



STATE OF CALIFORNIA
PUBLIC EMPLOYMENT RELATIONS BOARD
UNFAIR PRACTICE CHARGE

DO NOT WRITE IN THIS SPACE:

Case No:

Date Filed:

INSTRUCTIONS: File the original and one copy of this charge form in the appropriate PERB regional office (see PERB Regulation 32075), with proof of service attached to each copy. Proper filing includes concurrent service and proof of service of the charge as required by PERB Regulation 32615(c). All forms are available from the regional offices or PERB's website at www.perb.ca.gov. If more space is needed for any item on this form, attach additional sheets and number items.

IS THIS AN AMENDED CHARGE?

YES ☐

If so, Case No.

NO ☒

1. CHARGING PARTY:

EMPLOYEE ☐

EMPLOYEE ORGANIZATION ☒

EMPLOYER ☐

PUBLIC¹ ☐

a. Full name:

American Federation of State, County, & Municipal Employees Local 3299

b. Mailing address:

1330 Broadway, Suite 1450
Oakland, CA 94612

c. Telephone number:

(510) 272-0169

d. Name and title of
person filing charge:

Julia Lum, Attorney

E-mail Address: jlum@leonardcarder.com

Telephone number:

(510) 272-0169

Fax No.: (510) 272-0174

e. Bargaining unit(s)
involved:

EX

2. CHARGE FILED AGAINST: (mark one only)

EMPLOYEE ORGANIZATION ☐

EMPLOYER ☒

a. Full name:

Regents of the University of California

b. Mailing address:

1111 Franklin Street
Oakland, CA 94607

c. Telephone number:

(510) 987-9800

d. Name and title of
agent to contact:

Allison Woodall,
Deputy General Counsel

E-mail Address: allison.woodall@ucop.edu

Telephone number:

(510) 987-9800

Fax No.: (510) 987-9757

3. NAME OF EMPLOYER (Complete this section only if the charge is filed against an employee organization.)

a. Full name:

b. Mailing address:

4. APPOINTING POWER: (Complete this section only if the employer is the State of California. See Gov. Code, § 18524.)

a. Full name:

b. Mailing address:

c. Agent:

5. GRIEVANCE PROCEDURE

Are the parties covered by an agreement containing a grievance procedure which ends in binding arbitration?

Yes ☐ No ☒

6. STATEMENT OF CHARGE

a. The charging party hereby alleges that the above-named respondent is under the jurisdiction of: (check one)

- ☐ Educational Employment Relations Act (EERA) (Gov. Code, § 3540 et seq.)
- ☐ Ralph C. Dills Act (Gov. Code, § 3512 et seq.)
- ☒ Higher Education Employer-Employee Relations Act (HEERA) (Gov. Code, § 3560 et seq.)
- ☐ Meyers-Milias-Brown Act (MMBA) (Gov. Code, § 3500 et seq.)
- ☐ Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act (TEERA) (Pub. Utilities Code, § 99560 et seq.)
- ☐ Trial Court Employment Protection and Governance Act (Trial Court Act) (Article 3; Gov. Code, § 71630 – 71639.5)
- ☐ Trial Court Interpreter Employment and Labor Relations Act (Court Interpreter Act) (Gov. Code, § 71800 et seq.)

b. The specific Government or Public Utilities Code section(s), or PERB regulation section(s) alleged to have been violated is/are:
Government Code Sections 3571 (a), (b), and (c)

c. For MMBA, Trial Court Act and Court Interpreter Act cases, if applicable, the specific local rule(s) alleged to have been violated is/are *(a copy of the applicable local rule(s) MUST be attached to the charge)*:

d. Provide a clear and concise statement of the conduct alleged to constitute an unfair practice including, where known, the time and place of each instance of respondent's conduct, and the name and capacity of each person involved. This must be a statement of the facts that support your claim and *not conclusions of law*. A statement of the remedy sought must also be provided. *(Use and attach additional sheets of paper if necessary.)*

See Attached.

DECLARATION


I declare under penalty of perjury that I have read the above charge and that the statements herein are true and complete to the best of my knowledge and belief and that this declaration was executed on April 29, 2019

at Oakland, CA (Date)

(City and State)

Julia Lum

(Type or Print Name)



(Signature)

Title, if any: Attorney

Mailing address: Leonard Carder LLP, 1330 Broadway Suite 1450, Oakland, CA 94612

Telephone Number: (510) 272-0169

E-Mail Address: jlum@leonardcarder.com

PROOF OF SERVICE

I declare that I am a resident of or employed in the County of Alameda,
State of California. I am over the age of 18 years. The name and address of my
residence or business is Leonard Carder, LLP, 1330 Broadway, Suite 1450
Oakland, CA 94612

On April 29, 2019, I served the Unfair Practice Charge
(Date) (Description of document(s))

(Description of document(s) continued)

on the parties listed below (include name, address and, where applicable, fax number) by (check
the applicable method or methods):

☒ placing a true copy thereof enclosed in a sealed envelope for collection and delivery
by the United States Postal Service or private delivery service following ordinary business
practices with postage or other costs prepaid;

☐ personal delivery;

☐ facsimile transmission in accordance with the requirements of PERB Regulations
32090 and 32135(d).

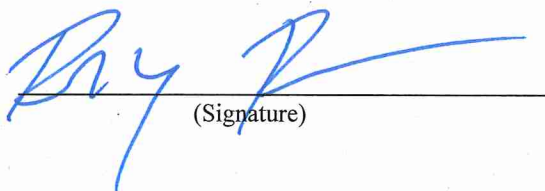
(Include here the name, address and, where applicable, fax number of the Respondent and any other parties served.)

Allison Woodall, Attorney
Deputy General Counsel
UC General Counsel Office
1111 Franklin Street
Oakland, CA 94607

I declare under penalty of perjury that the foregoing is true and correct and that this
declaration was executed on April 29, 2019, at Oakland CA.
(Date) (City) (State)

Rosemary Prem

(Type or print name)


(Signature)

ATTACHMENT TO UNFAIR PRACTICE CHARGE

I. INTRODUCTION

Charging Party American Federation of State, County and Municipal Employees, Local 3299 (“AFSCME” or “Union”) brings this charge against Respondent Regents of the University of California (“UC” or “University”). UC violated HEERA, Gov. Code sections 3571(a), (b) and (c), by unilaterally contracting out bargaining unit work with no prior notice to the Union and then claiming it had no obligation to bargain over any of it, and by failing to provide information that is relevant and necessary to the Union in carrying out its representational duties.

AFSCME has discovered that the University recently created the infrastructure to contract out work valued at up to *\$150 million per calendar year* to a corporation called Aya Healthcare. At least three of UC’s medical centers (UC Davis, UCSD and UCI Medical Centers) are participating in this new initiative, and across the state, various departments in participating medical centers have already made and implemented decisions to contract out bargaining unit work. Under the arrangement, UCLA and UCSF Medical Centers may also be participating, but it is not clear yet whether either has done so.

The scope of this enterprise is unprecedented and its effects will be far reaching. Given the vast scale of the project and the ease with which this system facilitates contracting out, UC medical centers can virtually instantaneously turn any middle class union-represented job—ones with health and retirement benefits, paid time off and prospects for career advancement—into underpaid contingent positions with no benefits, and no security.

UC is engaged in this massive push to contract out at the same time that AFSCME and the University are in negotiations for successor agreements covering the systemwide Patient Care Technical (“PCT” or “EX”) and Service (“SX”) bargaining units—in other words, right as UC’s own employees are seeking to ensure decent wages and job security for themselves and the workers who come after them.

Notably, the Memoranda of Understanding (“MOUs”) covering both bargaining units have expired. Because of that, the University has lost any claim that it has discretion under the agreements to contract out work. (*See, e.g., Trustees of the California State University* (1997) PERB Decision No. 1231-H at 13; *Regents of the University of California* (2004) PERB Decision No. 1689-H, (“UC-AFT”) at 24-26.) Nonetheless, in defending its unilateral actions and its explicit refusal to bargain “any decision” to contract out to Aya, the University contends that it has a *contract right* to outsource bargaining unit work. But the law is clear: during the hiatus between collective bargaining agreements, the employer cannot rely on purported contractual waivers of the right to bargain; rather, any decision to change policies – including a decision to contract out bargaining unit work – is subject to bargaining and may not be implemented unilaterally. (*UC-AFT, supra*, PERB Decision 1689-H at 24-26.)

The University’s decisions to contract out bargaining unit work without negotiation violate its obligations under state law. At the same time, UC’s actions interfere with the rights of bargaining unit employees and deny the union its right to represent employees, and because the University has refused to provide crucial information about the nature and scope of the

contracting out, the University's conduct further violates multiple essential collective bargaining rights. (Gov. Code, § 3571(a)-(c).)

II. STATEMENT OF FACTS

A. On April 9, 2019, AFSCME Discovers that UC Secretly Entered Into a Master Agreement with Aya Healthcare, Inc. to Contract Out Up to \$150 Million Per Calendar Year of Bargaining Unit Work

On April 9, 2019, in response to an information request, UC provided AFSCME with a copy of a systemwide "Master UC Health Purchasing Agreement" (hereafter "Master Agreement") with Aya Healthcare, Inc., valued at up to \$150,000,000. The Master Agreement was executed in April of 2018 and went into effect on May 1, 2018.¹ The UC Davis cover letter providing the agreement, which stated that UC would not bargain over *any* decision to contract out work to Aya, is attached as Exhibit 1. The Aya Master Agreement itself is attached as Exhibit 2.

This Master Agreement states that its purpose is to "integrate the business functions related to supplemental clinical, non-clinical and IT staffing" and indicates that "initially, UC Davis Health System, UC Irvine Health and UCSD Health System will participate in the initiative." (Exhibit 2, Section 12 on p.7 of 43.²) The Master Agreement does not, in and of itself, reflect a decision to contract out any type of work in particular. Rather, it creates the infrastructure to *facilitate* contracting out of an enormous volume of unspecified work to Aya and/or its unidentified subcontractor(s) by any UC medical center or other UC Location or UC Affiliate.³ The Agreement defines each location as a UC "Customer." (Exhibit 2, Section 1, subd. (b) and (c).)

The Master Agreement does not detail what specific work Aya might provide, stating only that Aya would be available to provide supplemental staffing of unspecified healthcare providers ("HCPs") and non-clinical workers ("NCW's") in response to requests from UC "Customers". The Master Agreement makes it clear that actual decisions to contract out work would be made locally. Each UC "Customer" would *first* need to negotiate an agreement with Aya to define the scope of work (in a location-specific "Statement of Work") and *then* would decide to contract out specific types of work or positions by issuing contractually binding Purchase Orders reflecting actual decisions to contract out the work of specified positions. (Exhibit 2, Section 1(b), (c), p. 1.)

The Master Agreement authorizes the University to spend up to *\$150 million per calendar year* on contract labor to perform non-specified "clinical, non-clinical and IT" work at any location

¹ After AFSCME members reported seeing Aya workers performing bargaining unit work at UCDMC, AFSCME submitted requests for information ("RFIs") to UC Davis University on January 18, 2019 and February 8, 2019. (See Exhibits 19 and 20.)

² According to the agreement, UCSF Health and UCLA Health "reserve the right to join the initiative at a later date." (Exhibit 2, Section 12 on p. 7 of 43.)

³ It also states that if Aya is unable to provide the requested contract workers, directly or as a broker (i.e. through any unspecified subcontractor or "Approved Agency") the UC "Customer" may contract out work to any other unidentified alternative vendor. (Exhibit 2, Section 12(b), p. 8.)

that chooses to enter into an agreement defining a scope of work that Aya might perform. To date, the University has never provided AFSCME with notice of any plan to enter into any agreement(s) with Aya, let alone an opportunity to meet and confer.

Although a Statement of Work is an integral and necessary component of any contract, none of the UC medical centers have provided a copy of a completed Statement of Work defining the work sought to be contracted out nor explanation as to how, when, or why any medical center might decide to contract work specific out to the vendor its subcontractor(s).

1. UC Davis Has Made Numerous Unilateral Decisions to Contract Out Bargaining Unit Work and Has Refused to Bargain Over These Decisions

To date, UC Davis Medical Center (“UCDMC”) is the only UC entity that has provided information regarding decisions to contract out work to Aya, prompted by the Union’s requests for information. While UCDMC has not provided AFSCME with an executed Statement of Work, on March 22, it instead provided a limited number of Purchase Orders that it issued that reflect various departmental decisions to contract bargaining unit work out to the vendor.⁴ Through these documents, AFSCME learned that various departments within UCDMC decided to and did contract out the work of the following titles to Aya by executing Purchase Orders with Aya. Each covers a 5- to 11-month period of time. Specifically, the documents show that UCDMC contracted out:

- \$49,400.00 worth of work of Surgery Staff, including Operating Room Assistants and Department Aides, for the Same Day Surgery Center, pursuant to a contract in effect from November 26, 2018 to April 30, 2019. The Purchase Order and the Staffing/Outside Contractor Request Forms reflecting this unilaterally implemented decision are attached as Exhibit 3.
- \$300,00.00 worth of work of various Surgery Department Aides and Scrub Techs, for an unspecified department, pursuant to a contract in effect from September 19, 2018 to June 30, 2019. The Purchase Order reflecting this unilaterally implemented decision is attached as Exhibit 4.
- \$100,000.00 worth of work of an Electrophysiology Technician, for the Heart Center, pursuant to a contract in effect from September 1, 2018 to July 31, 2019. The Purchase Order reflecting this unilaterally implemented decision is attached as Exhibit 5.
- \$220,000.00 worth of work of several Physical Rehabilitation staff, including titles such as Physical Therapist Assistant and Occupational Therapist Assistant, pursuant to a purchase order in effect from September 1, 2018 to July 31, 2019. The purchase order and outside contractor request form reflecting this unilaterally implemented decision are attached as Exhibit 6.

⁴ The University’s systemwide policy that governs contracting for services, BUS 43, defines a Purchase Order as a legally binding contract. (See Exhibit 18, Sections II, p. 9.) As noted on UC’s internal Staffing/Outside Contractor Request Form, all purchase orders must be approved by a manager. (See, e.g., Exhibits 6, 7, 10, 12.)

These documents were provided to the union only *after the fact*, i.e. after each decision to contract out the work was proposed by the relevant Department, approved internally and executed as a legally binding contract with Aya. Each of these decisions were implemented by the employer unilaterally.

In a few select cases, UCDMC informed AFSCME of certain decisions to contract out the work, purporting to give the union “notice” pursuant to Article 5 of the now-expired MOU, although it did so *after* each department made a decision to contract out, without allowing AFSCME to bargain, and provided the AFSCME with minimal information, rendering the “notice” illusory. As one example, on April 8, 2019, UCDMC informed AFSCME that it had decided to hire an Aya-contracted Senior Scrub Technician in the Same Day Surgery Center, despite an ongoing need for Scrub Technicians in the department that should have been filled with UC employees. (Exhibit 7.) The hiring form – which was completed on April 3, 2019, five days *before* UC provided AFSCME with notice, shows that UCDMC’s Perioperative Services Division is understaffed, with all existing staff working at maximum capacity with overtime.

Similarly, after the fact, UCDMC provided a letter “notice” dated October 31, 2018, stating that the work of seven Central Processing Unit Technicians (“CPU Techs”) was already being contracted out, but instead of bringing the work in house at the end of that contract term, UC intended to extend their contract term and transfer it existing labor contractor, MGA, to Aya.⁵ (See Exhibit 8.) UC admits, after the fact, that the contract had been set to expire by September 1 but that contract workers would continue to perform AFSCME work in the department an additional nine months. (Exhibit 8, p. 1.) The UC Davis letter and Purchase Order reflecting this unilaterally implemented decision are attached as Exhibit 8.

UCDMC also unilaterally decided to contract out the work of Scrub Technicians (Exhibit 12, October 3, 2018 letter from UCDMC and internal documents) and Operating Room Assistants (Exhibit 17, December 6, 2018 letter from UCDMC).

Importantly, although the Union has demanded to bargain on multiple occasions, the University has been clear: it is refusing to bargain “any decision” to contract out work to Aya. (See Exhibit 1.)

On March 12, 2019, UCDMC provided notice that it intended to hire temporary staff in the Radiology Department. (Exhibit 9, p. 1-2, email correspondence and notice.) While the notice did not specify that Aya was involved, a Staffing/Outside Contractor Request Form received from an information request revealed that UCDMC in fact contracted out the work to Aya. (Exhibit 10.) AFSCME demanded to bargain on March 13, 2019. (Exhibit 9, p. 2, AFSCME’s email reply to UCDMC.) UCDMC did not respond.

⁵ Contract CPU Techs, also referred to as Sterile Processing Techs, at UCDMC work alongside full-time AFSCME-represented CPU Techs. These workers have told AFSCME that they are still being paid by MGA, and they have worked a full-time schedule at UC Davis for well over six months. Despite performing identical work, these Aya/MGA CPU Techs make substantially less than UC-employed CPU Techs, receive no healthcare benefits, pension or retirement contributions, vacation time, or paid holidays, and are allotted a mere two days of sick leave. During each shift at UCDMC, there are approximately 3-4 Aya/MGA-employed CPU technicians.

On March 28, UCDMC provided AFSCME with notice of its intent to hire Aya contract employees to perform the work of bargaining unit Operating Room Assistants and Scrub Technicians. (Exhibit 11, p. 1.) On April 2, AFSCME demanded bargaining over any and all decisions to contract out bargaining unit work at UCDMC, including its decision to contract out Operating Room Assistant and Scrub Technician work. (See Exhibit 11, p. 2.) At that point, UCDMC flatly refused to bargain “any decision” to contract work out to Aya or any Aya subcontractor. (Exhibit 1, UCDMC’s April 9, 2019 letter, accompanying a copy of the Master Agreement, which states “The University disagrees with AFSCME’s position that it is now required to meet and confer over *any decision* to [sic] involving the Aya Healthcare contract”.)

On April 19, 2019 AFSCME responded, insisting that UCDMC cease and desist from contracting out bargaining unit work to Aya or any other vendor, make the bargaining unit whole and provide proper notice and an opportunity to bargain over all future decisions to contract out work to Aya or any other vendor. (Exhibit 14.) AFSCME also submitted a request for information with the demand to bargain. (Exhibit 22.) UCDMC has not responded to either.

2. AFSCME Is Aware of at Least One Unilateral Decision by UC San Diego Medical Center To Contract Out Bargaining Unit Work to Aya and It Has Refused to Bargain Over That Decision

As with UCDMC, UC San Diego Medical Center (“UCSDMC”) has never notified AFSCME of any decision to establish a Statement of Work with Aya for work that the vendor might perform, nor secured the Union’s agreement to do so, and certainly has not notified AFSCME that it decided to contract bargaining unit work out to Aya or any other vendor. Nonetheless, a little over one month ago, AFSCME learned from its members that at least one UCSDMC department – Patient Billing - was poised to contract work out to Aya.

During a February 28, 2019 meeting, labor relations representatives told Patient Billers, members of AFSCME’s EX unit, that the department planned to bring in four contractors from Aya to perform patient billing work. AFSCME sent a demand to bargain on March 6, 2019. (Exhibit 13, p. 2.) UC acknowledged receipt of the demand to bargain but did not provide any additional response. (*Id.*, p. 1.) On April 19, 2019 AFSCME followed up with a letter explaining in detail why UCSDMC’s decisions to contract out were a negotiable subject, insisting that the University cease and desist from contracting out unit work, make the unit whole and bargain over all future proposed decisions to contract out. (Exhibit 15.) AFSCME also submitted a request for information regarding contracting out at UCSDMC. (Exhibit 23.) UCSDMC has not responded to either.

3. AFSCME Is Aware of at Least One Unilateral Decision by UCI To Contract Out Bargaining Unit Work to Aya and It Has Refused to Bargain over That Decision

The Master Agreement states that “initially, ... UC Irvine Health will participate in this initiative,” although UC has never provided information or notice to AFSCME of contracting out with Aya at UC Irvine Medical Center (“UCIMC”). (See Exhibit 2, section 12, p. 7) Nevertheless, after learning about the massive scale of the Aya agreement and UCIMC’s participation in the arrangement, in an abundance of caution, AFSCME demanded on April 19 that UCIMC cease and desist from unilaterally contracting out any bargaining unit work and that it bargain over decisions to contract out work. (Exhibit 16.) The demand to bargain also included a request for information regarding contracting out at UCIMC. (Exhibit 24.)

On April 23, 2019, AFSCME's suspicions that UCIMC had entered into an Aya Statement of Work and had already contracted out bargaining unit work were confirmed: AFSCME observed 30 Aya nursing aides – positions in the EX Unit - at UCIMC and learned from them directly that they were all in training on UCIMC's computer system so that they could perform work at the medical center.

To date, UCIMC has not responded to AFSCME's demand to bargain or RFI.

III. DISCUSSION

A. The Parties' MOUs are Expired; the University Is Required to Bargain and is Not Free to Contract Out Bargaining Unit Work

The SX Memorandum of Understanding ("MOU") expired on June 30, 2017 and the EX MOU expired on December 31, 2017. Both of those MOUs contained language governing decisions to contract out work that provided the University with some discretion to act within limited parameters while also providing for procedural and substantive protections. The parties have a longstanding dispute as to the meaning and application of that language and how it was supposed to operate during the life of the MOU.

The outcome of the parties' dispute about the meaning of the expired MOU's language, however, does not determine the outcome of this charge. There is no question that UC cannot rely on any distorted interpretation of the expired MOU language to justify its various discretionary decisions to contract out bargaining unit work after those MOUs expired.

B. The University Unilaterally Changed the Status Quo In Violation of HEERA

HEERA section 3570 requires the University to meet and confer with the employees' exclusive bargaining representative on all matters within the scope of representation, and section 3571(c) makes it unlawful for the University to fail or refuse to do so. In determining whether a party has violated HEERA section 3571(c), PERB utilizes either the "*per se*" or "totality of the conduct" test, depending on the specific conduct involved and the effect of such conduct on the negotiating process. *Trustees of the California State University* (2009) PERB Decision No. 1876a-H, at 8 ("*Trustees*"). Unilateral changes are inherently destructive of employee rights and considered a *per se* violation of the duty to negotiate in good faith. *Id.* at 8-9; *California State University* (1990) PERB Decision No. 799-H, at 25.

To prevail on a unilateral change allegation, the charging party must prove that: (1) the employer took action to change policy or made a firm decision to do so; (2) the change in policy concerns a matter within the scope of representation; (3) the action was taken without giving the exclusive representative notice or opportunity to bargain over the change; (4) the action had a generalized effect or continuing impact on terms and conditions of employment. (See, e.g., *Pasadena Area Community College District* (2015) PERB Decision No. 2444, p. 11 (*Pasadena Area CCD*); *City of Sacramento* (2013) PERB Decision No. 2351-M, p. 13; *County of Santa Clara* (2013) PERB Decision No. 2321-M, p. 13.)

1. The University Made a Clear Change by Contracting Out Work

First, PERB has long held that contracting work out, like other transfers of work from unit to non-unit employees constitutes a unilateral change in policy. When an employer decides to replace bargaining unit employees with employees of a private entity while ensuring that there is little change in the services provided to the public, that decision is subject to bargaining. (*Lucia Mar Unified School District* (2001) PERB Dec. 1440E (employer simply replaced its employees with those of a contractor to perform the same services under similar circumstances, thus no need to apply any further test about labor costs as decision is subject to statutory duty to bargain); *Oakland Unified School District* (2005) PERB Dec. 1770 (contracting out services that could have been performed by in-house employees subject to bargaining); *State of Cal. (Dept. of Veterans Affairs)* (2010) PERB Dec. 2110-S at p. 6 (same).

Here, the University has repeatedly contracted out bargaining unit work that would otherwise be performed by UC employees in AFSCME-represented positions. Each of UC's unilateral decisions to issue purchase orders constitute specific contracts with Aya to obtain work that would have otherwise been performed by bargaining unit members, and each reflects a change of policy. The decisions at issue that are known to AFSCME as of this date are, in sum:

- UCDMC
 - Surgical Techs. (Exhibits 3)
 - Scrub Techs. (Exhibits 3, 4, 7, 11, 12)
 - Operating Room Assistants. (Exhibit 3, 11)
 - EP Techs. (Exhibit 5)
 - Physical and Occupational Therapy Assistants. (Exhibit 6)
 - Central Processing Unit Techs. (Exhibit 8)
 - Radiology Techs. (Exhibit 9)
- UCSDMC
 - Patient Billers.
- UCIMC
 - Nursing Assistants.

In the absence of these contracts,⁶ AFSCME members would be performing the work assigned instead to contingent workers nominally employed by Aya. UC is obligated to bargain before any department makes and implements a decision to contract out specific work - or the work of specified positions - to Aya or an Aya subcontractor.

In addition, each of UC Medical Center's or other UC Location's decisions to enter into location-specific agreements with Aya defining the scope of work that the vendor might actually perform

⁶ AFSCME is concerned that the University has intentionally concealed the extent to which it may have already decided to contract out the work of additional titles at additional location and reserves the right to supplement the list as needed to reflect the actual scope of harm done to the bargaining unit as the facts come to light.

at each location also should have been negotiated, but were not. **Each of these location-specific contracts – memorialized in “Statements of Work” and which have presumably already been entered into by UCDMC, UCSDMC, and UCIMC, but have not been provided to AFSCME – also constitutes a change in policy.**

Finally, **to the extent that UC’s Master Agreement to “integrate business functions related to supplemental clinical, non-clinical and IT staffing” constitutes a decision to contract out work, it too should have been – but was not – negotiated.** AFSCME was not even notified of any proposal to contract work out to Aya (or its subcontractors) let alone any decision by UC to “authorize” itself to spend \$150 Million on contract labor.

2. Contracting Out Is a Mandatory Subject of Bargaining

Second, it is well settled that decisions to contract out work fall squarely within the scope of representation. In *Lucia Mar Unified School District* (2001) PERB Dec. 1440 (“*Lucia Mar*”), PERB found that the employer’s decision to unilaterally contract out student transportation services was a negotiable subject, because the employer continued to provide transportation services but performed the work by simply substituting contract workers for its employees. Contracting out is negotiable “(1) where the employer simply replaces its employees with those of a contractor to perform the same services under similar circumstances; or (2) where the decision was motivated substantially by potential savings in labor costs.” (*State of Cal. (Dept. of Veterans Affairs)* (2010) PERB Dec. 2110-S at p. 6, citing *Lucia Mar*; *Oakland Unified School District* (2005) PERB Dec. 1770 (contracting out services that could have been performed by in-house employees subject to bargaining)).

Both circumstances exist here. The University has continued to provide its patients with identical services *after each* decision to contract out surgical tech, operating room assistant, physical rehabilitation, EP Tech, Rad Tech, and nursing assistant work to Aya. Aya contract workers work alongside bargaining unit members in the same departments, at the same UC medical centers. Indeed, UC is relying on Aya to fill positions with contingent workers instead of filling vacant and/or clearly needed positions with bargaining unit employees. Although UC claims that it contracts out “only temporary” work to fill in for employees on vacation, out sick or on FMLA, that assertion is not borne out by the facts. Rather, contract workers – some of whom may start off as “temporary” are often kept on, in contingent, non-bargaining unit positions for months or even years at a time.⁷

⁷ UC’s use of the word “temporary” is entirely misleading, as departments have contracted out work in the past to secure “temporary” substitutes for employees on leave, but then used the contract labor indefinitely, keeping minimally compensated contract workers on for weeks, months and even years. Here too, it is clear that the work UC has contracted out to Aya is not “temporary”:

- UCDMC’s Central Processing department notes that it is significantly short staffed but it has not filled vacancies and instead contracts out. The department currently employs seven contract workers through Aya – all of whom previously worked as if they were “temps” for UC through another subcontractor, MGA. as the department has relied on

Lucia Mar's second circumstance also exists here. UC's substantial motivation to save on labor costs is reflected throughout the Master Agreement. The Master Agreement incentivizes departments to utilize contract workers by specifically permitting the employer to use contract workers in ways that AFSCME has fought tooth and nail against. For example, the Master Agreement affords each UC "Customer" the "right" to "flex" (aka "Call Off") contract workers – i.e. to send them home *mid-shift* without notice. (See Exhibit 2, Section 12(e)(8), p. 11 of 43.) The University has long sought the right to call off EX workers mid-shift. AFSCME has steadfastly refused and held the line at maintaining job standards that workers can count on. UC has never persuaded AFSCME to relinquish this standard but instead, here, attempts an end run by creating a contingent workforce for whom the University offers no job security *even within the work day*. Because UC saves money when it can send workers home at any time, the Aya contract creates an incentive for departments to utilize contract workers instead of filling vacancies with UC employees. Similarly, by using Aya workers instead of filling vacancies, or assigning overtime work, the University is curtailing work opportunities for bargaining unit members.

Notably, the Master Agreement does not indicate what wage rates Aya contract workers receive nor specify how much the University pays Aya for its services or the fees and profit "mark up" charged on top of the workers' hourly compensation. The Union has requested this information but to date, UC has not provided it.

It is clear, however, that UC uses contract labor to depress wages and suppress wage growth. Indeed, as described in the unfair practice charge filed on April 23, 2019, case number SF-CE-1223-H, UCDMC's new "partner" – Kindred Healthcare – acknowledges that it relies on contracting out as a mechanism to shield itself from market pressure to raise wages and improve benefits. Ironically, the Master Agreement provides that Kindred and the joint venture it is creating with UCDMC will be able to obtain workers under the Aya contract as a "UC Affiliate Location." (See Exhibit 2, Section 1(c), p. 1.) This cynical contractual arrangement means that UC is affording an Aya-contracted worker brought in to work at UCDMC with more hope for uninterrupted employment when the new UC Davis Rehabilitation Hospital opens than a UC Davis Physical Therapy Assistant or Occupational Therapy Assistant in the existing Rehab Unit

contract labor for at least 14 months already and as of the date of this filing continues to assign ongoing work to contract workers instead of UC employees.. (See Exhibit 8.)

- Similarly, in another department's Purchase Order, UC Davis describes an Aya Surgical Tech, Tara Ferguson, as "essential" and reports that she will be needed until "recruitment yields a career FTE backfill." (Exhibit 12.) The Service Contract Request form indicates that Ms. Ferguson worked from July 23, 2018 until at least December 30, 2018.
- In yet another example, UC Davis indicates that the Same Day Surgery Center is contracting out work because it has failed to fill a position that was vacated months earlier and states that existing staff are working at maximum capacity with overtime. (Exhibit 7.)

There is no reason these vacant positions cannot be filled with UC employees – having already violated the law by unilaterally contracting out, UC can limit its liability by hiring the contract workers directly. Indeed, it negotiated with Aya for the explicit right to hire Aya employees at any time. (See Exhibit 2, Section 12(i)(5)(7)(7), page 18 of 43 ("Hiring HCPs") affords UC the right to hire any Aya or Aya subcontractor's employee as a UC employee at any time.)

