



NOT-FOR-PROFIT HOSPITAL CORPORATION

May 1, 2024

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is Contract No. NFPHC-OPS-23-C-00059 between the Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc., Approval and Payment Authorization Emergency Act of 2024, and Contract No. NFPHC-OPS-23-C-00059 between the Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc. Approval and Payment Authorization Emergency Declaration Resolution of 2024, for the provision of Food and Nutrition Management services (“Contract”).

Council action is necessary to approve the proposed, definitized twelve (12) month retroactive Contract base year in the amount of \$1,527,560.00 (August 1, 2023 – July 31, 2024), which includes the initial seven (7) month base period letter contract in the amount of \$891,076.67 (August 1, 2023 – February 29, 2024). Please note that despite the good faith and timely efforts of the parties, attempts to negotiate earlier drafts of the letter contract (at 90 days and 180 days), were unsuccessful largely due to the hospital’s looming wind down and eventual closure. Fluctuating patient and staff volumes, higher vendor costs even for incumbents, and UMC’s fiscal limitations made service level and associated cost determinations extremely difficult. Further exacerbating these issues and delaying negotiations was the major leadership change Morrison experienced during this period.

To account for these and other closure-related factors that will undoubtedly continue to arise, the hospital is exploring the use of recommended contracting options, such as no-cost modifications, or exercising more frequent modifications. In the meantime, Council approval of this proposed Contract with Morrison is vital to avoid disruption to these essential services.

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NOT-FOR-PROFIT HOSPITAL CORPORATION

As always, I am available to discuss any questions you may have regarding this submittal. In order to facilitate a response to any questions you may have, please have your staff contact me at (202) 574-6611. I look forward to a favorable consideration on this contract.

Sincerely,

DocuSigned by:

Jacqueline Payne - Borden

Jacqueline Payne-Borden

Chief Executive Officer

Not-for-Profit Hospital Corporation

Enclosure

UMC

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Pursuant to section 202(c-1) of the Procurement Practices Reform Act of 2010, as amended, D.C. Official Code § 2-352.02(c-1), the following contract summary is provided:

COUNCIL CONTRACT SUMMARY
(Retro)

(A) **Contract Number:** NFPHC-OPS-23-C-00059

Proposed Contractor: Morrison Management Specialists, Inc.

Contract Amount: **Definitized:** \$1,527,560.00

Unit and Method of Compensation: Payments due monthly

Term of Contract: **Definitized:** August 1, 2023 to July 31, 2024

Type of Contract: Fixed Fee, with monthly reconciliation

Source Selection Method: Sole Source under 27 DCMR 4618

(B) **For a contract containing option periods, the contract amount for the base period and for each option period. If the contract amount for one or more of the option periods differs from the amount for the base period, provide an explanation of the reason for the difference:**

- Base Period:
 - o **Initial letter contract (7mo):** \$891,076.67 (August 1, 2023 to February 29, 2024)
 - o **Definitized contract (12 mo):** \$1,527,560.00 (August 1, 2023 to July 31, 2024)

- Option Year One
 - o \$1,527,560.00 (August 1, 2024 to July 31, 2025)

- Option Year Two * *if needed*
 - o \$1,527,560.00 (August 1, 2025 to July 31, 2026)

(C) The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:

The provision of Food and Nutrition Management services for a period from August 1, 2023 to July 31, 2024. The definitized contract includes UMC's negotiated rates under the new engagement.

(D) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past performance components:

As the Hospital moves rapidly toward closure, it has been determined that sole sourcing to incumbent vendors is the preferred approach to stabilizing critical services. Therefore, the Hospital determined that remaining with Morrison Management Specialist, Inc. was the most efficient way to ensure the continuation of essential food and nutrition management services.

(E) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District. Include the identity of the protestor, the grounds alleged in the protest, and any deficiencies identified by the District as a result of the protest:

There were no protests associated with this procurement.

(F) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private sector contracts with requirements similar to those of the proposed contract:

Morrison Healthcare is part of Compass Group North America, the leading food and support services company with over 280,000 associates and \$20.1 billion in revenues in 2019. Celebrating 25 years in North America, Compass Group is recognized as a premier employer receiving honors for diversity & inclusion, innovation, health & wellness, and company culture. With over 600,000 associates worldwide, its parent company, UK-based Compass Group PLC had revenues of \$32.2 billion USD in the fiscal year ended September 30, 2019.

(G) The period of performance associated with the proposed change, including date as of which the proposed change is to be made effective:

August 1, 2023 to July 31, 2024, provided Council approves the contract.

(H) The value of any work or services performed pursuant to a proposed change for which the Council has not provided approval, disaggregated by each proposed change if more than one proposed change has been aggregated for Council review:

The Initial letter contract: \$891,076.67
The Definitized contract: \$268,816.96

(I) The aggregate dollar value of the proposed changes as compared with the amount of the contract as awarded:

The aggregate value of the difference between the initial 7-month letter contract and the proposed full 12-month definitized contract is \$636,483.33.

(J) The date on which the contracting officer was notified of the proposed change:

September 10, 2023

(K) The reason why the proposed change was sent to Council for approval after it is intended to take effect:

Once Morrison was identified as the preferred vendor, the parties sought to avoid a lapse in these critical services by quickly executing an initial letter contract, as permitted under UMC's Procurement Rules (27 DCMR 4614(f)). Despite the good faith and timely efforts of the parties, however, their attempts to negotiate earlier drafts of the letter contract (at 90 days and 180 days), were unsuccessful largely due to the hospital's looming wind down and eventual closure. The hospital's fluctuating patient and staff volumes, higher vendor costs even for incumbents, and continuing fiscal limitations made service level and associated cost determinations extremely difficult. Further exacerbating these issues and delaying negotiations was the major leadership change Morrison experienced during this period.

(L) The reason for the proposed change:

See Response to K

(M) The legal, regulatory, or contractual authority for the proposed change:

NFPHC Contracting Authority; NFPHC Establishment Act; Home Rule Act.

(N) A summary of the subcontracting plan required under section 2346 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.* ("Act"), including a certification that the subcontracting plan meets the minimum requirements of the Act and the dollar volume of the portion of the contract to be subcontracted, expressed both in total dollars and as a percentage of the total contract amount:

UMC has worked diligently with DC Department of Small and Local Business Development (DSLBD) to find local Vendors to provide these services. There wasn't a Certified Business Enterprise (CBE) that provides emergency department services. There was not subcontracting plan due the critical need and highly specialized nature of the services to be provided under this proposed Contract, so a subcontracting plan and waiver were not obtained before the contract execution. (Per DSLBD, once a contract is exercised, a waiver cannot be provided.) UMC continues to make best efforts to create and maintain opportunities for small, local, and disadvantaged businesses at UMC across all areas of the

hospital and looks forward to working with the community and applicable agencies to improve in this area.

(O) Performance standards and the expected outcome of the proposed contract:

The Contractor's performance will be monitored by the Not-for-Profit Hospital Corporation CEO and Vice President of Operations. The performance standards are as outlined in the proposed Contract and as required by applicable local, federal, industry, and licensing entities.

(P) The amount and date of any expenditure of funds by the District pursuant to the contract prior to its submission to the Council for approval:

The amount of funds expended under the Contract prior to submission is \$891,076.67.

(Q) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:

See enclosed fiscal certification from the OCFO.

(R) A certification that the contract is legally sufficient, including whether the proposed contractor has any pending legal claims against the District:

See enclosed legal certification from UMC Counsel.

(S) A certification that Citywide Clean Hands database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, either: (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District; or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding debt as provided under D.C. Official Code § 2-353.01(b):

See enclosed Clean Hands Certification.

(T) A certification from the proposed contractor that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:

The proposed contractor has certified its compliance.

(U) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.*:

The Contractor is not certified as a local, small, or disadvantaged business enterprise.

(V) Other aspects of the proposed contract that the Chief Procurement Officer considers significant:

All relevant aspects of the proposed Contract are enclosed.

(W) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:

As of March 20, 2024, the Contractor does not appear on the District or Federal Excluded Parties List.

(X) Any determination and findings issues relating to the contract's formation, including any determination and findings made under D.C. Official Code § 2-352.05 (privatization contracts):


None.

(Y) Where the contract, and any amendments or modifications, if executed, will be made available online:

The Hospital's website is currently being upgraded and the Hospital intends to post the executed Contract as soon as possible. Until then, the contract remains available onsite.

