Audit and Finance Committee Meeting

Wednesday, July 20, 2022 2:00 pm

ProVidence Suite - Trauma Building 5th Floor

AGENDA

University Medical Center of Southern Nevada
GOVERNING BOARD
AUDIT & FINANCE COMMITTEE
July 20, 2022 2:00 p.m.
800 Hope Place, Las Vegas, Nevada
UMC Trauma Building, ProVidence Suite (5th Floor)

Notice is hereby given that a meeting of the UMC Governing Board Audit & Finance Committee has been called and will be held at the time and location indicated above, to consider the following matters:

This meeting has been properly noticed and posted online at University Medical Center of Southern Nevada's website http://www.umcsn.com and at Nevada Public Notice at https://notice.nv.gov/, and at University Medical Center 1800 W. Charleston Blvd. Las Vegas, NV (Principal Office)

- The main agenda is available on University Medical Center of Southern Nevada's website http://www.umcsn.com. For copies of agenda items and supporting back-up materials, please contact Stephanie Ceccarelli at (702) 765-7949. The Audit & Finance Committee may combine two or more agenda items for consideration.
- Items on the agenda may be taken out of order.

The Audit & Finance Committee may remove an item from the agenda or delay discussion relating to an item at any time.

SECTION 1: OPENING CEREMONIES

CALL TO ORDER

1. Public Comment

   PUBLIC COMMENT. This is a period devoted to comments by the general public about items on ***this*** agenda. If you wish to speak to the Committee about items within its jurisdiction but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Comments will be limited to three minutes. Please step up to the speaker's podium, clearly state your name and address and please ***spell*** your last name for the record. If any member of the Committee wishes to extend the length of a presentation, this will be done by the Chair or the Committee by majority vote.

2. Approval of minutes of the regular meeting of the UMC Governing Board Audit and Finance Committee meeting of June 22, 2022 *(For possible action).*

3. Approval of Agenda. *(For possible action)*

SECTION 2: BUSINESS ITEMS

4. Receive the monthly financial report for June FY22; and direct staff accordingly. *(For possible action)*

5. Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)*

6. Review and recommend for approval by the Governing Board the Agreement with Carl Zeiss Meditec USA, Inc. for the purchase of a KINEVO 900 Neuro Microscope System

and Service Plan; authorize the Chief Executive Officer to execute future extensions/renewals of the Service Plan; or take action as deemed appropriate. *(For possible action)*

7. Review and recommend for approval by the Governing Board the Standardization Incentive Program – Group Acknowledgement Form with Network Services Company for janitorial/sanitation supplies; authorize the Chief Executive Officer to exercise any extension/renewal options; or take action as deemed appropriate. *(For possible action)*

8. Review and recommend for approval by the Governing Board the Purchase Agreement with McKesson Corporation for non-specialty pharmaceuticals; authorize the Chief Executive Officer to exercise any extension/renewal options; or take action as deemed appropriate. *(For possible action)*

9. Review and recommend for approval by the Governing Board the Supply Agreement with McKesson Plasma and Biologics, LLC; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)*

10. Review and recommend for approval by the Governing Board the Agreement with Werfen USA, LLC for hematology analyzers, software, warranty, and consumables; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)*

11. Review and recommend for approval by the Governing Board the Agreement with Honeywell International to replace Fire Alarm Panels and complete Alarm Synchronization; or take action as deemed appropriate. *(For possible action)*

12. Review and recommend for approval by the Governing Board the Amendment Two to Master Agreement for Energy Management Services with Kinect Energy, Inc.; or take action as deemed appropriate. *(For possible action)*

13. Review and recommend for approval by the Governing Board the agreement with Norman S. Wright of Southern Nevada for replacement of chiller towers and supporting equipment; or take action as deemed appropriate. *(For possible action)*

14. Review and recommend for approval by the Governing Board Change Order #001 to the Award of Bid No. 2020-07, Pharmacy Clean Room Design and Build Project, to Martin Harris Construction, LLC; authorize the Chief Executive Officer to execute future change orders; or take action as deemed appropriate. *(For possible action)*

15. Discuss CEO FY22 Annual Incentive Compensation Performance Standards as it relates to the subject matter relevant to the Audit and Finance Committee and make a recommendation to the Human Resources and Executive Compensation Committee; and take action as deemed appropriate. *(For possible action)*

16. Discuss and establish annual CEO Performance Goals and Objectives for FY 2023; and take action as deemed appropriate. *(For possible action)*

SECTION 3: EMERGING ISSUES

17. Identify emerging issues to be addressed by staff or by the Audit and Finance Committee at future meetings; and direct staff accordingly. (*For possible action)*

COMMENTS BY THE GENERAL PUBLIC

All comments by speakers should be relevant to the Committee's action and jurisdiction.

UMC ADMINISTRATION KEEPS THE OFFICIAL RECORD OF ALL PROCEEDINGS OF UMC GOVERNING BOARD AUDIT & FINANCE COMMITTEE. IN ORDER TO MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL PROCEEDINGS, ANY PHOTOGRAPH, MAP, CHART, OR ANY OTHER DOCUMENT USED IN ANY PRESENTATION TO THE BOARD SHOULD BE SUBMITTED TO UMC ADMINISTRATION. IF MATERIALS ARE TO BE DISTRIBUTED TO THE COMMITTEE, PLEASE PROVIDE SUFFICIENT COPIES FOR DISTRIBUTION TO UMC ADMINISTRATION.

THE COMMITTEE MEETING ROOM IS ACCESSIBLE TO INDIVIDUALS WITH DISABILITIES. WITH TWENTY-FOUR (24) HOUR ADVANCE REQUEST, A SIGN LANGUAGE INTERPRETER MAY BE MADE AVAILABLE (PHONE: 702-765-7949).

University Medical Center of Southern Nevada
Governing Board Audit and Finance Committee Meeting
June 22, 2022

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada

The University Medical Center Governing Board Audit and Finance Committee met at the location and date above, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:02 p.m. by Chair Robyn Caspersen and the following members were present, which constituted a quorum.

CALL TO ORDER

Board Members:

Present:
Robyn Caspersen
Dr. Donald Mackay (via WebEx)
Jeff Ellis (via WebEx)
Harry Hagerty (via WebEx)
Mary Lynn Palenik (via WebEx)

Absent:
Barbara Fraser (Ex-Officio) (Excused)
Christian Haase (Excused)

Others Present:
Tony Marinello, Chief Operating Officer
Jennifer Wakem, Chief Financial Officer
Doug Metzger, Controller
Rose Coker, Director of Managed Care
Susan Pitz, General Counsel
Emelia Allen, Assistant General Counsel – Contracts
Stephanie Ceccarelli, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

Committee Chair Caspersen asked if there were any public comments to be heard on any item on this agenda.

Speaker(s): None

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Audit and Finance Committee meeting on June 22, 2022. *(For possible action)*

FINAL ACTION:

A motion was made by Member Hagerty that the minutes be approved as presented. Motion carried by a majority vote.

ITEM NO. 3 Approval of Agenda *(For possible action)*

Item No. 11 was tabled for discussion.
Item No. 21 has not been finalized and will be taken directly to Governing Board for approval.

FINAL ACTION:
A motion was made by Member Mackay that the agenda be approved as amended. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive the monthly financial reports for May FY22; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- May FY22 Financials

DISCUSSION:

Jennifer Wakem, Chief Financial Officer, presented the financials for May FY22.

The key indicators for May were consistent with previous months. Volumes were strong for the month. Admissions were 9% over budget. Average LOS was 6.25. Hospital CMI was consistent with budget

Inpatient surgeries were 15.78% above budget and outpatient surgeries was on budget. There were 15 transplants. ER visits were 21% above budget. Quick care locations were 23.66% above budget and primary cares were up 8%. There were 94 deliveries for the month.

In trended stats, there were 1,927 admissions for May. ALOS has been trending down. We have been meeting regularly with the County on initiatives to improve patient length of stay. There was continued discussion regarding potentially staffing county employees to assist the hospital in discharging medically cleared patients. More details will be provided as they become available. The ED to admission rate is 10%.

The Committee had a brief discussion regarding the patient capacity at the quick care locations and how telehealth can ease some of the patient volume. Ms. Wakem stated that she would provide the Committee with statistics of payor mix by clinic during next month's meeting.

Payor mix trended showed inpatient was consistent with the 12-month average. Commercial was up 1%, Medicaid is up 1.75%, Medicare was down 1.3%, and self-pay was down 1.3%. ED payor mix showed Medicaid increased 3.79%.

Payor mix by surgical volumes showed government was up 2.4% and Medicaid dropped 3.2%, Medicare was up 2%. Outpatient surgeries showed Medicaid was down 1.3%, Medicare was up 1.17% and self-pay dropped 1.13%.

The summary income statement for May showed net patient revenue above budget $10 million. Other revenue was down $2.9 million. Total net revenue was above budget $7.1 million. Operating expenses were over budget 6.3%. Income from ops landed at earnings of $1.8 million for the month, compared to a budgeted loss of $1.4 million.

The year to date summary income statement showed net patient revenue was 21.2% above budget. Operating expenses were 10.4% above budget and total income from operations was positive for the month $21.1 million on a budgeted loss of $18.3 million. The summary income statement trended was provided as informational.

Salary, wages and benefits were over budget $2.7 million. SWB trended will be shown next month. Overtime and contract labor were over budget for the month, but have dropped when compared to prior month. The nursing resource pool has been helpful in reducing overtime and contract labor needs.

Purchased services were $1.4 million over budget , primarily due to the NSI contract. There was also an inflationary rate increase that applied due to the increase in food costs.

There was a brief review of the May expenses and key financial indicators. Profitability and liquidity were in the red. Labor was in the green. Ms. Wakem stated days cash on hand is at 68 days. Net days in AR is at 69 days and candidate for bill was 6.5 days. Cash collections are in the green. All other metrics are in the green.

Next, the capital plan for FY22 was reviewed. The new slide shows how the capital dollars were allocated. Mr. Marinello introduced the capital project plan slides, highlighting the timelines of the projects going on at the facility. There was a lengthy discussion regarding the data presented.

Member Hagerty asked if there was a separate flow chart for each of the projects, with overall details through completion. Mr. Marinello responded that there is a larger detailed spreadsheet; the one presented to the Committee is just the summary.

Chair Caspersen suggested that this presentation be shown prior to setting goals for FY23. The committee would like more detail to get a better understanding of the capital projects and how they are financed.

Member Palenik commented that this is a good portfolio view and would like to also see the budget run rate of the spend vs. the project completion. She also asked how the overlap in budget is shown by fiscal year.

Moving forward, the Committee would like to see more details in the capital project plan, including key dashboards, how allocated capital funds are used and timeline details.

Lastly, the cash flow statement and balance sheet highlights were shown. No supplemental payments were received in May.

FINAL ACTION TAKEN:
None

ITEM NO. 5 Receive an update report from the Chief Financial Officer; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- None

DISCUSSION:

Ms. Wakem provided an update on the 340B hospital litigation and Medicare reimbursement.

Next month the Committee will review FY22 CEO goals, as well as discuss the proposed CEO goals for FY23. A lengthy conversation ensued regarding potential FY23 goals and the ability to manage the performance in achieving the goals.

Lastly, Ms. Wakem updated the Committee with the final results of the UMC/SEIU COLA negotiations.

FINAL ACTION TAKEN:
None

ITEM NO. 6 Review and recommend for approval by the Governing Board the Amendment No. 10 to Hospital Participation Agreement with Health Value Management, Inc., d/b/a ChoiceCare Network for Managed Care Services; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment 10 to Hospital Participation Agreement
- Disclosure of Ownership

DISCUSSION:

Ms. Coker stated this is an amendment to extend the commercial PPO Plan for the term for 2-years and update the commercial rate schedule and fee schedule for the Medicare Plans. EP studies were added to this agreement.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 7 **Review and recommend for approval by the Governing Board the First Amendment to the Hospital Service Agreement with Cigna Health and Life Insurance Company; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment 1 to Hospital Service Agreement
- Disclosure of Ownership

DISCUSSION:

This is an amendment to extend the term of the commercial PPO agreement for 1-year. There was an aggregate rate increase and EP studies were added to this agreement.

FINAL ACTION TAKEN:

A motion was made by Member Palenik to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 8 **Review and recommend for approval by the Governing Board the Amendment No. 3 to Purchaser Participation Letter with Cardinal Health 414, LLC for Radiopharmaceuticals; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Amendment 3 to Purchaser Participation Letter

DISCUSSION:

This is an amendment to extend the participation agreement for one year and add additional funding with a new NTE amount. All other terms remain the same.

FINAL ACTION TAKEN:

A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 9 **Review and recommend for approval by the Governing Board the Supplier-Provider Agreement with Arthrex, Inc. for Arthrex products; authorize the Chief Executive Officer to execute amendments within his delegation of authority; or take action as deemed appropriate. *(For possible action)***

DOCUMENTS SUBMITTED:
- Pricing Agreement w/ Exhibit

DISCUSSION:

This is a new agreement for UMC to purchase commonly used surgery supplies on an individual basis. This agreement will have fixed pricing for the term of the 2-year agreement and may be terminated at any time without cause upon a 30-day notice.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 10 Review and recommend for approval by the Governing Board the Amendment No. 1 (Add Product) to Master Customer Agreement with Experian Health, Inc. to add ClaimSource Dental software solution; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment 1 to Master Customer Agreement

DISCUSSION:

This amendment will add ClaimSource dental software which will integrate with the current software and will automate and assist in dental claim submissions, as well as minimize denials by a payor source. This is a 2-year agreement.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 11 Review and recommend for approval by the Governing Board the Agreement for HIM Educational Services and Coding Compliance Audit Services with Healthcare Cost Solutions d/b/a/ HCSSTAT; authorize the Chief Executive Officer to execute extension options or amendments; or take action as deemed appropriate. *(For possible action)*

This item was tabled for discussion.

ITEM NO. 12 Review and recommend for approval by the Governing Board the VNS Therapy System Purchase Agreement with Liva Nova USA, Inc.; authorize the Chief Executive Officer to execute amendments/renewal options within his delegation of authority; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- VNS Therapy System Purchase Agreement
- Disclosure of Ownership

DISCUSSION:

This is a purchase agreement with the vendor to purchase implantable products as needed, to assist in controlling epileptic seizures in children and adults. This is a one-year term agreement.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 13 Review and recommend for approval by the Governing Board the Amendment to Lease Agreement and Service Agreement with Intuitive Surgical, Inc. for purchase of the ION™ Endoluminal System; authorize the Chief Executive Officer to exercise any extension/renewal options; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Quote Service Agreement
- Amendment to Lease Agreement
- Disclosure of Ownership

DISCUSSION:
The rental lease agreement UMC had for the ION Endoluminal Robotic System has recently terminated. This is a request to exercise the purchase option of the ION system, as well as receive a 1-year service plan. A partial credit of the lease payments will be applied.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by majority vote. Member Hagerty abstained.

ITEM NO. 14 Review and recommend for approval by the Governing Board the Client Agreement and Addendum with LocumTenens.com, LLC for physician staffing services; authorize the Chief Executive Officer to execute future Addendums within the not-to-exceed amount of this Agreement; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:

- Client Agreement

DISCUSSION:

This is a request to enter into an agreement with LocumTenens.com. This agreement will allow UMC to add additional addendums for locum tenens physician staffing as needed in critical care areas of the hospital. This is a 5-year term and includes a 30-day out clause.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 15 Review and recommend for approval by the Governing Board the Equipment Placement Services Agreement with SmallGuy, LLC dba Integrated Telehealth Solutions for TeleVisitorTM hardware and TeleTetherTM software solutions; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Equipment Services Placement Agreement
- Disclosure of Ownership
- Business Associate Agreement

DISCUSSION:

This vendor will provide robotic devices and installation services for the placement of monitoring equipment at UMC that will assist in telehealth patient observation where appropriate, scheduling and conduction of virtual social and clinical visitations, as well as for discharge medication management in conjunction with a pharmacy. The term is for one year with the option for four 1-year extensions. Either party may terminate with a 30-day notice.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 16 Review and recommend for approval by the Governing Board the Philips Service Agreement to extend certain warranties with Philips Healthcare; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Final Master Services Agreement
- Sourcing Letter
- Disclosure of Ownership

DISCUSSION:

This request is to enter into a new Philips Services Agreement to extend these warranties for service and maintenance until November 30, 2028. Coverage includes parts and labor, an on-site labor response requirement, and one planned maintenance visit annually per unit.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 17 Review and recommend for approval by the Governing Board the Performance SuiteTM Solutions Subscription Agreement with Premier Healthcare Solutions, Inc.; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Performance Suite Solutions Subscription Agreement
- Disclosure of Ownership

DISCUSSION:

This is a new subscription service agreement with Premier Healthcare Solutions for clinical decision support tools that can be integrated into Epic, providing real-time, patient-specific best practices at the point of care to improve treatment outcomes and coding accuracy and compliance to optimize payor reimbursement. This is a 4-year agreement with an option to terminate 90-days prior of the end of the first year.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 18 Review and recommend for award by the Governing Board the Bid No. 2022-04 2231 Remodel to Red Mesa Builders, Inc., the lowest responsive and responsible bidder; authorize the Chief Executive Officer to exercise any Change Orders within his delegation of authority; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Invitation to Bid 2022-04 2231 Remodel
- Bid 2022-04 Notice of Award
- Disclosure of Ownership

DISCUSSION:
Seven bids were received for the improvement to the first floor of the 2-story building at 2231 West Charleston. Red Mesa Builders, Inc. was the lowest

responsive and responsible bidder. UMC requests the award of bid to this vendor.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the bid. Motion carried by unanimous vote.

ITEM NO. 19 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada the Amendment No. 2 to the Supply Agreement for COVID-19 Related Products with Life Technologies Corporation; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Amendment 2 to Agreement to Supply COVID-19 Related Products
- Disclosure of Ownership

DISCUSSION:

This is an agreement to add additional funds for the purchase of COVID-19 and flu related lab products. This will extend the term of the agreement through June 30, 2024.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 20 Review and recommend for approval by the Board of Hospital Trustees for University Medical Center of Southern Nevada, the Seventh Amendment to Preliminary Affiliation Agreement with the Board of Regents of the Nevada System of Higher Education on behalf of the Kirk Kerkorian School of Medicine at University of Nevada, Las Vegas; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Preliminary Affiliation Agreement – Amendment 7

DISCUSSION:

This 7th amendment will amend the requirements for resident salary reimbursement and set resident salaries for the 2022-2023 academic year with the School of Medicine.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the amendment. Motion carried by unanimous vote.

ITEM NO. 21 Review and recommend for approval by the Governing Board the Professional Services Agreement for Internal and Family Medicine Clinical Coverage with UNLV Medicine and the Board of Regents of the Nevada System of Higher Education on behalf of the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas; or take action as deemed appropriate. *(For possible action)*

DISCUSSION:

No action was taken on this item and it will be reviewed at the Governing Board meeting.

ITEM NO. 22 Review and recommend for approval by the Governing Board the Professional Services Agreement for Obstetrics and Gynecology Clinical Coverage with UNLV Medicine and the Board of Regents of the Nevada System of Higher Education on behalf of the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas; or take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- Professional Services Agreement

DISCUSSION:

NSHE and the School of Medicine will provide UMC with member physicians and advanced practice professionals who will provide inpatient/outpatient daily rounding, on call and consultative coverage, laborists, etc. This is a 3-year agreement with two, 1-year automatic renewals and a 180-day out clause upon written notice.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

ITEM NO. 23* Review and recommend for approval by the Governing Board the Professional Services Agreement for Psychiatry Clinical Coverage with UNLV Medicine and the Board of Regents of the Nevada System of Higher Education on behalf of the Kirk Kerkorian School of Medicine at the University of Nevada, Las Vegas; or take action as deemed appropriate. *(For possible action)

DOCUMENTS SUBMITTED:
- Professional Services Agreement

DISCUSSION:

NSHE and the School of Medicine will provide UMC with member physicians to provide daily consultative coverage for adult and adolescent psychiatry

services at UMC. This is a 3-year agreement with two, 1-year automatic renewals and a 180-day out clause upon written notice.

FINAL ACTION TAKEN:
A motion was made by Member Mackay to approve and make a recommendation to the Governing Board to approve the agreement. Motion carried by unanimous vote.

SECTION 3: EMERGING ISSUES

ITEM NO. 24 Identify emerging issues to be addressed by staff or by the Audit and Finance Committee at future meetings; and direct staff accordingly. (*For possible action)*

1. An in-depth look at the tools and processes used to manage capital spending;
2. Possible annual CEO goals

COMMENTS BY THE GENERAL PUBLIC:

At this time, Chair Caspersen asked if there were any public comment received to be heard on any items not listed on the posted agenda.

SPEAKERS(S): None

There being no further business to come before the Committee at this time, at the hour of 3:48 p.m., Chair Caspersen adjourned the meeting.

MINUTES APPROVED:
Minutes Prepared by: Stephanie Ceccarelli

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue: **Monthly Financial Reports for June FY22**	**Back-up:**
Petitioner: Jennifer Wakem, Chief Financial Officer	
Recommendation: **That the Governing Board Audit and Finance Committee receive the monthly financial report for June FY22; and direct staff accordingly.** ***(For possible action)***	

FISCAL IMPACT:

None

BACKGROUND:

The Chief Financial Officer will present the financial report for June FY22 for the committee's review and direction.

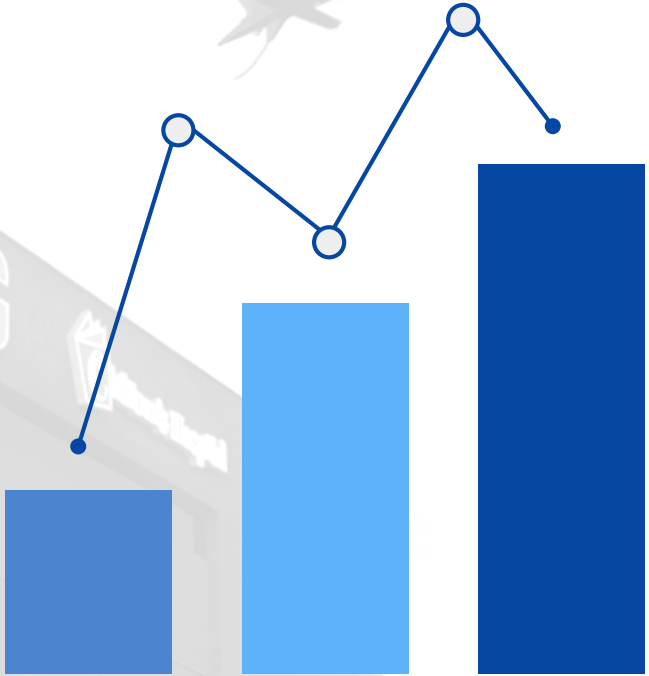
Cleared for Agenda
July 20, 2022

Agenda Item #

4

June 2022 Financials

AFC Meeting



KEY INDICATORS - JUN

Current Month	Actual	Budget	% Var	Prior Year	Variance	% Var
APDs	20,212	15,532	30.13%	16,775	3,437	20.49%
Total Admissions	1,827	1,701	7.43%	1,807	20	1.11%
Observation Cases	978	1,168	(16.27%)	1,168	(190)	(16.27%)
AADC	674	518	30.13%	559	115	20.49%
ALOS (Admits)	7.08	6.19	14.36%	5.98	1.10	18.39%
ALOS (Obs)	1.06	1.35	(21.72%)	1.35	(0.29)	(21.72%)
Hospital CMI	1.84	1.98	(7.21%)	1.97	(0.14)	(6.89%)
Medicare CMI	1.81	1.90	(4.42%)	2.00	(0.19)	(9.50%)
IP Surgery Cases	788	700	12.57%	825	(37)	(4.48%)
OP Surgery Cases	523	473	10.57%	502	21	4.18%
Transplants	8	9	(11.11%)	9	(1)	(11.11%)
Total ER Visits	9,091	7,849	15.82%	9,020	71	0.79%
ED to Admission	9.94%	-	-	7.68%	2.26%	-
ED to Observation	12.00%	-	-	13.06%	(1.06%)	-
ED to Adm/Obs	21.94%	-	-	20.74%	1.20%	-
Quick Cares	15,800	11,924	32.50%	12,547	3,253	25.92%
Primary Care	5,841	4,616	26.54%	5,529	312	5.64%
Deliveries	113	108	4.63%	118	(5)	(4.24%)

TRENDING STATS

	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	Jun- 19	Var
APDs	16,775	18,675	20,917	18,473	18,810	19,440	20,466	20,361	18,711	20,666	19,556	20,454	20,212	15,534	4,678
Total Admissions	1,807	1,917	1,904	1,751	1,803	1,832	1,821	1,827	1,608	1,791	1,850	1,927	1,827	1,961	(134)
Observation Cases	1,168	1,201	1,004	1,173	1,091	1,123	1,070	1,097	1,007	1,234	904	937	978	1,420	(442)
AADC	559	602	675	616	607	648	660	657	668	667	652	660	674	510	164
ALOS (Adm)	5.98	6.49	6.70	6.72	6.65	6.25	7.69	7.47	8.15	7.33	7.17	6.25	7.08	5.32	1.76
ALOS (Obs)	1.35	1.42	1.51	1.35	1.52	1.43	1.46	1.42	1.42	1.51	1.29	1.02	1.06	1.69	(0.63)
Hospital CMI	1.97	1.91	1.87	2.02	1.93	1.92	2.03	2.07	2.03	1.97	1.87	1.89	1.84	1.85	(0.01)
Medicare CMI	2.00	1.94	2.04	2.05	1.95	2.16	1.79	2.20	2.07	2.01	2.08	1.99	1.81	2.07	(0.25)
IP Surgery Cases	825	891	761	725	831	828	723	754	738	913	777	844	788	792	(4)
OP Surgery Cases	502	500	546	587	516	472	469	171	468	621	448	495	523	554	(31)
Transplants	9	9	12	13	12	11	9	12	10	15	13	14	8	5	3
Total ER Visits	9,020	9,920	9,624	9,002	9,007	8,793	9,226	8,706	7,936	9,764	9,432	9,898	9,091	9,336	(245)
ED to Admission	7.68%	8.00%	8.59%	7.81%	7.36%	7.68%	7.09%	7.37%	8.43%	7.88%	10.61%	10.03%	9.94%	10.46%	(0.52%)
ED to Observation	13.06%	12.64%	10.71%	11.28%	11.66%	12.29%	11.44%	12.86%	12.55%	13.61%	10.28%	10.65%	12.00%	15.20%	(3.20%)
ED to Adm/Obs	20.74%	20.65%	19.31%	19.08%	19.02%	19.97%	18.52%	20.24%	20.98%	21.49%	20.90%	20.68%	21.94%	25.66%	(3.72%)
Quick Care	12,547	14,202	17,472	15,543	15,210	15,073	17,802	19,473	12,345	16,330	16,025	17,060	15,800	13,548	2,252
Primary Care	5,529	5,464	5,253	5,240	5,220	5,294	5,093	4,831	5,454	6,935	5,888	5,795	5,841	5,060	781
Deliveries	118	129	131	114	123	123	117	104	99	104	108	94	113	145	(32)

Payor Mix Trend

IP- Payor Mix 12 Mo Jun- 22

Fin Class	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Commercial	19.41%	17.66%	19.53%	18.71%	19.24%	17.70%	17.31%	16.34%	16.83%	16.34%	18.01%	17.55%	17.37%	17.89%	(0.52%)
Government	3.76%	4.57%	4.58%	4.62%	3.97%	3.95%	4.13%	3.29%	4.19%	4.37%	4.37%	5.30%	3.81%	4.26%	(0.45%)
Medicaid	40.58%	42.25%	42.57%	41.97%	40.98%	40.79%	42.19%	42.56%	44.01%	41.96%	43.39%	43.95%	45.57%	42.27%	3.30%
Medicare	29.89%	29.07%	27.81%	28.77%	29.07%	31.37%	29.91%	31.75%	29.46%	31.40%	30.06%	28.65%	28.56%	29.77%	(1.21%)
Self Pay	6.36%	6.45%	5.51%	5.93%	6.74%	6.19%	6.46%	6.06%	5.51%	5.93%	4.17%	4.55%	4.69%	5.82%	(1.13%)

ED- Payor Mix 12 Mo Jun- 22

Fin Class	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Commercial	19.50%	18.42%	18.01%	19.03%	19.92%	20.57%	19.69%	19.47%	19.39%	19.15%	17.69%	17.47%	17.86%	19.03%	(1.17%)
Government	4.16%	3.44%	4.15%	4.61%	3.82%	4.21%	3.74%	3.81%	4.95%	4.09%	3.93%	4.09%	4.41%	4.08%	0.33%
Medicaid	48.96%	50.11%	51.80%	51.81%	50.22%	49.16%	50.65%	48.98%	47.45%	49.49%	53.23%	53.94%	52.92%	50.48%	2.44%
Medicare	13.33%	13.44%	12.80%	12.27%	13.25%	12.45%	12.74%	14.35%	15.67%	14.49%	13.33%	12.88%	13.07%	13.42%	(0.35%)
Self Pay	14.05%	14.59%	13.24%	12.28%	12.79%	13.61%	13.18%	13.39%	12.54%	12.78%	11.82%	11.62%	11.74%	12.99%	(1.25%)

