

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

19-11085

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

California Department of Public Health

CONTRACTOR NAME

Sodexo Operations, LLC

2. The term of this Agreement is:

START DATE

4/10/2020

THROUGH END DATE

9/30/2020

3. The maximum amount of this Agreement is:

\$14,700,000.00

Fourteen Million Seven Hundred Thousand Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	2
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C	Additional Provisions	5
+ Attachment - 1	Emergency Services Agreement	16

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Sodexo Operations, LLC

CONTRACTOR BUSINESS ADDRESS

9801 Washingtonian Blvd

CITY

Gaithersburg

STATE

MD

ZIP

20878

PRINTED NAME OF PERSON SIGNING

Catherine J. Tabaka

TITLE

Chief Executive Officer

CONTRACTOR AUTHORIZED SIGNATURE



Digitally signed by Catherine J. Tabaka
DN: cn=Catherine J. Tabaka, o=Sodexo, ou=CEO, Healthcare, email=catherine.tabaka@sodexo.com, c=US
Date: 2020.04.19 14:36:55 -07'00'

DATE SIGNED

April 19, 2020

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

California Department of Public Health

CONTRACTING AGENCY ADDRESS

1616 Capitol Avenue, Suite 74.262, MS 1802

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

Tim Bow

TITLE

Procurement Officer

CONTRACTING AGENCY AUTHORIZED SIGNATURE

Timothy Bow

Digitally signed by Timothy Bow
Date: 2020.04.15 15:20:00 -07'00'

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

EO N-25-20 COVID-19/Proclamation of A State of Emergency/PCC 1102

Exhibit A Scope of Work

1. Service Overview

Contractor agrees to provide to the California Department of Public Health (CDPH) the services described herein.

The Contractor will provide the CDPH with services as identified in the Management Agreement 19-11070 Multi Party Agreement: Kaiser Foundation Hospitals, Dignity Health, and Los Angeles County Department of Health, dated March 31, 2020 in accordance with Section 2.2 "Operational Plan" and, as applicable:

- Section 4.2 ("Equipment, PPE, Inventory and Other Supplies"),
- Section 4.4 ("Staffing"),
- Section 4.7 ("Pharmacy"),
- Section 4.12 ("IT Solutions"), • Section 4.13 ("Utilities and Waste").

The Management Agreement dated March 31, 2020 (the "Agreement") is incorporated by reference and made a part of this Agreement.

CH
2B

Contractor and the State of California entered into an agreement for the provision of services to the Los Angeles Surge Hospital at 2131 West 3rd Avenue, Los Angeles, California 90057 (the "Facility") commencing April 13, 2020 (the "Primary Agreement"). For the avoidance of doubt, Contractor and CDPH agree that the terms of the Primary Agreement shall take precedence over any other agreement relating to the Facility, in the event of a conflict between the terms of the Primary Agreement and the Management Agreement or any other agreement, the Primary Agreement shall prevail.

CH
2B

Type text here

CDPH formally adopts and agrees to be bound by the terms of the Primary Agreement as if it entered into the Primary Agreement directly with Contractor.

CH
2B

Type text here

2. Service Location

The services shall be performed at St. Vincent Medical Center, located at 2131 West 3rd Street, Los Angeles, California 90057.

3. Project Representatives

A. The project representatives during the term of this agreement will be:

California Department of Public Health
Attention: Cassie Dunham
California Dept. of Public Health
Licensing and Certification Program
P.O. 997377, MS 3001
Sacramento, CA 95899-7377

Telephone: (916) 324-1261
Email: cassie.dunham@cdph.ca.gov

Sodexo Operations, LLC.
Attention: Catherine J. Tabaka
Sodexo Operations, LLC
9801 Washingtonian Blvd
Gaithersburg, MD 20878

Telephone: (929) 899-1475
Email: Catherine.Tabaka@sodexo.com

Sodexo Operations, LLC.
19-11085 B. Direct all inquiries to:

California Department of Public Health Attention: Jen Hill California Dept. of Public Health Licensing and Certification Program 1616 Capitol Avenue, MS 3202 Sacramento, CA 95814 Telephone: (916) 552-8722 Email: Jennifer.Hill3@cdph.ca.gov	Sodexo Operations, LLC. Attention: Ryan Moosman 9801 Washingtonian Blvd Gaithersburg, MD 20878 Telephone: (929) 899-1475 Email: ryan.moosman@sodexo.com
--	---

C. All payments from CDPH to the Contractor; shall be sent to the following address:

Remittance Address
Sodexo Operations, LLC.
Attention "Cashier":
9801 Washingtonian Blvd
Gaithersburg, MD 20878
(929) 899-1475
Fax: N/A
Ryan.moosman@sodexo.com

D. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

Exhibit B Budget and Payment

1. Invoicing.

- 1.1 The State will not reimburse the Contractor for costs incurred prior to the commencement date or after the expiration date of the Agreement.
- 1.2 The Contractor shall submit, not more frequently than once a week, and no less than monthly, an itemized invoice to CDPH for costs incurred pursuant to this Agreement. Each itemized invoice shall contain the following:

Agreement # 19-11085

Attention: Jen Hill

California Department of Public Health

Center for Health Care Quality, Licensing and Certification Program

MS 3001

PO Box 997377

Sacramento, CA 95899-7377

- 1.3 All documentation to support expenditure submissions for reimbursement must be submitted to the State at least five (5) business days prior to the desired payment date. The documentation shall be provided, if possible, in accordance with generally accepted accounting principles and shall include any: timesheets, purchase documents, receipts, bank statements from accounts used to pay for facility operations, copies of pay checks, etc.