(Z) Where the original solicitation, and any amendments or modifications, will be made available online:

The Hospital's website is still being upgraded and the Hospital intends to post the executed Contract as soon as possible. Until then, the Contract is available onsite.


Chairman Phil Mendelson
on behalf of the Not-for-Profit
Hospital Corporation

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve, on an emergency basis, Contract No. NFPHC-OPS-23-C-00059 between the Not-for-Profit Hospital Corporation, commonly known as United Medical Center (“Hospital”) and Morrison Management Specialists, Inc., to provide provision Food and Nutrition Management services, and to authorize payment for the services received and to be received under the Contract.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the “Contract No. NFPHC-OPS-23-C-00059 between Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc., Approval and Payment Authorization Emergency Act of 2024”.

Sec. 2. Pursuant to section 451 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51), and notwithstanding the requirements of section 202 of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-352.02), the Council approves Contract No. NFPHC-OPS-23-C-00059 between the Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc., for Food and Nutrition

35 Management services, and authorizes payment for the services received and to be
36 received under this Contract and payment in the amount of \$1,527,560.00.

37 Sec. 3. Fiscal impact statement.

38 The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal
39 impact statement required by section 4a of the General Legislative Procedures Act of
40 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

41 Sec. 4. Effective date.

42 This act shall take effect following approval by the Mayor (or in the event of veto by the
43 Mayor, action by the Council to override the veto), and shall remain in effect for no
44 longer than 90 days, as provided for emergency acts of the Council of the District of
45 Columbia in section 412(a) of the District of Columbia Home Rule Act, approved
46 December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

47



Date of Notice: February 12, 2024

Notice Number: L0010938268

MORRISON MANAGEMENT SPECIALISTS
4721 MORRISON DR STE 300
MOBILE AL 36609-3350

FEIN: **-***5966
Case ID: 1837729



CERTIFICATE OF CLEAN HANDS

As reported in the Clean Hands system, the above referenced individual/entity has no outstanding liability with the District of Columbia Office of Tax and Revenue or the Department of Employment Services. As of the date above, the individual/entity has complied with DC Code § 47-2862, therefore this Certificate of Clean Hands is issued.

TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS, AND FEES
CHAPTER 28 GENERAL LICENSE
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT
D.C. CODE § 47-2862 (2006)
§ 47-2862 PROHIBITION AGAINST ISSUANCE OF LICENSE OR PERMIT

Authorized By Melinda Jenkins

Branch Chief, Collection and Enforcement Administration

To validate this certificate, please visit MyTax.DC.gov. On the MyTax DC homepage, click the “Validate a Certificate of Clean Hands” hyperlink under the Clean Hands section.

Government of the District of Columbia
Office of the Chief Financial Officer



MEMORANDUM

To: Jacqueline Payne-Borden, Chief Executive Officer

CC: Kendrick Dandridge, Contracting Officer

From: Lilian Chukwuma, CFO – Not-for-Profit Hospital Corporation

A handwritten signature in black ink, appearing to read 'Lilian Chukwuma', is written over the end of the 'From:' line.

Date: March 21, 2024

Re: Contract No. NFPHC-OPS-23-C-00059 between Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc., Approval and Payment Authorization Emergency Act of 2024

The Not-for-Profit Hospital Corporation (NFPHC) intends to contract with Morrison Management Specialists, Inc., for the provision of Food and Nutrition Management services. The initial letter contract for seven (7) months (for period of August 1, 2023 to February 29, 2024) had a value of \$891,076.67 and the proposed definitized contract has a total value of \$1,527,560.00 for a 12-month period, August 1, 2023 to July 31, 2024.

The Office of the Chief Financial Officer hereby certifies that the funds are included in the NFPHC FY 2024 budget.




NOT-FOR-PROFIT HOSPITAL CORPORATION

MEMORANDUM

To: Jacqueline Payne-Borden
Chief Executive Officer

CC: Kendrick Dandridge
Contracting Officer

From: Eric Goulet 
General Counsel

Reference: Contract No. NFPHC-OPS-23-C-00059 between Not-for-Profit Hospital Corporation and Morrison Management Specialists, Inc., Approval and Payment Authorization Emergency Act of 2024

Date: February 27, 2024

Subject: Legal Sufficiency

I have reviewed the above-referenced Contract No. NFPHC-OPS-23-C-00059 and the seven-month letter contract between the Not-for-Profit Hospital Corporation, commonly known as United Medical Center (“Hospital”), and Morrison Management Specialists, Inc., for the provision of Food and Nutrition Management services.

I hereby certify that it appears to be legally sufficient. Please be advised that my finding is premised on the Contracts being submitted to and approved by the Council of the District of Columbia.

UMC



NOT-FOR-PROFIT HOSPITAL CORPORATION

February 1, 2024

Morrison Management Specialists, Inc.
3761 Commerce Drive Suite 401
Baltimore, MD 21227

Subject: Letter Contract for Morrison Management Specialist

Contract No: NFPHC-OPS-23-C-00059

Dear Scott Anthony:

This is a letter contract between the Not-For-Profit Hospital Corporation commonly known as United Medical Center (“Hospital”) and Morrison Management Specialist (“Contractor”), wherein Contractor agrees to provide nutritional services set forth in Attachment A during the period beginning on August 1, 2023 and ending seven (7) months thereafter.

1. Payment for performance under this letter contract is based on the Price Schedule set forth in Attachment B.

2. The Hospital intends to definitize this letter contract within seven (7) months from August 1, 2023, at which time this letter contract shall merge with the definitized contract. Before the expiration of the said seven (7) months period, the contracting officer may authorize in writing an extension of the letter contract in order to have additional time to definitize the letter contract. If the Hospital and the contractor are unable to definitize this letter contract within seven (7) months of the Date of Award (defined as August 1, 2023 and ending seven (7) months thereafter) or any extensions thereof, this letter contract shall expire. During the duration of this letter contract, the Hospital shall pay Contractor for services performed under this letter contract in an amount not to exceed \$891,076.67 (including fees and costs), based upon invoices rendered by the Contractor.





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3. The duration of the definitized contract shall be one (1) year with three option years from the date of award of this letter contract. The amount of the letter contract shall not exceed \$891,076.67 (including fees and costs). Morrison has no contractual obligation with the United Medical Center after the seven (7) months of this letter contract.

4. The Contractor acknowledges that the Hospital is not a party to any agreement between the Contractor and the previous for-profit owners of the Hospital facility, and that the Hospital does not assume and is not bound by any agreement between the Contractor and the for-profit entity.

5. Contractor shall perform under this letter contract pursuant to the terms of the following documents that are hereby incorporated by reference and made a part of this letter contract, which in the event of a conflict shall be resolved by giving precedence in the order of priority listed below:

- a. This letter contract;
- b. The Scope of Work - Subscription Agreement– Attachment A;
- c. The Price Schedule – Attachment B;
- d. Administration of Contract – Attachment C.

7. This letter contract shall be subject to the following:

(a) Appropriation of funds;

(b) Council Approval – The approval by the Council of the District of Columbia, in accordance with D.C. Code, 2000 Ed. §2.301.05a, if this letter contract is of a value in excess of one million dollars. However, if this letter contract is not in excess of one million dollars, but the value of the subsequent definitized contract, (which includes the value of this letter contract) is in excess of one million dollars, the definitized contract must be approved by the Council in accordance with D.C. Code, 2000 Ed. §2-301.05a. If the Council disapproves the subsequent definitized contract, all performance under the letter contract shall terminate and the liability of the Hospital shall be limited to the amount set forth in provision 3, above, of the letter contract;





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(c) Anti-deficiency Act – The Hospital’s obligations and responsibilities under the terms of the Contract and the Contract Documents are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1350, 1351, (ii) the D.C. Code 47-105, (iii) the District of Columbia Anti-Deficiency Act, D.C. Code §§ 47-355.01 – 355.08, as the foregoing statutes may be amended from time to time, and (iv) Section 446 of the District of Columbia Home Rule Act.

(d) Contract Laws Applicable to the Hospital – District of Columbia Quick Payment Act of 1984, as amended, D.C. Official Code sec. 2-221.01; Living Wage Act of 2006, as amended, D.C. Official Code sec. 2-220.01; Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code sec. 2-218.01 and 2-218.50; First Source Employment Agreement Act of 1984, as amended, D.C. Official Code sec. 2-219.01; Service Contract Act, 41 U.S.C. 351(a); Heath Insurance Portability and Accountability Act of 1996, P.L. 104-191; the Privacy and Security Rules codified at 45 C.F.R. Parts 160 and 154 and the Hospital Procurement Regulations, 27 D.C. Mun.Reg. Tit. 27 § 4600, et seq.

