MASTER CONTRACT FOR PARAMEDIC AMBULANCE SERVICES

October 1, 2004

A Contract Between:

CLARK COUNTY EMERGENCY MEDICAL SERVICES DISTRICT #2
and
AMERICAN MEDICAL RESPONSE NORTHWEST

Incorporates Addendum 3

PARAMEDIC AMBULANCE SERVICES CONTRACT

THIS CONTRACT entered into this 29th day of June 2004, by and between Clark County Emergency Medical Services District No. 2 ("District") and American Medical Response Northwest ("Contractor").

WHEREAS, Contractor is the winner of a competitive allocation of ambulance service market rights and responsibilities, conducted by the District in accordance with the terms of Settlement Agreement No. C91-5229B; and,

WHEREAS, the District hereby accepts Contractor's offer to provide paramedic ambulance services throughout the "Contract Service Area" as defined in this Contract, as such offer is further defined and clarified by the "Contractor's Proposal" (Exhibit A) and by the representations made in the "Taped Proceedings of the EMS Administrative Board's meeting dated March 23, 2004" (on file with the Department of EMS);

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

I. <u>TERM OF CONTRACT.</u> This Contract shall commence at 12:01 a.m., October 1, 2004 and shall continue in its term to September 30, 2010, for a six (6) year period, with the possibility of up to three (3) "earned," two (2) year extensions, as provided for in this Contract.

The contract for ambulance services entered in to by the Contractor and the District in 1995 is superseded by this contract.

II. <u>SCOPE AND QUALITY OF SERVICES.</u> Throughout the term of this Contract, the Contractor shall provide throughout the Contract Service Area paramedic ambulance services which meet or exceed the key personnel, clinical performance, control center performance, response time performance, human resource performance, fleet operations, accounts receivable management, community relations, customer service and first responder support, and any and all other standards and commitments set forth and defined in this Contract.

III. <u>MARKET RIGHTS.</u> The Contractor is awarded an exclusive market rights (9-1-1 and "Routine Transfer") and responsibilities, for provision of all ground ambulance services originating within the Contract Service Area, regardless of whether the patient's destination is within or outside the State of Washington, subject to the exceptions defined in this Contract.

IV. <u>AUTHORIZATION OF USER-FEE CHARGES.</u> Contractor is hereby authorized to charge and collect user-fees for services originating within the Contract Service Area as initially established and adjusted from time to time according to the provisions in this Contract. Upon commencement of this Contract, Contractor may employ and revise from time to time without

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approval from the District a schedule of user fee charges constructed so as to achieve the following primary effects:

A. Average Patient Charge. The Contractor's initial total average charge per patient transport or Average Patient Charge (APC) shall not exceed six hundred and fifty-two dollars and twenty-seven cents ($652.27), including all base rate and add-on charges, but excluding mileage charges.

B. Maximum Patient Charge. The Contractor's initial Maximum Patient Charge (MPC) shall not exceed eight hundred and ninety-two dollars and ninety-nine cents ($892.99), including all base rate and add-on charges, but excluding mileage charges.

C. Maximum per Mile Charge. The Contractor's initial Maximum per Mile Charge (MMC) shall not exceed ten dollars and twenty-five cents ($10.25).

D. Minimize Patients' Out-of-Pocket Costs. Contractor shall use best efforts to construct a charge schedule so as to maximize third party recovery and minimize patient's out-of-pocket costs.

V. CONTRACT ADMINISTRATIVE FEE. The Contract Administrative Fee established in this Contract is based on the annual budgets of the EMS Program administering this contract, the Medical Program Director's Office, and 9-1-1 Operations call taking costs for the Contractor. Such agencies perform services for the Contractor that facilitate its performance of this Contract, and the District has determined this fee constitutes reasonable and fair market value compensation for such services. This monthly fee is initially set at nineteen dollars and fifty cents ($19.50) per patient transport, and shall be adjusted at the beginning of each calendar year based on these budgets, and to offset any overpayment/underpayment of fees from the previous calendar year.

VI. REPORTS. Throughout the term of this Contract, Contractor shall furnish the District the following reports defined in this Contract:

A. Monthly Operations.

B. Monthly Response Time Compliance.

C. Monthly Average Patient Charge.

E. Quarterly Contract Compliance.

F. Quarterly Community Relations, Public Education , and First Responder Support.

G. Quarterly Equipment Maintenance.

H. Annual Audited Report.

H. Medical Incident Report Screens.

I. Miscellaneous.

VII. INCORPORATION OF EXHIBITS. The documents listed in Section XI of this Contract are hereby expressly incorporated within this Contract as though written and contained directly with the text of this Contract.

VIII. PRIORITY OF DOCUMENTS/RECORDINGS. For purposes of establishing and interpreting Contractor's service obligations pursuant to this Contract, that language contained in any of the documents and recordings listed below which expresses the highest level of service shall govern, as provided for in Section II, hereof. For all other purposes of interpretation, the order of priority shall be as follows: 1) Master Contract for Paramedic Ambulance Services; 2) Taped proceedings of the EMS Administrative Board's meeting dated March 23, 2004; 3) Contractor's Proposal; 4) Contractor's Credentials; 5) Request for Proposal; 6) Request for Credentials; 7) Uniform EMS Ordinance; 8) EMS Interlocal Agreement; and 9) EMS Administrative Rules.

IX. CORRESPONDENCE. Official correspondence in reference to this Contract shall be directed as follows:

A. Official contacts to EMS District #2:

Clark Regional Emergency Services Agency
EMS Program
710 West 13th Street
Vancouver, WA 98660

B. Official contacts to the Contractor:

American Medical Response Northwest
P.O. Box 15339
Portland, OR 97215-0339

X. MUTUAL ASSENT. The undersigned parties, acting as authorized representatives of their respective organizations, hereby express their respective organization's full understanding and acceptance of, and intent to be legally bound by, the mutual obligations and commitments set forth in this Master Contract for Paramedic Ambulance Services.

For EMS District #2: For American Medical Response, NW:

__________________________ ____________________________

Chair (date) President (date)

STATE OF WASHINGTON)
:
CLARK COUNTY)

I solemnly swear that I am authorized to sign this Contract on behalf of (contractor)

Name:

Title:

SUBSCRIBED AND SWORN TO before me this ____ day of ______________, 2004.

NOTARY PUBLIC in and for the State of Washington, residing at Vancouver, therein.

My Commission expires:

THE COUNTY OF CLARK

ATTEST

COUNTY CLERK

APPROVED as to form and legality this ____ day of __________________________ , 2004.

____

Rich Lowry, Chief Civil Deputy

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SECTION I. DEFINITIONS

"Advanced Life Support" or **"ALS"** means invasive medical services requiring advanced emergency medical assessment and treatment skills as defined by Chapter 18.71 RCW.

"Ambulance Service Contractor" or **"Contractor"** means the firm or entity which is under contract with the District to respond to all medical requests originating within the Contract Service Area.

"Annual Inflation Adjustment" means the annually computed maximum upward adjustment to the Uniform Schedule of Subsidy/Price Options which, when approved by the EMS Administrative Board and implemented in whole or part by the Ambulance Service Contractor, shall serve as the basis for any upward adjustment to the Uniform Schedule of Subsidy/Price Options for the following contract year.

"Average Patient Charge" or "APC" means the average charge established in the ambulance contract; with actual Contractor performance measured by gross revenues for the transport of patients divided by the total number of patients transported (one-way) subject to rate regulations established under the Contract.

"Basic Life Support" or **"BLS"** means noninvasive medical services requiring basic medical treatment skills as defined by Chapter 18.71 R.C.W.

"**Cities**" means the cities of Battle Ground, La Center, Ridgefield, and Vancouver, Washington that have entered into the EMS Interlocal Cooperation Agreement and have adopted a uniform EMS ordinance.

"Contract Service Area" means the combined geographic area within the corporate limits of the Cities of Battle Ground, LaCenter, Ridgefield, and Vancouver; and within the portions of unincorporated Clark County defined in Exhibit C of the RFP, and within any other jurisdictions which participate in this RFP for the purpose of group purchasing of ambulance services.

"Consumer Price Index" or **"CPI"** means the Consumer Price Index for All Urban Consumers (CPI-U) U.S. City Average (1982-84-100) as maintained by the United States Department of Labor.

"County" means Clark County, Washington.

"CRESA" means the Clark Regional Emergency Services Agency.

“Critical Care Transport” means the transport of a patient from an emergency department or critical care unit, who receives care commensurate with the scope of practice of a physician or registered nurse.

"District" means Clark County Emergency Medical Services District #2 established by ordinance pursuant to R.C.W. 36.32.480.

"Emergency Medical Services" or **"EMS"** means medical treatment and care **which** may be rendered at the scene of any medical emergency or while transporting any patient in an ambulance to an appropriate medical facility, including ambulance transportation between medical facilities.

"EMS Interlocal Cooperation Agreement" means the agreement entered into between the Cities, the County, and the District pursuant to Chapter 39.34 R.C.W. in part to effectuate the enforcement of this ordinance.

“EMS Program” means the CRESA program that fulfills Clark County EMS District #2’s responsibilities for ambulance contract administration and Clark County’s responsibility for uniform EMS regulation.

"EMS Administrative Board" or **"EMSAB"** means the board established pursuant to the Uniform EMS Ordinance and the EMS Interlocal Cooperation Agreement to provide EMS administrative oversight functions.

"Emergency Medical Technician" or **"EMT"** means a person who is authorized to render emergency medical care pursuant to R.C.W. 18.73.

"Extraordinary Adjustment" means a change in the Uniform Schedule of Subsidy/Price Options, other than a scheduled Annual Inflation Adjustment.

"First Responder" means a person who is authorized to render emergency medical care as defined by R.C.W. 18.73.

"Franchise Model" means an EMS business structure in which a contracted organization serves as the retail provider of ambulance services, and owns or controls most or all essential factors of production including operating licenses and permits, third-party reimbursement provider numbers, patient accounts receivable, and other factors of production. Under a "franchise model," the ambulance services contractor controls the patient accounts management process and is compensated by way of such fee-for-service revenues as may be realized from the sale of ambulance services.

“High Performance EMS System” means the simultaneous achievement of clinical excellence, response time reliability, economic efficiency with functional external oversight, full activity-based cost recognition, and performance sustainability (definition based on the “Comprehensive Market Review,” Fitch & Associates, June 2002).

“Maximum Mileage Charge” or “MMC” means the maximum per mile charge permitted by the Ambulance Service Contract subject to rate regulations established under the Contract.

"Maximum Patient Charge " or “MPC” means the maximum per patient charge permitted by the Ambulance Service Contract subject to rate regulations established under the Contract.

"Medical Call-Taker" or **"Emergency Medical Dispatcher"** means a person in the employ of or acting under the control of a private or public agency who receives calls requesting Emergency Medical Services and administers emergency medical dispatch protocols approved by the Medical Program Director.

"Parent Organization" means the ultimate corporation/organization with majority ownership or shareholder interest of all subsidiary organizations connected to the organization submitting the proposal.

"Patient" means any person injured, sick, incapacitated, or otherwise defined by the Medical Program Director, requiring medical treatment and care of emergency medical services.

"Medical Program Director" or "Director" means the Medical Program Director for Clark County certified by the Secretary of the Department of Health pursuant to Chapter 18.71 R.C.W.

“Participating Jurisdiction(s)” means general purpose governmental jurisdictions that have entered into the EMS Interlocal Cooperation Agreement and adopted a uniform EMS ordinance for uniform regulation of the EMS System and group purchasing of ambulance service.

"Regulated Service Area" means the combined area of the corporate limits of the cities plus the unincorporated areas of Clark County and all other general purpose jurisdictions which have adopted the Uniform EMS Ordinance and entered into the EMS Interlocal Cooperation Agreement.

"Response Time Zones" means those areas designated by this RFP as urban, suburban, rural, and wilderness.

"Routine Transfer" means a 7-digit medical request that does not meet the Medical Program Director's 911 transfer protocols as defined in the EMS Administrative Rules.

"Subsidy Option" means the option of a participating jurisdiction to use subsidy payments to offset user fees in accordance with a formula to be negotiated by the participating jurisdiction and the District, and without negative effect on other participating jurisdictions.

"System Standard of Care" or "Standard of Care" means the combined compilation of all standards for prehospital medical care including but not limited to priority dispatching

protocols; pre-arrival instruction protocols; medical protocols (i.e. first responders and ambulances); protocols for selecting destination hospitals; standards for certification of prehospital care personnel (i.e. medical call-takers, first responders, EMTs, and on-line medical control physicians); standards for permits (i.e. ambulances, first responder units, helicopter rescue units, and special use mobile intensive care services); response time standards; standards governing on-board medical equipment and supplies; and standards for licensure of ambulance services and first responder agencies. The Standard of Care shall serve as both a regulatory and contractual standard of care and performance.

"Uniform EMS Ordinance" or "Ordinance" means the current EMS ordinance and all substantially identical ordinances adopted by general purpose governmental jurisdictions which are also parties to the EMS Interlocal Cooperation Agreement.

SECTION II. BACKGROUND

In accordance with requirements of Settlement Agreement No. C91-5229B, the Emergency Medical Services Administrative Board (EMSAB) on behalf of Clark County Emergency Medical Services (EMS) District #2, "District," in cooperation with Clark County and the Cities of Battle Ground, LaCenter, Ridgefield, and Vancouver "Participating Jurisdictions," has conducted a competitive allocation of ambulance service market rights and responsibilities.

American Medical Response Northwest ("Contractor") is awarded exclusive rights and responsibilities for provision of all 911 and "Routine Transfer" ambulance service originating within the Contract Service Area, for an initial term of six (6) years with the possibility of up to three (3) "earned" two (2) year extensions.

SECTION III. FAIL SAFE FRANCHISE MODEL DESIGN RATIONALE

Competition Within the Market Has Proven Ineffective. The historical track record of the ambulance industry conclusively reveals that retail competition *within* a geographic market fails to provide and reward efficient production of quality patient care due to the following economic distortions:

1. Emergency victims have little opportunity and less inclination to "comparison shop" for ambulance services at the time service is required;

2. Even where multiple firms operate within the same area, few potential ambulance service customers prepare to be effective buyers in their moment of need, by comparing services and costs of suppliers in advance;

3. The typical consumer of ambulance services purchases such services too infrequently (i.e., about twice in a lifetime) to develop skills as a shrewd and experienced buyer of ambulance services;

4. Ambulance services are becoming increasingly sophisticated, both clinically and technologically, to an extent that few customers are able to make useful distinctions in quality of patient care.

5. Persons dialing 911 in a medical emergency have no opportunity to choose from among competing suppliers of ambulance service, have no way of knowing which firm's ambulance is nearest their location and staffed and equipped for their needs, and thus cannot reasonably be expected to choose from a selection of available firms;

6. The retail market transaction is often rendered economically ineffective because the person choosing the ambulance company is neither the patient nor the payer;

7. Unlike other health care services, the primary cost of ambulance service is the cost of providing geographic coverage, which cost is only increased when multiple firms must duplicate coverage of the same geographic area; and

8. Economies of scale in ambulance service industry are such that the total population of the Contract Service Area is inadequate to support the economically stable delivery of totally or substantially unsubsidized paramedic ambulance services delivered at reasonable rates, if fee-for-service income must support the fixed costs and overhead of multiple firms. Thus, dividing the Contract Service Area into two or more zones for allocation among two or more firms is not in the public interest, clinically or economically.

Competition For the Market Can Be a Powerful and Positive Force. Experience of communities across the U. S. has shown conclusively that, although effective use of competitive market allocation is among the most complex of all procurements, managed competition for the market has reliably generated the EMS industry's highest levels of clinical and response time reliability at costs (subsidies and fee structures combined) far below those of systems which have eliminated competition entirely (i.e., socialized systems), and below those of systems depending on retail competition within the market. Thus, this process involves a competitive "group purchase" of ambulance services on behalf of the residents of the "Contract Service Area."

