | \$1,050 |
| | 5 Soft Costs | | | | | |
| 0502 | Construction Management | \$270,000 | \$0 | \$270,000 | 162,000 | 108,000 |
| 0503 | Abatement | \$10,000 | \$0 | \$10,000 | 10,000.00 | \$0.00 |
| | 7 FF&E | | | | | |
| 0701 | Other Medical Equipment - <i>Siemens Atellica Solution</i> | \$656,000 | \$0 | \$656,000 | \$623,200 | \$32,800 |
| 0702 | Non-Medical Equipment - <i>Quality Water Enterprises</i> | \$30,000 | \$0 | \$30,000 | \$30,000 | \$0 |
| 0703 | Data and Phone Equipment | \$20,000 | \$0 | \$20,000 | \$18,000 | \$2,000 |
| 0704 | Furnishings | \$9,000 | \$0 | \$9,000 | \$9,000 | \$0 |
| | 99 Contingency | | | | | |
| 9900 | Contingency | \$80,000 | \$0 | \$80,000 | 0 | \$80,000 |
| Totals | | \$1,900,000 | \$320,000 | \$2,220,000 | \$1,658,150 | \$561,850 |

Proof of Publication

(2015.5 C.C.P.)

Salinas Newspapers, Inc.

1093 S Main ST STE 101

Salinas CA 93901

831-424-2222/Fax: 831-754-7156

State Of California ss:

County of Monterey

SALINAS VALLEY MEMORIAL/LEGALS

450 E ROMIE LN

SALINAS CA 93901

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I hereby certify that the attached advertisement appeared in said newspaper on the following dates:

Newspaper: **The Salinas Californian**

02/17/2021

I acknowledge that I am a principal clerk of the printer of said paper, which is published in the City of Salinas, County of Monterey, State of California. The Salinas Californian is printed and published daily, except Sunday and has been adjudged a newspaper of general circulation by the Superior Court of the County of Monterey, State of California. El Sol is printed and published weekly on Saturday and has been adjudged a newspaper of general circulation by the Superior Court of Monterey, State of California.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on this
2nd of March 2021.



Declarant

Ad#:0004600209

P O :

Net Order Cost: 820.75

This is not an invoice

of Affidavits: 1

Sealed proposals will be received by Salinas Valley Memorial Healthcare System ("SVMHS") located in Salinas, California, for the furnishing of all labor, materials, equipment and services to SVMHS necessary for and incidental to the construction of:

SVMH Lab Analyzers Replacement

General Description. Salinas Valley Memorial Hospital's main laboratory is located on the first level of the hospital and provides various specimen collection, transport and testing. SVMHS is pursuing equipment replacement activities within the main laboratory to replace two Siemens chemistry analyzers that are at their end of useful life with two of Siemens' Atellica Solution packaged units which feature chemistry analyzers that are automated and scalable. In addition to the equipment replacement, renovations include code required upgrades to the existing heating, venting and air conditioning system, upgrades to the high purity water system, removal of barriers to accessibility, and optimization of workflow.

Bids. Sealed bids will be received by SVMHS at the Construction Office located at 535 E Romie Lane, Suite 6, Salinas, California, until 2:00 p.m. on March 4, 2021 at which time all bids will be publicly opened. Bids will be referred to a subsequent SVMHS Board of Directors meeting for appropriate action. All Bid Proposals shall be submitted on forms furnished by SVMHS. Bid Proposals must conform with, and be responsive to, the Bid and Contract Documents, copies of which may be obtained from SVMHS as indicated below. Only Bid Proposals submitted to SVMHS prior to the date and time set forth above for the public opening and reading of Bid Proposals shall be considered. Note: Bids submitted orally or by telephone, electronic transmission (email) or facsimile will be considered invalid and will not be accepted. Each Bid Proposal shall be accompanied by:

1. Bid Letter (including acknowledgement of receipt of Addenda)
2. List of Subcontractors
3. Statement of Bidder's Qualifications
4. Compliance with Immigration Reform and Control Act of 1986
5. Bidder's Guaranty: Bidder's Bond or Irrevocable Standby Letter of Credit
6. Non-Collusion Certification

All information and responses of a Bidder in its Bid Proposal, and other documents accompanying the Bid Proposal, shall be complete, accurate and true. Incomplete, inaccurate, or untrue responses or information provided by a Bidder shall be grounds for SVMHS to reject such Bidder's Bid Proposal as nonresponsive.

Pre-Bid Conference. There will be a mandatory pre-bid conference held prior to the date of bid. The conference will take place on February 19, 2021, from 10:00 a.m.-11:30 a.m., in the SVMHS Construction Office located at 535 E. Romie Lane, Suite 6, Salinas, California 93901. Request to access the hospital for site investigation shall be coordinated through derek@bogardconstruction.com. Bidders and their subcontractors are encouraged to investigate the existing conditions prior to close of the bidding period.

Questions. All requests for interpretation of the drawings and specifications or other questions regarding this project during the bidding process shall be submitted to SVMHS in writing by email with the original copy to follow by mail. No telephone questions will be accepted. All written requests for interpretation (RFIs) or correction of the Contract Documents must be received within five (5) business days of close of bid. Send all pre-bid questions and requests for interpretation to SVMHS via email at: derek@bogardconstruction.com.

Bid and Contract Documents. Requests for digital versions of the Documents shall be addressed to Salinas Valley Memorial Healthcare System, Attn: Derek Bogaard (derek@bogardconstruction.com). The Central Coast Builder's Exchange has all bid documents available for Bidders (Visit URL: <http://www.ccbabuilds.com/>).

Labor & Material Payment and Performance Bonds. The successful bidder will be required to furnish a labor & material payment bond and performance bond equal to one hundred percent (100%) of the Contract Price. Each bond must meet the statutory requirements for a public construction project as set forth in California Civil Code Section 3248. The bonds shall be secured through a surety company approved by SVMHS and paid for by the Prime Contractor.

Bid Acceptance/Rejection. SVMHS reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received. The Contract for the Work, if awarded, will be by action of the SVMHS Board of Directors to the responsible Bidder submitting the lowest responsive Bid Proposal. If Alternate Bid Items are included in the bidding, the lowest priced Bid Proposal will be determined on the basis of the Base Bid Proposal or on the Base Bid Proposal and the combination of Alternate Bid Items selected in accordance with the applicable provisions of the Instructions for Bidders. No bid shall be withdrawn for a period of ninety (90) calendar days subsequent to the opening of bids without the consent of SVMHS.

Contractor License Classification. In accordance with the provisions of California Public Contract Code §3300, SVMHS requires that Bidders have a valid and current class B California Contractors License. Bidders must be properly licensed at the time that the Contract for the Work is awarded and at all times during the Work. Any Bidder not so duly and properly licensed shall be subject to all penalties imposed by law. No payment shall be made for work, labor, materials or services provided under the Contract for the Work unless and until the Registrar of Contractors verifies to SVMHS that the Bidder awarded the Contract is properly and duly licensed to perform the Work.

Prevailing Wage. Minimum prevailing wage rates are required to be paid for each craft, classification, or type of worker needed to execute the Contract. Copies of such minimum rates are on file at the Administration office of SVMHS, and are available to any interested party upon request. See Labor Code Section 1773 et seq.

Dated: February 12, 2021

Salinas Valley Memorial Healthcare System
A Local Health Care District

Feb 17, 2021 (4600209)

Sealed proposals will be received by Salinas Valley Memorial Healthcare System ("SVMHS") located in Salinas, California, for the furnishing of all labor, materials, equipment and services to SVMHS necessary for and incidental to the construction of:

SVMH Lab Analyzers Replacement

General Description. Salinas Valley Memorial Hospital's main laboratory is located on the first level of the hospital and provides various specimen collection, transport and testing. SVMHS is pursuing equipment replacement activities within the main laboratory to replace two Siemens chemistry analyzers that are at their end of useful life with two of Siemens' Atellica Solution packaged units which feature chemistry analyzers that are automated and scalable. In addition to the equipment replacement, renovations include code required upgrades to the existing heating, venting and air conditioning system, upgrades to the high purity water system, removal of barriers to accessibility, and optimization of workflow.

Bids. Sealed bids will be received by SVMHS at the Construction Office located at 535 E Romie Lane, Suite 6, Salinas, California, until 2:00 p.m. on March 4, 2021 at which time all bids will be publicly opened. Bids will be referred to a subsequent SVMHS Board of Directors meeting for appropriate action. All Bid Proposals shall be submitted on forms furnished by SVMHS. Bid Proposals must conform with, and be responsive to, the Bid and Contract Documents, copies of which may be obtained from SVMHS as indicated below. Only Bid Proposals submitted to SVMHS prior to the date and time set forth above for the public opening and reading of Bid Proposals shall be considered. Note: Bids submitted orally or by telephone, electronic transmission (email) or facsimile will be considered invalid and will not be accepted. Each Bid Proposal shall be accompanied by:

1. Bid Letter (including acknowledgement of receipt of Addenda)
2. List of Subcontractors
3. Statement of Bidder's Qualifications
4. Compliance with Immigration Reform and Control Act of 1986
5. Bidder's Guaranty: Bidder's Bond or Irrevocable Standby Letter of Credit
6. Non-Collusion Certification

All information and responses of a Bidder in its Bid Proposal, and other documents accompanying the Bid Proposal, shall be complete, accurate and true. Incomplete, inaccurate, or untrue responses or information provided by a Bidder shall be grounds for SVMHS to reject such Bidder's Bid Proposal as nonresponsive.

Pre-Bid Conference. There will be a mandatory pre-bid conference held prior to the date of bid. The conference will take place on February 19, 2021, from 10:00 a.m.-11:30 a.m., in the SVMHS Construction Office located at 535 E. Romie Lane, Suite 6, Salinas, California 93901. Request to access the hospital for site investigation shall be coordinated through derek@bogardconstruction.com. Bidders and their subcontractors are encouraged to investigate the existing conditions prior to close of the bidding period.

Questions. All requests for interpretation of the drawings and specifications or other questions regarding this project during the bidding process shall be submitted to SVMHS in writing by email with the original copy to follow by mail. No telephone questions will be accepted. All written requests for interpretation (RFIs) or correction of the Contract Documents must be received within five (5) business days of close of bid. Send all pre-bid questions and requests for interpretation to SVMHS via email at: derek@bogardconstruction.com.

Bid and Contract Documents. Requests for digital versions of the Documents shall be addressed to Salinas Valley Memorial Healthcare System, Attn: Derek Bogaard (derek@bogardconstruction.com). The Central Coast Builder's Exchange has all bid documents available for Bidders (Visit URL: <http://www.ccbabuilds.com/>).

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Prevailing Wage. Minimum prevailing wage rates are required to be paid for each craft, classification, or type of worker needed to execute the Contract. Copies of such minimum rates are on file at the Administration office of SVMHS, and are available to any interested

party upon request. See Labor Code Section 1773 et seq.

Dated: February 12, 2021

Salinas Valley Memorial Healthcare System
A Local Health Care District

Feb 17, 2021 (4600209)

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
 PROJECT: Lab Analyzers Replacement
 PROJECT CIP: 01.1250.3595
 PROJECT LOCATION: 450 E Romie Lane, Salinas CA 93901
 BID RESULT SUMMARY

Single Prime Bid Package

DATE: March 4, 2021
 BID TIME: 2:00PM
 BID OPENING: 535 E Romie (SUITE 6), Salinas, CA 93901

| | CONTRACTOR | CONTACT | EMAIL | PHONE | BASE BID + ALLOWANCES | COMMENTS |
|---|---|---------------|------------------------|--------------|-----------------------|----------|
| 1 | **DMC Commercial Inc. 194 Skypark Drive Monterey, CA 93940 | Dan McAweeney | dan@dmcamp.com | 831.656-1600 | \$875,000 | |
| 2 | FTG Builders 1735 N. 1st Street San Jose CA 95112 | Rodney Terra | rodney@ftgbuilders.com | 669.231.0010 | \$964,795 | |
| | **Apparent Low Bidder | | | | | |
| | SVMHS reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received. | | | | | |

| | Documents Accompanying Bid | Contractor 1 | Contractor 2 |
|---|--------------------------------|--------------|--------------|
| a | Bid Letter | ✓ | ✓ |
| b | Addenda | ✓ | ✓ |
| c | List of Subcontractors | ✓ | ✓ |
| d | Disqualification Questionnaire | ✓ | ✓ |
| e | Insurance Requirements | ✓ | ✓ |
| f | Non-Collusion Affidavit | ✓ | ✓ |
| g | Bid Bond (Security) | ✓ | ✓ |
| h | Alternate Bid Item Proposal | ✗ | ✗ |

Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board Approval of Project Budget and Award of Construction Contracts to Val's Plumbing and Heating, Inc. and Central Electric for the SVMH Heart Center Air Handler Unit Upgrade Project**

Executive Sponsor: Pete Delgado, Chief Executive Officer
Earl Strotman, Sr. Administrative Director of Plant Operations and Construction

Date: March 4, 2021

Executive Summary:

SVMHS is pursuing activities to install and commission a new rooftop air handler unit that will specifically feed the heating, ventilation and air conditioning needs of the Heart Center nursing unit located at the first floor of the main hospital. Approved plans and permitting have been secured by the Office of Statewide Health Planning and Development.

Facilities Management is approaching the Board to request approval for comprehensive capital funding to complete construction, implementation and administration required for the SVMH Heart Center Air Handler Unit Upgrade Project. The total estimated cost for the project is \$1,700,000.

Background/Situation/Rationale:

Salinas Valley Memorial Hospital's Heart Center department located on the first level is currently served by an existing Trane air handler unit located at the basement level Cislini Plaza. In addition to the Heart Center, the existing Trane unit provides heating, ventilation and air conditioning to areas at the basement level including Cardiology, Nuclear Medicine, Endoscopy and administrative space. With the age and size of the Trane air handler, the unit is running at full capacity and cannot keep up with the current demands of the various areas to maintain appropriate air balances and pressurization. With the installation of a new Temtrol rooftop air handler to service the Heart Center department, the existing Trane air handler can be throttled back to extend the life of the unit until funding becomes available to upgrade.

Notable scope for the installation of the new rooftop air handler unit will include; (A) new electrical and hydronic piping distribution, (B) structural anchorage and service platform, (C) variable frequency drives and integrated controls to the hospital's building management system (D) roofing patch back and (E) testing and air balancing at the affected areas.

Salinas Valley Memorial Healthcare System publicly advertised a request for contractor bids for a multi-prime contract delivery method. Advertisements for Bid Package #1 (HVAC/Plumbing/Controls) and Bid Package #2 (Electrical) were circulated in the Californian and Central Coast Builder's Exchange. At the close of the bid period on February 4th, two bids were received for Bid Package #1 and one bid was received for Bid Package #2. Due to bidder's mistake, the low bid contractor for Bid Package #1 withdrew their bid pursuant to Public Contract Code 5103. To perform due diligence for the SVMHS, Bid Package #1 was re-bid with one contractor submitting a proposal on February 18th. After review of the bid packages submitted, SVMHS identified Vals Plumbing and Heating, Inc. as the lowest responsive, responsible bidder for Bid Package #1 and Central Electric as the lowest responsive, responsible bidder for Bid Package #2.

Timeline/Review Process to Date:

March 2021 – Anticipated approvals from Finance Committee and Board of Directors for project funding and construction services.

April 2021 – Execution of construction contracts and equipment procurement

May 2021 – Commence with construction activities.

September 2021 – Anticipated completion for construction activities

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Fiscal year capital budgeting:

Fiscal year 2021 capital budgeting allocated funding for planning, design, permitting and procurement for the new Heart Center Air Handler Unit Upgrade Project in the amount of \$600,000. Additional funding in fiscal year 2021 and 2022 is being requested to complete construction, implementation and administration required for the Heart Center Air Handler Unit Upgrade in the total estimated amount of \$1,700,000. The budget augmentation of \$1,100,000 is required to cover the following items not contemplated in the original scope; (A) additional structural steel service platform, (B) roofing replacement to install structural steel platform, (C) labor and material price escalations, (D) enhancements to the building's automation system and (E) temporary provisions necessary to support patient safety during unit transition.

| | |
|--------------------------------------|--------------------------|
| Fiscal Year 2020 Budgeted Amount | \$150,000 |
| Fiscal Year 2021 Budgeted Amount | \$600,000 |
| Fiscal Year 2021 Estimated Spend | \$1,269,250 |
| Fiscal Year 2022 Estimated Spend | <u>\$ 430,750</u> |
| Total Estimated Project Spend | \$1,700,000 |

Project Spend to Date:

Total project spend to date is \$191,976 which procured planning, design, permitting and administration.

Recommendation:

Consider recommendation to Board of Directors (i) to approve the total estimated project costs for the SVMH Heart Center Air Handler Unit Upgrade Project in the amount of \$1,700,000 (ii), award construction contract for Bid Package #1 (HVAC/Plumbing/Controls) to Vals Plumbing and Heating, Inc. for the SVMH Heart Center Air Handler Unit Upgrade Project in the amount of \$1,048,681 and (iii) award construction contract for Bid Package # 2 (Electrical) to Central Electric for the SVMH Heart Center Air Handler Unit Upgrade Project in the amount of \$56,992.

Attachments:

- (1) Total project estimated costs prepared March 4, 2021 at procurement phase.
- (2) Proof of publication for the advertisement for bids
- (3) Bid results for construction services from February 4, 2021.
- (4) Bid results for construction services from February 18, 2021.