Signatures:

Morrison Management Specialist, Inc.

Contractor DocuSigned by:
Tim Pierce
9E06D059A5EE4FB...

Date: 2/5/2024

Name (printed) Tim Pierce

Title: CEO, Healthcare

NOT-FOR-PROFIT HOSPITAL CORPORATION

Contracting Officer DocuSigned by:
Kendrick Dandridge
FDF0138D30144B0...

Date: 2/12/2024

Name (printed) Kendrick Dandridge





NOT-FOR-PROFIT HOSPITAL CORPORATION

NFPHC USE ONLY:

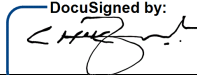
Approved as to Legal Sufficiency:

General Counsel Eric Goulet
9126BFC87537423...
Name Printed: Eric Goulet

Date: 2/7/2024


Certificate of Funds

I hereby certify funds are sufficiently included in the District's FY 2023-2024 budgets and financial plan to support this Contract.

Certification of Funds: ^{DocuSigned by:}

3C88964498BD485...
Name Printed: Lilian Chukwuma

Date: 2/9/2024

NFPHC Budget Officer Approval ^{DS}
 2/9/2024

CEO Approval ^{DS}




ATTACHMENT A

SCOPE OF WORK

B.1 Contractor Responsibilities - The Contractor shall, as an independent contractor to the Hospital reporting to the Executive Vice President of Hospital Operations, perform Management Services for the Food and Nutritional Services Program and Department ("Services") at the Hospital:

- (i) Cafeteria Meal Service Hours – Monday thru Friday
 - Continental Breakfast 8:00 AM -10:00 AM
 - Grab-n-Go 10:00AM – 11:00AM
 - Lunch 11:00 AM - 3:00 PM

Saturday and Sunday – Closed

B.1.1 The Contractor Services shall include the provision of timely nutrition assessment, counseling, nutrition education and diet instruction as ordered by the Hospital's medical staff and/or as defined in the policies for the Hospital's Food and Nutrition Department (which policies shall be mutually agreed upon by the parties). These clinical services shall meet the needs of the Hospital's patients - including Hospital specialty units, outpatient area(s) and community events as requested. Contractor shall provide nutrition services to Hospital patients of various backgrounds, which affect nutritional preferences and habits.

B.1.2 The Contractor Services shall include nutrition and quality dietary intervention, in-patient treatment. and quality meal service to patients, associates, visitors and guests.

B.1.3 The Contractor shall, via its management personnel, determine the specifications for and order food and other supplies to be used in the Food and Nutritional Services Program and Department at the Hospital. Contractor is entitled to utilize its national account or other vendor systems. If vendors extend to the Contractor any credits or discounts, these shall be passed on to the Hospital. If vendors extend to the Contractor any company-wide credits, fees or discounts, including, without limitation, any early payment discounts, administrative fees or volume discounts, the Contractor will be entitled to retain such credits, fees or discounts.

B.1.4 The Contractor shall be responsible for a Hospital and regulatory required minimum of daily cleaning and multiple daily cleaning as necessary of:

- (a) Department Kitchen- Walls, Floors, Equipment, Refrigerators and freezers
- (b) Department Storage- Floors, Walls, Shelving
- (c) Department Cafeteria - Serving line / Equipment, Serving line walls, Serving line floors (kitchen side)
- (d) Department Dining Area - Furniture & Equipment
- (e) Department Floor Stations – Equipment



- (f) Department Receiving Area for Food and Nutrition - Pick up and spot-mop
- (g) Non-public and non/non-customer portion of the areas where the employees of the Food and Nutritional Services Program and Department for the Hospital perform work

B.1.5 Contractor shall provide the Hospital with advice and recommendations with respect to improvements that the Hospital can make to the food service retail areas at the facility and the Hospital will have the sole discretion to determine what, if any, improvements will be made to those food service retail areas.

B.1.6 The Contractor shall perform initial and ongoing training and education of Hospital Food and Nutrition Staff to achieve the standards of quality as established in the Hospital's Food and Nutrition Policy and Procedures manual and as determined by all regulatory agencies. Education needs shall also be reported and suggestions as to achieving educational goals shall be identified and reported on a monthly basis.

B.2 Contractor Deliverables -The Contractor shall deliver the following in accordance with the below schedule:

PERFORMANCE METRICS	
QUALITY	1. Provide monthly reports with mutually agreed upon metrics, targets and associated action plans. AH metrics and performance targets shall be mutually agreed upon by the parties in writing within ninety (90) days of the Effective Date.
	2. Maintain timely required training and certification of all applicable staff (100%) for all mandatory sessions, annual safety training, job-specific competencies, patient experience, and other hospital-required curricula. Contractor will have thirty (30) days from date of discovery to cure any deficiencies with respect to trainings or certifications.
	3. Conduct employee performance evaluations (90-day and annual) within the required time frame, b) the established hospital-determined due date.
	4. Ensure ongoing compliance with accrediting body and regulatory agency requirements. Submit required action plans and follow-up documentation within a commercially reasonable time frame established by the hospital.
	5.
EFFICIENCY	1. Ensure nutritional assessments are performed within 24 hours of a physician order, and when a Nurse screening: triggers the need for an assessment.
	2. Ensure complete and timely clinical dietary documentation in accordance with hospital policy, accreditation body standards and regulatory agency requirements.
	3.
	4.
	5.



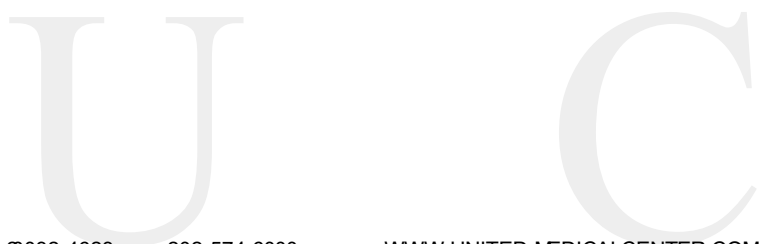
CUSTOMER SATISFACTION	1. Conduct an internal customer satisfaction survey within 90 days of contract execution. All metrics and performance targets shall be mutually agreed upon by the parties in writing within ninety (90) days of the Effective Date
	2. 100% compliance with hospital-wide customer service initiatives (e.g. Patient Experience Program implementation initiatives)
	3.
	4.
	5.

B.3 Hospital Responsibilities -The Hospital shall have the following responsibilities:

B.3.1 The Hospital shall be responsible for cleaning and maintenance of Food and Nutritional Service areas and portions where there is public or customer access.

B.3.2 The Hospital shall, at no cost under this Contract, continue to provide, in consultation with the Contractor but at levels that are solely determined by the Hospital, sufficient numbers of Hospital employees to support the Food and Nutrition Services at the Hospital and all such employee and employee-related costs shall be paid for by the Hospital separate from this Contract.

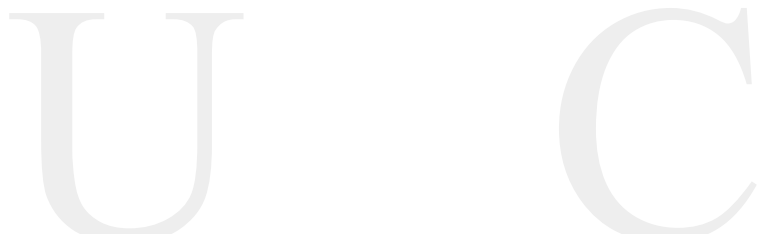
B.3.3 The Hospital shall allow the Contractor use of the dietary areas of the Hospital and agrees to maintain these areas and all items furnished for this program in good, clean, sanitary and working condition in accordance with applicable law, and make all repairs or replacements to the facility and these areas at the Hospital's expense as required (and paid for via Purchase order separate from this Contract), except that the Contractor shall be responsible for any damage caused to the same if due to the negligence of a Contractor.