SECTION IV. CONTRACT OBJECTIVES

The objectives of this Master Ambulance Services Contract include but are not limited to the following:

1. Placing 911 and 7-digit EMS callers in immediate contact with dispatch/control center personnel who are trained in the use of Medical Priority Dispatch protocols;

2. Providing a paramedic-level ambulance response to every request for service, 911 and other;

3. Awarding stable and well-defined market rights and responsibilities for an initial term of six (6) years, with an opportunity of up to three (3) "earned," two (2) year extensions;

4. Retaining policy making authority concerning the allowed average bill within the Participating Jurisdictions;

5. Ensuring external medical oversight and control by a single Medical Program Director under contract with the County, whose focus is assuring the best care through the development and regulation of the entire "System Standard of Care" (from point of access to arrival at patient destination);

6. Protecting the public from service degradation or interruptions of any kind;

7. Protecting the Contractor from economic loss due to causes beyond its reasonable control;

8. Neutralizing fee-for-service incentives to over serve or to under serve individual patients or areas of the community;

9. Facilitating long-term capital investment in facilities and equipment by offering an appropriate initial term with "earned" extensions based on superior performance;

10 Ensuring that a change of contractors, either at the end of a contract cycle or in the event of a default, can always be accomplished via a smooth and orderly process, without risk of service interruption, temporary deterioration, or cost to local government.

SECTION V. OVERVIEW OF LEGAL AND BUSINESS STRUCTURE

A. FRANCHISE MODEL. The legal and business structure is in the form of a Franchise Model--i.e., the Contractor shall furnish either directly or by subcontract its own facilities, vehicles, on-board equipment, radio systems, and computer-aided dispatch hardware and software as proposed by the winning Contractor, and shall serve as the retail provider of exclusive rights and responsibilities for provision of all 911 and "Routine Transfer" ambulance service originating within the Contract Service Area. The Contractor shall be authorized to charge user fees as specified within the Contract, and shall look solely to public and private third-party payers, users of ambulance service (or other responsible parties), and contract purchasers of ambulance services (e.g., hospitals purchasing "DRG" transports) for payment *(Except as may be agreed to by separate contract between the Contractor and Participating Jurisdiction, and based on t*he *"Provision of Subsidy Options"*).

1. **"Fail Safe" Franchise Components.** The public needs to be protected from loss of service and service deterioration as a result of performance deficiencies on the part of the contractor. In the event of a major default, a rapid, orderly and self-financed takeover of operations needs to occur. This is especially true when the nature of the default involves endangerment to public health and safety. Under a franchise model the accounts receivable and operating materials are the property of the Contractor. Thus, a higher level of "*performance security"* is needed as compared to a public utility model where these assets are held by the contracting authority. Typically, payments for ambulance services, under a sound billing system, tend to occur three months after the date-of-service. This means that during a takeover, the contracting authority will need to have immediate financing for a minimum of three months.

    a) **Performance Security.** Conventional performance bonding is not well suited to ambulance contracting, primarily because of the lack of immediate funding for emergency takeover. More liquid performance security arrangements are typically used for ambulance contracts, and have historically included irrevocable letters of credit, written performance bonds (that requires immediate release upon takeover, with any legal dispute initiated after release) and cash deposits.

    b) **Lease Arrangement.** Because the materials necessary for operations are the property of the Contractor, first lien rights on real property is required. Typically this is arranged through a *"Lease Arrangement."* Under this arrangement, all essential equipment required for operations, new or used (i.e., vehicles, medical hardware, medical supplies, communications equipment, used by the Contractor in the performance of this Contract shall be furnished under the three-way leasing program or a conditional lease arrangement as established in Section VI. T. herein. Thus, in the event of a takeover, the District need only continue lease payments to have ongoing access to these essential factors of production. (Because the sublease itself furnishes the sole security for all primary lease payments, the public sector is not

obligated under the three-way leasing provisions, and thus related equipment purchases are not government acquisitions.)

2. **Key Legal Instruments.** There are three key legal instruments that furnish the regulatory and contractual foundation of the District's high-performance, multi-jurisdictional EMS system. These three instruments are the "Uniform EMS Ordinance" (Exhibit E), the "Interlocal Cooperation Agreement" (Exhibit F), and Ambulance Services Contract.

   a) **Uniform EMS Ordinance.** The Uniform EMS Ordinance establishes the oversight and regulatory standards for the provision of ambulance and emergency medical services throughout Clark County. This Ordinance establishes a uniform "System Standard of Care" and further strengthens the authority granted to the single County Medical Program Director under State statute.

   b) **Interlocal Cooperation Agreement.** The Interlocal Cooperation Agreement makes possible the consolidated regulation and group purchasing of ambulance services within the Contract Service Area. The Agreement delegates the District, the County, Participating Jurisdictions, and the EMS Administrative Board certain regulatory powers and contract administrative responsibilities, thereby "pooling" the purchasing powers of the Participating Jurisdictions to secure clinically superior and more economically stable ambulance service. Major authority and responsibilities are as follows:

      EMS District #2. In addition to the authority and responsibilities delegated to Participating Jurisdictions, the "District" shall:

      1) Enter into agreements with CRESA as are necessary to carry out the District's responsibilities to provide the material and staff necessary for the ambulance contract provisions of the Uniform EMS Ordinance, Interlocal Cooperation Agreement, and Ambulance Services Contract.

      2) Determine whether to approve the competitive process for procuring ambulance services for the Contract Service Area as recommended by the EMS Administrative Board.

      3) Determine whether to award the ambulance service contract as recommended by the EMS Administrative Board.

      4) Conduct ongoing ambulance contract administration and oversight through the EMS Administrative Board and Medical Program Director.

      5) Determine whether to confirm any recommendation by the EMS Administrative Board regarding any formula by a Participating Jurisdiction for a user fee subsidy.

6) After providing adequate opportunity for review and comment by the Participating Jurisdictions, determine whether to approve any Extraordinary Cost Adjustment or Externally Imposed Upgrade Adjustment as recommended by the EMS Administrative Board.

7) After providing adequate opportunity for review and comment by the Participating Jurisdictions, determine whether to approve any EMS System infrastructure acquisition or financing as recommended by the EMS Administrative Board.

Clark County. The "County" shall have the authority and responsibilities for the following:

1) Contract with the Medical Program Director to provide a countywide program of medical quality control and regulation in accordance with the Uniform EMS Ordinance and Interlocal Cooperation Agreement.

2) Enter into agreements with CRESA as are necessary to carry out the administrative and regulatory provisions of the Uniform EMS Ordinance and Interlocal Cooperation Agreement.

3) Appoint members of the EMS Administrative Board in accordance with the Uniform EMS Ordinance, after consultation with the Participating Jurisdictions regarding such appointments.

4) Through the Clark County Prosecuting Attorney's Office, develop procedures in compliance with due process, state law, and the Uniform EMS Ordinance for issuing, renewing, restricting, suspending, and revoking licenses, permits, and certifications under the Uniform EMS Ordinance.

Participating Jurisdictions. Each participating jurisdiction (City/ies and District) shall have the authority, responsibilities and rights for the following:

1) Annually choose whether to reduce the Average Patient Charge (APC) within their respective jurisdiction by subsidizing user fees. In such an event, subsidy payments shall offset user fees in accordance with a formula to be negotiated with the District, and without negative effect on other participating jurisdictions.

2) Entitled to a uniform quality of EMS care established by the System Standard of Care, externally monitored and enforced by the Medical Program Director.

3) Access to resources of the ambulance contractor at any given time, subject to fluctuations in consumer demand, weather conditions and disaster situations.

4) Right to contractually enforceable response time reliability standards, externally monitored by the Medical Program Director and enforced by the District.

5) Right to service commitments made by the ambulance contractor, externally monitored by the EMS Administrative Board and enforced by the District.

Clark County EMS Administrative Board. The Clark County EMS Administrative Board (EMSAB) shall have the authority and responsibilities for the following:

1) Develop and administer a competitive process for procuring ambulance service in the contract service area.

2) Evaluate and make recommendation to the District regarding any proposed formula by a Participating Jurisdiction for a user fee subsidy.

3) Determine ambulance contractor's annual inflation adjustments to the APC and/or Maximum Patient Charge (MPC).

4) Review and recommend to the District Extraordinary Cost Adjustments or Externally Imposed Upgrade Adjustments where projected costs cause an increase in user-fees and/or subsidy to the ambulance contract.

5) Review and approve, modify or deny System Standard of Care Upgrades whose projected costs cause an increase in user-fees and/or subsidy.

6) Conduct ongoing ambulance contract administration and oversight.

7) Declare declarations of major default by the ambulance contractor.

8) Provide a consolidated annual report to participating jurisdictions.

3. Order Of Precedence. This Master Ambulance Service Contract is one of the key legal instruments which furnish the regulatory and contractual foundation of the District's high-performance, multi-jurisdictional EMS system. The Contract is composed, in order of precedence, of the following:

a) Master Contract for Paramedic Ambulance Services;

b) **Taped proceedings of the EMS Administrative Board's meeting dated March 23, 2004;**

c) **Contractor's Proposal;**

d) **Contractor's Credentials;**

e) **Request for Proposal;**

g) **Request for Credentials;**

h) **Uniform EMS Ordinance;**

i) **EMS Interlocal Agreement; and**

j) **EMS Administrative Rules.**

SECTION VI. GENERAL CONTRACT PROVISIONS

A. EXCLUSIVE MARKET RIGHTS. The Contractor is awarded exclusive market rights (911 and "Routine Transfer"), for provision of all ground ambulance services originating within the Contract Service Area, regardless of whether the patient's destination is within or outside the State of Washington, subject to the following exceptions:

1. **Long-Distance, Inter-County Transports.** Other firms may compete with the Contractor on a retail basis for the sale of inter-county ambulance transports originating within the Contract Service Area involving "Routine Transfers" more than 30 loaded miles.

2. **VA Contractors.** Ambulances operating under federal contract for direct purchase of ambulance services (e.g., VA contracts) shall be exempt from provisions of exclusivity. For purposes of this provision, Medicare and Medicaid provider agreements shall be considered a reimbursement arrangement -- not a federal contract for direct purchase of ambulance services.

3. **Disaster Assistance.** Ambulances providing assistance during disaster incidents may operate within the Contract Service Area.

4. **Mutual Aid.** Subject to a finding of substantially equivalent medical standards by the Medical Program Director, Contractor may employ the use of "mutual aid" in fulfillment of its obligations hereunder.

5. **Federally-Operated Ambulances.** Any ambulance owned and operated by an agency of the federal government may operate within the Contract Service Area.

B. TERM OF AGREEMENT. This Contract shall commence midnight, October 1, 2004 and continue in its initial term for a six (6) year period, with the possibility of up to three (3) "earned," two (2) year extensions, as provided below, "Opportunity for Extension."

C. OPPORTUNITY FOR EXTENSION. EMSAB shall evaluate the Contractor's performance over the initial term and may elect to award "earned," two (2) year extensions on a "rolling" basis at the end of the second, fourth and sixth years subject to the following requirements:

1. **Clinical Performance Exceeding Contract Requirements.** A finding by the Medical Program Director that the clinical performance of the Contractor has, in general, exceeded

the minimum requirements set forth in the ambulance services contract and in the System Standard of Care; and

2. **Response Time Performance Exceeding Contract Requirements**. A finding that the response time performance of the Contractor has, in general, exceeded the minimum requirements set forth in the ambulance services contract. The method of measurement used to determine response time performance exceeding contract requirements shall be the total number of compliant responses (numerator) divided by the total number of responses (denominator) during the contract year. To exceed the requirements, the contractor shall meet, or exceed ninety percent (90%) for each cell type using the above method of measurement for each contract year being evaluated; and

3. **Average Patient Charge Below Maximum Allowed.** Excluding Extraordinary Adjustments to the APC and/or MPC, the previous two years Annual Audited Report showing the actual APC materially below the allowed APC in light of Medicare legislation and impacts from other third party payor actions; and

4. **Substantial Compliance.** Finding by the EMS Administrative Board that the Contractor substantially and consistently meets the various requirements of applicable federal, state and local laws, rules and regulations and the performance requirements of the Ambulance Services Contract; and

5. **Superior Pricing Containment.** Excluding Extraordinary Adjustments to the APC and/or the MPC, the cumulative rate of inflation in the cost of service (user fees and subsidies combined) must not be greater than the Consumer Price Index over the entire contracting period for which published figures are available; and

6. **Market Review.** A finding by the EMS Administrative Board, after review of other high performance EMS systems, that reopening competition for the contract would not likely result in substantial cost savings or service improvements in comparison to costs and service levels of other high performance EMS systems.

In the event such extension is earned, the inflation-basis of renewal pricing (i.e. the extended contract's allowed APC) shall reflect an increase in costs not exceeding the Consumer Price Index cumulative over the historical contracting period then-to-date.

If the District finds the Contractor has met the above criteria, the District at the end of the second, fourth, and sixth Contract years may negotiate with the Contractor for one (1) - two (2) year extension period. If the Contract extensions are denied at the end of both the second and fourth Contract years, no earned extension shall be allowed for the sixth Contract year. It is the District's intent to commence an open procurement process to select a successor ambulance provider no later than 12 months prior to the anticipated expiration date (as extended) for this

Contract, with the starting date for succession Contract depending on District action on the potential Contract extensions.

D. ALL-ALS, FULL-SERVICE SYSTEM. All ambulances rendering services pursuant to this Contract shall be staffed and equipped to provide paramedic-level care. The paramedic shall be the primary care giver for all patients (i.e., emergent and routine) and shall accompany any patient requiring ALS intervention in the back of the ambulance during patient transport.

E. DISASTER ASSISTANCE. During a disaster, locally or in a neighboring jurisdiction, the normal course of business under this Contract shall be interrupted from the moment the disaster situation is confirmed by the Department of EMS. Immediately upon such notification, Contractor shall commit such resources as are necessary and appropriate, given the nature of the disaster, and shall assist in accordance with disaster plans and protocols applicable in the locality where the disaster has occurred. The disaster-related provisions of this Contract are:

1. **Response Time Exemption.** During such periods, Contractor shall be released from response time performance requirements, including late run penalties, until notified by the Department of EMS that disaster assistance is terminated. At the scene of such disasters, Contractor's personnel shall perform in accordance with local disaster protocols established by that community.

2. **Suspension of Non-Emergency Work.** During the course of the disaster, Contractor shall use best efforts to provide emergency coverage within the Contract Service Area and shall suspend non-emergency transport work as necessary, informing persons requesting such non-emergency service of the reason for the temporary suspension.

3. **Resumption of Service.** When disaster assistance has been terminated, Contractor shall resume normal operations as rapidly as is practical considering exhaustion of personnel, need for restocking, and other relevant considerations.

F. MUTUAL AID. Mutual aid agreements shall be reached between the Contractor and neighboring ambulance services. In the course of rendering such mutual aid services, the Contractor shall not be exempt from response time compliance and late-run penalties imposed by this Contract.

Mutual aid paramedic ambulances responding at the Contractor's request to locations within the Contract Service Area may "stop the clock," subject to finding by the Medical Program Director that the clinical quality of care provided by the mutual aid service is substantially equivalent to the medical standards required under this Contract.

G. USE OF SUBCONTRACTORS. The use of subcontractors not previously specified in the Contractor's Proposal requires approval by the District based on the provisions established herein. If the Contractor intends to employ additional or new subcontractual relationships the Contractor shall provide the qualifications of that subcontractor in its request to the EMS Administrative Board and District.

Acceptance or denial in the use of subcontractors to enhance EMS services levels shall be based, but are not limited to the ability to address the following guidelines:

1. Finding by the Medical Program Director the proposed subcontractual relationship maintains or enhances the System Standard of Care.

2. Finding by the EMSAB the agreement contains system costs.

3. Signed agreement by the Contractor and Subcontractor. (Note - any revisions to the initial agreement(s) also shall be signed by the Contractor and Subcontractor.)

4. The Contractor shall remain fully responsible and liable for all actions as they relate to the Contract.

The District reserves the right to deny requests for use of subcontractors. (Note that for purposes of this Section, support services provided by a parent corporation of the contracting firm shall not be considered subcontracted services, and shall not be prohibited).

H. NON-TRANSFERABLE CONTRACT. The Contract shall not be assigned or transferred either in whole or in part, or leased, sublet, or mortgaged in any manner, nor shall title thereto, either legal or equitable, or any right, interest or property therein, pass to or vest in any person without the prior written consent of the District. Contractor may, however, transfer or assign the Contract to a wholly-owned subsidiary of the Contractor and such subsidiary may transfer or assign the Contract back to the Contractor without such consent. The proposed assignee must show financial responsibility as determined by the District and must agree to comply with all provisions of the Contract. The District shall be deemed to have consented to a proposed transfer or assignment in the event its refusal to consent is not communicated in writing to the Contractor within sixty (60) days following receipt of written notice by certified mail of the proposed transfer or assignment.