Salinas Valley Memorial Healthcare System (10348)

Project Cost Summary: Heart Center Air Handler Unit Upgrade - C.I.P. 01.1250.3610

Architect/Engineering: SmithKarnig Architecture

Budget Generated at Procurement Phase

Budget Date: 3/4/2021

Print Date: 3/4/2021



| BUDGET SUMMARY | | | | | | |
|----------------|-----------|---|--------------------|--|--------------------|------------------|
| Line Item | | Description | Original Budget | Notes | Cash Flow | |
| | | | | | FY21 Projection | FY22 Projection |
| | 1 | Construction | | | | |
| 0100 | | Construction Contract | \$1,106,000 | Multi-Prime Delivery Method (2 Bid Packages) | \$884,800 | \$221,200 |
| 0102 | | Owner Construction Contingency | \$55,000 | Owner Held Contingency | \$0 | \$55,000 |
| | 2 | Design | | | | |
| 0200 | | Professional Fees - Fixed | \$215,000 | Architectural & Consulting Engineers | \$193,500 | \$21,500 |
| | 3 | Inspections and Consultation | | | | |
| 0300 | | Inspector of Record | \$25,000 | Agency Required Inspection | \$18,750 | \$6,250 |
| 0301 | | Special Inspections | \$20,000 | Agency Required Inspection | \$18,000 | \$2,000 |
| 0303 | | Testing and Monitoring(Hazardous Materials) | \$3,000 | Hazardous Material Testing | \$3,000 | \$0 |
| | 4 | AHJ Fees | | | | |
| 0400 | | OSHPD | \$21,000 | Agency Fees | \$19,950 | \$1,050 |
| | 5 | Soft Costs | | | | |
| 0502 | | Construction Management - PM/CM | \$175,000 | Program Management | \$131,250 | \$43,750 |
| | 99 | Contingency | | | | |
| 9900 | | Contingency | \$80,000 | ~5% of Project | \$0 | \$80,000 |
| Totals | | | \$1,700,000 | | \$1,269,250 | \$430,750 |

Proof of Publication

(2015.5 C.C.P.)

Salinas Newspapers, Inc.
1093 S Main ST STE 101
Salinas CA 93901
831-424-2222/Fax: 831-754-7156

State Of California ss:
County of Monterey

SALINAS VALLEY MEMORIAL/LEGALS
450 E ROMIE LN

SALINAS CA 93901

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I hereby certify that the attached advertisement appeared in said newspaper on the following dates:

Newspaper: **The Salinas Californian**
01/13/2021

I acknowledge that I am a principal clerk of the printer of said paper, which is published in the City of Salinas, County of Monterey, State of California. The Salinas Californian is printed and published daily, except Sunday and has been adjudged a newspaper of general circulation by the Superior Court of the County of Monterey, State of California. El Sol is printed and published weekly on Saturday and has been adjudged a newspaper of general circulation by the Superior Court of Monterey, State of California.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on this
13th of January 2021.



Declarant

Ad#:0004542934
P O :
Net Order Cost: 851.06

This is not an invoice

of Affidavits 1

Sealed proposals will be received by Salinas Valley Memorial Healthcare System ("SVMHS") located in Salinas, California, for the furnishing of all labor, materials, equipment and services to SVMHS necessary for and incidental to the construction of:

SVMH Heart Center Air Handler Unit Upgrade

General Description. Salinas Valley Memorial Hospital Heart Center Department's heating, venting and air conditioning is currently served by an existing Trane air handler unit located at the basement level of the main hospital. This unit also serves contiguous zones located at the basement and 1st levels of the main hospital. SVMHS is pursuing activities to install a new rooftop air handler unit to specifically feed the Heart Center Department while segregating the adjacent zones to the existing basement level air handler unit. Notable scope of the proposed installation encompasses the following: (a) Installation of new rooftop air handler unit, controls, structural anchorage, service platform and roofing patch back; (b) Installation of new hydronic piping and seismic support systems; and (c) New electrical feeds to air handler unit, variable frequency drives, service disconnects and motor starters.

Bids. Sealed bids will be received by SVMHS at the Construction Office located at 535 E Romie, Suite 6, Salinas, California, until 2:00 p.m. on **February 4, 2021** at which time all bids will be publicly opened. Bids will be referred to a subsequent SVMHS Board of Directors meeting for appropriate action. All Bid Proposals shall be submitted on forms furnished by SVMHS. Bid Proposals must conform with, and be responsive to, the Bid and Contract Documents, copies of which may be obtained from SVMHS as indicated below. Only Bid Proposals submitted to SVMHS prior to the date and time set forth above for the public opening and reading of Bid Proposals shall be considered. **Note:** Bids submitted orally or by telephone, electronic transmission (email) or facsimile will be considered invalid and will not be accepted. Each Bid Proposal shall be accompanied by:

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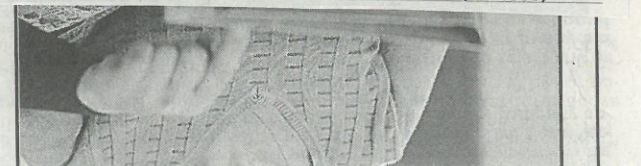
Pre-Bid Conference. There will be a mandatory pre-bid conference held prior to the date of bid. The conference will take place on **January 13, 2021** at 10:00 a.m. in the Conference Room at SVMHS. Attendance at the conference is mandatory for all bidders. Bidders are responsible for providing their own transportation to and from the conference. Bidders are responsible for providing their own transportation to and from the conference. Bidders are responsible for providing their own transportation to and from the conference. Bidders are responsible for providing their own transportation to and from the conference.

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Dated: January 11, 2021

Salinas Valley Memorial Healthcare System
A Local Health Care District
Jan 13, 2021

(4156599)



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Bid and Contract Documents. Requests for digital versions of the Documents shall be addressed to Salinas Valley Memorial Healthcare System, Attn: Derek Bogaard (derek@bogardconstruction.com). The Central Coast Builder's Exchange has all bid documents available for Bidders (Visit URL: <http://www.ccbabuilds.com/>).

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Dated: January 11, 2021

Salinas Valley Memorial Healthcare System
A Local Health Care District
Jan 13, 2021

(4156599)

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
 SALINAS VALLEY MEMORIAL HOSPITAL (10348)
 PROJECT: HEART CENTER AIR HANDLER UNIT UPGRADE
 OSHPD PROJECT NO: S201438-27-00
 BID RESULT SUMMARY



Bid Package No. 1 - HVAC / PLUMBING / CONTROLS

DATE: February 4, 2021
 BID TIME: 2:00PM

| | CONTRACTOR | CONTACT | EMAIL | PHONE | BASE BID | COMMENTS |
|---|---|--------------------|--|--------------|-------------|----------|
| 1 | Vals Plumbing and Heating, Inc. 413 Front Street Salinas, CA 93901 | Claude Bastianelli | claude@valsplumbing.com | 831.424.1633 | \$1,055,316 | |
| 2 | **Geo H. Wilson 250 Harvey West Blvd. Santa Cruz, CA 95060 | Richard Wilson | blue@geowilson.com | 831.423.9522 | \$723,000 | |
| | **Apparent Low Bidder | | | | | |
| | SVMHS reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received. | | | | | |

| | Documents Accompanying Bid | Contractor 1 | Contractor 2 |
|---|--|--------------|--------------|
| a | Bid Proposal | ✓ | ✓ |
| b | Addenda | ✓ | ✓ |
| c | List of Subcontractors | ✓ | ✓ |
| d | Statement of Qualifications | ✓ | ✓ |
| e | Non-Collusion Affidavit | ✓ | ✓ |
| f | Compliance with Immigration Reform and Control Act of 1986 | ✓ | ✓ |
| g | Bid Bond (Security) | ✓ | ✓ |

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
 SALINAS VALLEY MEMORIAL HOSPITAL (10348)
 PROJECT: HEART CENTER AIR HANDLER UNIT UPGRADE
 OSHPD PROJECT NO: S201438-27-00
 BID RESULT SUMMARY



Bid Package No. 2 - ELECTRICAL

DATE: February 4, 2021
 BID TIME: 2:00PM

| | CONTRACTOR | CONTACT | EMAIL | PHONE | BASE BID | COMMENTS |
|---|---|-----------|--|--------------|----------|----------|
| 1 | **Central Electric Co. 430 Walker Street Watsonville, CA 95076 | Matt Love | matt@centralelectric.com | 831.724-6321 | \$56,992 | |
| | **Apparent Low Bidder | | | | | |
| | SVMHS reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received. | | | | | |

| | Documents Accompanying Bid | Contractor 1 |
|---|--|--------------|
| a | Bid Proposal | ✓ |
| b | Addenda | ✓ |
| c | List of Subcontractors | ✓ |
| d | Statement of Qualifications | ✓ |
| e | Non-Collusion Affidavit | ✓ |
| f | Compliance with Immigration Reform and Control Act of 1986 | ✓ |
| g | Bid Bond (Security) | ✓ |

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
 SALINAS VALLEY MEMORIAL HOSPITAL (10348)
 PROJECT: HEART CENTER AIR HANDLER UNIT UPGRADE
 OSHPD PROJECT NO: S201438-27-00
 BID RESULT SUMMARY



Bid Package No. 1 - HVAC / PLUMBING / CONTROLS

DATE: February 18, 2021
 BID TIME: 2:00PM

| | CONTRACTOR | CONTACT | EMAIL | PHONE | BASE BID | COMMENTS |
|---|---|--------------------|--|--------------|-------------|----------|
| 1 | **Vals Plumbing and Heating, Inc. 413 Front Street Salinas, CA 93901 | Claude Bastianelli | claude@valsplumbing.com | 831.424.1633 | \$1,048,681 | |
| | **Apparent Low Bidder | | | | | |
| | SVMHS reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received. | | | | | |

| | Documents Accompanying Bid | Contractor 1 |
|---|--|--------------|
| a | Bid Proposal | ✓ |
| b | Addenda | ✓ |
| c | List of Subcontractors | ✓ |
| d | Statement of Qualifications | ✓ |
| e | Non-Collusion Affidavit | ✓ |
| f | Compliance with Immigration Reform and Control Act of 1986 | ✓ |
| g | Bid Bond (Security) | ✓ |

Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board Approval of Project Budget for the OB Cesarean Conversion Project**

Executive Sponsor: Clement Miller, Chief Clinical Officer
Annette Lindeman, Director of Women's and Children's Services

Date: March 4, 2021

Executive Summary:

Salinas Valley Memorial Hospital's main operating and recovery room to perform cesarean delivery is located on the second floor of the main hospital. Amid the COVID-19 pandemic, the District is pursuing activities to convert the existing recovery room into a second cesarean delivery room to mitigate exposure and the risk of spread from patients affected with the virus.

To facilitate the conversion, upgrades to existing infrastructure are required including; (A) new electrical panel and distribution, (B) modifications to the existing medical gas and heating, ventilation and air conditioning system, (C) installation of a new surgical light and general room lighting and (D) procurement and installation of a new anesthesia system, medication dispensing unit, fetal monitoring system and surgical table.

Facilities Management is requesting capital funding to complete design, permitting, construction, and equipment procurement for the SVMH OB Cesarean Conversion Project. The total estimated cost for the project is \$1,030,202.

Background/Situation/Rationale:

Salinas Valley Memorial Healthcare System continually strives to provide evidence-based care to ensure optimal outcomes on a daily basis. An evidence-based practice to provide timely interventions and scheduled procedures was recognized in 1991 by Salinas Valley Memorial Hospital and the California Department of Public Health. This recognition granted SVMH the licensure to perform all cesarean sections on the Obstetric unit. After training the nursing staff in the practice of perioperative nursing, our physicians, staff and patients began utilizing the existing delivery suites/operating rooms. These are mirror image rooms and both have all essential components to provide safe, reliable care to patients in need of a surgical intervention for both maternal and/or fetal necessity.

As SVMH continues to provide best practice medicine during the COVID-19 pandemic, our team has reviewed our preparedness with the current modalities available to provide care to the maternal newborn dyad as the complexities of care for the laboring woman as a PUI/positive mother are extensive. Active labor is often a rapidly changing situation. Due to physiologic changes of pregnancy, women compensate to alterations in homeostasis for longer periods of time, but once they are not able to meet their own physiologic needs, they decompensate quickly and are difficult to stabilize. In a woman with COVID 19, this pathology can alter the woman's ability to compensate and may put the well-being of her and her fetus (es) in jeopardy. The potential need for an emergency cesarean section requires multiple personnel to facilitate transport to a different floor in the hospital. It takes several minutes to move patient, equipment and staff which provides potential exposure during transport putting others at risk. Having the ability to have a second operating room open equipped and ready to go with minimal exposure risk is crucial to safe and efficient patient outcomes during this time.

At the time of the initial licensure, the OB operating room performed all scheduled and non-scheduled cesarean sections, including emergent life-saving cases. All cases are performed in this setting unless a second operating room is needed when an emergency happens in the midst of an ongoing surgery. The second room was not completed as an operating room and became a space for recovering patients from surgery. However, a preferred model of care is to provide pre-operative and post-operative care in the same patient care room.

Now faced with the COVID-19 pandemic, SVMH is continually planning and utilizing proven resources within its structures to minimize exposure and risk of spread in an unprecedented time. In an effort to provide patient safety and improve our ability to respond to crisis during the PUI/COVID-19 pandemic, it is essential to anticipate these needs and have preparation readiness at all times.

Timeline/Review Process to Date:

March 2021 – Design development and production of construction documents.
March 2021 – Anticipated approvals from Finance Committee and Board of Directors for project funding.
March 2021 - July 2021-February 2021 – OSHPD plan review and permitting.
May - July 2021 – Procurement of construction services and equipment
July 2021 – Anticipated approvals from Finance Committee and Board of Directors for construction services.
August 2021 – Commence with construction activities.
Nov 2021 – Complete construction activities and change of use with CDPH
Nov 2021 – Project substantial completion

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Fiscal year capital budgeting:

Funding in fiscal year 2021 and 2022 is being requested to complete design, permitting, construction, equipment, implementation and administration required for the SVMH OB Cesarean Conversion Project in the total estimated amount of \$1,030,202.

| | |
|--------------------------------------|---------------------------|
| Fiscal Year 2021 Budgeted Capital | \$0 |
| Fiscal Year 2021 Estimated Spend | \$182,745 |
| Fiscal Year 2022 Estimated Spend | <u>\$847,457</u> |
| Total Estimated Project Spend | <u>\$1,030,202</u> |

Recommendation:

Consider recommendation to Board of Directors to approve the total estimated project costs in the amount of \$1,030,202 for the SVMH OB Cesarean Conversion Project.

Attachments:

- (1) Total project estimated costs prepared 3/4/2021 at 100% construction documents phase.

Salinas Valley Memorial Healthcare System (10348)

Project Cost Summary: 2nd Floor OB C-Section - C.I.P. 01.1250.3610

Architect/Engineering: SmithKarrng Architecture

Budget Generated at Design Development

Budget Date: 3/2/2021

Print Date: 3/4/2021



| BUDGET SUMMARY | | | | | |
|----------------|---|--------------------|---|------------------|------------------|
| Line Item | Description | Original Budget | Notes | Cash Flow | |
| | | | | FY21 Projection | FY22 Projection |
| 1 | Construction | | | | |
| 0100 | Construction Contract | \$384,000 | Single Prime Delivery Method | \$0 | \$384,000 |
| 0102 | Owner Construction Contingency | \$20,000 | Owner Held Contingency | \$0 | \$20,000 |
| 2 | Design | | | | |
| 0200 | Professional Fees - Fixed | \$120,000 | Architectural & Consulting Engineers | \$92,400 | \$27,600 |
| 3 | Inspections and Consultation | | | | |
| 0300 | Inspector of Record | \$10,000 | Agency Required Inspection | \$0 | \$10,000 |
| 0301 | Special Inspections | \$10,000 | Agency Required Inspection | \$0 | \$10,000 |
| 0303 | Testing and Monitoring(Hazardous Materials) | \$7,000 | Hazardous Material Testing and Monitoring | \$3,500 | \$3,500 |
| 4 | AHJ Fees | | | | |
| 0400 | OSHDP | \$13,161 | Agency Fees | \$11,845 | \$1,316 |
| 5 | Soft Costs | | | | \$0 |
| 0502 | Construction Management - PM/CM | \$150,000 | Program Management | \$75,000 | \$75,000 |
| 7 | FF&E | | | | |
| 0701 | Medical Equipment | | | | |
| | Skytron Surgical Light | \$29,029 | | \$0 | \$29,029 |
| | Surgical Table | \$38,329 | | \$0 | \$38,329 |
| | Anesthesia System | \$114,862 | | \$0 | \$114,862 |
| | Fetal Carts x2 | \$21,328 | | \$0 | \$21,328 |
| | BOVI Cauterizer and Smoke Evac | \$28,675 | | \$0 | \$28,675 |
| | Scanner | \$8,740 | | \$0 | \$8,740 |
| | Anesthesia Pyxis | \$25,078 | | \$0 | \$25,078 |
| 99 | Contingency | | | | |
| 9900 | Contingency | \$50,000 | ~5% of Project | \$0 | \$50,000 |
| Totals | | \$1,030,202 | | \$182,745 | \$847,457 |

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval for the Purchase of Cardiac Ultrasound Equipment
Executive Sponsor: Clement Miller, Chief Operating Officer / Interim Chief Nursing Officer
Christianna Kearns, Sr. Admin Director Cardiovascular, Pulmonary & Sleep Medicine Services
Date: March 8, 2021

Executive Summary

Current Cardiac Ultrasound fleet have reached their end of useful life. The systems have been frequently breaking down indicating they need to be replaced. These machines are critical to our Heart program and Structural Heart program as well as others that require cardiac testing including research and oncology. This project will be done in two phases: Hospital units to be replaced first, then the remaining three units at the Outpatient centers replaced next fiscal year.

Timeline/Review Process to Date:

03/01/21 Items entered in Axiom for review. Sent to MM for review of GPO pricing

Pillar/Goal Alignment

x Service People x Quality Finance x Growth Community

Financial/Quality/Safety/Regulatory Implications:

Fiscal year 2021 capital budgeting allocated funding for the Cardiac Ultrasound Replacement equipment in the amount of \$739,519.00. Proposed funding in fiscal year 2022 allocates \$554,638.00 for the remaining equipment replacements for Outpatient centers.

Fiscal 2021 Budget **\$739,519.00**

Capital Equipment Purchase Request **\$771,375.00**
GE Healthcare

Operational Expense for GE Healthcare **\$261,390.00** (\$52,278 per year for 5 years to start in 2022 after
5 year Service Agreement 1 year warranty)

Recommendation

Consider Recommendation to Board of Directors (i) to approve the capital equipment purchase from GE Healthcare in the amount of \$771,375.00 and (ii) to approve the GE Healthcare Service Agreement in the amount of \$261,390.

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of Project Funding for the SVMHS Retail Pharmacy Project

Executive Sponsor: Clement Miller, SVMHS COO
John S. Choi, SVMHS Director of Pharmacy
Dave Sullivan, SVMHS Facilities Management

Date: March 9, 2021

Executive Summary

SVMHS is pursuing tenant improvements to the first level portion of the parking structure located at 446 E Romie, Salinas, CA. The planned renovations include architectural finish replacements (flooring, paint, drywall finishes), low voltage cabling, office furniture, technology equipment, office equipment, and furnishings necessary to facilitate the retail pharmacy use of the space. Facilities Management is approaching the Board to request approval of capital funding to complete renovations and procure furnishings, furniture and equipment. The total estimated cost for the project planning, design, permitting, construction, and equipment is \$450,000.

