

County of Ventura Contract 7249

This Contract entered into this 1st day of November, 2015 ("Effective Date"), by and between the County of Ventura, a political subdivision of the State of California, hereinafter called "County" and Crothall Laundry Services, Inc., hereinafter called "Contractor."

WITNESSETH

WHEREAS, County issued the Hospital Linen Services Request for Proposal #5786 (hereinafter referred also as 'RFP') to determine the most qualified contractor for such services for County; and

WHEREAS Contractor submitted a proposal dated July 23, 2015, in response to the RFP (hereinafter referred also as "Contractor's Proposal"), to provide services to County;

WHEREAS, County determined, through competitive solicitation and careful review of submitted proposals, that Contractor's Proposal best meets the need of County for Hospital Linen Services and that it is necessary and desirable that Contractor be engaged by County for the purpose of providing Hospital Linen Services and related services hereinafter described; and

WHEREAS County and Contractor are willing to enter into a Hospital Linen Services Contract in accordance with the terms and conditions contained herein;

WHEREAS, it is necessary and desirable that Contractor be engaged by County for the purpose of performing Hospital Linen Services hereinafter described:

NOW, THEREFORE, IT IS HEREBY AGREED by the parties as follows:

1. SERVICES TO BE PERFORMED BY CONTRACTOR

In consideration of the payments hereinafter set forth, Contractor will perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit A attached hereto and by this reference made a part hereof.

2. PAYMENTS

In consideration of the services rendered in accordance with all terms, conditions, and specifications set forth herein and in Exhibit A, County will make payment to Contractor in the manner specified in Exhibit A.

3. TERM

Contract term shall be for an initial period of five (5) years from the Effective Date, with the option to extend for two (2) additional one-year periods, upon written mutual agreement. Prices must remain firm for the initial twenty four (24) months of the contract period.

Any requests for reasonable price adjustments must be submitted by Contractor at least ninety (90) days prior to the end of the initial twenty four (24) months of the contract term, or ninety (90) days prior to desired effective date of the adjustment. Requests for adjustments in cost of labor and/or materials must be supported by appropriate documentation. The following adjustments may apply:

- a) Annual Inflation Modifications. Starting on the second anniversary of the Effective Date and on every anniversary of the Effective Date of this Contract thereafter, the prices may be increased by the same percentage increase as the Consumer Price Index for All Urban Consumers: U.S. City Average, Hospital Services, for the most recently published twelve (12) month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics. Should the applicable inflation rate over the most recently published twelve (12) month period decrease, the prices shall not change from the previous year.
- b) Service Fee Modifications. Contractor may, upon mutual written agreement, increase the Service Fees if it incurs unforeseen increases in the cost of performing the Services. For purposes of this Contract, "unforeseen increases" includes, without limitation, increases in the cost of linen, utilities, diesel, natural gas, supplies, labor, transportation, waste disposal, or other costs not within the control of Contractor.

Continuation of the contract is subject to the appropriation of funds for such purpose by the Board of Supervisors. If funds to effect such continued payment are not appropriated, County may terminate this project as thereby affected and Contractor will relieve County of any further obligation therefore.

4. RESPONSIBILITY OF CONTRACTOR

Contractor shall, prior to start of any work awarded hereby, secure at Contractor's own expense all persons, employees and equipment required to perform the contract requirements.

Contractor will be held fully responsible for performance of any subcontractors.

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

5. WARRANTIES

Contractor shall warrant and represent that:

- a) its work hereunder shall be of professional quality and performed consistent with generally accepted industry standards.
- b) there exists no actual or potential conflict of interest concerning the services to be performed under this Contract. Contractor represents that performance under this Contract does not require the breach of any contract or obligation to keep in confidence the proprietary information of another party.

6. INDEPENDENT CONTRACTOR

No relationship of employer and employee is created by this Contract, it being understood that Contractor is an independent contractor, and neither Contractor nor any of the persons performing services for Contractor pursuant to this Contract, whether said person be member, partner, employee, subcontractor, or otherwise, will have any claim under this Contract or otherwise against County for sick leave, vacation pay, retirement benefits, social security, workers' compensation, disability, unemployment insurance benefits, or employee benefits of any kind.