The Contractor shall promptly notify the District of any actual or proposed change in, or transfer of, or acquisition by any other party of control of the Contractor. The word "control" as used herein is not limited to major stockholders, but includes actual working control in whatever manner exercised. A rebuttable presumption that a transfer of control has occurred shall arise

upon the acquisition or accumulation by any person or group of persons of ten percent (10%) of the shares of the Contractor, except that this sentence shall not apply in the case of a transfer of interest to any person or group already owning at least ten percent (10%) interest of the shares or interest in the Contractor. Every change, transfer or acquisition of control of the Contractor shall make the Contract subject to cancellation unless and until the Board shall have consented thereto. For purpose of determining whether it shall consent to such change, transfer, or acquisition of Control, the District may inquire into all qualifications of the prospective controlling party. Approval for transfer may be withheld by the District if it concludes the transfer would result in a likely rate increase or service quality decrease attributable to the purchase price paid for the system.

The consent or approval of the District to any transfer of the Contract shall not constitute a waiver or release of any rights of the District, and any transfer shall by its terms be expressly subordinate to the terms and conditions of this Contract. In no event shall a transfer of ownership or control be approved without successor in interest becoming a signatory to the Contract.

I. INITIAL AMBULANCE FEES ESTABLISHED. The District's objective in awarding this Contract is to secure the best service obtainable without an increase in current user-fees or subsidy requirements (excepting scheduled cost-of-living increases, as provided for herein). Thus, the primary competitive bid variable in this procurement is quality of service. The District established an Average Patient Charge (APC) based on the Unit Hour Costs (UHCs) for services offering similar levels of service and market conditions and impacts caused by the new Medicare fee schedule. A Maximum Patient Charge (MPC) is also established to mitigate against extraordinary "cost shifting" caused by elective "discounts" that are not due to higher collections, use of pre-scheduling of routine transfers, or higher non-emergency transport ratios. Finally a Maximum per Mileage Charge (MMC) is established based on the industry's average.

The Contractor is hereby authorized to establish and revise from time to time a schedule of user-fees which shall result in the following APC and MPC that includes base rate and all add-on charges (excluding mileage), and Maximum Per Mile Charge (MMC):

> Effective October 1, 2004 an APC not to exceed $652.27[1], a MPC not to exceed $892.99[2], and a MMC not to exceed $10.25.
>
> Effective October 1, 2005 an APC not to exceed $674.09, a MPC not to exceed $914.81, and a MMC not to exceed $10.45

[1 & 2] Both the APC and MPC have excluded mileage in the calculation, rather a MMC has been established for the purposes of capturing all transports originating within the Contract Service Area.

Effective October 1, 2006 an APC not to exceed $696.97, a MPC not to exceed $937.69, and a MMC not to exceed $10.66

Inflation shall be adjusted based on the provisions in Section VI. L.

J. NOTICE TO DISTRICT OF SPECIAL "DISCOUNTS" WITH HEALTH CARE PROGRAMS. The District recognizes the health care industry is changing its financial and reimbursement methodologies (i.e., moving away from "fee-for-service" and toward such mechanisms as capitation rates.) The District shall be notified of reimbursement methodologies employed by the Contractor and reserves the right to disapprove in advance methodologies which it finds would result in cost shifting.

K. FEE DISCOUNTS. All fee discounts including discounts based on volume of business or group membership are prohibited, unless specifically authorized by the District. The District reserves the right to approve other payment mechanisms, so long as they do not cause “cost shifting,” which in the opinion of the District does not serve the public interest.

L. FINANCING. Ambulance services provided by the Contractor and administrative costs of the County and District shall be funded from user-fees, unless individual jurisdictions choose from a uniform schedule of subsidy/price options effective within its own jurisdiction.

The Contractor shall also reimburse, provide, or exchange for Medical Program Director approved ALS medical supplies to first responder services following the Contractor’s arrival at the scene for patients transported within the Contract Service Area. Such reimbursement shall be at the rate the Contractor pays for the same medical supplies. The Contractor is not obligated to reimburse first responders for ALS medical supplies that are electively carried by the first responder and exceed the minimum Medical Program Director approved supply list.

Both the methodology used (i.e., reimbursement, supply, or exchange) and the actual amount for first responder ALS medical supplies shall be negotiated between the Contractor and first responder.

M. PROVISION OF SUBSIDY OPTION. Throughout the term of the Contract, a Participating Jurisdiction may at its option reduce the then-current maximum average bill that may be charged by Contractor for service originating within a jurisdiction choosing to subsidize user fees. In such event, subsidy payments shall offset user fees in accordance with a formula to be negotiated by the Participating Jurisdiction and does not negatively effect the other Participating Jurisdictions.

N. INDEXED INFLATION ADJUSTMENT. During the term of the Contract, the Contractor shall be allowed opportunity for annual inflation adjustments of the allowed APC, MPC, and MMC established in the Contract. Such adjustments may, at the Contractor's option, occur the beginning of each contract year starting October 1, 2007 (October 1,, 2007, October 1,, 2008 . . .). Not later than 60 days prior to each such adjustment date, the EMS Administrative Board shall determine the percentage rate of inflation of the CPI (national) over the most recent 12-month period for which published figures are then available. The Contractor may, at its option, increase its APC or MPC equal to or less than that CPI inflator.

O. ADJUSTMENT FOR EXCESS BILLINGS. In the event the Contractor's actual total average bill for the services during a preceding contract period is found to be in excess of the level then permitted by this Contract, the District shall delay the effective date of the subsequent inflation adjustment increase by a number of days sufficient to fully offset the amount of overpayment.

P. EXTRAORDINARY COST INCREASE ADJUSTMENT. Because it is possible that some factors of production (e.g., insurance or fuel) may escalate more rapidly than costs of other factors of production, and that such escalation may have a greater impact upon the Contractor's production costs then the economy as a whole as reflected in the CPI, the Contractor may apply for and receive a temporary and renewable for cause prospective compensation adjustment to the APC and MPC sufficient to offset eighty (80) percent of the documented increases directly resulting from such increases.

These adjustments shall be subject to the following stipulations:

1. The Contractor shall document, using generally accepted accounting procedures, the actual financial impact of such increased pricing upon the Contractor's costs of production.

2. Only the effects of increased prices, excluding any effects of increased consumption, shall be considered for purposes of fuel related adjustments.

3. To the extent insurance cost increases are attributable to poor risk management (locally or at other sites) on the part of the Contractor, no adjustment shall be allowed.

4. To the extent labor cost increases exceed the CPI, no additional adjustment shall be allowed.

5. Only the portion of increase in prices not already accounted for within the provision for automatic inflation adjustment set forth in Section VI. L, shall be considered.

Q. EXTERNALLY-IMPOSED UPGRADE ADJUSTMENT. The Contractor shall be entitled to apply for and receive a negotiated adjustment to offset the reasonable and actual amortized marginal costs of implementing and maintaining externally-imposed upgrades either required by the Medical Program Director or applicable federal, state, or local laws, rules and regulations, subject to the following conditions:

1. The burden of proving the fact of and amount of such actual and reasonable financial impact upon the Contractor's production costs shall rest entirely with the Contractor.

2. This provision shall apply only to production standards that were not known to the Contractor, and could not reasonably have been anticipated by the Contractor, at the time the Contract was signed. Scheduled or offered upgrades by Contractor shall not be eligible for adjustment.

3. The standard in question must actually constitute an increase in requirements and not merely a clarification of a previously existing standard or an application of "rule of reason" to interpret an existing standard.[3]

4. In applying for such actual-cost increases to the APC or MPC, the Contractor must clearly demonstrate to EMS Administrative Board's satisfaction that the stated costs are actual and "on the margin." That is, the additional cost to the Contractor of complying with such new standard must clearly be in addition to costs that would have been incurred by the Contractor if the new standard had not been imposed and exceeds the Annual Financial Reserve for Clinical Upgrades established in the Contractor's Proposal.

5. In the event of an externally-allowed decrease in applicable federal, state, or local laws, rules or regulations, including the System Standard of Care, permitting changes in the Contractor's operations which may reasonably be expected to decrease Contractor's cost of producing the services which are the subject of this Contract, the APC or MPC shall be subject to reduction using the same methods of adjustment applicable to an increase.

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[3] If Contractor employs extended shifts, back-to-back shift scheduling, and extensive mandatory overtime, and if the Medical Program Director determines the Contractor's scheduling and dispatching methods are generating fatigue sufficient to jeopardize patient care and/or personnel safety, then the Medical Program Director may impose rest requirements for crews. In such a situation, no additional adjustment would be allowed, because the Contractor should have known that exhausted personnel cannot perform reliably, and that under the "rule of reason" it is the contractor's responsibility to employ scheduling and system status management techniques which avoid inducing fatigue sufficient to endanger crews or patients.

R. CONTRACT ADMINISTRATIVE FEE. Market rights conveyed to the Contractor by way of the Contract shall be contingent upon timely monthly payment in full to the Clark County Auditor's Office of the ambulance contract administrative fee for each 911 patient transport and for each Scheduled and Unscheduled Routine Transport originating in Clark County. To ensure sufficient working capital for the EMS Program, the payment shall be submitted 15 business days before the actual month. Payment shall be based on historic transport data, and shall be adjusted quarterly to offset any overpayment/underpayment of fees. These funds shall be used for the purpose of funding physician oversight of the Contractor, 911 call taking services, and ambulance contract administration. The Contract Administrative Fee is based on the annual budgets of Medical Program Director's Office, CRESA’s EMS Program, and CRESA’s 9-1-1 Operations Contractor call-taking costs. This monthly fee is set nineteen dollars and fifty cents ($19.50) per patient transport effective October 1, 2004, and <u>may</u> be adjusted by the EMS Administrative Board at the beginning of each calendar year based on these budgets, and to offset any overpayment/underpayment of fees from the previous calendar year. Should the Contract Administrative Fee exceed the Indexed Inflation Adjustment as specified in Section L, provision of Extraordinary Cost Increase shall apply to the above the inflation adjustment.

S. PUBLIC EDUCATION AND FIRST RESPONDER SUPPORT PROGRAM. Contract violation and late run penalty payments shall be paid to Clark County. Expenditure of these funds shall be limited to administrative or overhead costs as a direct result of these penalties, in addition to funding direct, out-of-pocket costs of public illness/injury prevention, public CPR/1st aid training, and 1st responder support.

T. COMPLIANCE WITH LAWS. All services furnished by Contractor under this Contract shall be rendered in compliance with all applicable federal, state, and local laws, rules and regulations, and contract requirements. It shall be Contractor's sole responsibility to determine which laws, rules, and regulations apply to the services rendered under this Contract, and to maintain compliance with those applicable standards at all times.

U. PERMITS & LICENSES. The Contractor shall be responsible for obtaining all necessary permits and licenses required for initiation and completion of its work under this Contract. Provided, however, that ambulance vehicle licenses and permits shall be obtained in the name of the District, as the primary lessee of said equipment. Cost of such vehicle licenses and permits shall be the responsibility of the Contractor.

V. INSURANCE REQUIREMENTS. At all times during the term of this Contract, and throughout any extension periods, Contractor shall obtain and pay all premiums for and furnish an ACORD Certificate of Insurance to the District for insurance as specified below. Renewal certificates shall be furnished before expiration of the current certificates. For liability arising

solely from the actions or inactions of Contractor or Contractor's personnel, all such policies shall name the District, the Medical Program Director, the Cities of Battle Ground, LaCenter, Ridgefield, and Vancouver, and Clark County, as "additional insureds," by endorsement (CG 20 10 11 85 **must be** attached to certificate) and shall be primary coverage with respect to any insurance or self-insurance programs maintained by them. The Contractor shall furnish the District with an ACORD Certificate of Insurance indicating that the types and amounts of insurance required hereunder are in full force and effect and that the insurance carrier shall give the District sixty (60) days written advance notice of any cancellation, change, termination, failure to renew, or renewal or any change in coverage of any such policy or policies reflected on said certificate. All insurance shall be maintained with companies: 1) possessing a current A.M. Best , Inc. rating of at least A unless otherwise approved by the District; 2) licensed to operate in the State of Washington; and 3) in good standing with the Washington State Office of Insurance Commissioner or similar agency.

The insurance certificate delivered to the District shall list all coverage and limits, expiration dates and terms of policies, and all endorsements whether or not required by the District, and shall list all carriers issuing or re-insuring said policies. The Contractor shall furnish at the District's request a certified copy of each policy, including all endorsements. The District shall not be obligated, however, to review same or to advise contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the District's right to insist on, strict fulfillment of Contractor's obligations under this contract. The insurance requirements shall remain in effect throughout the term of the Contract. Insurance coverage shall meet the following minimum requirements:

1. **Worker's Compensation.** Workers' Compensation Insurance as prescribed by the laws of the State of Washington.

2. **Commercial/General Liability.** Commercial or comprehensive general liability insurance in an amount not less than two million dollars ($2,000,000) per occurrence combined single limits (CSL) for all claims resulting from bodily injury (including death) and /or property damage arising out the operations of the ambulance service authorized hereunder. Said commercial or comprehensive general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy:

   a) The District, the Medical Program Director, the Cities of Battle Ground, Ridgefield, and Vancouver, and Clark County, and their officers and employees, are named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the Contractor's performance of this Contract. (CG 20 10 11 85 shall be attached to certificate)

   b) The inclusion of more than one insured shall not operate or impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the entity's liability.

c) The insurance provided herein is primary coverage to the District, the Medical Program Director, the Cities of Battle Ground, Ridgefield, and Vancouver, and Clark County, and their respective officers and employees, with respect to any insurance or self-insurance programs maintained by the County.

d) Washington "Stop Gap" coverage must be endorsed on the general liability policy and indicated on the certificate.

3. **Automobile Liability Including Uninsured/Underinsured Motorist.** Automobile liability insurance, including uninsured/underinsured motorist coverage, covering all automobiles and ambulance, including all owned, hired, leased vehicles, and employer's auto non-ownership liability, in an amount equal no less than $2,000,000 combined single limit for each occurrence.

4. **Malpractice.** Malpractice insurance in an amount equal to the liability limits set forth in Subsections 2 and 5 of this Section; ;

5. **Excess Liability Insurance Umbrella.** Excess liability insurance umbrella policy providing ten million dollars ($10,000,000) coverage per occurrence in excess of all other liability policies prescribed herein. To ensure Contractor's fiscal reserves and actuarial projections for these claims are sufficient, a designated representative of the EMS Administrative Board shall review the Contractor's open general and professional liability claims for periods covered by the term of the contract. The sufficiency of the reserves and projections are to be reviewed against any Contractor company wide erosion of excess layers of insurance coverage for general or professional liability. Assuming the sufficiency of fiscal reserves and actuarial projections, the EMS Administrative Board agrees that it is reasonable for the aggregate insurance limit provisions to apply to all Contractor claims for general and professional liability.

6. **Proof of Insurance.** Said insurance policies shall be made available upon request and Contractor shall maintain at all times a current copy of ACORD Certificate of Insurance with the EMS Department. Satisfactory evidence that such insurance is at all times in full force and effect shall be furnished to the District's legal counsel, in such form as he/she may specify. Certificates shall show any and all self-insured retentions.

7. **Effect of Cancellation or Termination.** The cancellation or other termination of any policy of insurance required hereunder shall, at the District's option, automatically revoke and terminate this Contract for ambulance service granted hereunder, unless another insurance policy complying with the provisions of this Section shall be provided and be in full force and effect at the time of such cancellation or other termination, or Contractor shall otherwise demonstrate comparable financial resources to manage otherwise insured activity.

8. **<u>"Occurrence"/"Claims Made" Basis.</u>** All coverage furnished hereunder shall be written on an occurrence basis. Professional Liability/Medical Malpractice coverage may be written on a claims made basis however, the contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that extended coverage ("tail coverage") will remain in force for three years beginning from the time that work under the contract is completed.