ATTACHMENT B

PRICE SCHEDULE

Contract Line Item No. (CLIN)	Item Description	Monthly Pre-Bill Amount	7 Month Not to Exceed Amount
0001	<p>Management Services Fee: calculated using the Not-to-Exceed (“NTE”) amounts from the below-listed categories assuming food service with the mutual agreement that although the Contractor shall collect and deposit all revenue from retail sales locations operated by Contractor (e.g. cafeteria), the Contractor shall provide a monthly credit to the Hospital. The amount of the credit will be total sales revenues less applicable sales taxes Contractor is required to remit in connection with those sales)</p> <p>LABOR – guarantee of 5 FTEs (Contractor employees) – ESTIMATED AT \$299,756.92 1 Director - Salary/benefits estimated at \$82,552.17 2 Dietitians - Salary/benefits estimated at \$112,623.58 1 Patient Manager - Salary/benefits estimated at \$36,225.00 1 Chef - Salary/benefits estimated at \$68,356.17</p> <p>FOOD – ESTIMATED AT \$283,873.92 Patient Trays - estimated at \$105,922.83 Nourishments - estimated at \$1,513.75 Floor Stocks - estimated at \$35,826.00 Supplements - estimated at \$10,932.83 Café/retail - estimated at \$86,627.33 Free meals - estimated at \$0 Requisitions - estimated at \$37,217.83 Catering - estimated at \$5,833.33</p> <p>DIRECT COSTS - ESTIMATED AT \$125,445.83 Includes: office supplies; in-service training materials/supplies; employee physicals, testing and background checks for Contractor employees; laundry; cleaning/dishwashing supplies; kitchen paper/plastic; marketing/merchandising materials; patient education materials; Contractor business licenses/permits (exclusive of licenses related to the service of alcohol); computer hardware/print paper for computers supplied by Contractor; small wares and tableware’s replacements; postage; uniforms; armored car services; bank charges (including credit card fees and debit card fees); dues and subscriptions for Contractor employees; and sanitation audit fees.</p>	\$110,630.00	\$774,410.00



	CORPORATE SUPPORT – FIXED FEE AT \$65,333.33 <i>Support from the Contractor's corporate personnel, including but not limited to the District Manager, Regional Vice President, Regional Dietitian and Customer Experience Manager support, as well as IT support for POS system implemented by Morrison and e Finance system.</i>		
0002	OTHER ALLOWABLE CHARGES Late Fees - NTE 1% of amounts not paid within 45 days of invoice receipt	N/A	
0003	LIMITATION OF LIABILITY	N/A	\$116,666.67
TOTAL AMOUNT			\$891,076.67



ATTACHMENT C

The person designated to be responsible for the general administration of this contract shall be:

NAME: Tonia Johnson
TITLE: VP of Operations
PHONE: 202-574-6000
EMAIL: TJohnson@United-MedicalCenter.com


This person shall have the authority to:

- advise the Contracting Officer as to the Contractor's compliance or noncompliance with this contract
- review the Contractor's invoices to ensure performance is consistent with this contract
- certify that goods and services have been received satisfactorily

This person shall not have the authority to:

- award, agree to, or sign any delivery order or task order associated with this contract
- make modifications to this contract
- grant deviations from or waive any of the terms and conditions of this contract
- increase the dollar limit of this contract
- authorize work beyond the dollar limit or stated scope of this contract,
- authorize the expenditure of funds by the Contractor in connection with this contract
- change the period of performance of this contract



NOT-FOR-PROFIT HOSPITAL CORPORATION, commonly known as United Medical Center, an instrumentality of the District of Columbia government, hereinafter known as the "Hospital".		CONTRACT		Page 1 of 19
		1. Contract Number: NFPHC-OPS-23-C-00059		
2. Address Not-For-Profit Hospital Corporation Accounts Payable 1310 Southern Avenue, S.E. Washington, D.C. 20032	3a. Effective Date: See 11C 3b. Date work begins if different from Effective Date: 8/1/2023 3c. Date of Council Approval: TBD	4a. Requisition/Purchase Order/Task Order. 4b. Department(s) Using Goods or Services: Operations, Food Services		
5. Contractor: Morrison Management Specialist, Inc. 3761 Commerce Drive, Suite 401 Baltimore, MD 21227 Attn: Scott Anthony Phone: 717-571-8859 Email: Scott.Anthony@compass-usa.com		6. Subject: This definitized 12-month Contract is for the management of the Food and Nutrition program at the Hospital and includes the initial 7-month letter contract, which was executed on February 12, 2024. - Letter contract: August 1, 2023 - February 29, 2024; \$891, 076.67 - Definitized contract: August 1, 2023 - July 31, 2024; \$1,527,560.00		
7. Base Year Funding Request: \$1,527,560.00 (Total 12-month value)				
8. Number of Option Years: 3				
9	Section	Description	Section	Description
	I	"Contract Specifications" Part A. Price Schedule Part B. Scope of Work Part C. Period of Performance Part D. Administration		
	II	"Contract Terms and Conditions" Part E. General Provisions Part F. Special Contract Requirements		
	III	"Technical Proposals" (if applicable) Part G. Technical Proposal		
10. CONTRACTOR By: Authorized Contractor Representative		11. NOT-FOR-PROFIT HOSPITAL CORPORATION By: Authorized Contracting Officer		
10A. Name and Title: (Type or print): Tim Pierce, Chief Executive Officer, Healthcare		11A. Name of Contracting Officer: Kendrick Dandridge, Contracting Officer		
10B. Signature: 		10C. Date Signed 2/5/2024	11B. Signature	11C. Date Signed
12. GENERAL COUNSEL – LEGAL SUFFICIENCY				
This contract appears legally sufficient. Please be advised that my finding is premised on the Contract receiving any and all requisite approvals. In additions, the Hospital continues to work with other District agencies to determine the most effective manner for all involved to achieve their respective legislative mandates while the Hospital strives to meet: (i) its Establishment Act purposes (D.C Official Code §44-95 I.02(b)); (ii) the Hospital Board of Directors approved Strategic Plan (all thirteen Councilmembers introduced the Sense of the Council Not-for-Profit Hospital Corporation Transformation and Sustainability Resolution of 2014 (PRO-731)), which expressed the desire that the Hospital move swiftly to implement the strategic plan); and (iii) its clarified District government charged legislative mandate in the Fiscal Year 2015 Budget Support Emergency Act of 2014 (B20-849), which required the Hospital move forward expeditiously with improving UMC operations and soliciting proposals for private sector takeover of the ownership and management of the United Medical Center.				
Approved as to Legal Sufficiency:		DocuSigned by:  Eric Goulet, NFPHC General Counsel		Date: 2/7/2024
13. CFO – CERTIFICATION OF FUNDS Certification of Funds:  Lillian C. Bennett, NFPHC Chief Financial Officer		Date: 2/9/2024	I hereby certify funds are sufficiently included in the District's FY2023 & FY2024 budget and financial plan to support this Contract.	
FOR INTERNAL PURPOSES ONLY				
OCFO REVIEW APPROVAL:  NFPHC Budget Officer 2/9/2024		CEO REVIEW APPROVAL:  NFPHC Chief Executive Officer		

SECTION I

Contract Specifications

- Part A. PRICE SCHEDULE
- Part B. SCOPE OF WORK
- Part C. PERIOD OF PERFORMANCE
- Part D. ADMINISTRATION

PART A: PRICE SCHEDULE

A.1 Base Year (prorated for five (5) months)