– all of whom are facing the elimination of their jobs. To date, UC is refusing to allow existing UC employees to continue in their positions at the new facility when it opens. There too, UC Davis abjectly refuses to bargain. (See UPC in SF-CE-1223-H).

3. UC Did Not Provide Notice or an Opportunity to Bargain

Third, the University made each of these decisions unilaterally – without proper notice or any opportunity to bargain. An employer must provide “reasonable” notice to make such a change, which must be “clear and unequivocal” and “clearly inform[s] the employee organization of the nature and scope of the proposed change.” (*Lost Hills Union Elementary School District* (2004) PERB Decision No. 1652, Proposed Decision at p. 6; *Santee Elementary School District* (2006) PERB Decision No. 1822 (*Santee*); *Victor Valley Union High School District* (1986) PERB Decision No. 565 (*Victor Valley*).)

Here, no notice was given to the University’s decision to authorize up to \$150 Million worth of unspecified work to go out the door each calendar year as the Master Agreement purports to do. Nor did UC provide any notice that individual Medical Centers planned to negotiate Statements of Work defining the classifications or occupational groupings that each Location might ask Aya to perform in lieu of bargaining unit employees. Further, UC repeatedly denied AFSCME proper notice of the various departmental decisions to contract out specific type of work. AFSCME has been denied any opportunity to bargain.⁸

When UC Davis did inform AFSCME of decisions to contract out specific work, such documentation was provided *after the fact*, giving AFSCME no opportunity whatsoever to bargain. At the same time, none of the other medical centers have notified AFSCME of their decisions to contract out work to Aya at all.

Most importantly, UC has stated unequivocally that it will not bargain with ASFCME over “any decisions” to contract out work to Aya – or presumably, any Aya subcontractor. (Exhibit 1.) That is a clear refusal to bargain, made worse by the lack of any notice of the contracting out.

4. Contracting Out Has a Generalized and Continuing Effect

Fourth, the decision to contract out the work at issue has a generalized effect and/or continuing impact on terms and conditions of employment. (*Lucia Mar, supra*, PERB Decision. No, 1440E, p. 26.) Indeed, PERB recognizes that transferring work to a contract employee that would normally have been assigned to the bargaining unit has the potential to significantly erode the bargaining unit thereby affecting its viability. (*Rialto Unified School District* (1982) PERB Dec. No. 209, p. 6-7.)

⁸ To be sure, UC is well aware of the Union’s position that the employer should not contract out bargaining unit work, and that it is not free to do so without explicit agreement as to the specific reason for a proposal to do so, the specific work at issue, the number of full time equivalents (FTEs) affected, the period of time in which a contractor might perform the specified work at issue and the wages and benefits to be paid to those contract workers in comparison with the terms and conditions negotiated for bargaining unit members.

In a recent contracting-out case, a PERB ALJ made clear that the loss of work opportunities for even a single bargaining unit member on a single shift constitutes a change in policy with a generalized and continuing impact. (*County of Santa Clara*, Proposed Decision (May 21, 2018) SF-CE-1428-M at p. 10-11 [“The installation of a deputy sheriff at VHCD (in lieu of a bargaining unit security officer) constituted a change in policy with a generalized and continuing impact on the bargaining unit due to the loss of work opportunities there.”].) There, the ALJ also recognized that stunting the growth of a bargaining unit as the work extends to new locations has a cognizable impact on the unit as a whole:

The County’s contention that there was no diminution in the level of PSO staffing as a result of the change is without merit. The new work would normally have been assigned to the bargaining unit rather than to a contract employee. (*Rialto Unified School District* (1982) PERB Dec. No. 209, p. 6.) Such transfers have the potential to significantly erode the bargaining unit thereby affecting its viability. (*Id.* at p. 7.) Even, as here, if only one position is at stake, the union’s silence in the face of such action can lead to unilateral transfers in the future based on the waiver doctrine.

County of Santa Clara, supra, SF-CE-1428-M at p. 12.

In another recent case, PERB emphasized that:

Even temporary employer conduct having an immediate effect on one employee can meet this standard. (*City of Davis, supra*, at pp. 24-25.) Thus, regardless of how narrowly the District attempts to define its conduct in this case, we agree with the ALJ that the District implemented a change in policy with a generalized effect or continuing impact.

(*San Bernardino CCD* (2018) PERB Dec. No. 2556M; see also *Hacienda La Puente*, PERB Dec. No. 1186 (PERB rejected the employer’s argument that changing an employee’s shift was merely an isolated contract breach and not a change in policy having any generalized effect or continuing impact upon bargaining members’ terms and conditions of employment. (*Id.* at 3.)).

UC’s unilateral decisions to contract out work in *at least* 9 different position titles,⁹ across *at least* 3 different Medical Centers, have a generalized effect and continuing impact on terms and conditions of employment. Using Aya workers to perform work in all 6 of these positions, which is work that would normally be assigned to the bargaining unit, has an immediate effect on more than just one employee. See *City of Davis, supra*, at pp. 24-25. The unilateral transfer of work from AFSCME workers to Aya causes a loss of work opportunities and erodes the bargaining unit, both which have a generalized impact on terms and conditions of employment. (See *County of Santa Clara, supra*, SF-CE-1428-M at p. 12.

⁹ As indicated above, these include: UCDMC Surgical Techs (Exhibits 3), Scrub Techs (Exhibits 4, 7, 11, 12), Operating Room Assistants (Exhibit 11), EP Techs (Exhibit 5), Physical and Occupational Therapy Assistants (Exhibit 6), Central Processing Unit Techs (Exhibit 8), Radiology Techs (Exhibit 9); UCSDMC Patient Billers; and UCIMC Nursing Assistants.

Moreover,

[T]he generalized effect or continuing impact element of the prima facie case is satisfied when the employer's action is based on its belief that it had a contractual or other right to take the action with negotiating with the union.

(*Oroville UHSD*, *supra*, PERB Dec. No. 2627, pp. 25-26 [citing *City of Montebello* (2016) PERB Decision No. 2491-M, p. 15; *County of Riverside* (2003) PERB Dec. No. 1577-M.]) In *Oroville UHSD*, PERB found this element to have been met because the employer's witness testified that its conduct in announcing a unilateral change "was consistent with the terms of the CBA." (*Id.* at p. 26.) The Board found that the employer had taken the action based on its belief that it had a contractual right to do so, such that it *did* constitute an unlawful unilateral change, with generalized or continuing impact on the unit. (*Id.* at 4 [citing *Moreno Valley Unified School District* (1995) PERB Dec. No. 1106].)

Here, in refusing to bargain with AFSCME over any decision to contract out work, UC explicitly relies on its distorted interpretation of Article 5, asserting its view that Article 5 might be read to have permitted UC to act during the term of the MOU and therefore UC should be free to exercise its discretion to contract out work now, after the MOU has expired, as well. (See Exhibit 1 (refusing to bargain and contending that Article 5 would have permitted its actions). The Union disputes that Article 5 would have permitted UC to act unilaterally during the life of the MOU; but today, the matter is even more clear. As a matter of law, UC cannot rely on any expired contractual waiver of the Union's statutory rights, and certainly cannot claim that it has the unilateral right to expand its contracting out by contracting out new positions after the expiration of the contract.

C. UC's Unilateral Decisions to Contract Out Work to Aya Interfere with Employee Rights and the Union's Rights to Represent Workers Performing Bargaining Unit Work

HEERA section 3571, subdivision (a) makes it unlawful for a higher education employer to "[i]mpose or threaten to impose reprisals on employees, to discriminate or threaten to discriminate against employees, or otherwise to interfere with, restrain, or coerce employees because of their exercise of rights guaranteed by [HEERA]." Additionally, HEERA section 3571, subdivision (b), makes it unlawful for a higher education employer to deny organizational rights guaranteed by HEERA.

A prima facie case of interference is established by allegations that an employer's conduct tends to or does result in some harm to employee rights. (*Jurupa Unified School District* (2012) PERB Decision No. 2283, p. 7, citing *Carlsbad Unified School District* (1979) PERB Decision No. 89 (*Carlsbad*).) If the harm to protected rights is slight and the employer offers justification based on operational necessity, the competing interests are balanced. (*Cabrillo Community College District* (2015) PERB Decision No. 2453, pp. 13-14.) However, if the harm to employee rights outweighs the asserted business justification, a violation will be found. (*Id.*) Where the employer's conduct is inherently destructive of protected rights, it will be excused only on proof that it was caused by circumstances beyond the employer's control and that no alternative course of action was available. (*County of Santa Clara* (2018) PERB Decision No. 2613-M citing

County of San Bernardino (Office of the Public Defender) (2015) PERB Decision No. 2423-M, pp. 36-37.)

There is no question here that UC's unilateral actions constitute violations of Section 3571(a) and (b). The unilateral contracting out of work, with the potential that \$150,000,000 per year will be spent undermining existing union jobs, both interferes with workers' rights to be represented and AFSCME's statutory rights to represent its members. The scope of this project is unprecedented, and UC has clearly committed unfair practices in secretly ramming it through.

D. Failure to Provide Information

UC has failed to provide virtually any information responsive to AFSCME's requests about UC contracting out of bargaining unit work. An exclusive representative is entitled to all the information that is "necessary and relevant" to the discharge of its duty of representation. (*See* Cal. Gov. Code § 3571(c); *also Stockton Unified School District* (1980) PERB Dec. No. 143 at 13.) PERB uses a liberal, discovery-type standard to determine the relevance of the requested information. (*California State University* (1987) PERB Dec. No. 613-H.) The burden rests on the University to justify nondisclosure. (*Modesto City Schools* (1985) PERB Dec. No. 479, p. 10 (citing *Minnesota Mining and Manufacturing Company* (1982) 261 NLRB No. 2; *Press Democrat Publishing Company v. NLRB* (9th Cir. 1980) 629 F.2d 1320; *Johnson v. Winter* (1982) 127 Cal.App.3d 435).)

The employer must provide information regarding matters within the scope of representation unless the employer can demonstrate that the information is irrelevant or burdensome to produce, or otherwise privileged or confidential. (*Chula Vista City School District* (1990) PERB Dec. No. 834 at 52.) An employer moreover must exercise "reasonable diligence" in gathering information and providing it in a useful form. (*Id.* at 68) (employer failed to provide union with copy of insurance contract).)

The employer's duty to provide relevant information arises when the exclusive representative makes a good faith request for the information. (*State of California (DOT)* (1997) PERB Decision No. 1227.) An employer's refusal to provide requested information evidences bad faith unless the employer can demonstrate adequate reasons why it cannot supply the information. (*Chula Vista City School District* (1990) PERB Dec. No. 834.) Once the Union makes a good faith demand for the information, the employer must provide it "promptly and in a useful form." (*Id.* at 51.) Unreasonable delays are "tantamount to a failure to provide the information." (*Id.*) PERB has held that delays of two months are unreasonable. (*Regents of the University of California* (1998) PERB Dec. No. 1255-H, p.44; *see also Chula Vista City School District, supra*, p.61 (three-month delay was unjustified).) The fact the employer ultimately provides the information does not excuse an unreasonable delay. (*Chula Vista City School District, supra*, p. 51.)

Here, the requested information **Exhibits 19-24**, the University is necessary and relevant to bargaining. The University has failed to provide *any* responsive information to any of these RFIs, aside from providing the following:

- January 18, 2019 RFI (Exhibit 19): UC has not provided responsive information to any questions in this RFI, aside from partially responding to item #4.¹⁰
- February 8, 2019 RFI (Exhibit 20): UC has not provided responsive information to any questions in this RFI, aside from partially providing information responsive to Question 1.
- February 11, 2019 RFI (Exhibit 21): UC has not provided responsive information to any questions in this RFI, aside from partially providing information responsive to Question 1.¹¹
- April 19, 2019 RFI to UCDMC (Exhibit 22): UC has not provided any responsive information.
- April 19, 2019 RFI to UCSDMC (Exhibit 23): UC has not provided any responsive information.
- April 19, 2019 RFI to UCSDMC (Exhibit 24): UC has not provided any responsive information.

UC's refusal to provide information in response to AFSCME's requests evidences its bad faith.

E. REQUESTED REMEDY

AFSCME Local 3299 respectfully request that PERB take all appropriate measures to ensure that the University remedies its violations of HEERA and to cease and desist from engaging in further unlawful conduct. The remedy should include an order requiring UC to cease and desist from:

¹⁰ While UC has provided a copy of the Aya Master Agreement, and certain purchase orders, it has *not* provided AFSCME with the Statement of Work executed between UCDMC and Aya as repeatedly requested in these RFIs, nor those negotiated by UC that are specific to any other Medical Center or other UC Location and Aya.

¹¹ AFSCME submitted an RFI regarding UC Davis' decision to contract out Operating Room work on February 11, 2019. (See Exhibit 21.) On March 1, 2019, UC requested an extension for its response to March 15, 2019. On March 22, 2019, UC provided certain purchase orders and staffing request forms, but did not respond to additional questions, such as AFSCME's request for the UCDMC "Statement of Work" with Aya, the estimated annual monetary value of AFSCME-represented work during each year of the contract; information about the number of contract FTEs at UCDMC and other locations; job openings for AFSCME-represented titles in the past 12 months, and additional information that UC has failed and refused to provide. On April 4, 2019, AFSCME inquired as to the status of all the other questions in the RFI. UC did not respond, aside from categorically refusing to bargain and providing a copy of the Aya Master Agreement on April 9, 2019.

- 1) contracting out bargaining unit work to Aya or any Aya subcontractor.
- 2) refusing to bargain over contracting out of bargaining unit work.

The remedy should also include an affirmative order requiring the University to:

- 3) provide AFSCME with information as requested.
- 4) restore the status quo by making the affected bargaining unit(s) whole, restoring the value of all bargaining unit work wrongfully assigned to non-unit personnel by any “UC Location” that contracted bargaining unit work out to Aya and/or any Aya subcontractor, with interest at the statutory rate, as well as the value of all lost work opportunities. The order should indicate that the monetary remedy would be offset by the value of make whole relief provided to former contract workers who are hired or otherwise converted to UC employment. Notably, UC has already secured Aya’s agreement that UC may hire or otherwise convert contract workers to UC employment at any time.
- 5) restore the status quo by compensating the Union for its time and expenses in pursuing the instant UPC, including attorneys’ fees and costs, and for lost dues for all periods of time that non-unit personnel performed work that should have been performed by AFSCME-represented employees.
- 6) Such other relief as PERB deems just and proper.

EXHIBIT 1



UC DAVIS MEDICAL CENTER
HUMAN RESOURCES
EMPLOYEE & LABOR RELATIONS
2315 STOCKTON BOULEVARD
SACRAMENTO, CALIFORNIA 95816
Tel. (916) 734-3362

April 9, 2019

Claudia Preparata & Zachary Freels
AFSCME Local 3299

Sent via email: cpreparata@afscme3299.org; zfreels@afscme3299.org; ucd.mail@afscme3299.org

Re: 00184197 Request for Information – AYA Healthcare

Dear Claudia and Zachary:

Pursuant to the above referenced request for information, received via email on February 11, 2019, the University provides the following responses:

Regarding the AYA Healthcare Master Contract with the University of California, in response to the AFSCME request for this document through the California Public Records Act, attached is the requested document.

The University disagrees with AFSCME's position that it is now required to meet and confer over any decision to involving the AYA Healthcare contract. The University, however, is willing to meet with AFSCME in order to clarify our position. Please provide dates and times when AFSCME is available to meet.

The University also continues to disagree with AFSCME's interpretation of Article 5. In your email, you stated:

UC has a statutory obligation to bargain over each and every decision to contract out bargaining unit work. All waivers of the Union's right to bargain expired with the contract, including the limited "exceptions" or "justifications" for contracting out after proper notice and other procedures specified in Article 5.

Article 5 contains no such requirements. The University's only notice obligation under Article 5 is set forth in Article 5.B.4., which states:

When the University has determined to contract for services that are customarily provided by AFSCME unit employees, subject to the restrictions contained in this article, it will provide AFSCME's Local 3299 Director or Designee with a copy of any RFP as soon as feasible but no later than ten (10) business days after it is issued. Such notice shall demonstrate the appropriateness for the contract, in accordance with section B above.


That language makes clear that the University is required to provide AFSCME with a copy of any RFP related to services that are customarily performed by AFSCME unit employees. If the University does not issue a RFP, which is the case here, the University is not under any contractual obligation to provide AFSCME with notice. As you know, the University's interpretation of Article 5.B.4. was recently confirmed by PERB. Specifically, Administrative Law Judge Ginoza held that "The language of Article 5(B)(4) with respect to notice, and the exchanges at the bargaining table fail to demonstrate that the University was obligated to provide notice if the RFP process was not invoked." (p.53).

In your email, you further state that the University is required to demonstrate that any sub-contracting decision "compl[ies] with the limited exceptions specified in Article 5." There is no such requirement under Article 5. Specifically, the only limitation on the University's ability to contract out, other than the general limitation that no employee can be laid off as a result of a sub-contracting decision, is set forth in Article 5.B.1. That clause prohibits any contracting decision that is made "solely on the basis that savings will result from lower contractor pay rates and benefits"

Article 5.B.2 then goes on to state: "Examples of instances in which the University is permitted to contract out services include but are not limited to the following ...," and then provides a non-exhaustive list of six examples. (emphasis added). The University's interpretation was again confirmed in Judge Ginoza's recent decision. For example, with regard to the Jensen Landscaping contract with UCB, he stated that the University's sub-contracting decision was justified even though the University did not rely upon one of the examples listed in Article 5.B.2. In that case, Jensen had installed the plants around Memorial Stadium, and also provided a three year warranty on those plants. The warranty, however, was conditioned on Jensen providing continued maintenance during the warranty period. According to Judge Ginoza, "the University's decision to continue the services of the company that installed the plants was not an unreasonable interpretation of Article 5(B)(2)(a). In order to achieve the benefits of the warranty of the installation, continuing maintenance services by the installer was appropriate." Thus, AFSCME's interpretation of the prohibitions contained in Article 5 continues to be unjustifiably expansive.

The University is willing, however, to discuss these additional issues at our proposed meeting. Please let us know your availability to meet by contacting me at (916) 703-3654 or via email at thanderson@ucdavis.edu.

Sincerely,



Thom Anderson
Labor Relations Consultant
UC Davis Health

Attachments: Master Contract UC-AYA Healthcare

cc: RFI File

EXHIBIT 2



The master purchasing agreement ("Agreement") to furnish certain materials or supplies and/or services described herein and in the documents referenced herein (collectively, "Goods and Services") is made by and between UC Health, an operating subdivision of the Regents of the University of California, a California public corporation ("UC"), with a location of 1111 Broadway, 14th Floor, Oakland, California 94607, acting for the benefit of UC Locations and UC Affiliate Locations as defined herein, which become Customers (as defined herein), , and the supplier, Aya Healthcare, Inc., a S-Corp corporation, located at 5930 Cornerstone Court West Suite 300, San Diego, CA 92121 ("Supplier"). UC and Supplier shall individually be referred to as "Party" and collectively, "Parties." Any defined terms not defined herein shall have the meaning ascribed to such term in the Master Terms and Conditions ("Terms and Conditions").

1. UC Health and Scope of Customers

- (a) UC Health represents five academic medical centers located at the Davis, Irvine, Los Angeles, San Diego, and San Francisco campuses, as well as UC's seventeen health professional schools and associated research programs, and student health and counseling centers.

- (b) UC Locations.

"UC Location" used herein shall mean: (i) any UC campus, medical center, affiliated national laboratory, or program, as further described at <http://www.universityofcalifornia.edu/uc-system/parts-of-uc>; (ii) any entity that, after the full execution of this Agreement, is acquired or created by any location referenced in (i); and (iii) any entity that merges into or consolidates with any location referenced in (i) and, after such merger or consolidation, the surviving entity is a location as referenced in (i).

UC represents that it is comprised of individual campuses and medical centers across the state of California, including UC Locations, which are all part of the University of California system and none of which is a distinct legal entity.

Supplier agrees to provide the Goods and Services listed and as priced in Appendix D or elsewhere in this Agreement to each UC Location executing a Statement of Work, the form of which is attached to this Agreement as Appendix C. By execution of such Statement of Work, such UC Location on the one hand, and Supplier, on the other hand, shall be deemed, respectively, to have executed the Agreement (with appropriate changes to the signature block) as Parties.

Each UC Location that enters into a Statement of Work is referred to as a "Customer."

- (c) UC Affiliate Locations.

The terms of this Agreement will be extended to UC Affiliate Locations. Accordingly, each UC Affiliate Location that enters into a Statement of Work is also referred to as a "Customer" or "UC facility" under this Agreement.

"UC Affiliate Location" as used herein shall mean: (i) any school, campus, facility, healthcare provider or payer, or entity that is not a UC Location and that is, in whole or in part, owned or controlled by, or under common ownership with, UC, or that is managed, in whole or in part, by UC; (ii) any entity that, after the full execution of this Agreement, merges into or consolidates with any UC Location referenced in Section 1(a)(i) of this Agreement and which UC designates as a UC Affiliate Location; (iii) any entity into which any UC Location or UC Affiliate Location merges or consolidates and, after such merger or consolidation, the surviving entity is not a UC Location or UC Affiliate Location, and which UC designates as a UC Affiliate Location; (iv) any entity that merges into or consolidates with a UC Affiliate Location and, after such

merger or consolidation, the surviving entity is a UC Affiliate Location; and (v) any entity, other than those described above, that UC and Supplier may agree in writing may be a UC Affiliate Location.

UC has entered, or will enter, into agreements with UC Affiliate Locations which seek, through collaboration, to combine health care delivery services, procurement and/or contracting activities with efforts to obtain the best value goods and services while reducing total acquisition costs. UC and each of the UC Affiliate Locations are separate and distinct entities. As such, each administrative unit and campus under the control of UC, and each administrative unit and campus under the control of any of the UC Affiliate Locations, is financially separate and each shall be responsible for its respective individual commitments, financial or otherwise, and none shall be responsible for performance or non-performance of any of the others. Each administrative unit and campus under the control of a UC Affiliate Location is financially separate from all other UC Affiliate Locations, and from their respective units and campuses. Each UC Affiliate Location shall be responsible for its respective individual commitments, financial or otherwise, and none shall be responsible for performance or non-performance of any of the other UC Affiliate Locations or their respective administrative units or campuses. No fiduciary responsibility exists between UC and any UC Affiliate Location or the respective units and campuses of such UC Affiliate Locations. No fiduciary responsibility exists between UC Affiliate Locations, or their respective units and campuses. Accordingly, each of the UC Affiliate Locations is fully and solely responsible for its obligations (and the obligations of the administrative units and campuses under its control) under such UC Affiliate Location's Purchase Order(s), and under the Agreement with respect to such Purchase Order(s). Any change to a Statement of Work or Purchase Order shall be applicable only to such UC Affiliate Location and to such Statement of Work or Purchase Order. At the request of any UC Location, Supplier agrees to provide the Goods and Services listed and as priced in Appendix B or elsewhere in this Agreement to each UC Affiliate Location executing a Statement of Work, the form of which is attached to this Agreement as Appendix C. By execution of such Statement of Work, each UC Affiliate Location on the one hand, and Supplier, on the other hand, shall be deemed, respectively, to have executed the Agreement (with appropriate changes to the signature block) as Parties.

For the avoidance of doubt, UC is not responsible for the acts or omissions of any UC Affiliate Location. UC Affiliate Locations shall remain liable for each such UC Affiliate Location's compliance or non-compliance with the terms of this Agreement as it pertains to Purchase Order(s) of such UC Affiliate Location.

In the event Supplier will have access to PHI as defined in Section 31 of Terms and Conditions, UC Affiliate Location Customers may require Supplier to execute and deliver a HIPAA business associate agreement with respect to performance of Goods and Services for such Customer.

- (d) Unless otherwise provided in the Agreement, UC, through Customers, will not be obligated to purchase a minimum amount of Goods and Services from Supplier. Neither UC, nor any Customer, will be penalized, monetarily or otherwise, for not achieving any projected net purchases. Additional goods, including goods that enhance or update any existing Service will be added to the Agreement at the same price as the respective Service pricing to the extent consistent with applicable laws. In the event a new good is introduced by Supplier that fundamentally differs from current Goods and Services listed in Appendix B due to its manner of operation or result achieved, the price(s) of such good(s) will be negotiated before addition to this Agreement.
- (e) Supplier will make available to any Customer its improved pricing basis, terms or conditions resulting from increased usage or aggregation of activity by multiple Customers. All contractual administration issues (e.g., terms and conditions, extensions and renewals), operational issues, fiduciary responsibility, payment issues, performance issues and liabilities, and disputes involving individual Customers will be addressed, administered, and resolved by each Customer. Any delay in payment or other operational issue involving one Customer will not adversely affect any other Customer. Each Customer shall be fully and solely responsible to Supplier for the fulfillment of such Customer's obligations under the applicable Statement of Work and Purchase Order(s). Without limiting the generality of the foregoing, a Customer's

breach of its obligations under the Agreement or applicable Statement of Work or Purchase Order(s) will subject such Customer to the applicable corrective action, or termination pursuant to Section 2 of this Agreement, but otherwise will have no adverse impact on the other Customers or on their respective Purchase Order(s) or the Agreement, or other UC Locations.

- (f) No Customer shall amend, alter or otherwise modify the terms of this Agreement, including the Incorporated Documents as defined herein. All modifications, amendments and alterations to this Agreement, including the Incorporated Documents, shall be mutually agreed to between UC and Supplier. All other modifications, amendments and alterations shall be null and void. In the event a Customer desires to add terms that do not amend, alter or otherwise modify any term contained in this Agreement, including the Incorporated Documents, such terms may be incorporated into the Statement of Work or other agreement directly between Supplier and such Customer.
- (g) Subcontractors of Supplier that provide HCPs and NCWs under this Agreement shall hereafter be referred to individually as an "Approved Agency" or collectively as "Approved Agencies."

2. Term of Agreement/Termination

- (a) The term of the Agreement will be for three (3) years from **May 1, 2018** through **April 30, 2021** ("Initial Term") and is subject to earlier termination as provided below. UC Health will have the sole option to renew for two successive one-year periods (Renewal Term) under the same terms and conditions; provided that any renewals shall be agreed upon by both parties. In the event the agreement is not renewed or is otherwise terminated the agreement shall continue to be in full force and effect after such termination for any HCPs then on assignment with UC Health or scheduled to commence an assignment with UC Health less than 14 days after such termination and the parties agree to fulfill all obligations hereunder with respect to such HCPs.
- (b) Either party may terminate the Agreement for convenience by giving the other party at least 120 calendar days' written notice.
- (c) UC or Supplier may terminate the Agreement for cause by giving the other Party at least 15 days' written notice to cure a breach of the Agreement (Cure Period). If the breaching party fails to cure the breach within the Cure Period, the non-breaching party may immediately terminate the Agreement.
- (d) Each Customer or Supplier may terminate a Purchase Order and the Agreement with respect to such Purchase Order(s) and Customer only, for cause, by giving the other party written notice least the length of the Cure Period to cure the breach. If the breaching party fails to cure the breach within the Cure Period, the non-breaching party may immediately terminate the Agreement.
- (e) If a Customer terminates all of such Customer's Purchase Orders, the Agreement, with respect to such Customer, will immediately terminate. If Customer terminates one of its Purchase Orders, the Agreement with respect to such Purchase Order also will terminate, and the Agreement, with respect to all other ongoing Purchase Order(s) of Customer, shall remain in full force and effect. Notwithstanding anything in the Agreement, Supplier's right to terminate a Customer pursuant to Section 2(e) of this Agreement only extends to that particular Customer, and not to any other UC Location or UC Affiliate Location which is also a Customer.
- (f) In the event of termination by a Customer, such Customer shall be relieved of all obligations to Supplier, except for outstanding payments due consistent with Article 3 of the Terms and Conditions. In the event of termination by UC, UC and each Customer shall be relieved of all obligations to Supplier, except for outstanding payments due consistent with Article 3 of the Terms and Conditions.

- (g) Supplier and each Customer participating in the Agreement will agree to a go live date (the “Go Live Date”) or protocol to establish the Go Live Date in the applicable Statement of Work. Prior to the Go Live Date, UC and the applicable Customer agree to use best efforts to cooperate with Supplier during the implementation process, including, but not limited to providing Supplier with sufficient access to the applicable Customer’s personnel and information and documents of Customer reasonably necessary for the successful implementation of the program.

3. Purchase Order

Unless otherwise provided in the Agreement, Supplier may not begin providing Goods and Services until Customer approves and executes a Statement of Work and/or Purchase Order for the Goods and Services.

4. Invoices and Pricing

- (a) All invoices must be itemized by Purchase Order or Release Number and applicable Statement of Work and include the Agreement and/or Purchase Order Number, payment remittance instructions, Customer name, and a description of the Goods and Services performed. Supplier will invoice each Customer on a weekly basis for all amounts pursuant to the rates and terms contained in the Rate Schedule attached to the agreement. UC payment terms are net 45 days of UC’s receipt of a valid and accurate invoice unless otherwise stated in the Agreement. Customer will submit any and all objections to the invoices to Supplier within forty-five (45) days after receipt of the invoice.
- (b) Unless the Agreement is amended in writing, the total price for Goods and Services may not exceed **\$150,000,000** per calendar year.
- (c) UC will pay Supplier, upon submission of acceptable invoices, for Services rendered and accepted. To the extent the Agreement extends to multiple UC Locations and UC Affiliate Locations, each Customer will pay Supplier, upon submission of acceptable invoices, for Services rendered and accepted by such Customer. All invoices must be itemized and reference the Agreement or PO number, and as applicable, the Customer name. No Customer, including UC, will pay cartage, shipping, packaging or boxing expenses, unless specified in the Agreement. Invoices must be accompanied by shipping documents or photocopies of such, if transportation is payable and charged as a separate item. Any of Supplier’s expenses that UC agrees to reimburse will be reimbursed under UC’s Meal and Travel Expense Policy, which may be located by searching for G-28 at ucop.edu, or may be obtained upon request. Supplier will pay all contributions, taxes and premiums payable under federal, state and local laws measured upon the payroll of employees engaged in providing Services under the Agreement, and all applicable, excise, transportation, privilege, occupational and other taxes applicable to the Services. Where applicable, Supplier will pay all sales and use taxes imposed on the Supplier. Each UC location has a unique accounts payable process. Supplier will provide invoicing based on the requirements of each UC location.
- (d) UC locations will have no obligation to pay any invoice that is submitted more than 90 days after the end of a pay period for which the invoice lists worker hours.
- (e) This Section (4) shall control over Article 3 of the UC Health Standard Terms and Conditions.

5. Notices

As provided in the Terms and Conditions, notices may be given by overnight delivery or by certified mail with return receipt requested, at the addresses specified below.