Payor Mix Trend

Surg IP- Payor Mix 12 Mo Jun- 22

Surg IP	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Commercial	20.31%	20.52%	21.96%	21.79%	24.85%	24.04%	21.96%	19.55%	18.24%	19.41%	23.81%	20.73%	18.53%	21.43%	(2.90%)
Government	4.84%	6.39%	6.01%	6.34%	6.48%	7.00%	6.91%	4.76%	5.95%	6.51%	4.38%	8.41%	5.20%	6.17%	(0.97%)
Medicaid	36.64%	39.13%	41.05%	38.08%	36.25%	33.45%	34.67%	40.42%	40.41%	36.98%	34.74%	34.24%	40.36%	37.17%	3.19%
Medicare	34.10%	30.38%	27.19%	29.79%	27.97%	30.56%	32.18%	29.72%	29.32%	32.54%	32.82%	31.04%	31.09%	30.63%	0.46%
Self Pay	4.11%	3.58%	3.79%	4.00%	4.45%	4.95%	4.28%	5.55%	6.08%	4.56%	4.25%	5.58%	4.82%	4.60%	0.22%

Surg OP- Payor Mix 12 Mo Jun- 22

Surg OP	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Commercial	28.23%	34.13%	33.51%	30.49%	31.91%	32.63%	32.84%	26.74%	29.51%	30.50%	33.26%	31.52%	32.89%	31.27%	1.62%
Government	4.37%	4.19%	6.52%	4.60%	6.58%	4.87%	5.12%	8.72%	5.94%	6.42%	6.03%	6.87%	8.80%	5.85%	2.95%
Medicaid	40.36%	38.92%	35.69%	41.23%	37.52%	34.95%	36.88%	41.28%	42.04%	39.97%	37.72%	37.57%	34.98%	38.68%	(3.70%)
Medicare	22.47%	20.16%	21.74%	19.93%	19.73%	23.52%	20.90%	16.28%	19.75%	20.70%	20.98%	21.62%	21.99%	20.65%	1.34%
Self Pay	4.57%	2.60%	2.54%	3.75%	4.26%	4.03%	4.26%	6.98%	2.76%	2.41%	2.01%	2.42%	1.34%	3.55%	(2.21%)

Payor Mix Trend

QC- Payor Mix 12 Mo Jun- 22

QC	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Commercial	38.84%	42.15%	41.94%	41.93%	43.64%	42.82%	45.36%	48.56%	42.43%	44.98%	44.52%	46.60%	46.34%	43.65%	2.69%
Government	4.55%	4.12%	3.41%	3.44%	4.17%	3.89%	3.12%	3.48%	4.23%	4.46%	3.78%	3.83%	4.39%	3.87%	0.52%
Medicaid	20.45%	21.98%	25.04%	26.32%	27.56%	27.28%	24.49%	21.81%	25.24%	27.58%	30.99%	27.62%	25.49%	25.53%	(0.04%)
Medicare	13.05%	13.32%	12.18%	13.59%	14.00%	14.70%	15.25%	13.69%	17.70%	16.97%	15.89%	16.68%	18.34%	14.75%	3.59%
Self Pay	23.11%	18.43%	17.43%	14.72%	10.63%	11.31%	11.78%	12.46%	10.40%	6.01%	4.82%	5.27%	5.44%	12.20%	(6.76%)

PC- Payor Mix 12 Mo Jun- 22

PC	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Commercial	32.88%	35.38%	34.37%	34.39%	33.52%	33.82%	35.02%	36.34%	35.57%	35.72%	37.69%	36.81%	37.75%	35.13%	2.62%
Government	0.26%	0.26%	0.28%	0.30%	0.23%	0.34%	0.15%	0.39%	0.22%	0.34%	0.35%	0.45%	0.38%	0.30%	0.08%
Medicaid	15.21%	14.95%	15.23%	13.96%	14.92%	14.88%	14.91%	13.89%	14.28%	14.91%	16.48%	17.55%	16.72%	15.10%	1.62%
Medicare	50.72%	48.66%	49.30%	50.63%	50.38%	50.07%	48.98%	48.34%	49.24%	48.31%	44.74%	44.46%	44.30%	48.65%	(4.35%)
Self Pay	0.93%	0.75%	0.81%	0.72%	0.95%	0.89%	0.94%	1.04%	0.69%	0.72%	0.74%	0.73%	0.85%	0.83%	0.02%

Payor Mix Trend

QC- Payor Mix FY22 YTD

QC	CENTENNIAL QC	NELLIS QC	PECCOLE QC	SPRING VALLEY QC	SUMMERLIN QC	SUNSET QC	BLUE DIAMOND QC	ENTERPRISE QC	RANCHO QC	EXPRESS CARE @LAS
Commercial	59.14%	30.96%	51.61%	44.15%	39.83%	51.49%	65.16%	23.30%	42.21%	23.84%
Governmental	3.61%	1.33%	1.72%	1.22%	1.77%	1.86%	1.22%	21.11%	1.59%	1.75%
Medicaid	17.82%	48.96%	17.67%	30.81%	30.65%	25.60%	17.90%	42.47%	32.33%	3.96%
Medicare	14.81%	12.40%	22.89%	16.78%	21.68%	15.44%	10.97%	8.42%	18.32%	5.95%
Self-pay	4.61%	6.36%	6.12%	7.05%	6.07%	5.62%	4.75%	4.71%	5.55%	64.50%

PC- Payor Mix FY22 YTD

PC	CENTENNIAL PC	NELLIS PC	PECCOLE PC	SPRING VALLEY PC	SUMMERLIN PC	SUNSET PC	PC WELLNESS	S HIGHLANDS PC
Commercial	39.44%	27.91%	43.60%	31.86%	28.33%	39.03%	47.21%	53.89%
Governmental	0.28%	0.37%	0.28%	0.17%	0.41%	0.39%	0.00%	0.39%
Medicaid	11.78%	27.89%	15.35%	16.05%	14.94%	13.72%	31.60%	13.07%
Medicare	48.08%	42.38%	39.89%	51.40%	55.87%	45.95%	21.19%	32.41%
Self-pay	0.42%	1.44%	0.87%	0.52%	0.46%	0.91%	0.00%	0.24%

SUMMARY INCOME STATEMENT - JUN

REVENUE	Actual	Budget	Variance	% Variance	
Total Gross Patient Revenue	$338,422,728	$315,555,225	$22,867,503	7.25%	↑
Net Patient Revenue	$63,125,301	$53,830,360	$9,294,941	17.27%	↑
Other Revenue	$2,804,611	$4,821,219	($2,016,609)	(41.83%)	↓
Total Operating Revenue	**$65,929,912**	**$58,651,579**	**$7,278,332**	**12.41%**	↑
Net Patient Revenue as a % of Gross	18.65%	17.06%	1.59%	-	

EXPENSE	Actual	Budget	Variance	% Variance	
Total Operating Expense	**$65,536,865**	**$62,359,094**	**($3,177,770)**	**(5.10%)**	↓

INCOME FROM OPS	Actual	Budget	Variance	% Variance	
Total Inc from Ops	**$393,047**	**($3,707,515)**	**$4,100,562**	**110.60%**	↑
Add back: Depr & Amort.	$2,218,597	$2,182,384	($36,213)	(1.66%)	↓
Tot Inc from Ops plus Depr & Amort.	**$2,611,644**	**($1,525,131)**	**$4,136,775**	**271.24%**	↑
Operating Margin (w/Depr & Amort.)	**3.96%**	**(2.60%)**	**6.56%**	-	

SUMMARY INCOME STATEMENT – YTD JUN

REVENUE	Actual	Budget	Variance	% Variance	
Total Gross Patient Revenue	$4,105,471,381	$3,695,930,470	$409,540,911	11.08%	↑
Net Patient Revenue	$779,920,310	$645,237,494	$134,682,816	20.87%	↑
Other Revenue	$35,669,548	$52,778,769	($17,109,221)	(32.42%)	↓
Total Operating Revenue	**$815,589,858**	**$698,016,263**	**$117,573,595**	**16.84%**	↑
Net Patient Revenue as a % of Gross	19.00%	17.46%	1.54%	-	

EXPENSE	Actual	Budget	Variance	% Variance	
Total Operating Expense	**$818,619,980**	**$744,457,073**	**($74,162,906)**	**(9.96%)**	↓

INCOME FROM OPS	Actual	Budget	Variance	% Variance	
Total Inc from Ops	**($3,030,121)**	**($46,440,810)**	**$43,410,689**	**93.48%**	↑
Add back: Depr & Amort.	$26,754,350	$26,621,418	($132,932)	(0.50%)	↓
Tot Inc from Ops plus Depr & Amort.	**$23,724,228**	**($19,819,393)**	**$43,543,621**	**219.70%**	↑
Operating Margin (w/Depr & Amort.)	**2.91%**	**(2.84%)**	**5.75%**	**-**	

SUMMARY INCOME STATEMENT – TREND

REVENUE	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Total Gross Patient Revenue	$307,804	$341,236	$355,502	$331,676	$341,588	$352,326	$341,043	$338,582	$313,977	$368,803	$337,185	$345,132	$338,423	$339,571	($1,148)
Net Patient Revenue	$75,174	$63,274	$65,878	$64,192	$64,019	$64,795	$67,093	$68,035	$64,571	$64,547	$64,298	$66,093	$63,125	$65,997	($2,872)
Other Revenue	$5,665	$2,672	$3,327	$2,612	$1,557	$3,229	$2,573	$3,468	$4,742	$4,836	$2,527	$1,321	$2,805	$3,211	($406)
Total Operating Revenue	**$80,839**	**$65,946**	**$69,205**	**$66,804**	**$65,576**	**$68,024**	**$69,666**	**$71,503**	**$69,313**	**$69,384**	**$66,826**	**$67,414**	**$65,930**	**$69,208**	**($3,278)**
Net Patient Revenue as a % of Gross	24.42%	18.54%	18.53%	19.35%	18.74%	18.39%	19.67%	20.09%	20.57%	17.50%	19.07%	19.15%	18.65%	19.50%	-0.85%

EXPENSE	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Salaries, Wages and Benefits	$36,373	$39,982	$39,519	$40,223	$41,365	$40,360	$41,105	$45,054	$43,368	$39,398	$40,875	$39,809	$38,441	$40,619	($2,179)
Supplies	$8,950	$13,170	$12,985	$12,164	$10,783	$11,162	$11,479	$10,880	$14,728	$14,622	$11,243	$11,844	$9,479	$12,001	($2,522)
Other	$21,736	$14,386	$14,535	$14,685	$13,776	$15,439	$15,617	$14,791	$15,197	$16,469	$15,816	$16,251	$17,617	$15,725	$1,892
Total Operating Expense	**$67,059**	**$67,538**	**$67,039**	**$67,072**	**$65,925**	**$66,961**	**$68,201**	**$70,725**	**$73,294**	**$70,490**	**$67,934**	**$67,905**	**$65,537**	**$68,345**	**($2,808)**

INCOME FROM OPS	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Total Inc from Ops	**$13,780**	**($1,591)**	**$2,165**	**($269)**	**($349)**	**$1,063**	**$1,464**	**$778**	**($3,980)**	**($1,106)**	**($1,108)**	**($491)**	**$393**	**$863**	**($470)**
Add back: Depr & Amort.	$2,088	$2,077	$2,100	$2,094	$2,186	$2,158	$2,157	$2,119	$2,141	$2,714	$2,545	$2,245	$2,219	$2,219	($0)
Tot Inc from Ops plus Depr & Amort.	**$15,868**	**$486**	**$4,265**	**$1,825**	**$1,836**	**$3,221**	**$3,621**	**$2,897**	**($1,840)**	**$1,608**	**$1,437**	**$1,754**	**$2,612**	**$3,082**	**($470)**
Operating Margin (w/Depr & Amort.)	**19.63%**	**0.74%**	**6.16%**	**2.73%**	**2.80%**	**4.74%**	**5.20%**	**4.05%**	**(2.65%)**	**2.32%**	**2.15%**	**2.60%**	**3.96%**	**4.45%**	**(0.49%)**

SALARY & BENEFIT EXPENSE - JUN

	Actual	Budget	Variance	% Variance	
Salaries	$23,561,780	$22,986,319	($575,460)	(2.50%)	↓
Benefits	$11,123,512	$11,201,117	$77,605	0.69%	↑
Overtime	$1,183,496	$770,410	($413,086)	(53.62%)	↓
Contract Labor	$2,571,716	$801,890	($1,769,826)	(220.71%)	↓
TOTAL	**$38,440,504**	**$35,759,736**	**($2,680,768)**	**(7.50%)**	↓
Paid FTEs	**3,506**	**3,413**	**(93)**	**(2.73%)**	↓
SWB per FTE	**$10,964**	**$10,478**	**($486)**	**(4.64%)**	↓
SWB/APD	**$1,902**	**$2,267**	**$365**	**16.11%**	↑
SWB % of Net	**60.90%**	**63.23%**	**-**	**2.33%**	↑

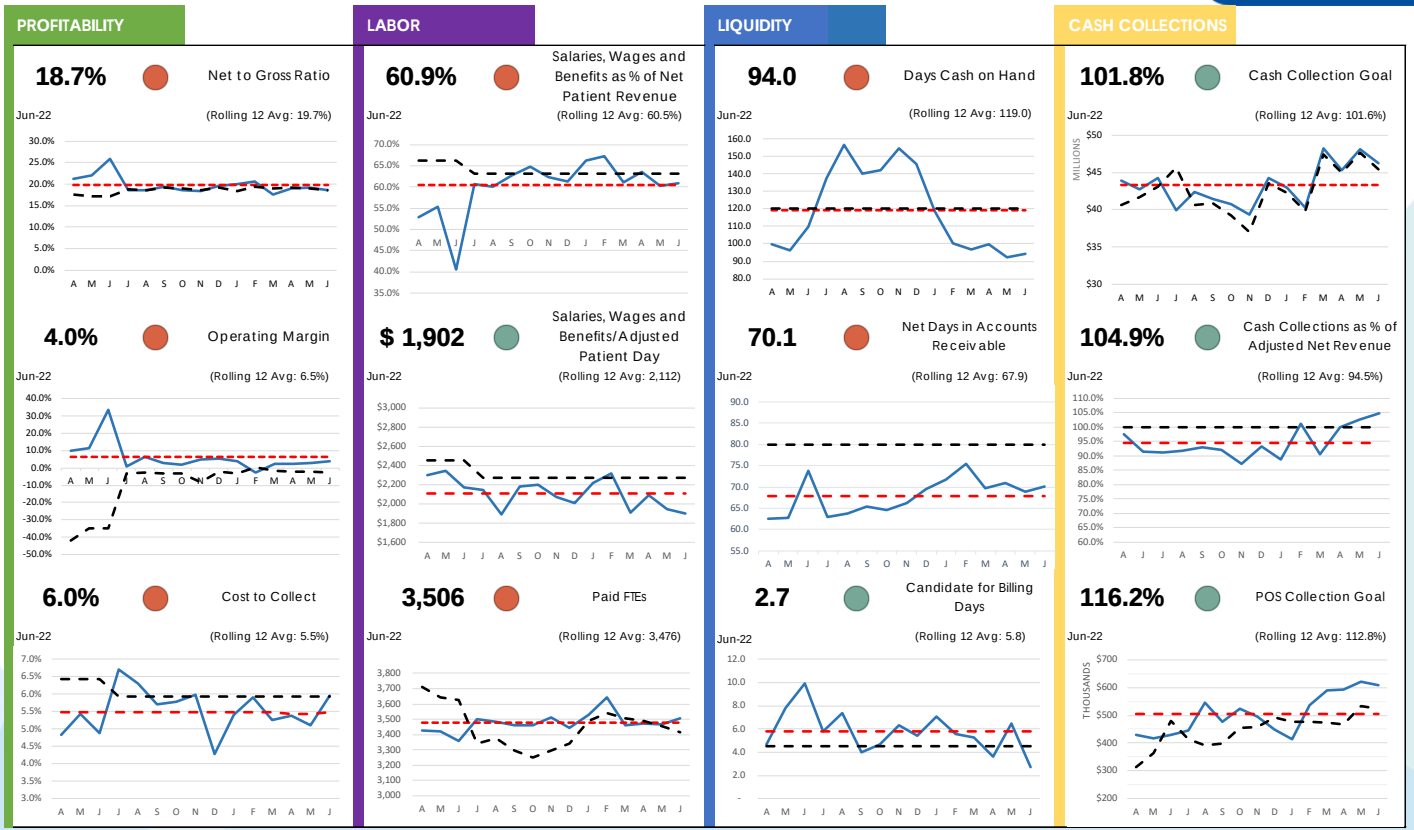
SALARY & BENEFIT EXPENSE - TREND

SALARY & BENEFIT EXPENSE	Jun- 21	Jul- 21	Aug- 21	Sep- 21	Oct- 21	Nov- 21	Dec- 21	Jan- 22	Feb- 22	Mar- 22	Apr- 22	May- 22	Jun- 22	12-Mo Avg	Jun to Avg Var
Salaries	$22,515	$24,189	$23,908	$25,073	$26,664	$24,907	$25,590	$27,177	$27,808	$24,801	$25,957	$25,994	$23,562	$25,382	$1,820
Benefits	$10,571	$11,569	$11,438	$11,138	$11,139	$10,877	$10,965	$12,329	$10,720	$11,433	$11,568	$11,274	$11,124	$11,252	$128
Overtime	$1,313	$2,238	$2,323	$1,719	$1,871	$2,002	$1,747	$2,592	$1,881	$836	$1,405	$1,216	$1,183	$1,762	$578
Contract Labor	$1,974	$1,986	$1,849	$2,294	$1,692	$2,575	$2,804	$2,957	$2,959	$2,328	$1,944	$1,325	$2,572	$2,224	($348)
TOTAL	$36,373	$39,982	$39,519	$40,223	$41,365	$40,360	$41,105	$45,054	$43,368	$39,398	$40,875	$39,809	$38,441	$40,619	$2,179
Paid FTE	3,360	3,507	3,476	3,470	3,469	3,504	3,360	3,503	3,628	3,473	3,478	3,459	3,506	3,474	(32)
SWB per FTE	$10,824	$11,399	$11,369	$11,590	$11,925	$11,517	$12,235	$12,863	$11,953	$11,343	$11,753	$11,507	$10,964	$11,690	$726
SWB/APD	2,168	2,141	1,889	2,177	2,199	2,076	2,008	2,213	2,318	1,906	2,090	1,946	1,902	2,094	193
SWB % of Net	**44.99%**	**63.19%**	**59.99%**	**62.66%**	**64.61%**	**62.29%**	**61.27%**	**66.22%**	**67.16%**	**61.04%**	**63.57%**	**60.23%**	**60.90%**	**61.44%**	**0.54%**
OT % of Productive	**4.63%**	**7.45%**	**7.42%**	**5.93%**	**6.14%**	**6.70%**	**5.92%**	**7.34%**	**5.73%**	**4.03%**	**4.41%**	**4.10%**	**4.21%**	**5.82%**	**1.61%**

EXPENSES - JUN

	Actual	Budget	Variance	% Variance	
Professional Fees	$3,461,835	$3,693,723	$231,888	6.28%	↑
Supplies	$9,479,317	$11,994,870	$2,515,552	20.97%	↑
Purchased Services	$8,038,614	$5,585,909	($2,452,705)	(43.91%)	↓
Depreciation & Amortization	$2,218,597	$2,182,384	($36,213)	(1.66%)	↓
Repairs & Maintenance	$1,205,375	$649,048	($556,328)	(85.71%)	↓
Utilities	$483,055	$439,686	($43,368)	(9.86%)	↓
Other Expenses	$1,482,464	$1,296,145	($186,320)	(14.37%)	↓
Rental/Leases	$727,103	$757,594	$30,491	4.02%	↑
Total Other Expenses	**$27,096,361**	**$26,599,358**	**($497,003)**	**(1.87%)**	↓

KEY FINANCIAL INDICATORS - JUN



CAPITAL PLAN – FY22

Total FY22 Capital Funds: $31M

Category	Growth or Maint.	Item/ Group	Project Cost
Service Line Enhancement	Growth	OR / Endo Expansion	$2,305,000
		Items <$500k each	$2,073,324
	Process Improvements	Items <$500k each	$1,572,754
		Heart OR Suite Refresh	$1,300,074
		Ion Robot	$545,000
	Maintenance	Items <$500k each	$1,336,720
		Pharmacy IV Room Remodel	$770,222
Service Line Enhancement Total			**$9,903,093**
End of Life Equipment	Growth	Pathology Histology Automation	$622,581
		Items <$500k each	$171,780
	Process Improvements	Items <$500k each	$0
	Maintenance	Items <$500k each	$5,371,494
		CPH Infrastructure Replace	$3,250,000
		Enduser Devices	$2,400,000
		Surgical Lights	$1,850,000
		Autoclave & Boiler System	$1,200,000
		Anesthesia Machines	$842,394
		Data Backup System	$500,000
End of Life Equipment Total			**$16,208,249**
Master Plan	Growth	Loading Dock Expansion Project	$781,658
		Items <$500k each	$573,610
	Process Improvements	Items <$500k each	$32,479
	Maintenance	First Floor Refresh - Additional Funding	$1,200,000
		Peccole QC and PC Refresh	$1,055,243
		6th Floor Power Re-Feed	$893,613
		2231 Entrance Re-Model	$605,575
		Items <$500k each	$589,847
Master Plan Total			**$5,732,025**
Grand Total			**$31,843,367**

CASH COLLECTION TREND

Month	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Jul	$31,488,487	$28,180,378	$37,280,270	$39,035,677	$33,660,361	$39,917,787
Aug	$32,265,093	$34,131,878	$34,440,784	$42,285,468	$38,216,259	$42,403,824
Sep	$31,281,197	$33,063,170	$30,670,091	$39,390,800	$43,414,725	$41,395,143
Oct	$29,617,304	$34,542,043	$40,843,163	$41,366,590	$42,374,584	$40,560,965
Nov	$30,440,930	$33,630,657	$33,837,518	$33,530,134	$36,555,603	$39,178,699
Dec	$30,674,843	$26,463,190	$30,343,767	$37,558,000	$36,655,428	$44,027,348
Jan	$33,389,297	$29,650,142	$35,979,263	$33,273,608	$37,341,739	$42,738,845
Feb	$30,441,431	$32,672,079	$29,722,855	$37,850,099	$45,426,742	$40,334,335
Mar	$34,418,620	$35,040,743	$37,371,097	$40,326,801	$43,433,483	$48,235,188
Apr	$28,845,415	$33,842,182	$40,589,098	$38,731,522	$43,921,298	$45,262,849
May	$33,001,108	$39,209,293	$38,775,774	$28,774,494	$42,759,496	$48,082,404
Jun	$38,111,351	$37,107,211	$32,025,930	$31,774,299	$44,277,914	$46,234,983
Monthly Average	**$31,997,923**	**$33,127,747**	**$35,156,634**	**$36,991,458**	**$40,669,803**	**$43,197,698**
YOY Var		$1,129,824	$2,028,887	$1,834,824	$3,678,345	$2,527,895
YOY Var %		3.5%	6.1%	5.2%	9.9%	6.2%
Total	**$383,975,076**	**$397,532,966**	**$421,879,610**	**$443,897,492**	**$488,037,632**	**$518,372,370**

FY22 CASH FLOW

	June 2022	May 2022	April 2022	YTD of FY2022
Operating Activities				
Cash received from patients and payors	98,272,641	48,516,462	44,403,827	806,324,825
Cash paid to vendors	(31,988,130)	(28,796,329)	(17,261,374)	(374,804,083)
Cash paid to employees	(34,256,488)	(34,869,043)	(33,868,720)	(437,393,717)
Other operating receipts/(disbursements)	2,788,944	2,496,049	2,093,298	36,438,142
Net cash provided by/(used in) operations	34,816,968	(12,652,861)	(4,632,970)	30,565,167
Investing Activities				
Purchase of property and equipment, net	(1,402,073)	(641,394)	(1,220,532)	(13,947,892)
Interest received	6	260,426	186,732	499,472
Addition/(reduction) in donor-restricted cash	-	-	-	-
Addition/(reduction) in internally designated cash	(1,107,361)	(2,139,299)	(1,273,646)	28,183,686
Net cash provided by/(used in) investing activities	(2,509,428)	(2,520,267)	(2,307,446)	14,735,266
Financing Activities				
From/(to) Clark County	-	-	-	-
Unrestricted donations and other				
Borrowing/(repayment) of debt	-	-	-	(6,170,000)
Interest paid	(3,060)	-	(4,044)	(503,724)
Other	32,000	-	11,970,194	12,052,194
Net cash provided by/(used in) financing activities	28,940	-	11,966,150	5,378,470
Increase/(decrease) in cash	32,336,480	(15,173,129)	5,025,734	50,678,903
Cash beginning of period	52,943,309	68,116,437	63,090,703	34,600,886
Cash end of period	85,279,789	52,943,309	68,116,437	85,279,789
Unrestricted cash	85,279,789	52,943,309	68,116,437	85,279,789
Cash restricted by donor	4,696,798	4,946,242	4,945,745	4,696,798
Internally designated cash	151,494,494	150,387,133	148,247,835	151,494,494

FY22 BALANCE SHEET HIGHLIGHTS

	June 2022	May 2022	April 2022
CASH			
Unrestricted	$ 85.3	$ 52.9	$ 68.1
Restricted by donor	4.7	5.0	5.0
Internally designated	151.5	150.4	148.3
	$ 241.5	$ 208.3	$ 221.3
NET WORKING CAPITAL	$ 195.5	$ 195.5	$ 196.6
NET PP&E	$ 197.3	$ 197.4	$ 198.8
LONG-TERM DEBT	$ 6.6	$ 6.6	$ 6.6
NET PENSION LIABILITY	$ 510.3	$ 510.3	$ 510.3
NET POSITION	$ (306.4)	$ (305.8)	$ (304.5)

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue: **CFO Update**	**Back-up:**
Petitioner: Jennifer Wakem, Chief Financial Officer	
Recommendation: **That the Audit and Finance Committee receive an update report from the Chief Financial Officer; and direct staff accordingly.** ***(For possible action)***	

FISCAL IMPACT:

None

BACKGROUND:

The Chief Financial Officer will provide an update on any financial matters of interest to the Board.

Cleared for Agenda
July 20, 2022

Agenda Item #

5

Agreements with a P&L Impact												
Item #	Bid/RFP# or CBE	Vendor on GPO?	Contract Name	New Contract/ Amendment/Exercise Option/Change Order	Are Terms/Conditions the Same?	This Contract Term	Out Clause	Contract Value	Capital/Maintenance and Support	Savings/Cost Increase	Requesting Department	Description/Comments
6	NRS 450.530 NRS 450.525	Yes	Carl Zeiss Meditec USA	New Contract	N/A	3 Year service plan	Purchaser may cancel in whole or in part without liability if products have not been shipped as of cancellation date	$583,213.32	$468,646.92	None	OR (Specialty Services)	This is an HPG purchase of a KINEVO 900 Neuro Microscope System for UMC's Neuro service line enhancement project. The KINEVO 900 is a robotic visualization system that is surgeon-controlled and provides digital hybrid visualization with 4K integration.
7	NRS 450.530 NRS 450.525	Yes	Network Services Company	New Contract	N/A	1 Year	30 days w/o cause	$2,000,000	N/A	None	EVS	This Standardization Incentive Program – Group Acknowledgement Form ("SIP") is to purchase Covered Products from NSC distributors like Waxie Sanitary Supplies and others. UMC commits to purchase 90% of its requirements for Covered Products from NSC at the volume of $2,000,000 during any 12-month period.
8	NRS 450.525	Yes	McKesson Corporation	New Contract	N/A	5 years	Purchases are as needed. UMCSN may cancel at any time with or without written notice	$5,000,000	N/A	None	Pharmacy	This request is to enter into a new agreement for purchases with McKesson Corporation for non-specialty 340B and WAC (wholesale acquisition cost) drugs that can be shipped directly to UMC contract pharmacies. There is no minimum purchase commitment and purchases will be on an as-needed basis by UMC.
9	NRS 332.115.4	No	McKesson Plasma & Biologics	New Contract	N/A	5 years	Budget Act and Fiscal Fund Out	$10,000,000	N/A	None	Pharmacy	This request is to enter into a new Supply Agreement with McKesson Plasma and Biologics, LLC for specialty pharmacy products: intravenous immune globulin, albumin factor, hyper immune and hemostasis products, primarily medications used in organ transplant surgeries, among other things. Products are priced pursuant to a set pricing schedule for the agreement term of five (5) years.
10	NRS 450525 & NRS 450.530	Yes	Werfen USA, LLC	New Contract	N/A	5 Years	Budget Act and Fiscal Fund Out	Est: $635,237.66	N/A	None	Pathology	This Proposal provides new Hematology analyzers, software training, warranty, and exclusive use of consumable products supplied by Werfen. The HPG pricing in the Proposal is held firm through 2025. Funding estimated at $635,237.66 includes a 3% increase in consumable pricing per year.
11	NRS 332.115(1)(c)	No	Honeywell International	New Contract	N/A	1 Year	Budget Act and Fiscal Fund Out	Est $4,062,469.40	$4,062,469.40	None	Plant Operations	This Quote provides hardware and services to replace End of Life Fire Alarm Panels for the UMC main campus as the replacement parts are no longer available. Additionally, the Quote cost includes the Synchronization of the Round Building/South Tower fire Strobe alarms as required by LVFR. The total estimated cost is $4,062,469.40 to include contingency.
12	NRS 332.115(1)(b)	No	Kinetic Energy, Inc.	Amendment	Yes	1 Year	90 days w/o cause	Base Agreement $1,399,363.50 Aggregate Amendments $1,135,273.91 Cumulative Total $2,534,637.41	N/A	Increase $201,883	Plant Operations	This Amendment Two requests to execute the final option year of the Agreement and add $201,883 in in funds in addition to the $468,000 authorized for the last option year on Amendment 2. The total estimated cost for this year is $669,883.00.
13	NRS 450.525 & NRS 450.530	Yes	Norman S. Wright	New Contract	N/A	1 Year	Budget Act and Fiscal Fund Out	Est $3,187,300	$3,187,300	None	Plant Operations	This agreement provides for the purchase, delivery, and installation of chiller, cooling towers, separators, frequency drives, buffer tanks, blower coils, and exhaust fans as the old ones are over 25 years old and at end of life. This HPG purchase is estimated at $3,187,300.
14	Formal Bid Pursuant to NRS 338.1385	No	Martin Harris Construction	Change Order	Yes	Until project completion	Termination for Convenience	Base Agreement $1,822,040 Change Order #001 $770,222 Cumulative Total $2,592,262	$770,222.00	Cost Increase $770,222	Pharmacy	Due to COVID lockdowns and restrictions the project did not begin according to the original timeline. Since December of 2020, the cost of building materials has increased significantly due to a variety of factors including, but not limited to: supply chain disruptions, inflation, and increased energy costs. The COVID related delays and increase in cost of materials necessitates this Change Order #001 to increase the budget of the project.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Purchase Agreement for KINEVO 900 Neuro Microscope System and Service Plan with Carl Zeiss Meditec USA, Inc.**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Agreement with Carl Zeiss Meditec USA, Inc. for the purchase of a KINEVO 900 Neuro Microscope System and Service Plan; authorize the Chief Executive Officer to execute future extensions/renewals of the Service Plan; or take action as deemed appropriate. ***(For possible action)***

FISCAL IMPACT:

Fund Number: 5420.000 & 5430.011	Fund Name: UMC Operating Fund & Clark County Capital Equipment Transfer
Fund Center: 3000702100 & 3000999901	Funded Pgm/Grant: N/A
Description: KINEVO 900 Neuro Microscope System and Service Plan	
Bid/RFP/CBE: NRS 450.525 & NRS 450.530 – GPO	
Term: Service plan 6/8/2022-6/7/2025	
Amount: $583,213.32	
Out Clause: In accordance with HPG's Order Cancellation/Return Goods Policy (may cancel in whole or in part without liability if products have not been shipped as of cancellation date)	

BACKGROUND:

This request is to purchase a KINEVO 900 Neuro Microscope System for UMC's Neuro service line enhancement project. The KINEVO 900 is a robotic visualization system that is surgeon-controlled and provides digital hybrid visualization with 4K integration. UMC will also purchase a three-year service plan. The cost of the purchase is $468,646.92 for the equipment and $114,566.40 for the service plan for an aggregate total of $583,213.32.