Background/Situation/Rationale

The primary objectives of the retail pharmacy are to support (i) employees & covered lives prescription program, (ii) fulfill discharge prescriptions & medications to hospital beds, (iii) 340B contract pharmacy to SVMH and qualifying clinics and (iv) support SVMH Infusion Center & specialty medications.

Timeline/Review Process to Date:

March 2021: Secure city of Salinas Building Department approvals and commence construction
June 2021: Anticipated completion of renovations
November 2021: Board of Pharmacy approvals to operate pharmacy

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

Medication management and prescription plans continue to change and evolve in the US healthcare system. SVMHS' strategic plan to provide continuity of care and services to our community and employees and covered lives beyond acute care setting includes management of ambulatory prescription distribution and participation in specialty pharmacy program that is in a rapid growth. Our retail pharmacy plan meets the immediate needs of patient's discharge prescriptions, convenience of employee prescription plans. The plan will also provide a long term business growth in support of the infusion center pharmacy and their needs for specialty pharmacy procurement.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Recommendation

Consider recommendation for Board Approval of project funding for the SVMHS Retail Pharmacy Project in the total project estimate amount of \$450,000.

Attachments

Project Cost Model prepared March 3, 2021

Salinas Valley Memorial Healthcare System (10348)

Project Cost Summary: DRC Retail Pharmacy Renovations

Architect/Engineering: WRD Architects

Budget Generated at Procurement Phase

Budget Date: 3/3/2021



| BUDGET SUMMARY | | | | |
|----------------|-----------|--|----------------------|---|
| Line Item | | Description | A Original Budget | Notes |
| | 1 | Construction | | |
| 0100 | | Construction Contract | \$160,000 | Multi-Prime Contract Delivery Method |
| 0102 | | Owner Construction Contingency | \$7,500 | Owner Held Contingency |
| | 2 | Design | | |
| 0200 | | Professional Fees - Fixed | \$75,000 | Architectural & Consulting Engineers |
| | 3 | Inspections and Consultation | | |
| 0301 | | Special Inspections | \$5,000 | Agency Required Inspection |
| | 4 | AHJ Fees | | |
| 0401 | | City Fees (Entitlement and Permitting) | \$9,000 | Agency Fees |
| | 5 | Soft Costs | | |
| 0502 | | Construction Management - PM/CM | \$78,500 | Program Management |
| | 7 | FF&E | | |
| 0703 | | Technology Infrastructure | \$95,000 | Pioneer Rx Point of Sale Software and IT Infrastructure |
| | 99 | Contingency | | |
| 9900 | | Contingency | \$20,000 | ~5% of Project |
| Totals | | | \$450,000 | |

Board Paper: Finance Committee

Agenda Item: Informational Update Regarding Project Planning for the SVMH Elevator Modernization Project

Executive Sponsor: Pete Delgado, President / Chief Executive Officer
Earl Strotman, Facilities Management
Dave Sullivan, Facilities Management

Date: March 9, 2021

Executive Summary

Salinas Valley Memorial Healthcare System seeks to modernize the existing high-speed elevator bank to meet the current & future needs of the Hospital. Presently, the Hospital has multiple elevator systems located throughout the acute care facility. The scope of work included in this RFP is intended to be limited to only the high-speed elevator system. Functional areas to be covered by the proposed modernization include but are not limited to leverage and support existing elevator systems, code blue system override in each elevator car, infant security integration, and fire alarm integration. The existing elevator system is serviced by Thyssen Krupp and originally installed by a separate contractor in 1994. The existing system is demonstrating a lower reliability rate and minor failures are becoming more frequent as anticipated based on the age of the system. Various improvements have been implemented to the existing system, but the age of the controls and internal components present unavoidable obstacles to avoid a complete modernization of the system. SVMHS circulated a Request for Proposal (RFP) for design and construction services to qualified local and regional elevator vendors. In accordance with the RFP procedures, SVMHS intends on engaging with Otis Elevators for a design-assist agreement (Stage 1 of the procurement process for construction services).

Background/Situation/Rationale

The elevator modernization project calls for the design and construction of validated the structural components of the existing systems compliance with current building codes, replacement of controllers, replacement of machine/pulley system and renovation of interior components of the 3 cars. Presently, the Hospital has multiple elevator systems located throughout the acute care facility. The scope of work included in this RFP is intended to be limited to only the high-speed elevator system. The current 3-bank high speed elevator system was installed in 1994 under the 1991 code cycle. The objective of this project is to modernize the elevator system to comply with current rules and regulations enforced by all agencies having jurisdiction including OSHPD, City of Salinas Fire Department and Cal/OSHA Elevator Unit.

Current planning is to execute a stage 1 agreement with the successful elevator vendor to assist SVMHS in securing OSHPD approvals necessary to execute the work. The successful elevator vendor shall support SVMHS' in the pursuit of OSHPD plan approval and building permits. The Hospital will secure the architect and consulting engineers through separate agreements. Numerous design and planning meetings should be anticipated to secure the completed design with the agencies having jurisdiction. The elevator vendor shall provide full support and documentation of the proposed system and system features Design and preconstruction is estimated to occur over a 6 month period, while construction is estimated to occur directly after securing permitting approvals from the Cal/OSHA Elevator Unit, City of Salinas and OSHPD. Extent of the construction improvements are to be finalized following completion of the design documents.

Ancillary improvements necessary to implement the Project will include: fire alarm system, nurse-call code blue override, infant and pediatric security systems, and call systems to emergency responders, which will require coordination with OSHPD and the City of Salinas; Americans with Disabilities Act (ADA) improvements and wayfinding to ensure clear and safe pedestrian passage; mechanical, electrical, plumbing, and fire sprinkler upgrades the elevator shaft and machine rooms to be incorporated into the project.

Financial Implications

The essential terms of the proposed Contract with the elevator vendor are as follows:

| Key Contract Terms | Otis Elevator |
|----------------------------|--|
| 1. Proposed effective date | Issuance of Notice to Proceed anticipated on April 1, 2021 |
| 2. Term of agreement | 14 Weeks |
| 3. Renewal terms | Not Applicable |
| 4. Cost | Total all-inclusive sum not to exceed \$35,000. |
| 5. Budgeted (indicate y/n) | No. Majority of project costs will be a FY22 spend, but design and permitting fees will impact FY21. |

Schedule:

January 2021 – Issue RFQ/RFP for Elevator Vendor
Feb 2021 – Score, Rank and Engage Highest Ranking Elevator Vendor
March 2021 – Anticipated Design Assist Award to Elevator Vendor
March 2021 – Commence Survey of Hospital Elevator Systems + Generate Design Solution
August 2021 – Secure Engineered Design from Otis
October 2021 – Submit to OSHPD for Plan Approval
January 2022 – Anticipated Award of Construction Contract for Otis and Request for Project Funding (Board Approval Required)

Budget:

A project cost estimate has been completed by SVMHS based upon preliminary input from Otis Elevator. As currently programmed, the elevator modernization project cost estimate of \$2,400,000. The project cost estimate includes design fees, permitting, design-assistance from Otis, program management, and construction services required to complete the project.

Procurement:

SVMHS circulated a Request for Proposal (RFP) for design and construction services to qualified local and regional elevator vendors. Two (2) proposals were received by SVMHS. Each of the responses was scored utilizing a tiered scoring structure. After evaluating all proposals in accordance with the criteria set forth in the RFP, the evaluation committee determined that Otis Elevators was as the highest-ranking proposer. As part of the response to the RFP, the proposers were required to submit a cost proposal identifying the proposed design and construction services for the requested scope of services. In accordance with the RFP procedures, SVMHS intends on engaging with Otis Elevators for a design-assist agreement (Stage 1). Upon completion of the design and permitting process with OSHPD, SVMHS will finalize the construction services (Stage 2) and return to the Board for consideration of contract award for the implementation component of the project.

This board paper is informational and is not requesting funding for the project at this point. The proposed budget will be included in the FY22 Capital Budgeting process and brought back to board for approval at the appropriate time.

SVMH Balanced Scorecard



FY 2021 YTD January

Monthly Scorecard

IP Service (15%)



| Organizational Goals by Pillar | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | FY 2021 Act/Proj | TARGET | Var % |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|-------------|
| I. Service | | | | | | | | | | |
| 1. Communication with Nurses | 81.7 | 80.1 | 75.3 | 81.6 | 82.2 | 86.2 | 84.1 | 81.6 | 82.6 | -1.2% |
| # of Reponses | 161 | 145 | 138 | 125 | 115 | 155 | 113 | | | |
| 2. Communication with Doctors | 79.6 | 82.0 | 78.5 | 81.1 | 80.1 | 82.6 | 87.7 | 81.7 | 81.8 | -0.2% |
| # of Reponses | 159 | 145 | 137 | 125 | 115 | 155 | 112 | | | |
| 3. Responsiveness of Hospital Staff | 69.9 | 63.8 | 68.4 | 75.3 | 67.2 | 72.1 | 72.0 | 69.8 | 68.2 | 2.3% |
| # of Reponses | 156 | 134 | 135 | 114 | 108 | 148 | 109 | | | |
| 4. Communication About Medicines | 68.8 | 66.9 | 64.9 | 71.6 | 71.7 | 67.4 | 69.2 | 68.6 | 69.7 | -1.5% |
| # of Reponses | 107 | 98 | 88 | 83 | 78 | 98 | 88 | | | |
| 5a. Cleanliness of hospital environment | 86.1 | 73.4 | 75.7 | 79.2 | 77.7 | 85.0 | 78.6 | 79.4 | 81.5 | -2.6% |
| # of Reponses | 158 | 143 | 136 | 125 | 112 | 153 | 112 | | | |
| 5b. Quietness of hospital environment | 58.2 | 59.6 | 53.6 | 55.3 | 50.0 | 50.0 | 52.3 | 54.1 | 48.7 | 11.2% |
| # of Reponses | 158 | 141 | 138 | 123 | 112 | 152 | 111 | | | |
| 6. Discharge Information | 86.1 | 89.8 | 89.2 | 91.8 | 89.6 | 91.6 | 92.2 | 90.1 | 90.3 | -0.2% |
| # of Reponses | 153 | 136 | 127 | 116 | 107 | 151 | 110 | | | |
| 7. Care Transitions | 54.1 | 61.3 | 53.9 | 56.0 | 56.2 | 62.2 | 65.0 | 58.4 | 57.0 | 2.5% |
| # of Reponses | 162 | 144 | 137 | 125 | 115 | 154 | 112 | | | |
| 8. Overall Rating of Hospital | 78.2 | 73.6 | 74.8 | 76.8 | 77.2 | 79.6 | 77.7 | 76.8 | 78.6 | -2.2% |
| # of Reponses | 156 | 140 | 135 | 125 | 114 | 152 | 112 | | | |
| Average of Inpatient HCAHPS Scores | 73.8 | 73.0 | 71.2 | 75.2 | 73.5 | 76.1 | 76.7 | 74.2 | 74.2 | 0.1% |
| # of Total Reponses - IP | 162 | 145 | 138 | 125 | 115 | 155 | 113 | | | |

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- IP HCAHPS Score FY 2020 Baseline was 73.7. Rationale: Baseline = Threshold is based on 7 month Pre-Covid Average (Aug19 to Feb20; Jul19 not included due to sterilizer event) = 73.7. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline.
- ER Press Ganey Score FY 2020 Baseline was 59.2. Rationale: Baseline = Threshold is based on average of July 2020 Actual, MTD August 18, 2020 Actual, September estimated Average of Jul and Aug, and remainder of the year using 8 month Pre-Covid Average (Jul19 to Feb20) = 59.2. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline
- Ambulatory HCAHPS Score FY 2020 Baseline was 91.3. Rationale: Baseline = Threshold is based on 8 month Pre-Covid Average excluding August 2019 (anomaly) = 91.3. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline

Monthly Scorecard

ER Service (10%)



| Organizational Goals by Pillar | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | FY 2021 Act/Proj | TARGET | Var % |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|---------------------|--------|-------|
| I. Service | | | | | | | | | | |
| Emergency Room Press Ganey Score | 56.4 | 57.9 | 59.7 | 64.5 | 57.7 | 60.6 | 62.0 | 59.8 | 59.7 | 0.3% |
| # of Total Responses - ER | 269 | 204 | 201 | 177 | 110 | 194 | 207 | | | |

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- IP HCAHPS Score FY 2020 Baseline was 73.7. Rationale: Baseline = Threshold is based on 7 month Pre-Covid Average (Aug19 to Feb20; Jul19 not included due to sterilizer event) = 73.7. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline.
- ER Press Ganey Score FY 2020 Baseline was 59.2. Rationale: Baseline = Threshold is based on average of July 2020 Actual, MTD August 18, 2020 Actual, September estimated Average of Jul and Aug, and remainder of the year using 8 month Pre-Covid Average (Jul19 to Feb20) = 59.2. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline
- Ambulatory HCAHPS Score FY 2020 Baseline was 91.3. Rationale: Baseline = Threshold is based on 8 month Pre-Covid Average excluding August 2019 (anomaly) = 91.3. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline

Monthly Scorecard

Ambulatory Service (5%)



| Organizational Goals by Pillar | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | FY 2021 Act/Proj | TARGET | Var % |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|--------------|
| I. Service | | | | | | | | | | |
| 1. Communication | 81.1 | 87.6 | 82.9 | 93.6 | 91.5 | 86.5 | 87.5 | 87.2 | 90.3 | -3.3% |
| # of Reponses | 65 | 66 | 52 | 64 | 63 | 55 | 40 | | | |
| 2. Discharge | 91.9 | 94.0 | 91.4 | 95.9 | 92.2 | 93.2 | 92.1 | 93.0 | 94.6 | -1.7% |
| # of Reponses | 64 | 66 | 53 | 64 | 62 | 55 | 39 | | | |
| 3. Facility rating | 72.3 | 87.3 | 86.8 | 96.8 | 82.3 | 80.0 | 89.5 | 85.0 | 85.6 | -0.7% |
| # of Reponses | 65 | 63 | 53 | 62 | 62 | 55 | 38 | | | |
| 4. Facility/Personal Treatment | 89.7 | 97.2 | 97.5 | 98.4 | 96.2 | 96.3 | 93.1 | 95.5 | 96.8 | -1.4% |
| # of Reponses | 65 | 66 | 53 | 64 | 62 | 55 | 39 | | | |
| Average of Ambulatory HCAHPS Scores | 83.7 | 91.5 | 89.6 | 96.2 | 90.5 | 89.0 | 90.5 | 90.2 | 91.8 | -1.8% |
| # of Total Reponses - Ambulatory | 65 | 66 | 53 | 64 | 63 | 55 | 40 | | | |

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- Includes Departments: Cath Lab, Endoscopy, Angio/Special Procedures Radiology, Outpatient Surgery
- IP HCAHPS Score FY 2020 Baseline was 73.7. Rationale: Baseline = Threshold is based on 7 month Pre-Covid Average (Aug19 to Feb20; Jul19 not included due to sterilizer event) = 73.7. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline.
- ER Press Ganey Score FY 2020 Baseline was 59.2. Rationale: Baseline = Threshold is based on average of July 2020 Actual, MTD August 18, 2020 Actual, September estimated Average of Jul and Aug, and remainder of the year using 8 month Pre-Covid Average (Jul19 to Feb20) = 59.2. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline
- Ambulatory HCAHPS Score FY 2020 Baseline was 91.3. Rationale: Baseline = Threshold is based on 8 month Pre-Covid Average excluding August 2019 (anomaly) = 91.3. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline

Monthly Scorecard

Quality & Safety Processes – ER (8%)



| Organizational Goals by Pillar | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | FY 2021 Act/Proj | TARGET | Var % |
|---|--------|--------|--------|--------|--------|--------|--------|------------------|--------|--------|
| III. Quality & Safety Processes | | | | | | | | | | |
| Emergency Room Efficiencies | | | | | | | | | | |
| Median length of stay for non-admits (in minutes) | 124.0 | 141.0 | 158.0 | 172.0 | 167.0 | 179.0 | 181.0 | 160.0 | 153.0 | -4.6% |
| Median time from admit decision to time of admission to nursing unit (in minutes) | 87.0 | 87.0 | 86.0 | 87.0 | 94.0 | 120.0 | 115.5 | 95.0 | 85.0 | -11.8% |

Source: Meditech

ER - LOS for Non-Admits in Minutes: Data Criteria: Calculate the median LOS in minutes for ER Outpatients for each month & YTD for cases in ER (excludes inpatients and patients leaving against medical advice or left without being seen.) The Baseline for FY20 was 154.0 minutes; Rationale: Baseline = Threshold is based on FY 2020 Actuals. The Target is a 1 minute improvement from the Baseline, and the Max is a 2 minute improvement from the Baseline.

ER - Time to Admit in Minutes: Data Criteria: Calculate the median time for inpatients from admit decision to time of admission to nursing unit in minutes (includes observation cases). Actuals for FY 2020 was 81.0 minutes. However, Baseline used to determine Threshold for FY 2021 is 88.0, based on July 2020 Actual and MTD 8-18-20 Actual. Rationale: It is expected that Flu & Covid will generate more complexity for ER admissions. The isolation rooms in the ER are limited. When a patient leaves the isolation room, there is a need for terminal cleaning for at least 1 hour which causes a delay to flow of patients. The admission process has become more complicated with patients going to COVID & isolation rooms because of the need for more resources for transport depending on patient's need. Also, COVID testing can take up to an hour so a patient cannot leave ER until COVID results are available to place a patient in proper rooms. FY21 Threshold is a 2.0 minutes improvement from Baseline = 86.0 minutes; FY21 Target = 85.0 minutes; FY21 Max = 84.0 minutes.