To UC, regarding confirmed or suspected Breaches as defined under Appendix – Data Security and Privacy:

Name	Roslyn Martorano Systemwide Privacy Manager, University of California	
Phone	(510)	987-0564
Email	<u>roslyn.martorano@ucop.edu</u>	
Address	1111 Franklin St. Oakland, CA 94607	

To UC, regarding Breaches or Security Incidents as defined under Appendix – HIPAA Business Associate:

Name	Roslyn Martorano Systemwide Privacy Manager, University of California	
Phone	(510)	987-0564
Email	<u>roslyn.martorano@ucop.edu</u>	
Address	1111 Franklin St. Oakland, CA 94607	

To UC, regarding contract issues not addressed above:

Name	Andy Willis	
Phone	9167033317	
Address	4800 2 nd Avenue, Suite 3010 Sacramento, CA 95817	

Notices pertaining to a specific Purchase Order or Customer shall be directed to the address specified in such Customer's Statement of Work or Purchase Order.

To Supplier:

Name	Aya Healthcare, Inc. Attn: Facility Contracts		
Phone			
Address	5930 Cornerstone Court West, Suite 300		
	San Diego, California 92121		

6. Intellectual Property, Copyright and Patents

☒ The Goods and Services involve Work Made for Hire.

☐ The Goods and Services **do not** involve Work Made for Hire.

7. Patient Protection and Affordable Care Act (PPACA)

☒ Because the Goods and Services involve temporary or supplementary staffing, they are subject to the PPACA warranties in the Terms and Conditions.

☐ The Goods and Services do not involve temporary or supplementary staffing, and they are not subject to the PPACA warranties in the Terms and Conditions.

8. Prevailing Wages

☒ Supplier is not required to pay prevailing wages when providing the Goods and Services, and the Parties agree the Service Contract Act Labor Standards does not apply.

9. Fair Wage/Fair Work

☐ Supplier is not required to pay the UC Fair Wage (defined as \$13 per hour as of 10/1/15, \$14 per hour as of 10/1/16, and \$15 per hour as of 10/1/17) when providing the Goods and Services.

10. Restriction Relating to Consulting Services or Similar Contracts – Follow-on Contracts

Please note a Supplier that is awarded a consulting services or similar contract cannot later submit a bid or be considered for any work "required, suggested, or otherwise deemed appropriate" as the end product of the Services (see California Public Contract Code Section 10515).

11. Indemnification and Insurance

In addition to the Indemnification provided in the Terms and Conditions and Incorporated Documents, as applicable, Supplier represents and warrants that sale or use of the Goods and Services shall not infringe any

United States patent, copyright or trademark. Supplier, shall at its own expense, indemnify, hold harmless and defend UC, each Customer and each of their employees and agents from and against any third party claims, liabilities, damages, costs and expenses (including reasonable attorneys' fees, expert fees and court costs) to the extent caused by a breach of the above warranty. The obligation of indemnification for infringement will not apply to the extent such infringement is caused by improper use of the Goods and Services, or the negligence or wrongful conduct of UC or a Customer.

Supplier shall deliver the Certificate of Insurance to UC, by mail or overnight delivery, and as requested by any Customer. Additionally, this requirement will be considered satisfied if a PDF version of the Certificate of Insurance is sent by Email and includes the following text in the Subject field: CERTIFICATE OF INSURANCE – AYA HEALTHCARE.

12. Service-Specific and/or Goods-Specific Provisions

The purpose of this agreement is to partner with Aya Healthcare to integrate the business functions related to supplemental clinical, non-clinical, and IT staffing as outlined herein. The scope of this partnership would include all of the following:

- Initially, UC Davis Health System, UC Irvine Health and UCSD Health System will participate in this initiative. UCLA Health and UCSF Health reserve the right to join the initiative at a later date.
- A common rate schedule based on region, to all UC Health businesses for supplemental staffing. Within this agreement, supplemental staffing is referred to as HCP's (healthcare providers) and NCW's (non-clinical workers).
- Common centralized credentialing and background checking for supplemental staff
- Electronic scheduling of supplemental staff
- Electronic time keeping, invoicing and payment for supplemental staff
- One call staffing - brokering all supplemental staffing not provided by Aya Healthcare
- Detailed reporting of all UC Health supplemental staffing utilization
- Onsite Aya Healthcare provided support staff

(a) Description of Goods and/or Services

The Services available to Customers under this Agreement are identified in **(f) Program Requirements** of this Agreement.

(b) Key Personnel

Supplier's preliminary Account Manager is listed below and has overall responsibility for managing the UC/Supplier relationship. Such Account Manager and all other account personnel are subject to change from time to time upon prior notice to UC. UC reserves the right to request a new Account Manager or other account personnel:

Name	Catherine Rogers		
Phone	858	256	7467
Email	crogers@ayahealthcare.com		
Address	5930 Cornerstone Ct W #300, San Diego, CA 92121		

Subcontractors authorized to render Goods and Services under this Agreement:

Supplier has the right to use subcontractor agencies to supplement their own contingent staffing pool. UC and each Customer may instruct Supplier in writing not to use particular companies as Approved Agencies. Supplier agrees to provide a list of all Approved Agencies performing services under this Agreement on a quarterly basis.

Supplier's preliminary Account Management Team is:

Name	Nate Sanger		
Phone	(858)	225	8040
Email	nsanger@ayahealthcare.com		
Address	5930 Cornerstone Ct W #300, San Diego, CA 92121		
Name	Lyndsey Blurton		
Phone	(858)	201	6922
Email	lblurton@ayahealthcare.com		
Address	5930 Cornerstone Ct W #300, San Diego, CA 92121		
Name	Brigette Bower		
Phone	(858)	240	5407
Email	bbower@ayahealthcare.com		
Address	5930 Cornerstone Ct W #300, San Diego, CA 92121		
Name			
Phone			
Email			
Address			

Customer's Project Manager, responsible for acceptance/rejection of project results/deliverables, shall be identified in the Statement of Work for such Customer or otherwise provided to Supplier in writing.

(c) Reporting Requirements

Supplier agrees to provide other reports as reasonably requested by each Customer and to the extent reasonably contemplated by the scope and duties of this Agreement during the Term of the Agreement and any extension(s) to the Term at no additional cost to each Customer.

(d) Service Level Agreement – See APPENDIX C

(e) Pricing, Compensation and Payment Terms

1. **MSP Fees:** No fees are assessed to UC Health for MSP services or technology through Aya.

The management fee charged to Aya subcontractors will not exceed 4.5%. This does not apply to early payment discounts with Aya subcontractors.

There is no MSP fee when Aya Healthcare supplied staffing is utilized.

2. **Rates:**

- a. Current rates for HCPs are set forth on Exhibit D.
- b. Rates for NCWs will be agreed to between Supplier and MSPs.
- c. Customer and Supplier may agree in writing to different rates.

3. **Overtime**

Each Customer will elect either a blended or unblended rate option in the SOW. If Customer elects the blended rate option, blended rates will apply to a 4th and 5th shift worked in a week. After the 5th shift, a 1.35 overtime multiple will be applied. If an unblended rate is selected the 1.35 overtime multiple will apply for all hours worked by personnel in excess of eight (8) hours in a day and all hours worked in excess of forty (40) hours in a week.

4. **Orientation/On-boarding Costs:**

Supplier will provide up to twelve (12) hours of unbilled time for each new HCP or NCW. All other time spent by an HCP or NCW in UC Health or Customer required training is billable at the normally applicable rates. Supplier will maximize the orientation readiness of contract staff by ensuring that all related paperwork and testing is completed prior to the HCP/NCW arrival at facility.

5. **On-Call & Call-Back**

On-call hours worked will be billed at \$7.00 per hour. If a HCP is on-call and is then called back/called in to work, all hours worked will be billed at a premium Call-Back rate equal to 1.35 times the regular rate with a minimum of two (2) hours.

6. **Holidays**

Work performed on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day will be invoiced at a premium Holiday rate of 1.35 times the regular rate. Holidays begin 7:00 PM the night before the holiday, and end at 7:00 AM the day after the holiday.

7. **Charge**

Work performed by HCPs when working in a Charge nurse capacity will be billed at the applicable rate plus \$3.00 per hour.

8. Cancellation Terms

Long Term Assignment (Traveler or Contracted Non-Clinical Worker)

Termination of Assignment

After acceptance of HCP or NCW for travel assignment by UC, UC may not cancel that assignment within fifteen (15) days of the assignment start date. If deemed necessary to cancel such assignment within fifteen (15) days of start date, UC shall be responsible for any residual costs such as housing fees and travel expenses due to cancellation. UC shall provide one (1) month's written notice of any cancellation of travel assignment for reasons other than employee's inability to perform essential functions of the job unless otherwise agreed upon by the parties. Should UC be unable to provide such one (1) month's cancellation notice, Supplier reserves the right to bill UC for two (2) weeks of service at the regular hourly billing rate. In the event of a cancellation, including, without limitation, cancellations with proper notice, UC shall be responsible for any housing and travel costs incurred by Supplier as a result of such cancellation, and any other fixed costs, expenses and disbursements (e.g. licensure, exam application, visa, etc.) incurred by Supplier with respect to placing such Travel Assignment HCP or NCW with UC.

Cancellation for Unsatisfactory Performance

UC maintains the right to use the standard employee management policies and procedures to ensure a safe and productive work environment. UC may immediately cancel a Worker's assignment if UC is not satisfied with any Worker that UC determines, in its sole discretion that the Worker: (i) is unable to satisfactorily perform the duties related to the Services to be provided under the terms and conditions hereunder; (ii) is failing to satisfactorily perform his/her duties; (iii) has violated any of UC's policies and procedures; or, (iv) fails to meet the qualifications of the position set forth under this Agreement. Supplier will use its best efforts to find a Worker acceptable to UC to complete the remainder of the assignment. UC shall notify Supplier of the cancellation within seventy-two (72) hours of such action and shall provide Supplier with written documentation of the reasons for cancellation within five (5) days of such notification. Supplier will use best efforts to identify a replacement within seventy-two (72) hours of notification by UC.

Cancellation of Shifts for Travelers

Supplier will allow UC to cancel 3 shifts per 13-week assignment in the event of low census or overstaffing of internal resources. Cancellation of shift must be made at least 4 hours prior to assigned shift start.

Scheduling & Guaranteed Hours

Travel HCPs will be confirmed for assignments scheduled to last for between one (1) and fifty-two (52) weeks. Travel HCPs can be assigned to eight (8), ten (10), or twelve (12) hour shifts. For Travel HCPs confirmed to twelve (12)-hour shifts, Customer will guarantee a minimum of thirty-six (36) hours per each one-week work period. For Travel HCPs confirmed to shifts lengths less than twelve (12)-hours, Customer will guarantee a minimum of forty (40) hours per each one-week work period. Customer is financially responsible for all weekly guaranteed hours in the event of shift cancellations or facility closures. On-call hours do not count towards the guaranteed minimum hours.

For HCPs hired for per diem/registry engagements the following terms and conditions apply:

CANCELLATION POLICY

Supplier and UC agree to a two (2) hour cancellation policy. If UC cancels a scheduled shift less than two (2) hours prior to the start of the shift or with less than two (2) hours' notice during the shift, UC will be billed for two (2) hours plus any time worked.

"IN-SHIFT CANCELLATION"

If HCP is no longer needed by UC after reporting for work, HCP may be called off by UC. If HCP is called off by UC, UC shall be billed for the actual number of hours worked by HCP or four (4) hours, whichever is greater, per the rate structure applicable to that HCP. Any in-Shift cancellation hours will count toward the allowed 3 shifts per 13 week assignment.

PERMANENT PLACEMENT (Direct Hire) GUARANTEE

During the term of this Agreement as requested by Customer, Supplier will also use commercially reasonable efforts to recruit qualified applicants for direct hire by Customer (the "Permanent Candidate"). If Customer hires a Permanent Candidate presented to Customer by Aya, within one (1) year of the initial presentation by Supplier, Customer will pay Supplier a recruiting fee equal to twenty percent (20%) of Permanent Candidate's anticipated annual salary, which obligation shall, notwithstanding anything in the Agreement to the contrary, survive any termination or expiration of the Agreement. If Supplier presents a Permanent Candidate to Customer to which Customer has previously been introduced, Customer shall promptly notify Supplier of this fact within three (3) business days following submission, otherwise the Permanent Candidate will be presumed to have been introduced to Customer by Supplier. Other than for normal interviews, Customer shall not communicate directly with any Permanent Candidate without Supplier's written consent. Permanent Candidates who are hired by Customer will be the permanent employees of Customer. Customer will be solely responsible for all credentialing, insurance, benefits, tax withholdings and all other functions customarily required of employers in Customer's industry with respect to Permanent Candidates. Further, notwithstanding anything to the contrary in this Agreement, Supplier shall not be required to defend, indemnify, or hold Customer harmless from claims, damages, interest, penalties, and attorneys' fees and costs arising out of the negligent or willful acts or omissions of or violations of applicable law by Permanent Candidates hired by Customer.

If a Permanent Candidate is employed for fewer than ninety (90) days, UC shall notify Supplier immediately upon the termination of employment. Supplier will have one-hundred eighty (180) days from the date Supplier receives notice of the Permanent Candidate's termination of employment to present to UC a reasonably adequate substitute for the Permanent Candidate. If Supplier fails to introduce a reasonably adequate substitute for the Permanent Candidate within such one-hundred eighty (180) day period, Supplier will refund the entire recruiting fee. This paragraph only applies to direct hire candidates and does not apply when a HCP or NCW is hired by UC Health after being confirmed for a temporary assignment.

Service Level Agreement metrics shall not apply to permanent placement/direct hire requisitions.

(f) Program Requirements

1. APPROVED AGENCY MANAGEMENT

Aya Healthcare will perform the following services:

- (a) Conduct selection, assessment and monitoring of Approved Agencies including negotiation and execution of Approved Agency Agreements;
- (b) Conduct initial and quarterly training for Approved Agencies on the web-based Aya Healthcare system;
- (c) Require all Approved Agencies to carry and provide evidence of insurance coverage compliant with the minimum limits specified by UC for Approved Agencies as further described above;
- (d) Ensure that all documentation requirements are met and provide evidence of meeting these requirements;
- (e) Distribute UC's Requirements to Approved Agency in a timely manner and maintain web-based Approved Agency access to all applicable open UC Requirements;
- (f) Collect, present, and process time records in a timely manner;
- (g) Be responsible for Supplier's verification of billable time;
- (h) Be responsible for making timely payment to all Approved Agencies providing contingent labor and for making confirmation to UC of said payment to Approved Agencies;
- (i) Report to UC on all UC Requirements supported by Aya Healthcare;
- (j) Provide to UC a quarterly report of staffing utilization and associated costs, Approved Agency performance results, and prepare other reports as reasonably requested by UC;
- (k) Manage Approved Agency dispute resolutions and address all UC support concerns within a reasonable timeframe.

2. HCP/NCW SOURCING & ENGAGEMENT

Aya Healthcare will perform the following services:

- (a) Timely processing and engagement of UC Requirements from internal users;
- (b) Evaluate HCP/NCWs against UC Requirements;
- (c) Coordinate and schedule HCP/NCW interviews with UC manager;
- (d) Maintain a HCP/NCW resource pool with required documentation;
- (e) Confirm assignment with Approved Agency and UC manager;
- (f) Coordinate HCP/NCW orientation and track initial competency processes.

3. COMPLIANCE MANAGEMENT

Aya Healthcare will perform the following services:

- (a) Track all pertinent data on each HCP/NCW including name, specialty, last four digits of SSN, rates, availability and do-not-use (DNU) status;
- (b) Track HCP/NCW compliance documentation using UC's Documentation Requirements;
- (c) Coordinate periodic Performance Evaluations and ongoing competency assessments with UC management;
- (d) Coordinate active, inactive or DNU status of HCP/NCWs.

4. REPORTING

Aya Healthcare will provide the following:

- a) Summary reports including Department Profiles, HCP/NCW Profiles, HCP/NCW License & Certifications, HCP/NCW availability, Documentation Status and Expirations, UC Requirements by Department, UC Requirements by Trend, Standard Rate Schedules, Expenditures by Department, Budget to Burn rates, Open Order and Filled by Department, Order Trend by Department and HCP/NCW, Time to Fill by Department.

5. **UC RELATIONS**

Aya Healthcare will coordinate and manage the following:

- (a) Quarterly reporting and meetings with both facility management and UC Health system management as agreed upon by the Customer and Supplier;
- (b) Provide a maximum of 10 on-site FTE's for the three participating UC Health Medical centers in aggregate. The exact number per facility will be mutually determined during the implementation process.

6. **SERVICE-LEVEL PERFORMANCE METRICS NON CLINICAL**

After the first initial 90 days from program Go Live Date for each Customer, Aya Healthcare shall maintain the following Service Level requirement reported on a quarterly basis.

- a) Requisition to candidate submittals: Clerical within 2 business days;
- b) Requisition to candidate submittals: IT within 3 business days;
- c) Generation of automated electronic confirmation for receipt of the Request for a resource within two (2) business hours of receipt for requests received by 2:30 PST on a business day ;

7. **LABOR OPTIMIZATION CONSULTING**

Upon written request from each Customer, Supplier shall provide at no additional cost the labor optimization consulting services described further below ("Consulting Services"). Supplier will provide Consulting Services one time for each Customer; provided that such Customer requests Consulting Services prior to October 1, 2018. Customer shall cooperate with Supplier to provide reasonable access to Customer data and personnel as requested by Supplier.

Project Outline	Project Description
Project Purpose	UC seeks consulting services to address key workforce challenges impacting resource management, recruitment, and current staff resources.
Project Goal	The operational assessment from Aya will provide analysis, solution design, and recommendations for technology, partnership, innovation support.
Scope	Aya will conduct an analysis which may include, but not be limited to: current scheduling practices, flexible workforce staffing, contingent labor utilization and pricing, public brand analysis and external recruitment functions; retention strategy assessment, HR practices and policy assessment, staffing needs and gaps, and new graduate residency processes.
Anticipated Benefits	<ul style="list-style-type: none"> • Independent analysis and strategy development • Potential cost savings for contingent staffing costs • Recommendations and strategy to reduce contingent labor utilization • Recommendations for improvement and efficiencies for recruitment and retention practices • Gap analysis for policies versus practices • Recommendations for services and technology to support new grad and residency on-boarding

Major Deliverables	<ul style="list-style-type: none"> * Clarity of FTE needs by department including flexible workforce recommendations * Recommendations for core staff recruitment * Gap analysis and recommendations for improving policies versus practice * Recommendations for improvements and efficiencies * Improved flexible workforce pool capacity * Brand analysis and recommendations from the recruitment perspective * Improved visibility to internal and external workforce trends and needs
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(g) Changes to the Goods and Services

UC may desire to change the Goods and Services following execution of the Agreement. If so, UC will submit a request for a written Amendment to Supplier describing the changes in appropriate detail. If an Amendment meets with Supplier's approval, then Supplier will execute. Supplier's implementation of an Amendment will not delay the performance of Goods and Services and/or the delivery of deliverables not reasonably affected by an Amendment.

(h) No Mandatory Use

Supplier is advised that because there is no mandatory use policy at UC Locations and UC Affiliate Locations, as applicable to the Agreement, Supplier may still see some competition at any given UC Location and/or UC Affiliate Location, as applicable, for any given service.

(i) Additional Terms

1. Joint Ventures or Subcontracts for Products or Services Requested: No contract shall be made by the Supplier with any other party for furnishing any of the work or services herein contracted for without the written approval of UC; provided that Supplier may use affiliates and Approved Agencies to perform services under this Agreement, including without limitation to provide NCWs or HCPs. This provision will not be taken as requiring the approval by UC for employment between the Supplier and employees.
2. Furnished Property: No material or labor will be furnished by UC unless otherwise provided for in this Agreement. If a UC location requires an on-site resource from supplier, work space will be provided to the supplier at no additional cost.
3. Allocation and Deduction of Travel Expenses: The Supplier's hourly billing rates and UC's payment of those hourly rates necessarily incorporate and contemplate that a portion of those rates is to reimburse Supplier or Approved Agency for all lodging, meals and incidental expenses incurred by the HCPs or NCWs ("travel expenses"). UC acknowledges and agrees that a portion of its payment for the hourly billing rates shall reimburse Agency for all travel expenses paid by Supplier or Approved Agency to any of its HCPs or NCWs providing services to Supplier hereunder. Supplier may deduct such allocable portion of the payment as travel expenses subject to any applicable federal limitations. Supplier shall provide UC with information detailing all such per diem allowances paid for travel expenses on a report referenced and included as a part of each invoice or annually. Each such report shall be deemed to be incorporated by reference into the applicable invoice and read as a part thereof. Such report shall contain the names of each HCP or NCW providing services to Supplier who received per diem allowances during the period referenced on the invoice, as well as the aggregate amount of those allowances during the billing period. Copies of such expense reports are maintained by Supplier or Approved Agency and are available upon request if needed to further substantiate Supplier's tax deductions for travel expenses.

Supplier is providing UC with an aggregate hourly rate for billing purposes which is inclusive of both (i) amounts for healthcare services provided by HCPs or non-clinical services provided by NCWs hereunder; and (ii) reimbursements for per diem allowances paid by Supplier or Approved Agency to HCPs or NCWs.

UC acknowledges that it will be subject to the 50% deduction limitation under Internal Revenue Code ("IRC") § 274(n) to the extent such limitation applies to any reimbursement (including, without limitation, travel reimbursement, lodging per diem reimbursement, meal & incidental expense per diem reimbursement) for which it is responsible.

4. Liability and Indemnification:

(1) This clause is in addition to the Liability and Indemnification clause in the standard Terms & Conditions (Appendix A) and addresses the fact that Supplier will subcontract with Approved Agencies to supplement the contingent labor staff that Supplier will provide.

(2) Supplier agrees to cause each Approved Agency to indemnify and hold harmless UC, Supplier and their affiliates, directors, officers, agents, trustees, employees, agents and representatives from claims and liabilities (including reasonable attorneys' fees and expenses incurred in the defense thereof at all trial levels) relating to any property damage, personal injuries or death, directly arising out of or relating to the acts or omissions of the Approved Agency or its employees in connection with the Approved Agency's or its employees services to UC and claims and liabilities relating to any action, cause of action, claims, lawsuits or investigations against UC by any person or a governmental entity or agency relating to any action or omission to act by the Approved Agency or its employees, including, but not limited to, discrimination, wrongful discharge, retaliation, breach of contract or any other federal, state or agency law, rule or regulation.

(3) UC agrees to indemnify and hold harmless Supplier and each Approved Agency, their affiliates, directors, officers, agents, trustees, employees, agents and representatives from claims and liabilities (including reasonable attorneys' fees and expenses incurred in the defense thereof at all trial levels) relating to personal injuries or death, directly arising out of the acts or omissions of UC or its employees, and claims and liabilities relating to any action, cause of action, claims, lawsuits or investigations against Service Provider or an Approved Agency by any person or a governmental entity or agency relating to any action or omission to act by UC, its employees, agents, including, but not limited to, discrimination, wrongful discharge, retaliation, breach of contract or any other federal, state or agency law, rule or regulation.

UC and Supplier each agree that they and each Approved Agency shall only be liable under this Section 17 for the proportionate liability or relative share of negligence allocated to such party based on the acts or omissions of its employees, agents or representatives. If such allocation is not determined by a court of competent jurisdiction and the parties in good faith are otherwise unable to agree to such allocations, either UC or Supplier may bring an action, including a summary or expedited proceeding, to compel binding arbitration of such matter.

5. Responsibilities of Approved Agency: Approved Agency and its employees shall at all times diligently, professionally and ethically carry out their responsibilities under this Agreement in the best interest of UC and its patients.

1. Documentation of HCPs: Approved Agency agrees to comply with all UC location accreditation and licensing requirements. Approved Agency shall provide Supplier

sufficient evidence to verify that each HCP has satisfactorily completed all UC required documents and continues to be current during the applicable assignment.

2. Standard of Practice: Approved Agency shall be in compliance and ensure that all HCPs it provides to the UC under this Agreement shall conduct themselves in accordance with the requirements and recommendations of all applicable laws, the Joint Commission on Accreditation of Healthcare Organizations, OSHA, CDC regulatory agencies, the policies and procedures of the UC and current standards of practice as they pertain to performance of services under this Agreement.
3. Online Testing of HCPs: Approved Agency agrees to abide by the Policies and Procedures relating to online testing attached to the Approved Agency Guide (see Attachment B). Approved Agency agrees to indemnify and hold harmless Supplier, its officers, directors, agents and employees for any breach by Approved Agency of such Policies and Procedures.

A representative of Supplier will coordinate receipt of the foregoing documentation in order to confirm that the HCP has met all requirements of UC. A complete profile of each candidate (including, but not limited to credentialing and screening) shall be completed by Approved Agency prior to submitting a candidate to Supplier. Approved Agency shall cause all of its employees to be in compliance therewith throughout the term of his/her assignment. Approved Agency shall continue to monitor such candidate's compliance therewith during the term of the assignment and shall provide Supplier with updated information, as applicable. Any violation of compliance with the required credentialing standards may result in the cancellation of such HCP from an assignment.

Approved Agency will provide confirmation of HCP's acceptance of an assignment to Supplier. Approved Agency shall notify Supplier as soon as practicable upon receiving information that HCP may cancel or postpone an assignment.

4. Experience: Each HCP supplied by the Approved Agency must have a minimum of one-year experience in an acute care setting; and Approved Agency shall ensure that each HCP supplied by the Approved Agency for specialized units has at least one year's full-time equivalent experience in that specialty area within the two years preceding the date the HCP is supplied to the UC under this Agreement. Although each HCP will be pre-screened and/or interviewed by Supplier, a final determination for temporary employment shall be made by the UC.
5. Licenses/Certifications on Probation or Suspension: Prior to each HCP's assignment with the UC facility, Approved Agency shall verify with the applicable state board that the HCP is not on probation or suspension. No HCP who is on probation or whose license is suspended as described above or for whom board proceedings are pending shall be supplied to Supplier. In addition, any HCP who is on a temporary license or other similar license shall be noted in bold print on an application.
6. Non-Discrimination: Approved Agency shall, and shall cause all of its HCPs supplied by Approved Agency to UC under this Agreement to, provide services to patients under this Agreement regardless of the patient's race, color, age, creed, sex, sexual orientation, national origin, disability, Vietnam Veteran status, status as a member of the Uniformed Services, or any other classification regulated by law.
7. Compliance with Applicable Laws: During the term of this Agreement, Approved

Agency is, and shall cause its HCPs to be, in compliance with all applicable local, municipal, state and federal laws and all rules and regulations applicable to the services described herein.

8. Work Authorization: Approved Agency will obtain and keep on file all documentation with respect to HCPs supplied to the UC hereunder required by Supplier, the UC, and by the Bureau of Citizenship and Immigration Services to prove legal status to work and reside in the United States of America. Upon twenty-four hours written notice, Supplier and/or the UC may inspect Approved Agency's records during its regular business hours to verify Approved Agency's compliance with this Agreement.
 9. No Solicitation: During the term of the agreement, Approved Agency shall not contact UC or any of its employees, agents or representatives directly to provide, coordinate placement of, or manage the assignments of HCPs. Approved Agency shall not accept solicitations from the UC for the services described herein during the term of this Agreement. Furthermore, Approved Agency may not engage approved agencies to provide HCPs for assignments procured by Supplier at the UC Health without Supplier' prior written consent.
6. Responsibility of UC to Approved Agency:
1. Orientation: All HCPs shall be oriented to the individual unit/department in accordance with the standards of The Joint Commission (TJC) or other accreditation agencies, OSHA, CDC, federal/ state regulatory agencies and state board of nursing practice act prior to assuming patient care duties.
 2. Evaluation: All HCPs shall be evaluated by the charge nurse or unit supervisor periodically. Supplier will use commercially reasonable efforts to obtain such evaluations upon receipt of a reasonable request for the same from Approved Agency. With respect to HCPs on assignment for 8 weeks or more, Supplier will use commercially reasonable efforts to have all personnel evaluated by the charge nurse or unit supervisor at the end of each assignment.
 3. Small Business: Upon Supplier's request, Approved Agency agrees to provide Supplier with documentation evidencing Approved Agency's status as a "small business" or "disadvantaged small business" as described by the United States Small Business Association, if applicable.
7. Solicitation of Staff, Employees and UC s:
1. Flipping: During the term of this Agreement, if, and to the extent that, any candidate whose profile is submitted by Approved Agency to Supplier is working at UC for Supplier or Approved Agency (in either instance, the "Staff Employer"), then the other party agrees that it will not, and will cause its affiliates not to, interfere with the business of the Staff Employer and its affiliates by inducing that candidate to become employed by the other party at UC (e.g. no "flipping").
 2. HCP Working for Both Parties: During the term of this Agreement, if a candidate's profile is submitted by Approved Agency to Supplier and such candidate is actively working for both parties at a non-UC facility, then the party that submits the candidate for a position at a UC facility first shall be awarded the contract with the candidate if the candidate is selected to work at a UC facility; provided, however, that there shall be

no prohibitions or restrictions on either party with respect to hiring such candidate for any non-UC facility.

3. HCP Working for Approved Agency: During the term of this Agreement, if a candidate's profile is submitted by Approved Agency to Supplier and such candidate is actively working for Approved Agency but not for Supplier, then Supplier shall not, and shall cause its affiliates not to, interfere with the business of Approved Agency and its affiliates by inducing such candidate to become employed by Supplier or any of its affiliates at any facility (non-UC or otherwise) during the 6-month period immediately following the day that the candidate's profile was submitted by Approved Agency to Supplier.
4. Definition of "Actively Working." As used in this Section, "actively working" means that a candidate's profile has been submitted by either party to a facility for an employment assignment within the preceding 6- month period prior to the time such candidate's profile is submitted by Approved Agency to Supplier or that the candidate is currently working on an assignment for a party.
5. Notwithstanding anything to the contrary in this Agreement, nothing shall prohibit Supplier or Approved agency from conducting general advertising, social media, email or telephone campaigns, or from soliciting or employing persons who have independently applied with or contacted Supplier or Approved agency regarding employment opportunities, or who otherwise become known to Supplier or Approved agency through means other than through performance under this Agreement.
6. Facilities: Throughout the term of this Agreement and for six months thereafter, Approved Agency will not make any attempt to contract directly with UC as their exclusive vendor manager or preferred provider.
7. Hiring HCPs: UC may hire an Approved Agency's or Supplier's HCP for a permanent position upon completion of an HCP's 13-week assignment at no cost to UC.

UC may hire an Approved Agency's or Supplier's per diem HCP with no contingency fee upon completion of 468 hours within one year. If less than 468 hours but more than 300 hours have been worked by Approved Agency's per diem HCP there will be a contingency fee equal to 10% of the HCP's anticipated annual compensation. If less than 300 hours have been worked by Approved Agency's per diem HCP there will be a contingency fee equal to 20% of the HCP's anticipated annual compensation.
8. Prior Employment by Customer: Approved Agency shall not assign to Customer any HCP who has previously been employed by Customer unless Customer approves the assignment of such HCP in advance in each instance.