Contract Line Item No. (CLIN)	Item Description	Monthly Pre- Bill Amount	5-month Contract Not to Exceed Amount
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001	<p>Management Services Fee: <i>calculated using the Not-to-Exceed (“NTE”) amounts from the below- listed categories assuming food service with the mutual agreement that although the Contractor shall collect and deposit all revenue from retail sales locations operated by Contractor (e.g. cafeteria), the Contractor shall provide a monthly credit to the Hospital. The amount of the credit will be total sales revenues less applicable sales taxes Contractor is required to remit in connection with those sales)</i></p> <p>LABOR – guarantee of 5 FTEs (Contractor employees) – ESTIMATED AT \$214,112.08 <i>1 Director - Salary/benefits estimated at \$58,965.83</i> <i>2 Dietitians - Salary/benefits estimated at \$80,445.42</i> <i>1 Patient Manager - Salary/benefits estimated at \$25,875.00</i> <i>1 Chef- Salary/benefits estimated at \$48,825.83</i></p> <p>FOOD – ESTIMATED AT \$202,767.08 <i>Patient Trays - estimated at \$75,659.17</i> <i>Nourishments - estimated at \$1,081.25</i> <i>Floor Stocks - estimated at \$25,590.00</i> <i>Supplements - estimated at \$7,809.17</i> <i>Café/retail - estimated at \$61,876.67</i> <i>Free meals - estimated at \$0</i> <i>Requisitions - estimated at \$26,584.17</i> <i>Catering - estimated at \$4,166.67</i></p> <p>DIRECT COSTS - ESTIMATED AT \$89,604.17 <i>Includes: office supplies; in-service training materials/supplies; employee physicals, testing and background checks for Contractor employees; laundry; cleaning/dishwashing supplies; kitchen paper/plastic; marketing/merchandising materials;</i></p>	\$110,630.00	\$553,150.00
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	<p><i>patient education materials; Contractor business licenses/permits (exclusive of licenses related to the service of alcohol); computer hardware/print paper for computers supplied by Contractor; small wares and tableware's replacements; postage; uniforms; armored car services; bank charges (including credit card fees and debit card fees); dues and subscriptions for Contractor employees; and sanitation audit fees.</i></p> <p>CORPORATE SUPPORT – FIXED FEE AT \$46,666.67</p> <p><i>Support from the Contractor's corporate personnel, including but not limited to the District Manager, Regional Vice President, Regional Dietitian and Customer Experience Manager support, as well as IT support for POS system implemented by Morrison and e Finance system.</i></p>		
0002	<p>OTHER ALLOWABLE CHARGES</p> <p>Late Fees - NTE 1% of amounts not paid within 45 days of invoice receipt</p>		
0003	LIMITATION OF LIABILITY		\$83,333.33
TOTAL NOT TO EXCEED AMOUNT:			\$636,483.33

PART B: SCOPE OF WORK

B.1 The Contractor shall, as an independent contractor to the Hospital reporting to the Executive Vice President of Hospital Operations, perform Management Services for the Food and Nutritional Services Program and Department ("Services") at the Hospital:

(i) Cafeteria Meal Service Hours – Monday thru Friday

Breakfast 8:00AM -10:00AM

Grab-n-Go 10:00AM – 11:00AM

Lunch 11:00AM - 3:00PM

Saturday and Sunday – Closed

B.1.1 The Contractor Services shall include the provision of timely nutrition assessment, counseling, nutrition education and diet instruction as ordered by the Hospital's medical staff and/or as defined in the policies for the Hospital's Food and Nutrition Department (which policies shall be mutually agreed upon by the parties). These clinical services shall meet the needs of the Hospital's patients – including Hospital specialty units, outpatient area(s) and community events as requested. Contractor shall provide nutrition

services to Hospital patients of various backgrounds, which affect nutritional preferences and habits.

B.1.2 The Contractor Services shall include nutrition and quality dietary intervention, in-patient treatment. and quality meal service to patients, associates, visitors and guests.

B.1.3 The Contractor shall, via its management personnel, determine the specifications for and order food and other supplies to be used in the Food and Nutritional Services Program and Department at the Hospital. Contractor is entitled to utilize its national account or other vendor systems. If vendors extend to the Contractor any credits or discounts, these shall be passed on to the Hospital. If vendors extend to the Contractor any company-wide credits, fees or discounts including, without limitation, any early payment discounts, contractor will be entitled to retain such credits, fees or discounts.

B.1.4 The Contractor shall be responsible for a Hospital and regulatory r um of daily cleaning and multiple daily cleaning as necessary of:

- (a) Department Kitchen- Walls, Floors, Equipment, Refrigerators and freezers
- (b) Department Storage – Floors, Walls, Shelving
- (c) Department Cafeteria - Serving line / Equipment, serving line walls, serving line floors (kitchen side)
- (d) Department Dining Area - Furniture & Equipment
- (e) Department Floor Stations – Equipment
- (f) Department Receiving Area for Food and Nutrition - Pick up and spot-mop
- (g) Non-public and non/non-customer portion of the areas where the employ Food and Nutritional Services Program and Department for the Hospital perform work

B.1.5 Contractor shall provide the Hospital with advice and recommendations with respect to improvements that the Hospital can make to the food service retail areas at the facility and the Hospital will have sole discretion to determine what, if any, improvements will be made to those food service retail areas.

B.1.6 The Contractor shall perform initial and ongoing training and education of Hospital Food and Nutrition Staff to achieve the standards of quality as established in the Hospital's Food and Nutrition Policy and Procedures manual and as determined by all regulatory agencies. Education needs shall also be reported and suggestions as to achieving educational goals shall be identified and reported on a monthly basis.

B.2 The Contractor shall deliver the following in accordance with the below performance metrics:

PERFORMANCE METRICS	
QUALITY	1. Provide monthly reports with mutually agreed upon metrics, targets and associated action plans. AH metrics and performance targets shall be mutually agreed upon by the parties in writing within ninety (90) days of the Effective Date.
	2. Maintain timely required training and certification of all applicable staff (100%) for all mandatory sessions, annual safety training, job-specific competencies, patient experience, and other hospital-required curricula. Contractor will have thirty (30) days from date of discovery to cure any deficiencies with respect to trainings or certifications.

	3. Conduct employee performance evaluations (90-day and annual) within the required time frame, b) the established hospital-determined due date.
	4. Ensure ongoing compliance with accrediting body and regulatory agency requirements. Submit required action plans and follow-up documentation within a commercially reasonable time frame established by the hospital.
EFFICIENCY	1. Ensure nutritional assessments are performed within 24 hours of a physician order, and when a Nurse screening: triggers the need for an assessment.
	2. Ensure complete and timely clinical dietary documentation in accordance with hospital policy, accreditation body standards and regulatory agency requirements.
CUSTOMER SATISFACTION	1. Conduct an internal customer satisfaction survey within 90 days of contract execution. All metrics and performance targets shall be mutually agreed upon by the parties in writing within ninety (90) days of the Effective Date
	2. 100% compliance with hospital-wide customer service initiatives (e.g. Patient Experience Program implementation initiatives)

B.2 Hospital Responsibilities -The Hospital shall have the following responsibilities:

B.3.1 The Hospital shall be responsible for cleaning and maintenance of Food and Nutritional Service areas and portions where there is public or customer access.

B.3.2 The Hospital shall, at no cost under this Contract, continue to provide, in consultation with the Contractor but at levels that are solely determined by the Hospital, sufficient numbers of Hospital employees to support the Food and Nutrition Services at the Hospital and all such employee and employee-related costs shall be paid for by the Hospital separate from this Contract.

B.3.3 The Hospital shall allow the Contractor use of the dietary areas of the Hospital and agrees to maintain these areas and all items furnished for this program in good, clean, sanitary and working condition in accordance with applicable law, and make all repairs or replacements to the facility and these areas at the Hospital's expense as required (and paid for via Purchase order separate from this Contract), except that the Contractor shall be responsible for any damage caused to the same if due to the negligence of a Contractor.

PART C: PERIOD OF PERFORMANCE

C.1 The term of the Definitized Contract shall be for a period of one year (August 1, 2023 - July 31, 2024).

C.2 The total duration of this Contract, including the exercise of any option three (3) periods, shall not exceed four (4) years from the Effective Date.

PART D: CONTRACT ADMINISTRATION

D.1 The Contracting Officer for this Contract is:

Kendrick Dandridge
Contracting Officer
1310 Southern Avenue, SE
Washington, DC 20032
Telephone: 202-574-6000
Email: kdandridge@united-medicalcenter.com

D.2 The Contracting Officer's Technical Representative (COTR) for this Contract is:

Tonia Johnson
Vice President of Operations
1310 Southern Avenue, SE
Washington, DC 20032
Telephone: 202-574-6000
Email: tjohnson@united-medicalcenter.com

SECTION II

CONTRACT TERMS and CONDITIONS

Part E. GENERAL PROVISIONS

Part F. SPECIAL CONTRACT REQUIREMENTS

PART E: GENERAL PROVISIONS

E.1 GOVERNING LAW

This Contract, and any disputes arising out of or related to this Contract, shall be governed by, and construed in accordance with, the laws of the District of Columbia, (without regard to its conflicts of laws principles), except where federal law applies.

E.2 RESTRICTIONS ON HOSPITAL

This Contract in no way restricts the Hospital from participating in similar activities with other public or private agencies, organizations, or individuals.