HealthTrust Purchasing Group (HPG) is the purchasing agent for the Group Purchasing Organization (GPO) of which UMC is a member. This purchase is in compliance with NRS 450.525 and NRS 450.530 and UMC's GPO contract with HPG. Attached is a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

Cleared for Agenda
July 20, 2022

Agenda Item #
6

UMC's Director of Peri-Operative Services has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Carl Zeiss Meditec USA, Inc. Dublin CA 94568

University Medical Center of Southern Nevada

1800 W Charleston Blvd
Las Vegas NV 89102-2329
US

Carl Zeiss Meditec USA, Inc.
5300 Central Parkway
Dublin CA 94568

Your commercial contact:

Name: Thomas Franklin
Telephone:
Fax:
Email: thomas@swsurgicalonline.com

Name:
Telephone:
Fax:
Email:

Date: 06/08/2022

Quotation

Quotation Number: 00165778
Customer Number: 0000646534

Comment

HPG contract HPG-16936 T & C apply. Quote valid for 30 days.

- **Payment Terms: Net 30**
- **Freight Terms: FOB Destination**
- **Warranty Terms: 1 Year**

UH - HPG Pricebook

Item	Product ID / Product Description	Quantity	Item Price (USD)	Total Price (USD)
00235528	000000-2216-914	1		
	KINEVO 900			
	Consisting of the following items:			
	01SYSCOM	1	438,356.86	438,356.86
	KINEVO 900 Comfort package contains: - KINEVO 900 System - Surgeon-Controlled Robotics (PointLock, PositionMemory) - QEVO Starter Package (2nd monitor and 1 handpiece			

included) - Fully integrated video chain (camera, recording and storage) - USB 3.0 memory devices (stick & HDD) - IOF Preparation - SMARTDRAPE starter pack - HD MultiVision - Navigation ready - Foldable tube with 2 eyepieces - Coobservation left/right with tiltable tube and eyepieces - Coobservation face-to-face with foldable tube and eyepieces - Shared network package - ZEISS Smart Services Preparation			
90EYEP12	1	0.00	0.00
Widefield push-in eyepieces 12,5x			
404K2DPA	1	24,995.48	24,995.48
4K video camera Fully integrated 3-chip 4K camera, 2160p Includes HD-SDI cable (10m), DVI-D cable (5m), 4K Quad-SDI cable (10m) and 4K HDMI video cable (5m).			
50WLANPA	1	0.00	0.00
Wireless Network Package Enables WLAN and WiFi Hot Spot functionality for wireless shared network data exchange and Wifi connection to mobile devices. Allows for network access to data via web browser.			
10HFCMSW	1	3,994.58	3,994.58
HFC Mouth Switch Enables movement of the system with the mouth to reduce workflow interruption. Includes mouth piece and adapter kit.			

Sub Total	$467,346.92 USD
Freight:	$1,300.00 USD
Tax (tax may differ at time of invoice)	0.00 USD
Total	**$468,646.92 USD**

Please be advised that the products, technical data/technology and services included in this quotation, order confirmation or contract may be subject to European Union, U.S., or other export control regulations. **This document will only be effective if not prohibited by sales ban (embargo) and/or if necessary licenses are granted.** An export license or other government authorization may be required to complete this transaction. Your assistance may be required to complete export licensing requirements. Neither party will be responsible for performance or liable for damages if this transaction is determined to be restricted by regulation and/or denied a license or permission by applicable export controls authorities.

Signature of Authorized Customer	Print Name	Title	Date

Select Payment Type

☐	Purchase Order	Purchase Order Number:
☐	Payment in full	Deposit Amount:
☐	Check	Check Number:
☐	Credit Card	Credit Card Number: Expiration Date:

Please provide your credit card billing address if it is different from above billing site address:

Name:
Address:
City, Sate, Zip:

☐ Lease

Make Checks Payable to:
Carl Zeiss Meditec USA, Inc
5300 Central Parkway
Dublin, CA 94568-2585
925-557-4100

Please remit checks to:
CZ Meditec (USA)
PO Box 102585
Pasadena, CA 91189

ACH:
Bank Name: J.P. Morgan Chase Bank N.A
Account Name: Carl Zeiss Meditec USA, Inc.
Account ABA #: 02100021
Account Swift Code #: CHASUS33XXX
Account #: 662568879

F.E.I.N 85-2194142
D.U.N.S. 11-796-7987

Carl Zeiss Meditec USA, Inc. Dublin CA 94568

University Medical Center of Southern Nevada

1800 W Charleston Blvd
Las Vegas NV 89102-2329
US

Carl Zeiss Meditec USA, Inc.
5300 Central Parkway
Dublin CA 94568

Your commercial contact:

Name: Thomas Franklin
Telephone:
Fax:
Email: thomas@swsurgicalonline.com

Name:
Telephone:
Fax:
Email:

Date: 06/08/2022

Quotation

Quotation Number: 00167552
Customer Number: 0000646534

Comment

HPG contract HPG-16936 T & C apply. Quoted price reflects a 10% discount on OPTIME Complete service contract at the point of sale. Quote valid for 30 days.

• Payment Terms: Net 30

UH - HPG Pricebook

Item	Product ID / Product Description	Quantity	Item Price (USD)	Total Price (USD)
00239212	000000-2225-575	3		114,566.40
	OPTIME complete KINEVO - 3 YEAR			

Sub Total	$114,566.40 USD
Freight:	$0.00 USD
Tax (tax may differ at time of invoice)	0.00 USD
Total	**$114,566.40 USD**

Please be advised that the products, technical data/technology and services included in this quotation, order confirmation or contract may be subject to European Union, U.S., or other export control regulations. **This document will only be effective if not prohibited by sales ban (embargo) and/or if necessary licenses are granted.** An export license or other government authorization may be required to complete this transaction. Your assistance may be required to complete export licensing requirements. Neither party will be responsible for performance or liable for damages if this transaction is determined to be restricted by regulation and/or denied a license or permission by applicable export controls authorities.

Signature of Authorized Customer	Print Name	Title	Date

Select Payment Type

☐	Purchase Order	Purchase Order Number:
☐	Payment in full	Deposit Amount:
☐	Check	Check Number:
☐	Credit Card	Credit Card Number: Expiration Date:

Please provide your credit card billing address if it is different from above billing site address:

Name:
Address:
City, Sate, Zip:

☐ Lease

Make Checks Payable to:
Carl Zeiss Meditec USA, Inc
5300 Central Parkway
Dublin, CA 94568-2585
925-557-4100

Please remit checks to:
CZ Meditec (USA)
PO Box 102585
Pasadena, CA 91189

ACH:
Bank Name: J.P. Morgan Chase Bank N.A
Account Name: Carl Zeiss Meditec USA, Inc.
Account ABA #: 02100021
Account Swift Code #: CHASUS33XXX
Account #: 662568879

F.E.I.N 85-2194142
D.U.N.S. 11-796-7987

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Standardization Incentive Program – Group Acknowledgement Form with Network Services Company**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Standardization Incentive Program – Group Acknowledgement Form with Network Services Company for janitorial/sanitation supplies; authorize the Chief Executive Officer to exercise any extension/renewal options; or take action as deemed appropriate. *(For possible action)*

FISCAL IMPACT:

Fund Number: 5420.000	Fund Name: UMC Operating Fund
Fund Center: 3000846000	Funded Pgm/Grant: N/A
Description: Cleaning Supplies	
Bid/RFP/CBE: NRS 450.525 & NRS 450.530 – GPO	
Term: Up to 5 years	
Amount: estimated spend of $2,000,000 in 12-month period	
Out Clause: 30 days without cause	

BACKGROUND:

This request is to enter into a new Standardization Incentive Program – Group Acknowledgement Form ("SIP") with Network Services Company to purchase janitorial/sanitation supplies ("Covered Products") from its vast network of distributors. UMC commits to purchase 90% of its requirements for Covered Products from NSC and its network of distributors at the volume of $2,000,000 during any 12-month period. Should UMC not meet this commitment, NSC may terminate UMC's participation in the SIP. The HPG Agreement which governs the SIP will expire on September 30, 2023, and Staff requests authority for the CEO to execute renewals or extensions of the SIP if the HPG agreement is extended and if deemed beneficial to UMC.

HealthTrust Purchasing Group (HPG) is the purchasing agent for the Group Purchasing Organization (GPO) of which UMC is a member. This agreement is in compliance with NRS 450.525 and NRS 450.530 and UMC's GPO contract with HPG. Attached is a sworn statement from an HPG executive verifying that the pricing for these services was obtained through a competitive bid process.

Cleared for Agenda
July 20, 2022

Agenda Item #
7

UMC's Director of Environmental Services has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Standardization Incentive Program – Group Acknowledgement Form

HealthTrust Purchasing Group, L.P.
Purchasing Agreement
Agreement No.: HPG-923
Vendor: Network Services Company

The Group that signs this Acknowledgement commits to purchase from Network Services Company ("**Vendor**") those "**Covered Products**" listed in the box below, available under that Purchasing Agreement between HealthTrust Purchasing Group, L.P. ("**HealthTrust**") and Vendor, dated June 1, 2015, as may be amended (HPG-923, the "**Agreement**"), according to the terms in this Acknowledgement. Group understands that its eligibility to participate in Vendor's Standardization Incentive Program ("**SIP**") is contingent upon signing this Acknowledgement form and that any standardization programs in place between Vendor and Group for the Covered Products is superseded by the SIP.

"Group" is defined as at least two healthcare provider locations/facilities owned or controlled by a Participant. The healthcare provider locations/facilities in the Group are listed in the schedule attached to this Acknowledgement. Any healthcare provider location/facility listed in the attached schedule is excluded from participation in Vendor's SIP if such location/facility is participating with Vendor under an S2 agreement on Covered Products.

Contract Category	Cost Plus % Markup
Towels, Tissues & Wipers	8%
Cleaning Chemicals	10%
Trash Can Liners	7%
Skin Care including Hand Soap, Sanitizers, Lotions, etc.	8%
Janitorial Tools and Supplies	9%
Laundry and Warewash	HPG negotiated price
Foodservice disposables	9%
Non-Contracted Products	Locally Negotiated
Mark-Up Schedule Applies to Contracted Items Only	

Group, in the aggregate, commits to purchase from Vendor at least ninety percent (90%) of its requirements for Covered Products ("Commitment"). Group's anticipated spend volume of Covered Products and Non-contracted Products under the Agreement during any consecutive twelve (12) month period is two million dollars ($2,000,000). In consideration of Group's Commitment, Vendor agrees to discount the mark-up rate for such Covered Products provided for in the Agreement in accordance with the table set forth above.

Covered Products:
Janitorial/Sanitation Supplies

In the event Group, in the aggregate, fails to meet its Commitment, Vendor's sole remedy shall be termination of Group's participation in the SIP by providing sixty days prior written notice to Group, in which time Group shall have an opportunity to cure. If such notice is given and Group fails to timely cure, Vendor shall have the right to terminate this Acknowledgement and no Rebates provided for under the SIP shall be paid going forward.

Group may terminate its participation in Vendor's SIP and this Acknowledgement at any time upon providing thirty days prior written notice to Vendor. HealthTrust may terminate Group's participation in Vendor's SIP and this Acknowledgement form at any time upon providing thirty days prior written notice to Vendor and Group. Upon request of HealthTrust, Vendor shall provide HealthTrust a fully executed copy of this Acknowledgement, which shall be delivered to HealthTrust per the notice provisions of the Agreement. Any change to this Acknowledgement shall first be approved in writing by HealthTrust.

GROUP DESIGNEE	VENDOR
_____ (legal name of Group Designee)	_____ (legal name of Vendor)
By:_____ (signature)	By:_____ (signature)
Name: Mason Van Houweling (print name of signor)	Name:_____ (print name of signor)
Title: Chief Executive Officer	Title:_____
Date:_____	Date:_____

GPOID# _____
Group Name(s) University Medical Center of Southern Nevada
Group Address (es) 1800 W. Charleston Blvd., Las Vegas, NV 89102
_____

Please fax signed copy to _____
Attn: _____
Vendor email address: _____
Fax: _____
Phone: _____

Group Key Contact Information

Group Name:	University Medical Center of Southern Nevada
Key Contact for Group:	Portia Ealy
Title:	Director EVS
Phone #:	(702) 765-7930
Email Address:	Portia.Ealy@umcsn.com

List of Healthcare Providers of Group

GPOID	Facility Name	Address	Contact Person	Phone Number
	University Medical Center of Southern Nevada	1800 W. Charleston Blvd. Las Vegas, NV 89102	Portia Ealy	702-765-7930

An Excel Spreadsheet may be attached

July 1st, 2022

Lauretta Kehoe
Contract Specialist
University Medical Center of Southern Nevada
1800 W. Charleston Blvd.
Las Vegas, NV 89102

Re: Request for competitive bidding information regarding Distribution – Environmental Services.

Dear Ms. Kehoe:

This letter is provided in response to the University Medical Center of Southern Nevada's ("UMC") request for information about HealthTrust Purchasing Group, L.P.'s ("HealthTrust") competitive bidding process for Distribution – Environmental Services. We are pleased to provide this information to UMC in your capacity as a Participant of HealthTrust, as defined in and subject to the Participation Agreement between HealthTrust and UMC, effective August 3, 2016.

HealthTrust's bid and award process is described in its Contracting Process Policy [HT.008] available on its public website {http://healthtrustpg.com/about-healthtrust/healthcare-code-of-ethics/). As described in the policy, HealthTrust operates a member-driven contracting process. Advisory Boards are engaged to determine the clinical, technical, operational, conversion, business and other criteria important for each specific bid category. The boards are comprised of representatives from HealthTrust's membership who have appropriate experience, credentials/licensures, and decision-making authority within their respective health systems for the board on which they serve.

HealthTrust's requirements for specific products and services are published on its Contract Schedule on its public website. HealthTrust's requirements for vendors are outlined in its Supplier Criteria Policy [HT.010]. A listing of the minimum Supplier Criteria is also published on HealthTrust's public website, as well as an on-line form for prospective vendor submission.

The Contracting Process Policy includes criteria for the selection of contract products and services and documents and the procedures followed by HealthTrust's contracting team to select vendors for consideration. HealthTrust's Advisory Boards may provide additional requirements or other criteria that would be incorporated into the RFP (request for proposals) process, where appropriate. Vendor proposals submitted in response to RFPs are analyzed using an extensive clinical/technical review as described above, as well as a financial/operational review.

The above-described process was followed with respect to the Distribution – Environmental Services category. HealthTrust issued RFPs and received proposals from identified suppliers in the Distribution – Environmental Services category. A contract was executed with Staples Business and Network Service in October of 2020. I hope this satisfies your request. Please contact me with any additional questions.

Sincerely,

Craig Dabbs
Account Director, Member Services

INSTRUCTIONS FOR COMPLETING THE
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

Purpose of the Form

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

General Instructions

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

Detailed Instructions

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

Business Entity Type – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

Non-Profit Organization (NPO) - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

Business Designation Group – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

Business Name (include d.b.a., if applicable) – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

Corporate/Business Address, Business Telephone, Business Fax, and Email – Enter the street address, telephone and fax numbers, and email of the named business entity.

Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

List of Owners/Officers – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

For All Contracts – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

Signature and Print Name – Requires signature of an authorized representative and the date signed.

Disclosure of Relationship Form – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
☐ Sole Proprietorship	☐Partnership	☐ Limited Liability Company	☒ Corporation	☐ Trust	☐ Non-Profit Organization	☐ Other

Business Designation Group (Please select all that apply) None apply						
☐ MBE	☐ WBE	☐ SBE	☐ PBE	☐ VET	☐DVET	☐ ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business

Number of Clark County Nevada Residents Employed: Zero

Corporate/Business Entity Name:	Network Services Company	
(Include d.b.a., if applicable)	Network Distribution	
Street Address:	1100 E. Woodfield Road, Ste 200	**Website:www.networkdistribution.com**
City, State and Zip Code:	Schaumburg, IL 60173	**POC Name: Mitchell Rosenfield** **Email: mrosenfield@networkdistribution.com**
Telephone No:	224.361.2035	**Fax No:**
Nevada Local Street Address: **(If different from above)**	N/A	**Website:**
City, State and Zip Code:		**Local Fax No:**
Local Telephone No:		**Local POC Name:** **Email:**

All entities, with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
No shareholder owns more than 5%		

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☐ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Daniel Ceko	Daniel Ceko
Signature	Print Name
Corporate Counsel	June 16, 2022
Title	Date

DISCLOSURE OF RELATIONSHIP

List any disclosures below: N/A
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For UMC Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Purchase Agreement with McKesson Corporation**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Purchase Agreement with McKesson Corporation for non-specialty pharmaceuticals; authorize the Chief Executive Officer to exercise any extension/renewal options; or take action as deemed appropriate. ***(For possible action)***

FISCAL IMPACT:

Fund Number: 5420.000 Fund Name: UMC Operating Fund
Fund Center: 3000717200 Funded Pgm/Grant: N/A
Description: Direct purchase agreement
CBE: NRS 450.525 Membership of hospital in purchasing group.
Term: Five (5) years – August 1, 2022 – July 31, 2027
Amount: $5,000,000 ($1,000,000 per year for five years)
Out Clause: Purchases are as needed. UMCSN may cancel at any time with or without written notice

BACKGROUND:

This request is to enter into a new agreement for purchases with McKesson Corporation for non-specialty 340B and WAC (wholesale acquisition cost) drugs that can be shipped directly to UMC contract pharmacies. There is no minimum purchase commitment and purchases will be on an as-needed basis by UMC.

All pharmacy products purchased are pursuant to UMC's HPG contract HPG-40624 terms and conditions. HPG is a Group Purchasing Organization of which UMCSN is a member. This request is in compliance with NRS 450.525 and NRS 450.530; attached is the bid summary sheet and a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

UMC's Director of Pharmacy Services has reviewed and recommends approval of this Agreement.

This Agreement has been approved as to form by UMC's Office of General Counsel.

McKesson Corporation is not required to have a Clark County business license.

Cleared for Agenda
July 20, 2022

Agenda Item #
8

MASTER DISTRIBUTION AGREEMENT

Distributor: **MCKESSON CORPORATION**

Products: **CONTROLLED CHANNEL PRODUCTS**

Effective Date: **SEPTEMBER 1, 2018**

Agreement Number: **HPG-40624**

Template Version: January 18, 2018

The remainder of this document is Confidential and cannot be shared publicly.

McKesson Corporation and its affiliated companies (collectively referred to as "**McKesson**")

CUSTOMER APPLICATION

(Please print in block letters)

CD01-U V.01-11

Type of Business: ☐Acute ☐Primary Care ☐Specialty ☐Home Health ☐Extended ☐Long Term ☐Pharmacy ☐Closed Door ☐Mail Order ☐Supplier ☐Other_____

Legal Company Name | Website Address | Federal Tax ID / EIN

Legal Address (Main Office) | City | State | Zip

Contact Name we may call for questions regarding this application | Title | Phone

Billing / Statement Address (if different than Main Office) | City | State | Zip

Accounts Payable Contact Person | Accounts Payable Telephone | Accounts Payable Fax | Accounts Payable Email

Shipping Information: ☐ If more than 1 Ship-to, please attach multiple Ship-to's Information

DBA or Business Trade Name of Account | **Estimated Monthly Purchases** $ | **Initial Order** $ | Number of Employees

Ship to Address | City | State | Zip

Ship to Contact Person | Ship to Telephone | Ship to Fax | Ship to Email

YEAR established | **YEAR Current Ownership** | **State Org**

Has applicant, applicant's parent or affiliates ever filed for bankruptcy? ☐No ☐Yes, attach explanation

Ownership Type: ☐Proprietorship ☐Partnership ☐Limited Partnership ☐Limited Liability Company ☐Private Corp ☐Public Corp ☐Professional Corp ☐Non-Profit Corp ☐Government

Principal Owner(s) or Stockholder(s) | **% Ownership(s)** | **Social Security Number(s)**

NAME OF CONTROLLING ENTITY (if any) | Applicant's relationship to controlling entity | Phone

Address of Controlling Entity | City | State | Zip

REFERENCES:

Primary Bank/Financial Institution | Account Number | Contact Name | Phone

Primary Supply Provider | Account Number | Contact Name | Phone

Primary Technology Provider | Account Number | Contact Name | Phone

Additional Information Required (If applicable, please attach these documents to this application):

☐ Copy of Resale/Tax Exemption Certificate
☐ Copy of DEA Registration, State Pharmacy License, or Medical License — DEA# | HIN# | Medical License # & State
☐ Copies of 3 most recent and consecutive primary supplier statements
☐ Annual Financial Statements for the past 2 years (including balance sheet, income statement, and cash flow statements)

This section applies to all accounts with MCKESSON CORPORATION and its affiliated companies ("McKesson")

Customer agrees to abide by (I) standard terms of sale provided or made available by McKesson and/or shown on McKesson's invoices or statements and (II) any written agreement or terms of sale with McKesson governing Customer's account. Customer agrees to pay for all purchases, fees and other charges incurred by Customer or an authorized user on any account of Customer, including service charges on past due amounts at the highest rate permitted by law (including purchases shipped and/or billed to a third-party agent on behalf of Customer). Any payment made after the net due date shall result in the loss of any prompt cash payment discount specified on the related invoice or statement and Customer shall pay the gross amount plus any applicable service charges. Without limiting McKesson's other legal rights, McKesson may exercise a right of set-off against amounts due Customer from McKesson Corporation or any of its affiliates. McKesson reserves the right, in its sole discretion, to change a payment term (including imposing cash payment upon delivery), to limit total credit and/or to suspend or discontinue the shipment of any orders to Customer if McKesson concludes that (I) there has been a material adverse change in the Customer's financial condition or payment performance or (II) Customer has ceased or is likely to cease to meet McKesson's credit requirements.

Customer represents that it is entitled to discounted prices from manufacturers as it has notified McKesson ("**Contract Prices**"). In consideration of McKesson allowing Customer to purchase products at Contract Prices, Customer represents that McKesson will be paid by the appropriate manufacturer the difference between McKesson's acquisition price and the Contract Price ("**Chargeback**") and Customer will be liable to McKesson for any unpaid Chargeback if any manufacturer (I) denies a Chargeback for any reason, (II) makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, or if a receiver or trustee is appointed with respect to a substantial part of its property or a proceeding is begun which will substantially impair its ability to pay Chargebacks or (III) fails to pay McKesson Chargebacks for any reason other than McKesson's gross negligence.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating due to race, color, religion, national origin, sex, marital status, age; or because all or part of the Customer's income is from any public assistance program; or the Customer, in good faith, exercises any right under the Consumer Credit Protection Act. The Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580 administers compliance with this law. Customer represents and warrants that Customer has read and understands this form and has reviewed the information provided in its entirety, including responses completed for Customer by a McKesson representative, and that all information is complete and correct. Customer agrees that McKesson will be relying on such information and will notify McKesson of any material changes to such information.

Customer agrees to provide McKesson with financial statements upon request. Customer authorizes McKesson, its employees, representatives, and agents to (I) investigate information provided and Customer's credit, financial and banking records, (II) obtain Customer's credit bureau report and (III) share with its affiliates experiential and transactional information regarding Customer and Customer's account. McKesson is authorized to retain information obtained as part of the application process whether or not the requested account and/or credit is granted. Customer agrees to pay all reasonable attorney fees and expenses or cost incurred by McKesson in enforcing its rights to collect amounts due from Customer. This form and any account opened in favor of Customer are subject to credit approval by McKesson.

By signing below, the undersigned authorized McKesson to order a consumer report related to the business principal(s) to determine credit eligibility.

Authorized Signature | Print Name | Title | Date

(This form must be signed by a Corporate Officer, Partner, Owner or Authorized Agent)

INSTRUCTIONS FOR COMPLETING THE
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

Purpose of the Form

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Business Designation Group – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

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- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

Business Name (include d.b.a., if applicable) – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

Corporate/Business Address, Business Telephone, Business Fax, and Email – Enter the street address, telephone and fax numbers, and email of the named business entity.

Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

List of Owners/Officers – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

For All Contracts – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

Signature and Print Name – Requires signature of an authorized representative and the date signed.

Disclosure of Relationship Form – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
☐ Sole Proprietorship	☐Partnership	☐ Limited Liability Company	☒ Corporation	☐ Trust	☐ Non-Profit Organization	☐ Other

Business Designation Group (Please select all that apply) N/A						
☐ MBE	☐ WBE	☐ SBE	☐ PBE	☐ VET	☐DVET	☐ ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business

Number of Clark County Nevada Residents Employed: 0

Corporate/Business Entity Name:	McKesson Corporation	
(Include d.b.a., if applicable)	McKesson Plasma and Biologics LLC	
Street Address:	401 Mason Road, Suite 100	**Website:** www.mckesson.com
City, State and Zip Code:	La Vergne, TN 37086	**POC Name:** Thomas McNinch **Email:** mpb@mckesson.com
Telephone No:	(877) 625-2566	**Fax No:** (888) 752-7626
Nevada Local Street Address: **(If different from above)**		**Website:**
City, State and Zip Code:		**Local Fax No:**
Local Telephone No:		**Local POC Name:** **Email:**

All entities, with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
McKesson Corporation	NA	100%

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☒ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature

Mike Alexander
Print Name

Sr. Director, Inside Sales
Title

6/28/2022
Date

DISCLOSURE OF RELATIONSHIP

List any disclosures below:
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A			

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For UMC Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Supply Agreement with McKesson Plasma and Biologics, LLC**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Supply Agreement with McKesson Plasma and Biologics, LLC; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. ***(For possible action)***

FISCAL IMPACT:

Fund Number: 5420.000
Fund Name: UMC Operating Fund
Fund Center: 3000717200
Funded Pgm/Grant: N/A
Description: Supply Agreement
CBE: NRS 332.115.4 – the purchase of goods commonly used by a hospital
Term: Five (5) years from the last date of signature
Amount: $10,000,000 (estimated $2,000,000 per year for five years)
Out Clause: Budget Act and Fiscal Fund Out

BACKGROUND:

This request is to enter into a new Supply Agreement with McKesson Plasma and Biologics, LLC for specialty pharmacy products: intravenous immune globulin, albumin factor, hyper immune and hemostasis products, primarily medications used in organ transplant surgeries, among other things. Products are priced pursuant to a set pricing schedule for the agreement term of five (5) years. UMC estimates its spend annually under the agreement at $2,000,000 per year, however there is no minimum purchase commitment and orders are as needed.

UMC's Director of Pharmacy Services has reviewed and recommends approval of this Agreement.

This Agreement has been approved as to form by UMC's Office of General Counsel.

McKesson Plasma and Biologics, LLC is not required to have a Clark County business license.

Cleared for Agenda
July 20, 2022

Agenda Item #
9

MCKESSON PLASMA AND BIOLOGICS LLC
SUPPLY AGREEMENT

This Supply Agreement, together with Exhibits attached hereto (the "Agreement") documents the agreement between McKesson Plasma and Biologics LLC ("MPB") and University Medical Center of Southern Nevada, a publicly owned and operated hospital created by virtue of Chapter 450 of the Nevada Revised Statutes, ("Customer") on behalf of itself and its Facilities (as defined below). The Agreement is effective as of the date both MPB and Customer execute the Agreement (the "Effective Date").