13. Records about Individuals

Records created pursuant to the Agreement that contain personal information about individuals (including statements made by or about individuals) may become subject to the California Information Practices Act of 1977, which includes a right of access by the subject individual. While ownership of confidential or personal information about individuals is subject to negotiated agreement between Customer and Supplier, records will to the extent required by law normally jointly become the applicable Customer's property, and subject to state law and UC and

other Customer policies, as applicable, governing privacy and access to files. Use of recording devices in discussions with employees is permitted to the extent it complies with applicable state law.

14. Access to Protected Health Information or Medical Information

☒ It is NOT anticipated that the Supplier will require access to PHI as defined in the Terms and Conditions.

☐ It is anticipated that the Supplier will require access to PHI as defined in the Terms and Conditions.

15. Amendments to UC Terms and Conditions

The UC Terms and Conditions are hereby amended as follows:

- Article 5 (Assigned Personnel; Character of Services): The following provision is added to Article 5:
 - “UC shall retain professional and administrative responsibility for the work performed by all individuals assigned by Contractor to perform work for UC (“Candidates”) as required by California law. UC shall be responsible for determining the clinical competencies required of Candidates. Notwithstanding the foregoing, UC shall not, without the prior written consent of Supplier, permit or request a Candidate to perform any work or task or render any service that does not fall within the scope of the duties and responsibilities for such Candidate’s confirmed assignment.”
- Section 7 – A (Intellectual Property, Copyright and Patents; Goods and/or Services Involving Work Made for Hire): The definition of Deliverables is revised as follows:
 - “any deliverables provided to UC by Supplier generated by Supplier’s employees or agents performing work onsite at a UC Health facility under this Agreement, and any intellectual property rights therein, or reports generated for UC by Supplier as agreed to by Supplier (hereinafter the “Deliverables”)”
- Add Article 45 – Specific terms in the Terms in the Agreement shall control over the general UC Terms & Conditions to the extent inconsistent.
- Add the following sections are added to Article D (General Terms and Conditions):
 - Article 20 (Prohibition on Unauthorized Use or Disclosure of Confidential Information): Add the following to the end of Article 20:
 - “Personnel files and compliance documentation submitted by Supplier, as well as other proprietary business information marked or designated as “Confidential” by Awarded vendor shall be considered Supplier Confidential Information, except that Supplier Confidential Information shall not include information that: (i) UC can demonstrate by written records was known to UC prior to disclosure; (ii) is currently in, or in the future enters, the public domain other than through a breach of the Agreement or through other acts or omissions of UC; (iii) is obtained lawfully from a third party; or (iv) is disclosed under the California Public Records Act or legal process. UC Health shall not use for purposes other than directly related to the performance of this Agreement, or disclose to any third party or others without a legitimate business need to know, all or a portion of such Supplier

Confidential Information, unless such disclosure is required by law or legal process, or Supplier or upon the prior consent of Supplier."

- o MEAL AND REST BREAKS. UC Health shall schedule personnel so as to allow them sufficient time to take any legally required meal, rest, or recovery breaks.
- Add Article 46: "TECHNOLOGY SOLUTION. UC Health may be given access to a technology solution(s), provided by Supplier or a third party, to facilitate the performance of services under this Agreement, such as Supplier's proprietary web-based portal known as Aya Connect (collectively, the "Technology Solutions"). Access and use to such Technology Solutions will require UC to comply with terms of use, and if necessary, may require UC to execute further agreements as may be required to obtain access to such systems. The parties shall reasonably cooperate in agreeing upon terms mutually agreeable to both parties and which do not contradict, amend or otherwise alter the terms of the Agreement. The current terms of use of Aya Connect and its related websites can be found at: <https://www.ayahealthcare.com/termservice> and the version of such terms in effect as of the effective date of the Agreement are incorporated by reference herein as though set forth in full at this point to the extent that such terms do not contradict or otherwise not inconsistent with the terms contained in this Agreement, or the laws or policies applicable to UC.

The Aya Connect technology solution, including, but not limited to, its design, source code, databases, content, collectively "Aya Connect Information") shall be considered Supplier Confidential Information, subject to provisions set forth above with respect to Confidentiality of Files and Personnel. Except for the limited, non-exclusive, revocable use rights expressly granted herein, Supplier reserves all rights, titles, and interests not expressly granted to UC Health and this Agreement does not transfer from Supplier any right, title or interest in the Technology Solutions, Supplier Connect Information or other Supplier confidential information to UC Health. UC Health agrees that its access and use of the Technology Solutions shall be limited only to the extent such access and use directly relates to and is necessary for UC Health's performance under this Agreement. UC Health shall limit access to the Technology Solutions to only those employees or agents of UC Health with a legitimate business need for such access, and only after such persons agree to abide by the applicable terms of use or are otherwise informed of the obligations set forth in this Agreement with respect to Technology Solutions. UC Health's access and use of the Technology Solutions may be terminated (i) upon UC Health's breach of this Agreement, (ii) automatically upon the termination or expiration of this Agreement, or (iii) at Supplier's discretion upon 120 days written notice. In no event shall Supplier be liable for damages in connection with such termination.

Except as may be required by law or legal process, UC Health shall not, and shall ensure that its employees, agents, and Suppliers do not use or make Technology Solutions available for use by any unauthorized persons or for any use not explicitly permitted by this Agreement, and UC Health agrees it shall be responsible for any violation by UC Health or its agents or employees of this provision or the applicable terms of use in effect at the time of such access. UC Health shall be responsible for notifying Supplier promptly in the event UC Health's relationship with any employee or agent who had access to the Technology Solutions is severed, so that passwords may be updated or accounts disabled as necessary. UC Health's use of the Technology Solutions may be monitored for usage level and ensure compliance with this Agreement and any applicable terms and conditions.

ALL TECHNOLOGY SOLUTIONS ARE PROVIDED "AS IS" WITHOUT EXPRESS OR IMPLIED WARRANTY OF ANY KIND. SUPPLIER FURTHER DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SUPPLIER DOES NOT WARRANT THAT TECHNOLOGY SOLUTIONS WILL BE ERROR FREE OR WILL OPERATE WITHOUT INTERRUPTION."

- LIMITATION OF LIABILITY. NOTWITHSTANDING ANY OTHER AGREEMENT OR PROVISION TO THE CONTRARY IN THIS AGREEMENT, UNDER NO CIRCUMSTANCES WILL EITHER PARTY HERETO BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND INCLUDING, BUT NOT LIMITED TO, FINES OR PENALTIES AND LOSS OF PROFITS, WHETHER IN CONTRACT, TORT, WARRANTY OR OTHERWISE, WHETHER OR NOT A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

16. Incorporated Documents

The following documents are incorporated and made a part of the Agreement by reference as if fully set forth herein ("Incorporated Documents"), listed in the order of precedence following the Agreement:

- (a) UC Terms and Conditions, dated 5//19/17 - Appendix A
- (b) Template Statement of Work – Appendix B
- (c) Service Level Agreement – Appendix C
- (d) Price Matrix - Appendix D

UC and each Customer enters into this Agreement conditioned upon its terms and the terms of Incorporated Documents in the order of precedence as provided above controlling the transaction contemplated by the Parties and superseding any and all other terms and conditions. By accepting payment from UC and any UC Location, Supplier agrees and understands that the Agreement controls the transaction and supersedes any and all other terms and conditions Supplier may put forth. UC Affiliate Locations may also enter into specific terms and conditions with Supplier with respect to the provision of Goods and Services to such UC Affiliate Location.

17. Preferred Provider Status

Supplier shall be Customer's preferred provider with respect to the fulfillment of Customer's needs for supplemental clinical and non-clinical staffing; Customer will at first only submit its needs for supplemental clinical and non-clinical staffing to Supplier. Supplier must submit a minimum of three candidates within five (5) days and if Supplier is not able to fill an order for a HCP or NCW within fifteen (15) days of it being submitted by Customer, then Customer shall have the right to use other companies (the "Alternate Agencies") to fulfill such order(s). However, Customer may not: (i) provide more favorable terms to the Alternate Agencies; (ii) permit Alternate Agencies to use subcontractors to provide staff; or (iii) use as an Alternate Vendor any vendor who has an active subcontracting Agreement with Aya for the provision of services to Customer.

18. Entire Agreement

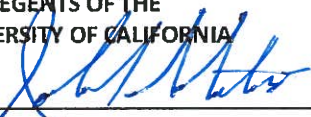
The Agreement and its Incorporated Documents contain the entire Agreement between the parties and supersede all prior written or oral agreements with respect to the subject matter herein.

It is understood by Supplier that this Agreement is not exclusive. UC has, and will continue to have, or may have, other relationships with other suppliers for the provision of Goods and Services similar to the Goods and Services provided herein, with no minimum guarantee of the utilization of Supplier's Goods and Services.

Each Party agrees that a signed facsimile, signed PDF or the electronic transmission of signature(s), in whole or in counterparts, constitutes valid signature(s) and is fully enforceable in accordance with its terms. A Customer will be deemed to have agreed to the terms of this Agreement (including the Terms and Conditions) upon execution of a Statement of Work.

The Agreement is signed below by the Parties' duly authorized representatives.

THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA



(Signature)


John Stobo

(Printed Name, Title)

4/24/18

(Date)

AYA HEALTHCARE, INC.



(Signature)

Peter Kaufman, EVP

(Printed Name, Title)

4/20/18

(Date)

EXHIBIT A



UNIVERSITY
OF
CALIFORNIA

UC Health Terms and Conditions

ARTICLE 1 – GENERAL

The equipment, materials, or supplies ("Goods") and/or services ("Services") furnished by Supplier (together, the "Goods and Services") and covered by the UC Purchase Order ("PO") and/or other agreement for such Services (which, when combined with these UC Health Terms and Conditions and any other documents incorporated by reference, will constitute the "Agreement") are governed by the terms and conditions set forth herein. As used herein, the term "Supplier" includes Supplier and its sub-suppliers at any tier. As used herein, if a UC Location is identified above, "UC" shall refer to The Regents of the University of California, a California public corporation, on behalf of the UC Location identified above; otherwise, "UC" shall refer to UC Health, an operating subdivision of The Regents of the University of California, a California public corporation. UC and Supplier shall individually be referred to as "Party" and collectively, "Parties." Any defined terms used but not defined in this UC Health Terms and Conditions ("Terms and Conditions") shall have the meaning ascribed to such term in any of the other documents incorporated and constituting the Agreement. No other terms or conditions will be binding upon the Parties unless accepted by them in writing. Written acceptance or shipment of all or any portion of the Goods, or performance of all or any portion of the Services, covered by the Agreement, will constitute Supplier's unqualified acceptance of all of the Agreement's terms and conditions. The terms of any proposal referred to in the Agreement are included and made a part of the Agreement only to the extent the proposal specifies the Goods and/or Services ordered, the price therefor, and the delivery thereof, and then only to the extent that such terms are consistent with the terms and conditions of the Agreement.

ARTICLE 2 – TERM AND TERMINATION

- A. As applicable, the term of the Agreement ("Initial Term") will be stated in the PO or elsewhere in Agreement. Following the Initial Term, the Agreement may be extended by written mutual agreement of the Parties.
- B. UC's obligation to proceed is conditioned upon the appropriation of state, federal and other sources of funds not controlled by UC ("Funding"). UC will have the right to terminate the Agreement without damage, penalty, cost or further obligation in the event that through no action or inaction on the part of UC, the Funding is withdrawn. To the extent the Agreement extends to multiple UC Locations and UC Affiliate Locations (each a "Customer"), each such Customer shall have the right to terminate the Agreement with respect to such Customer's Statement of Work and/or PO(s) only, without damage, penalty, cost, or further obligation in the event that through no action or inaction on the part of such Customer, the Funding is withdrawn.
- C. UC may, by written notice stating the extent and effective date thereof, terminate the Agreement for convenience in whole or in part, at any time with not less than the number of days' notice if stated elsewhere in the Agreement. To the extent the Agreement extends to multiple UC Locations and UC Affiliate Locations, each Customer may, by written notice stating the extent and effective date thereof, terminate the Agreement with respect to such Customer's Statement of Work and/or PO(s) only, for convenience in whole or in part, at any time with not less than the number of days' notice stated elsewhere in the Agreement. As specified in the termination notice, UC, or each Customer, as applicable, will pay Supplier as full compensation the pro rata Agreement price for performance through the date UC or such Customer, as applicable, provided Supplier with notice of termination or through the date that Goods and/or Services will terminate.
- D. UC may by written notice terminate the Agreement for Supplier's breach of the Agreement, in whole or in part, at any time, if Supplier refuses or fails to comply with the provisions of the Agreement, or so fails to make progress as to endanger performance and does not cure such failure within a reasonable period of time, or fails to supply the Goods and/or Services within the time if so specified elsewhere in the Agreement or any written extension thereof. In such event, UC, or each Customer, as applicable, may purchase or otherwise secure Goods and/or Services and, except as otherwise provided herein, Supplier will be liable to UC, or each Customer, as applicable for any excess costs UC, or each Customer, as applicable, incurs thereby. To the extent the Agreement extends to multiple UC Locations and UC Affiliate Locations, each Customer may by written notice terminate the Agreement with respect to such Customer's Statement of Work or PO(s) for Supplier's breach of the Agreement and/or Statement of Work or PO(s), in whole or in part, at any time, if Supplier refuses or fails to comply with the provisions of the Agreement, or so fails to make progress as to endanger

performance and does not cure such failure within a reasonable period of time, or fails to supply the Goods and/or Services within the time specified or any written extension thereof. In such event, such Customer may purchase or otherwise secure Goods and/or Services and, except as otherwise provided herein, Supplier will be liable to such Customer for any excess costs such Customer incurs thereby.

ARTICLE 3 – PRICING, INVOICING METHOD, AND SETTLEMENT METHOD AND TERMS

Pricing is set forth in the Agreement or PO Number. Unless otherwise agreed to in writing by UC, Supplier will use the invoicing method and payment settlement method (and will extend the terms applicable to such settlement method) set forth in UC's Supplier Invoicing, Terms and Settlement Matrix. UC will pay Supplier, upon submission of acceptable invoices, for Goods and/or Services provided and accepted. To the extent the Agreement extends to multiple UC Locations and UC Affiliate Locations, each Customer will pay Supplier, upon submission of acceptable invoices, for Goods and/or Services provided and accepted by such Customer. All invoices must be itemized and reference the Agreement or PO number, and as applicable, the Customer name. No Customer, including UC, will pay cartage, shipping, packaging or boxing expenses, unless specified in the Agreement. Unless otherwise provided, freight is to be FOB destination. Any of Supplier's expenses that UC agrees to reimburse will be reimbursed under UC's Meal and Travel Expense Policy, which may be found at <http://www.ucop.edu/central-travel-management/resources/index.html>. Where applicable, Supplier will pay all taxes imposed on Supplier. Notwithstanding any other provision to the contrary, UC will not be responsible for any fees, interest or surcharges Supplier wishes to impose.

ARTICLE 4 – INSPECTION

The Goods and/or Services furnished will be exactly as specified in the Agreement, free from all defects in Supplier's performance, design, workmanship and materials, and, except as otherwise provided in the Agreement, will be subject to inspection and test by UC at all times and places. If, prior to final acceptance, any Goods and/or Services furnished are found to be incomplete, or not as specified, UC may reject them, require Supplier to correct them without charge, or require provision of such Goods and/or Services at a reduction in price that is equitable under the circumstances. If Supplier is unable or refuses to correct such items within a time UC deems reasonable, UC may terminate the Agreement in whole or in part. Supplier will bear all risks as to rejected Goods and/or Services and, in addition to any costs for which Supplier may become liable to UC under other provisions of the Agreement, will reimburse UC for all transportation costs, other related costs incurred, or payments to Supplier in accordance with the terms of the Agreement for unaccepted Goods and/or Services and materials and supplies incidental thereto. Notwithstanding final acceptance and payment, Supplier will be liable for latent defects, fraud or such gross mistakes as amount to fraud.

ARTICLE 5 – ASSIGNED PERSONNEL; CHARACTER OF SERVICES

Supplier will provide the Services as an independent contractor and furnish all equipment, personnel and materiel sufficient to provide the Services expeditiously and efficiently, during as many hours per shift and shifts per week, and at such locations as UC may so require. Supplier will devote only its best-qualified personnel to work under the Agreement. Should UC inform Supplier that anyone providing the Services is not working to this standard, Supplier will immediately remove such personnel from providing Services and he or she will not again, without UC's written permission, be assigned to provide Services. At no time will Supplier or Supplier's employees, sub-suppliers, agents, or assigns be considered employees of UC for any purpose, including but not limited to workers' compensation provisions.

ARTICLE 6 – WARRANTIES

In addition to the warranties set forth in Articles 11, 12, 17, 23, 24, 25 and 26 herein, Supplier makes the following warranties. Supplier acknowledges that failure to comply with any of the warranties in the Agreement will constitute a material breach of the Agreement and UC will have the right to terminate the Agreement without damage, penalty, cost or further obligation.

- A. General Warranties. Supplier agrees that the Goods and/or Services furnished under the Agreement will be covered by the most favorable warranties Supplier gives to any customer for the same or substantially similar goods or services, or such other more favorable warranties as specified in the Agreement. The rights and remedies so provided are in addition to and do not limit any rights afforded to UC by any other article of the Agreement.
- B. Permits and Licenses. Supplier agrees to procure all necessary permits or licenses and abide by all applicable laws, regulations and ordinances of the United States and of the state, territory and political subdivision or any other country in which the Goods and/or Services are provided.
- C. Federal and State Water and Air Pollution Laws. Where applicable, Supplier warrants that it complies with the requirements in UC Business and Finance Bulletin BUS-56 (Materiel Management; Purchases from Entities Violating State

or Federal Water or Air Pollution Laws). Consistent with California Government Code 4477, these requirements do not permit UC to contract with entities in violation of Federal or State water or air pollution laws.

- D. Accessibility Requirements. Supplier warrants that:
 - 1. It complies with California and federal disabilities laws and regulations; and
 - 2. The Goods and/or Services will conform to the accessibility requirements of WCAG 2.0AA. Supplier agrees to promptly respond to and resolve any complaint regarding accessibility of its Goods and/or Services.
- E. Warranty of Quiet Enjoyment. Supplier warrants that Supplier has the right to use all intellectual property that will be needed to provide the Services.
- F. California Child Abuse and Neglect Reporting Act ("CANRA"). Where applicable, Supplier warrants that it complies with CANRA.
- G. Debarment and Suspension. Supplier warrants that it is not presently debarred, suspended, proposed for debarment, or declared ineligible for award of federal contracts or participation in federal assistance programs or activities.
- H. UC Trademark Licensing Code of Conduct. If the Goods will bear UC's name (including UC campus names, abbreviations of these names, UC logos, UC mascots, or UC seals) or other trademarks owned by UC, Supplier warrants that it holds a valid license from UC and complies with the Trademark Licensing Code of Conduct policy, available at: <http://policy.ucop.edu/doc/3000130/TrademarkLicensing>.
- I. Outsourcing (Public Contract Code 12147) Compliance. Supplier warrants that if the Agreement will displace UC employees, no funds paid under the Agreement will be used to train workers who are located outside of the United States, or plan to relocate outside the United States as part of the Agreement. Additionally, Supplier warrants that no work will be performed under the Agreement with workers outside the United States, except as described in Supplier's bid. If Supplier or its sub-supplier performs the Agreement with workers outside the United States during the life of the Agreement and Supplier did not describe such work in its bid, Supplier acknowledges and agrees that (a) UC may terminate the Agreement without further obligation for noncompliance, and (b) Supplier will forfeit to UC the amount UC paid for the percentage of work that was performed with workers outside the United States and not described in Supplier's bid.

ARTICLE 7 – INTELLECTUAL PROPERTY, COPYRIGHT AND PATENTS

- A. Goods and/or Services Involving Work Made for Hire.
 - 1. Unless UC indicates that the Goods and/or Services do not involve work made for hire, Supplier acknowledges and agrees that any deliverables provided to UC by Supplier in the performance of the Agreement, and any intellectual property rights therein, (hereinafter the "Deliverables") will be owned by UC. The Deliverables will be considered "work made for hire" under U.S. copyright law ("Work Made For Hire") and all right, title, and interest to and in such Deliverables including, but not limited to, any and all copyrights or trademarks, will be owned by UC. In the event that it is determined that UC is not the owner of such Deliverables under the "work made for hire" doctrine of U.S. copyright law, Supplier hereby irrevocably assigns to UC all right, title, and interest to and in such Deliverables and any copyrights or trademarks thereto.
 - 2. The Deliverables must be new and original. Supplier must not use any pre-existing copyrightable or trademarked images, writings, or other proprietary materials (hereinafter "Pre-Existing Materials") in the Deliverables without UC's prior written permission. In the event that Supplier uses any Pre-Existing Materials in the Deliverables in which Supplier has an ownership interest, UC is hereby granted, and will have, a non-exclusive, royalty-free, irrevocable, perpetual, paid-up, worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, perform, display publicly, sell, and otherwise distribute such Pre-Existing Materials in connection with the Deliverables.
 - 3. Whenever any invention or discovery is made or conceived by Supplier in the course of or in connection with the Agreement, Supplier will promptly furnish UC complete information with respect thereto and UC will have the sole power to determine whether and where a patent application will be filed and to determine the disposition of title to and all rights under any application or patent that may result.
 - 4. Supplier is specifically subject to an obligation to, and hereby does, assign all right, title and interest in any such intellectual property rights to UC as well as all right, title and interest in tangible research products embodying any such inventions whether the inventions are patentable or not. Supplier agrees to promptly execute any additional documents or forms that UC may require in order to effectuate such assignment.
- B. Goods and/or Services Not Involving Work Made for Hire.
 - 1. If UC has specifically specified elsewhere in this Agreement that the Goods and/or Services do not involve work made for hire, and in the event that Supplier uses any Pre-Existing Materials in the Deliverables in which Supplier has an ownership interest, UC is hereby granted, and will have, a non-exclusive, royalty-free, irrevocable, perpetual, paid-up, worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, perform, display publicly, sell, and otherwise distribute such Pre-Existing Materials in connection with the Deliverables.

2. The Deliverables must be new and original. Supplier must not use any Pre-Existing Materials in the Deliverables without UC's prior written permission.
 3. Whenever any invention or discovery is made or conceived by Supplier in the course of or in connection with the Agreement, Supplier will promptly furnish UC complete information with respect thereto and UC will have the sole power to determine whether and where a patent application will be filed and to determine the disposition of title to and all rights under any application or patent that may result.
 4. Supplier is specifically subject to an obligation to, and hereby does, assign all right, title and interest in any such intellectual property rights to UC as well as all right, title and interest in tangible research products embodying any such inventions whether the inventions are patentable or not. Supplier agrees to promptly execute any additional documents or forms that UC may require in order to effectuate such assignment.
- C. General. Should the Goods and/or Services become, or in Supplier's opinion be likely to become, the subject of a claim of infringement of any patent, copyright, trademark, trade name, trade secret, or other proprietary or contractual right of any third party, Supplier will provide prompt written notice to UC of the circumstances giving rise to such claim or likely claim. In the event that UC receives notice of a claim of infringement or is made a party to or is threatened with being made a party to any claim of infringement related to the Goods and/or Services, UC will provide Supplier with notice of such claim or threat. Following receipt of such notice, Supplier will either (at Supplier's sole election) (i) procure for UC the right to continue to use the affected portion of the Goods and/or Services, or (ii) replace or otherwise modify the affected portion of the Services to make them non-infringing, or obtain a reasonable substitute product for the affected portion of the Goods and/or Services, provided that any replacement, modification or substitution under this paragraph does not effect a material change in the Goods and/or Services' functionality. If none of the foregoing options is reasonably acceptable to UC, UC will have the right to terminate the Agreement without damage, penalty, cost or further obligation.

ARTICLE 8 – INDEMNITY

Supplier will defend, indemnify, and hold harmless UC, its officers, employees, and agents, from and against all losses, expenses (including, without limitation, reasonable attorneys' fees and costs), damages, and liabilities of any kind resulting from or arising out of the Agreement, including the performance hereunder of Supplier, its officers, employees, agents, sub-suppliers, or anyone directly or indirectly employed by Supplier, or any person or persons under Supplier's direction and control, provided such losses, expenses, damages and liabilities are due or claimed to be due to the acts or omissions of Supplier, its officers, employees, agents, sub-suppliers, or anyone directly or indirectly employed by Supplier, or any person or persons under Supplier's direction and control. UC agrees to provide Supplier with prompt notice of any such claim or action and to permit Supplier to defend any claim or action, and that UC will cooperate fully in such defense. UC retains the right to participate in the defense against any such claim or action, and the right to consent to any settlement, which consent will not unreasonably be withheld. To the extent the terms of this Agreement apply or extend to multiple UC Locations and UC Affiliate Locations, Supplier will defend, indemnify and hold harmless each Customer and its officers, employees and agents on the same terms as those specified in this Article 8. For the avoidance of doubt, to the extent the terms of the Agreement apply or extend to UC Affiliate Locations, UC is not responsible for the acts or omissions of any UC Affiliate Location. UC Affiliate Locations shall remain liable for each such UC Affiliate Location's compliance or non-compliance with the terms of the Agreement as it pertains to the Statement of Work or Purchase Order(s) of such UC Affiliate Location.

ARTICLE 9 – INSURANCE

Supplier, at its sole cost and expense, will insure its activities in connection with providing the Goods and/or Services and obtain, keep in force, and maintain the following insurance with the minimum limits set forth below, unless UC specifies otherwise:

- A. Commercial Form General Liability Insurance (contractual liability included) with limits as follows:
 1. Each Occurrence \$ 2,000,000
 2. Products/Completed Operations Aggregate \$ 5,000,000
 3. Personal and Advertising Injury \$ 2,000,000
 4. General Aggregate \$ 5,000,000
- B. Business Automobile Liability Insurance for owned, scheduled, non-owned, or hired automobiles with a combined single limit of not less than one million dollars (\$1,000,000) per occurrence. (Required only if Supplier drives on UC premises or transports UC employees, officers, invitees, or agents in the course of supplying the Goods and/or Services to UC.)
- C. If applicable, Professional Liability Insurance with a limit of two million dollars (\$2,000,000) per occurrence with an aggregate of not less than two million dollars (\$2,000,000). If this insurance is written on a claims-made form, it will continue for three years following termination of the Agreement. The insurance will have a retroactive date of placement prior to or coinciding with the effective date of the Agreement.

- D. Workers' Compensation as required by applicable state law and Employer's Liability with limits of one million dollars (\$1,000,000) per occurrence.
- E. If applicable, Supplier Fidelity Bond or Crime coverage for the dishonest acts of its employees in a minimum amount of one million dollars (\$1,000,000). Supplier will endorse such policy to include a "Regents of the University of California Coverage" or "Joint Payee Coverage" endorsement. UC and, if so requested, UC's officers, employees, agents and sub-suppliers will be named as "Loss Payee, as Their Interest May Appear" in such Fidelity Bond.
- F. Additional other insurance in such amounts as may be reasonably required by UC against other insurable risks relating to performance. If the above insurance is written on a claims-made form, it will continue for three years following termination of the Agreement. The insurance will have a retroactive date of placement prior to or coinciding with the effective date of the Agreement. If the above insurance coverage is modified, changed or cancelled, Supplier will provide UC with not less than fifteen (15) days' advance written notice of such modification, change, or cancellation, and will promptly obtain replacement coverage that complies with this Article.
- G. The coverages referred to under A and B of this Article must include UC as an additional insured. It is understood that the coverage and limits referred to under A, B and C of this Article will not in any way limit Supplier's liability. Supplier will furnish UC with certificates of insurance (and the relevant endorsement pages) evidencing compliance with all requirements prior to commencing work under the Agreement. Such certificates will:
 - 1. Indicate that The Regents of the University of California has been endorsed as an additional insured for the coverage referred to under A and B of this Article. This provision will only apply in proportion to and to the extent of the negligent acts or omissions of Supplier, its officers, agents, or employees.
 - 2. Include a provision that the coverage will be primary and will not participate with or be excess over any valid and collectible insurance or program of self-insurance carried or maintained by UC.

ARTICLE 10 – USE OF UC NAME AND TRADEMARKS

Supplier will not use the UC name, abbreviation of the UC name, trade names and/or trademarks (i.e., logos and seals) or any derivation thereof, in any form or manner in advertisements, reports, or other information released to the public, or place the UC name, abbreviations, trade names and/or trademarks or any derivation thereof on any consumer goods, products, or services for sale or distribution to the public, without UC's prior written approval. Supplier agrees to comply at all times with California Education Code Section 92000.

ARTICLE 11 – FEDERAL ACQUISITION REGULATIONS – COMMERCIAL GOODS AND SERVICES

[NOTE TO BUYER: MAY ONLY BE DELETED IF THERE IS CERTAINTY THAT NO FEDERAL FUNDS OF ANY KIND ARE OR WILL BE USED TO PURCHASE SERVICES FROM SUPPLIER.]

Supplier who supplies commercial materials, supplies or services certifies and represents its compliance with the following clauses, as applicable. Supplier shall promptly notify UC of any change of status with regard to these certifications and representations. These certifications and representations are material statements upon which UC will rely:

- A. FAR 52.203-13, Contractor Code of Business Ethics and Conduct;
- B. FAR 52.219-8, Utilization of Small Business Concerns;
- C. FAR 52.222-04, Contract Work Hours and Safety Standards Act;
- D. FAR 52.222-17, Nondisplacement of Qualified Workers;
- E. FAR 52.222-21, Prohibition of Segregated Facilities;
- F. FAR 52.222-26, Equal Opportunity;
- G. FAR 52.222-35, Equal Opportunity for Veterans;
- H. FAR 52.222-36, Equal Opportunity for Workers with Disabilities;
- I. FAR 52.222-37, Employment Reports on Veterans;
- J. FAR 52.222-40, Notification of Employee Rights Under the National Labor Relations Act;
- K. FAR 52.222-41, Service Contract Act Labor Standards;
- L. FAR 52.222-50, Combating Trafficking in Persons;
- M. FAR 52.222-51, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements;
- N. FAR 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements;
- O. FAR 52.222-54, Employment Eligibility Verification;
- P. FAR 52.222-55, Minimum Wages Under Executive Order 13658;
- Q. FAR 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations; and

R. FAR 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels.

In these provisions, the term "contractor" as used therein will refer to Supplier, and the terms "Government" or "Contracting Officer" as used therein will refer to UC. Where a purchase of items is for fulfillment of a specific U.S. Government prime or subcontract, additional information and/or terms and conditions may be included in an attached supplement. By submitting an invoice to UC, Supplier is representing to UC that, at the time of submission:

1. Neither Supplier nor its principals are presently debarred, suspended, or proposed for debarment by the U.S. government (see FAR 52.209-6);
2. Supplier has filed all compliance reports required by the Equal Opportunity clause (see FAR 52.222-22); and
3. Any Supplier representations to UC about U.S. Small Business Administration or state and local classifications, including but not limited to size standards, ownership, and control, are accurate and complete.