It is further understood and agreed by the parties hereto that, except as provided in this Contract, Contractor in the performance of its obligation hereunder is subject to the control or direction of County merely as to the result to be accomplished by the services hereunder agreed to be rendered and performed and not as to the means and methods for accomplishing the results.

If, in the performance of this Contract, any third persons are employed by Contractor, such persons will be entirely and exclusively under direction, supervision and control of Contractor. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging or any other terms of employment or requirements of law, will be determined by Contractor, and County will have no right or authority over such persons or the terms of such employment, except as provided in this Contract.

Contractor will comply with all of the provisions of the Worker's Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Labor Code and all amendments, thereto; and all similar State and Federal acts or laws applicable; and will indemnify and hold harmless the County of Ventura from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including attorney's fees and costs, presented, brought or recovered against the County of Ventura, for or on account of any liability under any of said Acts which may be incurred by reasons of any work to be performed under this Contract.

7. NON-ASSIGNABILITY

Contractor will not assign this Contract or any portion thereof, to a third party without the prior written consent of County, and any attempted assignment without such prior written consent will be null and void and will be cause, at County's sole and absolute discretion, for immediate termination of this Contract.

8. TERMINATION

County shall be able to cancel this Contract, without penalty to County, as follows:

- a) County's obligation hereunder will be limited to the funds appropriated by the Board of Supervisors for this purpose for each fiscal year in which this Contract is in effect. In the event that the Board of Supervisors fails to so appropriate said funds; County's obligation hereunder will terminate at the end of the fiscal year for which funds were appropriated or at the end of the contract term, whichever occurs first.
- b) County may terminate this Contract under the provisions of, "Rights and Remedies of County for Default" paragraph for cause.
- c) County at its sole option may terminate this Contract upon thirty (30) days written notice with or without cause; Contractor at its sole option may terminate this Contract upon one hundred eighty (180) days' written notice with or without cause. In the event of termination under this paragraph, Contractor shall be paid for all work provided to the date of termination, as long as such work meets the terms and conditions of this Contract. On completion or termination of this Contract, County shall be entitled to immediate possession of, and Contractor shall furnish all, computations, correspondence and other pertinent data gathered or computed by Contractor specifically for the services required hereunder prior to such termination. Data will include a copy of the downloaded data related to this Contract that is maintained within Contractor's LinenMaster database.

Contractor hereby expressly waives any and all claims for damages or compensation arising under this Contract except as set forth in this paragraph in the event of such termination.

This right of termination belonging to the County of Ventura may be exercised without prejudice to any other remedy which it may be entitled at law or under this Contract.

Upon termination or other expiration of this Contract, each party will assist the other party in the orderly termination of the contract and the transfer of all assets, tangible and intangible, as may facilitate the orderly, non-disrupted business continuation of each party.

- d) Contractor shall incur start-up costs for linen investment in the amount of eighty thousand dollars (\$80,000.00) (the "Start-Up Price"). The Start-Up Price shall be amortized over the initial twenty four (24) months of this Contract. If this Contract is terminated, as mentioned-above, in paragraph C prior to twenty four (24) months following the Contract Effective Date, any unamortized balance remaining for the Start-Up Price shall be paid to Contractor by County on or before the date of termination. Following payment of the Start-Up Price to Contractor, the equivalent of the linen purchased by Contractor for start-up shall become the property of County.

9. DEFAULT

If either party defaults in the performance of any term or condition of this Contract, the defaulting party must cure that default by a satisfactory performance within ten (10) days after service upon the defaulting party of written notice of the default. If the defaulting party fails to cure the default within that time, then the non-defaulting party may terminate this Contract without further notice and, in event of an uncured default by Contractor, County may also contract with providers of similar services and/or equipment other than Contractor notwithstanding anything to the contrary in Section 19, below.

The foregoing requirement for written notice and opportunity to cure does not apply with respect to paragraph 8 above.