1. Products
Customer and Facilities agree to purchase from MPB subcutaneous and intravenous immune globulin, albumin factor, hyperimmune, and hemostasis products (collectively, "Plasma Products") and all other pharmaceutical products that a wholesale pharmaceutical distributor for plasma or specialty products may distribute to its customers (collectively, "Specialty Products," and, together with "Plasma Products," "Products") for use at its Facilities. This Agreement shall not cover physician offices or clinics, medical groups or specialty clinics, unless otherwise set forth herein or agreed to by MPB, in its sole discretion. For clarity, Products shipped to a contract pharmacy or any Facility in its capacity as a contract pharmacy are purchases of the 340B covered entity and not the contract pharmacy.

2. Facilities
"Facilities" means any and all existing and future facilities with respect to which Customer exercises control over the selection of a wholesale pharmaceutical distributor for Products. A list of Facilities as of the Effective Date is attached hereto as the Facilities List Exhibit. The addition of Facilities during the term of this Agreement is subject to prior written approval by MPB and such Facility's execution and delivery of any requested documentation. The Facilities List Exhibit may be updated from time to time by MPB, upon notice to Customer, to reflect any additional Facilities so approved. At all times, MPB's books and records shall control with respect to the identification of Facilities participating under this Agreement.

3. Term and Termination
(a) This Agreement shall be in effect for a five (5) year term, commencing on the Effective Date. Customer purchases will not exceed $10,000,000 during the Term of this Agreement.

Each twelve-month period commencing on the Effective Date and each anniversary thereof shall constitute a "Contract Year."

(b) MPB or Customer may terminate this Agreement, on [redacted] written notice to the other party, upon default by such other party (which may include, in the case of the Customer, a default by one or more Facilities). Failure by Customer or such a Facility to make any payment when due in accordance with the terms of this Agreement shall constitute a default by Customer or such a Facility. Any other material breach of this Agreement shall constitute a default if not cured within sixty (60) days after written notice of such breach is given by the non-breaching party. MPB or Customer may also terminate this Agreement, on ten (10) days' written notice, if the other party (which may include, in the case of Customer, one or more Facilities) (i) files a petition in bankruptcy; makes an assignment for the benefit of creditors; has its financial condition deteriorate such as to endanger completion of its performance under this Agreement; or has an involuntary petition in bankruptcy or petition for an arrangement pursuant to any bankruptcy laws filed against it which is not dismissed within ninety (90) days; or has a receiver appointed for its business, or (ii) is excluded or becomes ineligible from participation in a "federal health care program" as defined in 42 U.S.C. § 1320a-7b(f) or in any other government payment program or is convicted of a criminal offense related to health care.

4. Pricing

(a) Plasma Products. Plasma Products, including Plasma Products that are Contract Products or Drop Shipped, will be priced [redacted] Plasma Cost of Goods").

(b) Specialty Products. Specialty Products, including Specialty Products that are Drop Shipped, will be billed in accordance with the terms and conditions established by MPB (including applicable markup) for such Products. However, Specialty Products that are Contract Products will be priced at [redacted] whether or not Drop Shipped.

(c) 340B and Apexus. Plasma Product and Specialty Product purchases eligible for 340B or Apexus pricing will be priced at [redacted]

(d) Consignment Products. Consignment products are priced according to a separate consignment agreement entered into between Customer and MPB, if applicable.

(e) MPB will pay one (1) administrative fee per designated account. If MPB is required to pay a higher or lower administrative fee to Customer's or a Facility's buying group for any reason, MPB may re-price the Plasma Cost of Goods to take into account the change in administrative fee.

(f) Plasma Cost of Goods is subject to adjustment and repricing as provided for in this Agreement, including without limitation provisions relating to payment and minimum purchase commitments (as set forth in Section 5(b)).

5. Payment Terms
(a) Payment terms as of the Effective Date ("Base Payment Terms") are as follows:
1) Invoices are due and payable within twenty-eight (28) days from invoice date via Electronic Funds Transfer ("EFT") or Automated Clearing House ("ACH").
(b) Any change to payment terms is subject to the review and approval of McKesson's Financial Services Department.

6. Ordering.
(a) MPB will process orders received by 6:30 PM (Central Time) the same business day. Any order received by MPB after 6:30 PM (Central Time) will be processed during the next business day.

(b) Customer or Facilities may place orders through the internet-based ordering system McKesson Connect, or any subsequent replacement therefor. McKesson Connect is offered to Customer and Facilities at no additional charge. It is subject to a separate license agreement between the parties governing its use and maintenance.
(c) Customer may also place an order with MPB by telephone or facsimile by calling 877-MCK-BLOOD or 877-625-2566.

7. Deliveries
(a) MPB's third party common carrier or contracted courier will make up to one (1) delivery per day, Monday through Friday (excluding holidays), from MPB's servicing distribution center; provided that albumin shall be shipped for delivery via ground transportation. No Products will be delivered on Saturdays, Sundays or holidays, except upon special arrangements with MPB and subject to delivery fees. All deliveries of Products will be F.O.B. destination, except in the states of Hawaii and Alaska in which delivery fees may apply.
(b) Drop Shipped Products. For Products shipped by the vendor directly to a Facility ("Drop Shipped Products"), Customer is liable for all shipping and handling charges invoiced to MPB by such vendor.
(c) Emergency Deliveries. MPB will provide three (3) remote emergency deliveries ("REDs") of Rx Product per account number per calendar year at no additional charge. Any additional REDs for an account number will be subject to the following additional charges:

Delivery Type	Additional Charge per Delivery
Same day	[redacted]
Friday orders for Saturday	[redacted]
Saturday orders for Sunday	[redacted]
Holiday	[redacted]

9. Notice
All notices will reference this Agreement, be in writing and will be deemed sufficient three (3) days after sending by United States mail certified with postage prepaid, return receipt requested, the next business day if sent by national overnight courier with delivery charges prepaid, or when delivered in person or by facsimile to the party to which it is given, at the address of such party set forth below:

If to MPB:		If to Customer or a Facility:
McKesson Plasma and Biologics LLC 6555 N State Hwy 161 Building A, 3rd Floor Irving, TX 75039 Attn: Contract Development	**With a copy to**: McKesson Plasma and Biologics LLC 2 National Data Plaza NE Atlanta, GA 30329 Attention: MPB Legal Counsel	University Medical Center of Southern Nevada 1800 W. Charleston Blvd. Las Vegas, NV 89102 Attention: Contracts Management

10. Entire Agreement
This Agreement, constitutes the entire agreement between the parties with regard to the subject matter hereof and supersedes all prior agreements, understandings and representations, with the exception of any promissory note, security agreement, or other credit or financially related document(s) executed by Customer or a Facility or between Customer or a Facility and MPB (and whether executed before or after the Effective Date).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date and year written below and the persons signing warrant that they are duly authorized to sign for and on behalf of the respective parties.

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA	**MCKESSON PLASMA AND BIOLOGICS LLC**
Signature:	Signature:
Printed Name: **Mason Van Houweling**	Printed Name:
Title: **CEO**	Title:
Date:	Date:

Standard Terms and Conditions Exhibit

1. **"Cost" / "Net"**. Except in the case of Contract Products, as discussed below, "Cost" shall mean the manufacturer's published wholesale acquisition cost (exclusive of cash discounts) at the time of order confirmation. For purchases of Products with respect to which Customer or Customer's buying group has entered into a vendor contract with a manufacturer ("Contract Products") loaded with MPB, "Cost" shall mean the "bid price" of the product as set forth in the vendor contract. "Net" shall mean net of all returns, prior period rebates, allowances and credits and adjustments issued.
2. **Payments**. For purposes of this Agreement, "due and payable" means that Customer shall make any payments due hereunder on such earlier date as shall be required to provide MPB with good funds in hand on the designated due date specified for the Base Payment Terms in the Payment Terms section, or the due date for the then applicable payment terms. If any due date falls on a weekend day, payment is due and payable on the preceding business day. If any due date falls on a holiday, payment is due and payable on the following business day. If Customer does not use ACH or EFT, the adjustment in the Plasma Cost of Goods will be increased by ten basis points (0.10%) for all Facilities. To the extent it is permitted by law, any payments made after the due date indicated herein shall result in a two percent (2%) (or the maximum amount permissible under applicable law, if lower) increase in the purchase price of the Products. A one percent (1%) service charge (or the maximum amount permissible under applicable law, if lower) will be imposed semi-monthly on all balances delinquent more than fifteen (15) days. Customer agrees to render payment in full to MPB on the applicable due date without (i) making any deductions or other accounts payable adjustments to such payment obligation; or (ii) seeking to condition such remittance on any demand for or receipt of proofs of delivery. At MPB's request, Customer shall provide financial statements and any other supporting information required by MPB. MPB reserves the right, in its reasonable discretion, (i) to adjust pricing to the term that most closely matches Customer's demonstrated payment history, and (ii) to change a payment term (including requiring a same day payment or cash on delivery via EFT or ACH) or limit total credit, if (A) MPB concludes there has been a material adverse change in Customer's financial condition or an unsatisfactory payment performance; or (B) Customer ceases to meet MPB's credit requirements or MPB determines that Customer is likely to cease meeting such requirements. Upon the occurrence of any event specified in subclauses (A) or (B) above, MPB further shall be entitled to suspend or discontinue shipment of any additional orders to Customer. MPB may additionally exercise the above rights with respect to one or more Facilities. MPB has the sole and absolute discretion to allow payment by a Facility.
3. **Late Payment and Rebates**. Notwithstanding anything to the contrary in this Agreement or any other agreement, in the event that any amount is not paid when due, MPB shall have no obligation to pay any rebate until such amount, together with any interest and late fees, is paid.
4. **Collection Costs**. To the extent it is permitted by law, MPB shall be entitled to reasonable attorneys fees and expenses incurred by MPB in enforcing its right of collection.
5. **Taxes**. If any federal, state, or local tax currently or in the future is levied on MPB in a jurisdiction where MPB, Customer or any Facility does business and such tax relates or applies to the Products, transactions or business activity covered by this Agreement (excluding taxes imposed on MPB's net income), MPB reserves the right to either (i) adjust net cost of goods or (ii) separately invoice the applicable tax liability to MPB associated with Customer's or a Facility's (as applicable)purchases in such jurisdiction.
6. **Returned Goods**. Subject to applicable law, MPB will process returned goods for items purchased from MPB in accordance with MPB's Returned Goods Policy (which is attached hereto as an exhibit and which is subject to change as set forth therein).
7. **Chargebacks**. With respect to Contract Products, (a) MPB agrees to service all manufacturers' contracts negotiated by Customer or Customer's buying group, provided such manufacturers are approved suppliers of MPB that have satisfied its indemnification, insurance and other corporate requirements, and (b) Customer agrees that if any manufacturer fails to pay MPB the difference between MPB's wholesale cost and the bid price set forth in the vendor contract between the manufacturer and Customer or Customer's buying group (a "Chargeback") for any reason, Customer shall be invoiced for and will become liable to MPB in the amount of such Chargeback. The manufacturers' records shall control Customer's class of trade designations. All claims for credits for any contract pricing errors must be submitted within 180 days of the original invoice date, together with the invoice number.
8. **Ordering System and Equipment**. Any ordering system and equipment made available to Customer or a Facility (collectively, "Ordering Equipment") shall remain the property of MPB at all times, and Customer agrees to use the Ordering Equipment for the sole purpose of ordering Products from MPB and otherwise managing its account with MPB. Customer shall keep the Ordering Equipment in good working condition and will promptly advise MPB of any loss, theft or damage. The Ordering Equipment may be subject to additional fees and documentation requirements. Customer will return the Ordering Equipment to MPB upon request.
9. **Covered Goods and Distribution**. Notwithstanding anything to the contrary herein, (i) MPB reserves the right at all times to determine the products it will stock and sell in its pharmaceutical distribution centers, and the manner in which it will comply with all applicable law or industry guidelines, (ii) MPB is not required to sell pursuant to this Agreement any products sold by a subsidiary, division or other business operations of MPB (other than MPB's pharmaceutical distribution centers) or any Affiliate (as defined below) of MPB, and (iii) MPB is not liable with respect to any supply shortages or allocations or other distribution restrictions established by a governmental authority or the manufacturer. An "Affiliate" is defined as any entity controlling, controlled by or under common control with MPB.
10. **Controlled Substances and Other Regulations**. In the event that performance of the terms of this Agreement would cause MPB to be noncompliant with or in jeopardy of being noncompliant with any federal, state or local law, rule, regulation or ordinance or any governmental requirement, guideline or pronouncement involving either controlled pharmaceutical drugs ("Controlled Substances") or any other regulated products or activities, including but not limited to the Drug Enforcement Administration's regulatory requirements for verifying its customers and reporting suspicious or excessive orders, MPB may, within its sole and absolute discretion, do any of the following: (a) Limit or deny any order for Controlled Substances or other regulated products as warranted by any established diversion monitoring program of MPB and (b) Immediately terminate this Agreement, in whole or in part, without liability if: (i) Continued performance of any part of this Agreement would violate any federal, state or local law, rule or regulation, or put MPB in jeopardy of violating any federal, state or local law, rule or regulation regarding either Controlled Substances or any other regulated products or activities; or (ii) MPB receives a complaint, notice, warning letter or other communication from a governmental agency alleging noncompliance with any laws, rules or regulations in relation to MPB's distribution of the Products (including without limitation Controlled Substances) under this Agreement or to Customer's or a Facility's actions or omissions with respect to either Controlled Substances or any other regulated products or activities.
11. **Confidentiality**. Except with the prior written consent of the other party (to be granted in such other party's sole discretion), neither party may divulge, disclose, communicate, or use any Confidential Information, in any manner or for any purpose, including, without limitation, use in advertising or for promotional materials, provided that each party may disclose the terms of this Agreement to its officers, directors, employees, attorneys and accountants with a reasonable need to know such information. "Confidential Information" means 1) non-public information, including technical, marketing, financial, personnel, planning, and other information that is marked confidential or which the receiving party should reasonably know to be confidential, and 2) the terms of this Agreement. Confidential Information will not include: (a) information lawfully obtained or created by the receiving party independently of the disclosing party's Confidential Information without breach of any obligation of confidence, (b) information that enters the public domain without breach of any obligation of confidence, or (c) information which the party is required to divulge pursuant to process of any judicial or governmental body of competent

jurisdiction, provided that notice of receipt of such process is given to the other. Notwithstanding the foregoing, MPB may provide purchase data to data aggregators, suppliers and designated buying groups. This provision will survive termination or expiration of this Agreement. MPB acknowledges that Customer is a public county-owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, as may be amended from time to time, and as such its records are public documents available to copying and inspection by the public. If Customer receives a demand for the disclosure of any information related to this Agreement which MPB has claimed to be confidential and proprietary, Customer will immediately notify MPB of such demand in writing and MPB shall in turn immediately notify Customer of its intention to seek injunctive relief in a Nevada court for protective order. Notwithstanding anything else herein, MPB and Customer agree that this Agreement constitutes confidential, proprietary information and shall not be disclosed unless the disclosure is made for the purpose of a civil, administrative or criminal investigation or proceeding, and the person receiving the information represents in writing that protections exist under applicable law to preserve the integrity, confidentiality and security of the information.

12. **Limitation of Liability.** EXCEPT WITH RESPECT TO INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, IN NO EVENT SHALL MPB OR CUSTOMER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, INCIDENTAL OR INDIRECT DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT MPB OR CUSTOMER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS PROVISION WILL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, LOST PROFITS ARE DEEMED DIRECT DAMAGES FOR MPB.
13. **External Event**. "External Event" shall mean an event or series of events external to and beyond the control of MPB that has or is likely to have a significant adverse impact on MPB's business or operations, including but not limited to material market fluctuations, governmental laws, the actual or proposed enactment or promulgation of regulations or administrative actions, or a fundamental change in manufacturers' pricing or distribution policies. In response to an External Event, MPB may, at its option, request in writing that the pricing and/or other terms of this Agreement be renegotiated so as to equitably reflect the effect of the External Event (a "Request"). The Request shall identify the External Event and set forth the general nature and scope of the adjustment requested. As soon as practicable after Customer's receipt of a Request, the parties shall meet and begin good faith negotiations. If, at the end of the sixty (60) days following Customer's receipt of a Request, the parties have been unable to agree on satisfactory pricing or other terms, MPB may terminate this Agreement, upon thirty (30) days' prior written notice to Customer. In the event that Customer considers the reason(s) for termination to be inadequate under this provision or refuses to renegotiate the Agreement, or the parties are unable to reach an amicable renegotiation of the Agreement, each party agrees that prior to filing any lawsuit or other legal action against the other party regarding such issue or dispute arising out of or otherwise relating to this External Event provision, the parties shall participate in an expedited, non-binding mediation conducted by JAMS. The mediation shall be conducted in the state in which Customer is located, and, absent a written waiver executed by both parties, shall be completed within sixty (60) days after the mediator is selected. A party shall initiate such mediation by submitting a written Request For Mediation ("Mediation Request") to the other party with a proposal for a single mediator at JAMS to conduct the mediation. Within 10 days thereafter, the parties shall agree upon a single mediator at JAMS to conduct the mediation or, if they are unable to agree, request JAMS to appoint a JAMS mediator. Notwithstanding the foregoing, the parties may agree to a single mediator unaffiliated with JAMS, subject to the other terms of this section. All mediation fees shall be shared equally between the parties.
14. **Fraud and Abuse Laws**. IT IS THE INTENT OF THE PARTIES TO ESTABLISH A BUSINESS RELATIONSHIP WHICH COMPLIES WITH THE ANTI-KICKBACK STATUTE SET FORTH AT 42 U.S.C. §1320a-7b(b) INCLUDING, WHERE A DISCOUNT OR OTHER REDUCTION IN PRICE IS APPLICABLE, THE REQUIREMENTS OF 42 U.S.C. §1320a-7b(b)(3)(A) AND THE "SAFE HARBOR" REGULATIONS REGARDING DISCOUNTS OR OTHER REDUCTIONS IN PRICE SET FORTH AT 42 C.F.R. §1001.952(h). CUSTOMER MAY RECEIVE DISCOUNTS OR OTHER REDUCTIONS IN PRICE IN CONNECTION WITH ITS PURCHASES OF PRODUCTS UNDER THIS AGREEMENT, AND SUCH PURCHASES MAY ALSO QUALIFY CUSTOMER FOR DISCOUNTS OR OTHER REDUCTIONS IN PRICE ON CERTAIN PURCHASES MADE PURSUANT TO A SUPPLY AGREEMENT BETWEEN CUSTOMER AND MCKESSON CORPORATION SUBJECT TO TERMS AND CONDITIONS THEREOF. CUSTOMER WILL (I) FULLY AND ACCURATELY DISCLOSE THE AMOUNT OF ALL SUCH DISCOUNTS AND REBATES PURSUANT TO THIS AGREEMENT, AND PURSUANT TO ANY SUPPLY AGREEMENT BETWEEN CUSTOMER AND MCKESSON CORPORATION, IN COST REPORTS OR CLAIMS FOR REIMBURSEMENT TO FEDERAL HEALTH CARE PROGRAMS (INCLUDING WITHOUT LIMITATION MEDICARE AND MEDICAID), AND OTHER HEALTHCARE AND THIRD PARTY PAYOR PROGRAMS REQUIRING SUCH DISCLOSURE; AND (II) RETAIN RELATED DOCUMENTATION PROVIDED BY MPB AND/OR MCKESSON CORPORATION AND PROVIDE IT TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND STATE AGENCIES UPON REQUEST, IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS, INCLUDING WITHOUT LIMITATION 42 C.F.R. 1001.952(h). IN THE EVENT MPB OR CUSTOMER DETERMINES THAT AN ARRANGEMENT IN THIS AGREEMENT MAY NOT COMPLY WITH SUCH STATUTES OR REGULATIONS, THE PARTIES AGREE TO WORK TOGETHER TO ESTABLISH A DISCOUNT STRUCTURE THAT MEETS THE REQUIREMENTS OF SUCH STATUTES OR REGULATIONS. CUSTOMER WILL ACCURATELY REPORT SUCH PRICING, TOGETHER WITH ANY REDUCTIONS IN PRICE, AS MAY BE REQUIRED IN CONNECTION WITH ANY FEDERAL OR STATE PRICING SURVEY (E.G., NATIONAL AVERAGE DRUG ACQUISITION COST SURVEY).
15. **Joint and Several Liability**. All obligations of Customer and any Customer accounts, regardless of affiliation, will be joint and several. To the fullest extent permitted by law, Customer waives any and all suretyship defenses, which Customer might otherwise have with regard to obligations to pay for Products purchased by any Customer. Without limiting the foregoing, such waiver includes a waiver of the defense that the original obligations were altered in any respect or the remedies or rights of MPB with respect to the original obligations were in any way impaired or suspended.
16. **Assignment. Subcontract**. Customer and Facilities may not assign all or any part of this Agreement without MPB's prior written consent and any attempt to do so without such consent will be null and of no effect. MPB may subcontract any of its obligations under this Agreement. This Agreement will bind and inure to the benefit of each party's permitted successors and assigns.
17. **Governing Law**. This Agreement will be construed in accordance with the laws of the State of Nevada without regard to the rules regarding conflict of laws. .
18. **Force Majeure**. Except for the obligation to pay money, a party will not be liable to another party for any failure or delay in performance caused by fires, shortage of materials or transportation, government acts, acts of terrorism, or any other matters beyond the first party's reasonable control, and such failure or delay will not constitute a breach of this Agreement.
19. **Set-off**. MPB shall be entitled at all times to set off any amount owing at any time from Customer to MPB, or from any Facility to MPB, as applicable, against any amount payable at any time by MPB to Customer and/or its Facilities, as applicable, whether arising under this Agreement or otherwise.
20. **Independent Contractors**. For all purposes, Customer and MPB shall remain independent contractors.
21. **No Conflict**. Customer and Facilities each represents and warrants that its execution, delivery and performance of this Agreement does not and will not conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or require any consent under any contract, agreement or other instrument or arrangement between Customer or such Facility, as applicable and any other party. To the extent it is permitted by law, Customer and Facilities each shall defend, indemnify and hold harmless MPB from an against any and all losses arising out of or resulting from its breach of any representation or warranty in this section.
22. **Compliance with Laws**. MPB, Customer, and Customer's Facilities shall fully comply with all federal, state and local laws and regulations relating to their obligations under this Agreement or otherwise applicable to the purchase, handling,

sale, distribution or dispensing of and the reimbursement for the Products and Customer represents and warrants that (i) Rx Products are being purchased for dispensing or administration to patients pursuant to a legitimate prescription, and (ii) any subsequent resale by Customer or a Facility will be in compliance with applicable law and to a licensed healthcare provider for its dispensing or administration to patients pursuant to a legitimate prescription. To the extent it is permitted by law, Customer and Facilities further shall defend, indemnify and hold MPB harmless from any and all liability arising out of or due to nonadherence with such legal or regulatory requirements or representation and warranty. This provision will survive termination or expiration of this Agreement.

23. **Miscellaneous**. Whenever possible, each provision of this Agreement shall be interpreted so as to be effective and valid under applicable law, but if any provision of this Agreement should be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the other of such provision or the remaining provisions of this Agreement. The failure of any party to enforce at any time any provisions hereof shall not be construed to be a waiver of the right of such party thereafter to enforce such provision. All rights and remedies of the parties hereunder are cumulative and not exclusive. The section headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original instrument, but together shall constitute one agreement. Except as otherwise provided herein, this Agreement may be modified only by a written document executed by Customer and MPB.

24. **Budget Act and Fiscal Fund Out**: In accordance with the Nevada Revised Statutes (NRS 354.626), the financial obligations under this Agreement shall not exceed those monies appropriated and approved by Customer for the then current fiscal year under the Local Government Budget Act. If Customer's governing body fails to appropriate monies for the ensuing fiscal year sufficient for the payment to Distributor of all amounts due under this Agreement, MPB or Customer may terminate this agreement upon written notice to the other party. In the event this Section is invoked, the Agreement will expire on the 30th day of June of the then current fiscal year. Termination under this Section shall not relieve Customer and Facilities of its obligations incurred through the 30th day of June of the fiscal year for which monies were appropriated. Customer and Facilities agree that this Section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to the Agreement.

Facilities List Exhibit

	Facility Name	Facility "Ship-To" Location
1	UNIV MC S NV IP PHS MPB	1800 W CHARLESTON BLVD / LAS VEGAS NV 89102
2	UNIV MED CTR NV MPB	1800 WEST CHARLESTON BLVD / LAS VEGAS NV 89102
3	UNIV MC SNV IP WACA34 MPB	1800 W CHARLESTON BLVD / LAS VEGAS NV 89102

McKesson Plasma and Biologics LLC
Returned Goods Policy Exhibit

Items Eligible for Return

- General
  - MPB accepts Product returns unless prohibited by the manufacturer's policy or this Returned Goods Policy.
  - Manufacturer policies may limit or prohibit Product returns due to unique manufacturing processes, limitations on usage, etc.
- Products Received in Damaged Condition
  - Refrigerated Product that is received in damaged condition must be reported to MPB within two (2) business days of receipt to be eligible for return for credit.
  - Ambient (room temperature) Product that is received in damaged condition must be reported to MPB within five (5) business days of receipt to be eligible for return for credit.
- Products Purchased on Non-Returnable Basis.
  - Product that is purchased on a non-returnable basis is not eligible for return for credit.
  - MPB sells products as non-returnable only when the manufacturer policy does not allow returns.

Return Authorization (RA)

- All Members must obtain a RA number from MPB before returning a Product.
- MPB is not responsible for Products returned without prior authorization and reserves the right to reject the shipment and charge Customer for any incurred costs.
- An RA request must be made within 30 days of Product delivery.
- An RA is valid for 30 days from the date of RA approval.
- No credit will be issued for any Product returned without an RA, nor for any Product not returned within 30 days from receipt of an RA.
- Credit will be issued based on MPB's Return Goods Policy only when Product is received and all return requirements have been meet.

Credit and Product Re-Processing (PRP) Fee

- The amount of credit issued for a returned Product is based on the original purchase price.
- All returns are subject to a PRP fee, except when a Product is delivered in damaged condition or delivered in error.
- The PRP fee is [redacted] of the purchase price, but the minimum PRP fee is [redacted] and the maximum PRP fee is [redacted]

Return Goods Care & Shipping Procedures

- MPB will provide return goods care and shipping procedures when an RA is issued for the Product.

Required for ALL Returned Product

- All returns MUST follow the Return Goods Care and Shipping Procedures provided with the RA, including the required care for refrigerated and ambient Product, as applicable.
- All returns must comply with all applicable laws, rules, regulations, guidelines, policies and procedures.

Changes to Returned Goods Policy

- MPB reserves the right to change the Return Goods Policy on thirty (30) days prior notice, including without limitation implementing modifications required to meet applicable federal and/or state laws, rules and regulations, FDA and other regulatory guidelines, and any additional restrictions applicable to returned Products.

INSTRUCTIONS FOR COMPLETING THE
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

Purpose of the Form

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

General Instructions

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

Detailed Instructions

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

Business Entity Type – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

Non-Profit Organization (NPO) - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

Business Designation Group – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

Business Name (include d.b.a., if applicable) – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

Corporate/Business Address, Business Telephone, Business Fax, and Email – Enter the street address, telephone and fax numbers, and email of the named business entity.

Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

List of Owners/Officers – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

For All Contracts – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

Signature and Print Name – Requires signature of an authorized representative and the date signed.

Disclosure of Relationship Form – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
☐ Sole Proprietorship	☐Partnership	☐ Limited Liability Company	☒ Corporation	☐ Trust	☐ Non-Profit Organization	☐ Other

Business Designation Group (Please select all that apply) N/A						
☐ MBE	☐ WBE	☐ SBE	☐ PBE	☐ VET	☐DVET	☐ ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business

Number of Clark County Nevada Residents Employed: 0

Corporate/Business Entity Name:	McKesson Corporation	
(Include d.b.a., if applicable)	McKesson Plasma and Biologics LLC	
Street Address:	401 Mason Road, Suite 100	**Website:** www.mckesson.com
City, State and Zip Code:	La Vergne, TN 37086	**POC Name:** Thomas McNinch **Email:** mpb@mckesson.com
Telephone No:	(877) 625-2566	**Fax No:** (888) 752-7626
Nevada Local Street Address: **(If different from above)**		**Website:**
City, State and Zip Code:		**Local Fax No:**
Local Telephone No:		**Local POC Name:** **Email:**

All entities, with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
McKesson Corporation	NA	100%

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☒ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature

Mike Alexander
Print Name

Sr. Director, Inside Sales
Title

6/28/2022
Date

DISCLOSURE OF RELATIONSHIP

List any disclosures below:
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A			

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For UMC Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Capital Purchase Proposal for purchase of hematology analyzer, software, warranty, and consumables with Werfen USA, LLC**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Agreement with Werfen USA, LLC for hematology analyzer, software, warranty, and consumables; authorize the Chief Executive Officer to exercise any extension options; or take action as deemed appropriate. ***(For possible action)***

FISCAL IMPACT:

Fund Number: 5420.000/5430.011 Fund Name: UMC Operating Fund/CC Eqpt. Transfer
Fund Center: 3000707000/3000999901 Funded Pgm/Grant: N/A
Description: Purchase of hematology analyzer, software, warranty, and consumables
Bid/RFP/CBE: NRS 450.525 & NRS 450.530 – GPO
Term: 5 Years from execution
Amount: Est. $635,237.66
Out Clause: Budget Act and Fiscal Fund Out
In accordance with HPG's Order Cancellation/Return Goods Policy

BACKGROUND:

This request is for approval of a new Proposal for Hematology analyzers, software, training, warranty and consumable products supplied by Werfen to include a $7,500.00 credit for a DMS/host interface allowance. Prices stated in the Proposal are held firm through 2025. The use of these analyzers and reagents will allow UMC to provide certain critical laboratory testing in-house as opposed to using an outside testing facility which will save UMC's patients time and money. Funding under this Agreement is estimated at $635,237.66 for the term to include up to 3% increase in consumable pricing per year after 2025.