ARTICLE 12 – EQUAL OPPORTUNITY AFFIRMATIVE ACTION

Supplier will abide by the requirements set forth in Executive Orders 11246 and 11375. Where applicable, Supplier will abide by 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a), incorporated by reference with this statement: **"This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability."** With respect to activities occurring in the State of California, Supplier agrees to adhere to the California Fair Employment and Housing Act. Supplier will provide UC on request a breakdown of its labor force by groups as specified by UC, and will discuss with UC its policies and practices relating to its affirmative action programs. Supplier will not maintain or provide facilities for employees at any establishment under its control that are segregated on a basis prohibited by federal law. Separate or single-user restrooms and necessary dressing or sleeping areas must be provided, however, to ensure privacy.

ARTICLE 13 – LIENS

Supplier agrees that upon UC's request, Supplier will submit a sworn statement setting forth the work performed or material furnished by sub-suppliers and material men, and the amount due and to become due to each, and that before the final payment called for under the Agreement, will upon UC's request submit to UC a complete set of vouchers showing what payments have been made for such work performed or material furnished. Supplier will promptly notify UC in writing, of any claims, demands, causes of action, liens or suits brought to its attention that arise out of the Agreement. UC will not make final payment until Supplier, if required, delivers to UC a complete release of all liens arising out of the Agreement, or receipts in full in lieu thereof, as UC may require, and if required in either case, an affidavit that as far as it has knowledge or information, the receipts include all the labor and materials for which a lien could be filed; but Supplier may, if any sub-supplier refuses to furnish a release or receipt in full, furnish a bond satisfactory to UC to indemnify it against any claim by lien or otherwise. If any lien or claim remains unsatisfied after all payments are made, Supplier will refund to UC all monies that UC may be compelled to pay in discharging such lien or claim, including all costs and reasonable attorneys' fees.

ARTICLE 14 – PREMISES WHERE SERVICES ARE PROVIDED

- A. Cleaning Up. Supplier will at all times keep UC premises where the Services are performed and adjoining premises free from accumulations of waste material or rubbish caused by its employees or work of any of its sub-suppliers, and, at the completion of the Services, will remove all rubbish from and about the premises and all its tools, scaffolding, and surplus materials, and will leave the premises "broom clean" or its equivalent, unless more exactly specified. In case of dispute between Supplier and its sub-suppliers as to responsibility for the removal of the rubbish, or if it is not promptly removed, UC may remove the rubbish and charge the cost to Supplier.
- B. Environmental, Safety, Health and Fire Protection. Supplier will take all reasonable precautions in providing the Goods and Services to protect the health and safety of UC employees and members of the public and to minimize danger from all hazards to life and property, and will comply with all applicable environmental protection, health, safety, and fire protection regulations and requirements (including reporting requirements). In the event that Supplier fails to comply with such regulations and requirements, UC may, without prejudice to any other legal or contractual rights of UC, issue an order stopping all or any part of the provision of the Goods and/or Services; thereafter a start order for resumption of providing the Goods and/or Services may be issued at UC's discretion. Supplier will not be entitled to make a claim for extension of time or for compensation or damages by reason of or in connection with such stoppage. Supplier will have sole responsibility for the safety of all persons employed by Supplier and its sub-suppliers on UC premises, or any other person

who enters upon UC premises for reasons relating to the Agreement. Supplier will at all times maintain good order among its employees and all other persons who come onto UC's premises at Supplier's request and will not engage any unfit or unskilled person to provide the Goods and/or Services. Supplier will confine its employees and all other persons who come onto UC's premises at Supplier's request or for reasons relating to the Agreement and its equipment to that portion of UC's premises where the Services are to be provided or to roads leading to and from such work sites, and to any other area which UC may permit Supplier to use. Supplier will take all reasonable measures and precautions at all times to prevent injuries to or the death of any of its employees or any other person who enters upon UC premises at Supplier's request. Such measures and precautions will include, but will not be limited to, all safeguards and warnings necessary to protect workers and others against any conditions on the premises that could be dangerous and to prevent accidents of any kind whenever the Goods and/or Services are being provided in proximity to any moving or operating machinery, equipment or facilities, whether such machinery, equipment or facilities are the property of or are being operated by, Supplier, its sub-suppliers, UC or other persons. To the extent compliance is required, Supplier will comply with all relevant UC safety rules and regulations when on UC premises.

- C. Tobacco-free Campus. UC is a tobacco-free institution. Use of cigarettes, cigars, oral tobacco, electronic cigarettes and all other tobacco products is prohibited on all UC owned or leased sites.

ARTICLE 15 -- LIABILITY FOR UC - FURNISHED PROPERTY

Supplier assumes complete liability for any materials UC furnishes to Supplier in connection with the Agreement and Supplier agrees to pay for any UC materials Supplier damages or otherwise is not able to account for to UC's satisfaction. UC furnishing to Supplier any materials in connection with the Agreement will not, unless otherwise expressly provided in writing by UC, be construed to vest title thereto in Supplier.

ARTICLE 16 -- COOPERATION

Supplier and its sub-suppliers, if any, will cooperate with UC and other suppliers and will ensure that other cooperating suppliers will not be hindered, delayed or interfered with in the progress of their work, and so that all of such work will be finished and complete job of its kind.

ARTICLE 17 -- ADDITIONAL TERMS APPLICABLE TO THE FURNISHING OF GOODS

The terms in this Article have special application to the furnishing of Goods:

- A. Price Decreases. Supplier agrees immediately to notify UC of any price decreases from its suppliers, and to pass through to UC any price decreases. To the extent the Agreement extends to multiple UC Locations and UC Affiliate Locations, Supplier's obligations shall apply to each UC Location and UC Affiliate Location.
- B. Declared Valuation of Shipments. Except as otherwise provided in the Agreement, all shipments by Supplier under the Agreement for UC's account will be made at the maximum declared value applicable to the lowest transportation rate or classification and the bill of lading will so note.
- C. Title. Title to the Goods purchased under the Agreement will pass directly from Supplier to UC at the f.o.b. point shown, or as otherwise specified in the Agreement, subject to UC's right to reject upon inspection. To the extent the Agreement extends to multiple UC Locations and UC Affiliate Locations, title to the Goods purchased by a Customer will pass directly from Supplier to such Customer at the f.o.b. point shown, or as otherwise specified in the Agreement, subject to such Customer's right to reject upon inspection.
- D. Changes. UC may make changes within the general scope of the Agreement in drawings and specifications for specially manufactured Goods, place of delivery, method of shipment or packing of the Goods by giving notice to Supplier and subsequently confirming such changes in writing. If such changes affect the cost of or the time required for performance of the Agreement, UC and Supplier will agree upon an equitable adjustment in the price and/or delivery terms. Supplier may not make changes without UC's written approval. Any claim of Supplier for an adjustment under the Agreement must be made in writing within thirty (30) days from the date Supplier receives notice of such change unless UC waives this condition in writing. Nothing in the Agreement will excuse Supplier from proceeding with performance of the Agreement as changed hereunder. Supplier may not alter or misbrand, within the meaning of the applicable Federal and State laws, the Goods furnished.
- E. Forced, Convict and Indentured Labor. Supplier warrants that no foreign-made Goods furnished to UC pursuant to the Agreement will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction. If UC determines that Supplier knew or should have known that it was breaching this warranty, UC may, in addition to terminating the Agreement, remove Supplier from consideration for UC contracts for a period not to exceed one year. This warranty is in addition to an applicable warranties in Articles 6 and 11.

- F. Export Control. If any of the Goods is export-controlled under the International Traffic in Arms Regulations (22 C.F.R. §§ 120-130), the United States Munitions List (22 CFR § 121.1), or Export Administration Regulations (15 CFR §§ 730-774) 500 or 600 series, or controlled on a military strategic goods list, Supplier agrees to provide UC (the contact listed on the Purchase Order) with written notification that identifies the export-controlled Goods and such Goods' export classification.

ARTICLE 18 – CONFLICT OF INTEREST

Supplier affirms that, to the best of Supplier's knowledge, no UC employee who has participated in UC's decision-making concerning the Agreement has an "economic interest" in the Agreement or Supplier. A UC employee's "economic interest" means:

- A. An investment worth \$2,000 or more in Supplier or its affiliate;
- B. A position as director, officer, partner, trustee, employee or manager of Supplier or its affiliate;
- C. Receipt during the past 12 months of \$500 in income or \$440 in gifts from Supplier or its affiliate; or
- D. A personal financial benefit from the Agreement in the amount of \$250 or more.

In the event of a change in these economic interests, Supplier will provide written notice to UC within thirty (30) days after such change, noting such changes. Supplier will not be in a reporting relationship to a UC employee who is a near relative, nor will a near relative be in a decision making position with respect to Supplier.

ARTICLE 19 – AUDIT REQUIREMENTS

The Agreement is subject to the examination and audit of the Auditor General of the State of California or Comptroller General of the United States or designated Federal authority for a period of up to five (5) years after final payment under the Agreement. UC, and if the underlying grant or cooperative agreement so provides, the other contracting party or grantor (and if that be the United States or an instrumentality thereof, then the Comptroller General of the United States) will have access to and the right to examine Supplier's pertinent books, documents, papers, and records involving transactions and work related to the Agreement until the expiration of five (5) years after final payment under the Agreement. The examination and audit will be confined to those matters connected with the performance of the Agreement, including the costs of administering the Agreement.

ARTICLE 20 – PROHIBITION ON UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION

Supplier agrees to hold UC's Confidential Information, and any information derived therefrom, in strict confidence. Confidential Information shall be defined as any information disclosed by UC to Supplier for the purposes of providing the Good and/or Services which is (i) marked as "Confidential" at the time of disclosure; (ii) disclosed orally, identified at the time of such oral disclosure as confidential, and reduced to writing as "Confidential" within thirty (30) days of such oral disclosure; and (iii) if not marked as "Confidential," information that would be considered by a reasonable person in the relevant field to be confidential given its content and the circumstances of its disclosure. Confidential Information will not include information that: (i) Supplier can demonstrate by written records was known to Supplier prior to the effective date of the Agreement; (ii) is currently in, or in the future enters, the public domain other than through a breach of the Agreement or through other acts or omissions of Supplier; (iii) is obtained lawfully from a third party; or (iv) is disclosed under the California Public Records Act or legal process. Supplier will not access, use or disclose Confidential Information other than to carry out the purposes for which UC disclosed the Confidential Information to Supplier, except as permitted or required by applicable law, or as otherwise authorized in writing by UC. For avoidance of doubt, this provision prohibits Supplier from using for its own benefit Confidential Information and any information derived therefrom. If required by a court of competent jurisdiction or an administrative body to disclose Confidential Information, Supplier will notify UC in writing immediately upon receiving notice of such requirement and prior to any such disclosure (unless Supplier is prohibited by law from doing so), to give UC an opportunity to oppose or otherwise respond to such disclosure. Supplier's transmission, transportation or storage of Confidential Information outside the United States, or access of Confidential Information from outside the United States, is prohibited except with prior written authorization by UC. UC's Appendix – Data Security and Privacy and/or Appendix – HIPAA Business Associate.

To the extent the Agreement extends to multiple UC Locations and UC Affiliate Locations, Supplier's obligations in this Section shall apply to each Customer's Confidential Information.

ARTICLE 21 – UC WHISTLEBLOWER POLICY

UC is committed to conducting its affairs in compliance with the law, and has established a process for reporting and investigating suspected improper governmental activities. Please visit <http://www.ucop.edu/uc-whistleblower/> for more information.

ARTICLE 22 – ENVIRONMENTALLY PREFERABLE PRODUCTS

Supplier will use environmentally preferable products and services (i.e., products and services with a lesser or reduced effect on human health and the environment), to the maximum possible extent consistent with the Agreement. Information on environmentally preferable products and services is available at: <http://www.epa.gov/opptintr/epp/>.

ARTICLE 23 – PATIENT PROTECTION AND AFFORDABLE CARE ACT (PPACA) EMPLOYER SHARED RESPONSIBILITY

If the Services involve Supplier furnishing UC with temporary or supplementary staffing, Supplier warrants that:

- A. If Supplier is an Applicable Large Employer (as defined under Treasury Regulation Section 54.4980H-1(a)(4)):
 - 1. Supplier offers health coverage to its full-time employees who are performing Services for UC;
 - 2. Supplier's cost of enrolling such employees in Supplier's health plan is factored into the fees for the Services; and
 - 3. The fees for the Services are higher than what the Services would cost if Supplier did not offer health coverage to such full-time employees.
- B. If Supplier is not an Applicable Large Employer (as defined above):
 - 1. Supplier offers group health coverage to its full-time employees who are performing Services for UC and such coverage is considered Minimum Essential Coverage (as defined under Treasury Regulation Section 1-5000A-2) and is Affordable (as defined under Treasury Regulation Section 54.4980H-5(e)); or
 - 2. Supplier's full-time employees who are performing services for UC have individual coverage and such coverage satisfies the PPACA requirements for mandated individual coverage.

Supplier acknowledges that UC is relying on these warranties to ensure UC's compliance with the PPACA Employer Shared Responsibility provision.

ARTICLE 24 - PREVAILING WAGES

Unless UC notifies Supplier that the Services are not subject to prevailing wage requirements, Supplier will comply, and will ensure that all sub-suppliers comply, with California prevailing wage provisions, including but not limited to those set forth in Labor Code sections 1770, 1771, 1771.1, 1772, 1773, 1773.1, 1774, 1775, 1776, 1777.5, and 1777.6. For purposes of the Agreement, the term "sub-supplier" means a person or firm, of all tiers, that has a contract with Supplier or with a sub-supplier to provide a portion of the Services. The term sub-supplier will not include suppliers, manufacturers, or distributors. Specifically, and not by way of limitation, if apprenticeship occupations are involved in providing the Services, Supplier will be responsible for ensuring that Supplier and any sub-suppliers comply with Labor Code Section 1777.5. Supplier and sub-supplier may not provide the Services unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5 and 1771.1. Notwithstanding the foregoing provisions, Supplier will be solely responsible for tracking and ensuring proper payment of prevailing wages regardless if Services are partially or wholly subject to prevailing wage requirements. In every instance, Supplier will not pay less than the UC Fair Wage (defined as \$13 per hour as of 10/1/15, \$14 per hour as of 10/1/16, and \$15 per hour as of 10/1/17) for Services being performed at a UC Location.

The California Department of Industrial Relations (DIR) has ascertained the general prevailing per diem wage rates in the locality in which the Services are to be provided for each craft, classification, or type of worker required to provide the Services. A copy of the general prevailing per diem wage rates will be on file at each UC Location's procurement office, and will be made available to any interested party upon request. Supplier will post at any job site:

- A. Notice of the general prevailing per diem wage rates, and
- B. Any other notices required by DIR rule or regulation.

By this reference, such notices are made part of the Agreement. Supplier will pay not less than the prevailing wage rates, as specified in the schedule and any amendments thereto, to all workers employed by Supplier in providing the Services. Supplier will cause all subcontracts to include the provision that all sub-suppliers will pay not less than the prevailing rates to all workers employed by such sub-suppliers in providing the Services. The Services are subject to compliance monitoring and enforcement by the DIR. Supplier will forfeit, as a penalty, not more than \$200 for each calendar day or portion thereof for each worker that

is paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any portion of the Services provided by Supplier or any sub-supplier. The amount of this penalty will be determined pursuant to applicable law. Such forfeiture amounts may be deducted from the amounts due under the Agreement. If there are insufficient funds remaining in the amounts due under the Agreement, Supplier will be liable for any outstanding amount remaining due. Supplier will also pay to any worker who was paid less than the prevailing wage rate for the work or craft for which the worker was employed for any portion of the Services, for each day, or portion thereof, for which the worker was paid less than the specified prevailing per diem wage rate, an amount equal to the difference between the specified prevailing per diem wage rate and the amount which was paid to the worker. Review of any civil wage and penalty assessment will be made pursuant to California Labor Code section 1742.

ARTICLE 25 – FAIR WAGE/FAIR WORK

If the Services will be performed at one or more UC Locations, do not involve furnishing goods, and are not subject to extramural awards containing sponsor-mandated terms and conditions, Supplier warrants that it is in compliance with applicable federal, state and local working conditions requirements, including but not limited to those set forth in Articles 11, 12 and 14 herein, and that Supplier pays its employees performing the Services no less than the UC Fair Wage. Supplier agrees UC may conduct such UC Fair Wage/Fair Work interim compliance audits as UC reasonably requests, as determined in UC's sole discretion. Supplier agrees to post UC Fair Wage/Fair Work notices, in the form supplied by UC, in public areas (such as break rooms and lunch rooms) frequented by Supplier employees who perform Services.

For Services that exceed \$100,000 annually and are not subject to prevailing wage requirements, Supplier will, a) at Supplier's expense, provide an annual independent audit performed by Supplier's independent auditor or independent internal audit department (<http://na.theiia.org/standards-guidance/topics/Pages/Independence-and-Objectivity.aspx>) in compliance with UC's required audit standards and procedures (http://www.ucop.edu/procurement-services/_files/fw-fw-annual-audit-standards-procedures.pdf), concerning Supplier's compliance with this provision, and b) ensure that in the case of a UC interim audit, its auditor makes available to UC its UC Fair Wage/Fair Work work papers for the most recently audited time period. Supplier agrees to provide UC with a UC Fair Wage/Fair Work certification annually, in a form acceptable to UC, no later than ninety days after each one year anniversary of the agreement's effective date, for the twelve months immediately preceding the anniversary date.

ARTICLE 26 – GOVERNMENT HEALTH CARE PROGRAMS

Neither Supplier nor its employees nor agents is now nor has ever been excluded, suspended, debarred, or otherwise sanctioned or made ineligible from participation in any government sponsored program, including any federal or state health care program (e.g., Medicare, Medi-Cal), and no proceedings, investigations, or inquiries are currently pending or threatened by any federal or state agency as a result of which Supplier or its employees or agents could be excluded, sanctioned, debarred or otherwise made ineligible from participation in any government sponsored program or sanctioned for any violation of any rule or regulation of such programs (excluding denial of reimbursement or payment of any specific claim or claims). Supplier will immediately provide written notice to UC of any such pending or threatened investigation or inquiry upon becoming aware of such investigation or inquiry. Any breach of this Section shall give UC the right to terminate the Agreement immediately for cause.

ARTICLE 27 – COMPLIANCE WITH LAWS

Supplier represents and warrants that it is currently, and shall remain throughout the term of the Agreement, in material compliance with applicable laws, rules and regulations, including, but not limited to, those relating to participation in the Medicare and Medi-Cal programs, the False Claims Act, the Civil Monetary Penalties Law, the Federal anti-kickback statute, and corresponding state laws; the Health Insurance Portability and Accountability Act of 1996, as amended, and its implementing regulations ("HIPAA"), the California Confidentiality of Medical Information Act ("CMIA"), and all other applicable, state, local and federal requirements.

The Parties acknowledge that this Agreement, together with other contracts between Supplier and UC, will be included on the master list of physician contracts maintained by UC, as applicable.

ARTICLE 28 – ACCESS TO BOOKS AND RECORDS

- a. As and to the extent required by law, upon the written request of the Secretary of the U.S. Department of Health and Human Services ("Secretary") or the U.S. Comptroller General or any of their duly authorized representatives,

Supplier shall make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing the Goods and/or Services under the Agreement. Such inspection shall be available for up to four (4) years after the provision of such Goods and/or Services.

- b. If Supplier is requested to disclose books, documents or records pursuant to this Section for any purpose, Supplier shall notify UC of the nature and scope of such request within ten (10) days of receiving such request, and Supplier shall make available, upon written request by UC, all such books, documents or records.
- c. If Supplier carries out any of the duties of the Agreement through a subcontract with a value of \$10,000.00 or more over a twelve (12) month period with a related individual or organization (as that term is defined in 42 C.F.R. § 420.300), Supplier agrees to include this requirement in any such subcontract.
- d. Supplier shall indemnify and hold harmless UC if any amount of reimbursement is denied or disallowed because of Supplier's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount or reimbursement denied, plus any interest, penalties and legal costs.
- e. This Section is included pursuant to and is governed by the requirements of 42 U.S.C. § 1395x(v)(1) and the regulations thereto. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by UC or Supplier by virtue of the Agreement.

ARTICLE 29 – NO REQUIREMENT TO REFER; FAIR MARKET VALUE

The Parties expressly acknowledge and agree that it is their intent to comply fully with all federal, state, and local laws, rules, and regulations. Supplier and UC each declare their intent that none of the terms of the Agreement are in exchange for any direct or indirect patient referrals or any arranged for, recommended, or promised referrals of patients. It is not the purpose nor is it a requirement of the Agreement to offer or receive any remuneration or benefit of any nature or to solicit, require, induce, or encourage the referral of any patient, the payment for which may be made in whole or in part by Medicare or Medi-Cal. No payment made or received under the Agreement is in return for the referral of patients or in return for the purchasing, leasing, ordering, or arranging for or recommending the purchasing, leasing, or ordering of any goods, service, item, or product for which payment may be made in whole or in part under Medicare or Medi-Cal. Any payments made by UC, to Supplier represent the fair market value of the Services rendered under this Agreement and are not in any way related to or depend upon referrals by and between the Parties. Supplier shall disclose to UC and Customer, as applicable, the existence of any financial relationship Supplier currently has or enters in to during the term of the Agreement with a physician (or entity composed of or employing a physician) who Supplier has reason to believe is a member of the medical staff of any UC facility, as applicable. The Agreement is not intended to influence a medical professional's judgment in choosing the medical facility appropriate for the proper care and treatment of her or his patients.

ARTICLE 30 – DISCLOSURE OF DISCOUNTS

UC acknowledges that discounts, rebates, credit, free goods and services, coupons or other things of value which it may receive from Supplier under the Agreement constitute a discount or reduction in price for purposes of 42 U.S.C. paragraph 1320a-7(b)(3)(A). UC agrees to file all appropriate reports and to properly disclose and reflect all such discounts, rebates, credit, free goods and services, coupons or other things of value or any price reductions in any report filed in connection with state or federal cost reimbursement programs. However, UC agrees not to disclose the prices or the terms and conditions of purchases from Supplier to any person except as required by law in such reports or otherwise.

ARTICLE 31 – PROTECTED HEALTH INFORMATION OR MEDICAL INFORMATION

- A. **No Access to PHI.** Unless UC so specifically indicates in any of the Incorporated Documents, it is not anticipated that Supplier will require access to "Protected Health Information," as defined by the privacy and security standards of HIPAA, the regulations promulgated thereunder by the U.S. Department of Health and Human Services, or "Medical Information" (collectively with Protected Health Information, "PHI"), as defined by the California Confidentiality of Medical Information Act, California Civil Code §§ 56-56.16 or California Health and Safety Code §1280.15 and California Civil Code §§ 1798.82 and 1798.29 in order to perform its obligations under the Agreement. However, in the event that Supplier has unintentionally received PHI, Supplier will notify UC immediately and Supplier shall use commercially reasonable efforts to return the PHI to UC, as applicable, and to maintain the confidentiality of the PHI. Additionally, in the event the nature of the Good and/or Services change such as to require Supplier to have access to

PHI, Supplier will notify UC, as applicable, and Supplier will execute and deliver the UC HIPAA Business Associate Agreement.

- B. Access to PHI.** If UC specifically indicates in any of its Incorporated Documents, it is anticipated that Supplier will have access to "Protected Health Information," as defined by the privacy and security standards of HIPAA, the regulations promulgated thereunder by the U.S. Department of Health and Human Services, or "Medical Information" (collectively with Protected Health Information, "PHI"), as defined by the California Confidentiality of Medical Information Act, California Civil Code §§ 56-56.16 or California Health and Safety Code §1280.15 and California Civil Code §§ 1798.82 and 1798.29 in order to perform its obligations under the Agreement. As part of the Agreement between UC, Supplier will execute and deliver the UC HIPAA Business Associate Agreement, attached hereto. Any and all of UC's medical records and charts created at UC's facilities as a result of performance under this Agreement shall be and shall remain the property of UC. Both during and after the term of this Agreement, Supplier shall be permitted to inspect and/or duplicate any individual charts or records which are: (2) necessary to assist in the defense of any malpractice or similar claim; (2) relevant to any disciplinary action; (3) for educational or research purposes; and/or (4) necessary for Supplier to ensure compliance with all regulatory requirements. Such inspection and/or duplication shall be permitted and conducted pursuant to commonly accepted standards of patient confidentiality in accordance with applicable federal, state and local laws.

ARTICLE 32 - AUDITING

Supplier shall allow UC to audit Supplier for UC's requirements covered by this Agreement, as applicable, at least quarterly. If upon audit by UC, non-compliance in regards to UC policies, and/or this Agreement, are identified, UC may give notice to cure the deficiency, and if such deficiency is not cured to UC'S reasonable satisfaction, UC may terminate this Agreement.

ARTICLE 33 – FORCE MAJEURE

Neither Party will be liable for delays due to causes beyond the party's control (including, but not restricted to, war, civil disturbances, earthquakes, fires, floods, epidemics, quarantine restrictions, freight embargoes, and unusually severe weather).

ARTICLE 34 – ASSIGNMENT AND SUBCONTRACTING

Except as to any payment due hereunder, Supplier may not assign or subcontract the Agreement without UC's written approval. In case such consent is given, the assignee or subcontractor will be subject to all of the terms of the Agreement.

ARTICLE 35 – NO THIRD-PARTY RIGHTS

Nothing in this Agreement is intended to make any person or entity that is not a signer to the Agreement a third-party beneficiary of any right created by this Agreement or by operation of law.

ARTICLE 36 – OTHER APPLICABLE LAWS

Any provision required to be included in a contract of this type by any applicable and valid federal, state or local law, ordinance, rule or regulations will be deemed to be incorporated herein.

ARTICLE 37 – NOTICES

A Party to the Agreement must send any notice required to be given under the Agreement by overnight delivery or by certified mail with return receipt requested, to the other Party's representative at the address specified by such Party.

ARTICLE 38 – SEVERABILITY

If a provision of the Agreement becomes, or is determined to be, illegal, invalid, or unenforceable, that will not affect the legality, validity or enforceability of any other provision of the Agreement or of any portion of the invalidated provision that remains legal, valid, or enforceable.

ARTICLE 39 – WAIVER

Waiver or non-enforcement by either party of a provision of the Agreement will not constitute a waiver or non-enforcement of any other provision or of any subsequent breach of the same or similar provision.

ARTICLE 40 – AMENDMENTS

The Parties may make changes in the Goods and/or Services or otherwise amend the Agreement, but only by a writing signed by both Parties' authorized representatives.

ARTICLE 41 – GOVERNING LAW AND VENUE

California law will control the Agreement and any document to which it is appended. The exclusive jurisdiction and venue for any and all actions arising out of or brought under the Agreement is in a state court of competent jurisdiction, situated in the county in the State of California in which the UC campus is located or, where the procurement covers more than one campus or the Office of the President, the exclusive venue is Alameda County, California.

ARTICLE 42 – SUPPLIER TERMS

Any additional terms that Supplier includes in an order form or similar document will be of no force and effect, unless UC expressly agrees in writing to such terms.

ARTICLE 43 – SURVIVAL CLAUSE

Upon expiration or termination of the Agreement, the following provisions will survive: WARRANTIES; INTELLECTUAL PROPERTY; COPYRIGHT AND PATENTS; INDEMNITY; USE OF UC NAMES AND TRADEMARKS; LIABILITY FOR UC-FURNISHED PROPERTY; COOPERATION; TERMS APPLICABLE TO THE FURNISHING OF GOODS; ACCESS TO BOOKS AND RECORDS; AUDIT REQUIREMENTS; PROHIBITION ON UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION; GOVERNING LAW AND VENUE, and, to the extent incorporated into the Agreement, the terms of the APPENDIX–DATA SECURITY and/or APPENDIX–BUSINESS ASSOCIATES.

APPENDIX B

APPENDIX B TO MASTER UC HEALTH AGREEMENT # _____
TEMPLATE STATEMENT OF WORK

This Statement of Work # ____ ("Statement of Work") is issued pursuant to Master UC Health Agreement # _____ dated _____, 20__ between UC and Supplier ("Statement of Work"). The Statement of Work shall be deemed to be between the specific Customer, [NAME] and Supplier. Any defined term used but not defined in this Statement of Work shall have the meaning ascribed to such term in any of the Incorporated Documents. The terms of the Master UC Health Agreement shall apply to this Statement of Work.

Customer is a:

___ UC Location as defined in the Agreement

___ UC Affiliate Location as defined in the Agreement

1. Title and Description of the Scope of Services

[Buyer: Provide an overview and background of services needed and to be rendered.]

2. Term of Statement of Work

This SOW will begin on _____, 20__ ("Effective Date") and continue through _____, 20__. This SOW may not be renewed or otherwise amended except through a Change Order pursuant to the Change Management section below.

3. Customer Obligations

[Buyer: Include as appropriate language such as: Customer will provide working space, equipment, furniture, utilities, and services, as follows:]

4. Place(s) of Performance

[Buyer: Use this section if appropriate to outline where work will be performed]

Customer's Project Manager, responsible for acceptance/rejection of project results/deliverables, is:

Name			
Phone			
Email			
Address			

5. Assumptions

- a) The following items are not included within the scope of Services to be performed under this SOW:
[Buyer: Delete if not needed]
- b) [Buyer: Add more as needed]
- c) Additional assumptions include the following: [Buyer: Delete if not needed, but list any UC dependencies that must be fulfilled in order for Supplier to perform the Services]
- d) [Buyer: Add more as needed]

6. Additional terms specific to Customer not Addressed in Agreement

[Delete if no additional terms. These terms cannot contradict the Master Agreement or Terms and Conditions.]

7. Payment remittance instructions specific to Customer:

[ADD]

8. Invoices shall be directed to the following individual or office at Customer:

[ADD]

9. All other notices pertaining to this Purchase Order shall be directed to the following individual or office at Customer:

[ADD]

This Statement of Work is signed below by the Parties' duly authorized representatives.