10. INDEMNIFICATION, HOLD HARMLESS AND WAIVER OF SUBROGATION

All negligent activities and/or work covered by this Contract will be at the risk of Contractor. Contractor agrees to defend, indemnify, and save harmless the County of Ventura, including all of its boards, agencies, departments, officers, employees, agents and volunteers, against any and all claims, lawsuits, whether against Contractor, County or others, judgments, debts, demands and liability, including without limitation, those arising from injuries or death of persons and/or for damages to property, arising directly or indirectly out of the obligations herein described or undertaken or out of operations conducted or subsidized in whole or in part by Contractor, save and except claims or litigation to the extent arising through the sole negligence or wrongdoing and/or sole willful misconduct of County. Contractor agrees to waive all rights of subrogation against County for losses arising directly or indirectly from the activities and/or work covered by this Contract.

In no event will either party be liable to the other party for indirect, incidental, consequential, punitive, or special damages, including without limitation, any claim for damages based on lost revenues or profits, however caused or under any theory of liability. This paragraph shall not apply to claims by third parties.

11. INSURANCE PROVISIONS

A) Contractor, at its sole cost and expense, will obtain and maintain in full force during the term of this Contract the following types of insurance:

- 1) Commercial General Liability "occurrence" coverage in the minimum amount of \$1,000,000 combined single limit (CSL) bodily injury & property damage each occurrence and \$2,000,000 aggregate, including personal injury, broad form property damage, products/completed operations, broad form blanket contractual and \$50,000 fire legal liability.
- 2) Commercial Automobile Liability coverage in the minimum amount of \$1,000,000 CSL bodily injury & property damage, including owned, non-owned, and hired automobiles. Also to include Uninsured/Underinsured Motorists coverage in the minimum amount of \$100,000 when there are owned vehicles.

Personal Automobile Liability coverage, in the minimum amounts of \$100,000 per Person and \$300,000 each accident Bodily Injury and \$50,000 each Accident Property Damage for each vehicle to be operated in association with this Contract that is not covered under Commercial Automobile Liability.

- 3) Workers' Compensation (WC) coverage, in full compliance with California statutory requirements, for all employees of CONTRACTOR and Employer's Liability in the minimum amount of \$1,000,000.
- B) All insurance required will be primary coverage as respects County and any insurance or self-insurance maintained by County will be excess of Contractor's insurance coverage and will not contribute to it.
- C) County is to be notified immediately if any aggregate insurance limit is exceeded. Additional coverage must be purchased to meet requirements.
- D) The County of Ventura, Its Boards, Agencies, Departments, Offices, Employees, Agents, and Volunteers are to be named as Additional Insured as respects work done by CONTRACTOR under the terms of this Contract on all policies required (except Workers' Compensation).
- E) Contractor agrees to waive all rights of subrogation against the County of Ventura, Its Boards, Agencies, Departments, Officers, Employees, Agents and Volunteers for losses arising from work performed by Contractor under the terms of this Contract.
- F) Policies will not be canceled, until after thirty (30) days written notice has been given to the County of Ventura, Risk Management Division.
- G) CONTRACTOR agrees to provide COUNTY with the following insurance documents on or before the effective date of this Contract:
 - 1. Certificates of Insurance for all required coverage.
 - 2. Additional Insured endorsements.
 - 3. Waiver of Subrogation endorsements (a.k.a.: Waiver of Transfer Rights of Recovery Against Others, Waiver of Our Right to Recover from Others).

Failure to provide these documents will be grounds for immediate termination or suspension of this Contract.

12. NON-DISCRIMINATION

A. General.

No person will on the grounds of race, color, national origin, religious affiliation or non-affiliation, sex, age, handicap, disability, or political affiliation, be excluded from participation in, be denied the benefits, or be subjected to discrimination under this Contract.

B. Employment.

Contractor will insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this Contract. Contractor's personnel policies will be made available to County upon request.

13. SUBSTITUTION

If particular people are identified in Exhibit A as working under this Contract, Contractor will not assign others to work in their place without written permission from the County Purchasing Agent. Any substitution will be with a person of commensurate experience and knowledge.

14. INVESTIGATION AND RESEARCH

Contractor by investigation and research has acquired reasonable knowledge of all conditions affecting the work to be done and labor and material needed, and the execution of this Contract is to be based upon such investigation and research, and not upon any representation made by County or any of its officers, agents or employees, except as provided herein.