9. **<u>Deductibles and Self Insurance.</u>** The EMS Administrative Board may approve deductibles or self-insured retentions at variance from the insurance requirements set forth above, upon finding that such deductibles or self-insured retentions:

   a) Are Commercially reasonable;

   b) Adequately protects and "additional insureds" named herein; and

   c) Provides substantially equivalent coverage to injured parties.

   d) In order to ensure this criteria is met, the EMS Administrative Board may make its approval subject to <u>the following</u> conditions:

      1) The Contractor will make available for annual review by a designated representative(s) of the EMS Administrative Board, the actuarial analyses of professional liability claim activity and projections for the term of this agreement. The EMS Administrative Board designated representative(s) will review the documents with the intent of assuring the EMS Administrative Board of the adequacy of the actuarial analysis and reserving practices utilized by Contractor for professional liability claims.

      2) The Contractor shall make available to a designated representative(s) of the EMS Administrative Board official information related to loss control initiatives utilized in this District's operation.

      3) The Contractor shall provide to a designated representative(s) of the EMS Administrative Board specific information related to all liability claims occurring in the District's operations during the term of this agreement.

      4) The District shall endeavor to maintain confidentiality of the information provided. The Contractor shall reimburse the District for any penalties assessed pursuant to Ch 42.17 RCW on account of nondisclosure or delays in disclosure in accordance with this Contract

W. INDEMNIFICATION. Contractor covenants and agrees that it will indemnify and hold harmless the District, the Medical Program Director, and each participating jurisdiction and all of their officers, and employees from any claim, loss, damage, cost, charge or expense arising out of any act, action, neglect or omission by Contractor during the performance of this Contract, whether direct or indirect, except that neither the Contractor nor any of its subcontractors, or assignees, will be liable under this Section for damages arising out of injury or damage to persons or property directly caused or resulting from negligence of the District, the Medical Program Director, or any participating jurisdiction or any of their officers, or employees. Furthermore, so long as CRESA continues to interrogate 911 callers without transferring such callers to Contractor's ambulance control center for interrogation and, as appropriate, pre-arrival instructions, the District covenants and agrees that it will indemnify and hold harmless the Contractor and Contractor's officers, and employees from any claim, loss, damage, cost charge or expense solely arising out of any act, action, neglect or omission by CRESA or its employees during the performance of this Contract, whether direct or indirect.

X. RIGHTS AND REMEDIES NOT WAIVED. Contractor agrees and guarantees that the work herein specified shall be completed without further compensation than that provided for in this Contract. The acceptance of work herein and the payment therefore shall not be held to prevent maintenance of an action for failure to perform such work in accordance with this Contract. In no event shall any payment by the District or by a participating jurisdiction hereunder constitute or be construed to be a waiver by the District of any default or covenant, or any default which may then exist on the part of Contractor. The making of such payment while any such default exists, shall in no way impair or prejudice any right or remedy available to the District with respect to such default.

Y. COST OF ENFORCEMENT. If either the District or Contractor institutes litigation against the other party to secure its rights pursuant to this Contract, the actual and reasonable costs of litigation incurred by the prevailing party, including but not limited to attorney's fees, shall be paid or reimbursed within ninety (90) days after receiving notice by the party which fails to prevail.

Z. SEVERABILITY. In the event any provision hereof shall be declared invalid, such provision shall be deemed severable from the remaining provisions of this contract which shall remain in full force and effect.

AA. TITLES. The titles to the paragraphs of this Contract are solely for the convenience of the parties and are not an aid in the interpretation of the instrument.

AB. CONSENT TO JURISDICTION. Contractor consents to the exclusive jurisdiction of the courts of the State of Washington in any and all actions and proceeding between the parties

hereto arising under or growing out of this Contract, irrevocably agrees to service of process by any means authorized under Washington law and agrees that this contract shall be governed by the laws of the State of Washington.

SECTION VII. TERMS AND CONDITIONS

A. PERFORMANCE CONDITIONS. This is NOT a level-of-effort contract. Regardless of coverage and staffing plans, etc. submitted by Contractor to the District, acceptance by the District of the proposal shall not be construed as acceptance of Contractor's proposed level-of-effort. Rather, the District accepts the Contractor's commitment to employ whatever levels of effort, factors of production, and management practices as necessary to achieve the clinical, response time, and other performance commitments established in its Proposal (Exhibit A). For the purpose of outlining the performance commitments established in the Contractor's Proposal and to provide additional clarification on these commitments, the following contract performance terms and conditions are outlined below.

For purposes of establishing and interpreting Contractor's service obligations pursuant to this Contract, that language contained in any of the documents and recordings listed in Section XI, which expresses the highest level of service shall govern. Unless otherwise specified below, all performance conditions shall be implemented October 1, 2004.

1. **Key Personnel Standards.** The Contractor understands the District, in part, awarded this Contract based upon the qualifications of the key personnel identified in the Proposal. Throughout the term of this Contract, the Contractor shall continue to furnish those same personnel or replacement personnel with equal or superior qualifications.

   Minimum Requirement and Additional Commitment Offering:
   Except as otherwise approved by the EMS Administrative Board the following personnel shall be full-time dedicated employees to Clark County Operations:

      1 - Director of Clark County Operations,
      1 - Clinical Education and Quality Improvement Coordinator,
      4 - Operations Supervisors,
      1 – Operations Assistant, and
      2 – Pre-billing Specialists

   Except as otherwise approved by the EMS Administrative Board the following personnel shall be full-time dedicated employees to Clark County and other local Operations:

      1 – President/Chief Executive Officer (Regional),
      1- Vice President of Operations (Washington/Oregon),
      1 – Safety and Risk Director/Manager (Regional),
      1 – Human Resources Director/Manager (Washington/Oregon),
      1 – Communications Director/Manager (Washington/Oregon),

1 – Fleet Maintenance Director/Manager (Washington/Oregon),
1 – Accounts Receivable Director/Manager (Regional),
1 – Clinical and Education Services Director/Manager (Washington/Oregon), and
1 – Community Education and Injury Prevention Coordinator (Washington/Oregon).

2. **Clinical Standards.** The Contractor's response to the minimum requirements and any additional commitment offerings established in its Proposal shall constitute the contractually binding performance requirements throughout the term of the Contract. The following information outlines clinical assumptions and understandings:

a) **Medical Protocols.** Minimum Requirement: The Contractor shall commit to meet or exceed the medical protocols, policies, and procedures approved for use in Clark County. Additional Commitment Offering: The Contractor shall also train paramedics at the Critical Care Transport (CCT) level to an amount and degree of proficiency approved by the Medical Program Director. Training shall start within the first six months of the contract with full implementation by October 1, 2006.

b) **Equipment and Supplies.** Minimum Requirement: The Contractor shall commit to provide the equipment and supplies as required by the District's System Standard of Care. Additional Commitment Offering: The Contractor shall also commit to the following additional equipment and supplies as proposed:

- Continuous Positive Airway Pressure (CPAP) devices on all ambulances
- Single chamber Intravenous (IV) pumps on all ambulances
- Ventilator(CareVent-ATV+ or equivalent) on all ambulances
- 50 – EMS District #2 (Clark County) backboards

c) **Employee Recruitment, Screening and Orientation.** Minimum Requirement and Additional Commitment Offer: The Contractor shall commit to the initial and ongoing personnel recruitment, screening and orientation program provided in the Proposal. These commitments include:

- Local and nationwide recruitment program
- Standardized application and screening process
- 40 hour orientation academy
- Field Training and Evaluation Program for new-hires, non-leads, and lead paramedics.

d) **Qualifications of Ambulance Personnel.** Minimum Requirement: The Contractor shall furnish at least one Paramedic (with ACLS, *PALS, and *PHTLS or equivalents), and one EMT-IV (Emergency Medical Technician - Intravenous) or EMT-IV/A (Emergency Medical Technician Intravenous/Airway) per ambulance throughout the term of this contract. In addition, the Proposer shall commit to lead

and non-lead personnel being trained in *Weapons of Mass Destruction (WMD) Awareness approved by the Medical Program Director. Finally, each lead technician shall be certified in *Incident Command System (ICS) 200, and each non-lead technician shall be certified in *ICS 100 approved by the Medical Program Director. All certifications or training marked with an asterisk (*) shall be obtained within one year of being eligible to work in Clark County or in becoming a lead technician. Additional Commitment Offering: The Contractor shall also provide CCT-Paramedics as described in this section under "Medical Protocols." Finally, the Contractor shall use Virtual Solutions Manager (VSM) software to track certification dates.

e) Participation of Local Training Program. Minimum Requirement: The Contractor shall offer at least five internships each year for the Clark County Medical Program Director recognized paramedic training program (currently located at the Northwest Regional Training Center, 11606 NE 66th Street, Vancouver, 759-4404) when such courses are offered (typically once per year). These internships shall meet the requirements established by the Medical Program Director. Additional Commitment Offering: The Contractor shall also offer for the Northwest Regional Training Center:

- 10 additional paramedic internships each year
- Field clinical sites for EMT's
- An equipment loan program
- 36 hours of instructional support for the paramedic training program.

f) Continuing Medical Education. Minimum Requirement: The Contractor shall provide at no cost an in-house or subcontracted in-service training program capable to allow field personnel to meet the State of Washington and National Registry Requirements. Additional Commitment Offering: The Contractor shall also manage 25% the Clark County Paramedic Continuing Education Program (PCEP) sessions. In addition, the Contactor shall provide 19.5 hours of paid mandatory training annually approved by the Medical Program Director. This mandatory training includes but is not limited to:

- ICS 100
- ICS 200 (lead paramedics)
- Hazmat to OSHA and DOD operations level and NIOSH fit testing (meets PPE level C)
- Corporate compliance
- Medical protocol updates
- Blood-borne and air-borne pathenogens
- WMD preparation and training
- MPD Advanced Airway Course

Finally, the Contractor shall offer at not cost to employees and first responder certification courses at the provider and instructor levels:

- BCLS
- ACLS
- PHTLS
- PALS
- National Registry re-certification (excludes instructor level)

g) **Internal Quality Improvement.** Minimum Requirement: The Contractor shall provide prospective, concurrent, and retrospective internal quality improvement designed to augment the external quality control program provided by the Medical Program Director. This program includes the use to electronic clinical data collection system that is HIPAA compliance and provides:

- Electronic Patient Care Record (ePCR)
- CAD interface to auto populate PCR
- ECG interface
- Patient refusal form
- Storage of clinical performance data that allows multiple queries including: chart review, MPD defined chart audits, procedural compliance, download to regulatory body/clinical oversight

Additional Commitment Offering: The Contractor shall also offer EMS District #2 fire first responders ability to integrate respective ePCR and response time data in to a central server at a location decided by the District. The Contractor shall furnish and maintain this central server at its own expense.

In addition, the Contractor shall provide $40,000 annually to EMS District #2 for the purpose of funding quality assurance functions necessary to the efficient performance of this Contract by the Contractor, including but not limited to tracking and generating the clinical data referred to above.

h) **Research.** Minimum Requirement: The Contractor shall commit to research within the District, and possible integration with multi-site research.

i) **Requirements and Preparation to Attain "Preceptorship" (Field Training Officer) Status.** Minimum Requirement: The Contractor shall provide the FTO and Field Training and Evaluation Program (FTEP) offered in its Proposal.

j) **Standard for Maximum Time to Defibrillation in Cardiac Arrest.** Minimum Requirement and Additional Commitment Offering: The Contractor shall offer the following items aimed at enhancing system performance from the "at patient" status to CPR, first shock, and ALS intervention:

- 50 Automatic External Defibrillators (AEDs) placed on first responder vehicles and/or strategic locations as determined Medical Program Director. (by March 31, 2005). This shall include training based on the Medical Program Director approved Public Access to Defibrillation (PAD) program one the location is identified.
- Establish ALS first response through the public/private partnerships between the Contractor and Fire Districts 3, 11, and 12.
- Integrate EMS District #2 first response and Contractor data for the purpose of measuring performance and develop plans approved by the Medical Program Director aimed at improving patient outcome from cardiopulmonary arrest.

k) Material Management and Equipment Quality Assurance. Minimum Requirement: The Contractor shall provide its materials management as proposed including inventory management, record keeping practices, and equipment quality assurance. Additional Commitment Offering: The Contractor shall also provide a full-time Vehicle Service Technician (VST) to maintain equipment inventory and maintenance, and provide equipment retrieval for the Contractor and EMS District #2 fire first responders. In addition, the Contractor shall establish a countywide equipment supply committee for the purpose of standardizing equipment and supplies used in the EMS system.

l) Annual Financial Reserve for Clinical Upgrades. Minimum Requirement: The Contractor shall provide $25,000 annually for clinical upgrades to finance costs of system improvements throughout the term of this Contract. For proposes of establishing eligibility for compensation adjustment related to mandatory clinical or control center upgrades, use of this annual budgeted amount for these defined purposes shall be viewed cumulatively over the term of this Contract. Funds shall not be used to fund compliance with any upgrade proposed by the Contractor as a part of this bid, and upon termination of Contract, except under declaration of default, the balance remaining shall be shall be released to Contractor without restriction. Contractor shall establish reporting methods such that the District can determine funds are being budgeted and available.

Additional Commitment Offering: The Contractor shall offer an additional $50,000 or a total of $75,000 annually, starting with Contract year six (October 1, 2010) and ending year 11 (September 30, 2015).

3. Control Center Standards. The Contractor's response to the minimum requirements and any additional commitment offerings established in its Proposal shall constitute the contractually binding performance requirements throughout the term of the Contract. The following information outlines control center assumptions and understandings:

a) **Control Center Accountability.** The ambulance contractor shall be held accountable (in contract and in tort) for response time deficiencies or other mistakes resulting from errors or omissions occurring during the seven-digit EMD Process.

   1) The Contractor shall be exempt from late-run penalties and response time obligation when call taking information obtained by CRESA and conveyed to the Contractor is inaccurate or incomplete in a manner which could reasonably be expected to impair the Contractor's ability to generate a timely response, or in cases where additional premise information or bystander assistance in "leading in" the crew should have been requested but was not requested.

   2) Contractor's response time clock shall start after initial interrogation and computer transfer of information to Contractor by CRESA via CAD interface.

   3) During periods of temporary malfunction of CRESA's data transfer capabilities; the Contractor's response time clock shall start upon oral receipt (via "ring down" line installed and maintained at Contractor's expense) of response priority code, chief complaint, location/premise information, and callback number.

b) **Control Center Location and Responsibilities.** EMD call taking and dispatching functions shall be provided by the Contractor' control center and by CRESA 9-1-1 Operations as outlined below:

   1) CRESA shall be responsible for 9-1-1 call taking functions and dispatch of two public ambulance providers and all first response agencies. At a minimum, CRESA shall maintain unit status up to arrival at the scene.

   2) The Contractor shall be responsible for seven-digit "Routine Transfer" call taking functions, system status control and the dispatch of its ambulances. The two-way CAD interface between control centers shall provide for a fully informed management of system resources.

c) **Dedicated verses Multi-Site Control Center.** Minimum Requirement and Additional Commitment Offering: The Contractor shall meet the following commitments in operating a multi-site Control Center:

   1) At least one dedicated System Status Controller (SSC) 24 hours a day, seven days a week for EMS District #2 operations.

   2) Control Center staffing shall be at levels to ensure District dispatch times are not delayed from competing/simultaneous demand for response from other operations.

3) All SSCs dedicated to EMS District #2 operations or providing back-up shall be fully trained and proficient in the District's System Status Plan (SSP) and related protocols, policies and procedures.

4) All SSCs dedicated to EMS District #2 operations or providing back-up shall be fully trained and proficient in District geographically.

d) **CAD System.** Minimum Requirement: The Contractor shall furnish at its own expense a System Status Management (SSM) based Computer Aided Dispatch (CAD) system. Such a system shall at a minimum, be capable of interfacing with CRESA's CAD; producing a complete magnetic record of primary data from dispatch activities in a format prescribed by the District.

Additional Commitment Offering: The Contractor shall also provide the additional automated dispatching aids listed in its Proposal including: Mobile Computing Devices (MDCs) on all ambulances linked to the 2-way CAD interface; Automatic Vehicle Location (AVL) on all ambulances; CRESA best routing software for unit recommendation; Clark County GIS data for CAD mapping; the latest District approved version of Medical Priority's ProQA triage software and Advanced Quality Assurance (AQUA) software; and back up power provided through UPS and generator.

e) **Streamlined Process.** Minimum Requirement: The Contractor shall furnish and maintain at its own expense a two-way interface between CRESA's CAD and the Contractor's CAD. This interface shall at a minimum provide for the instantaneous and simultaneous transmission of call-related information and unit status updates between CRESA's CAD and the ambulance contractor's CAD. At a minimum, this interface shall:

1) E-911 data transfer (either through CRESA's CAD or directly from the 911 computer). Such interface shall provide the ability to receive and process ANI/ALI data and call-taker data "shipped" electronically via fixed-format record using data and communications conventions specified in the CRESA's CAD Interface Specifications. The District shall be responsible for providing an appropriate hardware interface within the CRESA facility, and for allowing Contractor reasonable access to install and maintain the connection.