This equipment is being purchased pursuant to HPG contract # HPG-1147. HealthTrust Purchasing Group ("HPG") is a Group Purchasing Organization of which UMCSN is a member. This request is in compliance with NRS 450.525 and NRS 450.530; attached is the bid summary sheet and a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

UMC's Director of Pathology has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Provider currently holds a Clark County business license.

Cleared for Agenda
July 20, 2022

Agenda Item #
10

werfen

Capital Purchase Proposal

From: Dean Weeks
Werfen USA LLC
180 Hartwell Rd
Bedford, MA 01730
Cell phone: 480-789-2969
E-mail: dweeks@werfen.com

Date: May 31, 2022
Quote: 6000164609MM
Expiration date: December 12, 2022
Payment Term: Net 30 days
Term: 60 months

To: UNIVERSITY MEDICAL CENTER

1800 WEST CHARLESTON BOULEVARD
LAS VEGAS, NV 89102
Attn: Deb LaCava
Director

National Account: HPG HEALTHTRUST PURCHASING GROUP

Werfen USA, LLC (Werfen) is pleased to present the attached proposal for your consideration.

Werfen will provide a credit of up to $ 7500.00 as a DMS/host interface allowance. This allowance will be paid in the form of customer credit towards Werfen products. The allowance will be credited to account when the account provides Werfen with a copy of the paid invoice for the DMS/host interface. Interface allowance must be used within six (6) months after installation of analyzers.

Customer agrees to exclusively use consumable products supplied by Werfen to run tests on the instrument(s) included in this proposal. See Product Addendum for all consumables pricing.

Included in the purchase price of each instrument is one training slot. Training will be provided, at customer's discretion, either on-site at customer's location or at the Werfen training center in Bedford MA. Training slots include tuition and a training manual. For training completed at Werfen's training center transportation, reasonable lodging and meals for one attendee are also included. Training will be scheduled based on current space availability. If training is not scheduled prior to instrument shipment, it must be taken within 6 months of receipt of instrument purchase order.

The proposal once accepted by the customer and Werfen is not subject to cancellation. Invoicing will commence within 60 days following hardware installation or at system acceptance whichever comes sooner.

The prices stated herein will be held firm until May 31, 2025. After such time prices may be increased at any time once a year provided that written notice is given at least thirty (30) days prior to the effective date of such increase and any increase shall not exceed 3% per year.

Only the terms and conditions set forth herein and those contained herein shall control the transactions between Werfen and UNIVERSITY MEDICAL CENTER. It is expressly understood and agreed that any terms and conditions put forth by UNIVERSITY MEDICAL CENTER, including, but not limited to the terms and conditions in any purchase order issued to Werfen, shall be without force and effect.

This Proposal may involve a discount, rebate or price reduction in connection with the products sold. Werfen hereby notifies customer of its disclosure obligation, and customer agrees to properly disclose and appropriately reflect the net prices of all products under this agreement in any costs claimed or charges made to Medicare, Medicaid, and any other federal or state health care programs requiring discount disclosure, and as required by 42 U.S.C § 1320a-7b(b)(3)(A).

PUBLIC RECORDS: Werfen acknowledges that UNIVERSITY MEDICAL CENTER is a public county-owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, as may

werfen

Capital Purchase Proposal

From: Dean Weeks
Werfen USA LLC
180 Hartwell Rd
Bedford, MA 01730
Cell phone: 480-789-2969
E-mail: dweeks@werfen.com

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To: UNIVERSITY MEDICAL CENTER
1800 WEST CHARLESTON BOULEVARD
LAS VEGAS, NV 89102
Attn: Deb LaCava
Director

National Account: HPG HEALTHTRUST PURCHASING GROUP

be amended from time to time, and as such its records are public documents available to copying and inspection by the public. If UNIVERSITY MEDICAL CENTER receives a demand for the disclosure of any information related to the Agreement which Werfen has claimed to be confidential and proprietary, UNIVERSITY MEDICAL CENTER will immediately notify Werfen of such demand and Werfen shall immediately notify UNIVERSITY MEDICAL CENTER of its intention to seek injunctive relief in a Nevada court for protective order. Werfen shall indemnify, defend and hold harmless UNIVERSITY MEDICAL CENTER from any claims or actions, including all associated costs and attorney's fees, regarding or related to any demand for the disclosure of Werfen documents in UNIVERSITY MEDICAL CENTER's custody and control in which Werfen claims to be confidential and proprietary.

BUDGET ACT AND FISCAL FUND OUT: In accordance with the Nevada Revised Statutes (NRS 354.626), the financial obligations under the Agreement between the parties shall not exceed those monies appropriated and approved by UNIVERSITY MEDICAL CENTER for the then current fiscal year under the Local Government Budget Act. The Agreement shall terminate and UNIVERSITY MEDICAL CENTER's obligations under it shall be extinguished at the end of any of UNIVERSITY MEDICAL CENTER's fiscal years in which UNIVERSITY MEDICAL CENTER's governing body fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which could then become due under the Agreement. UNIVERSITY MEDICAL CENTER agrees that this Section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to the Agreement. In the event this Section is invoked, the Agreement will expire on the 30th day of June of the then current fiscal year. Termination under this Section shall not relieve UNIVERSITY MEDICAL CENTER of its obligations incurred through the 30th day of June of the fiscal year for which monies were appropriated.

GOVERNING LAW: Nevada law shall govern the interpretation and enforcement of the Agreement. Venue shall be any appropriate State or Federal court in Clark County, Nevada.

To initiate this order, the following documents are required:
* Copy of this Proposal acknowledging your acceptance of the offer
* Purchase Order issued to Werfen USA LLC for instrument(s) referencing Quote Nº 6000164609MM
* Purchase Order issued to Werfen USA LLC for initial supplies or for one year of sequestered materials
* Initialed Instrument and Product Addenda

Capital Purchase Proposal

From: Dean Weeks
Werfen USA LLC
180 Hartwell Rd
Bedford, MA 01730
Cell phone: 480-789-2969
E-mail: dweeks@werfen.com

Date: May 31, 2022
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Term: 60 months

To: UNIVERSITY MEDICAL CENTER

1800 WEST CHARLESTON BOULEVARD
LAS VEGAS, NV 89102
Attn: Deb LaCava
Director

National Account: HPG HEALTHTRUST PURCHASING GROUP

Dean Weeks

Customer Signature and Date

Customer Title

Customer Printed Name

Dean Weeks
Sales Consultant, Hemostasis

Instrument Addendum

UNIVERSITY MEDICAL CENTER
1800 WEST CHARLESTON BOULEVARD
LAS VEGAS, NV 89102
Quote: 6000164609

Instrument(s) delivery terms : 120 days after receipt of order
Instrument(s) shipping terms : FOB destination

	Product		Qty.	Avg. Price	Extended Price
Instruments					
ACL TOP 350 CTS SYSTEM	00000280065	1	$40,000.00	$40,000.00	
HEMOHUB SOFTWARE, SERIALIZED	00011300318	1	$0.00	$0.00	
	Instrument Total		***2***		***$40,000.00***
Accessories					
Printer and Uninterruptible Power Supply	00000015180		1		Included
KIT, 2D BARCODE UPGRADE	00028210500		1		Included
HemosIL INR Validate	00020010500		3		Included
Data Management					
PRODX VIRTUAL FIREWALL	00000013856	1	$0.00	$0.00	
	D.Management Total		***1***		***$0.00***
Automation					
ProDx Instrument Connection	00000017470		1		$0.00

Warranty / Service

ACL TOP 350 CTS SYSTEM	Includes 1 -Year Warranty
HEMOHUB SOFTWARE, SERIALIZED	Includes 0 -Year Warranty

Post-Warranty Service Pricing

ACL TOP 350 CTS SYSTEM	Service after warranty is available at an estimated price of $7,980.00 annually per instrument.

Service will be provided in accordance with Werfen Standard Service Agreement Terms and Conditions available at: www.werfen.com/na/en/support-client-services

Instrument Order Total ***$40,000.00***

Customer Initials and Date

Werfen HQ Initials and Date

werfen

Product Addendum

UNIVERSITY MEDICAL CENTER
1800 WEST CHARLESTON BOULEVARD
LAS VEGAS, NV 89102
Quote: 6000164609

Product	Description	Qty	Unit Price	Annual Value
Reagents				
00020014600	HemosIL HIT-Ab (PF4-H)	17	$2,387.72	$40,591.24
00020302602	HemosIL Liquid Anti-Xa	5	$587.22	$2,936.10
00020301800	HemosIL Q.F.A Thrombin (Bovine, 2mL)	11	$135.53	$1,490.83
00020500100	HemosIL D-Dimer HS 500	54	$868.25	$46,885.50
Calibrators and Controls				
00020014700	HemosIL HIT-Ab (PF4-H) Controls	12	$144.85	$1,738.20
00020015200	HemosIL Apixaban Calibrators	3	$597.55	$1,792.65
00020015300	HemosIL Apixaban Controls	6	$298.77	$1,792.62
00022550030	HEMOSIL D-DIMER HS 500 CONTROLS	18	$65.78	$1,184.04
00020003700	HemosIL Calibration plasma	1	$35.44	$35.44
00020004200	HemosIL Low Fibrinogen Control	26	$35.44	$921.44
00020300200	HemosIL LMW Heparin Controls	10	$128.48	$1,284.80
00020300300	HemosIL UF Heparin Controls	10	$128.48	$1,284.80
00020300600	HemosIL Heparin Calibrators	1	$361.41	$361.41
Solutions				
00020302400	HemosIL Rinse solution 4L	115	$35.50	$4,082.50
00009757600	HemosIL Factor Diluent	87	$8.44	$734.28
00009831700	HemosIL Cleaning Solution (Clean A)	34	$17.36	$590.24
00009832700	HemosIL Cleaning Agent (Clean B)	30	$15.02	$450.60
Consumables				
00027344900	CONTAINER, WASTE, 10 PACK	1	$127.17	$127.17
00029400100	CUVETTES, ACL TOP, 6X100X4	9	$263.11	$2,367.99

Estimated monthly consumable spending	***$9,220.99***
Annual Total	***$110,651.85***

The quantities on this Addendum are the estimated quantities needed to perform the testing that has been communicated to Werfen.

Shipment of reagent and supply product(s) placed under pre-scheduled standing orders (a maximum of one per month) shall be FOB Destination with all freight charges paid by Werfen. Additional reagent and supply product(s) may be added to the standing order and will be shipped by Werfen at no additional shipping charge. All other shipments from Werfen, requested by customer, shall be FOB Destination with all freight charges pre-paid by Werfen and invoiced to customer.

Customer Initials and Date

Werfen HQ Initials and Date

July 18th, 2022

John Goodnow
Contract Specialist
University Medical Center of Southern Nevada
1800 W. Charleston Blvd.
Las Vegas, NV 89102

Re: Request for competitive bidding information regarding Point of Care Testing - Devices.

Dear Mr. Goodnow:

This letter is provided in response to the University Medical Center of Southern Nevada's ("UMC") request for information about HealthTrust Purchasing Group, L.P.'s ("HealthTrust") competitive bidding process for Point of Care Testing - Devices. We are pleased to provide this information to UMC in your capacity as a Participant of HealthTrust, as defined in and subject to the Participation Agreement between HealthTrust and UMC, effective August 3, 2016.

HealthTrust's bid and award process is described in its Contracting Process Policy [HT.008] available on its public website {http://healthtrustpg.com/about-healthtrust/healthcare-code-of-ethics/). As described in the policy, HealthTrust operates a member-driven contracting process. Advisory Boards are engaged to determine the clinical, technical, operational, conversion, business and other criteria important for each specific bid category. The boards are comprised of representatives from HealthTrust's membership who have appropriate experience, credentials/licensures, and decision-making authority within their respective health systems for the board on which they serve.

HealthTrust's requirements for specific products and services are published on its Contract Schedule on its public website. HealthTrust's requirements for vendors are outlined in its Supplier Criteria Policy [HT.010]. A listing of the minimum Supplier Criteria is also published on HealthTrust's public website, as well as an on-line form for prospective vendor submission.

The Contracting Process Policy includes criteria for the selection of contract products and services and documents and the procedures followed by HealthTrust's contracting team to select vendors for consideration. HealthTrust's Advisory Boards may provide additional requirements or other criteria that would be incorporated into the RFP (request for proposals) process, where appropriate. Vendor proposals submitted in response to RFPs are analyzed using an extensive clinical/technical review as described above, as well as a financial/operational review.

The above-described process was followed with respect to the Point of Care Testing – Devices category. HealthTrust issued RFPs and received proposals from identified suppliers in the Point of Care Testing – Devices category. A contract was executed with Werfen, Abbott, Siemens, and Quidel in December of 2020. I hope this satisfies your request. Please contact me with any additional questions.

Sincerely,

Craig Dabbs
Account Director, Member Services

INSTRUCTIONS FOR COMPLETING THE
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

Purpose of the Form

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

General Instructions

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

Detailed Instructions

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

Business Entity Type – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

Non-Profit Organization (NPO) - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

Business Designation Group – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
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- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

Business Name (include d.b.a., if applicable) – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

Corporate/Business Address, Business Telephone, Business Fax, and Email – Enter the street address, telephone and fax numbers, and email of the named business entity.

Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

List of Owners/Officers – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

For All Contracts – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

Signature and Print Name – Requires signature of an authorized representative and the date signed.

Disclosure of Relationship Form – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
☐ Sole Proprietorship	☐Partnership	☒ Limited Liability Company	☐ Corporation	☐ Trust	☐ Non-Profit Organization	☐ Other

Business Designation Group (Please select all that apply)						
☐ MBE	☐ WBE	☐ SBE	☐ PBE	☐ VET	☐DVET	☐ ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business

Number of Clark County Nevada Residents Employed:

Corporate/Business Entity Name:	Werfen	
(Include d.b.a., if applicable)		
Street Address:	180 Hartwell Road	**Website:** werfen.com
City, State and Zip Code:	Bedford, MA 01730	**POC Name:** Dean Weeks **Email:** dweeks@werfen.com
Telephone No:	1800-955-9525	**Fax No:** 781-861-6135
Nevada Local Street Address: **(If different from above)**	N/A	**Website:** N/A
City, State and Zip Code:	N/A	**Local Fax No:** N/A
Local Telephone No:	N/A	**Local POC Name:** N/A **Email:** N/A

All entities, with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
N/A	N/A	N/A

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☐ Yes ☒ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature

Ann DeFronzo
Print Name

Sr. Dir. Client Services
Title

07/18/2022
Date

DISCLOSURE OF RELATIONSHIP

List any disclosures below:
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A	N/A	N/A	N/A

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For UMC Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Scope of Work to replace Fire Alarm Panels & complete Alarm Synchronization with Honeywell International**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Agreement with Honeywell International to replace Fire Alarm Panels and complete Alarm Synchronization; or take action as deemed appropriate. ***(For possible action)***

FISCAL IMPACT:

Fund Number: 5430.011 Fund Name: Clark Co. Capital Eqpt. transfer
Fund Center: 3000999901 Funded Pgm/Grant: N/A
Description: Scope of Work for Fire Alarm Panel Replacement and Synchronization
Bid/RFP/CBE: NRS 332.115(1)(c) – Additions to and repairs and maintenance of equipment which may be more efficiently added to, repaired, or maintained by a certain person
Term: 8/1/2022 – 7/31/2023
Amount: Estimated $4,062,469.40 including project contingency
Out Clause: 60 days without cause; 30 days for cause; Budget Act and Fiscal Fund Out

BACKGROUND:

This request is to approve a new Agreement with Honeywell International to replace end of life Fire Alarm Panels for the UMC main campus as the replacement parts are no longer available. Additionally, the Las Vegas Fire Department has mandated that UMC complete the strobe synchronization effort in conjunction with the Fire Alarm Control Panel replacements, therefore the Agreement includes the synchronization of fire Strobe alarms as required and in compliance with the ADA. To minimize alarm interruptions and the need for manual fire watch during the installation of the replacement system, Honeywell will install the panels zone-by-zone, building-by-building in a phased approach while the existing system remains fully operational.

UMC's Director of Facilities Management has reviewed and recommends approval of the Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Provider currently holds a Clark County business license.

Cleared for Agenda
July 20, 2022

Agenda Item #
11

XLS1000 Fire Alarm Control Panel "End of Life" Replacement
and
LV Fire Department ADA - Synchronization Mandate

Honeywell

Honeywell International 3255
Pepper Ln
Suite 106
Las Vegas, NV 89120

Quote Date: 18-July-2022
Quote Number: 0001574195-226244
Honeywell Professional: Tim Turner

Site: University Medical Center
1800 West Charleston Boulevard
Las Vegas, NV 89102

Customer:
University Medical Center of Southern NV
1800 W Charleston Blvd Las Vegas NV
89102-2329

Honeywell
Contact: Tim Turner
Phone: (702) 219-1590
Email: timothy.turner@honeywell.com

UMC Contact
Contact: Monty Bowen
Phone: (702) 383-2301
Email: monty.bowen@umcsn.com

SCOPE OF WORK OVERVIEW

University Medical Center (UMC) utilizes Honeywell's XLS1000 Fire Alarm Control Panels (FACP) to manage their Fire Alarm system across all buildings on its main campus located at 1800 West Charleston Blvd, Las Vegas NV. The XLS1000 FACP was introduced in 1997 and has been a dependable platform but **has recently reached an "End of Life" state where parts / components are no longer manufactured for the system**.

To avoid potential Fire Alarm disruptions and minimize costs, it is recommended that UMC replace the XLS1000 FACPs with Honeywell's XLS3000 FACPs that have a long lifespan and that are reverse compatible with most currently installed fire alarm devices installed within UMC including smoke detectors, heat detectors, most annunciators, pull stations, strobes, speakers, speaker-strobes, etc.

In addition to having a dependable Fire Alarm system, healthcare facilities are required to have fire alarm strobes that flash in a synchronized fashion to comply with the Americans with Disabilities Act (ADA). As there are only a few UMC spaces remaining that do not have synchronized strobes, **The Las Vegas Fire Department has mandated that UMC complete the strobe synchronization effort in conjunction with the Fire Alarm Control Panel replacements**. This project scope includes work required to complete the strobe synchronization within these remaining spaces. This work will be accomplished during the XLS1000 FACP replacements and will satisfy the LV Fire Department's mandate to comply with the ADA requirements.

During this project, Honeywell will provide and install nine (9) XLS3000 Fire Alarm Control Panels (FACP) as replacements for nine (9) existing XLS1000 FACPs and forty-eight (48) remote annunciators that are not compatible with the new XLS3000 FACPs.

Existing XLS1000 FACP locations are:

- Qty 3 - Fire Control Center
- Qty 1 - 2040 Electrical Room
- Qty 1 - ASU 3rd Floor Electrical Room
- Qty 1 - NE Bldg. IDF Room, Cabinet 39
- Qty 1 – NE Bldg. IDF Room, Cabinet 40
- Qty 1 - SW Wing Electrical Room, Cabinet 50
- Qty 1 - Loading Dock IDF Room

To minimize Fire Alarm interruptions and the need for manual fire watch during the installation of the replacement system, Honeywell will install the XLS3000 FACPs zone-by-zone, building-by-building in a phased approach while the existing Fire Alarm system remains fully operational. Existing FACPs will only be removed once the replacement XLS3000 FACPs are fully operational, and all associated equipment tested.

Replacement XLS3000 FACPs will be located within the same locations as existing XLS1000 FACPs where wall space allows. When wall space is limited, replacement FACPs will be located within alternative locations as close as possible to the existing FACPs.

Maintaining a Class-A Fire Alarm installation with two independent circuits will require additional conduit in numerous locations. Conduit routes are being evaluated and may change during the project depending on final component installation locations.

The order of priority for phased Fire Alarm Control Panel replacements by building / space is:

1. PBX
2. Education Bldg. 2040
3. North Tower floors 3 to roof, West/South wings, Physical Therapy wing, Radiology & Primary Hospital.
4. ASU / ORs / PACU
5. Northeast Bldg.
6. ED / ER Bldg. and Security Command Center

NOTE: Americans with Disabilities Act (ADA) strobe synchronization for the spaces listed within priority #3 above and listed in the paragraph below, will be accomplished in-conjunction with the replacement of obsolete XLS1000 Fire Alarm Control Panels. This will complete the Fire Department requirement that all UMC spaces comply with the ADA strobe synchronization mandates across the primary UMC campus.

For UMC/Honeywell to ensure that Fire Alarm strobes are synchronized within the building spaces noted above, some legacy strobes and speaker strobes will need to be replaced within the following specific areas (South Wing 2nd and 3rd floors; West Wing 2nd, 3rd floor and Roof; and Physical Therapy). Any power supplies associated with these notification circuits, that are found to not be compatible with the new XLS3000 FACPs, will also be replaced.

The legacy Audio Source associated to the Digital Voice Command System, will be modified as needed to ensure it is compatible with the replacement XLS3000 FACPs.

This XLS1000 Fire Alarm Control Panel replacement and ADA Strobe Synchronization project will be completed in four (4) phases with scopes noted below. The FACP replacements must be completed within the spaces noted within Phases 1 and 2 prior to the completion of the ADA Strobe Synchronization work listed in phase 3 but there will be no time delay between the phases so the strobe synchronization can be completed as quickly as possible.

Phase 1: (Estimated timeline 9 months)

- Complete engineering and design associated to XLS1000 Fire Alarm Control Panel (FACP) Replacements and strobe equipment upgrades to enable completion of ADA strobe synchronization.
- Order new XLS3000 FACPs, annunciators, strobes, power supplies, and other equipment associated to the XLS1000 FACP replacements and ADA strobe synchronization effort.
- Submit drawings and documents to obtain local and state permits for project work.
- Complete XLS1000 FACP replacement effort in PBX, IDF Room adjacent to loading dock, Building 2040.

Phase 2: (Estimated timeline 11 months)

- Complete XLS1000 FACP replacements in North Tower floors 3 to roof, West & South Wings, Physical Therapy Wing, Radiology & Primary Hospital.

Phase 3: (Estimated timeline 5.5 months)

- With FACPs replacements completed within spaces in phase 2, ADA strobe synchronization within South Wing on 2nd and 3rd floors; West Wing on 2nd and 3rd floors, Roof and Physical Therapy can be completed to comply with Las Vegas Fire Department mandate.
- Continue with XLS1000 FACP replacements and complete for ASU, ORs and PACU.

Phase 4: (Estimated timeline 9.5 months including 1 month for Fire Dept. sign-off)

- Complete XLS1000 FACP replacements in Northeast Bldg., ED / ER Bldg., and Security Command Center.
- Finalize as-built drawing revisions and obtain Fire Department acceptance and sign-off.

The Fire Alarm network conduit and cable runs will start at PBX and be added to as the project progresses across the facility.

Annunciator loops and risers will be added during Fire Alarm Control Panel installations within each building or affected area.

Some electrical installation work and Fire Alarm CADD drawings may be provided by Honeywell 3rd party partners.

NOTE: Honeywell technicians will be on-site during all phases of the project.

Honeywell Scope of Work

Honeywell to provide the following for CADD designer to create submittals for Nevada State Fire Marshall and Las Vegas Fire Department:

- Riser diagrams
- Network diagrams
- Floorplans, including system devices & conduit runs where possible
- Equipment schedules & locations
- “System Notes” page

Honeywell to provide annunciator loop engineering and diagrams.

Honeywell to provide equipment drawings for Fire Alarm Control Panels, Annunciators, Speakers, Strobes, Speaker/strobes, Power Supplies, and other Fire Alarm Components.

Honeywell to provide project engineering including battery calculations for all panels, amplifiers, and power supplies.

Honeywell to provide fire alarm control panels, cabinets, junction boxes larger than 16” x 16”, and other fire alarm equip listed within the project’s equipment schedule.

Honeywell to provide final terminations within Honeywell FACPs, annunciators, amplifiers, and power supplies.

Honeywell to provide Electrical Contractor scope of work and project consultations.

Honeywell to provide wire schedule to electrical contractor.

Honeywell to obtain Fire Permits from Nevada State Fire Marshall and Las Vegas Fire Department.

CLARIFICATIONS / EXCLUSIONS

Clarifications:

This project provides device-for-device replacement of obsolete Fire Alarm Control Panels and is not considered a Fire Alarm system upgrade.

With ADA strobe synchronization of the South Wing, West Wing, and Physical Therapy areas, this project satisfies the AHJ’s requirement for ADA strobe synchronization within all UMC campus spaces. All other areas in the hospital had already met the ADA Synchronization requirements.

Device counts considered in this proposal are based on As-built drawings and on-site Honeywell technician recommendations.

Projected phase timing is approximate and may vary due to unknowns of constructions, access issues and unforeseen supply chain delays.
All existing cables and conduit to legacy field devices will be retained and reused where possible. Existing notification appliances and associated cables will also be retained and reused where possible.

Honeywell Technicians and subcontractors will follow all UMC guidelines as required to ensure staff and patient safety.

Honeywell will provide a 1-year warranty on parts and labor after installation. This project will be completed in phases and warranties will commence on installed components as each phase is completed.

On-Site parking required for installation team.

Exclusions:

Replacement of XLS1000 FACP within the Trauma building is underway under a separate project scope. Thus, floor plans for Trauma, Trauma Garage and Trauma walkway are not being provided by Honeywell within this project scope.

Additional fire alarm devices, engineering, and installation costs if AHJ requires additional code upgrades beyond this project's scope.

Fire watch labor.

Seismic design, engineering, and bracing.

Signage or emergency exit signs.

Power design.

3rd party commissioning labor, time, coordination i.e., smoke control, elevators, etc.

Replacement of the water flow, tamper, PIV switches.

Fire dampers, smoke control dampers, fire/smoke dampers, actuators, end switches, EP-relays, or end switch monitoring devices.

Access panels.

Liquidated damage of any kind.

Participation in directives to proceed without a fully executed agreed-upon change order issued in advance of the work commencing.

PRICE

Base project total: $3,693,154.00
Project contingency (10%): $369,315.40

Grand Total: $4,062,469.40

This quotation is valid for 60 days. Sales tax, if applicable, will be invoiced separately. Use tax, if applicable, is included in the price. Currency: USD

Terms and Conditions

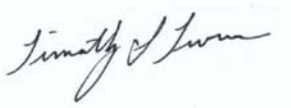
This offer is subject to the Terms & Conditions attached. This quotation is valid for a period of 30 days from the date of issue. We reserve the right to apply for partial payment at any time during contract performance.

Payment: Upon customer acceptance of this proposal or contract execution, whichever occurs first, the Customer shall pay Honeywell **25** percent (%) of the Price. Such payment shall be used for engineering, drafting, and other mobilization costs reasonably incurred prior to on-site installation.

To accept this proposal, simply sign the document and return together with an official purchase order to either the issuing engineer or via post/fax to the address listed above. By accepting this quotation, the Customer Responsible Person is aware of and agrees with the proposed system modification(s).

Honeywell reserves the right, in its discretion, to increase the price(s) set forth in this Proposal in the event that tariffs (or similar governmental charges) imposed by the United States or other countries result in any increase in the costs that Honeywell used to determine such price(s).

I confirm acceptance of this quotation in accordance with the aforementioned Terms & Conditions. I agree that any terms and conditions referenced in the official purchase order shall be considered null and void.



Honeywell Professional

Customer Acceptance

Name: Mason Van Houweling

Title: Chief Executive Officer

Date:

Signature:

Purchase Order #:

SECTION II – CORE CONTRACTING TERMS

1. WORKING HOURS

Unless otherwise stated, all labor and services under this Agreement will be performed during the hours of 8:00 a.m. - 4:30 p.m. local time Monday through Friday, excluding federal holidays. If for any reason Company requests Honeywell to furnish any such labor or services outside of the hours of 8:00 a.m. - 4:30 p.m. local time Monday through Friday (or on federal holidays), any overtime or other additional expense occasioned thereby, such as repairs or material costs not included in this Agreement, shall be billed to, and paid by Company. Honeywell will abide by Company policies governing vendors and contracted non-employees, including its I-66, I-179, vaccine and mask policy.

2. TAXES

2.1 Company agrees to pay the amount of any new or increased taxes or governmental charges upon labor or the production, shipment, sale, installation, or use of equipment or software which become effective after the date of this Agreement. If Company claims any such taxes do not apply to transactions covered by this Agreement, Company shall provide Honeywell with a tax exemption certificate acceptable to the applicable taxing authorities.

2.2 Tax-Related Cooperation. Company agrees to execute any documents and to provide additional reasonable cooperation to Honeywell related to Honeywell tax filings under Internal Revenue Code Section 179D. Honeywell will be designated the sole Section 179D beneficiary.