Monthly Scorecard

Quality & Safety Processes – OR (8%)



| Organizational Goals by Pillar | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | FY 2021 Act/Proj | TARGET | Var % |
|---|--------|--------|--------|--------|--------|--------|--------|------------------|--------|-------|
| III. Quality & Safety Processes | | | | | | | | | | |
| Operating Room Efficiencies | | | | | | | | | | |
| Turnover Time (Wheels out / Wheels in) (in minutes) | 30.7 | 28.7 | 29.3 | 30.3 | 31.3 | 33.1 | 31.6 | 30.7 | 29.5 | -4.1% |
| Percentage of 1st Case On Time Start Time | 92.2% | 86.7% | 94.2% | 83.5% | 89.5% | 75.9% | 87.0% | 87.0% | 89.0% | -2.2% |

Turnover Time Measurement: New Methodology FY 2021 - Calculate minutes elapsed between the PICIS OR Nurse Record wheels out & wheels in of the next case. Historically based on predictive anesthesia end time by the circulating RN in the OR record, this metric was updated to use the anesthesia actual documented end time as a more precise variable to capture and measure data more accurately. The PICIS 8.6 Upgrade in March 2020 prevents modification of time in the Nurse Record and requires the Anesthesia End Time to be documented in the PACU as the patient begins the recovery process rendering it no longer an accurate capture of the TOT wheels out data point. Only cases where the time difference is less than or equal to 60 minutes will be included because breaks are often scheduled in a day. Due to MD availability, cases that exceed 60 threshold minutes will not count as a turnover. Excludes non-scheduled cases. Measurement applies to cases for the same physician and same room only. Data will be partition by actual date rather than previously scheduled date. **National benchmarks range from 25 to 38 minutes.** FY 20 Baseline = 29.0 under the new methodology. Rationale: FY 2021 Goals are: Threshold = 30.5, Target = 29.5, Max = 28.5 in order to achieve sustainability.

Percentage of 1st case On Time Start Time

- 1st scheduled case of the day in each OR room where the scheduled time is between 07:00 AM and 08:59 AM
- Cases in which the patient is Wheeled In at least zero minutes prior to the case
- FY20 Baseline was 90.4%. FY 2021 Goals are: Threshold = 87.0%. Target = 89.0%. Max = 91.0%. Rationale: Increased targets from prior year by 1 percentage point in order to achieve sustainability and maintain patient safety as the priority focus for Perioperative Services.
- **National benchmark goals range from 70% to 80%**

Monthly Scorecard

Quality & Safety Processes – HAC (4%)



| Organizational Goals by Pillar | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | FY 2021 Act/Proj | TARGET | Var % |
|---|--------|--------|--------|--------|--------|--------|------------------|--------|---------|
| III. Quality & Safety Processes | | | | | | | | | |
| Hospital Acquired Conditions | | | | | | | | | |
| CLABSI SIR (Standard Infection Ratio) | 0.00 | | | 0.44 | | | 0.22 | 0.41 | 46.4% |
| # of CLABSI EVENTS | 0 | 0 | 0 | 0 | 1 | 0 | 1 | | |
| CAUTI SIR (Standard Infection Ratio) | 0.91 | | | 0.81 | | | 0.86 | 0.43 | -101.8% |
| # of CAUTI EVENTS | 1 | 0 | 1 | 1 | 0 | 1 | 4 | | |
| CDI SIR (Standard Infection Ratio) | 0.54 | | | 0.00 | | | 0.27 | 0.62 | 56.2% |
| # of CDI EVENTS | 0 | 2 | 1 | 0 | 0 | 0 | 3 | | |
| Hospital Acquired Conditions Average | 0.49 | | | 0.42 | | | 0.45 | 0.49 | 7.3% |

- **Source:** NHSN & Medline Interface
- Hospital Acquired Conditions will be measured **quarterly**
- **Rationale for Targets:** The FY 2021 Target is set to meet Leapfrog requirements, which will then align with CMS requirements.
- **Acronyms:**
 1. **CLABSI (Central Line Associated Bloodstream Infection).**
 2. **CAUTI (Catheter Associated Urinary Tract Infection).**
 3. **CDI (Clostridium Difficile Infection).**

Monthly Scorecard

Finance (20%)



| Organizational Goals by Pillar | <u>Jul-20</u> | <u>Aug-20</u> | <u>Sep-20</u> | <u>Oct-20</u> | <u>Nov-20</u> | <u>Dec-20</u> | <u>Jan-21</u> | <u>FY 2021 Act/Proj</u> | <u>TARGET</u> | <u>Var %</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|---------------|--------------|
| IV. Finance | | | | | | | | | | |
| Income from Operations (Normalized) (\$ in Millions) | \$7,663 | \$8,131 | \$7,328 | \$6,224 | \$8,606 | \$10,189 | \$10,275 | \$100,140 | \$50,933 | 96.6% |
| Operating Margin (Normalized) | 15.3% | 16.7% | 15.4% | 12.9% | 17.6% | 19.3% | 19.3% | 16.7% | 9.9% | 67.7% |

- Target Methodology is based on SVMH's 100% of FY 2021 Board Approved Annual Operating Budget

Monthly Scorecard

Growth (10%)



| Organizational Goals by Pillar | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | FY 2021 Act/Proj | TARGET | Var % |
|---|--------|--------|--------|--------|--------|--------|--------|---------------------|--------|-------|
| V. Growth | | | | | | | | | | |
| I. Increase Aspire Health Plan Medicare Advantage membership to → | 5,496 | 5,528 | 5,544 | 5,558 | 5,570 | 5,602 | 5,899 | 5,899 | 6,069 | -2.8% |
| II. Increase % of patients adopting of EPIC MyChart to → | - | - | 21.6% | 27.9% | 29.5% | 32.3% | 39.5% | 39.5% | 30.0% | 31.7% |

- **Aspire:** Our target for FY21 is based on detail provided by the executive team at Aspire Health Plan. We are using the current Aspire sales goals for the Special Election Period (SEP) and Annual Election Period (AEP) in line with our current business plan and bid targets. The projected increase of 610 members from our baseline of 5,459 in June is less than our prior year target of a 949 member increase. The primary driver behind the reduction in member growth projection is major changes in the plan design (benefits) to all of the plans, but to the Plus Plan in particular. The changes reflect a desire to improve plan profitability and mitigate risk. Our corridor for minimum and maximum thresholds is proportional to our targets last year with a +/- 20% of the targeted increase in members or 122 members over or under the target. The final result will be based on CMS paid members for the month of June in the July report from CMS.
- **Epic MyChart:** Our target for FY21 is based on benchmarks provided by Epic when compared to our peers that are using Epic MyChart and the recommendations from Epic Ambulatory Advisory Council. The middle 50% of Epic installations from our peer group ranges from 28% to 48% with a median of 38%, our current performance is 14.7% and is improving as we continue to push adoption and implement strategies to engage our patients through MyChart as our primary telemedicine platform. The 30% target was set by the Epic Ambulatory Advisory Council on February 20, 2020. The corridor for minimum and maximum thresholds is +/- 5% for a range from 25% to 35%. The final result will be based on patients with visits in FY21 that have an active MyChart account.

Monthly Scorecard

Community (0%)



| Organizational Goals by Pillar | <u>Jul-20</u> | <u>Aug-20</u> | <u>Sep-20</u> | <u>Oct-20</u> | <u>Nov-20</u> | <u>Dec-20</u> | <u>Jan-21</u> | <u>FY 2021 Act/Proj</u> | <u>TARGET</u> | <u>Var %</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|---------------|--------------|
| VI. Community | | | | | | | | | | |
| Community activity hours performed by SVMH Staff | 164 | 120 | 41 | 264 | 96 | 77 | 109 | 1,492 | - | - |
| Increase participation in the Blue Zones Project | | | | | | | | NA | 844 | 0.0% |

Notes / Assumptions:

- **Community Activity Hours Performed by SVMHS Staff:** Source: SVMH Activity Tracker Application. As a result of the challenging times during the pandemic, there will not be an established target for FY 2021 to dismiss the pressures of performing community activity hours.

Questions / Comments?



Financial Performance Review

February 2021

Augustine Lopez
Chief Financial Officer



Consolidated Financial Summary For the Month of February 2021

Profit/Loss Statement

| \$ in Millions | For the Month of February 2021 | | | | | |
|--------------------------------|--------------------------------|---------------|----------------------|---------------|--|--|
| | | | Variance fav (unfav) | | | |
| | Actual | Budget | \$VAR | %VAR | | |
| Operating Revenue | \$ 52.6 | \$ 47.4 | \$ 5.2 | 11.0% | | |
| Operating Expense | \$ 49.3 | \$ 46.5 | \$ (2.8) | -6.0% | | |
| Income from Operations* | \$ 3.3 | \$ 0.9 | \$ 2.4 | 266.7% | | |
| <i>Operating Margin %</i> | 6.1% | 1.9% | 4.2% | 221.05% | | |
| Non Operating Income** | \$ (0.3) | \$ 0.8 | \$ (1.1) | -137.5% | | |
| Net Income | \$ 3.0 | \$ 1.7 | \$ 1.3 | 76.5% | | |
| <i>Net Income Margin %</i> | 5.6% | 3.5% | 2.1% | 60.0% | | |

*** Income from Operations includes:**

\$5.8M Hospital Quality Assurance Fee, net

\$5.8M Total Normalizing Items, Net

**Unfavorable variance in non-operating income is predominantly due to lower than expected investment returns.

Consolidated Financial Summary

For the Month of February 2021 - Normalized

Profit/Loss Statement

| \$ in Millions | For the Month of February 2021 | | | | |
|-------------------------------|--------------------------------|---------------|----------------------|----------------|--|
| | | | Variance fav (unfav) | | |
| | Actual | Budget | \$VAR | %VAR | |
| Operating Revenue | \$ 46.8 | \$ 47.4 | \$ (0.6) | -1.3% | |
| Operating Expense | \$ 49.3 | \$ 46.5 | \$ (2.8) | -6.0% | |
| Income from Operations | \$ (2.5) | \$ 0.9 | \$ (3.4) | -377.8% | |
| <i>Operating Margin %</i> | <i>-5.4%</i> | 1.9% | <i>-7.3%</i> | <i>-384.2%</i> | |
| Non Operating Income | \$ (0.3) | \$ 0.8 | \$ (1.1) | -137.5% | |
| Net Income | \$ (2.8) | \$ 1.7 | \$ (4.5) | -264.7% | |
| <i>Net Income Margin %</i> | <i>-6.0%</i> | 3.5% | <i>-9.5%</i> | <i>-271.4%</i> | |

Relative to budget, unfavorable results due to:

- Lower than expected outpatient volumes coupled with an unfavorable payor mix
- Lower than expected inpatient and outpatient surgeries
- Longer average length of stay due to patient acuity
- Higher than budgeted FTEs on a per adjusted ADC basis

Relative to prior month, results declined due to:

- ADC declined from 138 to 117
- Total admissions declined by 160 admissions or 18% (total gross revenue declined by \$19M or 10%)
- Significant decrease in COVID cases while inpatient surgeries remained flat
- FTEs relative to volume increased

Consolidated Financial Summary

Year-to-Date February 2021

Profit/Loss Statement

| \$ in Millions | FY 2021 YTD February | | | | |
|--------------------------------|----------------------|-----------------|----------------------|----------------|--|
| | | | Variance fav (unfav) | | |
| | Actual | Budget | \$VAR | %VAR | |
| Operating Revenue | \$ 445.4 | \$ 383.2 | \$ 62.2 | 16.2% | |
| Operating Expense | \$ 410.0 | \$ 387.1 | \$ (22.9) | -5.9% | |
| Income from Operations* | \$ 35.4 | \$ (3.9) | \$ 39.3 | 1007.7% | |
| <i>Operating Margin %</i> | 7.9% | -1.0% | 8.9% | 890.0% | |
| Non Operating Income** | \$ 9.6 | \$ 6.5 | \$ 3.1 | 47.7% | |
| Net Income | \$ 45.0 | \$ 2.6 | \$ 42.4 | 1630.8% | |
| <i>Net Income Margin %</i> | 10.1% | 0.7% | 9.4% | 1342.9% | |

* Income from Operations includes:

- \$0.2M Prior Year Medicare Cost Report Settlement
- \$1.4M AB113 Intergovernmental Transfer Payment
Related to FY18 & FY19 (ACA Pop Health Supplement)
- \$5.8M Hospital Quality Assurance Fee, net

\$7.4M Total Normalizing Items, Net

**Favorable variance in non-operating income is predominantly due to higher than expected investment returns

Favorable results due to:

- Higher than expected inpatient and outpatient volumes, coupled with favorable labor productivity in the first two months of the year and favorable payor mix in Nov and Dec

Consolidated Financial Summary

Year-to-Date February 2021 - Normalized

Profit/Loss Statement

| \$ in Millions | FY 2021 YTD February | | | | |
|-------------------------------|----------------------|-----------------|----------------------|----------------|--|
| | | | Variance fav (unfav) | | |
| | Actual | Budget | \$VAR | %VAR | |
| Operating Revenue | \$ 438.0 | \$ 383.2 | \$ 54.8 | 14.3% | |
| Operating Expense | \$ 410.0 | \$ 387.1 | \$ (22.9) | -5.9% | |
| Income from Operations | \$ 28.0 | \$ (3.9) | \$ 31.9 | 817.9% | |
| <i>Operating Margin %</i> | 6.4% | -1.0% | 7.4% | 740.0% | |
| Non Operating Income** | \$ 9.6 | \$ 6.5 | \$ 3.1 | 47.7% | |
| Net Income | \$ 37.6 | \$ 2.6 | \$ 35.0 | 1346.2% | |
| <i>Net Income Margin %</i> | 8.6% | 0.7% | 7.9% | 1128.6% | |

SVMH Financial Highlights February 2021

Gross Revenues were favorable

- **Gross Revenues** were **8% favorable** to budget
- **IP gross revenues** were **10% favorable** to budget
 - **ED gross revenues** were **9% unfavorable** to budget
 - **OP gross revenues** were **10% favorable** to budget in the following areas:
 - Infusion Therapy
 - Other OP Pharmacy
 - Cardiology
 - Other OP Services

- **Commercial:** **4% above** budget
- **Medicaid:** **9% above** budget
- **Medicare:** **13% above** budget

Payor Mix -
unfavorable to
budget

Total Normalized Net Patient Revenues were \$40.4M, which was **favorable** to budget by **\$0.5M** or **1.2%**

COVID Inpatient Discharge Cases

Payor Mix Analysis

April 2020 thru February 2021

| Payor | Jul 20 | Aug 20 | Sep 20 | Oct 20 | Nov 20 | Dec 20 | Jan 21 | Feb 21 |
|--------------------|------------|-----------|-----------|-----------|-----------|------------|------------|-----------|
| Medicare | 42 | 28 | 17 | 21 | 36 | 105 | 150 | 50 |
| Medi-Cal | 35 | 34 | 19 | 22 | 28 | 62 | 84 | 23 |
| Commercial | 29 | 22 | 22 | 10 | 27 | 48 | 53 | 13 |
| Other | 2 | 5 | | 2 | 2 | 7 | 2 | 3 |
| Grand Total | 108 | 89 | 58 | 55 | 93 | 222 | 289 | 89 |

COVID Inpatient cases decreased during February compared to prior month.

Note: COVID Criteria is based on any DX U07.1 diagnosis code

Financial Summary – February 2021




1) Higher than expected Inpatient business:

- Average daily census was at 117, 3% above budget of 114

2) Strong Outpatient business:

- Stronger than expected patient volumes in Infusion Therapy and Cardiology



3) Total admissions were 6% or 48 admits below budget.

- ER admissions were 6% below budget (32 admits)
- ER admissions (including OB ED) were 83% of total acute admissions

4) ER Outpatient visits were below budget by 12% (327 visits);

- Compared to July, visits decreased from 4,456 to 2,480 (a 44% decline)

5) Outpatient Surgeries were 25% (55 cases) below budget at 169

6) Inpatient Surgeries were 17% (24 cases) below budget at 113

7) Deliveries were 18% (25 deliveries) below budget at 117

8) OP Observation cases were 14% (18 cases) above budget at 148

9) Total Acute ALOS was 9% unfavorable at 4.5 vs 4.1 days budgeted

10) Medicare ALOS CMI adjusted was 7% unfavorable at 2.7 days with a Case Mix Index of 1.9



CMI – All Discharges (with & without COVID)