2. Compensation

- 2.1 Compensation for Contractor under this Agreement shall not exceed \$14,700,000.00

Exhibit C Additional Provisions

1. No Assignment.

- 1.1 This Agreement may not be assigned. No subcontracts may be used in performance of the Contractor's duties without prior written approval from the State project representative. The Contractor must request approval for a subcontract at least five (5) business days before the effective date of the subcontract.

2. Dispute Resolution Process.

- 2.1 Any dispute concerning a question of fact arising under the terms of this Agreement that is not disposed of within ten (10) calendar days by the Contractor and State employees normally responsible for the administration of this Agreement shall be brought to the attention of the designated representative for the Contractor and the Secretary of CDPH (or designated representative) for joint resolution.

3. Termination/Cancellation.

- 3.1 The State reserves the right to terminate or cancel this Agreement with or without cause upon ten
(10) calendar days written notice.
- 3.2 Upon mutual agreement between the State project representative and the Contractor project representative, this Agreement shall be terminated at any time.
- 3.3 Contractor agrees to not cease operations of the Hospital or Designated Space until all patients and residents have been relocated.

4. Miscellaneous Provisions.

- 4.1 This Agreement may be modified or amended in writing only, signed by the parties in interest at the time of the modification. No waiver of any term, provision, or condition of this Agreement in any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision, or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition, or right granted hereunder.
- 4.2 This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect.

5. Federal Emergency Management Agency (FEMA) Requirements

5.1 Changes

Any cost of a change, modification, change order, or constructive change to the Agreement must be allowable and allocable within the scope of this Agreement, and reasonable for the

completion of project scope. Changes can be made by either Party to alter the method, price, or schedule of the work without breaching the Agreement if both Parties approve in writing.

5.2 Compliance with Federal Law, Regulations, and Executive Orders

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract only. The Contractor will comply with all federal law, regulations, executive orders, FEMA policies, procedures, and directives.

5.3 No Obligation by Federal Government

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, Contractor, or any other party pertaining to any matter resulting from the contract.

5.4 Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges the 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's action pertaining to this contract

5.5 Clean Air Act

5.5.1 The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

5.5.2 The Contractor agrees to report each violation to the (name of applicant entering into the contract) and understands and agrees that the (name of the applicant entering into the contract) will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

5.5.3 The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

5.6 Federal Water Pollution Control Act

5.6.1 The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

5.6.2 The Contractor agrees to report each violation to the (name of the applicant entering into the contract) and understands and agrees that the (name of the applicant entering into the contract) will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

- 5.6.3 The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

5.7 Debarment and Suspension

- 5.7.1 This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Contractor is required to verify that none of the Contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- 5.7.2 The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- 5.7.3 This certification is a material representation of fact relied upon by (insert name of recipient/subrecipient/applicant). If it is later determined that the Contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to (insert name of recipient/subrecipient/applicant), the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- 5.7.4 The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

5.8 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

- 5.8.1 Contractor who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency. Enclosed as **Attachment 1** to this Exhibit D is a copy of the Certification Regarding Lobbying that will be signed and submitted by Contractor at the execution of this Agreement.

5.9 PROCUREMENT OF RECOVERED MATERIALS

- 5.9.1 In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—

5.9.1.1 Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site:
<https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

5.9.2 The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

5.9.2.1 Competitively within a timeframe providing for compliance with the contract performance schedule;

5.9.2.2 Meeting contract performance requirements; or

5.9.2.3 At a reasonable price.

CERTIFICATION REGARDING LOBBYING (44 C.F.R. PART 18)

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date

EMERGENCY SERVICES AGREEMENT

This Emergency Services Agreement (this "Agreement") made this ___ day of April, 2020, by and between the State of California for the Los Angeles Surge Hospital (hereinafter referred to as "the State" or "Hospital") located at 2131 West 3 Avenue, Los Angeles, California 90057 Hospital ("Facility"), and Sodexo Operations, LLC, a Delaware limited liability company (hereinafter referred to as "Sodexo") with a principal place of business located at 9801 Washingtonian Boulevard, Gaithersburg, Maryland 20878.

WITNESSETH:

Whereas, The State and the corresponding federal, and/or local authority have agreed that, in light of the current Covid-19 related pandemic crisis, the Facility shall be used to provide services for emergency care for Hospital's patients;

Whereas, The State desires to retain Sodexo to provide emergency support services at the Facility and Sodexo desires to aide its community and provide the food and beverage services needed at the Facility consistent with the terms and conditions as described hereunder.