3. PROPRIETARY INFORMATION

3.1 All proprietary information (as defined herein) obtained by Company from Honeywell in connection with this Agreement shall remain the property of Honeywell, and Company shall not divulge such information to any third party without prior written consent of Honeywell. As used herein, the term "proprietary information" shall mean written information (or oral information reduced to writing), or information in machine-readable form, including but not limited to software supplied to Company hereunder which Honeywell deems proprietary or confidential and characterizes as proprietary at the time of disclosure to Company by marking or labeling the same "Proprietary, “Confidential”, or “Sensitive”. The Company shall incur no obligations hereunder with respect to proprietary information which: (a) was in the Company’s possession or was known to the Company prior to its receipt from Honeywell, (b) is independently developed by the Company without the utilization of such confidential information of Honeywell,
(c) is or becomes public knowledge through no fault of the Company, (d) is or becomes available to the Company from a source other than Honeywell; (e) is or becomes available on an unrestricted basis to a third party from Honeywell or from someone acting under its control, (f) is received by Company after notification to Honeywell that the Company will not accept any further information.

3.2 Company agrees that Honeywell may use nonproprietary information pertaining to the Agreement, and the Work performed under the Agreement, for case studies and data analysis. Neither party shall cause to be published or disseminated any advertising materials, either printed or electronically transmitted which identify the other party or its facilities with respect to this Agreement without the prior written consent of the other party. Honeywell may, during and after the Term of this Agreement, compile, and use, and disseminate in anonymous and

aggregated form, all data and information related to building optimization and energy usage obtained in connection with this Agreement. The rights and obligations in this Section 3 shall survive termination or expiration of this Agreement.

3.3 Notwithstanding the foregoing, Honeywell acknowledges that Company is a public, county-owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, as may be amended from time to time. As such, its contracts are public documents available for copying and inspection by the public. If Company receives a demand for the disclosure of any information related to this Agreement that Honeywell has claimed to be confidential and proprietary, such as Honeywell's pricing, programs, services, business practices or procedures, Company will immediately notify Honeywell of such demand and Honeywell shall immediately notify Company of its intention to seek injunctive relief in a Nevada court for protective order. Honeywell shall indemnify, and defend and hold harmless Company from any claims or actions, including all associated costs and attorney's fees, demanding the disclosure of Honeywell document(s) in Company 's custody and control that Honeywell's claims to be confidential and proprietary

4. INSURANCE OBLIGATIONS

4.1 Honeywell shall, at its own expense, carry and maintain in force at all times from the effective date of the Agreement through final completion of the Work the following insurance. It is agreed, however, that Honeywell has the right to insure or self-insure any of the insurance coverages listed below.

(a) Commercial General Liability Insurance to include contractual liability, products/completed operations liability with a combined single limit of USD \$2,000,000 per occurrence. Such policy will be written on an occurrence form basis.

(b) If automobiles are used in the execution of the Agreement, Automobile Liability Insurance with a minimum combined single limit of USD \$2,000,000 per occurrence. Coverage will include all owned, leased, non-owned and hired vehicles.

(c) Where applicable, “All Risk” Property Insurance, including Builder’s Risk insurance, for physical damage to property which is assumed in the Agreement.

(d) Workers’ Compensation Insurance Coverage A - Statutory limits and Coverage B- Employer’s Liability Insurance with limits of USD \$1,000,000 for bodily injury each accident or disease.

Honeywell will not issue coverage on a per project basis.

4.2 Prior to the commencement of the Agreement, Honeywell will furnish evidence of said insurance coverage in the form of a Memorandum of Insurance which is accessible at: http://honeywell.com/sites/moi/. All insurance required in this Section 4 will be written by companies with a rating of no less than “A-, XII” by A.M. Best or equivalent rating agency. Honeywell will endeavor to provide a thirty (30) day notice of cancellation or non-renewal to the Company. In the event that a self-insured program is implemented, Honeywell will provide adequate proof of financial responsibility.

5. HAZARDOUS SUBSTANCES, MOLD, AND UNSAFE WORKING CONDITIONS

5.1 Company has not observed or received notice from any source (formal or informal) of, nor is it aware of: (a) Hazardous Substances or Mold (each as defined below), either airborne or on

or within the walls, floors, ceilings, heating, ventilation and air conditioning systems, plumbing systems, structure, and other components of the worksite location(s), or within furniture, fixtures, equipment, containers or pipelines in any of Worksite Location(s); or (b) conditions that might cause or promote accumulation, concentration, growth or dispersion of Hazardous Substances or Mold on or within such locations.

5.2 Honeywell is not responsible for determining whether any equipment or the temperature, humidity and ventilation settings used by Company, are appropriate for Company and the worksite location(s) except as specifically provided in this Agreement.

5.3 If any such materials, situations, or conditions, whether disclosed or not, are discovered by Honeywell or others and provide an unsafe condition for the performance of the Work, the discovery of the condition shall constitute a cause beyond Honeywell's reasonable control and Honeywell shall have the right to cease the Work until the area has been made safe by Company or Company's representative, at Company's expense. Honeywell shall have the right to terminate this Agreement if Company has not fully remediated the unsafe condition within sixty (60) days of discovery.

5.4 Company represents that Company has not retained Honeywell to discover, inspect, investigate, identify, be responsible for, prevent or remediate Hazardous Substances or Mold or conditions caused by Hazardous Substances or Mold. Honeywell shall have no duty, obligation or liability, all of which Company expressly waives, for any damage or claim, whether known or unknown, including but not limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, adverse health effect or any special, consequential, punitive, exemplary or other damages, regardless of whether such damages may be caused by or otherwise associated with defects in the Work, in whole or in part due to or arising from any investigation, testing, analysis, monitoring, cleaning, removal, disposal, abatement, remediation, decontamination, repair, replacement, relocation, loss of use of building, or equipment and systems, or personal injury, death or disease in any way associated with Hazardous Substances or Mold.

6. WARRANTY

6.1 Honeywell will replace or repair any product Honeywell provides under this Agreement that fails within the warranty period of one (1) year because of defective workmanship or materials, except to the extent the failure results from Company negligence, fire, lightning, water damage, or any other cause beyond the control of Honeywell. This warranty is effective as of the date of Company acceptance of the product or the date Company begins beneficial use of the product, whichever occurs first, and shall terminate and expire one (1) year after such effective date. Honeywell's sole obligation, and Company's sole remedy, under this warranty is repair or replacement, at Honeywell's election, of the applicable defective products within the one (1) year warranty period. All products repaired or replaced, if any, are warranted only for the remaining and unexpired portion of the original one (1) year warranty period.

6.2 **EXCEPT AS EXPRESSLY PROVIDED IN SECTION 6.1, HONEYWELL MAKES NO REPRESENTATIONS OR WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND ANY AND ALL WARRANTIES REGARDING HAZARDOUS SUBSTANCES OR MOLD. NO EXTENSION OF THIS WARRANTY WILL BE BINDING UPON HONEYWELL UNLESS SET FORTH IN WRITING AND SIGNED BY HONEYWELL'S AUTHORIZED REPRESENTATIVE.**

7. INDEMNITY

7.1 Indemnity by Company. To the extent expressly authorized by law, Company agrees to indemnify, defend and hold harmless Honeywell and its officers, directors, employees, affiliates and agents (each, an "indemnitee") from and against any and all actions, lawsuits, losses, damages, liabilities, claims, costs and expenses (including, without limitation, reasonable attorneys' fees) caused by, arising out of or relating to Company's breach or alleged breach of this Agreement or the negligence or willful misconduct (or alleged negligence or willful misconduct) of Company or any other person under Company's control or for whom Company is responsible. WITHOUT LIMITING THE FOREGOING, TO THE FULLEST EXTENT ALLOWED BY LAW, COMPANY SHALL INDEMNIFY AND HOLD HONEYWELL AND EACH OTHER INDEMNITEE HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND COSTS OF WHATEVER NATURE, INCLUDING BUT NOT LIMITED TO, CONSULTANTS AND ATTORNEYS' FEES, DAMAGES FOR BODILY INJURY AND PROPERTY DAMAGE, FINES, PENALTIES, CLEANUP COSTS AND COSTS ASSOCIATED WITH DELAY OR WORK STOPPAGE, THAT IN ANY WAY RESULTS FROM OR ARISES UNDER THE BREACH OF THE REPRESENTATIONS AND WARRANTIES OF COMPANY IN SECTION 5, THE EXISTENCE OF MOLD OR A HAZARDOUS SUBSTANCE AT A SITE, OR THE OCCURRENCE OR EXISTENCE OF THE SITUATIONS OR CONDITIONS DESCRIBED IN SECTION 5, WHETHER OR NOT COMPANY PROVIDES HONEYWELL ADVANCE NOTICE OF THE EXISTENCE OR OCCURRENCE AND REGARDLESS OF WHEN THE HAZARDOUS SUBSTANCE OR OCCURRENCE IS DISCOVERED OR OCCURS. Company may not enter into any settlement or consent to any judgment without the prior written approval of each indemnitee. This Section 7.1 shall survive termination or expiration of this Agreement for any reason.

7.2 Indemnity by Honeywell. Honeywell agrees to indemnify, defend and hold harmless Company and its officers, directors, employees, affiliates and agents (each, an "indemnitee") from and against any and all actions, lawsuits, losses, damages, liabilities, claims, costs and expenses (including, without limitation, reasonable attorneys' fees) caused by, arising out of or relating to Honeywell's breach or alleged breach of this Agreement or the negligence or willful misconduct (or alleged negligence or willful misconduct) of Honeywell or any other person under Honeywell's control or for whom Company is responsible. WITHOUT LIMITING THE FOREGOING, TO THE FULLEST EXTENT ALLOWED BY LAW, HONEYWELL SHALL INDEMNIFY AND HOLD COMPANY AND EACH OTHER INDEMNITEE HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND COSTS OF WHATEVER NATURE, INCLUDING BUT NOT LIMITED TO, CONSULTANTS AND ATTORNEYS' FEES, DAMAGES FOR BODILY INJURY AND PROPERTY DAMAGE, FINES, PENALTIES, CLEANUP COSTS AND COSTS ASSOCIATED WITH DELAY OR WORK STOPPAGE, THAT IN ANY WAY RESULTS FROM OR ARISES UNDER THE BREACH OF THE REPRESENTATIONS AND WARRANTIES OF HONEYWELL IN THIS AGREEMENT. Honeywell may not enter into any settlement or consent to any judgment without the prior written approval of Company. This Section 7.2 shall survive termination or expiration of this Agreement for any reason.

8. LIMITATION OF LIABILITY

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, (I) IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, EXEMPLARY, STATUTORY, OR INDIRECT DAMAGES, LOSS OF PROFITS, REVENUES, OR USE, OR THE LOSS OR CORRUPTION OF DATA OR UNAUTHORIZED ACCESS TO OR USE OR MISAPPROPRIATION OF DATA BY THIRD PARTIES, EVEN IF INFORMED OF THE POSSIBILITY OF ANY OF THE FOREGOING, AND (II) THE AGGREGATE LIABILITY OF HONEYWELL FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL IN NO CASE EXCEED THE PRICE. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE LIMITATIONS AND EXCLUSIONS WILL APPLY WHETHER LIABILITY ARISES FROM BREACH OF CONTRACT, INDEMNITY, WARRANTY, TORT, OPERATION OF LAW, OR OTHERWISE.

9. EXCUSABLE DELAYS

9.1 Honeywell shall not be liable for damages caused by delay or interruption in the Work due to fire, flood, corrosive substances in the air, strike, lockout, dispute with workmen, inability to obtain material or services, commotion, war, acts of God, the presence of Hazardous Substances or Mold, or any other cause beyond Honeywell's reasonable control. Should any part of the system or any equipment in each case that are related to the Work be damaged by fire, water, lightning, acts of God, the presence of Hazardous Substances or Mold, third parties, or any other cause beyond the control of Honeywell, any repairs or replacement shall be paid for by Company. In the event of any such delay, date of shipment or performance shall be extended by a period equal to the time lost by reason of such delay, and Honeywell shall be entitled to recover from Company its reasonable costs, overhead, and profit arising from such delay.

COVID-19. Notwithstanding any other provision of this Agreement, in light of the COVID-19 pandemic, the effects of which cannot be foreseen, the Parties agree that Honeywell shall be entitled to an equitable extension of time to deliver or perform its Work and appropriate additional compensation to the extent Honeywell's delivery or performance, or the delivery or performance of its suppliers and/or subcontractors, is in any way delayed, hindered or otherwise affected by the COVID-19 pandemic.

10. PATENT INDEMNITY

10.1 Honeywell shall, at its expense, defend or, at its option, settle any suit that may be instituted against Company for alleged infringement of any United States patents related to the hardware or software manufactured and provided by Honeywell under this Agreement ("the equipment"), provided that a) such alleged infringement consists only in the use of such equipment by itself and not as part of, or in combination with, any other devices, parts or software not provided by Honeywell hereunder, b) Company gives Honeywell immediate notice in writing of any such suit and permits Honeywell, through counsel of its choice, to answer the charge of infringement and defend such suit, and c) Company gives Honeywell all needed information, assistance and authority, at Honeywell's expense, to enable Honeywell to defend such suit.

10.2 If such a suit has occurred, or in Honeywell's opinion is likely to occur, Honeywell may, at its election and expense: a) obtain for Company the right to continue using such equipment; b) replace, correct or modify it so that it is not infringing; or if neither a) or b) is feasible, then c) remove such equipment and grant Company a credit therefore, as depreciated.

10.3 In the case of a final award of damages in any such suit, Honeywell will pay such award. Honeywell shall not, however, be responsible for any settlement made without its written consent.

10.4 **THIS SECTION 10 STATES HONEYWELL'S TOTAL LIABILITY AND COMPANY'S SOLE REMEDY FOR ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY PATENT BY THE HARDWARE MANUFACTURED AND PROVIDED BY HONEYWELL HEREUNDER.**

11. SOFTWARE LICENSE

All software made available in connection with this Agreement ("Software") shall be licensed and not sold and subject to all terms of the Software License Agreement (as defined below). All Software is made available subject to the express condition that the end user of the Software sign and deliver to Honeywell the then-current and applicable version of Honeywell's standard software license agreement or a software license agreement otherwise satisfactory to Honeywell in its sole discretion (in each case, the "Software License Agreement"). Notwithstanding any other provision of this Agreement or any other document or instrument, the terms of the Software License Agreement shall govern and supersede any inconsistent or conflicting terms to the extent relating to Software. Payment for any and all Software made available in connection with this Agreement shall be due and payable at the time the end user of the Software executes the Software License Agreement.

12. DISPUTE RESOLUTION

With the exception of any controversy or claim arising out of or related to the installation, monitoring, and/or maintenance of fire and/or security systems, the Parties agree that any controversy or claim between Honeywell and Company arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in a Clark County, NV, conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. Any award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Any controversy or claim arising out of or related to the installation, monitoring, and/or maintenance of systems associated with security and/or the detection of, and/or reduction of risk of loss associated with fire shall be resolved in a court of competent jurisdiction within Clark County, Nevada.

13. ACCEPTANCE OF THE CONTRACT

The terms and conditions related to the Work are expressly limited to the provisions of this Agreement, notwithstanding receipt of, or acknowledgment by, Honeywell of any purchase order, specification, or other document issued by Company. Any additional or different terms set forth or referenced in Company's purchase order are hereby objected to by Honeywell and shall be deemed a material alteration of these terms and shall not be a part of any resulting order.

14. MISCELLANEOUS

14.1 None of the provisions of this Agreement shall be modified, altered, changed, or voided by any subsequent purchase order or other document unilaterally issued by Company.

14.2 This Agreement shall be governed by the laws of the State where the Work is to be performed, without regard to conflicts of law principles.

14.3 Any provision or part of this Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Honeywell and Company, who agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

14.4 Company may not assign its rights or delegate its obligations under this Agreement, in whole or in part, without the prior written consent of Honeywell. Honeywell may assign this Agreement or any or all of its rights under this Agreement without Company's consent.

14.5 In accordance with the Nevada Revised Statutes (NRS 354.626), the financial obligations under this Agreement between the parties shall not exceed those monies appropriated and approved by Customer for the then-current fiscal year under the Local Government Budget Act. This Agreement shall terminate and Company 's obligations under it shall be extinguished at the end of any of Company's fiscal years in which Company's governing body fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which could then become due under this Agreement, provided that Company gives Honeywell at least one hundred and twenty (120) days' prior written notice termination. Company agrees that this section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to this Agreement. In the event this section is invoked, this Agreement will expire on the 30th day of June of the then-current fiscal year. Termination under this section shall not relieve Company of its obligations incurred through the 30th day of June of the fiscal year for which monies were appropriated or for items delivered for which Company did not give notification of termination due to loss of appropriated funds

15. TERMS OF PAYMENT

15.1 Progress Payments - HONEYWELL will invoice at least monthly for all materials delivered to the job site or to an off-site storage facility and for all installation, labor, and services performed, both on and off the job site. COMPANY agrees to pay the full amounts invoiced, less retainage, upon receipt of the invoice at the address specified by the COMPANY. Invoices to be paid within thirty (30) calendar days of the invoice date.

15.2 Suspension of work - If HONEYWELL, having performed work per Agreement requirements, does not receive payment within thirty (30) calendar days after submission of a HONEYWELL invoice, HONEYWELL may suspend work until COMPANY provides remedy.

15.3 Payments must be in accordance with the "Remit To" field on each invoice. If Company makes any unapplied payment and fails to reply to Honeywell's request for instruction on allocation within seven (7) calendar days, Honeywell may set off such unapplied cash amount against any Company past-due invoice(s) at its sole discretion. An unapplied payment shall mean

payment(s) received from Company without adequate remittance detail to determine what invoice the payment(s) shall be applied to.

15.4 Disputes as to invoices must be accompanied by detailed supporting information and are deemed waived 15 calendar days following the invoice date. Honeywell reserves the right to correct any inaccurate invoices. Any corrected invoice must be paid by the original invoice payment due date or the issuance date of the corrected invoice, whichever is later.

15.5 If Company is delinquent in payment to Honeywell, Honeywell may at its option:

i. withhold performance until all delinquent amounts and late charges, if any, are paid;
ii. repossess Products or software for which payment has not been made;
iii. combine any of the above rights and remedies as may be permitted by applicable law.

These remedies are in addition to those available at law or in equity. Honeywell may re-evaluate Company's credit standing at any time and modify or withdraw credit. Company may not set off any invoiced amounts against sums that are due from Honeywell.

16. WORK BY OTHERS

16.1 Unless otherwise indicated, the following items are to be furnished and installed by others: electric wiring and accessories, all in-line devices (including but not limited to flow tubes, hand valves, orifice plates, orifice flanges, etc.), pipe and pipe penetrations including flanges for mounting pressure and level transmitters, temperature sensors, vacuum breakers, gauge glasses, water columns, equipment foundations, riggings, steam tracings, and all other items and work of like nature. Automatic valve bodies and dampers furnished by Honeywell are to be installed by others.

Honeywell‘s services under this Agreement specifically exclude professional services which constitute the practice of architecture or engineering unless specifically set forth in the scope of Work. The scope of Work will specify all performance and design criteria that Honeywell will follow in performing Work under this Agreement. If professional design services or certifications by a design professional related to systems, materials, or equipment is required, such services and certifications are the responsibility of others.

17. DELIVERY

Delivery of equipment not agreed on the face hereof to be installed by or with the assistance of Honeywell shall be F.O.B. at Honeywell’s factory, warehouse, or office selected by Honeywell. Delivery of equipment agreed on the face hereof to be installed by or with the assistance of Honeywell shall be C.I.F. at site of installation.

18. DAMAGE OR LOSS

Honeywell shall not be liable for damage to or loss of equipment and software after delivery to destination determined by this Agreement or any applicable prime contract. If thereafter, and prior to payment in full to Honeywell by Company, any such equipment or software is damaged or destroyed by any cause whatsoever, other than by the fault of Honeywell, the Company agrees promptly to pay or reimburse Honeywell for such loss.

19. TERM AND TERMINATION

19.1 The parties hereby agree that time is of the essence with respect to performance of each of the parties' obligations under this Agreement.

19.2 Term. This Agreement shall be effective as of the date last signed by the parties and continue until Project completion, or unless sooner terminated by either party as specified in this section 19.

19.3 Termination By Company. Company may terminate this Agreement for cause if Honeywell defaults in the performance of any material term of this Agreement, after giving Honeywell written notice of its intent to terminate. If Honeywell has not, within thirty (30) days after receipt of such notice, acted to remedy and make good such deficiencies, Company may terminate this Agreement and take possession of the site together with all materials thereon, and move to complete the Work itself expediently. Upon request of Honeywell, Company will furnish to Honeywell a detailed accounting of the costs incurred by Company in finishing the Work. If the unpaid balance of the contract price exceeds the expense of finishing the Work, the excess shall be paid to Honeywell, but if the expense exceeds the unpaid balance, Honeywell shall pay the difference to Company.

19.4 Termination By Honeywell. Honeywell may terminate this Agreement for cause (including, but not limited to, Company's failure to make payments as agreed herein) after giving Company written notice of its intent to terminate. If, within seven (7) days following receipt of such notice, Company fails to make the payments then due, or otherwise fails to cure or perform its obligations, Honeywell may, by written notice to Company, terminate this Agreement and recover from Company payment for Work executed and for losses sustained for materials, tools, construction equipment and machinery, including but not limited to, reasonable overhead, profit, and applicable damages.

19.3 Either party may terminate this agreement for any reason upon sixty (60) written notice to the other party.

20. CHANGES IN THE WORK

20.1 A Change Order is a written order signed by Company and Honeywell authorizing a change in the Work or adjustment in the Price or a change to the schedule.

20.2 Company may request Honeywell to submit proposals for changes in the Work, subject to acceptance by Honeywell. If Company chooses to proceed, such changes in the Work will be authorized by a Change Order.

20.3 Honeywell may make a written request to Company to modify this Agreement based on the receipt of, or the discovery of, information that that Honeywell believes will cause a change to the Work, Price, schedule, level of performance, or other facet of the Agreement. Honeywell will submit its request to Company within a reasonable time after receipt of, or the discovery of, information that Honeywell believes will cause a change to the Work, Price, schedule, level of performance, or other facet of the Agreement. This request shall be submitted by Honeywell before proceeding to execute the change, except in an emergency endangering life or property, in which case Honeywell shall have the authority to act, in its discretion, to prevent threatened damage, injury or loss. Honeywell's request will include information necessary to substantiate the effect of the change and any impacts to the Work, including any change in schedule or Price.

If Honeywell's request is acceptable to Company, Company will issue a Change Order consistent therewith. If Company and Honeywell cannot agree on the amount of the adjustment in the Price, or the schedule, it shall be determined pursuant to the Dispute Resolution provisions of this Agreement. Any change in the Price or the schedule resulting from such claim shall be authorized by Change Order.

21. ACCEPTANCE OF THE WORK

Upon receipt of notice by Honeywell that the Work is ready for final inspection and acceptance, Company will make such final inspection and issue acceptance within three (3) business days. Acceptance will be in a form provided by Honeywell, stating that to the best of Company's knowledge, information, and belief, and on the basis of Company's on-site visits and inspections, the Work has been fully completed in accordance with the terms and conditions of this Agreement. If Company finds the Work unacceptable due to non-compliance with a material element of this Agreement, which non-compliance is due solely to the fault of Honeywell, Company will notify Honeywell in writing within the three (3) business days setting forth the specific reasons for non-acceptance. Company agrees that failure to inspect and/or failure to issue proper notice of non-acceptance within three (3) business days shall constitute final acceptance of the Work under this Agreement. Company further agrees that partial or beneficial use of the Work by Company or Owner prior to final inspection and acceptance will constitute acceptance of the Work under this Agreement.

22. DEFINITIONS

22.1 "Hazardous substance" includes all of the following, and any by-product of or from any of the following, whether naturally occurring or manufactured, in quantities, conditions or concentrations that have, are alleged to have, or are believed to have an adverse effect on human health, habitability of a site, or the environment: (a) any dangerous, hazardous or toxic pollutant, contaminant, chemical, material or substance defined as hazardous or toxic or as a pollutant or contaminant under state or federal law, (b) any petroleum product, nuclear fuel or material, carcinogen, asbestos, urea formaldehyde, foamed-in-place insulation, polychlorinated biphenyl (PCBs), and (c) any other chemical or biological material or organism, that has, is alleged to have, or is believed to have an adverse effect on human health, habitability of a site, or the environment.

22.2 "Mold" means any type or form of fungus or biological material or agent, including mold, mildew, moisture, yeast and mushrooms, and any mycotoxins, spores, scents, or by-products produced or released by any of the foregoing. This includes any related or any such conditions caused by third parties.

23. SANCTIONS

Company represents, warrants, and agrees that:

Company is not a "Sanctioned Person," meaning any individual or entity: (1) named on a governmental denied party or restricted list, including but not limited to: the Office of Foreign Assets Control ("OFAC") list of Specially Designated Nationals and Blocked Persons ("SDN List"), the OFAC Sectoral Sanctions Identifications List ("SSI List"), and the sanctions lists under any other Sanctions Laws; (2) organized under the laws of, ordinarily resident in, or physically located in a jurisdiction subject to comprehensive sanctions administered by OFAC (currently Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine/Russia) ("Sanctioned Jurisdictions"); and/or (3) owned or controlled, directly or indirectly, 50% or more in the aggregate by one or more of any of the foregoing.

Relating to this transaction and/or Agreement, Company is in compliance with and will continue to comply with all economic Sanctions Laws administered by OFAC, other U.S. regulatory agencies, the European Union and its Member States, the United Kingdom, and the United Nations ("Sanctions Laws"). Company will not involve any Sanctioned Persons in any capacity,

directly or indirectly, in any part of this transaction and performance under this transaction. Company will not take any action that would cause Honeywell to be in violation of Sanctions Laws.

Company will not sell, export, re-export, divert, use, or otherwise transfer any Honeywell products, technology, software, or proprietary information: (i) to or for any Sanctioned Persons or to or involving Sanctioned Jurisdictions; or (ii) for purposes prohibited by any Sanctions Laws. Company will not source any components, technology, software, or data for utilization in Honeywell products or services: (i) from any Sanctioned Persons or Sanctioned Jurisdictions or (ii) in contravention of any Sanctions Laws.

Company's failure to comply with this provision will be deemed a material breach of the Agreement, and Company will notify Honeywell immediately if it violates, or reasonably believes that it will violate, any terms of this provision. Company agrees that Honeywell may take any and all actions required to ensure full compliance with all Sanctions Laws without Honeywell incurring any liability.

INSTRUCTIONS FOR COMPLETING THE
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

Purpose of the Form

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

General Instructions

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

Detailed Instructions

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

Business Entity Type – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

Non-Profit Organization (NPO) - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

Business Designation Group – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

Business Name (include d.b.a., if applicable) – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

Corporate/Business Address, Business Telephone, Business Fax, and Email – Enter the street address, telephone and fax numbers, and email of the named business entity.

Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

List of Owners/Officers – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

For All Contracts – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

Signature and Print Name – Requires signature of an authorized representative and the date signed.

Disclosure of Relationship Form – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
☐ Sole Proprietorship	☐Partnership	☐ Limited Liability Company	☒ Corporation	☐ Trust	☐ Non-Profit Organization	☐ Other

Business Designation Group (Please select all that apply)						
☐ MBE	☐ WBE	☐ SBE	☐ PBE	☐ VET	☐DVET	☐ ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business

Number of Clark County Nevada Residents Employed: 20

Corporate/Business Entity Name:	Honeywell International	
(Include d.b.a., if applicable)	Honeywell	
Street Address:	715 Peach Tree St N.E.	**Website: www.honeywell.com**
City, State and Zip Code:	Atlanta, GA 30308	**POC Name: Robin Miller** **Email: Robin.miller@honeywell.com**
Telephone No:	702 583-6671	**Fax No: 702 895-6260**
Nevada Local Street Address: **(If different from above)**	2925 E. Patrick Lane Suite F	**Website: www.honeywell.com**
City, State and Zip Code:	Las Vegas, NV 89120	**Local Fax No: 702 895-6260**
Local Telephone No:	702 583-6671	**Local POC Name: Robin Miller / Sr. Business Consultant** **Email: robin.miller@honeywell.com**

All entities, with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
Darius Adamczyk	CEO	
Vimal Kapur	President & CEO HBS	
Jeff Kimball	Senior Vice President & Chief Commercial Officer	

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☒ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☐ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☐ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Robin Miller

Signature — Print Name

Sr. Business Consultant — 10/02/2020

Title — Date

DISCLOSURE OF RELATIONSHIP

List any disclosures below:
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A	N/A	N/A	N/A

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For UMC Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Amendment Two to Master Agreement for Energy Management Services with Kinect Energy, Inc.**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the Amendment Two to Master Agreement for Energy Management Services with Kinect Energy, Inc.; or take action as deemed appropriate. ***(For possible action)***

FISCAL IMPACT:

Fund Number: 5420.000 Fund Name: UMC Operating Fund
Fund Center: 3000848000 Funded Pgm/Grant: N/A
Description: Natural Gas Management Services
Bid/RFP/CBE: NRS 332.115(1)(b) – Professional Services
Term: Amendment 2 – extend from 8/1/2022 to 7/31/2023
Amount: Amendment 2 – additional funds estimated $201,883 for final year; total estimated contract aggregate of $669,883.00
Out Clause: 90 days w/o cause

BACKGROUND:

On August 29, 2018, the Governing Board approved the Master Agreement for Energy Management Services and the Base Contract for Sale and Purchase of Natural Gas (collectively the "Master Agreement") with Kinect Energy, Inc. Kinect Energy is a World Fuel's energy management services division that advises UMC on various purchasing options as well as providing invoice management services through which UMC will receive consolidated invoices to help streamline the natural gas purchasing and procurement process. The term of the Master Agreement is from September 1, 2018 to July 31, 2021, with two additional one-year extension options exercisable by UMC. Either party may terminate the Master Agreement without cause upon a 90-day written notice to the other party.