E.3 ENTIRE AGREEMENT

This Contract, including all attachments incorporated by reference, constitutes the entire understanding and agreement of the parties as to those matters contained in it. No other oral or written understanding shall be of any force or effect with respect to the subject matters contained herein or any of the terms and provisions herein, unless attached to this Contract as an exhibit or set forth in a subsequent amendment. The Contractor has not entered into this Contract in reliance on any promises, assurances, agreements or commitments by Hospital other than those specifically set forth in this Contract.

E.4 SEVERABILITY

Should any provision of this Contract be held to be void, invalid, unenforceable or illegal by a court of competent jurisdiction, the validity and enforceability of the other provisions will not be affected thereby.

E.5 HEADINGS

The headings and captions contained in this Contract are inserted for convenience only and do not constitute a part of this Contract.

E.6 NON-DISCRIMINATION

The Hospital and the Contractor agree to make no distinction for services covered by this Contract on the basis of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, matriculation, political affiliation, genetic information, disability, source of income, or place of residence or business. (District of Columbia Human Rights Act, approved December 13, 1977, as amended (D. C. Law 2-38; D. C. Code §2-1402.11)

E.7 WAIVER

Any waiver of any provision hereof shall not be effective unless expressly made in writing and executed by the party to be charged. The failure of the Hospital or the Contractor to insist on performance of any term or condition of this Contract shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the further performance of any such term, covenant or condition, and the obligations of the Hospital and the Contractor with respect thereto shall continue in full force and effect.

E.8 CONFIDENTIALITY

The parties shall at all times keep the terms of this Contract, the subject matter and existence thereof and the transactions contemplated hereby and any documents received from each other party in connection with the transaction confidential, except to the extent necessary: (a) to comply with applicable law, (b) in connection with a judicial proceeding; or (c) to carry out that party's obligations set forth in this Contract. Any permitted disclosure to third parties shall indicate that the information is confidential and shall be so treated by the third party. This section shall not preclude the parties

from providing copies of this Contract to their respective attorneys, financial advisors and tax advisors. This provision shall survive the termination of this Contract.

E.9 COUNTERPARTS

This Contract may be executed in multiple counterparts, each of which shall be deemed an original, and counterpart signature pages may be assembled to form a single original document.

E.10 ASSIGNMENT AND DELEGATION

The Contractor shall not assign its/his or her rights under this Contract or assign or delegate its/his or her duties under this Contract without the Hospital's prior written approval.

E.11 TAX MATTERS

The Hospital is exempt from and will not pay Federal Excise Tax, Transpiration Tax, and District of Columbia Sales and Use Taxes. The Contractor shall be responsible for discovering and resolving its own tax matters arising from this Contract.

E.12 AUTHORITY AND EXECUTION

By its/his or her signature, each of the persons signing this Contract represent that they have the authority to execute this Contract and do hereby bind the party on whose behalf its/his or her execution is made. Each Party represents that it is represented by counsel or had the opportunity to confer with counsel about this Contract.

E.13 NO THIRD PARTY BENEFICIARIES

This Contract is intended exclusively for the benefit of the parties hereto, and is not intended to and does not confer upon any third party any right, remedy or cause of action. All rights, remedies or causes of action arising under this Contract shall be exercised exclusively by the parties hereto.

E.14 EXCLUSION FROM FEDERAL HEALTH CARE PROGRAMS

The Contractor represents and warrants that it has not been nor is about to be excluded from participation in any Federal Healthcare Program. The Contractor agrees to notify Hospital within five (5) business day of its/his or her receipt of a notice of intent to exclude or actual notice of exclusion from any such program. The listing of the Contractor on the Office of Inspector General's exclusion list (OIG website) or the General Services Administration's Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs (GSA website) for excluded individuals and entities shall constitute "exclusion" for purposes of this paragraph. In the event that the Contractor is excluded from any Federal Healthcare Program, this Contract shall immediately terminate. For the purposes of this paragraph, the term "Federal Healthcare Program" means the Medicare program, the Medicaid program, the Maternal and Child Health Services Block Grant program, the Block Grants for State for Social Services program, any state Children's Health Insurance program, or any similar program. Further, the Contractor agrees to indemnify and hold the Hospital harmless from and against any loss, liability, judgment, penalty, fine, damages (including punitive and/or compounded damages), costs (including reasonable attorneys' fees and expenses) incurred by the Hospital as a result of the Contractor's failure to notify the Hospital of the Contractor's exclusion from any Federal Healthcare Program.

E.15 INDEPENDENT CONTRACTOR RELATIONSHIP

The Contractor shall be an independent contractor of the Hospital during the term of this Contract and not an employee or agent. The Contractor is not eligible for Hospital employee benefit plans and must obtain and maintain benefit plans on its/his or her own behalf. The Contractor is not permitted or authorized to make any purchases or incur any liabilities on behalf of the Hospital, or otherwise to obligate the Hospital in any way.

E.16 QUALITY AND WARRANTIES

- E.16.1 Contractor's workmanship shall be of the highest grade, and all materials provided under this Contract shall be new, of the best quality and grade, and suitable in every respect for the purpose intended.
- E.16.2 Contractor warrants and covenants that all Goods and Services delivered: (i) do and will conform with this Contract and all specifications; (ii) are and will be free from defects in materials, workmanship and design; (iii) are and will be free from liens, restrictions, reservations, security interests or encumbrances; (iv) are and will be suitable for, and perform in accordance with, the particular purposes (A) for which they were purchased by Hospital and (B) for which they were designed, manufactured or constructed; (v) do and will perform and process date arithmetic and date/time data in a consistent and accurate manner, accepting and responding to two-digit year-date input, correcting or supplementing as necessary, and in a manner that is unambiguous as to century; (vi) do and will, to the extent Goods will be or are used in combination with other Hospital software, hardware or firmware, properly interoperate with the software, hardware or firmware, including, without limitation, the exchange of date/time data; and (vii) with respect to Services only, will be provided by individuals that have the expertise, skills, training and professional education to perform the Services in a professional manner. Contractor will provide Hospital with the manufacturer's new product warranty, as applicable upon delivery of all goods.
- E.16.3 Contractor will, at Hospital's request and without additional expense to Hospital, promptly correct defects or replace non-conforming Goods. If Contractor does not promptly correct defects or replace non-conforming Goods, Hospital, after written notice to Contractor, may make corrections or replace Goods and charge Contractor for the cost incurred.
- E.16.4 Contractor warrants that neither Goods nor Services, nor Hospital's use of Goods or Services, will constitute an infringement of any patent, copyright, trademark, service mark, intellectual property right or the misappropriation of any trade secret or the violation of a right of publicity or a nondisclosure obligation.
- E.16.5 Contractor warrants that Goods and Services requiring the use of any software or data provided on a network or stand-alone desktop computer will not contain any software viruses or other malicious computer instructions, devices or techniques that can or were designed to threaten, infect, damage, disable or shut down a computer system or any component of a computer system, including its security or user data. At Hospital's request, Contractor will provide a master copy of any software necessary to operate the Goods or Services in object code format for comparison and correction.

E.17 LIMITATIONS ON LIABILITY

Hospital shall not be liable for special, indirect, consequential (including, but not limited to, lost profits), exemplary or punitive damages arising out of or relating to this Contract. Hospital's liability for any claim of any kind arising out of or relating to this Contract will not exceed the price of the goods or services giving rise to the claim.

E.18 INSPECTION OF SUPPLIES

- E.18.1 Definition. "Supplies," as used in this clause, includes, but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.

- E.18.2 The Contractor shall be responsible for the materials or supplies covered by this contract until they are delivered at the designated point. Upon the Contractor's failure to cure within ten(10) days after date of notification, the Hospital may return the rejected materials or supplies to the Contractor at the Contractor's risk and expense.
- E.18.3 The Hospital has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or otherwise not in conformity with contract requirements. The Hospital may reject nonconforming supplies with or without disposition instructions.
- E.18.4 The Contractor shall bear all risk on rejected materials or supplies after notification of rejection. The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required, shall disclose the corrective action taken.
- E.18.5 If the Contractor fails to remove, replace, or correct rejected supplies that are required to be replaced or corrected within ten (10) days, the Hospital may either (1) by contract or otherwise, remove, replace or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.