Based on Discharges

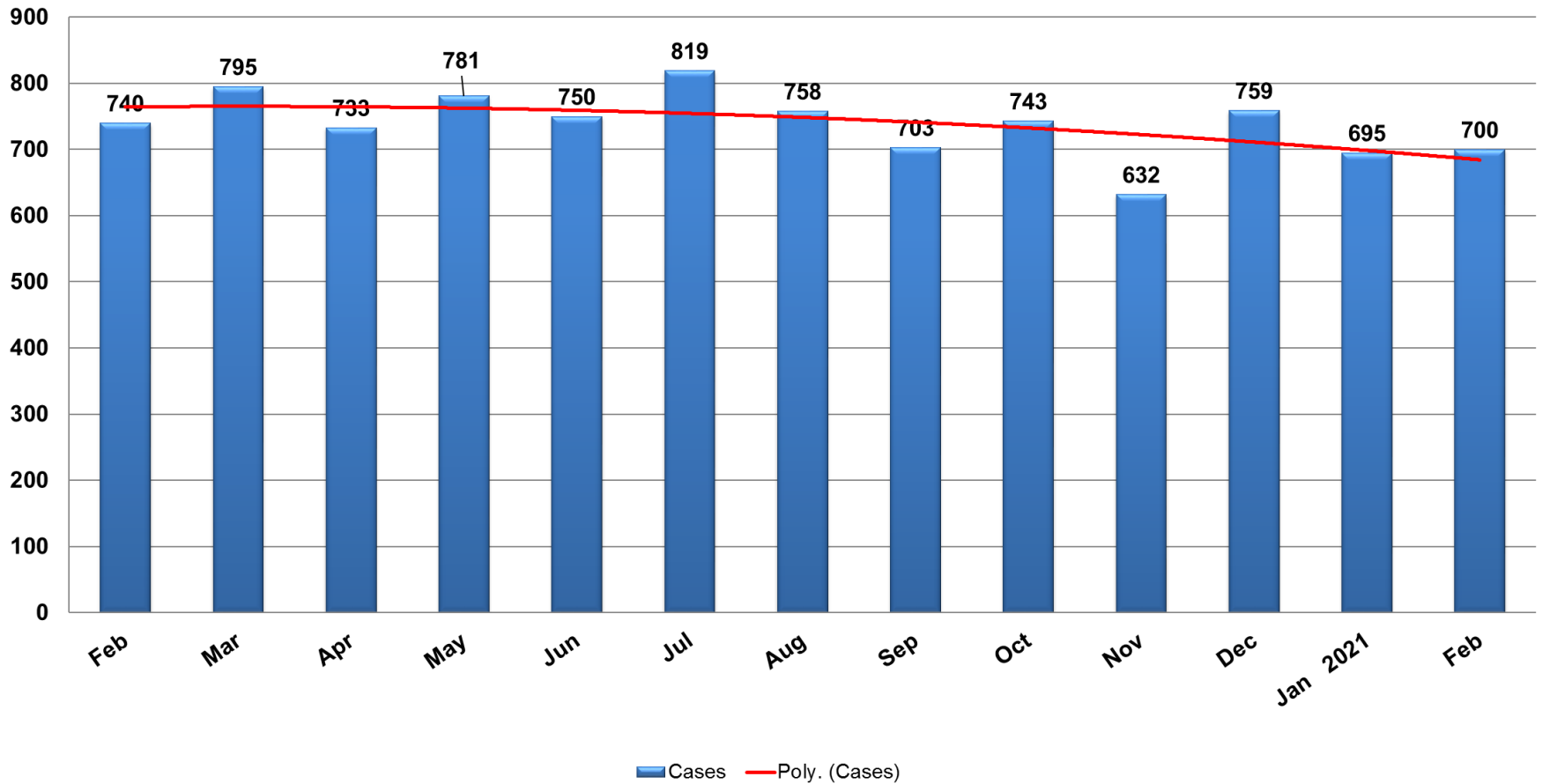
July 2020 thru February 2021

| All Payors | All Discharges | | | | COVID Discharges Only | | | | Discharges Excluding COVID | | | |
|--------------|----------------|---------------|------------|------------|-----------------------|---------------|------------|------------|----------------------------|---------------|------------|------------|
| | Month | All Payor CMI | Discharges | ADC | ALOS | All Payor CMI | Discharges | ADC | ALOS | All Payor CMI | Discharges | ADC |
| 7/31/2020 | 1.58 | 906 | 118 | 4.0 | 2.08 | 108 | 17 | 4.8 | 1.51 | 798 | 101 | 3.9 |
| 8/31/2020 | 1.68 | 859 | 117 | 4.2 | 2.32 | 89 | 18 | 6.4 | 1.60 | 770 | 99 | 4.0 |
| 9/30/2020 | 1.70 | 818 | 112 | 4.1 | 2.27 | 58 | 15 | 7.7 | 1.66 | 760 | 98 | 3.8 |
| 10/31/2020 | 1.64 | 864 | 115 | 4.1 | 2.39 | 55 | 13 | 7.5 | 1.59 | 809 | 102 | 3.9 |
| 11/30/2020 | 1.76 | 784 | 110 | 4.2 | 2.32 | 93 | 18 | 5.7 | 1.68 | 691 | 92 | 4.0 |
| 12/31/2020 | 1.76 | 852 | 121 | 4.4 | 2.15 | 222 | 45 | 6.2 | 1.62 | 630 | 77 | 3.8 |
| 1/31/2021 | 1.81 | 891 | 139 | 4.8 | 2.33 | 289 | 65 | 7.0 | 1.56 | 602 | 74 | 3.8 |
| 2/28/2021 | 1.77 | 767 | 119 | 4.4 | 2.36 | 89 | 27 | 8.4 | 1.70 | 678 | 92 | 3.8 |
| Total | 1.71 | 6,741 | 119 | 4.3 | 2.28 | 1,003 | 27 | 6.6 | 1.62 | 5,738 | 92 | 3.9 |

| Medicare | Medicare Discharges | | | | Medicare COVID Discharges Only | | | | Medicare Discharges Excluding COVID | | | |
|--------------|---------------------|--------------|------------|------------|--------------------------------|--------------|------------|------------|-------------------------------------|--------------|------------|------------|
| | Month | Medicare CMI | Discharges | ADC | ALOS | Medicare CMI | Discharges | ADC | ALOS | Medicare CMI | Discharges | ADC |
| 7/31/2020 | 1.69 | 334 | 44 | 4.1 | 1.82 | 32 | 5 | 5.0 | 1.68 | 302 | 39 | 4.0 |
| 8/31/2020 | 1.82 | 314 | 51 | 5.1 | 2.41 | 27 | 7 | 8.1 | 1.77 | 287 | 44 | 4.8 |
| 9/30/2020 | 1.90 | 285 | 45 | 4.7 | 2.11 | 16 | 4 | 7.9 | 1.89 | 269 | 41 | 4.5 |
| 10/31/2020 | 1.80 | 331 | 47 | 4.4 | 2.45 | 19 | 4 | 7.1 | 1.76 | 312 | 43 | 4.2 |
| 11/30/2020 | 1.88 | 302 | 47 | 4.7 | 2.29 | 30 | 8 | 7.9 | 1.83 | 272 | 39 | 4.3 |
| 12/31/2020 | 1.95 | 321 | 51 | 4.9 | 1.92 | 94 | 16 | 5.2 | 1.96 | 227 | 35 | 4.8 |
| 1/31/2021 | 1.98 | 358 | 65 | 5.6 | 2.31 | 133 | 30 | 6.9 | 1.78 | 225 | 35 | 4.9 |
| 2/28/2021 | 1.94 | 275 | 49 | 5.0 | 2.34 | 39 | 12 | 8.5 | 1.88 | 236 | 37 | 4.4 |
| Total | 1.87 | 2,520 | 50 | 4.8 | 2.21 | 390 | 11 | 6.7 | 1.82 | 2,130 | 39 | 4.5 |

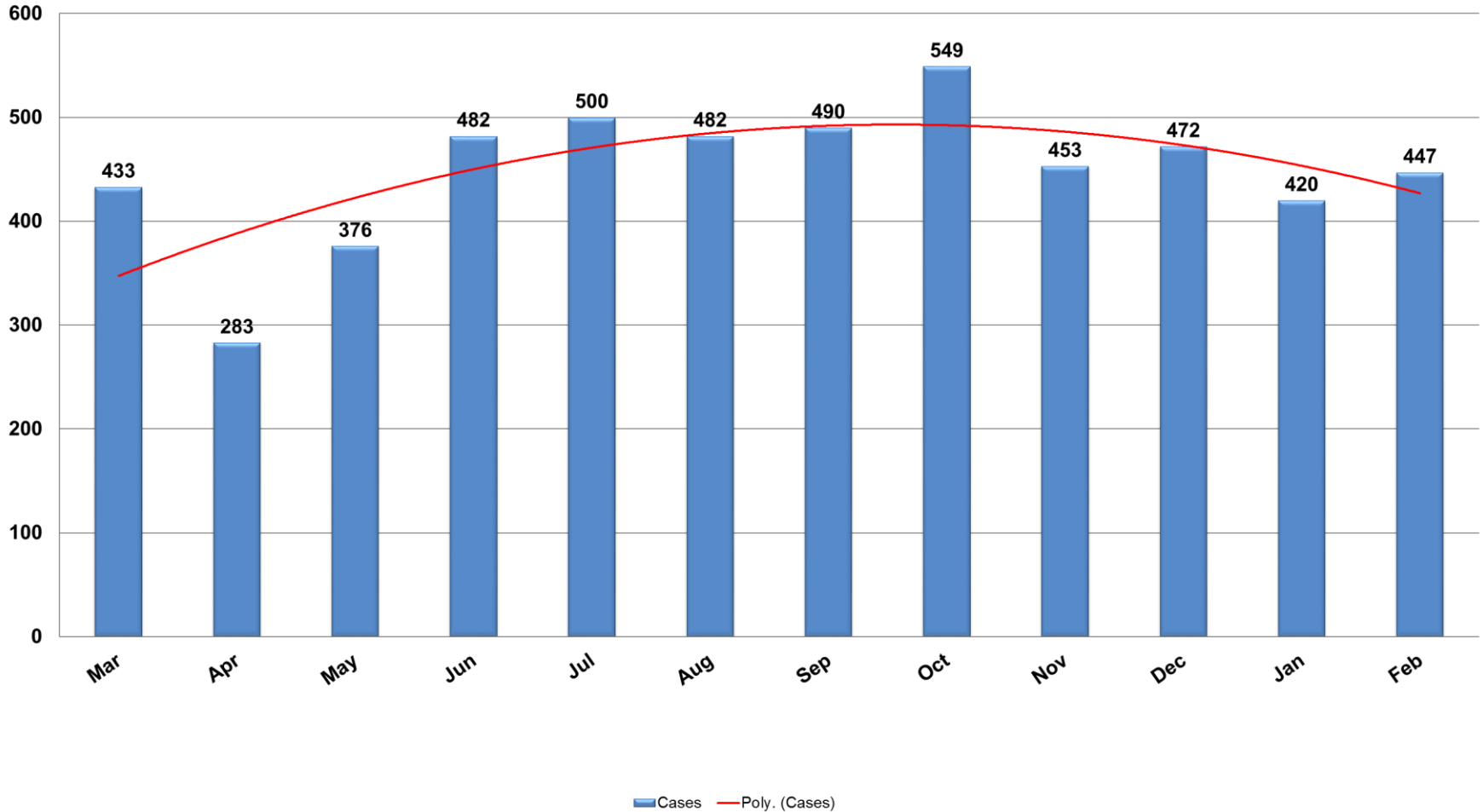
OP Infusion Service Line

OP Infusion
Cases Trend - Feb 2020 thru Feb 2021



Cardiac Diagnostic O/P Center (CDOC)

Cases - Rolling 12 Month Trend
Mar 2020 thru Feb 2021



Labor Productivity – February 2021



1) **Worked FTEs** on a PAADC basis were 13.2% **unfavorable** to budget at **(7.18 actual vs. 6.35 budget)**

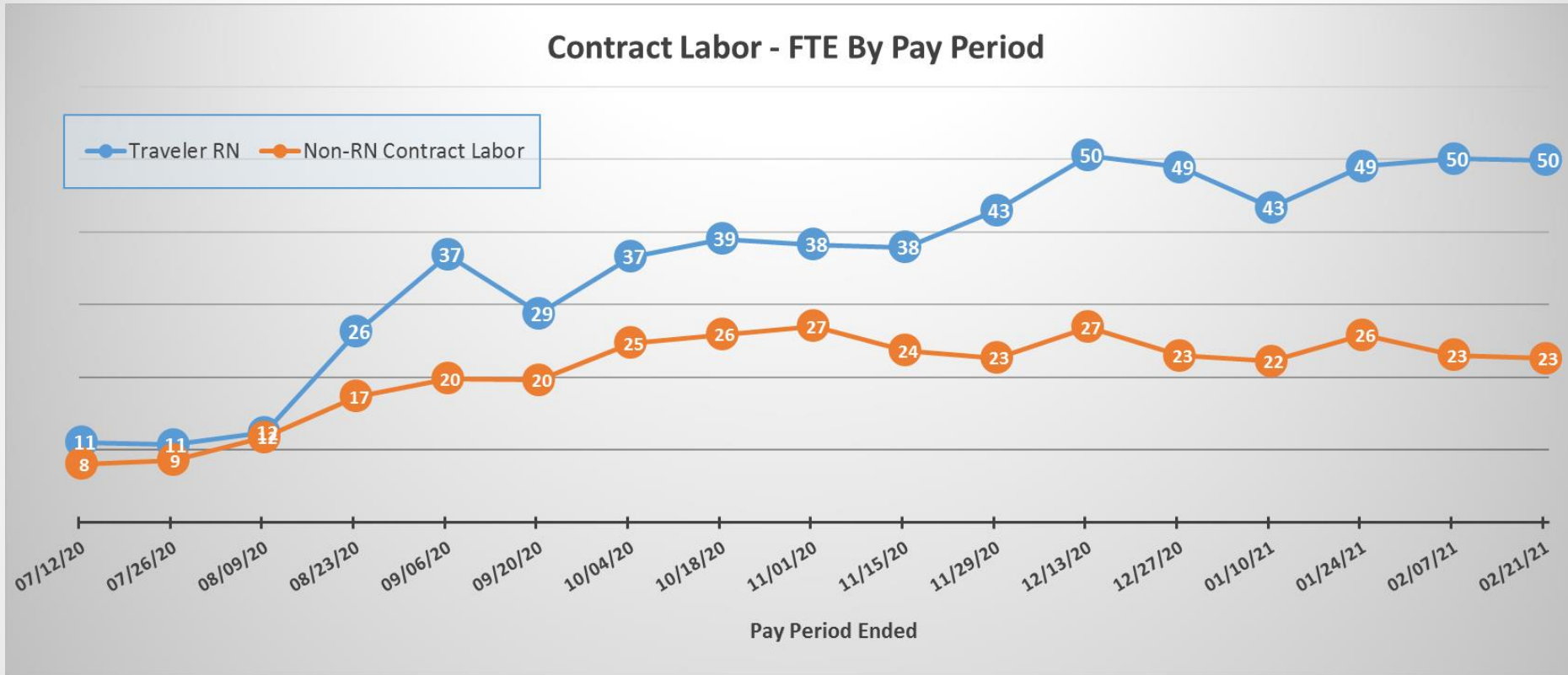
2) **Paid FTEs** on a PAADC basis were 16.0% **unfavorable** to budget at **(8.31 actual vs. 7.17 budget)**



✓ *When reviewed on a unit by unit level, the value of the negative variance for salaries, wages and benefits for **February** was **160 FTEs and \$2.2M**. This was driven by higher than expected patient acuity, coverage for increase in leave of absences, sick calls, and the continued need for Covid related additional staff.*

✓ *Additionally, management is in the process of addressing the opportunity to flex staff relative to patient volumes, including a reduction of contracted staff.*

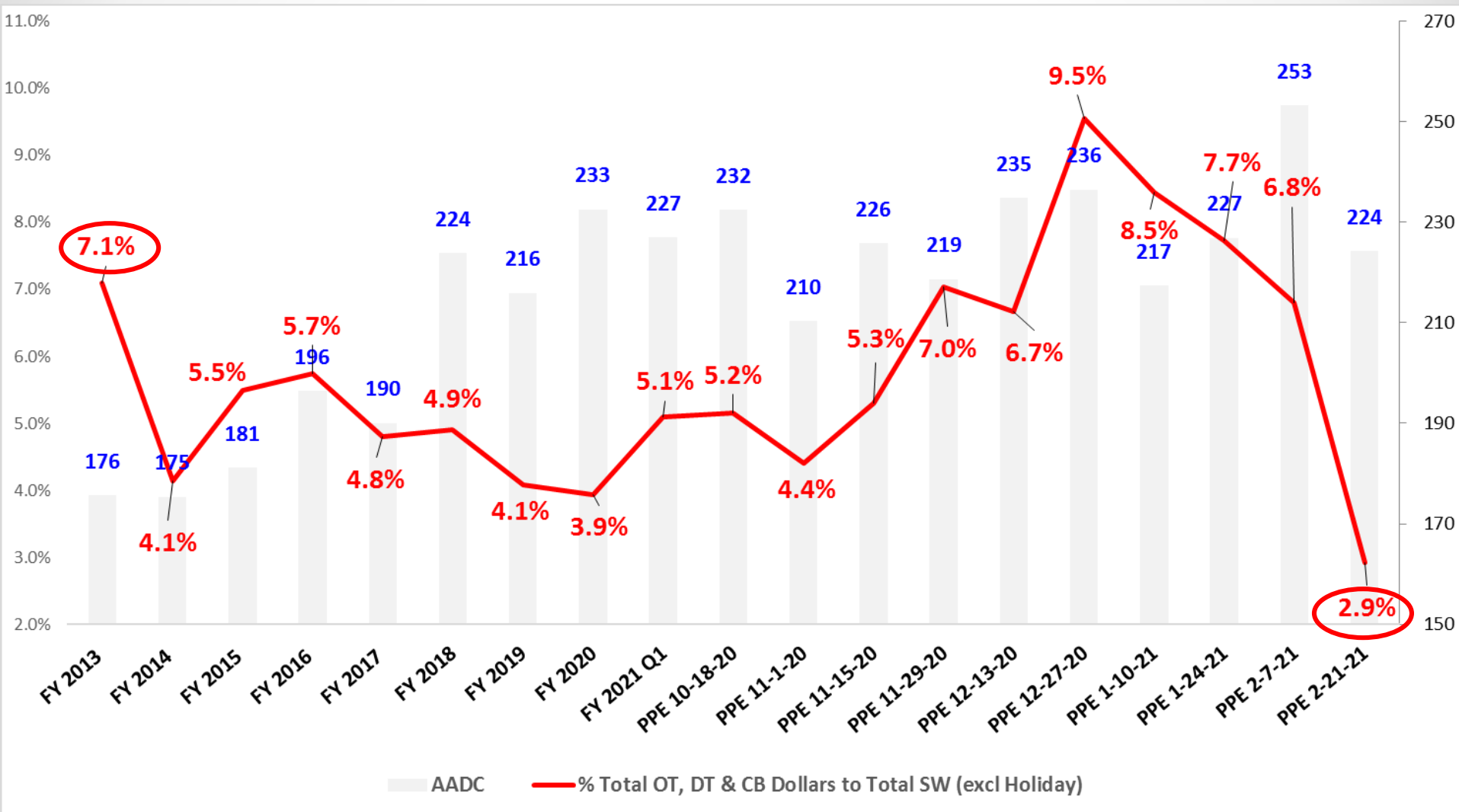
Contract Labor FTE By Pay Period



The total contract labor FTE has increased from approximately 19 FTE at the beginning of the FY to about 73 FTE over the last few pay periods as a result of the sharp increase in Covid cases and patient acuity.