15. CONTRACT MONITORING

County will have the right to review the work being performed by Contractor under this Contract at any time during Contractor's usual working hours. Review, checking, approval or other action by County will not relieve Contractor of Contractor's responsibility for the thoroughness of the services to be provided hereunder. This Contract will be administered by the Chief of Hospital Operations or their authorized representative.

16. ADDENDA

County may from time to time require changes in the scope of the services required hereunder. Such changes, including any increase or decrease in the amount of Contractor's compensation which are mutually agreed upon by and between County and Contractor will be effective when incorporated in written amendments to this Contract.

17. CONFLICT OF INTEREST

Contractor covenants that Contractor presently has no interest, including, but not limited to, other projects or independent contracts, and will not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. Contractor further covenants that in the performance of this Contract no person having such interest will be employed or retained by Contractor under this Contract.

18. FORCE MAJEURE

Except for defaults of subcontractors, neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of the offending party.

Such acts shall include but shall not be limited to acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight embargo, public regulated utility, or governmental statutes or regulations superimposed after the fact.

If a delay or failure in performance by Contractor arises out of a default of its subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, Contractor shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule.

19. NON-EXCLUSIVITY

County agrees that during the term of this Contract, County shall not, either directly or indirectly, alone or in association with any other person or entity, perform Hospital Linen Services, nor shall County engage any other third party to perform any Hospital Linen Services that Contractor is performing under this Contract.

20. CONFIDENTIALITY

Any reports, information, data, statistics, forms, procedures, systems, studies and any other communication or form of knowledge given to or prepared or assembled by Contractor under this Contract which County requests in writing to be kept confidential, will not be made available to any individual or organization by Contractor without the prior written approval of County except as authorized by law.

21. NOTICES

All notices required under this Contract will be made, in writing, and addressed or delivered as follows:

TO COUNTY: County of Ventura
General Services Agency/Procurement Services
800 S Victoria Ave., L#1080
Ventura, CA 93009

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

Either party may, by giving written notice in accordance with this paragraph, change the names or addresses of the persons of departments designated for receipt of future notices. When addressed in accordance with this paragraph and deposited with the United States Postal Service (USPS), postage prepaid, notices will be deemed given on the third day following such deposit the USPS. In all other instances, notices will be deemed given at the time of actual delivery.

22. MERGER CLAUSE

This Contract constitutes the final expression of the agreement of the parties and supersedes any and all other contracts, either oral or written, between Contractor and County, with respect to the subject of this Contract. This Contract contains all of the covenants and contracts between the parties with respect to the services required hereunder. Contractor acknowledges that no representations, inducements, promises or contracts have been made by or on behalf of County except those covenants and contracts embodied in this Contract. No contract, statement, or promise not contained in this Contract will be valid or binding.

This Contract may not be altered, amended, or modified except by written instrument signed by the duly authorized representatives of both parties. In the event of an inconsistency in this Contract, the inconsistency shall be resolved in the following order:

- 1) This Contract;
- 2) County of Ventura RFP #5786;
- 3) Contractor's proposal dated July 23, 2015;
- 4) The Best and Final Offer (BAFO) document, received from Contractor on August 23, 2015.

23. GOVERNING LAW

The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties under this Contract, will be construed pursuant to and in accordance with the laws of the State of California.

24. SEVERABILITY OF CONTRACT

If any term of this Contract is held by a court of competent jurisdiction to be void or unenforceable, the remainder of the contract terms will remain in full force and effect and will not be affected.

25. CUMULATIVE REMEDIES

The exercise or failure to exercise of legal rights and remedies by the County of Ventura in the event of any default or breach hereunder will not constitute a waiver or forfeiture of any other rights and remedies, and will be without prejudice to the enforcement of any other right or remedy available by law or authorized by this Contract.

26. COMPLIANCE WITH LAWS

Each party to this Contract will comply with all applicable laws.

27. LIVING WAGE ORDINANCE

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO) Nos. 4233 and 4236, and as amended from time to time.

Contractor is exempt from the LWO due to employees being a part of a collective bargaining unit.