[CUSTOMER NAME]

[SUPPLIER NAME]

(Signature)

(Signature)

(Printed Name, Title)

(Printed Name, Title)

(Date)

(Date)

[For UC Affiliate Locations only:]
UC Location approval:
[UC Location Name]

(Signature)

(Printed Name, Title)

(Date)

4812-1945-2976, v. 1

APPENDIX C

For each Customer, beginning 120 days after the initial Go-Live Date, during the Term of the Agreement, and any extension(s) of the Term, Supplier will provide the following minimum service standards. These metrics shall be measured on a quarterly basis, with the first quarterly measurement period beginning 120 days after the Go Live Date for each Customer. No penalties shall be assessed during the initial 120 day benchmarking period.:

1. Average Time to Booked

Measures average # of days it takes to confirm a candidate for an open order.

Calculation: # of calendar days from date order posted to calendar date candidate is confirmed/booked to that order.

Metric: UC location to approve or reject profile within 2 business days. Aya to respond to all offers within 2 business days and candidates will start within 4 weeks of confirmation. 95% of approved candidates start within 4 weeks and one day of approval. This will not apply on requisitions for future starts that are more than four weeks from requisition date (e.g. pre-recruitment for forecasted/projected seasonal needs).

2. % of Candidates Offered within 2 Business Days of Submission

Measures ability of UC to interview and offer quickly.

Calculation: # of candidates approved or rejected by UC within 2 business days of submission by Aya divided by total # of submissions.

Metric: 95% of candidates approved or rejected within 2 business days of submission (Exceptions to include managers on vacation or leave).

3. Percentage Booked By Requested Start Date

For postings with start dates at least 30 days out, calculate % of candidates booked by requested start date.

Calculation: Total # of candidates that start by posted start date divided by total # of orders posted with 30 day lead time and a defined start date.

Metric: 30 days posting notice: 95%

15-30 days posting notice: 85%

If 15-30 day posting notice exceeds 20% of total postings by UC location, Supplier will not be penalized for falling below 85% fillrate.

4. Credentialing Compliance

Measures the # of clinicians that are fully credentialed and good to go prior to start date.

Calculation: # of candidates credentialed 3 business days prior to start divided by confirmed bookings with a designated start date.

Metric: 100% credentialed on give start if booked 30 days in advance, except as otherwise approved by facility. No credentials lapse during assignment.

5. Number of Delayed Starts

Measures # of candidates that are unable to start upon designated start date and why.

Calculation: # of candidates postponed and started after original start date divided by confirmed starts. Also track reason for postponement. If an acceptable replacement can be provided for an on-time start, but the UC Health facility elects to retain the original candidate, this will not be considered a delayed start.

Metric: Less than 5% of all candidates to have a late start.

6. Unwanted Turnover after Assignment Start

Measures # of confirmed/booked clinicians that are cancelled after they start working.

Calculation: # of assignment extensions accepted by candidate divided by total # offered.

Metric: Less than 15% of all travelers who start cancel. Supplier will request that all candidates who cancel after starting will give reason why they cancelled for UC feedback to develop a prevention plan.

7. Extensions

Measures # of extensions offered and accepted. If candidate declines, reports why

Calculation: # of assignment extensions accepted by candidate divided by total # of extensions offered by UC .

Metric: Notice of renewals will be issued at least 30 days in advance of assignment end date. All candidates if offered an extension and they decline will report a reason as to why not. Target 90% acceptance rate.

8. Invoice Disputes with Reason

Measures total # of disputes on invoices.

Calculation: Total # of disputes.

Metric: Less than 10% of all invoices have disputes without resolution.

9. Pricing Compliance

Measures # and type of bookings where Incentive, critical or non-standard rate is used

Calculation: Bookings with a crisis or non-standard rate divided by total # of bookings.

Metric: Crisis rates are used less than 10%. Natural disasters, union strikes and epidemics (outbreaks) excluded.

10. Quality Feedback on Aya Program Management Team

Quarterly evaluation sent to end users.

Calculation: # of evaluations completed divided by total # of evaluations sent out. Average rating also calculated and tracked quarterly.

Metric: UC Managers will have 80% compliance with evaluations around PMT.

11. Quality Feedback from Travelers

Quarterly evaluation sent to travelers.

Calculation: # of evaluations completed divided by total # of evaluations sent out. Average rating also calculated and tracked quarterly.

Metric: Aya will solicit at least 95% of travelers to complete an evaluation of the facility.

12. Evaluation of Candidates

Measures the # of evaluations that are sent and returned by UC and summary of results.

Calculation: # of evaluations completed divided by total number of evaluations sent out. Average rating also calculated and tracked quarterly.

Metric: UC managers will be 80% compliant in submitting evaluations on all travelers.

Penalties: SLA's will be evaluated on a quarterly basis. For SLA #'s 1,3,4,5 &8, if the supplier does not meet the targeted measurement, supplier agrees to pay per SLA, one half percent (.5%) of fees paid by the applicable Customer to Supplier for the applicable quarter penalty per SLA until corrected with a minimum of thirty (30) day time period. The penalties will be waived if the UC location does not meet their requirements outlined in SLA #'s 1 and 2. Should Supplier's SLA performance metrics fall below the requirement target for the quarter in review, Supplier shall meet with the Customer to discuss a proposed resolution. If Supplier meets the relevant SLA in the 45 day period following the end of the previous quarter, then Customer shall not assess any penalties on Supplier for the prior quarter. If Supplier does not meet the relevant SLA in the 45 day period following the end of the previous quarter, then Customer may assess penalties on Supplier for the prior quarter. If metric falls below target twice in a row then penalty will be immediately imposed without the 45 day cure period.

All SLA's and penalties are UC location specific.

The minimum service standards set forth above recognize that occasional errors are likely; however, Supplier further agrees to use its best efforts to achieve 100% of service levels. Should the service levels fall below the

minimum standards and Supplier does not take corrective action within the 45 days following Customer written notification, UC and/or each Customer reserves the right to terminate the Agreement immediately. A Customer's termination of this Agreement shall terminate only those Purchase Order(s) of such Customer.

**APPENDIX D
Rates**

UC Irvine			
Positions 10/12 Hour Roles	Unblended rate with 1.35 OT	Blended Equivalent 12 Hr Shift	Blended Equivalent 10 Hr Shift
Non-Specialty	\$63.73	\$71.17	\$68.19
Specialty	\$68.96	\$77.00	\$73.79
Advanced Specialty	\$77.31	\$86.33	\$82.72

**Adv. Spec. 2: Cath RN, L&D, IR RN, CVICU, OR*

Positions 8 Hour Roles	Unblended rate with 1.35 OT
Non-Specialty	\$70.00
Specialty	\$75.00
Advanced Specialty	\$85.00
CNA	\$28.00
Medical Assistant	\$33.00

UC San Diego			
Positions 10/12 Hour Roles	Unblended rate with 1.35 OT	Blended Equivalent 12 Hr Shift	Blended Equivalent 10 Hr Shift
Non-Specialty	\$60.60	\$67.67	\$ 64.84
Specialty	\$65.82	\$73.50	\$ 70.43
Advanced Specialty	\$74.18	\$82.83	\$ 79.37

**Adv. Spec. 2: Cath RN, L&D, IR RN, CVICU, OR*

Positions 8 Hour Roles	Unblended Rate with 1.35 OT
Non-Specialty	\$66.50
Specialty	\$73.00
Advanced Specialty	\$82.00
CNA	\$28.00
Medical Assistant	\$33.00

UC Davis			
Positions 10/12 Hour Roles	Unblended Rate with 1.35 OT	Blended Equivalent 12 Hr Shift	Blended Equivalent 10 Hr Shift
Non-Specialty	67.03	74.85	\$ 71.72
Specialty	72.82	81.32	\$ 77.92
Advanced Specialty	77.08	86.07	\$ 82.48

**Adv. Spec. 2: Cath RN, L&D, IR RN, CVICU, OR*

Positions 8 Hour Roles	Unblended Rate with 1.35 OT
Non-Specialty	\$72.00
Specialty	\$77.00
Advanced Specialty	\$87.00
CNA	\$28.00
Medical Assistant	\$33.00

1. General Terms For Contractor Credentialing & Payrolling Services

Upon request from a Customer, Supplier may provide credentialing of independent contractors of the Customers ("Contractors") and payrolling services for employees of Customer ("Payrolled Candidates"). The following terms and conditions govern the provision of these credentialing and payrolling services and control over the Agreement and any other terms and conditions or exhibits. Service level metrics shall not apply to the provision of these services. For avoidance of doubt, Contractors and Payroll Candidates shall not be considered Approved Agencies, and none of Aya's or Approved Agencies obligations with respect to the provision of HCPs or NCWs set forth in the Agreement shall apply.

2. Contractor Credentialing Services

For Contractors, Supplier will provide on-boarding services listed below. When Client refers a Contractor to Supplier under this Exhibit, Customers will be charged a file fee of \$60.00 for each Contractor processed through the MSP program. This fee will cover the costs associated with uploading the documentation, compliance auditing, system reporting, and on-going management of expired credentialing. In the event that a Contractor unable to conduct or provide the following screening items, Aya will do so at the following listed additional charges

Screening Service	Charge
10 Panel Drug Screen	\$46.00
7 Year Background Check	\$48.25
Tuberculosis Skin Test (PPD/TB)	\$36.25
MMR Titer	\$117.00
Varicella Titer	\$80.00

The above rates may be modified upon written agreement of Customer and Supplier. Other services may be provided at rates agreed to by Supplier and Customer.

For Contractors, Customer will be responsible for the performance of work by the Contractor. Supplier shall have no responsibility for the performance of work by any Contractor. For purposes of any indemnity obligations of the Agreement, Contractors shall not be considered agents, employees, or Approved Agencies of Supplier. Supplier shall have no obligation to indemnify a Customer for any acts or omissions relating to Contractor.

3. Payrolling Service

For Payroll Candidates, Supplier or an Approved Agency shall be the employer of record for payroll and workers' compensation purposes only, and will provide on boarding services including credentialing, validation, and screenings. Customer will be responsible for and retain control over the recruitment and application process, individual's schedule, work performance, competency, setting the amount of the individual's wages, and retain the ability to hire or fire or otherwise discipline the Payroll Candidates. For purposes of any indemnity obligations of the Agreement, Payroll Candidates shall be considered employees or agents of Customer and not of Supplier or an Approved Agency. Supplier and Approved Agencies shall have no obligation to indemnify a Customer for any acts or omissions relating to a Payroll Candidate performing services pursuant to this Exhibit.

Customer shall be billed for Payroll Candidates using the following rates:

Hourly Pay Rate	Payroll Mark-up %
\$100+	18.5%
\$75.00 - \$99.99	19.5%
\$50.00 - \$74.99	21.0%
Less than \$50.00	24.0%

EXHIBIT 3

UC DAVIS

MEDICAL CENTER

PURCHASING DEPARTMENT
4800 2ND AVENUE SUITE 3010
SACRAMENTO, CA 95817
TEL (916) 734-2475 FAX (916) 734-7791

INVOICE TO: UC DAVIS MEDICAL CENTER
Email Preferred: hs-ucdhsap@ucdavis.edu
Or Mail to: P.O. BOX 168016 SACRAMENTO, CA 95816-8016
ATTN: ACCOUNTS PAYABLE
TEL: (916) 734-9168

Service Contract Purchase Order

Purchase Order Number: 90001535-1-SVC
Contract Effective Date: November 26, 2018 - April 30, 2019

PURCHASING CONTACT:

Primary Contact: WILLIAM CORBETT
Email: WRCORBETT@UCDAVIS.EDU
Phone Number: ^916-734-5951

SUPPLIER:

AYA HEALTHCARE INC
5930 CORNERSTONE CT W # 300

SAN DIEGO, CA 92121
Phone Number: 866-481-2452
Fax Number:

If this order includes services which may be reported for income tax purposes and if you are an individual proprietor or a partnership, please indicate on your invoice your taxpayer reporting number (Social Security or Employer Identification Number) in accordance with the requirements of the Internal Revenue Service. Pursuant to Federal Privacy Act of 1974 you are hereby notified that disclosure of your Social Security Number is mandatory. Disclosure of the Social Security Number is required pursuant to Section 6011 and 5051 of the Subtitle F of the Internal Revenue code and Regulation 4, Section 404.1246, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The Social Security Number is used to verify your identity. The principal uses of the number shall be to report payment to the Federal and State Government.

To facilitate payment of invoices, please include entire purchase order number on invoice with SVC code.

Line	Item Description	Max Qty. (if applicable)	UOM	Cost	Max Amount
1	SAME DAY SURGERY STAFF	0	DO	\$ 49,400.0000	\$ 49,400.00

Total PO VALUE: \$ 49,400.00
Total Remaining Amount on PO: \$ 49,400.00

PO COMMENTS:

THIS PO IS FOR DEPARTMENT AIDES, SCRUB TECHS, AND OTHER STAFF AS NEEDED FOR THE SAME DAY SURGERY CENTER. TIM HILPERT IS THE UC DAVIS CONTACT FOR THIS ORDER.

Terms and Conditions:

UNIVERSITY OF CALIFORNIA TERMS AND CONDITIONS APPLY TO THIS ORDER. IF SELLER REQUIRES A COPY, IT IS AVAILABLE AT: <http://ucop.edu/procurement-services/policies-forms/index.html>. Refer to Executed Agreement for full terms and conditions.

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



STAFFING / OUTSIDE CONTRACTOR REQUEST FORM

(For all engagements through UCDH approved staffing agencies)

Req/ID#: Click or tap here to enter text.

1. Vendor Name and Contact Information: AYA
 - a. Is this a contract renewal? ☒ No ☐ Yes*, original PO Per AYA Contract
 - b. If requesting an extension please provide justification Click or tap here to enter text.
 - c. Has the temporary staff/contractor been previously engaged by UC on other assignments?
☒ No ☐ Yes, provide details including PO numbers and dates if available. Click or tap here to enter text.
2. Reason for this staffing:
 - a. Describe work to be performed: Surgical Tech duties
 - b. Why is this work performed by a contractor rather than a new/existing FTE Need contract Scrub Tech to fill the staffing gaps related to unanticipated staffing detriments related to extended medical leaves
 - c. How did you verify rate is at or below fair market (may reference Source Selection form if used): Per AYA Contract
 - d. Is this position displacing any Union or non-Union employee? ☒ No ☐ Yes. If yes, which Union Click or tap here to enter text.
 - e. Is the candidate a former UC Davis employee ☒ No ☐ Yes.
For guidance, refer: <http://www.ucop.edu/general-counsel/files/postemployment-coi.pdf>
3. Length of engagement:
 - a. Start Date: 11/25/2018
 - b. (Original End Date): 2/18/2019
 - c. New End Date (if requesting an extension): Click or tap to enter a date.
4. Hourly rate of pay:
 - a. Agency pay rate: \$ Per AYA Contract
 - b. All-inclusive off-site pay rate: \$ Per AYA Contract
 - c. All-inclusive on-site pay rate: \$ Per AYA Contract
 - d. ☐ W-2 or ☒ 1099 contractor
 - e. Total amount to be spend for this engagement: \$31,200
5. Name of contracted employee:
6. Name of contracted employee's supervisor:
7. Work location of contracted employee: Same Day Surgery Center
8. Cost center to be charged for contracted employee: 9670

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



Department Manager Approval

Name: _____ (Electronic approval signature on IT Req ID # Click or tap here to enter text.

) The signee is confirming this hire is not a relative and this staffing agreement is not a conflict of interest for the University of California under the Business 43 policy.

Human Resources Approval

- If Union notice is required - what date was it issued? Click or tap to enter a date.
- Is temporary staff/ contractor a prior UC employee or Retiree? ☐ No ☐ Yes.
- If yes to (b) above, is current contract allowed? ☐ No ☐ Yes
- Specify any limitations to this engagement Click or tap here to enter text.

Name: _____

Signature _____

Date _____

Purchasing Contact: William Corbett, Tel: 916-734-5951, Email: wrcorbett@ucdavis.edu

*Extensions & renewals upto 2 years does not require HR re-approval

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



STAFFING / OUTSIDE CONTRACTOR REQUEST FORM (For all engagements through UCDH approved staffing agencies)

Req/ID#: Click or tap here to enter text.

1. Vendor Name and Contact Information: AYA
 - a. Is this a contract renewal? ☒ No ☐ Yes*, original PO Per AYA Contract
 - b. If requesting an extension please provide justification Click or tap here to enter text.
 - c. Has the temporary staff/contractor been previously engaged by UC on other assignments?
☒ No ☐ Yes, provide details including PO numbers and dates if available. Click or tap here to enter text.
2. Reason for this staffing:
 - a. Describe work to be performed: Operating Room Assistant I duties
 - b. Why is this work performed by a contractor rather than a new/existing FTE Need contract ORA I to fill the staffing gaps related to unanticipated staffing detriments related to extended medical leaves and position vacancy
 - c. How did you verify rate is at or below fair market (may reference Source Selection form if used): Per AYA Contract
 - d. Is this position displacing any Union or non-Union employee? ☒ No ☐ Yes. If yes, which Union Click or tap here to enter text.
 - e. Is the candidate a former UC Davis employee ☒ No ☐ Yes
For guidance, refer: <http://www.ucop.edu/general-counsel/files/postemployment-coi.pdf>
3. Length of engagement:
 - a. Start Date: 11/25/2018
 - b. (Original End Date): 2/18/2019
 - c. New End Date (if requesting an extension): Click or tap to enter a date.
4. Hourly rate of pay:
 - a. Agency pay rate: \$Per AYA Contract
 - b. All-inclusive off-site pay rate: \$ Per AYA Contract
 - c. All-inclusive on-site pay rate: \$ Per AYA Contract
 - d. ☐ W-2 or ☒ 1099 contractor
 - e. Total amount to be spend for this engagement: \$18,200
5. Name of contracted employee:
6. Name of contracted employee's supervisor:
7. Work location of contracted employee: Same Day Surgery Center
8. Cost center to be charged for contracted employee: 9670

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



Department Manager Approval

Name: _____ (Electronic approval signature on IT Req ID # Click or tap here to enter text.

) The signee is confirming this hire is not a relative and this staffing agreement is a not a conflict of interest for the University of California under the Business 43 policy.

Human Resources Approval

- If Union notice is required - what date was it issued? Click or tap to enter a date.
- Is temporary staff/ contractor a prior UC employee or Retiree? ☐ No ☐ Yes.
- If yes to (b) above, is current contract allowed? ☐ No ☐ Yes
- Specify any limitations to this engagement Click or tap here to enter text.

Name: _____

Signature

Date

Purchasing Contact: William Corbett, Tel: 916-734-5951, Email: wrcorbett@ucdavis.edu

*Extensions & renewals upto 2 years does not require HR re-approval

EXHIBIT 4

UC DAVIS

MEDICAL CENTER

2315 STOCKTON BLVD.
SACRAMENTO, CA 95817
(916) 734-2011

PURCHASING DEPARTMENT
4800 2ND AVENUE SUITE 3010
SACRAMENTO, CA 95817
(916) 734-2475 FAX (916) 734-7751

INVOICE TO: UC DAVIS MEDICAL CENTER
Email Preferred: hs-ucdhsap@ucdavis.edu
Or Mail to: P.O. BOX 168016 SACRAMENTO, CA 95816-8016
ATTN: ACCOUNTS PAYABLE
(916) 734-9168

SERVICE CONTRACT PURCHASE ORDER

Purchase Order Number: 90001288-1-SVC

PO Effective Date: September 19, 2018 PO Expiration Date*: June 30, 2019

Cumulative PO VALUE**: \$ 300,000.00

PURCHASING CONTACT:

Primary Contact: JOHN ORTIZ
Email: JMOORTIZ@UCDAVIS.EDU
Phone Number: 916^703-3661

SUPPLIER:

AYA HEALTHCARE INC
5930 CORNERSTONE CT W # 300

SAN DIEGO, CA 92121
Phone Number: 866-481-2452
Fax Number:

If this order includes services which may be reported for income tax purposes and if you are an individual proprietor or a partnership, please indicate on your invoice your taxpayer reporting number (Social Security or Employer Identification Number) in accordance with the requirements of the Internal Revenue Service. Pursuant to Federal Privacy Act of 1974 you are hereby notified that disclosure of your Social Security Number is mandatory. Disclosure of the Social Security Number is required pursuant to Section 6011 and 5051 of the Subtitle F of the Internal Revenue code and Regulation 4, Section 404.1246, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The Social Security Number is used to verify your identity. The principal uses of the number shall be to report payment to the Federal and State Government.

All invoices must include entire purchase order number on invoice with SVC code.

Line	Current Effective Date	Current Expiration Date	Item Description	Max Qty. (if applicable)	UOM	Cost	Max Amount
1	September 19, 2018	June 30, 2019	DEPARTMENT AIDES SURGERY	0	DO	\$ 300,000.0000	\$ 300,000.00

PO COMMENTS

PER JOHN ORTIZ ON 1-4-19, THE FOLLOWING CHANGES ARE BEING PUT IN PLACE. KAREN LYNCH HAS APPROVED \$42,640 TO BE ADDED TO THIS PO.

Vivian Lee, Scrub Tech: extend contract to 03/30/2019 (and likely beyond)

Donnie Whaley, Department Aide: extend contract 03/30/2019 (and likely beyond)

3Natalia Patosca, Department Aide: extend contract 03/30/2019 (and likely beyond)

Replace Rukia Cheho with another Department Aide: new 12 contract to start as soon as possible

Replace David Popal with another Department Aide: new 12 contract to start as soon as possible

Add a new Department Aide due to Medical Leave of career employee, Yee Chang: new 12 week contract.

12-11-18, \$45,000 ADDED AND AGREEMENT EXTENDED TO 4-30-19, BC

*Invoices cannot be processed for payment if PO is expired. **PO value may not reflect available funds on PO.

THIS INITIAL PO IS FOR FIVE OPERATING ROOM ASSISTANTS AND ONE SCRUB TECHNICIAN.
DAVID POPAL, DONNIE WHALEY, MACY YANG, NATALIA PATOSCA, AND RUYIYA CHEHO ARE THE ASSISTANTS
VIVIAN LEE IS THE SCRUB TECHNICIAN. RATE ARE PER THE UCOP CONTRACT. JOHN ORTIZ AND KAREN LYNCH ARE THE UC DAVIS
CONTACTS

Terms and Conditions:

UNIVERSITY OF CALIFORNIA TERMS AND CONDITIONS APPLY TO THIS ORDER UNLESS OTHERWISE NOTED IN THE PO COMMENTS ABOVE OR IN THE EXECUTED
AGREEMENT. IF SELLER REQUIRES A COPY, IT IS AVAILABLE AT:

<http://ucop.edu/procurement-services/policies-forms/index.html>. Refer to Executed Agreement for full terms and conditions.

EXHIBIT 5

UC DAVIS
MEDICAL CENTER

PURCHASING DEPARTMENT
4800 2ND AVENUE SUITE 3010
SACRAMENTO, CA 95817
TEL (916) 734-2475 FAX (916) 734-7791

INVOICE TO: UC DAVIS MEDICAL CENTER
Email Preferred: hs-ucdhsap@ucdavis.edu
Or Mail to: P.O. BOX 168016 SACRAMENTO, CA 95816-8016
ATTN: ACCOUNTS PAYABLE
TEL: (916) 734-9168

Service Contract Purchase Order

Purchase Order Number: 90001585-1-SVC
Contract Effective Date: January 2, 2019 - May 3, 2019

PURCHASING CONTACT:

Primary Contact: WILLIAM CORBETT
Email: WRCORBETT@UCDAVIS.EDU
Phone Number: ^916-734-5951

SUPPLIER:

AYA HEALTHCARE INC
5930 CORNERSTONE CT W # 300

SAN DIEGO, CA 92121
Phone Number: 866-481-2452
Fax Number:

If this order includes services which may be reported for income tax purposes and if you are an individual proprietor or a partnership, please indicate on your invoice your taxpayer reporting number (Social Security or Employer Identification Number) in accordance with the requirements of the Internal Revenue Service. Pursuant to Federal Privacy Act of 1974 you are hereby notified that disclosure of your Social Security Number is mandatory. Disclosure of the Social Security Number is required pursuant to Section 6011 and 5051 of the Subtitle F of the Internal Revenue code and Regulation 4, Section 404.1246, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The Social Security Number is used to verify your identity. The principal uses of the number shall be to report payment to the Federal and State Government.

To facilitate payment of invoices, please include entire purchase order number on invoice with SVC code.

Line	Item Description	Max Qty. (if applicable)	UOM	Cost	Max Amount
1	EP TECH FOR HEART CENTER	0	DO	\$ 100,000.0000	\$ 100,000.00

Total PO VALUE: \$ 100,000.00

Total Remaining Amount on PO: \$ 100,000.00

PO COMMENTS:

THIS PURCHASE ORDER IS FOR AN EP TECH AND THE HOURLY RATE QUOTED IS \$85 TO \$100 RANGE DUE TO A SHORTAGE OF AVAILABLE STAFF. MATT BRADLEY OR KORI HARDER ARE THE UC DAVIS CONTACTS FOR THIS ORDER.

Terms and Conditions:

UNIVERSITY OF CALIFORNIA TERMS AND CONDITIONS APPLY TO THIS ORDER. IF SELLER REQUIRES A COPY, IT IS AVAILABLE AT: <http://ucop.edu/procurement-services/policies-forms/index.html>. Refer to Executed Agreement for full terms and conditions.

EXHIBIT 6

UCDAVIS

MEDICAL CENTER

2315 STOCKTON BLVD.
SACRAMENTO, CA 95817
(916) 734-2011

PURCHASING DEPARTMENT
4800 2ND AVENUE SUITE 3010
SACRAMENTO, CA 95817
(916) 734-2475 FAX (916) 734-7751

INVOICE TO: UC DAVIS MEDICAL CENTER
Email Preferred: hs-ucdhsap@ucdavis.edu
Or Mail to: P.O. BOX 168016 SACRAMENTO, CA 95816-8016
ATTN: ACCOUNTS PAYABLE
(916) 734-9168

SERVICE CONTRACT PURCHASE ORDER

Purchase Order Number: 90001214-1-SVC

PO Effective Date: September 1, 2018 PO Expiration Date*: July 31, 2019

Cumulative PO VALUE**: \$ 220,000.00

PURCHASING CONTACT:

Primary Contact: WILLIAM CORBETT
Email: WRCORBETT@UCDAVIS.EDU
Phone Number: ^916-734-5951

SUPPLIER:

AYA HEALTHCARE INC
5930 CORNERSTONE CT W # 300

SAN DIEGO, CA 92121
Phone Number: 866-481-2452
Fax Number:

If this order includes services which may be reported for income tax purposes and if you are an individual proprietor or a partnership, please indicate on your invoice your taxpayer reporting number (Social Security or Employer Identification Number) in accordance with the requirements of the Internal Revenue Service. Pursuant to Federal Privacy Act of 1974 you are hereby notified that disclosure of your Social Security Number is mandatory. Disclosure of the Social Security Number is required pursuant to Section 6011 and 5051 of the Subtitle F of the Internal Revenue code and Regulation 4, Section 404.1246, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The Social Security Number is used to verify your identity. The principal uses of the number shall be to report payment to the Federal and State Government.

All invoices must include entire purchase order number on invoice with SVC code.

Line	Current Effective Date	Current Expiration Date	Item Description	Max Qty. (if applicable)	UOM	Cost	Max Amount
1	September 1, 2018	July 31, 2019	PHYSICAL REHAB STAFF 9730	0	DO	\$ 180,000.0000	\$ 180,000.00
2	September 1, 2018	July 31, 2019	PHYSICAL REHAB STAFF 9731	0	DO	\$ 20,000.0000	\$ 20,000.00

*Invoices cannot be processed for payment if PO is expired. **PO value may not reflect available funds on PO.

3	September 1, 2018	July 31, 2019	PHYSICAL REHAB STAFF 9733	0	DO	\$ 20,000.0000	\$ 20,000.00
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PO COMMENTS

THIS PURCHASE ORDER IS FOR STAFFING AS NEEDED FOR OUR PHYSICAL REHABILITATION DEPARTMENT FOR FMLA. THE RATE FOR VARIOUS THERAPISTS WILL RANGE FROM 60 TO 85 DOLLARS. COST CENTERS 9730 9731 AND 9733 CAN BE USED ON THIS AGREEMENT AND THE DOLLARS ASSIGNED TO EACH COST CENTER ARE ESTIMATES AND CAN BE ADJUSTED. ANN TOMPKINS IS THE UC DAVIS FOR THIS AGREEMENT. THE TERMS AND CONDITIONS OF THE UC WIDE AGREEMENT ARE IN PLACE WITH AYA.

Terms and Conditions:

UNIVERSITY OF CALIFORNIA TERMS AND CONDITIONS APPLY TO THIS ORDER UNLESS OTHERWISE NOTED IN THE PO COMMENTS ABOVE OR IN THE EXECUTED AGREEMENT. IF SELLER REQUIRES A COPY, IT IS AVAILABLE AT:

<http://ucop.edu/procurement-services/policies-forms/index.html>. Refer to Executed Agreement for full terms and conditions.

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



STAFFING / OUTSIDE CONTRACTOR REQUEST FORM

(For all engagements through UCDH approved staffing agencies)

Req/ID#: Aya Healthcare

1. Vendor Name and Contact Information: Aya Healthcare

a. Is this a contract renewal? ☐ No ☒ Yes*, original PO 90001214-1-SVC

b. If requesting an extension, please provide justification Increased census on the acute rehab unit as well as the hospital. We are unable to meet the business need with our current per diem staffing pool. We continue to work our per-diem staff as they are able to meet business needs.

c. Has the temporary staff/contractor been previously engaged by UC on other assignments?
☒ No ☐ Yes, provide details including PO numbers and dates if available. Click or tap here to enter text.

2. Reason for this staffing:

a. Describe work to be performed: PT/OT/ST/PTA/COTA

b. Why is this work performed by a contractor rather than a new/existing FTE
Increased census on the acute rehab unit as well as the hospital. We are unable to meet the business need with our current per diem staffing pool. We continue to work our per-diem staff as they are able to meet business needs.

c. How did you verify rate is at or below fair market (may reference Source Selection form if used): Completed by contracts department

d. Is this position displacing any Union or non-Union employee? ☒ No ☐ Yes. If yes, which Union Click or tap here to enter text.

e. Is the candidate a former UC Davis employee ☒ No ☐ Yes

For guidance, refer: <http://www.ucop.edu/general-counsel/files/postemployment-coi.pdf>

3. Length of engagement:

a. Start Date: 3/1/2019

b. (Original End Date): 2/13/2019

c. New End Date (if requesting an extension): 8/31/2019

4. Hourly rate of pay:

a. Agency pay rate: \$\$60-\$75/hour

b. All-inclusive off-site pay rate: \$N/A

c. All-inclusive on-site pay rate: \$N/A

d. ☐ W-2 or ☐ 1099 contractor

e. Total amount to be spend for this engagement: \$75,000

5. Name of contracted employee: Variable

6. Name of contracted employee's supervisor: Elizabeth Pine, Dana Farias, Paul Carlisle

7. Work location of contracted employee: Main Hospital, Outpatient Clinics (ACC, C Street)

8. Cost center to be charged for contracted employee: H1009730, H1009731, H1009733

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



Department Manager Approval

Name: (Electronic approval signature on IT Req ID # Click or tap here to enter text.) *The signee is confirming this hire is not a relative and this staffing agreement is a not a conflict of interest for the University of California under the Business 43 policy.*

Human Resources Approval

- If Union notice is required - what date was it issued? Click or tap to enter a date.
- Is temporary staff/ contractor a prior UC employee or Retiree? ☐ No ☐ Yes.
- If yes to (b) above, is current contract allowed? ☐ No ☐ Yes
- Specify any limitations to this engagement Click or tap here to enter text.