% of Total OT, DT & CB Dollars to Total S&W

Updated Thru PPE 2-21-21



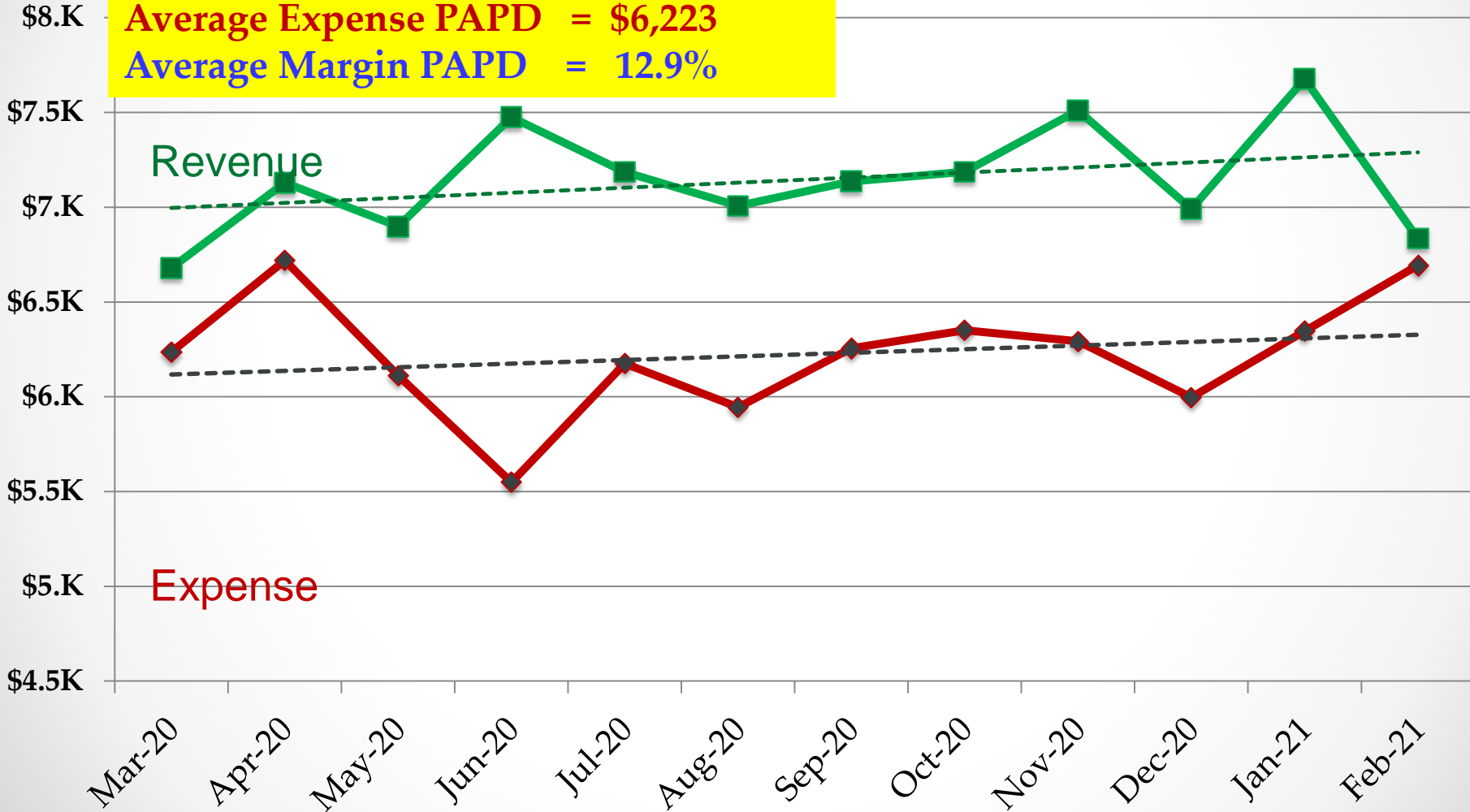
SVMH Revenues & Expenses Per Adjusted Patient Day (Normalized)

Rolling 12 Months: March 20 to February 21

Average Revenue PAPD = \$7,142

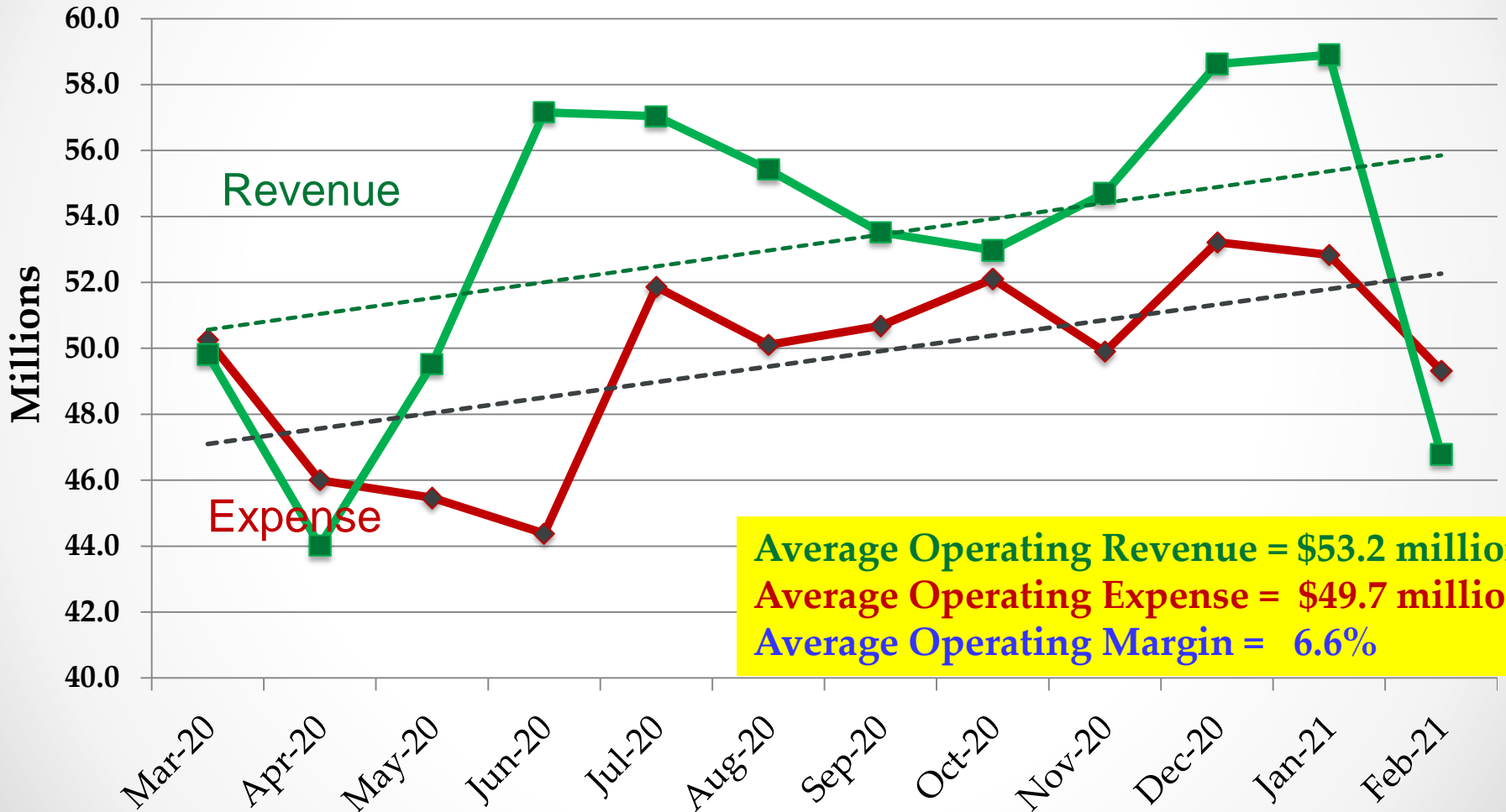
Average Expense PAPD = \$6,223

Average Margin PAPD = 12.9%



SVMHS Operating Revenues & Expenses (Normalized)

Rolling 12 Months: March 20 to February 21



Average Operating Revenue = \$53.2 million
Average Operating Expense = \$49.7 million
Average Operating Margin = 6.6%

SVMHS Key Financial Indicators

| | YTD | SVMHS | | S&P A+ Rated | | YTD | |
|------------------------------------|--------|--------|-----|--------------|-----|--------|-----|
| Statistic | Feb-21 | Target | +/- | Hospitals | +/- | Feb-20 | +/- |
| Operating Margin* | 6.4% | 9.0% | | 4.0% | | 14.7% | |
| Total Margin* | 8.6% | 10.8% | | 6.6% | | 17.8% | |
| EBITDA Margin** | 10.5% | 13.4% | | 13.6% | | 18.0% | |
| Days of Cash* | 344 | 305 | | 249 | | 324 | |
| Days of Accounts Payable* | 46 | 45 | | - | | 51 | |
| Days of Net Accounts Receivable*** | 55 | 45 | | 49 | | 48 | |
| Supply Expense as % NPR | 12.9% | 15.0% | | - | | 11.9% | |
| SWB Expense as % NPR | 53.5% | 53.0% | | 53.7% | | 49.5% | |
| Operating Expense per APD* | 6,248 | 4,992 | | - | | 5,214 | |

*These metrics have been adjusted for normalizing items

**Metric based on Operating Income (consistent with industry standard)

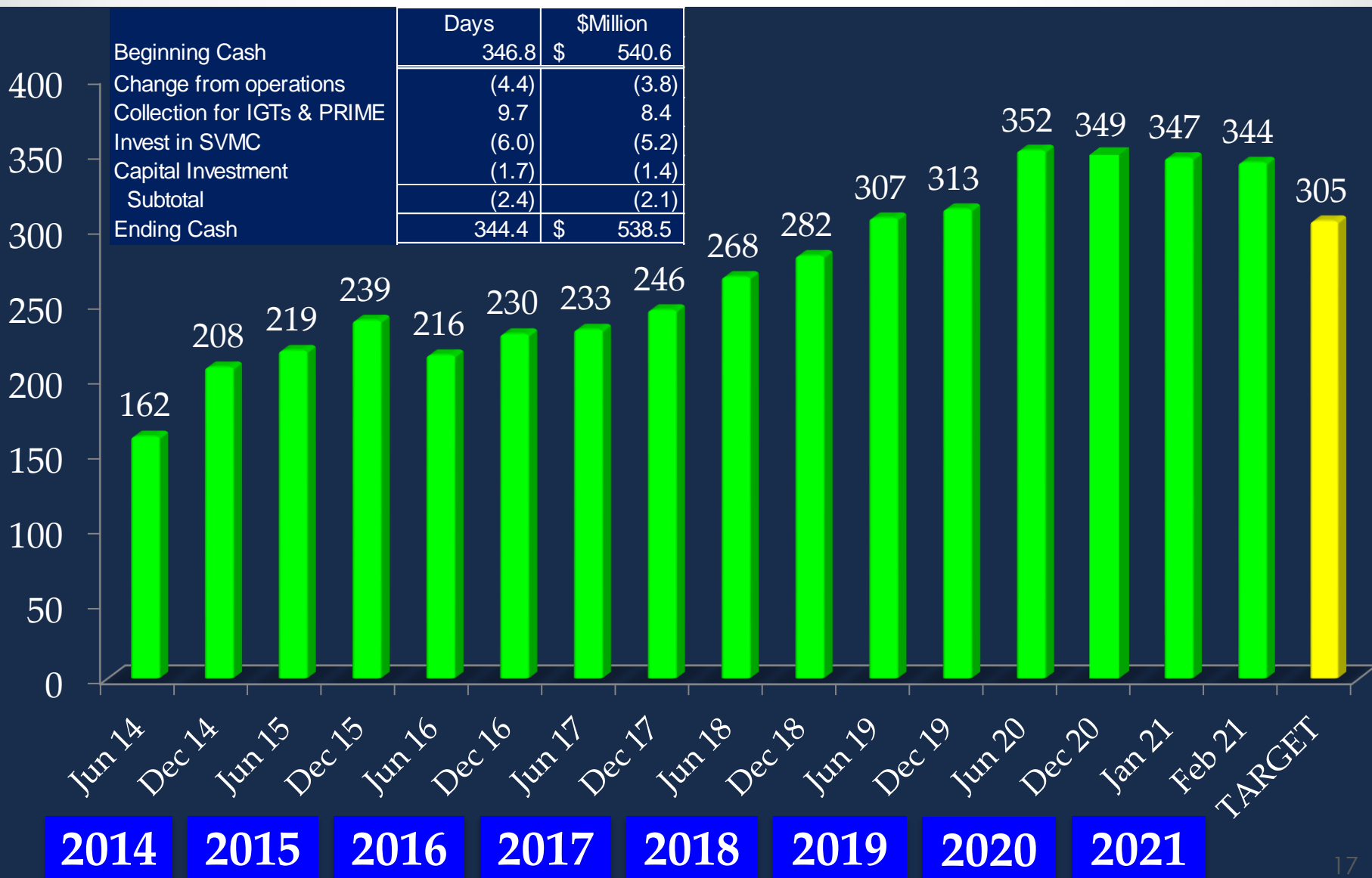
***Metric based on 90 days average net revenue (consistent with industry standard)

Days of Cash and Accounts Payable metrics have been adjusted to **exclude** accelerated insurance payments (COVID-19 assistance)

Salinas Valley Memorial Healthcare System

Days Cash on Hand = 344 Days (\$539M)

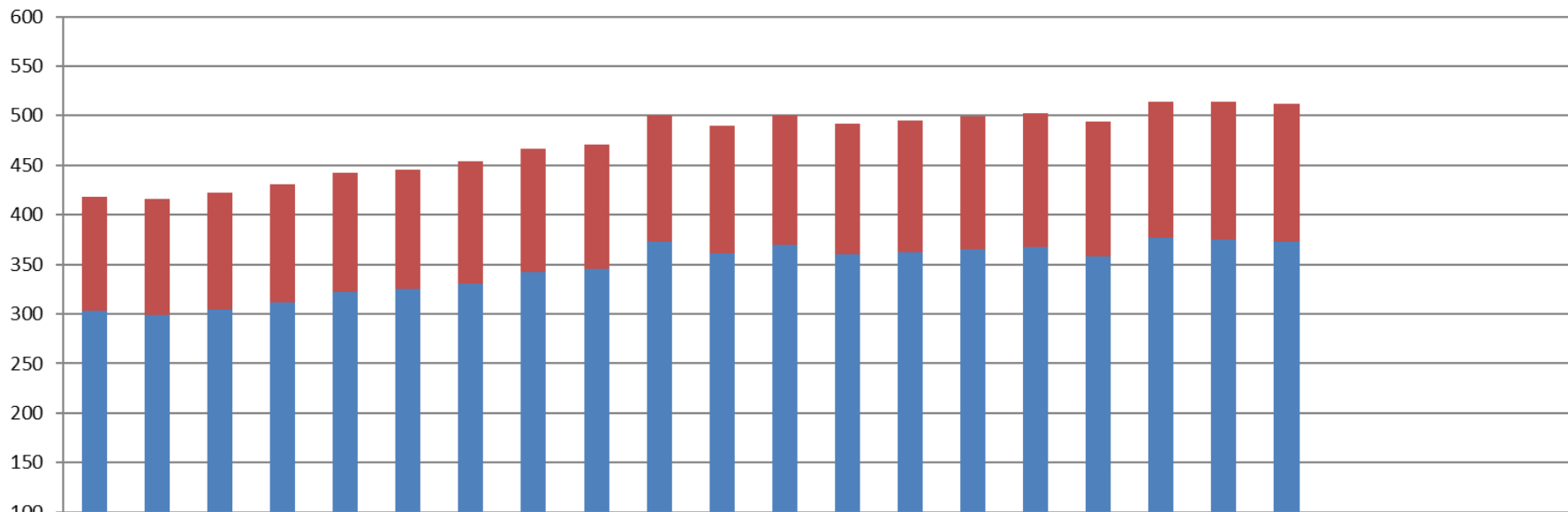
February 2021



SVMH - Cash and Investments

Hospital Cash and Investments

in millions



| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total | 418 | 416 | 422 | 431 | 442 | 446 | 454 | 467 | 471 | 500 | 490 | 500 | 492 | 495 | 499 | 502 | 494 | 514 | 514 | 512 | 0 | 0 | 0 | 0 |
| Restricted | 115 | 117 | 118 | 119 | 120 | 121 | 123 | 125 | 126 | 127 | 129 | 130 | 132 | 133 | 134 | 135 | 136 | 137 | 139 | 139 | | | | |
| Operating | 303 | 299 | 304 | 312 | 322 | 325 | 331 | 342 | 345 | 373 | 361 | 370 | 360 | 362 | 365 | 367 | 358 | 377 | 375 | 373 | | | | |

ASSETS WHOSE USE IS LIMITED

| | <u>February-21</u> | | <u>YTD</u> | |
|-----------------------------|--------------------|-------------|------------|-------------|
| Beginning balance | \$ | 138,617,245 | \$ | 130,408,693 |
| Investment income or (loss) | | (591,757) | | 616,795 |
| Transfer | | 1,000,000 | | 8,000,000 |
| Ending balance | \$ | 139,025,488 | \$ | 139,025,488 |

ROUTINE CAPITAL EXPENDITURES Through February 2021

| Fiscal Month | 2020-21 Approved Budget * | Total Purchased Expenditures | Remaining | Project | Amount |
|------------------|---------------------------------|------------------------------------|-------------------|---|------------------|
| July | 1,825,000 | 123,919 | 1,701,081 | | |
| August | 1,825,000 | 1,370,100 | 2,155,981 | XRay Room Remodel | 322,787 |
| September | 1,825,000 | 306,189 | 3,674,792 | 558 Abbott Street Renovation | 163,024 |
| October | 1,825,000 | 1,048,209 | 4,451,583 | Telecom/PBX Relocation Project | 173,783 |
| November | 1,825,000 | 1,731,024 | 4,545,559 | Other CIP | 144,186 |
| December | 1,825,000 | 2,282,165 | 4,088,394 | Total Improvements | 803,780 |
| January | 1,825,000 | 1,234,713 | 4,678,681 | | |
| February | 1,825,000 | 1,254,714 | 5,248,967 | IT Server Capacity Expansion | 186,165 |
| March | 1,825,000 | | 7,073,967 | Video Conferencing System (CEO & Heart) | 115,065 |
| April | 1,825,000 | | 8,898,967 | Endoscope Drying Cabinet | 49,598 |
| May | 1,825,000 | | 10,723,967 | Other Equipment | 100,105 |
| June | 1,825,000 | | 12,548,967 | Total Equipment | 450,933 |
| YTD TOTAL | 21,900,000 | 9,351,033 | 12,548,967 | Grand Total | 1,254,714 |