NOW THEREFORE, in consideration of the promises and of the terms, covenants and conditions hereinafter contained to be kept and performed by the respective parties, it is agreed as follows:

Article 1: Term and Termination

This Agreement shall commence on April 13, 2020 and remain in full force and effect for six (6) months (the "Term") and may be renewed for one (1) additional six (6) month period ("Renewal Terms"), subject to early termination by Sodexo in accordance with the terms hereof. Each party shall have the right to terminate this Agreement for cause upon ten (10) days' prior written notice for failure to pay, or sixty days' (60) days prior written notice in the case of any other cause.

Article 2: Services

A. Food & Nutrition Services. Sodexo shall prepare meals, some of which may be pre-packaged, for patients, workers, and medical professionals at the Facility. The menus for such meals shall be created in Sodexo's sole discretion and based on the availability of product. Sodexo shall deliver all meals in accordance with the Scope of Work attached hereto and incorporated herein by reference.

B. Environmental Services. Sodexo shall manage Housekeeping, Facilities Management, and Patient Transport and Service Response Center Services ("PBX") in accordance with the Scope of Work attached hereto and incorporated herein by reference.

Article 3: Financial Arrangement

3.1 Initial Pricing. An estimate of cost to The State for the Term is set forth in Exhibit A. The State will also reimburse Sodexo for all start-up costs in accordance with Exhibit B.

3.2 Changes in Conditions and/or Service Requirements.

A. Conditions. The financial terms set forth in this Agreement and other obligations assumed by Sodexo hereunder are based on conditions in existence on the date Sodexo commences operations, including by way of example, any assumptions detailed herein, utilization of Sodexo's procurement program; Hospital's census; labor; food and supply costs and other charges; applicable taxes; applicable laws; the scope of Services; Hospital's policies and practices; and terms of Hospital's and/or Sodexo's collective bargaining agreement(s), if any. In addition, Sodexo has relied on representations regarding existing and future conditions made by the State or corresponding federal, and/or local authority in connection with the negotiation of this Agreement. In the event of a change in the conditions or the inaccuracy of any representation made by the State, the financial terms and other obligations assumed by Sodexo hereunder shall be renegotiated on a mutually agreeable basis to reflect such change or inaccuracy.

B. Service Requirements. If the State (i) requires expansion of or reduction in the scope of Services including service level summaries or square footage, (ii) changes the use of Sodexo's procurement program, and/or (iii) requests (a) any change in the use of disposables (i.e., from non-biodegradable products to biodegradable products); (b) use of specialty products (e.g., use of locally produced products or supplies, organic products, etc.); or (c) additional management/resource personnel to conduct a specific function unrelated to the Services, and such change or request results in an increase or decrease in costs, Charges or expenses to Sodexo, Sodexo's compensation shall be adjusted appropriately.

Changes in scope and pricing will be handled via a Change Log documenting who requested the change, the date of the change and the financial impact of the change. The Change Log will be reviewed and approved weekly by the CEO of the Hospital. All additional charges reflected in the Change Log shall be reflected in an adjustment to the estimate of cost.

C. Assumptions.

- The State reimburse Sodexo for Subject Matter Experts on an as-needed basis with prior approval by the Hospital;
- There will be no key performance indicators measured for this Hospital due to the uncertainties and nature of the setting;
- The cost estimate is modeled for 200 beds/patients. Changes may increase costs and staff required;
- Parking costs for employees are not included in the cost estimate. Hospital will ensure that Sodexo employees will be provided free parking at the Facility. In the event the Hospital chooses to charge for employee parking,

the cost estimate will be adjusted to include such costs which will be reimbursed to employees;

- The State of California is not a member of a Group Purchasing Organization (GPO) and because this is will be an agreement for temporary services in response to the pandemic there is no GPO affiliation tied to the agreement or services provided by Sodexo;
- There shall be no commissions and / or rebates paid by Sodexo to the State of California;
- Included in the estimate of cost:
 - o All management and hourly FTE's salaries /wages plus taxes and benefits
 - o T&B rates costed at 36% for FNS /ES /PT
 - o T&B rates costed at 38% for FM & CTM
 - o General Liability insurance
 - o Management Fees of fifteen (15%) percent of Operating Expenses

3.3 Billing.

A. Opening Expenses. Sodexo shall invoice the State for Sodexo's Opening Expenses, as incurred, plus a fee equal to fifteen percent (15%) of such Opening Expenses. Payment shall be due within fifteen (15) days after date of invoice. The State shall pay interest on any unpaid amount not paid when due at the lesser of one and one-half percent (1.5%) per month or the highest interest rate allowed by applicable state law.

B. Management of Operation. Commencing on April 13, 2020, the following financial arrangements shall be in effect:

I. If applicable, Sodexo shall collect and deposit any Gross Sales from Services. Each party shall be responsible for collection and remittance of any applicable sales or use taxes. Sodexo shall invoice the State for all Operating Expenses, less any cash retained by Sodexo.