E.19 INSPECTION OF SERVICES

- E.19.1 Definition. "Services" as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services.
- E.19.2 The Contractor shall provide and maintain an inspection system acceptable to the Hospital covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Hospital during contract performance and for as long afterwards as the contract requires. The Hospital has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The Hospital will perform inspections and tests in a manner that will not unduly delay the work.
- E.19.3 If the Hospital performs inspections or tests on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties. If any of the services do not conform to the contract requirements, the Hospital may require the Contractor to perform these services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by performance, the Hospital may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect value of services performed.
- E.19.4 If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity to contract requirements, the Hospital may (1) by contract or otherwise, perform the services and charge the Contractor any cost incurred by the Hospital that is directly related to the performance of such services, or (2) terminate the contract for default.

E.20 NOTICE OF CLAIMS

- E.20.1 The Hospital and the Contractor shall promptly inform the other of any information related to this Contract, which could reasonably lead to a claim, demand or liability of or against the Hospital or the Contractor by any third party.
- E.20.2 An action other than an action for medical negligence or malpractice may not be maintained against the Corporation for unliquidated damages to persons or property unless, within 6 months after the injury or damage was sustained, the claimant, his agent, or attorney has given notice in writing to the CEO of the approximate time, place, cause, and circumstances of the injury or damage. (D.C. Code §951.14(d))
- E.20.3 The District of Columbia and its officers and employees shall not be liable for and may not be made a party to any lawsuits or claims arising from the operation of the Corporation. (D.C. Code §951.14(e))

E.21 INSURANCE

- E.21.1 Contractor shall maintain general liability policies as appropriate, but not less than One Million Dollars (\$1,000,000.00) per occurrence, with excess coverage in an amount not less than Three Million Dollars (\$3,000,000.00) to cover claims in the aggregate.
- E.21.2 Contractor shall maintain workers' compensation insurance as prescribed by law and employer's liability insurance in an amount of not less than \$100,000.00.
- E.21.2 Contractor shall maintain unemployment insurance to the full extent required by statute.
- E.21.3 Contractor shall maintain automobile liability in an amount of at least One Million Dollars (\$1,000,000.00) combined single limit.
- E.21.4 All such policies of insurance shall be written by companies authorized to conduct business in the District of Columbia, have an AM Best Company rating of A- or higher, be primary and non-contributory, and contain a waiver of subrogation. Contractor agrees that Hospital will receive no less than thirty (30) days written notice prior to the cancellation, modification or non-renewal of any insurance coverage, policy or policies. Contractor shall provide Hospital with certificate(s) of insurance which evidences the coverage described herein, upon execution of this Contract.

E.22 TERMINATION OF CONTRACT

- E.22.1 Termination for Convenience: The Contracting Officer may cancel or terminate performance of work under this Contract, or the entire Contract, at any time with thirty (30) days' written notice to the Contractor. In the event of such termination or cancellation, the Contractor shall be paid for Services performed through the effective date of the notice in accordance with the pricing and other requirements set forth in this Contract.
- E.22.2 Termination for Default: The Hospital may, terminate the whole or any part of this Contract, by written notice of default, in any one of the following circumstances: (1) If the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or (2) If the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days(or

such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

E.23 OPTION TO EXTEND

- E.23.1 In accordance with Part C.2, the Hospital may, in its sole discretion and by written notice to the Contractor, extend this Contract prior to the expiration of the then-current term. Although the Hospital may provide preliminary written notice of its intent to exercise an option period or some portion thereof, such preliminary notice does not commit the Hospital to any extension.
- E.23.2 All option period extensions are subject to the availability of appropriated funds at the time of the exercise of the extension.
- E.23.3 Should the Hospital exercise any option period or fraction thereof; the extended Contract shall be considered to include this option provision.

E.24. INVOICES

- E.24.1 The Hospital will make payments to the Contractor, upon the submission of proper invoices, at the prices stipulated in this Contract, for supplies delivered and accepted or services performed and accepted, less any discounts, allowances or adjustments provided for in this Contract.
- E.24.2 The Contractor shall submit proper invoices on a monthly basis in arrears. Invoices shall be prepared in duplicate and submitted to the Accounts Payable Department at the Hospital.
- E.24.3 To constitute a proper invoice, the Contractor shall submit the following information on the invoice: Contractor's name, federal tax ID and invoice date (date invoices as of the date of mailing or transmittal); Contract number and invoice number; Description, price, quantity and the date(s) that the supplies or services were delivered or performed; Other supporting documentation or information as required by the Contracting Officer; Name, title, telephone number and complete mailing address of the responsible official to whom payment is to be sent and the Contractor's authorized signature.
- E.24.4 The Hospital will pay the Contractor on or before the 60th day after receiving a proper invoice from the Contractor.

E.25 METHOD OF PAYMENT

- E25.1 Payments on partial performance: Payment may be made on partial performance of the Scope of Work that is accepted by the Hospital if (i) the Contractor requests partial payment, (ii) the Contracting Officer can reasonably ascertain the amount due for the accepted partial performance of the Scope of Work; and (iii) the amount is no more than 50 percent of the total Contract price.
- E25.2 Payments on partial delivery and acceptance of each item: Payment may be made on partial deliveries of goods and services accepted by the Hospital if: (i) The Contractor requests it, and (ii) the amount due is in accordance with the completion and acceptance of each item based on

a progress schedule or the agreed upon delivery schedule, and (iii) presentation of a properly executed invoice.

E.25.3 Lump sum payment: Payment may be made on the full amount due the Contractor after (i) Completion and acceptance of all work; and (ii) Presentation of a properly executed invoice. The Contracting Officer may authorize equal monthly payments or periodic payments.

E.25.4 Payment for cost reimbursement Contracts, labor rate items and medical services: Payment may be made for approved reimbursable items and for services which are provided on an hourly labor rate bases when approved documentation, including verified timesheets and receipts are submitted. Hourly rates shall be computed by multiplying the appropriate hourly rates in Part A by the number of direct labor hours performed. Fractional parts of an hour shall be payable on a prorated basis. The Hospital may use 27 DCMR 33 as guidance to determine the appropriate cost reimbursement amounts.

E.26 CONTRACTING OFFICER

E.26.1 The Contracting Officer has the responsibility and authority outlined in the Hospital's Procurement Rules (27 DCMR 46), including but not limited to: (i) overall contract administration; (ii) identifying and attempting to resolve issues or problems that arise during contract performance; (iii) authorize contract payments; (iv) exercising contract options; (v) terminating the contract; and (vi) modifying the contract.

E.26.2 The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this contract, unless issued in writing and signed by the Contracting Officer.

E.26.3 Any change or request made without authorized approval shall be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

E.26.4 The Contractor (i) will be fully responsible for any changes not authorized in advance, in writing, by the Contracting Officer; (ii) may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be required, at no additional cost to the Hospital, to take all corrective action necessitated by reason of the unauthorized changes.

E.27 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

E.27.1 The COTR is responsible for general administration of this Contract including ensuring all work conforms to the requirements of the Contract; coordinating site entry for Contractor personnel; reviewing invoices to ensure completed work or goods delivered are consistent with the Contract and that progress is satisfactory and commensurate with the rate of expenditure.

E.27.2 The COTR shall have the authority to:

- advise the Contracting Officer as to the Contractor's compliance or noncompliance with this Contract
- review the Contractor's invoices to ensure performance is consistent with this Contract
- certify that goods and services have been received satisfactorily

E.27.3 The COTR shall not have the authority to:

- award, agree to, or sign any delivery order or task order associated with this Contract
- make modifications to this Contract

- grant deviations from or waive any of the terms and conditions of this Contract
- increase the dollar limit of this Contract
- authorize work beyond the dollar limit or stated scope of this Contract,
- authorize the expenditure of funds by the Contractor in connection with this Contract
- change the period of performance of this Contract

E.28 LICENSURES & CERTIFICATIONS

The Contractor shall comply with all applicable District of Columbia business and professional licensing and certification requirements, [D.C. Department of Consumer and Regulatory Affairs](#), [Department of Health](#) Facility Licenses, [Department of Health Professional Licenses](#). All such licenses and certifications shall be provided to Hospital upon Contract execution.

E.29 BACKGROUND CHECKS

The Contractor shall comply with all applicable federal and District of Columbia criminal background check requirements. This includes the [Criminal Background Check Amendment Act of 2006 \(D.C. Code § 3-1205.22\)](#), and its implementing regulations, [17 DCMR 85](#), and the Health-Care Facility Unlicensed Personnel Criminal Background Check Act of 1998 ([D.C. Code § 44-552](#)), as amended by the Health-Care Facility Unlicensed Personnel Criminal Background Check Amendment Act of 2002, and its implementing regulations, [22 DCMR 47B](#). Evidence of such background checks shall be provided to Hospital upon Contract execution.