Amendment One exercised the first of two one-year extension options extending the Term through July 31, 2022. With this Amendment Two, UMC wishes to execute the final option year of the Agreement and add $201,883 in funds in addition to the $468,000 authorized for the last option year on Amendment 2. The total estimated cost for this year is $669,883.00.

UMC's Plant Operations Director has reviewed and recommends approval of this Amendment. This Amendment has been approved as to form by UMC's Office of General Counsel.

Cleared for Agenda
July 20, 2022

Agenda Item #
12

Provider currently holds a Clark County business license.

AMENDMENT TO MASTER AGREEMENT FOR ENERGY MANAGEMENT SERVICES

Kinect Energy, Inc. ("Kinect Energy") and University Medical Center of Southern Nevada ("Client") entered into a Master Agreement for Energy Management Services, dated September 1, 2018, related to the provision of energy management services (the "Agreement"). Each entity named above may also be referred to as a "Party" or collectively as the "Parties."

Whereas, Kinect Energy and Client wish to amend the terms of the Agreement by entering into this amendment (the "Amendment").

Now, therefore, in consideration of the promises and the terms and conditions set forth in this Amendment, and for good and valuable consideration, the receipt and sufficiency of which is acknowledged and agreed, the Agreement is amended as follows:

*In accordance with the **Section 1.03 Term and Termination** provision of the Agreement:*

The term of this agreement is hereby renewed for the time period of August 1, 2022 – July 31, 2023.

The original provisions of the Agreement control for any matter not specifically included in this Amendment. The Agreement, as amended, constitutes the entire agreement of the Parties with respect to the subject matter thereof.

Agreed to and Accepted by:

University Medical Center of Southern Nevada

By: _____

Name: _____

Title: _____

Date: _____

Kinect Energy, Inc.

By: _____

Name: _____

Title: _____

Date: _____

INSTRUCTIONS FOR COMPLETING THE
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

Purpose of the Form

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

General Instructions

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

Detailed Instructions

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

Business Entity Type – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

Non-Profit Organization (NPO) - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

Business Designation Group – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

Business Name (include d.b.a., if applicable) – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

Corporate/Business Address, Business Telephone, Business Fax, and Email – Enter the street address, telephone and fax numbers, and email of the named business entity.

Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

List of Owners/Officers – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

***For All Contracts* – (Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

Signature and Print Name – Requires signature of an authorized representative and the date signed.

Disclosure of Relationship Form – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
☐ Sole Proprietorship	☐Partnership	☐ Limited Liability Company	☒ Corporation	☐ Trust	☐ Non-Profit Organization	☐ Other

Business Designation Group (Please select all that apply)						
☐ MBE	☐ WBE	☐ SBE	☐ PBE	☐ VET	☐DVET	☐ ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business

Number of Clark County Nevada Residents Employed:

Corporate/Business Entity Name:	World Fuel Services, Inc.		
(Include d.b.a., if applicable)	(wholly-owned subsidiary of World Fuel Services Corporation		
Street Address:	9800 NW 41st Street, Suite 400	**Website:**	www.wfscorp.com
City, State and Zip Code:	Miami, FL 33178-2980	**POC Name:** **Email:**	Dan Schroeder dschroeder@wfscorp.com
Telephone No:	763-543-4624	**Fax No:**	763-543-4603
Nevada Local Street Address: **(If different from above)**	N/A	**Website:**	
City, State and Zip Code:		**Local Fax No:**	
Local Telephone No:		**Local POC Name:** **Email:**	

All entities, with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
Michael J. Kasbar	Chairman and Chief Executive Officer	
Ira M. Burns	Executive Vice President and Chief Financial Officer	
John P. Rau	Executive Vice President of Global Aviation, Marine and Land	

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☒ Yes ☐ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Dianne Wahl (Jul 8, 2022 14:26 CDT) — Signature

Dianne K. Wahl — Print Name

Director, Client Credit and Contract Services — Title

7/08/2022 — Date

REVISED 7/25/2014

DISCLOSURE OF RELATIONSHIP

List any disclosures below:
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For UMC Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Quotation for replacement of Chiller Towers and supporting equipment with Norman S. Wright of Southern Nevada**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board the agreement with Norman S. Wright of Southern Nevada for replacement of chiller towers and supporting equipment; or take action as deemed appropriate. *(For possible action)*

FISCAL IMPACT:

Fund Number: 5430.011 Fund Name: Clark Co. Eqpt. Transfer
Fund Center: 3000999901 Funded Pgm/Grant: N/A
Description: Replacement of Chiller Towers and supporting equipment
Bid/RFP/CBE: NRS 450.525 & NRS 450.530 – GPO
Term: One-time purchase
Amount: Est. $3,187,300
Out Clause: Budget Act and Fiscal Fund Out
In accordance with HPG's Order Cancellation/Return Goods Policy

BACKGROUND:

This request is for the purchase of chiller towers and supporting equipment. The current central plant infrastructure to include chillers, cooling towers, separators, frequency drives, buffer tanks, blower coils, and exhaust fans are over 25 years old and are at end of life. The equipment is required to insure the entire campus maintains appropriate HVAC functions for cooling/heating.

This equipment is being purchased pursuant to HPG contract # HPG-3574. HealthTrust Purchasing Group ("HPG") is a Group Purchasing Organization of which UMCSN is a member. This request is in compliance with NRS 450.525 and NRS 450.530; attached is the bid summary sheet and a sworn statement from an HPG executive verifying that the pricing was obtained through a competitive bid process.

UMC's Director of Plant Operations has reviewed and recommends approval of this Agreement. This Agreement has been approved as to form by UMC's Office of General Counsel.

Vendor currently holds a Clark County business license.

Cleared for Agenda
July 20, 2022

Agenda Item #
13

NORMAN S. WRIGHT
Mechanical Equipment of Southern Nevada, LLC
5165 Rousso Road, Las Vegas, NV 89118–2916 • tel 702.361.4212 • fax 702.361.5078

Heating
Ventilation
Air Conditioning
Hydronic Systems

norman-wright.com

QUOTATION

To:	**UMC Hospital**	Terms:	**NET 30 DAYS**	Date:	**7-1-22**
Location:	**LAS VEGAS, NV**	FOB:	**FACTORY**	Quote #:	**301**

This Quotation Subject To Acceptance Within 30 Days.
To the prices and terms quoted, add any manufacturers' gross receipts, sales or use tax, either Federal, State or City, payable on the transaction under any affecting statue. Orders will be invoiced at price in effect at time of shipping, unless otherwise specified. Ship times are estimates only and not guaranteed. All orders subject to factory acceptance. No material will be accepted for return without permission. Orders may not be canceled without written permission from the manufacturers. Cancellation charges may apply. No warranty is offered or implied, other than the standard warranty of the manufacturer. Written copies available on request. Unless otherwise stated, we do not include: seismic calcula ions, shaft grounding, disconnect switches, starters, controls, thermostats, damper motors, internal wiring, drives, belt guards, filters, gauges, vibration isolators, and start-up service or supervision. Programming of DDC controls is not included in this quotation. Subject to attached terms and conditions.

	PROJECT: **UMC – Chiller Replacement** **ENGINEER:** **IMEG** **PLAN DATE:** **Not Shown** Contract#: HPG-3574 GPOID#: H036381	
	DAIKIN	
3	**Magnetic Bearing Frictionless Centrifugal Chillers** *Model WME/WMC* - (3) 1,000 tons rated; *Model WME, Tags CH-1, 2, & 3* - (2) 300 tons rated; *Model WMC, Tags CH-6 & 7* - Dual compressors, 460 volt / 3 phase / 60 hertz - VFD, unit mounted, single point power connection, disconnect switch - Standard 0.75" thermal insulation on evap. shell - Water flow indicators on evaporator and condenser - Marine water boxes - Fully assembled bolted construction (for knockdown in field) - Standard RideThrough feature (WME only), RapidRestore included - NEMA 1 controls enclosure, MicroTech II pCO3 unit controller - BACnet MS/TP communication protocol - Standard factory testing and domestic startup - Standard warranty with delayed start (12 months from startup or 24 months from delivery) **Exclusions:** Installation, hot gas bypass, seismic calcs or restraints, seismic rated construction, witness or performance testing, vibration isolation, extended parts/labor/compressor warranty, rigging, hoisting, storage, multiple shipments, spare parts, service maintenance agreements, ***3-way valves***, piping, hydronic accessories, electrical wiring accessories, shrink wrapping, marine waterboxes, removable heads, harmonic/EMI filtration, ground fault detection system, valves, piping, free standing VFD, ground fault protection, EMI filter, surge protection, refrigerant detection monitor, expedited lead time and any other accessories not listed above **ARE NOT** included.	
1	**Air Cooled Scroll Compressor Chiller;** *Model AGZ120E* - 101 delivered tons @ 115°F ambient, R410a refrigerant, 460/3/60; *Tag CH-9 (LAB)* - Single point disconnect switch with circuit protection - Integral hydronic pump package with VFD, pressure gauges & evaporator water flow indicator - Replaceable filter dryer with discharge & liquid valves - Electronic expansion valve - BACnet MS/TP communication - RapidRestore feature included - Factory certified start-up assistance - Standard 1-year parts only warranty with delayed start (12-24 months from delivery) **Exclusions:** compressor sound reduction blankets, air eliminator/separator, expansion/storage tanks, remote control panel, double layer insulation, hot gas bypass, phase/voltage monitor, ground fault protection, convenience outlet, vibration isolators, return water thermostat, glycol, hydronic specialties, epoxy coatings, installation, extended warranty and any other equipment or accessories not specifically listed above **ARE NOT** included.	

1	**Air-Cooled Variable Speed Screw Chillers;** *Model AWV, Tags CH-8* - 260 actual tons delivered at 115°F ambient - Double layer evaporator insulation - Standard sound package w/ internal discharge compressor muffler - AC fan motors w/ VFD on first fan motor of each circuit - Liquid & discharge shut-off valves, evaporator water flow indicator - High short circuit current rating w/ single point disconnect switch - BACnet MS/TP communication - RapidRestore feature included - Factory certified start-up assistance - Standard 1-year parts & labor warranty with delayed start (12-24 months from delivery) **Exclusions:** Pump package, backup controller, RapidRestore™, isolation valves, bypass control valve, R-513A refrigerant, air eliminator/separator, expansion/storage tanks, remote control panel, double layer insulation, hot gas bypass, phase/voltage monitor, ground fault protection, convenience outlet, vibration isolators, return water thermostat, glycol, hydronic specialties, epoxy coatings, owner's training, extended warranties and any other equipment or accessories not specifically listed above **ARE NOT** included.	
	(3) 1,000-ton WME CHILLERS	**$**
	(2) 300-ton WMC CHILLERS	
	(1) 100-ton AGZ CHILLER	**$**
	(1) 260-ton AWV CHILLER	**$**
	TOTAL – DAIKIN CHILLERS	**$**
	MARLEY	
1	Quantity of (1) Marley NC Class Diamond Series model NC8412WAN factory assembled 1-Cell crossflow cooling tower, *Tag CT-1* **Performance Conditions:** Per 1-cell tower: - 3,000 gpm - 95.0 °F Hot Water - 85.0 °F Cold Water - 79.0 °F Entering WB **Motor Data:** - NEMA 75 HP 1 speed / 1 wind - 3 phase / 60 Hz / 230/460v - 1.15sf / TEFC / 1800 RPM - Premium Efficiency - Inverter duty nameplated - External shaft grounding ring per motor **Tower Dimensions:** - Each cell: (without options) Length 13' - 10 3/4" Width 22' - 5" Height 18' - 10 1/8" - Per 1-cell tower: (with options) Length 21' - 3 11/16" Width 22' - 5" Height 24' - 1 7/8" **Weights:** - Per cell: Shipping: 24,108 lb Operating: 47,265 lb **Base Tower Construction/Equipment:** - Stainless Steel casing.	

	- Stainless Steel structure. - Stainless Steel (per SS Grade) collection basin. - Stainless Steel (per SS Grade) distribution basin. - All stainless steel is series 304. - Low Sound fan with aluminum blades. - Marley designed Geareducer® with 5-year warranty. - PVC film fill with integral louvers and drift eliminators designed and manufactured by Marley. - Published sound data is independently verified by a CTI licensed test agency. - CTI certification per STD-201. - 59 in fan cylinder extension. - HDG steel fan guard. **Collection Basin Connections and Accessories:** - All flanges are to Class 125 ANSI B16.1 standard. - All threads are to American Standard Pipe Taper Thread. - (1) 12 in (305 mm) diameter bevel and groove cased face outlet(s) with trash screen(s). - 16 in (406 mm) diameter hole and bolt circle(s) for equalization, One per Cell - 4 in (102 mm) diameter combination drain and overflow in each cell - 4 in (102 mm) additional drain with plug in each cell - (1) 1 in (25.4 mm) water make-up float valveFactory installed basin sweeper piping, 20 psi (1.38 bar), Standard **Distribution Basin Inlet and Accessories:** - (1) self-balancing 12 in (305 mm) diameter PVC side inlet connection per cell. - All internal piping is PVC. External piping is PVC. **Maintenance & Maintenance Access Features:** - Tower is designed in accordance with OSHA safety standards. - This quotation includes features that will allow safe access on the fan deck while the fan is still operating. - External lube line with dipstick - Convenient access to the collection basin and plenum area is provided via a large access door located on each endwall - (1) Access door platform - Stainless Steel (per SS Grade) plenum walkway in each cell - Internal mechanical equipment access platform in each cell - Easy fitting perimeter guardrail, kneerail & toeboard - (2) Cased face ladders - Ladders extended 60 in below base of tower - Easy fitting ladder safety cage(s) - Self closing safety gate(s) included at the top of the access ladders - One davit per cell with hand winch (Installation/operation of davit requires the removal of some fan cylinder segments) **Control Systems:** - (1) IMI 685A Mechanical sw, DPDT, manual reset + 30' cord vibration cutoff switch per cell **Exclusions:** VFDs, starters, supporting steel, controls, installation, expedited lead time, chemical treatment, extended warranties, and any other accessories not listed above ARE NOT included. **TOTAL – MARLEY TOWER**	**$**
	LAKOS	
1	**Centrifugal Separator;** *Model TCI-0280-ABV, Tag CSP-1* - Separator package with separator, strainer, pump, control box - 4" flanged strainer inlet, 4" grooved separator outlet - NEMA 4X motor starter enclosure with disconnect HOA - Inlet and outlet pressure gauges 0-100psi glycerin-filled - 10hp pump sized for 280gpm - Automatic blowdown valve **Exclusions:** Sweeper piping stainless steel construction, expedited lead time, extended warranties and any other accessories not listed above **ARE NOT** included **TOTAL – LAKOS CENTRIFUGAL SEPARATOR**	**$**

	PATTERSON	
2	**Vertical Inline HVAC Pumps;** *Tags CHP-1 & 2* - Model: V6B13A-RC CW Rotation Impeller Dia.: 12.0 - Pump Size: 6x6x13.5 Rated RPM: 1180 - 620GPM 55TDH Calculated Efficiency @ Duty Point: 81.3% - Motor: 60HZ - 230/460V - 15.00HP - ODP - PE - 284TC	
3	**Vertical Inline HVAC Pumps;** *Tags CHP-3, 4, & 5* - Model: V12B13A-DS CW Rotation Impeller Dia.: 12.125 - Pump Size: 12x12x13 Rated RPM: 1785 - 3600GPM 130TDH Calculated Efficiency @ Duty Point: 78.3% - Motor: 60HZ - 460V - 200.00HP - TEFC VSS - PE - 447VP	
4	**Vertical Inline HVAC Pumps;** *Tags CWP-1, 2, 3, & 4* - Model: V12A17A-DS CW Rotation Impeller Dia.: 13.938 - Pump Size: 12x12x17 Rated RPM: 1185 - 3000GPM 75TDH Calculated Efficiency @ Duty Point: 80.5% - Motor: 60HZ - 230/460V - 100.00HP - TEFC VSS - PE - 444VP	
2	**Vertical Inline HVAC Pumps;** *Tags P-15 & 16* - Model: V10A15A-RC CW Rotation Impeller Dia.: 13.5 - Pump Size: 10x10x15 Rated RPM: 1185 - 1440GPM 70TDH Calculated Efficiency @ Duty Point: 77.1% - Motor: 60HZ - 230/460V - 40.00HP - TEFC VSS - PE - 364VP **Exclusions:** VFDs, optional bases, starters, startup, training, #250 rating and any other accessories not listed above ARE NOT included.	
	TOTAL – PATTERSON PUMPS	**$**
	DANFOSS	
11	**Pump Variable Frequency Drives, Model VLT-FC102 w/ Bypass** - 460/60/3 - NEMA 1 Enclosure - 3% line reactor - Std. RFI filter - Std. manufacturer warranty - Disconnect, bypass, integral bacnet - Factory authorized start up **Exclusions:** Installation, field wiring, extended warranties, harmonic analysis, extended warranties, expedited lead time, and any other accessories ARE NOT included.	
	TOTAL – DANFOSS PUMP VFD'S	**$**
	AMERICAN WHEATLEY	
3	**Chilled Water Buffer Tanks;** *Model AWCBT-750, Tags BT-1, 2, & 3* - 750 gal - 8" flange connections - Air release valve/vent **Exclusions:** Seismic brackets, expedited lead time, extended warranties, and any other accessories not listed above **ARE NOT** included.	
3	**Air/Dirt Separators**; *Model STAD/HVAC* - Standard velocity: (1) 8", *Tag AS-1* - High velocity: (1) 8" & 16", *Tags AS-2 & 3* - Carbon steel construction - Removeable cover (AS-1 & 2 only) **Exclusions:** Expedited lead time, extended warranties, and any other accessories not listed above **ARE NOT** included.	

3	**ASME Expansion Tanks**; *Model WFA* - (1) 215 gal, *Tag ET-1* - (1) 300 gal, *Tag ET-2* - (1) 600 gal, *Tag ET-3* - 150 PSI - EPDM bladder **Exclusions:** Expedited lead time, extended warranties, and any other accessories not listed above **ARE NOT** included.	
	TOTAL – AMERICAN WHEATLEY TANKS	
	IEC	
2	**Horizontal Direct Drive Blower Coil;** *Model HDY, Tags FC-6 & 7* - 4-pipe configuration (FC-6), 2-pipe configuration (FC-7), pleated 2" MERV 8 filters, single wall construction, 1" fiberglass insulation, terminal strip, disconnect, 3-speed EC motor, thermostat - Autoflow hose kit **Exclusions:** Control valve, double wall construction, thermostats, remote sensors, mixing boxes, auto air vents, filter change indicator, low temperature limit switch, secondary drain pans, smoke detectors, spare belts/filters, extended warranties, expedited lead time and any accessories not listed above are not included.	
	TOTAL – IEC FAN COILS	**$**
	GREENHECK	
1	**Direct Drive Upblast Roof Exhaust Fan;** *Model CUE-VG, Tag* - UL705, Vari-Green EC motor with mounted Potentiometer Dial & 0-10VDC input, NEMA-1 disconnect, backdraft damper, 24" tall flat roof curb, aluminum birdscreen **Exclusions:** Startup, VFDs, shaft grounding, starters, pitched roof curbs, hinged base, curb seals, curb extensions, control switches/time clocks, special coatings, expedited lead time, extended warranties and any other accessories not listed above **ARE NOT** included.	
	TOTAL – EXHAUST FAN	**$**
	TOTAL PRICE	**$3,187,300**
	***ALL PRICES ABOVE ARE LESS TAX, FFA**	
	THANK YOU FOR CONSIDERING NORMAN S WRIGHT	

TERMS AND CONDITIONS

1. These terms and conditions apply to all purchases by Buyer (as referenced on the first page) from Norman S. Wright Mechanical Equipment of Southern Nevada, LLC, a California corporation (hereafter "Seller"). Seller's offer to sell equipment to Buyer expressly limits acceptance to the terms and conditions set forth herein. Notification of objection is hereby given to any term in any response to this offer that does not exactly match the terms of this offer.
2. To the extent Buyer has or had a balance due to, credit application with, or account with Seller, these terms and conditions shall supersede and control any terms governing the Buyer's previous or other account, except that any personal guarantees shall continue in full force and effect unless specifically revoked in writing. The terms set forth herein, and on any Credit Agreement, quotation, order acknowledgement from Seller to Buyer or invoices presented to Buyer for payment are the entire agreement between the parties.
3. Payment shall be due **NET 30 DAYS** from the date of invoice. If Buyer's Credit Application with Seller is not approved, Buyer must deposit of 100% of the purchase price with Seller before the order will be released. Payment for merchandise received shall be made as per these terms and shall not be dependent upon receipt of payment by Buyer from third parties. ~~Service charges shall accrue on amounts not paid by the 25th of the month following invoice at the rate of one and one-half percent (1½%) per month (18% per annum).~~
4. If Buyer's account balance remains unpaid 45 days following the date of the purchase, Seller, at its sole discretion, may determine the account to be in default and may immediately cease extending further credit to Buyer.
5. When reasonable grounds for insecurity arise with respect to Buyer's ability to pay, Seller may in writing demand adequate assurance of due performance. Buyer's failure to provide such assurance of due performance as is adequate under the circumstances of the particular case within five (5) calendar days of the demand is a default under this Agreement. Adequate assurances may include providing a bond or bonds, in the Seller's sole discretion.
6. In the event of default, Seller shall have no obligation to deliver or order materials subject to an outstanding purchase order unless and until Seller receives payment in full for those materials and all outstanding balances. Seller may apply the payments made by Buyer in any manner that Seller, in its sole discretion, deems appropriate, including application of payment to service charges first, and then principal.
7. Seller may change the terms of this agreement, including the rate of service charge, at any time upon 30 days notice of such change. Seller may cancel Buyer's credit account at any time, without notice, and with or without cause. In such event, Buyer agrees to immediately pay the outstanding balance.
8. ~~In the event Seller incurs any legal fees in connection with collecting monies due, Seller shall be entitled to recover its attorneys' fees, expert's fees, costs of suit and/or collection agency fees.~~ If more than one person or entity signs this application, it is understood and agreed that all entities and persons are jointly and severally liable for payment. In the event of litigation, Buyer and Seller agree to submit to the exclusive jurisdiction of the courts of the State of Nevada for all disputes arising out of or concerning this Agreement.
9. In the event Buyer believes, or has reason to believe, that Seller has provided materials, equipment, or other products which are damaged or are in any way incorrect or unsuitable ("defective"), Buyer shall provide Seller with written notice of the same within twenty-four hours of discovery of the defect, or when Buyer should have discovered the defect.
10. **EXCLUSION AND LIMITATION OF WARRANTIES. Seller's liability for defective equipment shall be limited to any warranty provided by the manufacturer. THE EXPRESS WARRANTY CONTAINED HEREIN IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Buyer waives all warranties, express or implied, except for those furnished by the manufacturer who furnished the material to seller. In no event shall Seller's liability exceed 250% of the amount paid to seller for providing such materials. The Parties acknowledge and agree that the foregoing sentence is an express, negotiated agreement allocating and limiting liability in accordance with applicable law, including without limitation, section 2782.5 of the Civil Code.**
11. **WAIVER OF CONSEQUENTIAL DAMAGES AND LIMITATION OF REMEDIES. By accepting shipment, Buyer waives any and all special or consequential damages arising out of or any way related to all purchases by Buyer from Seller. Buyer specifically waives any and all damages for delay, including reimbursement of liquidated damages that may be imposed on Buyer.**
12. Delivery of products, title and risk of loss pass to Buyer FOB place of manufacture. All shipping dates are approximate and are not guaranteed.
13. Buyer's delivery of notice or revocation of these terms and conditions shall in no way relieve Buyer from any liability or for any indebtedness incurred prior to Seller's actual receipt of such notice. To the extent that materials or products furnished by Seller are intended by Buyer to be incorporated into a construction work of improvement, Buyer shall fully and promptly furnish to Seller any and all project information necessary for Seller to perfect any actual or potential mechanic's liens, stop notice or bond rights.
14. The terms and conditions set forth herein shall apply to all equipment and/or materials furnished to Buyer by Seller. To the extent that a current or subsequent Purchase Order expressly incorporates by reference the terms of any contract documents, the terms set forth herein shall amend and modify the Purchase Order and any contract documents, and shall supersede and control any conflicting language in the Purchase Order or any of the contract documents. Terms in a subsequent Purchase Order that are inconsistent with the Terms and Conditions set forth herein shall apply if and only if the specific inconsistent terms have been initialed by a Seller's authorized representative. Seller hereby expressly rejects any terms in the contract documents or in the Purchase Order that are inconsistent with the Terms and Conditions set forth herein. Seller's obligations, if any, to supply equipment and/or materials on credit are expressly made conditional on Buyer's assent to the terms and conditions herein.
15. Buyer shall assign to Seller any and all mechanic's lien, stop notice, bond claims or rights that Buyer has or may have with respect to the project under the Mechanic's Lien, Stop Notice and/or Bond Laws pertaining to public or private construction, or against contract proceeds or retainages payable to Buyer with respect to such project. In no event shall the assignment release Buyer of the underlying obligation to pay Seller the entire debt owed to Seller. Further, Buyer's assignment to Seller of the claims or rights as discussed in this paragraph is in addition to any other security given to Seller or that Seller may have received from Buyer. Buyer shall hold all payments received in connection with materials furnished to it by Seller in trust for Seller.
16. Any and all returned items are subject to a minimum 25% restocking charge. A copy of the invoice must accompany returned goods. There will be no return on special order material. All claims for shortages must be noted on delivery tickets and reported within five days after receipt of the order. All returns must be in resalable condition. No returns will be accepted on custom manufactured equipment.
17. To the fullest extent allowed by law, Buyer agrees to indemnify, defend and hold Seller harmless from any claims, demands, liabilities, damages, causes of action, expenses, including attorneys' and expert's fees ("claims") arising out of or in connection with any of the materials, supplies or equipment provided by Seller, notwithstanding any active or passive negligence on the part of Seller. This indemnification shall not apply to claims directly resulting from Seller's sole negligence or willful misconduct of Seller.
18. Seller shall have no liability for non-performance due to acts of God; acts of Buyer; war (declared or undeclared); terrorism or other criminal conduct; fire, flood, weather; sabotage; strikes, labor or civil disturbances; governmental requests, restrictions, laws, regulations, orders, omissions or actions; unavailability of, or delays in utilities or transportation; default of suppliers or inability to obtain necessary equipment or materials through no fault of its own; embargoes or any other events or causes beyond Seller's reasonable control (each a "Force Majeure Event"). Deliveries or other performance may be suspended or canceled by Seller upon notice to Buyer of a Force Majeure event.
19. In the event any portion of these terms are declared by a court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable as written, Buyer agrees that the Court or arbitrator shall modify and reform such provision to permit enforcement to the greatest extent permitted by law, and that the enforceability of the remaining provisions of this Agreement shall in no way be affected or impaired.
20. PUBLIC RECORDS Seller acknowledges that BUYER is a public county-owned hospital which is subject to the provisions of the Nevada Public Records Act, Nevada Revised Statutes Chapter 239, as may be amended from time to time, and as such its records are public documents available to copying and inspection by the public. If BUYER receives a demand for the disclosure of any information related to the Agreement which Seller has claimed to be confidential and proprietary, BUYER will immediately notify Seller of such demand and Seller shall immediately notify BUYER of its intention to seek injunctive relief in a Nevada court for protective order. Se ler shall indemnify, defend and hold harmless BUYER from any claims or actions, including all associated costs and attorney's fees, regarding or related to any demand for the disclosure of Seller documents in BUYER's custody and control in which Se ler claims to be confidential and proprietary.
21. BUDGET ACT AND FISCAL FUND OUT In accordance with the Nevada Revised Statutes (NRS 354.626), the financial obligations under the Agreement between the parties shall not exceed those monies appropriated and approved by BUYER for the then current fiscal year under the Local Government Budget Act. The Agreement shall terminate and BUYER's obligations under it shall be extinguished at the end of any of BUYER's fiscal years in which BUYER's governing body fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which could then become due under the Agreement. BUYER agrees that this Section shall not be utilized as a subterfuge or in a discriminatory fashion as it relates to the Agreement. In the event this Section is invoked, the Agreement will expire on the 30th day of June of the then current fiscal year. Termination under this Section shall not relieve BUYER of ts obligations incurred through the 30th day of June of the fiscal year for which monies were appropriated.
22. GOVERNING LAW Nevada law shall govern the interpretation and enforcement of the Agreement. Venue shall be any appropriate State or Federal court in Clark County, Nevada.

July 12th, 2022

John Goodnow
Contract Specialist
University Medical Center of Southern Nevada
1800 W. Charleston Blvd.
Las Vegas, NV 89102

Re: Request for competitive bidding information regarding Mechanical Systems & Controls.

Dear Mr. Goodnow:

This letter is provided in response to the University Medical Center of Southern Nevada's ("UMC") request for information about HealthTrust Purchasing Group, L.P.'s ("HealthTrust") competitive bidding process for Mechanical Systems & Controls. We are pleased to provide this information to UMC in your capacity as a Participant of HealthTrust, as defined in and subject to the Participation Agreement between HealthTrust and UMC, effective August 3, 2016.

HealthTrust's bid and award process is described in its Contracting Process Policy [HT.008] available on its public website {http://healthtrustpg.com/about-healthtrust/healthcare-code-of-ethics/). As described in the policy, HealthTrust operates a member-driven contracting process. Advisory Boards are engaged to determine the clinical, technical, operational, conversion, business and other criteria important for each specific bid category. The boards are comprised of representatives from HealthTrust's membership who have appropriate experience, credentials/licensures, and decision-making authority within their respective health systems for the board on which they serve.