QUESTIONS / COMMENTS

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
February 28, 2021

| | <u>Month of February,</u> | | <u>Eight months ended February 28,</u> | |
|------------------------------------|---------------------------|---------------------|--|----------------------|
| | <u>current year</u> | <u>prior year</u> | <u>current year</u> | <u>prior year</u> |
| Operating revenue: | | | | |
| Net patient revenue | \$ 46,109,720 | \$ 44,597,995 | \$ 387,872,641 | \$ 386,247,717 |
| Other operating revenue | 832,158 | 868,925 | 9,984,146 | 10,736,327 |
| Total operating revenue | <u>46,941,878</u> | <u>45,466,920</u> | <u>397,856,787</u> | <u>396,984,044</u> |
| Total operating expenses | 39,520,624 | 38,004,458 | 330,401,319 | 310,021,000 |
| Total non-operating income | <u>(4,214,247)</u> | <u>(580,126)</u> | <u>(24,585,594)</u> | <u>(10,353,380)</u> |
| Operating and non-operating income | <u>\$ 3,207,006</u> | <u>\$ 6,882,336</u> | <u>\$ 42,869,874</u> | <u>\$ 76,609,664</u> |

SALINAS VALLEY MEMORIAL HOSPITAL
 BALANCE SHEETS
 February 28, 2021

| | <u>Current year</u> | <u>Prior year</u> |
|--|-------------------------|-----------------------|
| ASSETS: | | |
| Current assets | \$ 407,222,979 | \$ 294,141,241 |
| Assets whose use is limited or restricted by board | 139,025,487 | 124,820,350 |
| Capital assets | 257,682,447 | 251,678,323 |
| Other assets | 190,080,576 | 187,334,439 |
| Deferred pension outflows | <u>83,379,890</u> | <u>62,468,517</u> |
| | <u>\$ 1,077,391,379</u> | <u>\$ 920,442,870</u> |
| LIABILITIES AND EQUITY: | | |
| Current liabilities | 147,593,441 | 83,319,375 |
| Long term liabilities | 14,780,831 | 17,159,668 |
| | 126,340,336 | 108,929,468 |
| Net assets | <u>788,676,771</u> | <u>711,034,359</u> |
| | <u>\$ 1,077,391,379</u> | <u>\$ 920,442,870</u> |

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
February 28, 2021**

| | <u>Month of February,</u> | | <u>Eight months ended February 28,</u> | |
|---------------------------------------|---------------------------|-----------------------|--|-------------------------|
| | <u>current year</u> | <u>prior year</u> | <u>current year</u> | <u>prior year</u> |
| Patient days: | | | | |
| By payer: | | | | |
| Medicare | 1,504 | 1,843 | 13,603 | 15,400 |
| Medi-Cal | 949 | 1,092 | 8,566 | 8,647 |
| Commercial insurance | 799 | 648 | 6,388 | 6,642 |
| Other patient | (3) | 183 | 977 | 956 |
| Total patient days | <u>3,249</u> | <u>3,766</u> | <u>29,534</u> | <u>31,645</u> |
| Gross revenue: | | | | |
| Medicare | \$ 79,986,402 | \$ 87,751,402 | \$ 648,594,024 | \$ 686,848,146 |
| Medi-Cal | 50,494,488 | 56,150,260 | 423,917,094 | 425,581,947 |
| Commercial insurance | 44,391,373 | 43,716,569 | 391,373,773 | 388,502,380 |
| Other patient | 4,875,532 | 8,858,821 | 65,355,046 | 69,052,287 |
| Gross revenue | <u>179,747,795</u> | <u>196,477,051</u> | <u>1,529,239,937</u> | <u>1,569,984,761</u> |
| Deductions from revenue: | | | | |
| Administrative adjustment | 324,543 | 110,621 | 2,695,024 | 2,574,694 |
| Charity care | 611,769 | 619,155 | 7,128,155 | 7,832,625 |
| Contractual adjustments: | | | | |
| Medicare outpatient | 21,655,997 | 25,941,505 | 188,481,658 | 207,571,921 |
| Medicare inpatient | 34,164,212 | 40,771,266 | 294,055,295 | 319,676,209 |
| Medi-Cal traditional outpatient | 2,288,082 | 2,783,006 | 16,015,049 | 23,992,537 |
| Medi-Cal traditional inpatient | 5,776,297 | 9,595,988 | 61,166,579 | 48,458,754 |
| Medi-Cal managed care outpatient | 17,849,948 | 22,192,366 | 141,591,247 | 164,362,907 |
| Medi-Cal managed care inpatient | 12,950,839 | 14,726,527 | 145,369,514 | 139,050,933 |
| Commercial insurance outpatient | 16,311,380 | 15,977,637 | 122,613,432 | 116,253,773 |
| Commercial insurance inpatient | 18,919,549 | 13,477,755 | 126,984,548 | 116,116,845 |
| Uncollectible accounts expense | 3,345,330 | 3,329,908 | 28,164,603 | 27,822,233 |
| Other payors | (559,871) | 2,353,322 | 7,102,192 | 10,023,612 |
| Deductions from revenue | <u>133,638,075</u> | <u>151,879,056</u> | <u>1,141,367,296</u> | <u>1,183,737,044</u> |
| Net patient revenue | <u>\$ 46,109,720</u> | <u>\$ 44,597,995</u> | <u>\$ 387,872,641</u> | <u>\$ 386,247,717</u> |
| Gross billed charges by patient type: | | | | |
| Inpatient | \$ 99,383,505 | \$ 103,276,044 | \$ 854,242,856 | \$ 834,636,098 |
| Outpatient | 60,232,467 | 66,782,221 | 507,817,168 | 522,027,928 |
| Emergency room | 20,131,823 | 26,418,787 | 167,179,913 | 213,320,735 |
| Total | <u>\$ 179,747,795</u> | <u>\$ 196,477,051</u> | <u>\$ 1,529,239,937</u> | <u>\$ 1,569,984,761</u> |

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
February 28, 2021

| | <u>Month of February,</u> | | <u>Eight months ended February 28,</u> | |
|---|---------------------------|-----------------------|--|-----------------------|
| | <u>current year</u> | <u>prior year</u> | <u>current year</u> | <u>prior year</u> |
| Operating revenue: | | | | |
| Net patient revenue | \$ 46,109,720 | \$ 44,597,995 | \$ 387,872,641 | \$ 386,247,717 |
| Other operating revenue | 832,158 | 868,925 | 9,984,146 | 10,736,327 |
| Total operating revenue | <u>46,941,878</u> | <u>45,466,920</u> | <u>397,856,787</u> | <u>396,984,044</u> |
| Operating expenses: | | | | |
| Salaries and wages | 14,191,483 | 14,444,693 | 127,457,148 | 116,321,094 |
| Compensated absences | 2,377,407 | 2,684,547 | 21,066,388 | 20,799,320 |
| Employee benefits | 6,774,423 | 6,632,163 | 58,750,416 | 59,099,818 |
| Supplies, food, and linen | 5,920,149 | 5,348,851 | 49,728,604 | 45,013,903 |
| Purchased department functions | 3,525,839 | 3,308,142 | 24,974,701 | 24,406,797 |
| Medical fees | 1,695,506 | 1,856,217 | 13,643,020 | 13,498,459 |
| Other fees | 2,064,591 | 846,656 | 11,143,976 | 8,397,727 |
| Depreciation | 1,813,887 | 1,699,801 | 14,301,790 | 13,491,102 |
| All other expense | 1,157,339 | 1,183,388 | 9,335,276 | 8,992,780 |
| Total operating expenses | <u>39,520,624</u> | <u>38,004,458</u> | <u>330,401,319</u> | <u>310,021,000</u> |
| Income from operations | <u>7,421,254</u> | <u>7,462,462</u> | <u>67,455,468</u> | <u>86,963,044</u> |
| Non-operating income: | | | | |
| Donations | 166,667 | 166,667 | 1,833,333 | 1,337,533 |
| Property taxes | 333,333 | 333,333 | 2,666,667 | 2,666,667 |
| Investment income | (1,339,005) | 2,009,290 | 698,737 | 4,032,615 |
| Taxes and licenses | 0 | 0 | 0 | 0 |
| Income from subsidiaries | (3,375,242) | (3,089,416) | (29,784,331) | (18,390,195) |
| Total non-operating income | <u>(4,214,247)</u> | <u>(580,126)</u> | <u>(24,585,594)</u> | <u>(10,353,380)</u> |
| Operating and non-operating income | 3,207,006 | 6,882,336 | 42,869,874 | 76,609,664 |
| Net assets to begin | <u>785,469,764</u> | <u>704,152,022</u> | <u>745,806,897</u> | <u>634,424,695</u> |
| Net assets to end | <u>\$ 788,676,771</u> | <u>\$ 711,034,359</u> | <u>\$ 788,676,771</u> | <u>\$ 711,034,359</u> |
| Net income excluding non-recurring items | \$ (2,544,585) | \$ 6,882,336 | \$ 35,499,174 | \$ 76,785,021 |
| Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items | <u>5,751,591</u> | <u>0</u> | <u>7,370,700</u> | <u>(175,357)</u> |
| Operating and non-operating income | <u>\$ 3,207,006</u> | <u>\$ 6,882,336</u> | <u>\$ 42,869,874</u> | <u>\$ 76,609,664</u> |

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
February 28, 2021**

| | Month of February, | | Eight months ended February 28, | |
|--|-----------------------|-----------------------|---------------------------------|------------------------|
| | current year | prior year | current year | prior year |
| Detail of other operating income: | | | | |
| Dietary revenue | \$ 117,586 | \$ 171,609 | \$ 1,063,349 | \$ 1,364,367 |
| Discounts and scrap sale | 293,854 | 228,757 | 516,508 | 1,296,916 |
| Sale of products and services | 8,317 | 4,649 | 169,566 | 164,058 |
| Clinical trial fees | 0 | 0 | 46,128 | 0 |
| Stimulus Funds | 0 | 0 | 0 | 0 |
| Rental income | 154,696 | 140,992 | 1,270,199 | 1,144,290 |
| Other | 257,705 | 322,918 | 6,918,396 | 6,766,696 |
| | <u>\$ 832,158</u> | <u>\$ 868,925</u> | <u>\$ 9,984,146</u> | <u>\$ 10,736,327</u> |
| | | | | |
| Detail of investment income: | | | | |
| Bank and payor interest | \$ (57,868) | \$ 270,304 | \$ 914,746 | \$ 1,904,582 |
| Income from investments | (1,280,498) | 1,735,986 | (244,002) | 2,121,376 |
| Gain or loss on property and equipment | (639) | 3,000 | 27,994 | 6,657 |
| | <u>\$ (1,339,005)</u> | <u>\$ 2,009,290</u> | <u>\$ 698,737</u> | <u>\$ 4,032,615</u> |
| | | | | |
| Detail of income from subsidiaries: | | | | |
| Salinas Valley Medical Center: | | | | |
| Pulmonary Medicine Center | \$ (169,232) | \$ (11,086) | \$ (1,424,955) | \$ (744,688) |
| Neurological Clinic | (89,966) | (124,312) | (658,171) | (624,735) |
| Palliative Care Clinic | (41,086) | (82,619) | (586,094) | (459,315) |
| Surgery Clinic | (204,322) | (145,390) | (1,373,609) | (729,820) |
| Infectious Disease Clinic | (2,318) | (73,069) | (214,095) | (241,111) |
| Endocrinology Clinic | (131,361) | (168,381) | (1,464,188) | (1,062,733) |
| Early Discharge Clinic | 0 | 0 | 0 | 0 |
| Cardiology Clinic | (710,275) | (639,962) | (4,173,911) | (3,642,924) |
| OB/GYN Clinic | (397,565) | (110,335) | (2,939,223) | (1,305,203) |
| PrimeCare Medical Group | (754,435) | (1,037,557) | (7,437,080) | (4,779,482) |
| Oncology Clinic | (389,832) | (320,907) | (2,203,994) | (1,737,901) |
| Cardiac Surgery | (165,335) | (222,057) | (1,397,092) | (833,671) |
| Sleep Center | (55,288) | (119,277) | (535,623) | (608,599) |
| Rheumatology | 50,962 | (48,021) | (351,876) | (197,479) |
| Precision Ortho MDs | (364,547) | (365,235) | (3,207,215) | (2,234,040) |
| Precision Ortho-MRI | (152) | (10,752) | (1,515) | (4,115) |
| Precision Ortho-PT | (47,481) | (23,003) | (376,977) | (26,670) |
| Dermatology | (17,352) | (30,687) | (244,804) | (1,437) |
| Hospitalists | 0 | 1 | 0 | (1) |
| Behavioral Health | (73,690) | (53,412) | (578,334) | (387,724) |
| Pediatric Diabetes | (7,031) | (44,617) | (242,632) | (251,866) |
| Neurosurgery | 377 | (26,712) | (249,288) | (149,807) |
| Multi-Specialty-RR | 21,551 | 5,148 | 19,673 | 88,052 |
| Radiology | (187,923) | 0 | (1,651,045) | 0 |
| Total SVMC | (3,736,301) | (3,652,242) | (31,292,048) | (19,935,269) |
| | | | | |
| Doctors on Duty | (26,617) | 39,475 | 181,071 | 538,584 |
| Assisted Living | (4,811) | (2,623) | (54,359) | (43,486) |
| Salinas Valley Imaging | 0 | (228) | (19,974) | 22,616 |
| Vantage Surgery Center | 20,012 | 19,349 | 165,351 | 153,596 |
| LPCH NICU JV | 0 | 0 | 0 | 0 |
| Central Coast Health Connect | 0 | 0 | 0 | 0 |
| Monterey Peninsula Surgery Center | 159,239 | (69,680) | 705,025 | 956,306 |
| Aspire/CHI/Coastal | 181,314 | 261,394 | (125,158) | (784,810) |
| Apex | (2,482) | 213,660 | 36,707 | 332,640 |
| 21st Century Oncology | 44,623 | 34,238 | (72,284) | 140,569 |
| Monterey Bay Endoscopy Center | (10,219) | 67,243 | 691,337 | 229,058 |
| | <u>\$ (3,375,242)</u> | <u>\$ (3,089,416)</u> | <u>\$ (29,784,331)</u> | <u>\$ (18,390,195)</u> |

**SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
February 28, 2021**

| | Current year | Prior year |
|--|-------------------------|-----------------------|
| A S S E T S | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 296,248,136 | \$ 196,158,086 |
| Patient accounts receivable, net of estimated uncollectibles of \$23,731,931 | 94,723,928 | 77,499,968 |
| Supplies inventory at cost | 8,402,003 | 5,994,483 |
| Other current assets | 7,848,912 | 14,488,704 |
| Total current assets | 407,222,979 | 294,141,241 |
| Assets whose use is limited or restricted by board | 139,025,487 | 124,820,350 |
| Capital assets: | | |
| Land and construction in process | 48,322,022 | 60,936,449 |
| Other capital assets, net of depreciation | 209,360,425 | 190,741,874 |
| Total capital assets | 257,682,447 | 251,678,323 |
| Other assets: | | |
| Investment in Securities | 147,486,496 | 146,003,323 |
| Investment in SVMC | 11,224,045 | 11,880,286 |
| Investment in Aspire/CHI/Coastal | 4,474,433 | 4,135,779 |
| Investment in other affiliates | 24,456,160 | 21,772,590 |
| Net pension asset | 2,439,442 | 3,542,461 |
| Total other assets | 190,080,576 | 187,334,439 |
| Deferred pension outflows | 83,379,890 | 62,468,517 |
| | \$ 1,077,391,379 | \$ 920,442,870 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 55,187,757 | \$ 55,865,786 |
| Due to third party payers | 74,273,203 | 9,972,532 |
| Current portion of self-insurance liability | 18,132,481 | 17,481,058 |
| Total current liabilities | 147,593,441 | 83,319,375 |
| Long term portion of workers comp liability | 14,780,831 | 17,159,668 |
| Total liabilities | 162,374,272 | 100,479,043 |
| Pension liability | 126,340,336 | 108,929,468 |
| Net assets: | | |
| Invested in capital assets, net of related debt | 257,682,447 | 251,678,323 |
| Unrestricted | 530,994,324 | 459,356,036 |
| Total net assets | 788,676,771 | 711,034,359 |
| | \$ 1,077,391,379 | \$ 920,442,870 |

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
February 28, 2021

| | Month of February, | | | | Eight months ended February 28, | | | |
|---|---------------------|---------------------|--------------------|---------------|---------------------------------|---------------------|-------------------|-----------------|
| | Actual | Budget | Variance | % Var | Actual | Budget | Variance | % Var |
| Operating revenue: | | | | | | | | |
| Gross billed charges | \$ 179,747,795 | \$ 167,181,192 | 12,566,603 | 7.52% | \$ 1,529,239,937 | \$ 1,341,649,805 | 187,590,132 | 13.98% |
| Deductions from revenue | 133,638,075 | 127,310,122 | 6,327,953 | 4.97% | 1,141,367,296 | 1,018,409,120 | 122,958,176 | 12.07% |
| Net patient revenue | 46,109,720 | 39,871,070 | 6,238,650 | 15.65% | 387,872,641 | 323,240,685 | 64,631,956 | 19.99% |
| Other operating revenue | 832,158 | 919,590 | (87,432) | -9.51% | 9,984,146 | 7,356,717 | 2,627,429 | 35.71% |
| Total operating revenue | 46,941,878 | 40,790,660 | 6,151,218 | 15.08% | 397,856,787 | 330,597,402 | 67,259,385 | 20.34% |
| Operating expenses: | | | | | | | | |
| Salaries and wages | 14,191,483 | 13,676,741 | 514,742 | 3.76% | 127,457,148 | 111,774,809 | 15,682,339 | 14.03% |
| Compensated absences | 2,377,407 | 2,108,332 | 269,075 | 12.76% | 21,066,388 | 22,107,021 | (1,040,633) | -4.71% |
| Employee benefits | 6,774,423 | 7,112,605 | (338,182) | -4.75% | 58,750,416 | 58,087,012 | 663,404 | 1.14% |
| Supplies, food, and linen | 5,920,149 | 4,828,402 | 1,091,747 | 22.61% | 49,728,604 | 40,415,755 | 9,312,849 | 23.04% |
| Purchased department functions | 3,525,839 | 3,101,959 | 423,880 | 13.66% | 24,974,701 | 24,857,236 | 117,465 | 0.47% |
| Medical fees | 1,695,506 | 1,707,116 | (11,610) | -0.68% | 13,643,020 | 13,593,600 | 49,420 | 0.36% |
| Other fees | 2,064,591 | 806,306 | 1,258,285 | 156.06% | 11,143,976 | 6,782,250 | 4,361,726 | 64.31% |
| Depreciation | 1,813,887 | 1,789,255 | 24,632 | 1.38% | 14,301,790 | 14,314,043 | (12,253) | -0.09% |
| All other expense | 1,157,339 | 1,332,418 | (175,079) | -13.14% | 9,335,276 | 11,213,119 | (1,877,843) | -16.75% |
| Total operating expenses | 39,520,624 | 36,463,134 | 3,057,490 | 8.39% | 330,401,319 | 303,144,844 | 27,256,475 | 8.99% |
| Income from operations | 7,421,254 | 4,327,526 | 3,093,728 | 71.49% | 67,455,468 | 27,452,557 | 40,002,911 | 145.72% |
| Non-operating income: | | | | | | | | |
| Donations | 166,667 | 166,667 | 0 | 0.00% | 1,833,333 | 1,333,333 | 500,000 | 37.50% |
| Property taxes | 333,333 | 333,333 | (0) | 0.00% | 2,666,667 | 2,666,667 | 0 | 0.00% |
| Investment income | (1,339,005) | 160,094 | (1,499,099) | -936.39% | 698,737 | 1,280,748 | (582,011) | -45.44% |
| Income from subsidiaries | (3,375,242) | (3,368,593) | (6,649) | 0.20% | (29,784,331) | (30,330,807) | 546,476 | -1.80% |
| Total non-operating income | (4,214,247) | (2,708,500) | (1,505,747) | 55.59% | (24,585,594) | (25,050,059) | 464,465 | -1.85% |
| Operating and non-operating income | \$ 3,207,007 | \$ 1,619,026 | 1,587,981 | 98.08% | \$ 42,869,874 | \$ 2,402,498 | 40,467,376 | 1684.39% |