Purchasing Contact: William Corbett, Tel: 916-734-5951, Email: wrcorbett@ucdavis.edu

*Extensions & renewals upto 2 years does not require HR re-approval

EXHIBIT 7

From: Zachary Freels <zfreels@afscme3299.org>
Subject: Fwd: #00184554 - Notice Regarding Contracting Out [ref:_00D15GKmb._5001C1BQT9r:ref]
Date: April 9, 2019 at 11:59:08 AM PDT
To: Claudia Preparata <cpreparata@afscme3299.org>

----- Forwarded message -----

From: aggieservice@ucdavis.edu <aggieservice@ucdavis.edu>
Date: Mon, Apr 8, 2019, 4:25 PM
Subject: #00184554 - Notice Regarding Contracting Out [ref:_00D15GKmb._5001C1BQT9r:ref]
To: zfreels@afscme3299.org <zfreels@afscme3299.org>, ucd.mail@afscme3299.org <ucd.mail@afscme3299.org>

Hello Zach,

Please see the attached notice. If you have any questions, feel free to contact me.

Thank you,

Amy C. Moore
Employee and Labor Relations Coordinator
Phone: (916) 734-3362
Fax: (916) 734-8646

ref:_00D15GKmb._5001C1BQT9r:ref

UC Davis Medical Center

Hiring Form

POSITION									
JOB TITLE (Payroll Title / Working Title) Senior Scrub Technician / Senior Scrub Technician						Position Control Number		Requisition Number	
DEPARTMENT/UNIT NAME Peri-operative services / Same Day Surgery Center OR						N/A		N/A	
Fixed <input type="checkbox"/> Variable <input checked="" type="checkbox"/>		COST CENTER (4 digit) 9670		RAM CC <input type="checkbox"/> YES <input type="checkbox"/> NO		TITLE CODE (4 digit) 8930			
POSITION TYPE <input type="checkbox"/> CAREER <input checked="" type="checkbox"/> CONTRACT <input type="checkbox"/> LIMITED APPOINTMENT <input type="checkbox"/> PER DIEM <input type="checkbox"/> TES		SHIFT		PERCENTAGE or FTE		LIMITED APPT END DATE (if applicable) N/A			
		DAYS PER WEEK Variable		Variable					
		HOURS PER SHIFT Variable		HOURLY RATE (Provide Mid-Range / Anticipated offer rate). \$43.00 / \$43.00					
				Annual Salary Incl. Taxes & Benefits (38%) Variable					
PERFORMANCE									
FTE VARIANCE REPORT								ACTION OF PERCENTILE	
<u>Previous Month</u>			<u>Year to Date</u>			<u>Last Quarter</u>			
Budgeted	Actual	Variance	Budgeted	Actual	Variance	Hours Worked Per Unit of Service			
29.47	24.88	+4.59	29.07	25.27	+3.80	9.31 hrs wk'd per OR min/ 25.00%			
REASON FOR VACANCY									
<input type="checkbox"/> Budgeted - Never Filled <input type="checkbox"/> Replacement <input type="checkbox"/> Reclassification <input type="checkbox"/> Probationary Release <input type="checkbox"/> New - Not Budgeted <input type="checkbox"/> Replace Contract Labor <input type="checkbox"/> FMLA <input checked="" type="checkbox"/> Other, Please Explain: <u>On-board a Contract Scrub Tech until and FTE is recruited/hired.</u>									
IF REPLACEMENT, INDICATE REASON			NAME OF EMPLOYEE BEING REPLACED			CURRENT TITLE CODE			
<input checked="" type="checkbox"/> SEPARATION <input type="checkbox"/> TRANSFER / PROMOTION <input type="checkbox"/> LEAVE OF ABSENCE <input type="checkbox"/> OTHER:			Agnes Dinorog LAST DAY WORKED 01/24/2019			8930 IF TRANSFER / PROMOTION: TO WHAT Cost Center <u>N/A</u>			
JUSTIFICATION									
NEW FTE REQUEST - Complete separate Business Case / REPLACEMENT FTE REQUEST - Complete 1 -3, below									
1. Rationale for Request - One paragraph summary of requisition									
<p>Requesting a 13 week contract Scrub Tech to fill a staffing void due to resignation of Agnes Dinorog who's last day of employment was January 24, 2019.</p> <p>The potential impact of not backfilling this position timely could result in a challenge to maintain our service levels, patient throughput, patient care, and safety of our patients and staff.</p>									

2. Process Improvement – What process improvement or labor efficiency work has been implemented to avoid replacement or add for this FTE?

The Perioperative Services Division is continually monitoring our ongoing productive labor hours, OT, and case volumes. We are reviewing and modifying staff roles, responsibilities, assignments and shifts to improve patient throughput. The current Labor Productivity for the Operating Room is as follows:

Cost Center 9670 - Same Day Surgery Center
Periop favorable 1.59; MOR favorable 0.13

3. Service – What has been done to stabilize service when this position was vacant? Have you offered OT? If yes, how much?

Utilize call and OT. Existing staff are working at maximum capacity with overtime.

HIRING DEPARTMENT

HIRING MANAGER NAME (PRINT)	SIGNATURE	PHONE NUMBER	DATE
Karen Lynch / Carolyn Parrish	<i>Karen B. Lynch, RN, MSN</i>	703-6295	4/3/19
RAM MEDICAL DIRECTOR NAME (PRINT)	SIGNATURE	PHONE NUMBER	DATE
DIRECTOR NAME (PRINT)	SIGNATURE	PHONE NUMBER	DATE
Wendy Wilson	<i>Wendy Wilson</i>	703-6295	4/3/19

APPROVAL(S)

EXECUTIVE APPROVAL REQUIRED
Department Executive Team Member (COO or CNO)

C.O.O. _____
(Print Name) (Signature) (Date)

Note: Select "Henry Ilaga" or "Toby Marsh" as the "Authorizer" when creating the job posting requisition in PeopleSoft.

*Submit 1 hiring form for each position

*Hours worked per unit of service (Action OI Metric)

SERVICE CONTRACT REQUEST

For use by departments requesting the development of a new service contract (non-Capital).
Incomplete requests may result in delays. Attach additional sheets and supporting documentation as necessary.

SECTION 1: Requesting Department Information	
Department Name: Same Day Surgery Center	Primary Accounting Unit: H1009670
Requester's Name: John Ortiz	Title: Assistant Nurse Manager
Email: jmoortiz@ucdavis.edu	Phone: 916-703-3661

SECTION 2: Contract Information		
Contract Sub-Type: <input checked="" type="checkbox"/> Staffing/Personnel Services <input type="checkbox"/> Professional Services <input type="checkbox"/> Master Purchasing Agreement (No PO) <input type="checkbox"/> SW License with Support <input type="checkbox"/> SW License <input type="checkbox"/> SW Maintenance <input type="checkbox"/> HW Maintenance <input type="checkbox"/> Equipment or Facility Maintenance <input type="checkbox"/> Equipment Loaner <input type="checkbox"/> Lease/Rental <input type="checkbox"/> Other General Services <i>Please specify other service:</i>		
Detailed description, purpose and justification of service(s) attach additional sheets if necessary: Need one (x1) contract Scrub Technician for a 13 week assignment to bridge the recruitment cycle to hire a per diem scrub technician in Same Day Surgery Center.		
Will services be performed onsite? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Will supplier have access to patient information (PHI)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Will supplier create, store, manage, use or transmit UC non-public information? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Is prepayment required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If prepayment is required, specify terms:		
Preferred Contract Period: 13 week per staff		Total Contract Maximum Value: \$22,360
To be billed per (if known): <input type="checkbox"/> Month <input type="checkbox"/> Quarter <input type="checkbox"/> Year <input type="checkbox"/> Other (specify):		
Service line(s): Please specify the GL account and amount. <i>Total amount must equal total contract value.</i>		
GL Account	\$ Amount	Cost Centers covered in PO
601200	\$22,360	H1009670

SECTION 3: Supplier Information (new suppliers require additional forms to be submitted)	
Supplier: AYA Healthcare	Lawson Vendor ID/Purchase From (if known):
Contact: Richard Wilson	Title: Sr. Area Program Manager
Email: richard.wilson@ayahealthcare.com	Phone: 916-226-1055

SECTION 4: Required Approval (Services must be approved by the appropriate department approver prior to submitting request)	
Dept. Approver Name & Title (Printed): Karen Lynch / Carolyn Parrish	
Approver Signature: <i>Karen E. Lynch, RN, MSN</i>	Date: 4/3/19

SUBMITTAL INSTRUCTIONS:

Return the completed request form and supporting documents via email to: HS-PurchasingContracts@UCDavis.edu



STAFFING / OUTSIDE CONTRACTOR REQUEST FORM

(For all engagements through UCDH approved staffing agencies)

Req/ID#: Not applicable, Service request form is submitted

1. Vendor Name and Contact Information: AYA Healthcare

- a. Is this a contract renewal? ☐ No ☒ Yes*, original PO Aya UCOP agreement is in place
- b. If requesting an extension please provide justification: N/A
- c. Has the temporary staff/contractor been previously engaged by UC on other assignments?
☐ No ☒ Yes, provide details including PO numbers and dates if available. We have existing purchase order 90000533 that is going from HC Select to AYA due to the new contract

2. Reason for this staffing:

- a. Describe work to be performed: Scrub surgical procedures
- b. Why is this work performed by a contractor rather than a new/existing FTE: Need one (x1) contract Scrub Technician for a 13 week assignment to bridge the recruitment cycle to hire a per diem scrub technician in Same Day Surgery Center.
- c. How did you verify rate is at or below fair market (may reference Source Selection form if used):
How do I find out this information? Per agreement with AYA Healthcare and UC Healthcare
- d. Is this position displacing any Union or non-Union employee? ☒ No ☐ Yes. If yes, which Union Click or tap here to enter text.
- e. Is the candidate a former UC Davis employee ☒ No ☐ Yes
For guidance, refer: <http://www.ucop.edu/general-counsel/files/postemployment-coi.pdf>

3. Length of engagement:

- a. Start Date: As soon as possible
- b. (Original End Date):13 week assignment
- c. New End Date (if requesting an extension): n/a

4. Hourly rate of pay:

- a. Agency pay rate: \$Per agreement with AYA Healthcare and UC Healthcare
- b. All-inclusive off-site pay rate: \$Per agreement with AYA Healthcare and UC Healthcare
- c. All-inclusive on-site pay rate: \$ Per agreement with AYA Healthcare and UC Healthcare
- d. ☐ W-2 or ☒ 1099 contractor
- e. Total amount to be spent for this engagement: \$22,360 per 13 week assignments @ local rate of \$43hr.

5. Name of contracted employee: N/A

6. Name of contracted employee's supervisor: Richard Wilson, Sr. Area Program Manager, AYA Healthcare

7. Work location of contracted employee: Same Day Surgery Center and/or Main Operating Room

8. Cost center to be charged for contracted employee: H1009709

Department Manager Approval

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



Karen Lynch / Carolyn Parrish

Printed Name

Karen E. Lynch, RN, MSN

7/3/19

Signature

Date

(The signer is confirming this hire is not a relative and this staffing agreement is not a conflict of interest for the University of California under the Business 43 policy)

No requisition, contract request submitted

(Electronic approval signature on IT Req ID #).

Human Resources Approval

- a. If Union notice is required - what date was it issued? Click or tap to enter a date.
- b. Is temporary staff/ contractor a prior UC employee or Retiree? ☒ No ☐ Yes.
- c. If yes to (b) above, is current contract allowed? ☒ No ☐ Yes
- d. Specify any limitations to this engagement: none

Printed Name

Signature

Date

Purchasing Contact: William Corbett, Tel: 916-734-5951, Email: wrcorbett@ucdavis.edu

*Extensions & renewals up to 2 years does not require HR re-approval

EXHIBIT 8

UNIVERSITY OF CALIFORNIA, DAVIS

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SANTA BARBARA • SANTA CRUZ

HUMAN RESOURCES
2730 STOCKTON BOULEVARD
(916) 734-2362

Sent Via Email zfreels@afscme3299.org

October 31, 2018

Zachery Freels
AFSCME Local 3299
2400 O Street
Sacramento, CA. 95816

Re: Notice Regarding Contracting Out Extension (00149416)

Dear Zach:

Pursuant to Article 5, Contracting Out, Section B2.C of the UC/AFSCME (EX) labor agreement, this letter serves as a notice to the union that Central Processing intends to switch over from MGA to AYA Healthcare vendor for seven (7) current temps assigned to Central Processing. The contract was scheduled to end on September 1, 2018 however; it's being switched to AYA and extended to May 1, 2019.

The Department's temporary staffing needs in Central Processing are specifically related to covering protected medical leaves and filling in vacancy gaps due to retirements. No AFSCME staff members are being displaced due to the hiring of these contracted employees. These hires will allow the department to continue providing patient care at an acceptable level.

Please contact me at (916) 734-3405 or at mrhadnot@ucdavis.edu if you would like to meet and discuss this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Hadnot".

Shawn Hadnot
Principal Consultant
Employee and Labor Relations

cc:

File

UCDAVIS
MEDICAL CENTER

PURCHASING DEPARTMENT
4800 2ND AVENUE SUITE 3010
SACRAMENTO, CA 95817
TEL (916) 734-2475 FAX (916) 734-7791

INVOICE TO: UC DAVIS MEDICAL CENTER
Email Preferred: hs-ucdhsap@ucdavis.edu
Or Mail to: P.O. BOX 168016 SACRAMENTO, CA 95816-8016
ATTN: ACCOUNTS PAYABLE
TEL: (916) 734-9168

Service Contract Purchase Order

Purchase Order Number: 90001442-1-SVC
Contract Effective Date: September 1, 2018 - May 1, 2019

PURCHASING CONTACT:
Primary Contact: WILLIAM CORBETT
Email: WRCORBETT@UCDAVIS.EDU
Phone Number: ^916-734-5951

SUPPLIER:
AYA HEALTHCARE INC
5930 CORNERSTONE CT W # 300

SAN DIEGO, CA 92121
Phone Number: 866-481-2452
Fax Number:

If this order includes services which may be reported for income tax purposes and if you are an individual proprietor or a partnership, please indicate on your invoice your taxpayer reporting number (Social Security or Employer Identification Number) in accordance with the requirements of the Internal Revenue Service. Pursuant to Federal Privacy Act of 1974 you are hereby notified that disclosure of your Social Security Number is mandatory. Disclosure of the Social Security Number is required pursuant to Section 6011 and 5051 of the Subtitle F of the Internal Revenue code and Regulation 4, Section 404.1246, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The Social Security Number is used to verify your identity. The principal uses of the number shall be to report payment to the Federal and State Government.

To facilitate payment of invoices, please include entire purchase order number on invoice with SVC code.

Line	Item Description	Max Qty. (if applicable)	UOM	Cost	Max Amount
1	CPU TECHS 43 DOLLARS PER HOUR	0	DO	\$ 421,400.0000	\$ 421,400.00

Total PO VALUE: \$ 421,400.00
Total Remaining Amount on PO: \$ 421,400.00

PO COMMENTS:

THIS PO IS FOR SEVEN TECHNICIANS TO WORK IN THE CENTRAL PROCESSING UNIT AT THE RATE OF \$43 PER HOUR. ALL TERMS AND CONDITIONS OF THE UCOP AYA MASTER CONTRACT ARE IN EFFECT.
WALDO LIVINGSTON IS THE UC DAVIS CONTACT FOR THIS ORDER.

Terms and Conditions:

UNIVERSITY OF CALIFORNIA TERMS AND CONDITIONS APPLY TO THIS ORDER. IF SELLER REQUIRES A COPY, IT IS AVAILABLE AT:
<http://ucop.edu/procurement-services/policies-forms/index.html>. Refer to Executed Agreement for full terms and conditions.

EXHIBIT 9

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UC DAVIS MEDICAL CENTER
HUMAN RESOURCES
EMPLOYEE & LABOR RELATIONS
2730 STOCKTON BOULEVARD
SACRAMENTO, CALIFORNIA 95817
Tel. (916) 734-3362

March 12, 2019

Zach Freels
AFSCME Local 3299
2400 O Street
Sacramento, CA 95816

Sent via email to:

ucd.mail@afscme3299.org; zfreels@afscme3299.org

Re: Notice Regarding Contracting Out (00178492)

Dear Zach:

Pursuant to Article 5, Contracting Out, Section B2.C of the UC/AFSCME (EX) labor agreement, this letter serves to inform the union that the Radiology Department - ENT Otolaryngology intends to hire temporary staff in order to meet operational needs.

The Department's temporary staffing needs are due to Sharon Cillford going on vacation for two weeks. The employee's job duties are essential enough that patient care would be significantly compromised without hiring short term assistance.

Please contact me at (916) 734-3405 or at mrhadnot@ucdavis.edu if you would like to meet and discuss this matter.

Sincerely,

A handwritten signature in black ink, reading "Shawn Hadnot".

Shawn Hadnot
Labor Consultant
Employee and Labor Relations
U C Davis Health Human Resources

cc:

Megan Lunsford, Director, Academic Clinics
File

----- Forwarded message -----

From: **Zachary Freels** <zfreels@afscme3299.org>

Date: Wed, Mar 13, 2019, 12:34 PM

Subject: Re: #00178492 - Notice Regarding Contracting Out [ref:_00D15GKmb._5001C19jmVF:ref]

To: AggieService <aggieservice@ucdavis.edu>

Cc: UCD Mail <ucd.mail@afscme3299.org>, Seth Patel <spatel@afscme3299.org>, Julia M Johnson <jmjohnson@ucdavis.edu>

AFSCME is in receipt of UCD's notice to contract out ENT Otolaryngology work. UC has a statutory obligation to bargain over each and every decision to contract out bargaining unit work. All waivers of the Union's right to bargain expired with the contract, including the limited "exceptions" or "justifications" for contracting out after proper notice and other procedures specified in Article 5.

The University should not proceed with assigning any bargaining unit work--i.e. work comprised of duties customarily assigned to the bargaining unit--to a contractor by executing any contract, "order", "purchase order," "change order" or any other contractual instrument without meeting and conferring with AFSCME. In order to engage in meaningful negotiations, AFSCME will be requesting additional information.

On Tue, Mar 12, 2019, 2:20 PM aggieservice@ucdavis.edu <aggieservice@ucdavis.edu> wrote:
Hello Zach,

Please see the attached notice. If you have any questions, feel free to contact me.

Thank you,

Amy C. Moore
Employee and Labor Relations Coordinator
Phone: (916) 734-3362
Fax: (916) 734-8646

ref:_00D15GKmb._5001C19jmVF:ref

EXHIBIT 10

UNIVERSITY OF CALIFORNIA, DAVIS

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



STAFFING / OUTSIDE CONTRACTOR REQUEST FORM

(For all engagements through UCDH approved staffing agencies)

Req/ID#: Click or tap here to enter text.

1. Vendor Name and Contact Information: Aya Healthcare

- a. Is this a contract renewal? ☒ No ☐ Yes, original PO Click or tap here to enter text.
- b. If requesting an extension please provide justification Click or tap here to enter text.
- c. Has the temporary staff/contractor been previously engaged by UC on other assignments?
☒ No ☐ Yes, provide details including PO numbers and dates if available. Click or tap here to enter text.

2. Reason for this staffing:

- a. Describe work to be performed: Rad Tech w/ Fluoroscopy certification
- b. Why is this work performed by a contractor rather than a new/existing FTE: Employee out on vacation for a few weeks and Radiology does not have extra staff to cover. In addition, we have patients traveling from out of state to complete procedure.
- c. How did you verify rate is at or below fair market (may reference Source Selection form if used): Click or tap here to enter text.
- d. Is this position displacing any Union or non-Union employee? ☒ No ☐ Yes, If yes, which Union Click or tap here to enter text.
- e. Is the candidate a former UC Davis employee ☒ No ☐ Yes
For guidance, refer: <http://www.ucop.edu/general-counsel/files/postemployment-coi.pdf>

3. Length of engagement:

- a. Start Date: ASAP
- b. (Original End Date): 4/15/2019
- c. New End Date (if requesting an extension): Click or tap to enter a date.

4. Hourly rate of pay:

- a. Agency pay rate: \$ Click or tap here to enter text.
- b. All-inclusive off-site pay rate: \$0
- c. All-inclusive on-site pay rate: \$0
- d. ☐ W-2 or ☐ 1099 contractor
- e. Total amount to be spend for this engagement: \$Max of \$20,000

5. Name of contracted employee: Click or tap here to enter text.

6. Name of contracted employee's supervisor: UCD Health

7. Work location of contracted employee: ENT Glassrock Building

8. Cost center to be charged for contracted employee: 9787

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



Department Manager Approval

Name: _____ (Electronic approval signature on IT Req ID # Click
or tap here to enter text.) *The signee is confirming this hire is not a relative and this staffing agreement is not a conflict of interest for the
University of California under the Business 43 policy.*

Human Resources Approval

- a. If Union notice is required - what date was it issued? 3/12/2019
- b. Is temporary staff/ contractor a prior UC employee or Retiree? ☒ No ☐ Yes.
- c. If yes to (b) above, is current contract allowed? ☐ No ☐ Yes
- d. Specify any limitations to this engagement Click or tap here to enter text.

EXHIBIT 11

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SANTA BARBARA • SANTA CRUZ

HUMAN RESOURCES
2730 STOCKTON BOULEVARD
(916) 734-2362

Sent Via Email

ucd.mail@afscme3299.org; zfreels@afscme3299.org

March 28, 2019

Zachery Freels
AFSCME Local 3299
2400 O Street
Sacramento, CA. 95816

Re: Contracting Out (# 00182092)

Dear Zach:

Pursuant to Article 5, Contracting Out, Section B2.C of the UC/AFSCME (EX) labor agreement, this letter serves as a notice to the union that the Operating Room (OR) intends to hire contracted employees through a third party administrator (AYA Healthcare) to perform job duties associated with Operating Room Assistant and Scrub Technician.

The OR with assistance from AYA will create a "float pool" for each classification mentioned above to offset the absorbent number of short notice absentee call outs which affect daily business operations.

Please contact me at (916) 734-3405 or at mrhadnot@ucdavis.edu if you would like to meet and discuss this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Hadnot", written over a horizontal line.

Shawn Hadnot
Labor Relations Consultant
Employee and Labor Relations
UCDH

cc:

File

From: **Zachary Freels** zfreels@afscme3299.org

Subject: **Re: Operating Room**

Date: April 2, 2019 at 12:17 PM

To: **Shawn K Hadnot** mrhadnot@ucdavis.edu, **Julia M Johnson** jmjohnson@ucdavis.edu,
Employee and Labor Relations Union/Labor Meetings elr-ulmeetings@ou.ad3.ucdavis.edu, **Claudia Preparata**
cpreparata@afscme3299.org, **Seth Patel** spatel@afscme3299.org, **HS-HR Request for Information**
hs-hrrequestforinfo@ou.ad3.ucdavis.edu



AFSCME is in receipt of UCD's notice to contract out ORA and Scrub Tech work to AYA Healthcare. UC has a statutory obligation to bargain over each and every decision to contract out bargaining unit work. All waivers of the Union's right to bargain expired with the contract, including the limited "exceptions" or "justifications" for contracting out after proper notice and other procedures specified in Article 5.

The University should not proceed with assigning any bargaining unit work--i.e. work comprised of duties customarily assigned to the bargaining unit--to a contractor by executing any contract, "order", "purchase order", "change order" or any other contractual instrument without meeting and conferring with AFSCME.

In order to engage in meaningful negotiations, let us know when the Union can expect responses to the Union's RFI entitled "AFSCME RFI re: Contracting Out in the OR Department" dated February 11, 2019 (#00172461). Additionally, per the University's stated rationale necessitating the use of contractors in the OR Department, provide the number of daily call outs in the past 6 months for Operating Room Assistants and Scrub Technicians, along with the number of FTEs scheduled each day by title and by employment status. e.g. UC employee and contractor.

On Thu, Mar 28, 2019 at 10:52 AM Shawn K Hadnot <mrhadnot@ucdavis.edu> wrote:

. Zach

. Please see the attachment.

. Shawn

--

Zach Freels
Lead Organizer
AFSCME 3299
(415) 580-1683
zfreels@afscme3299.org

From: **Claudia Preparata** cpreparata@afscme3299.org

Subject: Re: Operating Room

Date: April 4, 2019 at 3:46 PM

To: HS-HR Request for Information hs-hrrequestforinfo@ou.ad3.ucdavis.edu

Cc: Zachary Freels zfreels@afscme3299.org, Shawn K Hadnot mrhadnot@ucdavis.edu, Julia M Johnson jmjohnson@UCDAVIS.EDU, Employee and Labor Relations Union/Labor Meetings elr-ulmeetings@ou.ad3.ucdavis.edu, Seth Newton Patel spatel@afscme3299.org, Thomas A Anderson thanderson@ucdavis.edu



Hi Heather —

Per Zach's email below inquiring about the Operating Room RFI (#00172461) dated February 11, 2019, the RFI seeks information to 15 different questions, which includes questions not just limited to copies of RFP's, purchase orders, contract amounts, etc. Therefore, we consider the RFI to still be outstanding. Additionally, per the information we did receive, the UCOP AYA master agreement is referenced but not included. Please forward a copy of that agreement.

Let us know when we can anticipate the remaining information. This holds true not just for the Operating Room RFI but for all the RFI's cited in the email below. i.e. MGA Healthcare, SSI and Maxim Healthcare. And, as the University continues to respond to our RFI, please identify the number of the item to which each of the documents corresponds.

Lastly, please let us know, if according to the University, "the overall UCDH request (00168777)" that sought a list of RFP's since January 1, 2016 (and related information) covering work customarily done by AFSCME-represented SX and EX workers is complete.

I look forward to your response.

Thank you in advance.

Claudia

On Apr 2, 2019, at 2:02 PM, HS-HR Request for Information <hs-hrrequestforinfo@ou.ad3.ucdavis.edu> wrote:

Hello Zach,

In researching what has been sent prior for these grievances, I see that Amy Moore did send UC Davis's response for the following RFI's in one email: 00168777 - RFP - 00168777, **00172461**, 00172471, 00172473, 00172491. Her prior message is quoted below, and I have attached the RFI information sent previously. This email and the currently attached PDF's were sent to Representative Claudia Preparata on March 22, 2019. The PDF listed as "*00168777 Response to RFI Temp Labor RFPs EX-SX*" contains the response for all of the listed RFIs.

From: aggieservice@ucdavis.edu <aggieservice@ucdavis.edu>

Sent: Friday, March 22, 2019 9:51 AM

To: cpreparata@afscme3299.org

Subject: #00168777 - RFP - 00168777, 00172461, 00172471, 00172473, 00172491 [ref:_00D15GKmb._5001C16zZA5:ref]

Hello Claudia,

Please see the response to the following RFI's - 00168777, 00172461, 00172471, 00172473 and 00172491. I attached the RFI's that you submitted and each attachment has the corresponding RFI # listed in the top right hand corner. One of the attachments (the larger file) includes the response for all of the RFI #'s.

If you have any questions, feel free to contact me.

Thank you,

Amy C. Moore
Employee and Labor Relations Coordinator
Phone: (916) 734-3362

Fax: (916) 734-8646

ref: _00D15GKmb._5001C16zZA5:ref

I will begin processing the RFI request at the end of your email this afternoon.

Thank you,

Heather A Santoro

Employee & Labor Relations

Grievance Scheduler/TES

From: Zachary Freels <zfreels@afscme3299.org>

Sent: Tuesday, April 02, 2019 12:18 PM

To: Shawn K Hadnot <mrhadnot@ucdavis.edu>; Julia M Johnson <jmjohnson@UCDAVIS.EDU>; Employee and Labor Relations Union/Labor Meetings <elr-ulmeetings@ou.ad3.ucdavis.edu>; Claudia Preparata <cpreparata@afscme3299.org>; Seth Patel <spatel@afscme3299.org>; HS-HR Request for Information <hs-hrrequestforinfo@ou.ad3.ucdavis.edu>

Subject: Re: Operating Room

AFSCME is in receipt of UCD's notice to contract out ORA and Scrub Tech work to AYA Healthcare. UC has a statutory obligation to bargain over each and every decision to contract out bargaining unit work. All waivers of the Union's right to bargain expired with the contract, including the limited "exceptions" or "justifications" for contracting out after proper notice and other procedures specified in Article 5.

The University should not proceed with assigning any bargaining unit work--i.e. work comprised of duties customarily assigned to the bargaining unit--to a contractor by executing any contract, "order", "purchase order," "change order" or any other contractual instrument without meeting and conferring with AFSCME.

In order to engage in meaningful negotiations, let us know when the Union can expect responses to the Union's RFI entitled "AFSCME RFI re: Contracting Out in the OR Department" dated February 11, 2019 (#00172461). Additionally, per the University's stated rationale necessitating the use of contractors in the OR Department, provide the number of daily call outs in the past 6 months for Operating Room Assistants and Scrub Technicians, along with the number of FTEs scheduled each day by title and by employment status. e.g. UC employee and contractor.

On Thu, Mar 28, 2019 at 10:52 AM Shawn K Hadnot <mrhadnot@ucdavis.edu> wrote:

Zach

Please see the attachment.

Shawn

--

Zach Freels

Lead Organizer

AFSCME 3299

(415) 580-1683

zfreels@afscme3299.org

<00168777 Response to RFI Temp Labor RFPs EX-SX.pdf><Claudia Preparata AFSCME.pdf>

EXHIBIT 12

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HUMAN RESOURCES
2730 STOCKTON BOULEVARD
(916) 734-2362

Sent Via Email zfreels@afscme3299.org

October 3, 2018

Zachery Freels
AFSCME Local 3299
2400 O Street
Sacramento, CA. 95816

Re: Notice Regarding Contracting Out Extension (00142467)

Dear Zach:

Pursuant to Article 5, Contracting Out, Section B2.C of the UC/AFSCME (EX) labor agreement, this letter serves as a notice to the union that the Main Operating Room and Children's Surgery Center intends to extend the AYA Healthcare vendor contract for Tara Ferguson. The current contract was scheduled to end on September 30, 2018 however; it's being extended to December 30, 2018.