2) Require information initially obtained by the call taker be simultaneously and automatically shipped via computer transmission to the 911 Fire/EMS dispatch console and Contractor control center on all medical requests requiring 911 response.

3) Require CAD communication systems be so designed that premise-entry updates and additional medical information (i.e., gathered during the EMS process or from the system's medical database) is electronically shipped to the 911 Fire/EMS dispatch console and Contractor control center.

f) **Emergency Medical Dispatch Protocols.** Minimum Requirement: The Contractor shall utilize and maintain the current District approved version of Advanced Medical Priority Dispatch System (MPDS) as the initial triage for all calls requesting medical response (including "Routine Transfers").

Additional Commitment Offering: The Contractor shall also use and maintain the current District approved version of ProQA.

g) **SSC Recruitment, Screening, and Orientation**. Minimum Requirement and Additional Commitment Offer: The Contractor shall commit to the initial and ongoing personnel recruitment, screening and orientation program provided in the Proposal. These commitments include:

- Local and nationwide recruitment program
- Standardized application and screening process
- 40 hour orientation academy
- Communications Training and Evaluation Program (CTEP)

h) **Certification Requirements.** Minimum Requirement: The Contractor shall provide medical call takers/SSCs certified as a National Academy of Emergency Dispatch - Emergency Medical Dispatcher (EMD). In addition, the Contractor shall furnish Control Training Officers (CTOs) and Training Manager certified as a National Academy of Emergency Dispatch - Emergency Medical Dispatcher Quality assurance (EMD-Q).

i) **In-service Training.** Minimum Requirement: The Contractor shall offer an in-house in-service training program for SSCs to meet the EMD certification requirements and maintain proficiency levels in SSM, CAD and communications systems, organization policy and procedures and ongoing operational changes.

j) **Internal Control Center Quality Improvement.** Minimum Requirement and Additional Commitment Offering: The Contractor shall provide a structured program of ongoing internal quality improvement that meets the requirements of accreditation established by the National Academy of Emergency Dispatch. This includes, but is not limited to participation in CRESA's Medical Dispatch Review Committee (MDRC), case reviews and training.

k) **Research.** Minimum Requirement: The Contractor shall commit to research within the District, and possible integration with multi-site research.

l) **Requirements and Preparation to Attain "Preceptorship" (Control Center Training Officer) Status**. Minimum Requirement: The Contractor shall provide the CTO and CTEP offered in its Proposal.

m) **Standard for Call Pick-Up.** Minimum Requirement: The Contractor answer all calls for medical services within three rings or ten seconds with at least 90% compliance.

4. **<u>Response Time Standards.</u>** <u>Minimum Requirement and Additional Commitment Offering:</u> The Contractor's response to the minimum requirements and any additional commitment offerings established in its Proposal shall constitute the contractually binding performance requirements throughout the term of the Contract. The following information outlines response time requirements:

Zone	Hot (Emergency 911 response w lights and siren)	Cold (Emergency 911 response w/o lights and siren)	Scheduled	Unscheduled
Urban	≥ 90%/7m59s	≥ 90%/11m59s	≥ 90% / 10m	≥ 90% / 60m
Suburban	≥ 90%/10m59s	≥ 90%/17m59s	≥ 90% / 10m	≥ 90% / 60m
Rural	≥ 90%/17m59s	≥ 90%/29m59s	≥ 90% / 15m	≥ 90% / 60m
Wilderness	≥ 90%/60m	≥ 90%/120m	≥ 90% / 30m	≥ 90% / 120m

<u>Response Zone:</u> (Urban, Suburban, Rural, Wilderness) defined by Exhibit C, "Population Density" map.

<u>Response Modes:</u>

Hot - means *immediate* 911 response with lights and siren as defined by medical priority dispatch and local medical control.

Cold - means *immediate* 911 response without lights and siren as defined by medical priority dispatch and local medical control.

Scheduled - means 7 digit medical requests that are scheduled at least 12 hours in advance of the requested time of pickup that do not meet the Medical Program Director's 911 Transfer Protocols as defined in the EMS Administrative Rules.

Unscheduled - means 7 digit medical requests that are scheduled less than 12 hours prior to the requested time of pickup that do not meet the Medical Program Director's 911 Transfer Protocols as defined in the EMS Administrative Rules.

The following provisions shall be employed for purposes of response time measurement, compliance reporting and late run penalty assessment:

a) **Reporting Requirements.** The Contractor shall provide to the CRESA EMS Program response time performance data, in an electronic method acceptable to the EMS Administrative Board or as back up only a hard copy report, necessary to generate the monthly response time report. Whether in the electronic format or hard copy, the Contractor shall provide within fifteen (15) business days after the close of each month all data necessary to generate the monthly response time report relative to every request for ambulance service originating within each zone classification (urban, suburban, rural and wilderness), within the Contract Service Area. Late response time performance data will not be accepted unless the EMS Administrative

Board determines that the cause was beyond the Contractor's reasonable control. If approved, the EMS Administrative Board may assess fees limited to administrative costs as a direct result of this late response time data.

b) **Method of Measurement.** For purposes of this Contract, response time shall be measured from the moment of "Time-Call-Received" until "Arrival-at-Incident-Location" by the first arriving District authorized Advanced Life Support (ALS) ambulance, pursuant to the following:

1) Requests not resulting in patient contact, unless call was cancelled after expiration of the applicable response time standard, shall not be counted;

2) "Time-Call-Received" shall be measured from the moment at which the Contractor's control center has first obtained, or could have obtained, the first two pieces of information (i.e., the patient location and MPDS "Determinant/Response - 9 Delta 1") from the caller and/or CRESA, and enters that information into CAD. For Scheduled responses the "scheduled pick up time" shall be used as the "time call received for the response time calculation.

3) "Arrival-at-Incident-Location" shall be measured from the moment an ambulance crew notifies the control center of "at address" (arrival-at-incident-location). The parties understand and agree that to avoid delaying actual patient contact, such notification shall be given when the ambulance crew can actually see the dispatched location and immediately prior to parking the ambulance -- not after the ambulance is parked. The parties further agree to appropriate contract amendments to this provision as technology provides for improved methods of unit status time keeping. Responses to locations lacking access by way of a street or road maintained for public or private use shall be measured as the interval between time-call-received and the moment the responding crew advises the control center they are leaving the maintained street or road to access the patient. In situations when the ambulance has responded to a location other than the scene (i.e., staging area), arrival "at scene" shall be the time the ambulance arrives at the designated staging location. Non-compliance to this rule is considered falsification of data.

c) **Statistical Significance.** Not less than 100 calls per month for each cell type shall be included in each calculation. For those cells with less than 100 calls to measure during a given month, the measurement period shall be determined on the anniversary date of each contract year based upon the call volume experience during the previous contract year. Such future compliance periods shall be either quarterly, semi-annually, or annual, whichever period most nearly approximates a 100 call volume.

d) Request for Exemption. To establish eligibility for exemption under this provision, the Contractor shall present to CRESA's EMS Program, in an electronic method acceptable to the EMS Administrative Board or as back up only a hard copy report, a complete listing of every response for which exemption is sought no later than fifteen (15) business days after the end of each calendar month, including sufficient documentation of the circumstances of each incident as justification of exemptions herein. Late requests for exemptions will not be accepted unless the EMS Administrative Board determines that the cause was beyond the Contractor's reasonable control. If approved, the EMS Administrative Board may assess fees limited to administrative costs as a direct result of this late response time data. Based upon information presented by the Contractor, and after consultation on the matter with a Contractor representative, CRESA's EMS Program shall approve or deny each exemption sought. In the event of an unresolved dispute between the parties regarding one or more requests for exemption, the Contractor may at its option appeal the EMS Program's decision to the EMS Administrative Board, whose decision shall be final.

Exemptions shall be as follows:

1) Severe Weather. Requests occurring during a period of unusually severe weather conditions; such response time compliance is either impossible or could be achieved only at a greater risk to EMS personnel and the public than would result from delayed response. During these periods, the Contractor may apply retrospectively to the Department of EMS for exemption to late runs. To qualify, the Contractor must provide sufficient documentation of an incident report filled out by the crew stating severe weather with confirmation by the weather service, or third party acceptable by the EMS Administrative Board, supporting such conditions. Reasonable effort must be shown by the contractor that mitigation measures were employed (i.e., additional unit hours added) if an advance weather warning was issued by the weather service.

2) Disasters. Requests during a disaster confirmed by CRESA's EMS Program, locally or in a neighboring jurisdiction, in which the Contractor is rendering assistance. During such periods, the Contractor shall use best efforts to simultaneously maintain coverage within the Contract Service Area while providing disaster assistance as needed. Upon resolution of the disaster event, the Contractor shall apply to the EMS Program for retrospective relief from late-run penalties accrued during the period of disaster assistance and for a reasonable period of restocking and recovery thereafter; and the EMS Program shall not unreasonably withhold approval of such request.

3) Local Hospital Divert. The District recognizes that when Clark County hospitals go on ambulance divert, the result is an increase of a longer transport distance that

places demands on the system beyond the Contractor's control. During these periods, the Contractor may apply retrospectively to CRESA's EMS Program for exemption to late runs. To qualify the Contractor must provide sufficient documentation showing the impact on unit status availability, the location of the available ambulances and responding ambulance[4], and hospital divert times and duration.

4) Multiple Patient Scenes. Requests that result from a response to and transport from multiple patient scenes requiring the utilization of three or more ambulances at a single incident. During these periods, the Contractor may apply retrospectively to CRESA's EMS Program for exemption to late runs on condition a sufficient number of available ambulances in the system at the time of the multiple patient incident (40% of scheduled Unit Hours).

5) Access. The District recognizes specific conditions that limit access to the location of a call and are beyond the Contractor's control. Such conditions include: a) Access blocked by train without an alternate route with equal or superior time of travel and without railroad crossing; b) Slowed by following first responder unit to scene of call; c) Construction if not previously known by Contractor, or if known the Contractor did not have reasonable means mitigate its impact. To qualify the Contract must provide sufficient documentation showing one of the three conditions listed above was met.

6) Ambulance Divert. An ambulance divert is defined as a responding ambulance being re-assigned to a more urgent call where a second ambulance being sent to the initial less urgent call has a late arrival time. An exemption may be considered if the following conditions are met: a) Only units enroute to calls triaged as Alpha or Bravo responses may be diverted to higher priority calls (Charlie or higher); b) The diversion from the 9-1-1 call can only occur once; and c) A sufficient number of available ambulances in the system at the time of the diversion (40% of scheduled Unit Hours). Documentation for eligibility shall include the location of the available ambulances and responding ambulance[5], the diverted ambulance, and the calls involved at the time of the diversion.

7) Multiple Ambulances. In cases where multiple paramedic ambulances are dispatched to a single incident, the first arriving ambulance shall "stop the clock," and response times of later-arriving units shall be excluded for response time statistics and late-run penalties;

[4 and 5] Eligibility on Hospital and Ambulance diverts shall be determined by the following response from dispatched location to arrival-at-scene distances: **Primarily Freeway Access** = equivalent miles per standard minus 2 miles (i.e., hot/urban 7:59 – 2 = 6 miles). **Primarily Secondary Access** = equivalent miles per standard minus 50% miles (i.e., hot/urban 7:79 – 50% = 4 miles).

8) <u>Interstate Bridges on State Border</u>. Responses to the northbound lanes of the Interstate bridges of I-5 and I-205 shall not be included in the response time calculations

e) No Other Exemptions. No other causes of late response (i.e., equipment failure, vehicular accident regardless of origin, or other causes within Contractor's reasonable control) shall serve to justify exemption from response time requirements or late-run penalties unless specifically authorized by CRESA's EMS Program.

f) Request for Correction. To establish eligibility for correction under this provision, the Contractor shall present to CRESA's EMS Program, in an electronic method acceptable to the EMS Administrative Board or as back up only a hard copy report, a complete listing of every response for which correction to response time is sought no later than fifteen (15) business days after the end of each calendar month, including sufficient documentation of the circumstances of each incident as justification of corrections herein. Late requests for corrections will not be accepted unless the EMS Administrative Board determines that the cause was beyond the Contractor's reasonable control. If approved, the EMS Administrative Board may assess fees limited to administrative costs as a direct result of this late response time data. Based upon information presented by the Contractor, and after consultation on the matter with a Contractor representative, CRESA's EMS Program shall approve or deny each correction sought. In the event of an unresolved dispute between the parties regarding one or more requests for correction, the Contractor may at its option appeal the EMS Program's decision to the EMS Administrative Board, whose decision shall be final.

Corrections shall be as follows:

1) <u>Incorrect Zone.</u> In cases where the CAD data did not correctly identify the response time zone, the Contractor may apply retrospectively to the EMS Program to change to the correct zone. To qualify, the Contractor must provide sufficient documentation showing the incorrect zone reflected in the response time data and the correct zone to be assigned.

2) <u>Upgrades, Downgrades, and Cancelled Calls.</u> In cases where the presumptive run code classification is changed to a higher, lower, or cancelled response as defined in the provisions herein, and the CAD response time data does not correctly identify this change in classification; the Contractor may apply retrospectively to the EMS Program to change the incorrect run code classification. To qualify, the Contractor must provide sufficient documentation in an incident report filled out by the crew and written CRESA dispatch records supporting such change.

g) Regarding Enroute Upgrades, Downgrades, and Cancelled Calls.

1) If a presumptive run code classification is upgraded to a higher response (i.e., cold to hot) while the ambulance is enroute, the applicable run code designation shall be the upgraded priority. The response time shall be measured from the moment of upgrade except when the call was upgraded after the expiration of the applicable response time standard. In such instances the response time shall be measured from the original "time-call-received" and the original run code classification.

2) If a presumptive run code classification is downgraded to a lower priority while the ambulance is enroute the applicable run code designation shall be the downgraded priority. The response time shall be measured from the original "time-call-received" except when the call was downgraded after the applicable response time standard. In such instances the response time shall be measured from the original "time-call-received" to the time of the downgrade, and the original run code classification.

3) If a response is cancelled prior to arrival on the scene, the response shall not be included in the monthly response time calculation. However, in all responses involving Hot responses, in which the ambulance is cancelled and the response time standard has been exceeded, the response shall be measured and included in the Medical Program Director's schedule for screens and case reviews.

h) **Incorrect Address.** In the event a calling party gives CRESA or the Contractor's control center an incorrect address, and the stated address is repeated back to the calling party by the "call taker," and is confirmed by the caller as the correct address, response time shall be measured from the time the Contractor's control center receives or otherwise discovers the correct address until the Contractor's ambulance arrives at the scene (Note - The Contractor shall be exempt from late-run penalties and response time obligations when information obtained by CRESA and conveyed to the Contractor is inaccurate or incomplete in a manner which could reasonably be expected to impair the Contractor's ability to generate a timely response).

i) **Regarding CAD Access and Data Base Changes.** Because of the importance of accurate response time measurements, the Contractor's CAD system will be designed to restrict access to areas that affect response time measurements, call priority and response time zones. The Contractor shall constantly build and update the geo/street files ensuring the most reliable mapping database possible.

To protect all parties involved against unfair criticism regarding database and response time integrity, the Contractor shall provide a "CAD Edit Report" showing any transaction in which an edit occurred no later than fifteen (15) business days after the end of each calendar month. CAD edits that affect response time performance

shall also include sufficient documentation of the circumstances of each incident as justification of CAD edit. Late CAD edits will not be accepted unless the EMS Administrative Board determines that the cause was beyond the Contractor's reasonable control. If approved, the EMS Administrative Board may assess fees limited to administrative costs as a direct result of this late response time data. The Contractor shall not change the definition of any zone, or other such item which effects response time compliance and measurements without approval from the District.

j) **Late Run Penalties.** For each whole minute an ambulance response time extends beyond the applicable response time standard, the Contractor shall pay the County on a monthly basis penalty fees in the amounts shown below. Provided, however the maximum penalty for Hot/Cold 911 responses shall not exceed $225 per incident, and maximum penalty for Routine Transfers shall not exceed $180.