2. Operating Expenses shall be defined as all costs, Charges and expenses incurred in connection with Services including, but not limited to, the following:

i. The invoiced amounts to Sodexo for goods and services, including food, beverages, merchandise, cleaning products, chemicals equipment, supplies, and other contracted services, plus a Charge for procurement services equal to nine-tenths percent (.9%) of such invoiced amounts;

ii. Sodexo labor, including salaries (and bonuses, if any), wages, taxes, health benefits, payroll processing, retirement plans, and the cost of administering such plans and services (management and non-management health benefits and workers' compensation to be Charged at thirty-six percent [36%] of Gross Management Salaries and Wages for Food and Nutrition, Environmental Services and Patient Transport Services, and thirty-eight percent [38%] of Gross Management Salaries and Wages for Facilities Management and Service Response Center Services);

iii. Other costs, Charges and expenses, including, but not limited to, depreciation of equipment, Charges for general liability insurance based on the average manual rates for such insurance in the geographic area of the Facility, other insurance related to the Services provided herein, cost of licenses, permits and certifications, information systems, software and software maintenance, armored car services, fees and expenses associated with accepting and processing credit and debit card sales, bank service fees (net of any interest) for depositing receipts from the Services, third party recruitment and placement fees, marketing and promotional or proprietary materials, uniforms and linen, flowers, decorations, decor, signage, overnight delivery, if necessary, Smallwares and Expendable Equipment, minor equipment, repair and maintenance of Sodexo-supplied equipment, sales, use, and other taxes related to the Services (other than taxes collected and remitted by Sodexo to a taxing authority), out-of-pocket travel and related expenses for training of employees assigned to the Service operation, including the costs of an on-site trainer temporarily assigned to the Premises, criminal background investigations, and employee health examinations for Sodexo's employees assigned to the Services at the Premises, and other items and contracted services purchased on behalf of the Services.

3. The State shall pay Sodexo a "Management Fee" equal to fifteen percent (15%) of Operating Expenses described in Subsections i, ii and iii.

4. Many of Sodexo's manufacturers, suppliers and distributors provide rebates, allowances, and other payments to Sodexo based on Sodexo's purchasing commitments, aggregate growth incentives and other factors. Prompt payment discounts and all rebates, allowances and other payments obtained from manufacturers, suppliers and distributors, shall be retained by Sodexo.

C. Invoice Due Date (Pre-Bill). Sodexo shall submit invoices to the State prior to each weekly period for the estimated amount due ("Pre-Bill"). The State shall pay Sodexo in advance on the first day of each weekly period for the upcoming weekly period ("Prepayment"), the first such Prepayment being due on or before April 13, 2020. At the end of each Accounting Period, Sodexo shall reconcile prior Pre-Bill invoices to reflect any previous overpayment or underpayment based on actual financial results. Reconciliation invoices shall be due and payable within fifteen (15) days after date of invoice. Payment shall be made by electronic funds transfer into a bank account designated by Sodexo. The State shall pay interest

on any unpaid amount not paid when due at the lesser of one and one-half percent (1.5%) per month or the highest interest rate allowed by applicable state law. Upon termination of this Agreement, all outstanding amounts, including all accrued and unpaid interest, shall become immediately due and payable.

Sodexo shall have the right to apply all payments made by the State under this Agreement as Sodexo deems appropriate.

Sixty (60) days immediately after the date of invoice, all amounts invoiced shall be considered final and each party waives its right to contest said invoice and the Services covered by any such invoice.

If the State fails to pay amounts due pursuant to this provision, Sodexo may direct its suppliers to invoice the State directly for supplies and the State shall pay such invoices in accordance with the suppliers' terms.

3.4 Right of Offset. At any time when the State is over thirty (30) days past due on any obligations to Sodexo, Sodexo shall have the right to offset, from any sums owed by Sodexo to the State, all or any portion of such outstanding receivables.

3.5 Forbearance Agreement. It is acknowledged that there is a forbearance agreement in place between St. Vincent Medical Center, a part of Verity Health and Sodexo America, LLC dated November 28, 2015 ("Forbearance Agreement"), which is specific to the Facility. The Facility is being leased to the State of California for the Los Angeles Surge Hospital. This agreement between Sodexo and the State of California for Services at the Facility shall in no way affect the rights of Sodexo under such Forbearance Agreement.

Article 4: Compliance

4.1 Meal Service. The meal delivery schedule shall be in accordance with the Statement of Work.

4.2 Hours of Operation. Sodexo shall be required to provide staff at the Facility it deems, in its reasonable estimation, to be necessary to accomplish its responsibilities set forth in this Agreement.

Article 5 Responsibilities

5.1. Hospital Responsibilities

- a) Hospital Staff. Hospital shall use best commercial efforts to ensure its staff or designees that enter the Nutrition Services area are in good health and are utilizing best applicable COVID-19 prevention protocols.
- b) Loading Dock / Garbage Removal. Hospital agrees that, in order to limit potential exposure to Sodexo Nutrition staff, it shall not use or allow any other person or entity to

use Nutrition trash facilities. The parties agree that Sodexo Nutrition shall not be responsible for any trash/garbage removal from patient areas.