28. CONSTRUCTION OF COVENANTS AND CONDITIONS

Each term and each provision of this Contract will be construed to be both a covenant and a condition.

29. HLAC ACCREDITATION

Contractor agrees that its processing plant in La Mirada, California will acquire The Healthcare Laundry Accreditation Council (HLAC) accreditation within one (1) year of this Contract's Effective Date.

IN WITNESS WHEREOF the parties hereto have executed this Contract.

COUNTY OF VENTURA

CROTHALL LAUNDRY SERVICES, INC.

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date

Tax Identification Number

CROTHALL LAUNDRY SERVICES, INC.

Authorized Signature

Printed Name

Title

Date

* If a corporation, this Contract must be signed by two specific corporate officers.

The first signature must be either the (1) Chief Executive Officer, (2) Chairman of the Board, (3) President, or any (4) Vice President.

The second signature must be the (a) Secretary, an (b) Assistant Secretary, the (c) Chief Financial Officer, or any (d) Assistant Treasurer.

In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.

County of Ventura
Contract 7249
Exhibit A

CONTRACTOR RESPONSIBILITIES

Contractor will provide all labor, supervision, materials, equipment and equipment maintenance, transportation, supplies and incidentals to provide linens, pick-up soiled linens, launder, and deliver to the following locations:

Ventura County Medical Center 3291 Loma Vista Road Ventura, CA 93003	Santa Paula Hospital 825 N. Tenth Street Santa Paula, CA 93061
In-Patient Psychiatric Facility 3291 Loma Vista Rd Ventura, CA 93003	Physical Therapy 2189 Eastman Ave Ventura, CA 93003
Academic Family Medical Clinic (AFMC) 3291 Loma Vista Rd Ventura, CA 93003	Healthcare for the Homeless/Transitions One Stop Clinic 3147 Loma Vista Road Ventura, Ca 93003
Employee Health Services 800 S. Victoria Ave., Admin. Bldg. Ventura, Ca 93009	Animal Services Department 600 Aviation Dr Camarillo, CA 93010 (details and cost in BAFO)

Services include delivery to the specific department floors. Linens must be provided in appropriate marked linen carts.

Containers for soiled linen must also be provided, including bio-hazard. Containers shall be located in a central area of each hospital.

Per OSHA regarding handling contaminated healthcare linen: Existing OSHA Regulations specify that any linen saturated with blood or other potentially infectious materials (OPIM) should be placed in impermeable bags.

Linen collection bags and containers must be able to contain wet or soiled linen, preventing contamination and must be impervious to eliminate microbial contamination onto the environment. Linen carts must have solid bottoms and must have cart covers.

Contractor must replace linen hampers as they become unusable. Contractor shall ensure delivery carts are clean, sanitized and mechanically functional (wheels functional with two wheels lockable or stationary).

Contractor must participate, when required to be present, in any and all inspections as required by facilities regulatory agencies (including, but not limited to, the Occupational Safety and Health Administration (OSHA), Joint Commission on Accreditation of Healthcare Organizations (JCAHO), Centers for Medicare & Medi-Cal Services (CMS), Healthcare Laundry Accreditation Council (HLAC), etc.) including County of Ventura Health Care Agency (HCA) facilities and Contractor's facilities.

COMPENSATION SCHEDULE

\$.52/pound -- A pound of material is as described in the RFP, in Contractor's Proposal, and in Contractor's BAFO.

Scrub loss is not included in the per pound rate and will be subject to actual loss charges at Contractor's invoice price.

Contractor will provide linen distribution to County at a starting pass-through rate of \$13.10 per hour plus a not-to-exceed percentage of 35% benefit rate which shall be subject to the price adjustments in Section 3, Term. Distribution includes three hundred sixty five (365) days per year. Should a part-time employee be required, the rate for that position will start at \$13.10 per hour.

Distribution services shall be provided at the Ventura County Medical Center and Santa Paula Hospital.

Contractor's employees performing distribution services on-site at County shall be subject to Contractor's standard background checks and procedures. Contractor will comply with the obligations of the Health Insurance Portability and Accountability Act ("HIPAA"), as amended, relating to "business associates" to the extent that Contractor is a "business associate" of Client as that term is defined by the HIPAA.