Hot (911 responses w lights and siren)..............$15/min.
Cold (911 response w/o lights and siren)...........$15/min.
Scheduled Routine..$6/min.
Unscheduled Routine...$6/min.

In addition to foregoing penalties, the Contractor shall pay a penalty of One Thousand Dollars ($1,000) per hot or cold cell type for any month (taking into account the provision of 100 or more calls, established herein) in which a given cell falls below 90% of the response time standard.

5. **Human Resource Standards.** The Contractor's response to the minimum requirements and any additional commitment offerings established in its Proposal shall constitute the contractually binding performance requirements throughout the term of the Contract. The following information outlines the human resource assumptions and understandings:

a) **Character and Competence of Personnel.** Minimum Requirement: All persons employed by Contractor in the performance of work under this Contract shall be competent and holders of appropriate permits in their respective trades or professions. The District may demand the Contractor remove any person employed by Contractor who chronically misconducts his or herself, or is chronically incompetent or negligent in the due and proper performance of his or her duties; and such person shall not be reassigned by Contractor for production of services under this Contract without the written consent of the District. Provided, however, that the District shall not be arbitrary or capricious in exercising such rights under this provision, and shall be required in writing to provide the specific reasons for exercising such rights relative to any given employee, and shall also give that employee an opportunity to defend his or herself in the presence of the District's Board of Directors, and if the issue is clinically related the Medical Program Director, prior to removal.

b) **Professional Conduct/Courteous Service.** Minimum Requirement: Ambulance services are often rendered in the context of stressful situations. Many of the people with whom ambulance personnel come in contact have little experience dealing with such situations. In some cases, even flawless performance by the ambulance system may draw complaints. But while patients, their families, and others are not accustomed to this stress, and may not handle it well, the Contractor and its employees "do it for a living." Thus, the District expects and requires professional and courteous conduct at all times from Contractor's ambulance personnel, control center personnel, middle management and top executives. Contractor shall address and correct any occasional departure from this standard of conduct.

c) **Reasonable Work Schedules/Working Conditions.** Minimum Requirement: This Contract is a "Performance Contract." While the Contractor is not only allowed but encouraged to employ its own methods and techniques for producing the required performance reliably and efficiently, the Contractor is expressly required to utilize reasonable work schedules, shift assignments, and provide adequate working conditions. The primary issue is patient care, and the Contractor is expected to utilize such management practices and institute such personnel policies as are necessary to ensure that dispatch and field personnel working extended shifts, part-time jobs, and extraordinary overtime are not without rest to an extent which might impair judgment or motor skills.

   Because of the wide variety of management practices utilized effectively throughout the industry, no specific requirements regarding work schedules and working conditions are established under the this Contract, but instead the "rule of reason" shall apply.

   To establish basic parameters for this "rule of reason," the Medical Program Director has established minimum requirements. These requirements include rest standards deemed necessary to protect patients from the possibility of error caused by exhaustion of dispatch and field personnel, and are outlined as follows:

   1) The maximum planned Unit Hour Utilization Ratio (total unit transports/total number of unit hours) shall not exceed .40 for a 24-hour unit. (Higher efficiency levels may be proposed for units scheduled for less than 24 hours.)

      The Medical Program Director realizes Unit Hour Utilization Ratio is a good tool in measuring efficiency, yet may not capture complete activity levels (i.e., post-to-post moves). "Rule of reason" issues coming before the Medical Program Director regarding planned shift lengths shall, in addition to the .40 UHU rule above, be also determined by excessive trends in post-to-post moves on a case-by-case basis.

   2) Regularly scheduled shifts of field personnel shall not exceed 24 hours, and shall be followed by at least 16 hours rest before the next regularly scheduled shift.

3) Field personnel working extended shifts, part-time jobs, voluntary or mandatory overtime shall not exceed thirty-six (36) continuous scheduled hours of work without a minimum of eight (8) hours rest before the next shift. Evidence of excessive use of extended shifts, part-time jobs, voluntary or mandatory overtime reaching these limits will be considered a violation of the "rule of reason" on a case-by-case basis.

4) Dispatch personnel working extended shifts, part-time jobs, voluntary or mandatory overtime shall not work excess hours. Specific parameters shall be approved by the Medical Program Director.

5) Reasonable living quarters shall be provided by the Contractor for a 24-hour shift, as the Contractor's labor agreement specifies.

The Medical Program Director may revise these guidelines and they shall be automatically accepted by both the District and Contractor as an objective application of the "rule of reason," and the imposition of such standards may be considered an increase in production standards eligible for compensation adjustment as determined by EMSAB.

Additional Commitment Offering: The Contractor shall make every effort to incorporate fixed deployment stations in its SSP. Each station shall have available cooking facilities, restrooms, and easy chairs or couches.

d) Non-Discrimination. Minimum Requirement: Contractor agrees as follows:

1) The Contractor, during the performance of this Contract, agrees to comply with all applicable provisions of federal, state, and local laws and regulations pertaining to prohibited discrimination.

2) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, disability or age. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, color, national origin, sex or age. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this non-discrimination clause.

3) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, disability, sex or age.

e) **Management Training.** Minimum Requirement: The Contractor shall provide management training that is equal or superior to the programs described in its Proposal. The goal of such training is to develop personnel who are planning to be, or are currently in, management positions to be successful leaders. Such training, based on level of management responsibility, shall include: employee recruitment and selection; performance evaluations; progressive discipline; termination procedures; Harassment, Intimidation, Retaliation, and Discrimination (HIRD) in the work place; project coordination; budget development; employee motivation; communications and conflict resolution; media and public relations.

f) **Personnel Policies.** Minimum Requirement: The Contractor shall maintain throughout the term of the Contract up-to-date personnel policies as provided in its Proposal.

g) **Risk Management and Safety Program.** Minimum Requirement: The Contractor shall utilize a risk management/safety program throughout the term of this agreement. This program shall meet appropriate OSHA and WISHA requirements and may include: physical ability testing, regularly scheduled safety reviews, emergency vehicle operations training, lifting and equipment safety training, training in hazardous materials, training on infection control and blood born pathogens, infection control program including hepatitis-B immunization and TB testing, and general personal safety training and equipment in the prehospital environment.

Additional Commitment Offering: In addition, the Contractor commits to provide the following throughout the term of the Contract: NIOSH approved respirators for TB protection; HazMat program to first responder awareness level compatible to NFPA standards and HazMat Operations level training; PPE to level C; and HazCom Program.

h) **Joint CISD.** Minimum Requirement: The Contractor shall participate in joint Critical Incident Stress Debriefings (CISDs).

Additional Commitment Offering: In addition, the Contractor shall offer to develop a joint CISD program modeled after the Northern California Training Institute and to establish a conjoined CISD team composed of representatives from all components of the Clark County EMS System (by March 31, 2005).

6. **Fleet Standards.** The Contractor's response to the minimum requirements and any additional commitment offerings established in its Proposal shall constitute the contractually binding performance requirements throughout the term of the Contract. The following information outlines the fleet standards assumptions and understandings:

a) **Required Vehicle Type.** Minimum Requirement: The Contractor shall initially provide 19 Ford TraumaHawk Type III ambulances. All ambulances furnished by the Contractor shall meet or exceed the Federal KKK-A-1822D standards or their equivalent. Vehicles furnished by the Contractor shall be new and have equivalent

modifications for added reliability as proposed when the vehicles are initially placed into service under this Contract.

Additional Commitment Offering: The Contractor shall also provide an EMS supervisor vehicle and cargo van as proposed with equal or superior specifications throughout the term of the Contract.

b) Minimum Fleet Size. Minimum Requirement: The number of licensed ambulances shall be no less than 133% of maximum scheduled peak load unit coverage throughout the term of the Contract.

c) Vehicle Replacement. Minimum Requirement: Ambulances shall be replaced all at no greater then 200,000 miles. Ambulance replacement orders shall be made no later than 180,000 miles to ensure ambulances are retired at 200,000 miles.

d) Ambulance Markings. Minimum Requirement: All ambulances must display approved markings including the words "Clark EMS District #2 – Paramedic Unit," and the ambulances' unit number that is in compliance with Clark County fire agency unit identification standards.

e) Driver Training. Minimum Requirement: The Contractor shall provide a driver training program that meets the goals and objectives of the Emergency Vehicle Operations Course (EVOC).

f) Equipment Maintenance and Replacement. Minimum Requirement: The Contractor shall provide equipment maintenance and replacement as proposed with equal or superior specifications throughout the term of the Contract.

7. Accounts Receivable Standards. The Contractor's response to the minimum requirements and any additional commitment offerings established in its Proposal shall constitute the contractually binding performance requirements throughout the term of the Contract. The following information outlines the accounts receivable assumptions and understandings:

a) AR Management Process. Minimum Requirement: The Contractor shall provide Accounts Receivable (AR) management practices designed to minimize out-of-pocket costs and maximize collection of third party payment for both emergent and non-emergency transports. To accomplish this objective, the Contractor shall utilize the services as proposed and in summary includes:

1) County AR Functions. Pre-billing specialists located in Clark County, Washington to assist in customer inquiries and process payments.

2) Regional AR Functions. A Patient Business Services (PBS) office in Portland, Oregon that provides billing and collection services for AMR regional operations

including: resolving patient inquiries; electronic pre-billing; electronic AR system (EDI with payors, data audit, processing protocols, data backup; third party claims follow-up; posting payments; local Medicare and Medicaid rule application and liaison; Customer Advocate support.

3) AR Training Program. All PBS employees 2-week orientation on ambulance billing services including: terminology, customer service, medical billing, electronic billing/AR systems.

4) Facility Education. Annual education (starting spring 2005) forum for discharge planners, social workers, and others involved in non-emergency medical transportation.

b) **Collection at Time of Service.** Minimum Requirement: The Contractor shall limit payment at time of service as an option only for non-emergency transports not meeting medical necessity criteria with a 10% discount.

c) **Financial Hardship Assistance.** Minimum Requirement: The Contractor shall provide discounts and payment plans for patients who demonstrate insufficient assets or financial hardship.

d) **Billing Compliance Program.** Minimum Requirement: The Contractor shall provide a billing compliance program throughout the term of the contract that meets or exceeds the program proposed and meets the OIG Compliance Program Guidance for Ambulance Suppliers.

8. **Commitment To Community Relations, Public Education, and First Responders.** The Contractor's response to the minimum requirements and any additional commitment offerings established in its Proposal shall constitute the contractually binding performance requirements throughout the term of the Contract. The following information outlines the Community Relations, Public Education, And First Responders assumptions and understandings:

a) **EMS District #2 Public Education and First Responder Support Program.** Minimum Requirement and Additional Commitment Offering: The Contractor shall participate and support of public illness/injury prevention programs, public education on the District's EMS system, and first responder support goals as coordinated by the Public Safety Educator's Committee with recommendation by the Clark County EMS and Trauma Care Council and approved by the EMS Administrative Board. This program shall include, but is not limited to the following:

1) Water Safety Program – work in with the sheriff's office and fire agencies to develop active water safety program.

2) Child Safety Seat Program – certified inspector(s) and logistical support for events.

3) Fall Factors Program – field personnel trained to assess and refer at-risk seniors.

4) DUI Prevention Program – work with law enforcement and fire agencies to develop active DUI prevention program.

b) Contractor Community Relations, Public Education, and First Responder Support.

1) Community Relations. Minimum Requirement and Additional Commitment Offering:

i) Citizen Inquiries and Complaints - The Contractor shall provide a program as proposed for responding to citizen inquiries and complaints including but not limited to: 1) timelines for initial contact, investigation, and follow up on findings; 2) process for tracking inquiries and complaints by source, types, and outcomes; and 3) methodology for proactively enhancing employee customer service.

ii) Allied Agency Communications and Cooperation - The Contractor shall resolve complaints and inquiries in a timely manner at the lowest possible level. The objective of this program is to enhance the teamwork and open lines of communication between CRESA's 9-1-1 operations, the District emergency responders (police and fire), local hospitals and medical facilities, the Medical Program Director, and CRESA's EMS program. Specifically, the Contractor shall offer to establish a Joint EMS Operations Committee to the purpose of developing plans for full integration of the EMS System in Clark County.

iii) Participation in EMS Meetings Within the District - The Contractor shall actively participate in local EMS meetings (i.e., EMS Administrative Board; Clark County EMS and Trauma Care Council; Clark County Training and QA Committee; Clark County Public Safety Educators Committee; CRESA Dispatch Operations Committee; and the Medical Program Director's monthly in-services and case reviews).

iv) Community/Media Relations - The Contractor shall provide a program equal to that proposed for community/media relations including: a) timelines for follow up on inquiries; b) employee media awareness training; c) employee customer service training; d) customer surveys; and f) membership to community/civic groups.

v) Annual Report to the Community - The Contractor shall work with CRESA's EMS Program in developing an annual report.

2) <u>Public Education.</u> <u>Minimum Requirement and Additional Commitment Offering:</u> The Contractor shall provide a public education program designed to reduce illness and injuries in the community, and enhance the community's ability to correctly access the EMS system and provide appropriate care until help arrives. This program shall include:

i) Public Access Defibrillation (PAD) Program - a) 50 Automatic External Defibrillators (AEDs) placed on first responder vehicles and/or strategic locations as determined Medical Program Director (by March 31, 2005) including training of a core group of responders at those locations; b) establishment of a PAD committee; and c) AED recertification classes.

ii) Public CPR Training Program – AMR will focus a minimum of 5 PAD related CPR courses per year on cardiac arrest cluster areas within the county. These course will be published through local community groups and utilize both MEDS and MPD data to site select

iii) Skilled Nursing CPR Certification Program – AMR will begin hosting one CPR Instructor course per year in Clark County, specifically targeting nursing facilities to assist them in gaining the level of expertise required to perform their own instruction.

iv) School Presentations – presentations on the EMS system, calling 9-1-1, injury prevention, and safety:

- AMR will work to support 911 access presentations in the pre-school and primary school levels, when requested, up to 5 per year.
- AMR will work in support of bike helmet safety, through bike helmet fitting workshops, as requested, up to 2 per year.
- AMR will work with the Clark County Skills Center to participate in the annual career day presentations.
- AMR will participate with the Clark County Safe Kids Collation on the annual walk to school day.

3) <u>First Responder Support.</u> <u>Minimum Requirement and Additional Commitment Offering:</u>

i) First Responder Orientation and Team Building - The Proposer shall offer a program to: acquaint first responders through informal site visits, ride-alongs,

and formal trainings (i.e., the history of the Contractor, orientation to vehicles and equipment, and use of equipment and supplies) for purpose of enhancing open communications, cooperation, and a team approach to patient care (The District is specifically interested in the Contractor working to fine-tune the team approach for on-scene operating procedures that enhances patient care intervention times, packaging for transportation, and patient outcomes.).

ii) Reimburse, Provide, or Exchange of First Responder Medial Supplies – Contractor shall reimburse or exchange with, or provide to EMS District #2 first responder services, Medical Program Director approved ALS medical supplies provided following the ambulance services' arrival at the scene on patients transported within the Contract Service Area. Such reimbursement shall be at the rate the Contractor pays for the same medical supplies. The contractor is not obligated to reimburse first responders for ALS medical supplies that are electively carried by the first responder and exceed the minimum Medical Program Director approved supply list.

iii) Public Private Partnerships.

(a) Fire District #3 – The Contractor shall provide ALS supplies, a fully stocked BLS first response vehicle, and up to $40,000 per year to assist in funding the difference between three Firefighter-EMTs and three Firefighter-Paramedics. The purpose is to enhance first response to ALS.

(b) Fire District #6 – The Contractor shall provide a fully stocked ALS ambulance. Fire District #6 shall provide one Paramedic and one EMT IV or IV/A. Coverage shall be when AMR reaches level 0.

(c) Fire District #11 - The Contractor shall provide one Paramedic and ALS equipment. Fire District #11 shall provide one EMT-IV or IV/A and a fully stocked ALS ambulance. Scheduled coverage shall be for a minimum of 12 hours per day, 7 days per week.

(d) Fire District #12 – The Contractor shall provide one Paramedic (or funding difference between Firefighter-EMT and Firefighter-Paramedic) and a fully stocked ALS ambulance. Fire District #12 shall provide an EMT IV or IV/A. Scheduled coverage shall be for a minimum of 40 hours per week.