HealthTrust's requirements for specific products and services are published on its Contract Schedule on its public website. HealthTrust's requirements for vendors are outlined in its Supplier Criteria Policy [HT.010]. A listing of the minimum Supplier Criteria is also published on HealthTrust's public website, as well as an on-line form for prospective vendor submission.

The Contracting Process Policy includes criteria for the selection of contract products and services and documents and the procedures followed by HealthTrust's contracting team to select vendors for consideration. HealthTrust's Advisory Boards may provide additional requirements or other criteria that would be incorporated into the RFP (request for proposals) process, where appropriate. Vendor proposals submitted in response to RFPs are analyzed using an extensive clinical/technical review as described above, as well as a financial/operational review.

The above-described process was followed with respect to the Mechanical Systems & Controls category. HealthTrust issued RFPs and received proposals from identified suppliers in the Mechanical Systems & Controls category. A contract was executed with Daikin, Johnson Controls, Trane, and Carrier in September of 2020. I hope this satisfies your request. Please contact me with any additional questions.

Sincerely,

Craig Dabbs
Account Director, Member Services

INSTRUCTIONS FOR COMPLETING THE
DISCLOSURE OF OWNERSHIP/PRINCIPALS FORM

Purpose of the Form

The purpose of the Disclosure of Ownership/Principals Form is to gather ownership information pertaining to the business entity for use by the University Medical Center of Southern Nevada Governing Board ("GB") in determining whether members of the GB should exclude themselves from voting on agenda items where they have, or may be perceived as having a conflict of interest, and to determine compliance with Nevada Revised Statute 281A.430, contracts in which a public officer or employee has interest is prohibited.

General Instructions

Completion and submission of this Form is a condition of approval or renewal of a contract or lease and/or release of monetary funding between the disclosing entity and University Medical Center of Southern Nevada. Failure to submit the requested information may result in a refusal by the GB to enter into an agreement/contract and/or release monetary funding to such disclosing entity.

Detailed Instructions

All sections of the Disclosure of Ownership form must be completed. If not applicable, write in N/A.

Business Entity Type – Indicate if the entity is an Individual, Partnership, Limited Liability Company, Corporation, Trust, Non-profit Organization, or Other. When selecting 'Other', provide a description of the legal entity.

Non-Profit Organization (NPO) - Any non-profit corporation, group, association, or corporation duly filed and registered as required by state law.

Business Designation Group – Indicate if the entity is a Minority Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Small Business Enterprise (SBE), Physically-Challenged Business Enterprise (PBE), Veteran Owned Business (VET), Disabled Veteran Owned Business (DVET), or Emerging Small Business (ESB) . This is needed in order to provide utilization statistics to the Legislative Council Bureau, and will be used only for such purpose.

- **Minority Owned Business Enterprise (MBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more minority persons of Black American, Hispanic American, Asian-Pacific American or Native American ethnicity.
- **Women Owned Business Enterprise (WBE**): An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more women.
- **Physically-Challenged Business Enterprise (PBE):** An independent and continuing business for profit which performs a commercially useful function and is at least 51% owned and controlled by one or more disabled individuals pursuant to the federal Americans with Disabilities Act.
- **Small Business Enterprise (SBE):** An independent and continuing business for profit which performs a commercially useful function, is not owned and controlled by individuals designated as minority, women, or physically-challenged, and where gross annual sales does not exceed $2,000,000.
- **Veteran Owned Business Enterprise (VET):** An independent and continuing Nevada business for profit which performs a commercially useful function and is at least 51 percent owned and controlled by one or more U.S. Veterans.
- **Disabled Veteran Owned Business Enterprise (DVET):** A Nevada business at least 51 percent owned/controlled by a disabled veteran.
- **Emerging Small Business (ESB):** Certified by the Nevada Governor's Office of Economic Development effective January, 2014. Approved into Nevada law during the 77th Legislative session as a result of AB294.

Business Name (include d.b.a., if applicable) – Enter the legal name of the business entity and enter the "Doing Business As" (d.b.a.) name, if applicable.

Corporate/Business Address, Business Telephone, Business Fax, and Email – Enter the street address, telephone and fax numbers, and email of the named business entity.

Nevada Local Business Address, Local Business Telephone, Local Business Fax, and Email – If business entity is out-of-state, but operates the business from a location in Nevada, enter the Nevada street address, telephone and fax numbers, point of contact and email of the local office. Please note that the local address must be an address from which the business is operating from that location. Please do not include a P.O. Box number, unless required by the U.S. Postal Service, or a business license hanging address.

***Number of Clark County Nevada Residents employed by this firm. (*Do not leave blank. If none or zero, put the number 0 in the space provided.)**

List of Owners/Officers – Include the full name, title and percentage of ownership of each person who has ownership or financial interest in the business entity. If the business is a publicly-traded corporation or non-profit organization, list all Corporate Officers and Directors only.

For All Contracts – **(Not required for publicly-traded corporations)**

1) Indicate if any individual members, partners, owners or principals involved in the business entity are a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s). If yes, the following paragraph applies.

   In accordance with NRS 281A.430.1, a public officer or employee shall not bid on or enter into a contract between a government agency and any private business in which he has a significant financial interest, except as provided for in subsections 2, 3, and 4.

2) Indicate if any individual members, partners, owners or principals involved in the business entity have a second degree of consanguinity or affinity relation to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s) (reference form on Page 2 for definition). If **YES**, complete the Disclosure of Relationship Form.

A professional service is defined as a business entity that offers business/financial consulting, legal, physician, architect, engineer or other professional services.

Signature and Print Name – Requires signature of an authorized representative and the date signed.

Disclosure of Relationship Form – If any individual members, partners, owners or principals of the business entity is presently a University Medical Center of Southern Nevada employee, public officer or official, or has a second degree of consanguinity or affinity relationship to a University Medical Center of Southern Nevada employee, public officer or official, this section must be completed in its entirety.

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
☐ Sole Proprietorship	☐Partnership	☐ Limited Liability Company	☒ Corporation	☐ Trust	☐ Non-Profit Organization	☐ Other

Business Designation Group (Please select all that apply)						
☐ MBE	☐ WBE	☐ SBE	☐ PBE	☐ VET	☐DVET	☐ ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business

Number of Clark County Nevada Residents Employed: 15

Corporate/Business Entity Name:	Norman S. Wright of Southern Nevada	
(Include d.b.a., if applicable)		
Street Address:	5165 Rousso Rd, Ste A	**Website:** https://normanwright.com/lasvegas
City, State and Zip Code:	Las Vegas, NV 89118	**POC Name:** Gavin Helm **Email:** ghelm@norman-wright.com
Telephone No:	702-361-4212	**Fax No:** 702-361-5078
Nevada Local Street Address: **(If different from above)**		**Website:**
City, State and Zip Code:		**Local Fax No:**
Local Telephone No:		**Local POC Name:** **Email:**

All entities, with the exception of publicly-traded and non-profit organizations**,** must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
Rich Leao	President & CEO	51%
Matt Lisiewski	Vice President / Branch Manager	25%
Sal Giglio	Executive Vice President	24%

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☐ Yes ☒ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☐ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☐ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Gavin Helm Digitally signed by Gavin Helm DN: C=US, E=ghelm@norman-wright.com, O=Norman S. Wright, CN=Gavin Helm Date: 2022.07.08 14:12:45-07'00'

Signature

Gavin Helm

Print Name

Sales Application Engineer

Title

7/8/22

Date

REVISED 7/25/2014

DISCLOSURE OF RELATIONSHIP

List any disclosures below:
(Mark N/A, if not applicable.)

NAME OF BUSINESS OWNER/PRINCIPAL	NAME OF UMC* EMPLOYEE/OFFICIAL AND JOB TITLE	RELATIONSHIP TO UMC* EMPLOYEE/OFFICIAL	UMC* EMPLOYEE'S/OFFICIAL'S DEPARTMENT
N/A			

* UMC employee means an employee of University Medical Center of Southern Nevada

"Consanguinity" is a relationship by blood. "Affinity" is a relationship by marriage.

"To the second degree of consanguinity" applies to the candidate's first and second degree of blood relatives as follows:

- Spouse – Registered Domestic Partners – Children – Parents – In-laws (first degree)
- Brothers/Sisters – Half-Brothers/Half-Sisters – Grandchildren – Grandparents – In-laws (second degree)

For UMC Use Only:

If any Disclosure of Relationship is noted above, please complete the following:

☐ Yes ☐ No Is the UMC employee(s) noted above involved in the contracting/selection process for this particular agenda item?

☐ Yes ☐ No Is the UMC employee(s) noted above involved in any way with the business in performance of the contract?

Notes/Comments:

_____
Signature

_____
Print Name
Authorized Department Representative

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**Change Order #001 to the Award of Bid No. 2020-07, Pharmacy Clean Room Design and Build Project**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	**Clerk Ref. #**

Recommendation:

That the Governing Board Audit and Finance Committee review and recommend for approval by the Governing Board Change Order #001 to the Award of Bid No. 2020-07, Pharmacy Clean Room Design and Build Project, to Martin Harris Construction, LLC; authorize the Chief Executive Officer to execute future change orders; or take action as deemed appropriate. ***(For possible action)***

FISCAL IMPACT:

Fund Number: 5430.011 Fund Name: Clark County Capital Equipment Transfer
Fund Center: 3000999901 Funded Pgm/Grant: N/A
Description: Change Order #001 to Award of Bid 2020-07 Pharmacy Clean Room Design and Build Project
Bid/RFP/CBE: Formal bid pursuant to NRS 338.1385
Term: Until project completion
Amount:
Change Order #001: $770,222 ($641,852 change order plus $128,370 construction conflict allowance)
Original Award: $1,822,040 ($1,518,367 quote plus $303,673 construction conflict allowance)
New Project Total: $2,592,262 ($2,160,219 quote/change order plus $432,043 construction conflict allowance)
Out Clause: Any time for cause or Owner's convenience

BACKGROUND:

In December of 2020, Bid No. 2020-07 was awarded to Martin Harris Construction, LLC to design and install approximately 4,182 square feet of ISO Class 7 and ISO Class 8 Clean Rooms designed in compliance with ISO 14644-1 standards and 2018 FGIs. This project will include design, engineering, furniture, fixtures, equipment, material, project management, professional installation, Clean Room certification, start up, required permits, state and local fees, inspections and final clearances necessary to operate the Clean Room environments and support spaces.

Cleared for Agenda
July 20, 2022

Agenda Item #

14

Due to COVID lockdowns and restrictions the project did not begin according to the original timeline. Since December of 2020, the cost of building materials has increased significantly due to a variety of factors including, but not limited to: supply chain disruptions, inflation, and increased energy costs. The COVID related delays and increase in cost of materials necessitates a change order to increase the budget of the project.

The original term of the agreement was 182 calendar days from the date of the Notice to Proceed. The new Term of the Project is now until project completion.

UMC may terminate the agreement at any time for its convenience, upon written notice to Martin-Harris Construction, LLC.

Director of Facilities Maintenance and Manager of Facilities Maintenance as well as the Director of Pharmacy and Manager of Pharmacy have reviewed the change order and recommend approval by the Governing Board. Staff also requests board approval for the CEO to execute future change orders for the project if deemed beneficial to UMC.

Change Order #001 has been approved as to form by UMC's Office of General Counsel.

Martin-Harris Construction, LLC, currently holds a valid Clark County Business License.

Martin Harris Construction LLC
3030 South Highland Drive
Las Vegas, Nevada 89109
Phone: (702) 385-5257
Fax: (702) 474-8257

CHANGE ORDER #001

Project: 1-20-8034 - UMC Pharmacy Clean Room
1st Floor Pharmacy, 1800 W. Charleston Blvd.
Las Vegas, Nevada 89102

Prime Contract Change Order #001: CE #002 - Final Design Acceptance Additional Cost

TO:	UMC Southern Nevada 1800 W. Charleston Blvd. Las Vegas, Nevada 89102	**FROM:**	Martin Harris Construction LLC 3030 S. Highland Dr. Las Vegas, Nevada 89109
PCO NUMBER/REVISION:	001 / 0	**CONTRACT:**	1 - UMC Pharmacy Clean Room Prime Contract
REQUEST RECEIVED FROM:	Mike Walsh **(Martin Harris Construction LLC)**	**CREATED BY:**	Kristy Staff **(Martin Harris Construction LLC)**
STATUS:	Pending - In Review	**CREATED DATE:**	6/13/2022
REFERENCE:		**PRIME CONTRACT CHANGE ORDER:**	None
FIELD CHANGE:	No	**CHANGE ORDER REQUEST:**	None
LOCATION:		**ACCOUNTING METHOD:**	Amount Based
SCHEDULE IMPACT:		**PAID IN FULL:**	No
EXECUTED:	No	**SIGNED CHANGE ORDER RECEIVED DATE:**	
		TOTAL AMOUNT:	$641,852.00

CHANGE ORDER TITLE: CE #002 - Final Design Acceptance- Additional Cost

CHANGE REASON: Design Development, Project Delays, Increased Cost of Building Materials

CHANGE ORDER DESCRIPTION: *(The Contract Is Changed As Follows)*
CE #002 - Final Design Acceptance- Additional Cost
Changes to original po#4500326733-215 as shown in attached breakdown:

As shown in the attached breakdown, there are addition cost associated with the market conditions and the final UMC Pharmacy Clean Room design. This cost accounts for the material cost changes from the time of proposal award to the time of the final design acceptance.
The term of the Project is extended until completion of the project.

ATTACHMENTS:

#	Budget Code	Description	Amount
1		General Requirements/IV Pharmacy Refresh	$91,103.00
2	2-060-080021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Demolition	$16,291.00
3	11-600-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Modular Wall System	$37,776.00
4	9-900-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Paint	$1,330.00
5	9-250-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Gyp	$13,598.00
6	9-660-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Flooring	$545.00
7	8-110-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Doors/Hardware	$9,111.00
8	8-300-100021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Glass Sliding Doors	$(26,362.00)

MARTIN HARRIS CONSTRUCTION

Change Order #001

#	Budget Code	Description	Amount
9	8-410-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Sliding Serv. Window	$(1,300.00)
10	6-220-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Millwork	$531.00
11	15-400-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Plumbing	$4,000.00
12	15-500-030021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	HVAC	$155,220.00
13	15-600-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	HVAC with Dehumidification	$37,765.00
14	15-950-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Dehumidification for Existing Unit	$4,870.00
15	15-990-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	HVAC Controls	$60,000.00
16	16-100-030021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Electrical	$150,334.00
17	16-100-020021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Communications	$41,575.00
18	15-300-010021.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Fire Suppression	$5,465.00
19	16-100-030521.S CE#002 Final Design Acceptance-Additional Cost.Commitment	Fire Alarm	$40,000.00
		Grand Total:	**$641,852.00**

UMC Southern Nevada
1800 W. Charleston Blvd.
Las Vegas, Nevada 89102

Martin Harris Construction LLC
3030 S. Highland Dr.
Las Vegas, Nevada 89109

6/21/22

SIGNATURE **DATE**

SIGNATURE **DATE**

SIGNATURE **DATE**

UMC Schedule of Values
Pharmacy Clean Room Remodel
Martin-Harris Construction

Updated 2/10/2022 R1

Item	Description	Original Dollars Amount	Change Order Amount	Revised Contract Amount
1	IV PHARMACY REFRESH, as specified	62,925	23,089	86,014
2	Design Engineering Fees (Architect, MEP and Fire)	87,800	0	87,800
3	Permits	8,000	0	8,000
4	General Requirements	285,867	68,014	353,881
5	Demolition	19,356	16,291	35,647
6	Modular Wall System	137,124	37,776	174,900
7	Framing, Drywall, Tape, Texture & Paint	95,566	14,928	110,494
8	Finishes (Flooring, Doors, Etc)	82,811	(18,006)	64,805
9	Millwork	19,208	531	19,739
10	Plumbing	78,732	4,000	82,732
11	HVAC	269,000	155,220	424,220
12	HVAC New AC Unit with Denumidification	85,000	37,765	122,765
13	Dehumidification for Existing AH Unit	20,000	4,870	24,870
14	HVAC Controls (Honeywell)	60,000	60,000	120,000
15	Electrical	99,100	150,334	249,434
16	Communications	29,200	41,575	70,775
17	Fire Suppression	7,685	5,465	13,150
18	Fire Alarm (Honeywell)	40,000	40,000	80,000
19	Relocation of Carousel	500	0	500
20	Add Alt - CAP18WHF HEPA Filtered Pass Thru Cabinet	30,493	0	30,493
	Total Bid Amount	1,518,367	641,852	2,160,219

DISCLOSURE OF OWNERSHIP/PRINCIPALS

Business Entity Type (Please select one)						
☐ Sole Proprietorship	☐Partnership	☐ Limited Liability Company	☒ Corporation	☐ Trust	☐ Non-Profit Organization	☐ Other

Business Designation Group (Please select all that apply) N/A						
☐ MBE	☐ WBE	☐ SBE	☐ PBE	☐ VET	☐DVET	☐ ESB
Minority Business Enterprise	Women-Owned Business Enterprise	Small Business Enterprise	Physically Challenged Business Enterprise	Veteran Owned Business	Disabled Veteran Owned Business	Emerging Small Business

Number of Clark County Nevada Residents Employed: 330

Corporate/Business Entity Name:	MARTIN HARRIS CONSTRUCTION, INC	
(Include d.b.a., if applicable)		
Street Address:	3030 S HIGHLAND DRIVE	**Website:** WWW.MARTINHARRIS.COM
City, State and Zip Code:	LAS VEGAS, NV 89109	**POC Name:** FRANK 'GUY' MARTIN **Email:** PROCUREMENT@MARTINHARRIS.COM
Telephone No:	702.385.5257	**Fax No:** 702.384.7736
Nevada Local Street Address: **(If different from above)**		**Website:**
City, State and Zip Code:		**Local Fax No:**
Local Telephone No:		**Local POC Name:** **Email:**

All entities, with the exception of publicly-traded and non-profit organizations, must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board.

Publicly-traded entities and non-profit organizations shall list all Corporate Officers and Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use applications, extends to the applicant and the landowner(s).

Entities include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations.

Full Name	Title	% Owned (Not required for Publicly Traded Corporations/Non-profit organizations)
JACK LIVINGOOD	CHAIRMAN	70%
ROB MOORE	CEO	8%

This section is not required for publicly-traded corporations. Are you a publicly-traded corporation? ☐ Yes ☒ No

1. Are any individual members, partners, owners or principals, involved in the business entity, a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please note that University Medical Center of Southern Nevada employee(s), or appointed/elected official(s) may not perform any work on professional service contracts, or other contracts, which are not subject to competitive bid.)

2. Do any individual members, partners, owners or principals have a spouse, registered domestic partner, child, parent, in-law or brother/sister, half-brother/half-sister, grandchild, grandparent, related to a University Medical Center of Southern Nevada full-time employee(s), or appointed/elected official(s)?

   ☐ Yes ☒ No (If yes, please complete the Disclosure of Relationship form on Page 2. If no, please print N/A on Page 2.)

I certify under penalty of perjury, that all of the information provided herein is current, complete, and accurate. I also understand that the University Medical Center of Southern Nevada Governing Board will not take action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

Signature — FRANK 'GUY' MARTIN (Print Name)

PRESIDENT (Title) — 3/20/19 (Date)

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**CEO Annual Incentive Compensation**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	

Recommendation:

That the Audit and Finance Committee discuss CEO FY22 Annual Incentive Compensation Performance Standards as it relates to the subject matter relevant to the Audit and Finance Committee and make a recommendation to the Human Resources and Executive Compensation Committee; and take action as deemed appropriate. ***(For possible action)***

FISCAL IMPACT:

None

BACKGROUND:

Each year, the subcommittees of the Governing Board review the accomplishments of the CEO based on performance objectives approved by the Governing Board. During this meeting the CEO will present accomplishments associated with the Audit and Finance objectives.

Cleared for Agenda
July 20, 2022

Agenda Item #
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CEO Performance Objectives- FY22 -June Update

CEO Performance Objectives FY22

FY22 Audit & Finance Committee

1. Exceed fiscal year budgeted income from operations plus depreciation and amortization.

REVENUE	FY22 Actuals	FY22 Budget
Net Patient Revenue	$779,920,310	$645,237,494
Other Revenue	$35,669,548	$52,778,769
Total Net Revenue	**$815,589,858**	**$698,016,263**

EXPENSE	FY22 Actuals	FY22 Budget
Salarie, Wages, and Benefits	$489,500,083	$429,644,713
Supplies	$144,541,209	$139,167,430
Other Expenses	$184,578,688	$175,644,930
Total Operating Expense	**$818,619,980**	**$744,457,073**
Total Inc from Ops	($3,030,121)	($46,440,811)
Add back: Depr & Amort.	$26,754,350	$26,621,418
Tot Inc from Ops plus Depr & Amort.	**$23,724,228**	**($19,819,393)**

2. Actual SWB per Adjusted Patient Day is less than $2,267 or Actual SWB as a percentage of net patient revenue is less than 63.23%.

Metric	FY22 Actuals	Goal	Variance	% Variance
SWB/APD	$2,067	$2,267	$200	8.82%
SWB as % of Net Patient Rev	62.76%	63.23%	0.46%	-

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue:	**CEO Annual Incentive Compensation**	**Back-up:**
Petitioner:	Jennifer Wakem, Chief Financial Officer	
Recommendation: **That the Audit and Finance Committee discuss and establish annual CEO Performance Goals and Objectives for FY2023; and take action as deemed appropriate.** ***(For possible action)***		

FISCAL IMPACT:

None

BACKGROUND:

Each year, the subcommittees of the Governing Board review the accomplishments of the CEO based on performance objectives approved by the Governing Board. During this meeting the CEO will present accomplishments associated with the Audit and Finance objectives.

Cleared for Agenda
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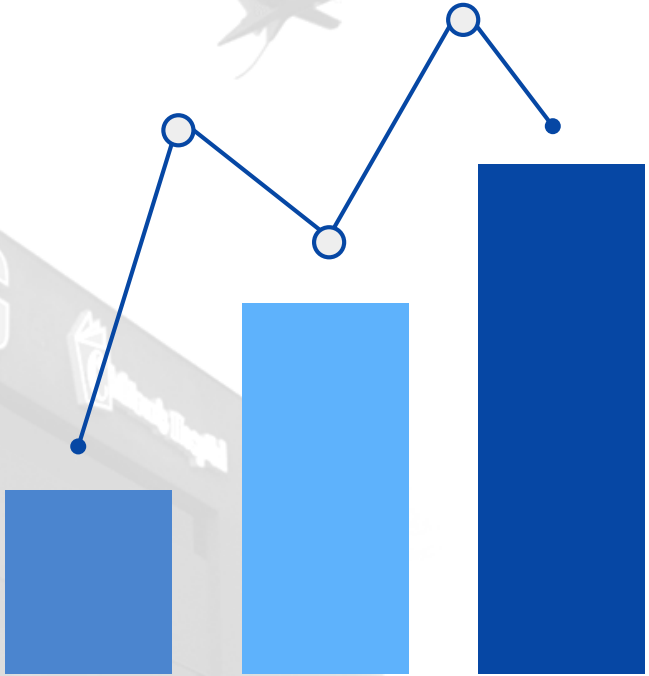
CEO Performance Objectives- FY23



CEO Performance Objectives FY23 Proposed

1. Exceed fiscal year budgeted income from operations after depreciation and amortization.

	FY22 Actuals	FY23 Budget
Total Inc from Ops	($3,030,121)	$4,997,695
Add back: Depr & Amort.	$26,754,350	$27,615,936
Tot Inc from Ops plus Depr & Amort.	**$23,724,228**	**$32,613,631**

CEO Performance Objectives FY23 Proposed

2. Actual SWB per Adjusted Patient Day is less than $2,156 or Adjusted EPOB less than 5.95

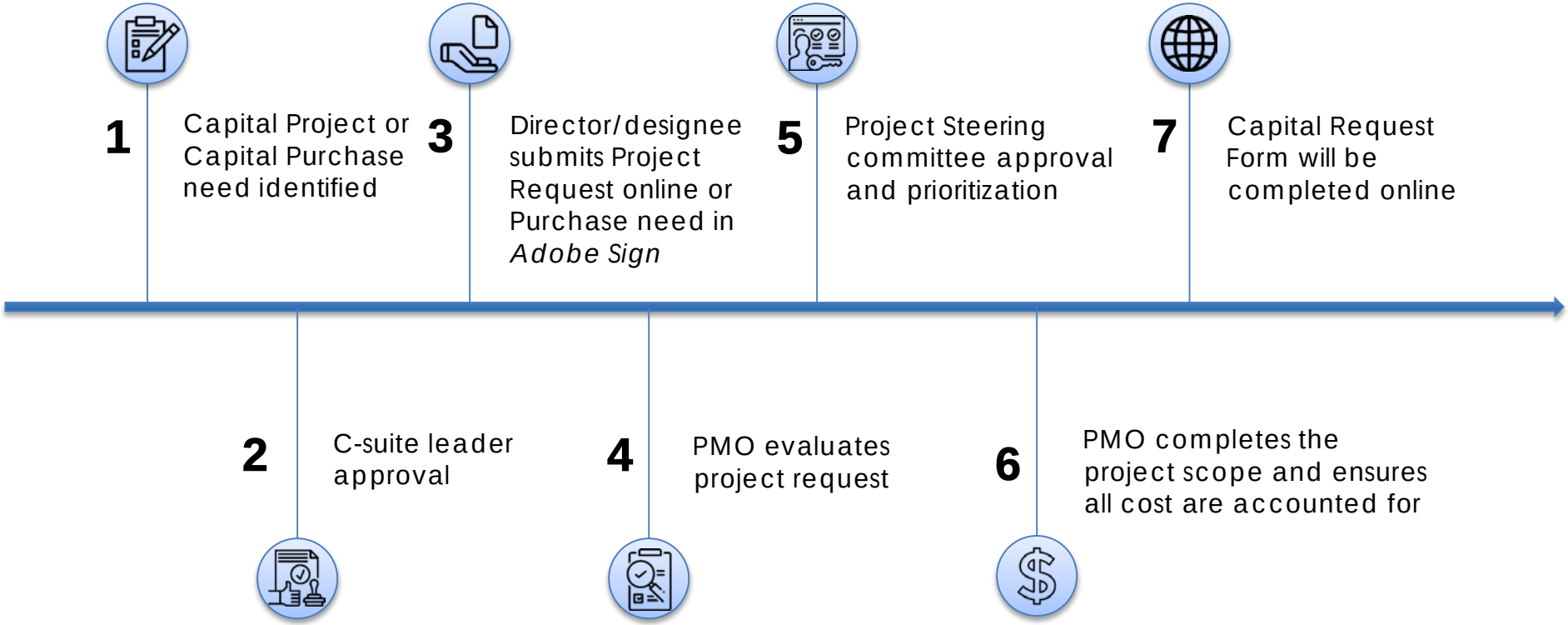
3. ALOS less than or equal to 5.77

4. Increase average monthly cash collections by 5%

FY	EPOB	Adjusted EPOB	SWB/AA	SWB/APD	SWB as % of Net PT Rev	OT Hours as a % of PROD Hours	SWB/FTE	ALOS	CMI	Avg monthly cash collections
FY23 BUD	9.25	5.95	$12,433	$2,156	60.16%	3.40%	$132,276	5.77	2.00	$45,357,582
FY22 ACT	8.12	5.39	$14,852	$2,067	62.76%	5.77%	$140,103	7.00	1.95	$43,197,698
FY21 ACT	9.79	6.36	$14,407	$2,231	59.86%	4.53%	$127,975	6.70	2.04	$40,669,803
FY20 ACT	10.94	7.06	$13,039	$2,309	74.30%	2.72%	$119,318	5.47	1.80	$36,991,458
FY19 ACT	10.36	7.15	$11,637	$2,195	61.26%	3.53%	$112,265	5.30	1.82	$35,156,634

Project and Capital Request Process

Project and Capital Request Process



Project and Capital Request Process

8

Initial review and approval process from the following: IT, Materials Management, Engineering, Clinical Engineering, and C-Suite leader

9

Capital Committee meets every 2 weeks for presentation and/or voting

10

If approved, Capital Request Form is sent back to the requestor with instructions to place it on NTRACTS

11

NTRACTS approval process

12

The request will be placed into SAP for funding and PO assignment

13

PO is sent to the vendor

14

For equipment purchase, it will be ordered and received

For projects, planning/process with vendor begins

Many project/capital purchases require construction (de-install, construction to new codes, install, IT integration, etc.)

CEO Performance Objectives FY23

5. Allocate all of FY23 Capital money by end of (month) and spend x% or x% PO created of the $31M by end of fiscal year.

FY	Total Capital Funds	Allocated to Projects	PO Created	Actual Cash Spent at Jun Month End	Actual Cash Spent as a % of Toal Capital Funds
FY 2022	$31,000,000	$31,362,983	$8,406,057	$3,280,763	10.58%

UNIVERSITY MEDICAL CENTER OF SOUTHERN NEVADA
GOVERNING BOARD AUDIT AND FINANCE COMMITTEE
AGENDA ITEM

Issue: **Emerging Issues**	**Back-up:**
Petitioner: Jennifer Wakem, Chief Financial Officer	

Recommendation:

That the Audit and Finance Committee identify emerging issues to be addressed by staff or by the Audit and Finance Committee at future meetings; and direct staff accordingly. ***(For possible action)***

FISCAL IMPACT:

None

BACKGROUND:

None

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July 20, 2022

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