- c) HVAC. Hospital shall ensure that the HVAC system for the Sodexo food service areas and any location housing patients, staff, or medical professionals, as the case may be, remain separate and apart.
- d) Security. Hospital shall provide all security staff, measures and protocol to ensure the safety and security of Sodexo's staff while performing services at the Facility. This includes but is not limited to, policing the employee parking areas, service and delivery areas in which Sodexo's staff and vendors are present, and entrances and exits of Sodexo's service areas at all times, whether or not Sodexo staff is present.
- e) Out-of-Pocket Costs. The State shall provide, or to cause Sodexo to be provided, all necessary Personal Protection Equipment ("PPE") required to safely perform the duties required hereunder based on Sodexo's own internal policies or by guidance from the appropriate medical authority (FEMA, CDC, licensed physician, etc.). The State agrees that any necessary PPE not provided by the State may be purchased by Sodexo shall be billed to the State.
- f) Sanitation Costs. The parties agree that Sodexo's access to necessary sanitation products is required for Sodexo to perform the service hereunder. The State agrees that any increased costs associated with such products may be billed to the State.
- g) Temperature Checks. The parties agree the costs associated with periodic temperature checks may be billed to the State.

5.2 Sodexo Responsibilities

- a) Compliance with the Law. Sodexo shall comply with all applicable laws, ordinances, rules and regulations relating to sanitation, safety and health, and shall maintain all necessary licenses and permits. Each party shall cooperate with the other to accomplish the foregoing.
- b) Limited Contact. The State and Sodexo hereby agree that Sodexo employees shall have no contact with patients and limited contact with workers or medical staff at the Facility.
- c) Menu. The parties agree that Sodexo shall be responsible for creating menus for food service. Such menus shall be subject to change by Sodexo due to outages and shortages beyond its control.
- d) Offsite Services. Upon request from the State, Sodexo may also be asked to prepare meals for delivery off site. It is understood that, in no event, will Sodexo be responsible for delivery any delivery service outside of the Facility. In such instances, the parties mutually agree to created appropriate procedures that will protect the Nutrition Services area.

Article 6 Indemnity

6.1 Liability. The State assumes full responsibility and liability associated with the food service operation governed by this Agreement and will indemnify, defend, and hold harmless Sodexo, its employees, agents and suppliers, from any claims in association with such operations, and the termination of any agreements required to facilitate the operation of the services. The State agrees to

remediate and certify the Facility as COVID-19 free within a reasonable time prior to and following the operations governed by this Agreement.

6.2 COVID-19. The State will be liable for any and all claims by Sodexo employees, agents and suppliers if they contract or become diagnosed with Covid-19 and assume any and all liability thereto on behalf of Sodexo.

6.3 Indemnity. The State hereby agrees to indemnify, defend, and hold harmless Sodexo, its officers, agents including management, and employees from and against any and all claims, loss, damages, injury, liability and claims, including claims for personal injury or death, damages to property, and liens of workmen and material men, howsoever caused, resulting directly or indirectly from the performance of this Agreement by Sodexo.

Article 7 Records

7.1 Statements and Records. Sodexo shall submit operating statements for each Accounting Period and shall maintain books and records in accordance with generally accepted accounting Principles.

7.2 Credit Card Transactions. The use of credit card by consumers (patient, staff, etc.) to purchase goods or services shall be accepted at the terminals by Sodexo, if needed. The purchase price of goods or services is sent through a processor for authorization; if the amount is approved it is automatically submitted to Sodexo. Credit card transactions will be handled by Sodexo as part of the retail dining services program and will be the responsibility of Sodexo to collect credit card transactions and deposit.

Article 8 Allergens / Special Meals

8.1 The State acknowledges and agrees to communicate that following information to any and all individuals consuming Sodexo's food at the Facility during the Term of this Agreement:

"Allergies and/or Restrictions. This facility and our food vendors and manufacturers may use wheat, eggs, soybeans, milk, peanuts, tree nuts, fish and shellfish. Please be aware that normal operations involve shared and common cooking, preparation and storage areas. This possibility

exists for foods items to come in contact with other food products. Due to these circumstances we are unable to guarantee that any menu items can be completely free of allergens."

Article 9 General Provisions

9.1 Danger to Health or Safety. In the event that the operation or conditions of the emergency service contemplated in this Agreement creates a material threat or danger to Sodexo's employees, or to the public health or safety, Sodexo may terminate this Agreement immediately upon written notice. In such instances, Sodexo shall use its best commercial effort to aid the State in locating and sourcing alternate emergency food contractors.

9.2 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of California

9.3 Limitation of Liability. In no event shall either party be liable to the other party for any liquidated, indirect, incidental, special, punitive or consequential damages, including lost profits or revenue, arising out of breach by the other party of any of its representations, warranties or agreements contained in this Agreement, whether or not such party has been advised of the possibility of such damages, and whether any claim for recovery is based on theories of contract, negligence or tort (including strict liability).