(e) Vancouver Fire – Vancouver Fire shall provide fully stocked transport capable rescue, one Paramedic, and one EMT IV or IV/A. Coverage shall be when AMR reaches level 0.

iv) Clinical Integration of ePCR data – Contractor shall integrate EMS District #2 first response and Contractor data for the purpose of measuring

performance and develop plans approved by the Medical Program Director aimed at improving patient outcome.

v) Equipment Retrieval – the Contractor shall provide equipment retrieval within 24 hours of the appropriate first responder within EMS District #2.

SECTION VIII. REPORTS

A. MONTHLY OPERATIONS. Within fifteen (15) business days after the close of each month, the Contractor shall either provide an electronic report or enter data into the CRESA EMS Program server that at a minimum shall include:

1. **Unit Hour Utilization.** Total Unit Hours in-service; Total emergency responses (9-1-1 Hot and 911 and 7-digit Cold) and total non-emergency responses (Scheduled and Unscheduled Transfers); Total emergency on-scene (9-1-1 Hot and 911 and 7-digit Cold) and total non-emergency on-scene (Scheduled and Unscheduled Transfers); Total emergency transports (9-1-1 Hot and 911 and 7-digit Cold) and total non-emergency transports (Scheduled and Unscheduled Transfers). The specific process for submitting UHU information can include either an electronic report, or direct data entry via web access to the CRESA EMS program server. If the data is entered directly to the server, the EMS program shall be notified in writing of its completion for a given month.

2. **Clinical Performance.** Total number of cardiac arrests with attempted resuscitation by type (Ventricular Fibrillation/Ventricular Tachycardia, PEA/EMD, and Asystole); Percentage of successful resuscitations by type using the Utstein definition; Intravenous and Intraosseous success rates by patient (total success ÷ total patient) and by attempt (total success ÷ total attempt); Endotracheal Intubation success rates with and without use of paralytic by patient (total success ÷ total patient) and by attempt (total success ÷ total attempt).

   The specific process for submitting procedural success rates (i.e., IV, ET, etc.) shall come from the Contractor's electronic Patient Care Report (ePCR) data from its report server to the CRESA EMS Program server every 24 hours. The ePCR data shall be for the previous 24 hour period so as to culminate into a monthly clinical performance report by individual and agency that is generated by the CRESA EMS Program.

   The specific process for submitting cardiac arrest data can include direct entry via web access to the CRESA EMS program server, or from the ePCR data being shipped to the EMS Program server every 24 hours. Appropriate review and correction to cardiac arrest data shall be completed by the Contractor.

3. **Continuing Medical Education.** Continuing Medical Education (CME) offered in Clark County by type and hours. The specific process for submitting CME information can include either an electronic report, or direct data entry via web access to the CRESA EMS program server. If the data is entered directly to the server, the EMS program shall be notified in writing of its completion for a given month.

4. **Investigations/Inquiries.** Investigations by source (In-house QI, Medical Program Director, patient/family, first responder agency), types (patient care, billing, response time, and customer service), and outcomes (sustained, unfounded, inconclusive). The

specific process for submitting Investigation/Inquiry information can include either an electronic report, or direct data entry via web access to the CRESA EMS program server. If the data is entered directly to the server, the EMS program shall be notified in writing of its completion for a given month.

B. MONTHLY RESPONSE TIME. The Contractor shall provide to the CRESA EMS Program response time performance data, in an electronic method acceptable to the EMS Administrative Board or as back up only a hard copy report, necessary to generate the monthly response time report. Whether in the electronic format or hard copy, the Contractor shall provide within fifteen (15) business days after the close of each month all data necessary to generate the monthly response time report relative to every request for ambulance service originating within each zone classification (urban, suburban, rural and wilderness), within the Contract Service Area. Late response time performance data will not be accepted unless the EMS Administrative Board determines that the cause was beyond the Contractor's reasonable control.

C. MONTHLY CAD EDIT. Along with the Monthly Response Time Report, the Contractor shall provide a CAD Edit Report showing any transaction in which an edit occurred, no later than fifteen (15) business days after the end of each calendar month. CAD edits that affect response time performance shall also include sufficient documentation of the circumstances of each incident as justification of CAD edit. Late CAD edits will not be accepted unless the EMS Administrative Board determines that the cause was beyond the Contractor's reasonable control. If approved, the EMS Administrative Board may assess fees limited to administrative costs as a direct result of this late response time data. The Contractor shall not change the definition of any zone, or other such item which effects response time compliance and measurements without approval from the District. The specific process for submitting CAD edit information can include either an electronic report, or direct data entry via web access to the CRESA EMS program server. If the data is entered directly to the server, the EMS program shall be notified in writing of its completion for a given month.

D. MONTHLY AVERAGE PATIENT CHARGE. Within fifteen (15) business days at the closing of Accounts Receivable for a given month, the Contractor shall provide to the CRESA's EMS Program a report showing the combined service levels charges per the chart shown in Section VIII. F herein, "Annual Financial Report."

E. QUARTERLY CONTRACT COMPLIANCE. Within fifteen (15) business days of the end of each year's quarter, the Contractor shall provide a summary on the performance obligations established in the Contract to CRESA's EMS Program.

F. QUARTERLY PUBLIC EDUCATION AND FIRST RESPONDER SUPPORT PROGRAM. Within fifteen (15) business days of the end of each year's quarter, the Contractor

shall provide to CRESA's EMS Program a progress report on its direct involvement in public illness/injury prevention, public CPR/1st aid training, and first responder support programs.

G. ANNUAL FINANCIAL REPORT. Within 120 days after completion of each contract year, the Contractor shall furnish to CRESA's EMS Program an annual independently reviewed report, by a CPA approved by the EMS Administrative Board, documenting the patient charges subject to the rate regulations established under the contract per the chart below for each service level (BLS / BLSE / ALS-1 / ALS-1E / ALS-2 / SCT / temporary codes for All-ALS) as defined by Medicare. The EMS Administrative Board shall not unreasonably withhold its approval.

(One chart for each of the following service levels: BLS / BLSE / ALS-1 / ALS-1E / ALS-2 / SCT / temporary codes for All-ALS)

Payor Group	**[1] No.**	**[2] Distrib.**	**[3] Billed**	**APC**	**MPC**
Pvt Pay	-	-	-	-	
Medicaid					
Medicare					
Kaiser					
Other HMO					
Contracts					
Pvt Insurance					
TOTAL					

1. Total number of individual patients by each major carrier/payor group (i.e., Medicare, Medicaid, private insurance) transported (one-way) by the Contractor's ground ambulances originating within the Contract Service Area and subject to rate regulation established under the Contract.

2. Call distribution defined as the percentage of the total

3. Gross revenues generated by each major carrier/payor group (i.e., Medicare, Medicaid, private insurance) for the transport of patients by the Contractor's ground ambulance originating within the Contract Service Area and subject to rate regulation established under the Contract.

H. QUARTERLY EQUIPMENT MAINTENANCE REPORT. Within fifteen (15) business days at the end of each year's quarter, the Contractor shall provide the CRESA EMS Program a list providing Vehicle Identification Numbers and corresponding mileage on each current front line ambulances and back up ambulances.

I. ADVANCE NOTICES OF SSP CHANGES. The Contractor shall provide the District with its initially planned SSP. The Contractor shall advise the District in writing planned changes in its SSP at least 30 days in advance of implementation of those changes. However, if the Contractor finds it necessary to implement an emergency adjustment to the SSP to correct, or anticipate an acute performance problem, the 30-day notice shall be waived. However, the Contractor shall inform the District of the change as early as possible in verbal and written form, with an explanation of the acute situation. Nothing in this provision shall be interpreted as restricting in any way the Contractor's right to employ and revise without approval its SSP.

J. MEDICAL INCIDENT REPORT SCREENS. The District requires all the Contractor’s appropriate Medical Incident Reports (MIRs) be submitted to the Medical Program Director’s office in accordance to that office’s schedule for screens and case reviews.

K. MISCELLANEOUS. The Contractor shall assist the District in preparing any requested miscellaneous reports required by the EMS Administrative Board, Medical Program Director, state, or federal agency.

L. INSPECTIONS. At any time during normal business hours, the Contractor shall make available to the District for examination its records with respect to all matters related to documentation of performance under this Contract. District representatives may, at any time, and without notification, directly observe the Contractor's operation of the control center, fleet maintenance facility, any ambulance post location, and may ride as a "third person" on any of the Contractor's ambulances at any time. In exercising this right to inspection and observation, the District's representatives shall conduct themselves in a professional and courteous manner, shall not interfere in any way with the Contractor's employees in the performance of their duties, shall at all times be respectful of the Contractor's employer/employee relationships, and shall be subject to such reasonable risk-management requirements as may be specified by the Contractor including but not limited to applicable OSHA requirements and execution of waiver of liability. A previously scheduled 3rd rider (student or new hire) shall not be displaced by any such observer.

SECTION IX. DEFAULTS IN PERFORMANCE AND REMEDIES

A. DEFAULTS. Conditions and circumstances that constitute a default under this Contract shall include:

1. Supplying to the District during the proposal and contracting process, false or misleading information, or information so incomplete as to effectively mislead;

2. Willful falsification of data supplied to the District or to the Medical Program Director during the course of operations, including by way of example but not by way of exclusion, dispatch data, patient report data, financial data, or willful downgrading of presumptive run code designations to enhance Contractor's apparent performance, or falsification or deliberate omission of any other data required under the Contract;

3. Willful attempts by Contractor to intimidate or otherwise punish employees who desire to interview with or to sign contingent employment agreements with competing bidders during a subsequent procurement cycle;

4. Willful attempts by Contractor to intimidate or otherwise punish employees from truthful and full disclosure of all facts or impressions regarding the service or system, to questions posed by the Medical Program Director or other persons overseeing the system.

5. Failure to comply with the minimum employee wage/salary and benefit package as submitted by the Proposal;

6. Failure to comply with the "rule of reason" working condition parameters established by the Medical Program Director pursuant to Section VII herein;

7. Chronic and persistent failure of Contractor's employees to conduct themselves in a professional and courteous manner, and to present a professional appearance;

8. Deliberate and unauthorized scaling down of operation to the detriment of performance during a "lame duck" period;

9. Failure by Contractor to cooperate with and assist the District in its takeover of Contractor's operations after a major default has been declared by the District, as provided for in Subsection B, next, *even* if it is later determined that such default never occurred or that the cause of such default was beyond Contractor's reasonable control;

10. Failure by the Contractor to deliver and maintain the performance security established by the Contract;

11. Abuse of the three-way leasing program to enhance Contractor's profits, directly or indirectly through an outside business entity, at the expense of the District, by way of such practices as receiving commissions, discounts, kickbacks or other consideration from manufacturers or lessor;

12. Failure on the part of the Contractor to substantially fulfill the "end-term" provisions of this Contract as set forth herein, including but not limited to the requirement that the Contractor shall fully satisfy its remaining financial obligations to its employees and suppliers upon termination of this Contract;

13. Failure to purchase and maintain in force all insurance coverages meeting the requirements set forth in the Contact;

14. Failure to provide timely payments of Contract Administrative Fees.

15. Failure to maintain equipment in accordance with good maintenance practices, or to replace equipment in accordance with Contractor's submitted and accepted Equipment Replacement Policy, except as extended use of such equipment is approved by the District as provided for herein;

16. Failure of the Contractor to provide contractually defined data generated in the course of operations including by way of example, but not by way of exclusion, dispatch data, Patient Care Report data, response time data, or financial data;

17. Any other failure of performance, clinical or other, required in the Contract and which is determined by the District to constitute an endangerment to public health and safety;

18. Chronic failure to comply with the minimum response time standard as defined in this Contract. Chronic failure shall be defined for purposes of this section as response time performance in a given cell type below the minimum response time standard in four of the six consecutive calendar months; and

19. The persistent or repeated occurrence of violations of the Contract, excluding those instances when an ambulance response time exceeds beyond the applicable response time standard.

B. REMEDIES FOR DEFAULTS.

1. **Declaration of Default and Takeover of Service.** In the event the District has reasonable grounds to believe that a default of the contract by the Contractor may have occurred, the Contractor shall be given written notice of same. Such notice shall afford the Contractor a reasonable opportunity to (1) contest the existence of a default and (2) to

correct any such default or, at the District's discretion, provide a written plan to correct such default. The length of the response period shall be dependant upon the extent to which public health and safety is endangered, as determined by the District. If the Contractor fails to comply with the District's notice, the District may invoke the takeover provisions; provided that prior to so doing, the Contractor shall be afforded a hearing before EMSAB unless the District concludes that public health and safety concerns require an immediate takeover. In the event of a takeover, the Contractor shall cooperate completely and immediately with the District to effect a prompt and orderly takeover by the District of Contractor's Contract Service area operations.

2. **Dispute After Takeover.** Such takeover shall be effected within 72 hours after the District invokes the takeover provision. Contractor shall not be prohibited from disputing any such finding of major default through litigation, provided, however, that such litigation shall not have the effect of delaying, in any way, the immediate takeover of operations by the District. Neither shall such dispute by Contractor delay the District's access to Contractor's performance security, equipment, and inventory of supplies.

3. **Unusual Circumstances.** The provisions of this Section are specifically accepted and agreed to by Contractor as reasonable and necessary. Any legal dispute concerning a finding of default shall be initiated by Contractor only after the emergency takeover has been completed, and shall not under any circumstances be allowed to delay the process of takeover by the District. Contractor's cooperation with, and full support of, such emergency takeover process, as well as the immediate release of performance security funds to the District, shall not be construed as acceptance by Contractor of the finding of major default, and shall not in any way jeopardize Contractor's right to recovery should a court later determine that the declaration of major default was made in error. However, failure on the part of Contractor to cooperate fully with the District to effect a safe and orderly takeover of operations shall itself constitute a default under the terms of the Contract, even if it is later determined that the original declaration of default was made in error.

C. VIOLATIONS. A violation of the Contract shall be defined as any failure by the Contractor to perform in a timely manner its obligations under the Contract, or meet commitments made either in its proposal or during the RFP process and is not defined as a default.

1. **Declaration of Violation.** Whenever EMSAB has reasonable grounds to believe the Contractor has failed to perform in accordance with the provisions of the Contract, other than a default or those instances when an ambulance response time exceeds beyond the applicable response time standard, the Contractor shall receive a "Written Notice of a “Declaration of Violation" on the specific performance failure(s) explaining the facts and conclusions upon which the violation is based.

2. **<u>Request for Violation Hearing.</u>** Request for Hearing for Declaration of Violation shall be filed with the CRESA EMS Program within ten (10) business days following notice of EMSAB's decision and shall state the grounds for the appeal. Upon the filing of a Request for Hearing, EMSAB shall provide a notice of the hearing to the applicant. The hearing shall be conducted according to the procedures generally followed by Clark County land use hearings examiners, pursuant to Chapter 2.51C.C.C. (Clark County Code); provided that the decision of EMSAB shall be final.

3. **<u>Penalties for Late Runs and Violations.</u>** The following penalties shall be assessed as follows:

   a) **Late Run Penalties.** For each whole minute an ambulance response time extends beyond the applicable response time standard, the Contractor shall pay the County on a monthly basis penalty fees in the amounts shown below. Provided, however the maximum penalty for Hot/Cold 911 responses shall not exceed $225 per incident, and maximum penalty for Routine Transfers shall not exceed $180.

      Hot (911 responses w lights and siren) ....$15/min.
      Cold (911 response w/o lights and siren)....................$15/min.
      Scheduled Routine ....$6/min.
      Unscheduled Routine ....$6/min.

      In addition to foregoing penalties, the Contractor shall pay a penalty of One Thousand Dollars ($1,000) per hot or cold cell type for any month (taking into account the provision of 100 or more calls, established herein) in which a given cell falls below 90% of the response time standard.

   b) **Penalties for Violations.** A penalty is set by EMSAB not to exceed Two Thousand Dollars ($2,000) per occurrence, provided that such maximum penalty shall double for the second, and triple for the third or subsequent similar violation of the same contract obligation within any twelve (12) month period. All penalties shall be paid to the Clark County Auditor's Office, within thirty (30) days after the Written Notice unless a "Request for Penalty Hearing," established above, is requested. For each additional thirty (30) days for which the penalty is unpaid, an additional 100% shall be assessed to the original penalty.