E.30 HIPAA & BUSINESS ASSOCIATE AGREEMENT

- E.30.1 The Contractor agrees to comply with the medical records laws of the District of Columbia and the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 1320d to 1320d-7 (“HIPAA”) and the final regulations implementing the privacy provisions of HIPAA, 45 C.F.R. Parts 160 and 164 as amended from time to time.
- E.30.2 The Hospital’s Business Associate Agreement is incorporated into and made a part of this Contract. [NFPHC-BAA](#)
- E.30.3 The Contractor agrees to comply with the regulations for confidentiality of alcohol and drug abuse treatment records covered under 42 U.S.C. § 2.1-.67 (“Part 2 Regulations”).
- E.30.4 The Contractor agrees to comply with the requirements of the D.C. Mental Health Information Act of 1978 (D.C. Code § 7-1201.01-1208.07).

PART F: SPECIAL CONTRACT REQUIREMENTS

F.1 ANTI-DEFICIENCY ACTS.

This Contract shall be interpreted in accordance with and pursuant to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351 1511-1519 (2008) (“Federal Anti-Deficient Act”), and D.C. Code §§ 1-206.03(e) and 47-105; (ii) the District of Columbia Anti-Deficiency Act, D.C. Code §§ 47-355.01 – 355.08 (“D.C. Anti-Deficiency Act”); (iii) Section 446 of the District of Columbia Home Rule Act, D.C. Code § 1-204.46 (collectively, as amended from time to time, “Anti-Deficiency Acts”. Under the Anti-Deficiency Acts, the Hospital cannot obligate itself to any financial commitment in any present or future year unless the necessary funds to pay that commitment have been appropriated by the Congress of the United States (“Congress”) and are lawfully available for the purpose committed at the time of expenditure. Thus, pursuant to the Anti-Deficiency Acts, nothing in this Contract shall create an obligation of the Hospital in anticipation of an appropriation by Congress

for such purpose, and the Hospital's legal liability for the payment of any amount under this Contract does not and may not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress.

F.2 INDEMNITY PROVISIONS

The Hospital cannot and does not agree to unfunded Contract provisions, including those that provide for the Hospital to indemnify the Contractor, its agents, employees, invitees, successors, or assigns.

F.3 CONTINGENT FEES

The Hospital cannot and does not agree to enter into contingent fee contracts, unless the fee amount is limited to a specified amount adequately covered by an available appropriation at the time of contract award.

F.4 CONTRACTS IN EXCESS OF ONE MILLION DOLLARS OR MULTIYEAR CONTRACT.

Any contract involving expenditures in excess of \$1, 000,000.00 in a twelve (12) month period or any multiyear contract shall not be binding or give rise to any claim or demand against the Hospital until approved by the Council of the District of Columbia and signed by the Contracting Officer.

F.5 FISCAL YEAR FUNDS.

Any contract that extends beyond the Hospital's fiscal year is subject to the appropriation of funds for the contract purposes.

F.6 FREEDOM OF INFORMATION ACT.

The District of Columbia Freedom of Information Act (D.C. Code §2-532 (a-3)) requires the Hospital to make available for inspection and copying any record produced or collected pursuant to a Hospital contract with a private contractor to perform a public function, to the same extent as if the record were maintained by the agency on whose behalf the contract is made. If the Contractor receives a request for such information, the Contractor shall immediately send the request to the COTR who will provide the request to the FOIA Officer for the agency with programmatic responsibility in accordance with the D.C. Freedom of Information Act. If the agency with programmatic responsibility receives a request for a record maintained by the Contractor pursuant to the contract, the COTR will forward a copy to the Contractor. In either event, the Contractor is required by law to provide all responsive records to the COTR within the timeframe designated by the COTR. The FOIA Officer for the agency with programmatic responsibility will determine the releasability of the records. The Hospital will reimburse the Contractor for the costs of searching and copying the records in accordance with D.C. Code §2-532 and Chapter 4 of Title 1 of the D.C. Municipal Regulations.

F.7 HOSPITAL NOT BOUND BY PREDECESSOR'S AGREEMENTS.

The Contractor acknowledges that the Hospital is not a party to any agreement between the Contractor and the previous for-profit owners of the Hospital facility, and that the Hospital does not assume and is not bound by any agreement between the Contractor and the for-profit entity.

F.8 The Contractor shall perform all duties hereunder in compliance with applicable federal, and District of Columbia, laws, rules and regulations, including, but not limited to:

F.8.1 Hospital Medical Staff bylaws, policies, procedures, rules, and regulations (for medical services)

F.8.2 Hospital policies, procedures, rules, and regulations

F.8.3 The Joint Commission accreditation standards

- F.8.4 Center for Medicare and Medicaid Services regulations, rules, and conditions of participation
- F.8.5 Hospital's Procurement Rules ([27 DCMR 46](#); May 27, 2011)
- F.8.6 District of Columbia Quick Payment Act of 1984, as amended (D.C. Code § 2-221.01)
- F.8.7 Service Contract Act, 41 USC 351(a); [U.S. Department of Labor](#)
- F.8.8 D.C. Living Wage Act Of 2006 (D.C. Code §§ 2-220.01-.11)
[D.C. Department of Employment Services](#)
- F.8.9 Department of Labor Wage Rates. [U.S. Department of Labor](#)
- F.8.10 The Buy American Act ([41 U.S.C. § 10a](#))

F.9 D.C. DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT

The Contractor shall comply with all applicable Subcontracting Plan requirements. [Required for all construction and non-construction [Hospital contracts](#) over \$250,000.] [D.C. Department of Small and Local Business Development Subcontracting Plan](#) (Section 43, page 34) [Form](#)

F.10 D.C. DEPARTMENT OF EMPLOYMENT SERVICES FIRST SOURCE PROGRAM

The Contractor shall comply with all applicable First Source Program requirements. [Required for contracts over \$300,000.] [D.C. Department of Employment Services First Source Employment Plan](#)

F.11 STANDARD CONTRACT PROVISIONS

The Standard Contract Provisions for use with the Not-for Profit-Hospital Corporation Supplies and Services Contracts, dated December 27, 2010, are incorporated into and a part of this Contract. [Standard Contract Provisions](#)

F.12 ORDER OF PRECEDENCE

Any conflict in language or any inconsistencies in this Contract shall be resolved by giving precedence to the document in the highest order of priority which contains language addressing the issue in question. The following sets forth in descending order of precedence documents that are hereby incorporated into this Contract by reference and made a part of the Contract:

F12.1 Sections I and II of this Contract

F12.2 Standard Contract Provisions for Use with Not-for-Profit Hospital Corporation Supplies and Services Contracts dated December 27, 2010.

F12.3 Section III (Contractor's Technical and Price Proposals)

F13. DISCLOSURE OF INTERESTS

Disclosure of Interests. In order to permit compliance with federal anti-referral statutes and regulations commonly known as Stark laws (42 U.S.C. Section 1395nn), as those statutes and regulations may be amended from time to time, Contractor shall provide to Hospital, upon execution of this Contract, with information sufficient to disclose any ownership, investment or compensation interest or arrangement of Contractor, each Contractor Provider, or the immediate family members of any Contractor Provider, in any entity providing "designated health services", as that term is defined in applicable statutes and regulations. Such information shall be provided by completing and signing Exhibit B, attached hereto and incorporated herein. In addition, Contractor shall immediately inform Hospital of any other arrangements that may present a conflict of interest or materially interfere with Contractor's performance of its duties under this Contract. Hospital may exercise its right to terminate this Contract if Contractor or any Contractor Provider pursues or engages in conduct that

does constitute a conflict of interest or that materially interferes with (or is reasonably anticipated to interfere with) Contractor's performance under this Contract.

F14. COOPERATION IN LITIGATION

To the extent that the interests of the parties are not adverse to each other, each party's employees, agents, representatives, and attorneys shall cooperate fully with the other party, its duly authorized employees, agents, representatives, and attorneys, to investigate, defend, or prosecute incidents involving potential claims, claims for injuries, and lawsuits. Notwithstanding the foregoing, no party shall be required to disclose information that is subject to attorney-client privilege, attorney work product protection. The parties agree that the obligations of both parties under this Section shall survive termination or expiration of this Contract.