9.4 Independent Contractor. In all matters pertaining to this Agreement, each party is and shall be an independent contractor as to the other. No party's officers or employees shall be deemed to be an employee of the other parties. Nothing contained in this Agreement shall be construed to create a partnership, joint venture or agency, and none of the parties to this Agreement shall be liable for the debts or obligations of the others. Except as otherwise herein expressly provided, no party shall have the power to hire or fire another party's employees, may not control or have access to another party's funds or the expenditures of these funds, or any other way exercise control over another party's business.

9.5 Electronic Signatures. The parties agree that this Agreement and subsequent Amendments may be executed using electronic contracting technology using symbols or other data in digital form and agree that such electronic signature is the legal equivalent of a manual signature binding the parties to the terms and conditions stated herein.

*****SIGNATURES APPEAR ON THE FOLLOWING PAGE*****

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day, month, and year indicated below.

**STATE OF CALIFORNIA for
THE LOS ANGELES SURGE HOSPITAL**

SODEXO OPERATIONS, LLC

By: 

Name: Julie Sprengel

Title: Chief Executive Officer

Date: 4/10/2020

By: _____

Name: Catherine J. Tabaka

Title: Chief Executive Officer

Date: 04/10/2020

ATTACHMENT A SCOPE OF WORK

The Scopes of Work for each of the individual Services will be provided under separate cover and will be considered a part of this Agreement and incorporated herein by reference.

L.A. Surge Hospital Summary Pro Forma

	6 Month • Proposed Cost
Sodexo General Expenses & Supply Costs ₁	\$ 1,306,679
Estimated Patient Food Costs ₆	\$ 206,680
Estimated Non-Patient Food Costs ₆	\$ 415,888
Sodexo Management Fee ₂	\$ 1,327,324
Sodexo Hourly Labor ₃	\$ 5,629,193
Sodexo Management Labor ₃	\$ 1,112,166
Sodexo Subtotal	\$ 9,992,920
Estimated LASH Direct FM Supply Expense ₄	\$ 1,750,000
Estimated LASH Utilities ₅	\$ 2,266,062
LA Surge Hospital Costs Subtotal	\$ 13,998,982
Total Operational Costs	\$ 15,748,991

Year 1 One-Time Start Up Expenses ₆

Asset Management Services / Compliance / Safety Technical Assurance / Programming / Test Equipment	\$ 65,000
Negative Pressure Conversion / Engineering	\$ 54,000
Transition/Start-up Team (Labor & Travel Costs) ₇	\$ 482,813
Total One-Time Start Up Expenses	\$ 599,813

Phase 1: 1st Month - Proposed Cost*	Phase 2: 5th Month - Proposed Cost
\$ 212,159	\$ 1,306,679
\$ 34,447	\$ 206,680
\$ 69,315	\$ 415,888
\$ 151,792	\$ 1,327,324
\$ 603,928	\$ 5,629,193
\$ 92,096	\$ 1,112,166
\$ 1,063,737	\$ 9,992,920

* Does not include FM Costs as that costs do have monthly variation from transition

L.A. Surge Hospital Food/Nutrition Services Pro Forma

	6 Month - Proposed Cost	Phase 1: 1st Month - Proposed Cost	Phase 2: 5 Month - Proposed Cost
Estimated Sodexo Supply Expense ₁	\$ 219,642	\$ 38,487	\$ 181,655
Estimated Patient Food Costs ₆	\$ 206,680	\$ 34,447	\$ 172,233
Estimated Non-Patient Food Costs ₆	\$ 415,888	\$ 69,315	\$ 346,573
Sodexo Management Fee ₂	\$ 391,427	\$ 60,296	\$ 331,131
Sodexo Hourly Labor ₃	\$ 129,212	\$ 215,469	\$ 107,343
Sodexo Management Labor ₃	\$ 47,491	\$ 4,257	\$ 43,234
Sodexo Subtotal	\$ 3,000,940	\$ 462,271	\$ 2,538,669
Estimated LASH Direct Supply Expense ₄	\$ -	\$ -	\$ -
L.A. Surge Hospital Costs Subtotal	\$ -	\$ -	\$ -
Total - "Cmt"	\$ 111,111	\$ -	\$ -

Year 1 One-Time Start Up Expenses

Transition/Start-up Team (Labor & Travel Costs) ₇	\$ 78,192
Total	\$ 78,192

Definitions/Notes:

1. Sodexo General Expenses:

Paper supplies, cleaning expenses, small equipment, general liability insurance, payroll processing, licenses, system support fees, training

2. Management Fee:

Management Fee includes Sodexo profit and GSSA / Above Unit Support: Finance Processings; Legal and Labor Relations Support; HR Administration; Regulatory Compliance, & Document Administration; Frontline & Management Safety & COVID Training & Professional Development; Technical & Safety Training; Safety, TJC Audit and Quality Control; Technology & Maximo Hand-held Support Call Center

3. Sodexo Management Labor:

Sodexo Labor expense for (8) Sodexo management and (35.0 FTE) hourly positions inclusive of T&B @ 36%; Sodexo Benefit & Taxes