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

| | <u>Month of Feb</u> | | <u>Eight months to date</u> | | <u>Variance</u> |
|---------------------------------------|---------------------|-------------|-----------------------------|----------------|-----------------|
| | <u>2020</u> | <u>2021</u> | <u>2019-20</u> | <u>2020-21</u> | |
| <u>NEWBORN STATISTICS</u> | | | | | |
| Medi-Cal Admissions | 41 | 36 | 362 | 350 | (12) |
| Other Admissions | 97 | 84 | 884 | 758 | (126) |
| Total Admissions | 138 | 120 | 1,246 | 1,108 | (138) |
| Medi-Cal Patient Days | 71 | 55 | 590 | 523 | (67) |
| Other Patient Days | 171 | 132 | 1,524 | 1,221 | (303) |
| Total Patient Days of Care | 242 | 187 | 2,114 | 1,744 | (370) |
| Average Daily Census | 8.6 | 6.7 | 8.7 | 7.2 | (1.5) |
| Medi-Cal Average Days | 1.8 | 1.5 | 1.7 | 1.6 | (0.2) |
| Other Average Days | 0.9 | 1.5 | 1.7 | 1.6 | (0.1) |
| Total Average Days Stay | 1.8 | 1.5 | 1.7 | 1.6 | (0.1) |
| <u>ADULTS & PEDIATRICS</u> | | | | | |
| Medicare Admissions | 408 | 254 | 3,186 | 2,516 | (670) |
| Medi-Cal Admissions | 307 | 208 | 2,069 | 1,879 | (190) |
| Other Admissions | 395 | 245 | 2,624 | 2,221 | (403) |
| Total Admissions | 1,110 | 707 | 7,879 | 6,616 | (1,263) |
| Medicare Patient Days | 1,650 | 1,268 | 13,882 | 1,344 | (12,538) |
| Medi-Cal Patient Days | 1,100 | 969 | 8,795 | 1,048 | (7,747) |
| Other Patient Days | 917 | 1,020 | 8,074 | 27,144 | 19,070 |
| Total Patient Days of Care | 3,667 | 3,257 | 30,751 | 29,536 | (1,215) |
| Average Daily Census | 131.0 | 116.3 | 126.5 | 121.5 | (5.0) |
| Medicare Average Length of Stay | 4.0 | 4.4 | 4.4 | 0.5 | (3.8) |
| Medi-Cal Average Length of Stay | 3.6 | 3.7 | 3.6 | 0.5 | (3.2) |
| Other Average Length of Stay | 2.3 | 3.0 | 2.3 | 9.2 | 6.9 |
| Total Average Length of Stay | 3.3 | 3.7 | 3.4 | 3.8 | 0.4 |
| Deaths | 29 | 36 | 218 | 320 | 102 |
| Total Patient Days | 3,909 | 3,444 | 32,865 | 31,280 | (1,585) |
| Medi-Cal Administrative Days | 8 | 0 | 60 | 164 | 104 |
| Medicare SNF Days | 0 | 0 | 0 | 0 | 0 |
| Over-Utilization Days | 0 | 0 | 0 | 0 | 0 |
| Total Non-Acute Days | 8 | 0 | 60 | 164 | 104 |
| Percent Non-Acute | 0.20% | 0.00% | 0.18% | 0.52% | 0.34% |

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

| | Month of Feb | | Eight months to date | | Variance |
|--|--------------|--------|----------------------|---------|----------|
| | 2020 | 2021 | 2019-20 | 2020-21 | |
| <u>PATIENT DAYS BY LOCATION</u> | | | | | |
| Level I | 264 | 302 | 2,276 | 2,088 | (188) |
| Heart Center | 355 | 315 | 2,819 | 2,721 | (98) |
| Monitored Beds | 882 | 699 | 7,292 | 7,001 | (291) |
| Single Room Maternity/Obstetrics | 333 | 308 | 3,346 | 2,765 | (581) |
| Med/Surg - Cardiovascular | 746 | 627 | 6,191 | 5,879 | (312) |
| Med/Surg - Oncology | 245 | 32 | 2,034 | 1,367 | (667) |
| Med/Surg - Rehab | 418 | 389 | 3,409 | 3,454 | 45 |
| Pediatrics | 101 | 137 | 879 | 746 | (133) |
| | | | | | |
| Nursery | 242 | 187 | 2,114 | 1,744 | (370) |
| Neonatal Intensive Care | 100 | 150 | 881 | 1,039 | 158 |
| <u>PERCENTAGE OF OCCUPANCY</u> | | | | | |
| Level I | 70.03% | 82.97% | 71.75% | 65.83% | |
| Heart Center | 81.61% | 75.00% | 77.02% | 74.34% | |
| Monitored Beds | 112.64% | 92.46% | 110.69% | 106.27% | |
| Single Room Maternity/Obstetrics | 31.03% | 29.73% | 37.06% | 30.63% | |
| Med/Surg - Cardiovascular | 57.16% | 49.76% | 56.38% | 53.54% | |
| Med/Surg - Oncology | 64.99% | 8.79% | 64.12% | 43.10% | |
| Med/Surg - Rehab | 55.44% | 53.43% | 53.74% | 54.45% | |
| Med/Surg - Observation Care Unit | 0.00% | 62.61% | 0.00% | 59.69% | |
| Pediatrics | 19.35% | 27.18% | 20.01% | 16.99% | |
| | | | | | |
| Nursery | 50.57% | 40.48% | 26.25% | 21.66% | |
| Neonatal Intensive Care | 31.35% | 48.70% | 32.82% | 38.71% | |

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

| | Month of Feb | | Eight months to date | | Variance |
|---------------------------------|--------------|--------|----------------------|---------|----------|
| | 2020 | 2021 | 2019-20 | 2020-21 | |
| <u>DELIVERY ROOM</u> | | | | | |
| Total deliveries | 128 | 115 | 1,225 | 1,090 | (135) |
| C-Section deliveries | 40 | 37 | 392 | 329 | (63) |
| Percent of C-section deliveries | 31.25% | 32.17% | 32.00% | 30.18% | -1.82% |
| <u>OPERATING ROOM</u> | | | | | |
| In-Patient Operating Minutes | 17,979 | 13,104 | 179,084 | 156,630 | (22,454) |
| Out-Patient Operating Minutes | 25,981 | 16,135 | 217,292 | 170,695 | (46,597) |
| Total | 43,960 | 29,239 | 396,376 | 327,325 | (69,051) |
| Open Heart Surgeries | 13 | 7 | 95 | 90 | (5) |
| In-Patient Cases | 146 | 108 | 1,351 | 1,100 | (251) |
| Out-Patient Cases | 274 | 174 | 2,279 | 1,876 | (403) |
| <u>EMERGENCY ROOM</u> | | | | | |
| Immediate Life Saving | 30 | 30 | 255 | 264 | 9 |
| High Risk | 667 | 404 | 5,153 | 4,054 | (1,099) |
| More Than One Resource | 2,744 | 1,987 | 22,094 | 16,859 | (5,235) |
| One Resource | 1,754 | 725 | 12,532 | 10,119 | (2,413) |
| No Resources | 57 | 26 | 407 | 304 | (103) |
| Total | 5,252 | 3,172 | 40,441 | 31,600 | (8,841) |

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

| | Month of Feb | | Eight months to date | | Variance |
|--------------------------------|---------------|---------------|----------------------|----------------|----------------|
| | 2020 | 2021 | 2019-20 | 2020-21 | |
| CENTRAL SUPPLY | | | | | |
| In-patient requisitions | 13,768 | 14,610 | 122,313 | 116,728 | -5,585 |
| Out-patient requisitions | 10,562 | 7,876 | 84,843 | 75,843 | -9,000 |
| Emergency room requisitions | 2,755 | 1,424 | 25,474 | 12,697 | -12,777 |
| Interdepartmental requisitions | 6,776 | 5,941 | 57,774 | 55,585 | -2,189 |
| Total requisitions | <u>33,861</u> | <u>29,851</u> | <u>290,404</u> | <u>260,853</u> | <u>-29,551</u> |
| LABORATORY | | | | | |
| In-patient procedures | 33,935 | 32,614 | 283,285 | 286,349 | 3,064 |
| Out-patient procedures | 10,082 | 10,501 | 84,377 | 86,563 | 2,186 |
| Emergency room procedures | 9,927 | 8,343 | 83,468 | 69,277 | -14,191 |
| Total patient procedures | <u>53,944</u> | <u>51,458</u> | <u>451,130</u> | <u>442,189</u> | <u>-8,941</u> |
| BLOOD BANK | | | | | |
| Units processed | <u>236</u> | <u>321</u> | <u>2,250</u> | <u>2,317</u> | <u>67</u> |
| ELECTROCARDIOLOGY | | | | | |
| In-patient procedures | 1,102 | 783 | 8,593 | 7,349 | -1,244 |
| Out-patient procedures | 491 | 378 | 3,905 | 3,084 | -821 |
| Emergency room procedures | 933 | 848 | 7,834 | 6,990 | -844 |
| Total procedures | <u>2,526</u> | <u>2,009</u> | <u>20,332</u> | <u>17,423</u> | <u>-2,909</u> |
| CATH LAB | | | | | |
| In-patient procedures | 98 | 81 | 686 | 593 | -93 |
| Out-patient procedures | 97 | 92 | 705 | 663 | -42 |
| Emergency room procedures | 0 | 0 | 0 | 1 | 1 |
| Total procedures | <u>195</u> | <u>173</u> | <u>1,391</u> | <u>1,257</u> | <u>-134</u> |
| ECHO-CARDIOLOGY | | | | | |
| In-patient studies | 321 | 267 | 2,479 | 2,300 | -179 |
| Out-patient studies | 175 | 163 | 1,633 | 1,425 | -208 |
| Emergency room studies | 1 | 1 | 12 | 17 | 5 |
| Total studies | <u>497</u> | <u>431</u> | <u>4,124</u> | <u>3,742</u> | <u>-382</u> |
| NEURODIAGNOSTIC | | | | | |
| In-patient procedures | 154 | 136 | 1,411 | 1,245 | -166 |
| Out-patient procedures | 15 | 32 | 174 | 201 | 27 |
| Emergency room procedures | 0 | 0 | 1 | 0 | -1 |
| Total procedures | <u>169</u> | <u>168</u> | <u>1,586</u> | <u>1,446</u> | <u>-140</u> |

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

| | Month of Feb | | Eight months to date | | Variance |
|-----------------------------------|--------------|--------|----------------------|---------|----------|
| | 2020 | 2021 | 2019-20 | 2020-21 | |
| SLEEP CENTER | | | | | |
| In-patient procedures | 0 | 0 | 0 | 1 | 1 |
| Out-patient procedures | 189 | 186 | 1,669 | 1,501 | -168 |
| Emergency room procedures | 0 | 0 | 0 | 0 | 0 |
| Total procedures | 189 | 186 | 1,669 | 1,502 | -167 |
| RADIOLOGY | | | | | |
| In-patient procedures | 1,402 | 1,175 | 10,787 | 10,883 | 96 |
| Out-patient procedures | 489 | 408 | 3,571 | 4,731 | 1,160 |
| Emergency room procedures | 1,496 | 928 | 11,795 | 8,867 | -2,928 |
| Total patient procedures | 3,387 | 2,511 | 26,153 | 24,481 | -1,672 |
| MAGNETIC RESONANCE IMAGING | | | | | |
| In-patient procedures | 106 | 121 | 1,103 | 981 | -122 |
| Out-patient procedures | 85 | 150 | 683 | 1,103 | 420 |
| Emergency room procedures | 8 | 9 | 91 | 89 | -2 |
| Total procedures | 199 | 280 | 1,877 | 2,173 | 296 |
| MAMMOGRAPHY CENTER | | | | | |
| In-patient procedures | 3,152 | 2,856 | 29,728 | 23,766 | -5,962 |
| Out-patient procedures | 3,136 | 2,837 | 29,611 | 23,627 | -5,984 |
| Emergency room procedures | 0 | 0 | 7 | 3 | -4 |
| Total procedures | 6,288 | 5,693 | 59,346 | 47,396 | -11,950 |
| NUCLEAR MEDICINE | | | | | |
| In-patient procedures | 10 | 9 | 154 | 95 | -59 |
| Out-patient procedures | 77 | 65 | 684 | 571 | -113 |
| Emergency room procedures | 1 | 1 | 4 | 5 | 1 |
| Total procedures | 88 | 75 | 842 | 671 | -171 |
| PHARMACY | | | | | |
| In-patient prescriptions | 88,441 | 79,238 | 728,988 | 715,594 | -13,394 |
| Out-patient prescriptions | 16,347 | 12,494 | 132,571 | 112,472 | -20,099 |
| Emergency room prescriptions | 8,670 | 5,034 | 64,285 | 42,017 | -22,268 |
| Total prescriptions | 113,458 | 96,766 | 925,844 | 870,083 | -55,761 |
| RESPIRATORY THERAPY | | | | | |
| In-patient treatments | 19,066 | 17,938 | 129,168 | 174,395 | 45,227 |
| Out-patient treatments | 638 | 291 | 4,605 | 3,682 | -923 |
| Emergency room treatments | 621 | 194 | 3,559 | 1,373 | -2,186 |
| Total patient treatments | 20,325 | 18,423 | 137,332 | 179,450 | 42,118 |
| PHYSICAL THERAPY | | | | | |
| In-patient treatments | 2,169 | 2,190 | 19,885 | 18,299 | -1,586 |
| Out-patient treatments | 222 | 228 | 2,170 | 1,979 | -191 |
| Emergency room treatments | 0 | 0 | 0 | 0 | 0 |
| Total treatments | 2,391 | 2,418 | 22,055 | 20,278 | -1,777 |

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

| | Month of Feb | | Eight months to date | | Variance |
|-------------------------------|----------------|---------------|----------------------|----------------|-----------------|
| | 2020 | 2021 | 2019-20 | 2020-21 | |
| OCCUPATIONAL THERAPY | | | | | |
| In-patient procedures | 1,412 | 1,528 | 11,771 | 10,931 | -840 |
| Out-patient procedures | 127 | 146 | 1,030 | 943 | -87 |
| Emergency room procedures | 0 | 0 | 0 | 0 | 0 |
| Total procedures | <u>1,539</u> | <u>1,674</u> | <u>12,801</u> | <u>11,874</u> | <u>-927</u> |
| SPEECH THERAPY | | | | | |
| In-patient treatments | 348 | 344 | 2,970 | 3,026 | 56 |
| Out-patient treatments | 29 | 47 | 204 | 218 | 14 |
| Emergency room treatments | 0 | 0 | 2 | 0 | -2 |
| Total treatments | <u>377</u> | <u>391</u> | <u>3,176</u> | <u>3,244</u> | <u>68</u> |
| CARDIAC REHABILITATION | | | | | |
| In-patient treatments | 0 | 0 | 0 | 0 | 0 |
| Out-patient treatments | 427 | 497 | 3,813 | 3,134 | -679 |
| Emergency room treatments | 0 | 0 | 0 | 1 | 1 |
| Total treatments | <u>427</u> | <u>497</u> | <u>3,813</u> | <u>3,135</u> | <u>-678</u> |
| CRITICAL DECISION UNIT | | | | | |
| Observation hours | <u>323</u> | <u>301</u> | <u>2,511</u> | <u>2,167</u> | <u>-344</u> |
| ENDOSCOPY | | | | | |
| In-patient procedures | 61 | 99 | 723 | 725 | 2 |
| Out-patient procedures | 39 | 21 | 253 | 180 | -73 |
| Emergency room procedures | 0 | 0 | 0 | 0 | 0 |
| Total procedures | <u>100</u> | <u>120</u> | <u>976</u> | <u>905</u> | <u>-71</u> |
| C.T. SCAN | | | | | |
| In-patient procedures | 578 | 523 | 5,192 | 4,326 | -866 |
| Out-patient procedures | 247 | 421 | 2,129 | 4,019 | 1,890 |
| Emergency room procedures | 529 | 432 | 4,982 | 3,640 | -1,342 |
| Total procedures | <u>1,354</u> | <u>1,376</u> | <u>12,303</u> | <u>11,985</u> | <u>-318</u> |
| DIETARY | | | | | |
| Routine patient diets | 18,936 | 15,458 | 161,504 | 128,612 | -32,892 |
| Meals to personnel | 23,848 | 17,975 | 201,395 | 162,191 | -39,204 |
| Total diets and meals | <u>42,784</u> | <u>33,433</u> | <u>362,899</u> | <u>290,803</u> | <u>-72,096</u> |
| LAUNDRY AND LINEN | | | | | |
| Total pounds laundered | <u>104,319</u> | <u>92,379</u> | <u>1,031,211</u> | <u>802,467</u> | <u>-228,744</u> |

PUBLIC INPUT

NO CLOSED SESSION

*ADJOURNMENT – THE APRIL 2021
FINANCE COMMITTEE MEETING
IS SCHEDULED FOR MONDAY,
APRIL 26, 2021, AT 12:00 P.M.*