SECTION X. "FAIL SAFE" PROVISIONS

A. PERFORMANCE SECURITY. Within 30 days after the award of the Contract, the Contractor shall furnish and maintain a performance security in the amount of $1.5 million in the form of a Performance Bond contingent on the bonding authority providing written assurance that the Principle and Surety shall immediately pay the amount of the bond to the District upon Declaration of Default and Take Over of Service pursuant to the provisions for "Forfeiture of Performance Security" established herein. In the event no such written assurance can be obtained from the bonding authority, the Contractor shall furnish and maintain a Letter of Credit for $500,000 and a Performance Bond $1 million. The form and content of the performance security or shall be subject to the approval of the District and its legal counsel, which approval shall not be unreasonably withheld. The failure of the Contractor to deliver and maintain this performance security shall constitute a default.

This performance security shall be reviewed annually and shall be adjusted by no more than the cumulative CPI should the District determine that the performance security is insufficient to meet performance requirements.

Contractor may propose an alternative performance security arrangement in addition to this minimum requirement. Such an alternative shall be equally secure and liquid, and subject to the sole approval by the District

B. FORFEITURE OF PERFORMANCE SECURITY. The parties agree that the unique nature of the services which are subject of this Contract requires that, in the event of a default of a type that "endangers public health and safety," the District must restore services immediately, and the Contractor must cooperate fully with the District to effect a safe and orderly takeover of operations by the District. It is also agreed that it would be impractical or impossible to effect such takeover of emergency services in a manner which would facilitate accurate, concurrent, or retrospective identification of the cost to the District of: effecting the takeover, restoring service and correcting the default; the excess operating costs to the District which would not have been incurred if the default had not occurred; or the extent to which costs incurred by the District were the result of management deficiencies on the part of the District during or after the takeover.

In the event of a declaration of a default by the Contractor which default jeopardizes public health and safety as determined by the District, or a failure by the Contractor to cure such default with the "cure periods" set forth in Section IX, the performance security set forth above shall be immediately paid to the District and the Contractor shall forfeit all right, title and interest thereto.

C. LEASE ARRANGEMENT. To ensure the District's uncontested right to instant and unimpaired use of essential equipment in the event Contractor is declared in major default, all

essential equipment required for operations (i.e., vehicles, medical hardware, medical supplies, communications equipment) used by Contractor in the performance of this Contract shall be furnished by Contractor under either the following three-way leasing program or a conditional lease arrangement provided that the conditional lease arrangement contains equal assurances as the three way lease arrangement:

1. **Three-Way Lease/Sublease Arrangement.** All essential equipment furnished by Contractor shall be subject to a leasing program having the following characteristics:

   a) The lessor and owner of the equipment shall be a legal entity other than Contractor and approved by the District.

   b) The primary lessee shall be the District; Contractor shall serve as sublessee.

   c) Contractor shall sublease said equipment from the District and serve as sole guarantor of payments under both the primary lease and the sublease.

   d) Primary lease payments owed lessor shall be paid monthly by the Contractor in satisfaction of its financial obligations under the subleasing arrangement. Additions of equipment throughout the term of the leases shall be subject to approval by the District, provided that the District shall not withhold its approval of such requests so long as the pricing, financing, and leasing terms are consistent with the provisions set forth herein.

   e) The District's obligation to make primary lease payments shall be limited as follows:

      1) Except in regard to equipment included on the "Equipment Carryover Listing" (see Subsection E, below), the District's obligations under the primary lease shall automatically expire and revert entirely to Contractor upon expiration of the Contract;

      2) So long as Contractor is not in default of its obligations under this Contract, the District's obligation to make payments under the primary lease shall be limited solely to the amounts of sublease payments owed the District and paid to the lessor on the District behalf; and

      3) In the event of a declared default and takeover of services by the District, the District may, at its option, elect to assume full responsibility for completion of all then-remaining payments under the primary lease, with said financial obligation to lessor secured solely by the leased equipment. In the event of such assumption of on-going financial obligations by the District, all end-term and residual rights which would otherwise go to Contractor shall automatically revert to the District.

f) Both the primary lease and sublease shall take the form of a "Master Lease," with individual equipment items or groups of items set up on separate schedules, so that items may be added to and retired from the leasing program throughout the term of this Contract and any extensions thereof, provided that the amortization schedule of each equipment item may not exceed the safe useful life of equipment of that type as set forth in Contractor's proposal.

g) The terms of payment and effective interest rate of the primary lease shall be the same as those contained within the sublease agreement.

h) The primary lease shall provide that in the event of a declared default, the District may at its option:

1) Assume responsibility for all then-remaining payment obligations under the primary lease and thereby gain immediate access to and use of all leased equipment; and/or

2) Purchase said leased equipment, without prepayment penalty, for an amount equal to the purchased equipment's then-current "stipulated value," as defined below; and/or

3) Terminate without penalty its remaining obligations as primary lessee, thereby relinquishing all rights to the subject equipment.

i) All insurance required by lessor relative to said equipment shall be secured and paid for by Contractor, and Contractor shall be responsible for payment of all deductible costs. In the event of system takeover by the District and continuation of the primary lease, the District shall secure and pay for said insurance as required by the terms of the primary lease.

j) In selecting and arranging for acquisition of equipment for inclusion in the "three-way leasing program," neither Contractor nor any owner, officer, employee, or affiliate of Contractor shall directly or indirectly receive any discounts, commissions, or other consideration from the supplier or manufacturer except as the full value of such consideration is incorporated as a reduction in the effective purchase price and lease costs of said equipment.

k) It shall be Contractor's responsibility to arrange for and develop the primary lease and sublease instruments as described herein, subject to approval by the legal counsel to the District. Provided, however, that so long as the leasing instruments are consistent with the provisions of this Section, such approval shall not be withheld. Said leasing instrument shall be approved ninety (90) days after award of the Contract.

l) Under current federal tax laws, the financing of equipment under these leasing provisions may not qualify for tax-exempt status. Contractor shall base financing cost estimates strictly upon its own interpretation of relevant tax law.

2. Conditional Lease Arrangement. All essential equipment used by the Contractor in the performance of this Contract shall be made available through an Equipment Lease Agreement in the event Contractor is held in Default and "takeover" procedures are instituted by District to protect against the "endangerment of public health and safety".

a) The lessor and owner of the equipment shall be the Contractor or other legal entity.

b) The primary leasee shall be the District.

c) Contractor shall lease said equipment to the District at the option of District.

d) Essential equipment lists shall be updated and made available to the District on a semi-annual basis or upon request.

e) The District's obligation to make lease payments upon execution of the conditional lease shall be limited as follows:

1) So long as Contractor is not in default of its obligations under this Contract, the District has no obligation to execute the provisions of the conditional lease; and

2) In the event of a declared default and takeover of services by the District, the District may, at its option, elect to lease said equipment or to buy out the unused depreciation of said equipment. In the event of such assumption of on-going financial obligations by the District, all end-term and residual rights which would otherwise go to Contractor shall automatically revert to the District.

f) Individual equipment items and groups of items shall be established on separate schedules, so that items may be added to and retired throughout the term of this contract and any extensions thereof, provided that the amortization schedule of each equipment item may not exceed the safe and useful life of equipment of that type as set forth in Contractor's proposal.

g) In the event of system takeover by the District and execution of the conditional lease, the District shall secure and pay for said insurance as required by the lease.

3. Retaining Limited Functions. Contractor may, at District's option, enter into a conditional contract with the District to provide billing and dispatch services as proposed.

D. TERMS OF BUY OUT OPTION. In the event of a declared default by the Contractor and election by the District to exercise its buy out option as set forth herein, the following terms shall apply:

1. For purposes of this provision, "stipulated value" shall be defined as the straight-line depreciated value of the equipment, based upon the original cost of the item, with depreciation beginning upon the initial date that the item was actually placed in service under this Contract, and assuming the item shall be less then 90 percent depreciated by the end of its stipulated period of "safe useful life expectancy" as defined in the winning proposal's, "Equipment Replacement Policies." Value shall be calculated as of the date of takeover of operations by the District.

2. Immediately upon the election of this buy-out option and written notification to the Lessor by the District, and before payment is actually conveyed to the Lessor by the District, the District shall have immediate and unrestricted access to use of the equipment for purposes of effecting immediate takeover of Contractor's operations. Payment in full of the "stipulated value" as defined herein shall be made by the District within 120 days after notification to Lessor that the District has elected to exercise its buy out option.

E. END TERM EQUIPMENT REPLACEMENT & CARRYOVER. The District recognizes that equipment replacement schedules cannot be made to coincide with the term of this Contract, and that Contractor may find it difficult to arrange financing of replacement equipment near the end of the term of this Contract, unless special arrangements are made to allow for carryover financing of certain equipment items beyond term of this Contract. The purpose of this provision is to neutralize financial barriers which might otherwise inhibit the proper and routine replacement of equipment near the end of this Contract, and to prevent excess costs of accelerated depreciation which would be required absent this carryover provision.

1. **Equipment Replacement.** Contractor shall submit with its proposal an equipment replacement program, subject to approval by the District which replacement policy shall be included as an attachment to the 3-way leasing instruments. Such policies shall include, in part, a detailed description of Contractor's equipment replacement policies, including Contractor's assumptions regarding the safe useful life of equipment items, by category or type, and Contractor's general plan for financing replacement in accordance with that plan.

2. **Right to Require Replacement.** Throughout the term of this Contract, the District may, at its option, after an inspection and for cause, require Contract to replace with new equipment any equipment item, at any time after that item's scheduled replacement date, as defined by the terms of Contractor's submitted and accepted equipment replacement policies. However, if through superior maintenance or by other means, Contractor is able

to extend the safe useful life of an equipment item beyond its scheduled replacement date, the District shall not, except for cause, require replacement of that item.

3. **Contractor's Carryover Option.** Not later than 180 days prior to the last day of the this Contract, the Contractor may, at Contractor's option, require the District to assume responsibility for remaining primary lease payments beyond the last day of this Contract, but only relative to equipment items properly included on the Equipment Carryover Listing as on the date of expiration of this Contract. Provided that said equipment must be clean, well-maintained and, if necessary, placed in good working order and appearance at Contractor's expense, upon inspection by the District's representatives on the final day of this Contract.

4. **Equipment Carryover Listing.** Contractor may, at Contractor's option, include any new replacement vehicle or on-board equipment item on the "Equipment Carryover Listing," provided such request for inclusion of said item is made prior to the item's acquisition, and provided the item's purchase price and amortization schedule are approved by the District. The District shall approve such requests upon finding that the following conditions are met:

   a) The purchase price of said equipment item is fair and reasonable, and both Contractor and the supplier of the item certify in writing that no inducements have been made (e.g., discounts or rebates on unrelated purchases) to influence Contractor's selection of vendor or product, except as such inducements are reflected effective purchase price and lease price for that item;

   b) The equipment item shall be used primarily in performance of the work which is the subject of the Contract and will in fact replace an equipment item previously used in the performance of this Contract, or expand Contractor's equipment inventory as necessary to handle additional demand for service from the Contract Service Area;

   c) The various lease schedules under the master leases (primary and sublease) relative to said equipment are consistent with the proposed and accepted equipment replacement policies;

   d) At such time as an equipment item has been in service for more than one-half of the term of its safe useful life expectancy, as set forth in Contractor's proposed and accepted equipment replacement policy, said item shall be automatically deleted from the Equipment Carryover Listing; and

   e) No equipment shall be added to the Equipment Carryover Listing during a "lame duck" period, should such period occur.

5. **<u>The District's Option to Lease or Purchase.</u>** In the event the Contractor exercises this carryover option, the District shall release the Contractor from its sublease obligations relative to carryover equipment items, effective upon the expiration of this Contract or extension, and require a new contractor to assume responsibility for the remaining sublease payments from which the outgoing Contractor has been released. In such case, the District shall retain and convey to the in-coming Contractor any end-term rights to said carryover equipment which would otherwise have accrued to the benefit of Contractor.

6. **<u>End-Term Inspection.</u>** The District shall design its competitive process for award of this Contract so as to provide for final inspection of all equipment subject to carryover provisions of the 3-way leasing program, prior to midnight on the last day of the Contract. All such equipment shall officially be conveyed into the District's possession at the conclusion of the Contract.

7. **<u>Automatic Carryover.</u>** In the event the current Contractor is the winner of the District's next competitively awarded service contract, Contractor's sublease obligations relative to carryover equipment shall automatically continue into the next contract period, as though Contractor had been awarded an extension of the Contract.

F. "LAME DUCK" PROVISIONS. Should Contractor fail to win the bid in a subsequent bid cycle, the District shall require Contractor to continue provision of all services provided under this Contract until the winning bidder takes over operations. Under these circumstances, Contractor would, to the end date of this Contract, serve as a "lame duck" contractor. To ensure continued performance fully consistent with the requirements of this Contract throughout any such "lame duck" period, the following provisions shall apply:

1. Throughout such "lame duck" period, Contractor shall continue all operations and support services at substantially the same levels of effort and performance as were in effect prior to the award of the subsequent Contract to a competing bidder;

2. Contractor shall make no changes in methods of operation which could reasonably be considered to be aimed at cutting Contractor's service and operating costs to maximize profits during the final stages of this Contract;

3. The District recognizes the Contractor may reasonably begin to prepare for transition of service to the new Contractor during the "lame duck" period and the District shall not unreasonably withhold its approval of the outgoing Contractor's requests to begin an orderly transition process, including reasonable plans to relocate staff, scale down certain inventory items, etc., so long as such transition activities do not impair Contractor's performance during the "lame duck" period, and so long as such transition activities are prior-approved by EMSAB; and

4. During the request for proposal process conducted by the District, the Contractor shall permit its non-management personnel reasonable opportunity to discuss with competing organizations issues related to employment with such organizations in the event the Contractor is not the successful bidder. The Contractor may, however, require that its non-management personnel refrain from providing information to a competing organization regarding the Contractor's current operations, and the Contractor may also prohibit its management-level personnel from communicating with representatives of competing organizations during the bid competition. However, once the District has made its decision regarding Contract award, and in the event the Contractor is not the winner, the Contractor shall allow free discussion between any District based employee and the winning proposer, without restriction, and without adverse consequences to any District based employee.

G. UNCONTROLLABLE CIRCUMSTANCES. It is recognized that changes in health care legislation, the occurrence of anti-trust litigation, or similar uncontrollable legal circumstances could preclude, wholly or in part, or render economically disadvantageous, the ability of the Contractor or the District to carry out its obligations under the Contract. For the purpose of this provisions, the term "economic disadvantageous" means an impact that the Contractor can demonstrate exceeds 10 percent of patient revenue. In such event, the parties shall utilize their best efforts to negotiate appropriate Contract amendments providing for alternate performance obligations in response to the uncontrollable circumstances. If the cost of remedying the occurrence of an event of uncontrollable circumstances is estimated to cause the Average Patient Charge to increase annually by more than twenty percent (20%), or if uncontrollable circumstances significantly undermines the EMS system design, the District, at its sole option, upon no less than ninety (90) days advanced notice, may elect to cancel the Contract, or modify the performance standards.

SECTION XI. INCORPORATION OF ATTACHMENTS

The below listed documents are hereby expressly incorporated within this Master Contract as though written and contained directly within the text of this Master Contract.

Exhibit A .... Contractor's Proposal
Exhibit B...................................... Contractor's Credentials
Exhibit C .... Request for Proposal
Exhibit D .... Request for Credentials
Exhibit E.................................... Uniform EMS Ordinance
Exhibit F............ EMS Interlocal Cooperation Agreement
Exhibit G .... EMS Administrative Rules
Exhibit H .... Tape of EMSAB meeting March 23, 2004
on file at the CRESA EMS Program

EXHIBIT A

CONTRACTOR'S PROPOSAL

EXHIBIT B

CONTRACTOR'S CREDENTIALS

EXHIBIT C

REQUEST FOR PROPOSAL

EXHIBIT D

REQUEST FOR CREDENTIALS

EXHIBIT E

UNIFORM EMS ORDINANCE

EXHIBIT F

EMS INTERLOCAL COOPERATION AGREEMENT

EXHIBIT G

EMS ADMINISTRATIVE RULES

EXHIBIT H

TAPED PROCEEDINGS OF EMSAB
MARCH 23, 2004

(On file at the CRESA EMS Program)