4. St. Vincent's Medical Center Direct Supply Expense:

Estimated Operational Expenses for 6 months to be determined

6. Start Up Expenses:

Estimated patient and non-patient food expense for 6 months

7. Transition / Start-up Team:

Estimated costs for lodging / meals and travel expenses for transition team

- modeled for 200 beds / patients. Changes may increase number of staff required

- All required PPE to be supplied by State of California and / or Kaiser Permanente

- All liabilities held by State of California and Kaiser Permanente

- All costs will be pre-billed one week in advance and invoiced weekly thereafter

L.A. Surge Hospital Environmental Services Pro Forma

	6 Month - Proposed Cost	Phase 1: 1st Month - Proposed Cost	Phase 2: 5 Month - Proposed Cost
Sodexo General Expenses,	\$ 38,906	\$ 64,314	\$ 315,992
Sodexo Management Fee ₂	\$ 47,864	\$ 67,353	\$ 406,511
Sodexo Hourly Labor ₃	\$ 249,562	\$ 34,546	\$ 250,16
Sodexo Management Labor ₃	\$ 282,222	\$ 38,59	\$ 24,663
Sodexo Subtotal	\$ 3,632,954	\$ 452,051	\$ 2,100,590
Estimated LASH Direct Supply Expense ₄	\$ -	\$ -	\$ -
L.A. Surge Hospital Costs Subtotal	\$ -	\$ -	\$ -
Total Q1lt	\$ 1,111,154	\$ -	\$ -

Year 1 One-Time Start Up Expenses₁

Transition/Start-up Team (Labor & Travel Costs) ₇	\$ 88,980
--	-----------

Definitions/Notes:

- Sodexo General Expenses:**
Cleaning supplies, paper supplies, Liability Insurance, HR/Payroll Processing, Management Training Travel, General Office Supplies, Capital Depreciation, Administration & Annual Updates. Includes Trekker licensing
- Management Fee:**
Management Fee includes Sodexo profit and GSSA / Above Unit Support; Finance Processing; Legal and Labor Relations Support; HR Administration; Regulatory Compliance, & Document Administration; Frontline & Management Safety & COVID Training & Professional Development; Technical & Safety Training; Safety, TJC Audit and Quality Control; Technology & Maximo Hand-held Support Call Center
- Sodexo Management Labor:**
Sodexo Labor expense for (3) Sodexo management and (5058 FTE) hourly positions inclusive of T&B O 36% Sodexo Benefit & Taxes
- St. Vincent's Medical Center DH9Ct Supply Expense:**
Estimated Operational Expenses for 6 months
- Start Up Expenses:**
Estimated start up expense for 6 months
- Transition / Start-up Team:**
Estimated costs for food / meals and travel expenses for transition team

- modeled for 200 beds / patients. Changes may increase number of staff required
- All required PPE to be supplied by State of California and / or Kaiser Permanente
- All liabilities held by State of California and Kaiser Permanente
- All costs will be pre-billed one week in advance and invoiced weekly thereafter

St. Vincent's Medical Center Patient Transport Pro Forma

Includes update with mail services

	6 Month - Proposed Cost	Phase 1: 1st Month - Proposed Cost	Phase 2: 5 Month - Proposed Cost
Sodexo General Expense ₁	\$ 653,389	\$ 109,358	\$ 544,031
Sodexo Management Fee ₂	\$ 10,821	\$ 22,691	\$ 18,130
Sodexo Hourly Labor ₃	\$ 618,747	\$ 419,13	\$ 576,834
Sodexo Management Labor ₃	\$ -	\$ -	\$ -
Sodexo Subtotal	\$ 1,462,957	\$ 171,962	\$ 1,211,995
Estimated LASH Direct Supply Expense ₄	\$ -	\$ -	\$ -
L.A. Sum Hospital Costs Subtotal	\$ -	\$ -	\$ -
Total Operational Costs	\$ 1,462,957	\$ 171,962	\$ 1,211,995

Year 1 One-Time Start Up Expenses *

Transition/Start-up Team (Labor & Travel Costs)₇	\$ 155,641
Total Start Up Expenses	\$ 155,641

Definitions/Notes:

Z. Management Fee:

Management Fee includes Sodexo profit and GSSA / Above Unit Support: Finance Processing; Legal and Labor Relations Support; HR Administration; Regulatory Compliance, & Document Administration; Frontline & Management Safety & COVID Training & Professional Development; Technical & Safety Training; Safety, TJC Audit and Quality Control; Technology & Medical Hand-held Support Center

J. Sodexo Management Labor:

Sodexo labor expense for (0) Sodexo management and (\$58 ITT) hourly positions inclusive of T&B CP 36%; Sodexo Benefit & Taxes

4. St. Vincent's Medical Center Direct Supply Expense:

Estimated Operational Expenses for 6 months which will be invoiced separately

5. Start Up Expenses:

Estimated start up expense for 6 months. Will be invoiced separately

7. Transition/Start-up Team:

Estimated costs for lodging / meals and travel expenses for transition team

Assumptions:

- modeled for 200 beds / patients. Changes may increase number of staff required
- All required PPE to be supplied by State of California and / or Kaiser Permanente
- All liabilities held by State of California and Kaiser Permanente
- All costs will be re-billed one week in advance and invoiced weekly thereafter

LA. Surge Hospital HRM Manager Pro Forma

	6 Month - Proposed Cost	Phase 1: 1st Month - Proposed Cost	Phase 2: 5 Month - Proposed Cost
Sodexo Management Fee ₂	\$ 8,712	\$ 1,452	\$ 7,260
Sodexo Management Labor ₃	\$ 5,078	\$ 9,680	\$ 48,998
Sodexo Subtotal	\$ 66,790	\$ 11,132	\$ 55,658
Estimated LASH Direct Supply Expense ₄	\$ -	\$ -	\$ -
LA. Surge Hospital Costs Subtotal	\$ -	\$ -	\$ -
Total Cast	\$ 11,710	\$ 11,132	\$ 55,658

Year 1 One-Time Start Up Expenses₅

Transition/Start-up Team (Labor & Travel Costs)₇ \$

Definitions/Notes:

2. Management Fee:

Management Fee includes Sodexo profit and GSSA / Above Unit Support: Finance Processing; Legal and Labor Relations Support; HR Administration; Regulatory Compliance, & Document Administration; Frontline & Management Safety & COVID Training & Professional Development; Technical & Safety Training; Safety, TJC Audit and Quality Control; Technology & Maximo Hand-held Support Call Center

3. Sodexo Management Labor:

Sodexo labor expense for (1) Sodexo management positions inclusive of T&B @ 36%; Sodexo Benefit & Taxes

4. St. Vincent's Medical Center Direct Supply Expense:

There are no expected operational expenses associated with this position

6. Start Up Expenses:

Estimated start up expense for 6 months. Will be invoiced separately

7. Transition / Start-up Team:

There are no start up costs projected for this position

Assumptions:

- modeled for 200 beds / patients. Changes may increase number of staff required
- All required PPE to be supplied by State of California and / or Kaiser Permanente
- All liabilities held by State of California and Kaiser Permanente
- All costs will be pre-billed one week in advance and invoiced weekly thereafter

L.A. Surge Hospital Facility Management Pro Forma

	6 Month - Proposed Cost
Sodexo General Expenses ₁	\$ 53,342
Sodexo Management Fee ₂	\$ 262,500
Sodexo Hourly Labor ₃	\$ 221,072
Sodexo Management Labor ₃	\$ 29,775
Sodexo Subtotal	\$ 534,288
Estimated LASH Direct Supply Expense ₄	\$ 175,000
Estimated LASH Utilities ₅	\$ 226,062
LA. Surge Hospital Costs Subtotal	\$ 4,068,062
Total "Cost"	\$

Year 1 One-Time Start Up Expenses₁

Asset Management Services / Compliance / Safety Technical Assurance / Program Mgmt	\$ 65,000
Relative Pressure Conversion / Engineering	\$ 5,000
Transition/Start-up Team (Labor & Travel Costs)	\$ 16,000
Total Estimated	\$ 1,111,111

Definitions/Notes:

- Sodexo General Expenses:**
Liability Insurance, HR/Payroll Processing, Management Training Travel, General Office Supplies, Capital Depreciation, Maximo (CMMS), Facility Condition Assessment
- Management Fee:**
Management Fee includes Sodexo profit and GSSA / Above Unit Support: Finance Processing; Legal and Labor Relations Support; HR Administration; Regulatory Compliance, & Document Administration; Frontline & Management Safety & COVID Training & Professional Development; Technical & Safety Training Safety, TJC Audit and Quality Control; Technology & Maximo Hand-held Support Call Center
- Sodexo Labor:**
Sodexo Labor expense for (3) Sodexo management and (16) hourly positions plus (5) PBX staff; inclusive of T&B @ 38%; Sodexo Benefit & Taxes
Sodexo using benchmarks for O&M of 1FTE for every 37,500 square feet
- St. Vincent's Medical Center Direct Supply Expense:**
Estimated Operational Expenses for 6 months
- St. Vincent's Medical Center Utilities:**
Estimated Utility Expense for 6 months based upon last 12 months history
- Start Up Expenses:**
Total cost of transition; Should Kaiser Permanente cancel FM services early, any
- Transition / Start-up Team:**
Estimated costs for lodging / meals and travel expenses for transition team to be onsite for 16 - 20 weeks because of COVID-19 travel restrictions.
Will be invoiced as actuals.

Assumptions:

- modeled for 200 beds / patients. Changes may increase number of staff required
- increased costs for HEPA filters
- includes estimate for engineering required for increasing negative pressure rooms / spaces / floors
- All required PPE to be supplied by State of California and / or Kaiser Permanente
- Long term living expenses included for Sodexo SMEs required to be onsite
- All liabilities held by State of California and Kaiser Permanente
- All costs will be pre-billed one week in advance and invoiced weekly thereafter