The Department's temporary staffing needs in the Scrub Tech classification specifically related to medical leaves and filling in vacancy gaps has created this contractual need in the unit. The one contracted staff person will allow the department to continue providing patient care at an acceptable level.

Please contact me at (916) 734-3405 or at mrhadnot@ucdavis.edu if you would like to meet and discuss this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Hadnot", written over a horizontal line.

Shawn Hadnot
Principal Consultant
Employee and Labor Relations

cc:

File

SERVICE CONTRACT REQUEST

For use by departments requesting the development of a new service contract (non-Capital).
Incomplete requests may result in delays. Attach additional sheets and supporting documentation as necessary.

SECTION 1: Requesting Department Information	
Department Name: Main Operating Room	Primary Accounting Unit: H1009709
Requester's Name: John Ortiz	Title: Assistant Nurse Manager
Email: jmoortiz@ucdavis.edu	Phone: 916-703-3661

SECTION 2: Contract Information		
Contract Sub-Type: <input checked="" type="checkbox"/> Staffing/Personnel Services <input type="checkbox"/> Professional Services <input type="checkbox"/> Master Purchasing Agreement (No PO) <input type="checkbox"/> SW License with Support <input type="checkbox"/> SW License <input type="checkbox"/> SW Maintenance <input type="checkbox"/> HW Maintenance <input type="checkbox"/> Equipment or Facility Maintenance <input type="checkbox"/> Equipment Loaner <input type="checkbox"/> Lease/Rental <input type="checkbox"/> Other General Services <i>Please specify other service:</i>		
Detailed description, purpose and justification of service(s) attach additional sheets if necessary: Scrub Techs in the O.R. provide critical support to surgery. Without adequate availability of scrub techs, surgical procedures will be delayed, canceled, or replaced by more expensive nurses who would likely be in "over time" rate.		
Will services be performed onsite? Will supplier have access to patient information (PHI)? Will supplier create, store, manage, use or transmit UC non-public information? Is prepayment required? If prepayment is required, specify terms:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Preferred Contract Period: 13 weeks Total Contract Maximum Value:		
To be billed per (If known): <input type="checkbox"/> Month <input type="checkbox"/> Quarter <input type="checkbox"/> Year <input type="checkbox"/> Other (specify):		
Service line(s): Please specify the GL account and amount. <i>Total amount must equal total contract value.</i>		
GL Account	\$ Amount	Cost Centers covered in PO
601200	\$22,362	H1009709

SECTION 3: Supplier Information (new suppliers require additional forms to be submitted)	
Supplier: AYA Healthcare	Lawson Vendor ID/Purchase From (If known):
Contact: Richard Wilson	Title: Sr. Area Program Manager
Email: richard.wilson@ayahealthcare.com	Phone: 916-226-1055

SECTION 4: Required Approval (Services must be approved by the appropriate department approver prior to submitting request)	
Dept. Approver Name & Title (Printed): Carolyn Parrish RN MSN, OR Manager <i>Carolyn A. Parrish, RN MSN</i>	
Approver Signature: <i>Carolyn A. Parrish</i>	Date: 9/27/2018

SUBMITTAL INSTRUCTIONS:

Return the completed request form and supporting documents via email to: HS-PurchasingContracts@UCDavis.edu



STAFFING / OUTSIDE CONTRACTOR REQUEST FORM

(For all engagements through UCDH approved staffing agencies)

Req/ID#: **Not applicable, Service request form is submitted**

1. Vendor Name and Contact Information: AYA Healthcare

- a. Is this a contract renewal? ☐ No ☒ Yes, original PO Aya UCOP agreement is in place
- b. If requesting an extension please provide justification Tara Ferguson, is essential in mitigating FTE fluctuations of clinical nurses and scrub techs, such as extended medical leaves, fills the gap in vacancy churn, and stabilizes other unanticipated staffing detriments to help maintain required staffing for surgical patients.
- c. Has the temporary staff/contractor been previously engaged by UC on other assignments?
☐ No ☒ Yes, provide details including PO numbers and dates if available. We have existing purchase order 90000533 that is going from HC Select to Aya due to the new contract

2. Reason for this staffing:

- a. Describe work to be performed: **Surgical technologists prepare the operating room and arrange equipment in order to assist the surgeon during a medical procedure. This is an extremely important part of this job because surgical technicians need to be able to have all the proper instruments at their fingertips as well as anticipate any other tools or supplies a surgeon might require during a procedure. The supplies needed are often not only essential in helping to heal a person, but ultimately can play an important role in saving a life.**
- b. Why is this work performed by a contractor rather than a new/existing FTE: **To fill staffing gaps created from unanticipated staffing detriments such as extended medical leaves and vacancy churn that occurs until recruitment yields a career FTE backfill?**
- c. How did you verify rate is at or below fair market (may reference Source Selection form if used):
How do I find out this information? **Per agreement with AYA Healthcare and UC Healthcare**
- d. Is this position displacing any Union or non-Union employee? ☒ No ☐ Yes. If yes, which Union Click or tap here to enter text.
- e. Is the candidate a former UC Davis employee ☒ No ☐ Yes
For guidance, refer: <http://www.ucop.edu/general-counsel/files/postemployment-coi.pdf>

3. Length of engagement:

- a. Start Date: **7/23/2018**
- b. (Original End Date): **9/30/2018**
- c. New End Date (if requesting an extension): **12/30/2018**

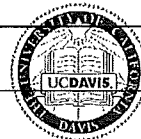
4. Hourly rate of pay:

- a. Agency pay rate: **\$Per agreement with AYA Healthcare and UC Healthcare**
- b. All-inclusive off-site pay rate: **\$Per agreement with AYA Healthcare and UC Healthcare**
- c. All-inclusive on-site pay rate: **\$ Per agreement with AYA Healthcare and UC Healthcare**
- d. ☐ W-2 or ☒ 1099 contractor
- e. Total amount to be spent for this engagement: **\$22,362**

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UC DAVIS HEALTH
SACRAMENTO, CA 95817



5. Name of contracted employee: **Tara Ferguson**
6. Name of contracted employee's supervisor: **Richard Wilson, Sr. Area Program Manager, AYA Healthcare**
7. Work location of contracted employee: **Main Operating Room & Children's Surgery Center**
8. Cost center to be charged for contracted employee: **H1009709**

Department Manager Approval

Name: **Carolyn Parrish, RN, MSN, OR Manager** (Electronic approval signature on IT Req ID

No requisition, contract request submitted.) *The signee is confirming this hire is not a relative and this staffing agreement is a not a conflict of interest for the University of California under the Business 43 policy.*

Carolyn A. Parrish RN MSN

Human Resources Approval

- a. If Union notice is required - what date was it issued? Click or tap to enter a date.
- b. Is temporary staff/ contractor a prior UC employee or Retiree? ☒ No ☐ Yes.
- c. If yes to (b) above, is current contract allowed? ☒ No ☐ Yes
- d. Specify any limitations to this engagement: **none**

Name: _____

Signature

Date

Purchasing Contact: William Corbett, Tel: 916-734-5951, Email: wrcorbett@ucdavis.edu

*Extensions & renewals upto 2 years does not require HR re-approval

EXHIBIT 13

From: HS Labor Relations Mailbox <hs-laborrelations@ucsd.edu>
Subject: DTB 18.19.562 - AFSCME Demand to Bargain Re: Patient Billing Services ex 6MAR2019
Date: March 8, 2019 at 1:20:48 PM PST
To: 'Shaun McCollum' <smccollum@afscme3299.org>, "Rawlins, Daniel" <drawlins@ucsd.edu>, HS Labor Relations Mailbox <hs-laborrelations@ucsd.edu>
Cc: Seth Patel <spatel@afscme3299.org>, Claudia Preparata <cpreparata@afscme3299.org>, Ching Lee <clee@afscme3299.org>, Julia Lum <jlum@leonardcarder.com>

Acknowledgement of receipt.

Laura Hoffard

Admin Specialist – Employee Relations & Labor Relations

UC San Diego Health

Health Human Resources

T: 619-543-3200, option 5 F: 619-543-7395

lhoffard@ucsd.edu

hhr.ucsd.edu

PLEASE TAKE NOTICE/CONFIDENTIALITY: The information transmitted or responded to is intended only for the person(s) or entity indicated. The message and any attachments may contain private, personal, health and/or attorney-client or labor-client protected information restricted from disclosure under Federal, State, or local law, including but not limited to HIPAA. Any unauthorized receipt and/or disclosures would be a violation of the law, including any subsequent disclosures. If you received this message in error, please immediately notify the sender and immediately delete all copies, electronic and hard copy. If you have forwarded this information to any party, you are required to contact all such recipients and secure the deletion/destruction of that information.

From: Shaun McCollum <smccollum@afscme3299.org> ^[L]_[SEP] **Sent:** Wednesday, March 6, 2019 10:00 AM ^[L]_[SEP] **To:** Rawlins, Daniel <drawlins@ucsd.edu>; HS Labor Relations Mailbox <hs-laborrelations@ucsd.edu> ^[L]_[SEP] **Cc:** Seth Patel <spatel@afscme3299.org>; Claudia Preparata <cpreparata@afscme3299.org>; Ching Lee <clee@afscme3299.org>; Julia Lum <jlum@leonardcarder.com> ^[L]_[SEP] **Subject:** AFSCME Demand to Bargain Re: Patient

Billing Services

Dear Dan,^[SEP]^[SEP]AFSCME understands that UCSD plans to contract with Aya Healthcare for billing services. UC has a statutory obligation to bargain over each and every decision to contract out bargaining unit work. All waivers of the Union's right to bargain expired with the contract, including the limited "exceptions" or "justifications" for contracting out after proper notice and other procedures specified in Article 5.^[SEP]^[SEP]The University should not proceed with assigning any bargaining unit work--i.e. work comprised of duties customarily assigned to the bargaining unit--to a contractor by executing any contract, "order", "purchase order," "change order" or any other contractual instrument without meeting and conferring with AFSCME. In order to engage in meaningful negotiations, AFSCME will be requesting additional information.

Sincerely,

--

Shaun McCollum

AFSCME Local 3299

619.296.0342

smccollum@afscme3299.org

www.afscme3299.org

EXHIBIT 14

From: Zachary Freels <zfreels@afscme3299.org>

Date: April 19, 2019 at 7:45:05 AM PDT

To: Stephen Green <smgreen@ucdavis.edu>

Cc: Julia M Johnson <jmjohnson@ucdavis.edu>, Claudia Preparata <cpreparata@afscme3299.org>, Seth Patel <spatel@afscme3299.org>, Teresa Avendano <tavendano@afscme3299.org>

Subject: Cease and Desist From Contract Out Our Bargaining Unit Work and Reiteration of Demand to Bargain All Future Decisions To Do So And Their Effects

Hello,

On April 9, you provided AFSCME with a copy of its Master Health Purchasing Agreement with Aya Healthcare which appears to have created a system to facilitate the contracting out of work by UCSD, UC Davis and UC Irvine and possibly other UC locations and even UC affiliated locations. It purports to authorize the contracting out of up to \$150,000,000 of work to Aya and/or its unidentified subcontractors. It does not, however, contain any Statement of Work and instead leaves it up to each Medical Center or other location to define the potential scope of work that it might ask Aya to perform.

In response to the Union's demands to bargain over decisions to contract out work to Aya or any other vendor, UC Davis states that "the University disagrees with AFSCME's position that it is now required to meet and confer over any decision [sic] involving the AYA Healthcare contract."

Needless to say, we disagree. Contracting out falls within the scope of representation and the employer is not free to act unilaterally nor rely on any purported contractual waiver of the right to bargain during the hiatus between collective bargaining agreements. By contracting out work to Aya without bargaining, the University is in violation of its obligations. We insist that UC Davis Medical Center cease and desist from contracting out our work and make the bargaining unit and affected employees whole for decisions already implemented over the union's objection. We also insist that UC Davis Medical Center cease and desist from proceeding with any unilateral plan to contract out any additional EX or SX work; we reiterate our demand to bargain each decision and its effects.

In one example for which UC Davis provided inadequate and late notice dated April 8, 2019 reflects a proposal to hire a contract worker as a Senior Scrub Technician to work in the Same Day Surgery Center that was in fact already implemented. The hiring form – which was completed on April 3, 2019, five days before AFSCME was given notice, shows that the department made the decision to contract out work because the Perioperative Services Division is understaffed, with all existing staff working at maximum capacity with overtime. It is clear that UC Davis is choosing to contract out work rather than fill positions even though there is an ongoing need for the work.

We are also informed that UC Davis intends to contract out other bargaining unit work (or may have already done so) that includes a significant amount of ORA and Scrub Tech work in various departments, Rad Tech work in the ENT Otolaryngology Department, EP Tech work, Physical Rehabilitation work to be provided in the Main Hospital and Outpatient Clinics, and Central Processing Tech work where the department admits that it has an ongoing need for the Tech services, but instead of hiring UC employees, is keeping workers in contract positions for protracted periods of time. To be clear, AFSCME has never agreed that any of the specific work identified here may be contracted out. Rather, these are jobs that should be filled by UC employees with job security, well-defined wages and benefits and union representation.

It is well-settled that during the hiatus between collective bargaining agreements, the University is required to bargain over matters within the scope of representation and it is not free to unilaterally contract out bargaining unit work to private firms. Each of the decisions to contract out work identified here – and perhaps others that may have been implemented in secret – fall well within the scope of representation and AFSCME reiterates its demand to bargain over each decision to contract work out to Aya (or any Aya subcontractor) as well as the effects of those decisions.

Going forward, we remind the University that for advance notice of a decision to contract out work to be sufficient, it should, at a minimum, specify:

- the reason that the Campus or medical center is proposing to contract out specified work (or the work of a designated number of specific positions) to Aya (or any Aya subcontractor or other vendor),
- the scope of the specific work at issue (i.e. the titles at issue, the location where the work would be performed by contractors, the number of FTEs at issue);
- the period of time that contractors would perform the work in lieu of UC employees, including the department's plans to fill all necessary positions with UC employees;
- and the compensation that UC plans to provide to contract workers and to Aya and/or its subcontractor.

Any such proposal should be directed to me, Zach Freels, and also to Claudia Preparata and Seth Newton Patel at Local 3299's headquarters.

Going forward, in addition to demanding bargaining over decisions to contract work out to Aya or any of its subcontractors, we are also demanding bargaining over the effects of those decisions and will want to know each affected department's specific plan to

restore the bargaining unit and the anticipated timeframe needed to accomplish that goal. AFSCME reserves the right to identify a full range of decisions and effects to be negotiated as information is provided. As you know, we have submitted requests for information on this topic that remain unfulfilled and we urge you to provide comprehensive responses immediately. In order to engage in meaningful negotiations regarding the various decisions to contract work out to Aya and/or its subcontractor(s), we will be requesting additional information.

--

Zach Freels
Lead Organizer
AFSCME 3299
(415) 580-1683
zfreels@afscme3299.org

EXHIBIT 15

From: Shaun McCollum <smccollum@afscme3299.org>

Date: April 19, 2019 at 8:00:24 AM PDT

To: "Rawlins, Daniel" <drawlins@ucsd.edu>, HS Labor Relations Mailbox <hs-laborrelations@ucsd.edu>

Cc: Seth Patel <spatel@afscme3299.org>, Claudia Preparata <cpreparata@afscme3299.org>

Subject: Cease and Desist From Contracting Out Bargaining Unit Work and Reiteration of Demand to Bargain All Future Decisions To Do So and Their Effects

Dear Dan,

On April 9, the University provided AFSCME with a copy of its Master Health Purchasing Agreement with Aya Healthcare which appears to have created a system to facilitate the contracting out of work by UCSD, UC Davis and UC Irvine and possibly other UC locations and even UC affiliated locations. It purports to authorize the contracting out of up to \$150,000,000 of work to Aya and/or its unidentified subcontractors. It does not, however, contain any Statement of Work and instead leaves it up to each Medical Center or other location to define the potential scope of work that it might ask Aya to perform.

UC's Master Agreement with Aya provided in April indicates that UCSD Medical Center is a participant in the agreement, but UCSD has never provided any proposal to enter into an agreement with Aya that defines a scope of work to be performed by the contractor, nor with any notice or proposal for any department to contract out specific work. Instead, a little over one month ago, AFSCME learned from our own members that UCSD Health is planning to contract out Patient Billing work to Aya Healthcare. As you know, we demanded bargaining but the University has refused and we understand that the University takes the position that it is "not required to meet and confer over any decision" to contract out work.

Needless to say, we disagree. Contracting out falls within the scope of representation and the employer is not free to act unilaterally nor rely on any purported contractual waiver of the right to bargain during the hiatus

between collective bargaining agreements. By contracting out work to Aya without bargaining, the University is in violation of its obligations. We insist that UC San Diego Medical Center cease and desist from contracting out our work and make the bargaining unit and affected employees whole for any decisions already implemented over the union's objection. We also insist that UCSD Medical Center cease and desist from proceeding with any unilateral plan to contract Patient Billing or any other bargaining unit reiterate our demand to bargain each decision and its effects.

To be clear, AFSCME has never agreed that Patient Billing work may be contracted out. Rather, these are jobs that should be filled by UC employees with job security, well-defined wages and benefits and union representation.

It is well-settled that during the hiatus between collective bargaining agreements, the University is required to bargain over matters within the scope of representation and it is not free to unilaterally contract out bargaining unit work to private firms. Each of the decisions to contract out work identified here – and perhaps others that may have been implemented in secret – fall well within the scope of representation and AFSCME reiterates its demand to bargain over each decision to contract work out to Aya (or any Aya subcontractor) as well as the effects of those decisions.

Going forward, we remind the University that for advance notice of a decision to contract out work to be sufficient, it should, at a minimum, specify:

- the reason that the Campus or medical center is proposing to contract out specified work (or the work of a designated number of specific positions) to Aya (or any Aya subcontractor or other vendor);
- the scope of the specific work at issue (i.e. the titles at issue, the location where the work would be performed by contractors, the number of FTEs at issue);
- the period of time that contractors would perform the work in lieu of UC employees, including the department's plans to fill all necessary positions with UC employees;
- and the compensation that UC plans to provide to contract workers and to Aya and/or its subcontractor.

Any such proposal should be directed to me, Shaun McCollum, and also to Claudia Preparata and Seth Newton Patel at Local 3299's headquarters.

Going forward, in addition to demanding bargaining over decisions to

contract work out to Aya or any of its subcontractors, we are also demanding bargaining over the effects of those decisions and will want to know each affected department's specific plan to restore the bargaining unit and the anticipated timeframe needed to accomplish that goal. AFSCME reserves the right to identify a full range of decisions and effects to be negotiated as information is provided. As you know, we have submitted requests for information on this topic that remain unfulfilled and we urge you to provide comprehensive responses immediately. In order to engage in meaningful negotiations regarding the various decisions to contract work out to Aya and/or its subcontractor(s), we will be requesting additional information.

Sincerely,

Shaun McCollum
AFSCME Local 3299
619.296.0342
smccollum@afscme3299.org
www.afscme3299.org

EXHIBIT 16

From: Marisa Salgado <msalgado@afscme3299.org>
Date: April 19, 2019 at 8:15:54 AM PDT
To: Paul Kronheim <pkronhei@uci.edu>
Cc: washine1@uci.edu, spatel@afscme3299.org, cpreparata@afscme3299.org
Subject: Cease and Desist From Contracting Out Bargaining Unit Work and Reiteration of Demand to Bargain All Future Decisions To Do So and Their Effects

Dear Paul,

On April 9, you provided AFSCME with a copy of its Master Health Purchasing Agreement with Aya Healthcare which appears to have created a system to facilitate the contracting out of work by UCSD, UC Davis and UC Irvine and possibly other UC locations and even UC affiliated locations. It purports to authorize the contracting out of up to \$150,000,000 of work to Aya and/or its unidentified subcontractors. It does not, however, contain any Statement of Work and instead leaves it up to each Medical Center or other location to define the potential scope of work that it might ask Aya to perform.

In response to the Union's demands to bargain over decisions to contract out work to Aya or any other vendor, the University has made it clear that it is refusing to bargain.

Needless to say, we disagree. Contracting out falls within the scope of representation and the employer is not free to act unilaterally nor rely on any purported contractual waiver of the right to bargain during the hiatus between collective bargaining agreements. By contracting out work to Aya without bargaining, the University is in violation of its obligations. To the extent that UC Irvine Medical Center may have decided to contract work out to Aya or any other vendor, we insist that you cease and desist from contracting out our work and make the bargaining unit and affected employees whole for decisions already implemented over the union's objection. We also insist that UC Irvine Medical Center cease and desist from proceeding with any unilateral plan, if any, to contract out any additional EX or SX work.

It is well-settled that during the hiatus between collective bargaining agreements, the University is required to bargain over matters within the scope of

representation and it is not free to unilaterally contract out bargaining unit work to private firms. Each of the decisions to contract out work identified here – and perhaps others that may have been implemented in secret – fall well within the scope of representation and AFSCME reiterates its demand to bargain over each decision to contract work out to Aya (or any Aya subcontractor) as well as the effects of those decisions.

Going forward, we remind the University that for advance notice of a decision to contract out work to be sufficient, it should, at a minimum, specify:

- the reason that the Campus or medical center is proposing to contract out specified work (or the work of a designated number of specific positions) to Aya (or any Aya subcontractor or other vendor),
- the scope of the specific work at issue (i.e. the titles at issue, the location where the work would be performed by contractors, the number of FTEs at issue);
- the period of time that contractors would perform the work in lieu of UC employees, including the department's plans to fill all necessary positions with UC employees;
- and the compensation that UC plans to provide to contract workers and to Aya and/or its subcontractor.

Any such proposal should be directed to my attention, and also to Claudia Preparata and Seth Newton Patel at Local 3299's headquarters.

Going forward, in addition to demanding bargaining over decisions to contract work out to Aya or any of its subcontractors, we are also demanding bargaining over the effects of those decisions and will want to know each affected department's specific plan to restore the bargaining unit and the anticipated timeframe needed to accomplish that goal. AFSCME reserves the right to identify a full range of decisions and effects to be negotiated as information is provided. As you know, we have submitted requests for information on this topic that remain unfulfilled and we urge you to provide comprehensive responses immediately. In order to engage in meaningful negotiations regarding the various decisions to contract work out to Aya and/or its subcontractor(s), we will be requesting additional information.

Sincerely,

Marisa Salgado

EXHIBIT 17

UNIVERSITY OF CALIFORNIA, DAVIS

BERKELEY, DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO, SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

HUMAN RESOURCES
2730 STOCKTON BOULEVARD
(916) 734-2362

Sent Via Email zfreels@afscme3299.org

December 6, 2018

Zachery Freels
AFSCME Local 3299
2400 O Street
Sacramento, CA. 95816

Re: Contracting Out (# 00156932)

Dear Zach:

Pursuant to Article 5, Contracting Out, Section B2.C of the UC/AFSCME (EX) labor agreement, this letter serves as a notice to the union that the Operating Room intends to hire a contracted employee through AYA Healthcare to perform job duties associated with an Operating Room Assistant. The contract is scheduled to end on December 31, 2018.

Please contact me at (916) 734-3405 or at mrhadnot@ucdavis.edu if you would like to meet and discuss this matter.

Sincerely,

A handwritten signature in black ink that reads "Shawn Hadnot".

Shawn Hadnot
Principal Consultant
Labor Relations

cc:

File

EXHIBIT 18



BFB-BUS-43 Purchases of Goods and Services; Supply Chain Management

Responsible Officer:	AVP – Chief Procurement Officer
Responsible Office:	PS – Procurement Services
Issuance Date:	10/19/2016
Effective Date:	11/17/2017
Last Review Date:	9/20/2017
Scope:	All Campuses, Medical Centers, Agriculture and Natural Resources and Lawrence Berkeley National Laboratory

Contact:	Office of the Chief Procurement
Title:	CPO Officer
Email:	ProcurementAdmin@ucop.edu
Phone #:	(510) 987-0474

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I. POLICY SUMMARY

A. The procurement policies and procedures in this Bulletin are based upon:

1. California Public Contract Code, Part 2, Contracting by State Agencies, Chapter 2.1, University of California Competitive Bidding, Article 2, Materials, Goods, and Services (Public Contract Code Section 10507, et seq.)
2. The Bylaws, Standing Orders and Policies of The Regents of the University of California; and
3. Policies issued by the President of the University.

- B.** In addition, these policies and procedures provide for appropriate implementation of the policies and requirements of the funding agencies for federal contracts and grants, and other extramural agreements, which includes:
1. Recognition that the interests of the people of the State of California are paramount and that University Procurement/Supply Chain Management policies and practices should be developed to best serve those interests,
 2. Recognition that the basic purpose of Procurement/Supply Chain Management is to support the teaching, research, and public service missions of the University of California (University) in a cost effective manner,
 3. Continuing development and refinement of University procurement policies in accordance with good business judgment and normal business practice as applicable to the University's total operations, and
 4. The firm belief that it is in the overall interest both of extramural sponsors and the University to limit as much as possible the effect of sponsor regulations on University policy and administration.

The University is committed to maintaining high standards of performance based upon fair, ethical, and professional business practices. To further this end in the implementation of its purchasing policies and procedures, the University expects each Procurement/Supply Chain Manager, and others authorized by the Procurement/Supply Chain Manager to make purchases, to abide by the [Principles and Standards of Ethical Supply Management Conduct](#) of the [Institute for Supply Management \(ISM\)](#) and the Code of Ethics of the [National Association of Educational Procurement \(NAEP\)](#).

II. DEFINITIONS

Agreement: A legally binding document for the present or future procurement of goods and/or services by the University. (Also see “Contract” and/or “Purchase Order.”)

Asian-Pacific Americans: United States citizens whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territory of the Pacific Islands, (Republic of Palau), the Northern Mariana Islands, Laos, Kampuchea (Cambodia), Taiwan, Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Republic of the Marshall Islands, the Federated States of Micronesia, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru.

Associate Vice President and Chief Procurement Officer: Office of the President Representative with facilitative, consultative, and coordinative oversight and responsibility for the Procurement/Supply Chain Management, Procurement Services, and Strategic Sourcing functions of the University and administrative responsibility for the management of the Office of the President Procurement Services Unit.

Authorized Signer: Individual(s) designated by the Chancellor or the VP of ANR (or his/her designee) to authorize issuance of procurement cards and to implement card limits and controls.

Best Value: The most advantageous balance of price, quality, service, performance, and other elements as defined by the University, achieved through methods in accordance with Public Contract Code Section 10507.8 and determined by objective performance criteria that may include price, features, long-term functionality, life-cycle costs, overall sustainability, required services, and the reduction of overall operating costs included in the proposal.

Best Value Agreement: An agreement entered into pursuant to the Best Value bid evaluation methodology.

Best Value Awardee(s): The lowest responsible bidder or bidders that are awarded an agreement for goods, materials, or services through the use of Best Value bid evaluation methodology.

Best Value Criteria: Criteria set forth in subdivision (d) of Public Contract Code Section 10507.8.

Bid Authorization Threshold: Any single Purchase Agreement or Purchase Order involving an estimated expenditure of more than \$100,000 annually for goods and/or services to be sold to one or more Locations.

Bidder: An entity (individual or an organization) that participates in a University formal bid process.

Cardholder: An individual who has been delegated written authority to use a procurement card by the campus Procurement/Supply Chain Manager.

Commodity Agreements: Primary or secondary strategically sourced agreements designated for supply of goods or services to the University that were awarded as a result of competitive bid process. These agreements are for indefinite quantities during a period of time at firm prices or with an established basis for negotiated price changes.

Commodity Manager: A manager or buyer assigned responsibility on a University-wide basis for coordinating standards and specification development covering specific commodities, or groups of commodities. A Commodity Manager develops a commodity strategy and leads a team with representation from Locations on the development of the initiative plan, the research for developing product specifications, creation of the Request for Proposal documents, and then leads the team through the bidding and award processes. The Commodity Manager at the Office of the President also manages the resulting Systemwide agreement(s) on an ongoing basis.

Common Goods and Services: Standard commercial equipment, materials, supplies, and services readily obtainable through conventional commercial marketing channels.

Competitive Quotation: Responsive price quotations from a minimum of three qualified suppliers submitted in accordance with a solicitation from the Procurement/ Supply Chain Manager, Commodity Manager or Buyer.

Conditional Sales Contract: A written contract, executed by the University and the seller, containing the essential terms and conditions under which the University gets possession and the right to use the personal property, though the seller retains title to

the property as its security until total payment is made, at which time title passes to the University of California.

Construction: Construction includes moving, demolishing, installing, building, altering, repairing or improving a structure, facility, road, other improvement, or system according to a plan or by a definite process. Construction consists of the application of any of these techniques to any physical plant facilities such as structures, utilities, excavations, landscaping, site improvements, drainage systems, and roads. Exterior and interior painting of new structures is a form of construction. All contracting associated with construction is governed by the UC Facilities Manual and the associated policies and templates therein. **Note:** For prevailing wage requirements only, construction also includes the following Moving Services:

- (a) assembly or disassembly of freestanding or affixed modular furniture systems,
- (b) affixing any good to real property,
- (c) certain wall attachments (beyond a typical picture hanging).

Consultant: A consultant is a supplier that provides primarily professional or technical advice. Generally the University does not control either the manner of performance or the result of the service. Consultants are subject to restrictions in the Public Contract Code regarding follow-on contracts.

Contract: A legally binding document for the present or future procurement of goods and/or services by the University. (See also “Agreement” and/or “Purchase Order.”)

Criteria: Element(s) included in the qualitative and price/cost factors for bid evaluation.

Department of Industrial Relations (DIR): State of California agency that has the responsibility for ensuring that employers are administering Labor Law and Health and Safety regulations and guidelines in a compliant manner. Parent agency of the Division of Labor Standards Enforcement (DLSE) that grants Sheltered Workshop Licenses for Disabled Workers.

Director, Strategic Sourcing: Office of the President Representative with facilitative, consultative, and coordinative responsibility for the Procurement/Supply Chain Management and Procurement Services functions of the University and administrative responsibility for the Strategic Sourcing Initiative in selected commodity categories.

Disabled Veteran: A veteran of the U.S. military, naval, or air service with a service connected disability who is a resident of the United States. To qualify as a veteran with a service connected disability, the person must be currently declared by the U.S. Department of Veterans Affairs to be 10% or more disabled as a result of service in the armed forces. (California Military and Veterans Code, Article 6, §999 et seq.)

Disabled Veteran Business Enterprise (DVBE): A business that is at least 51% owned by one or more disabled veterans or, in the case of any publicly owned business, at least 51% of the stock of which is owned by such individuals and whose management and daily business operations are controlled by one or more of such individuals.

Disadvantaged Business Enterprise (DBE): A business concern which is at least 51% owned by one or more socially and economically disadvantaged individuals or, in the case of any publicly owned business, at least 51% of the stock of which is owned by such individuals and whose management and daily business operations are controlled by one or more of such individuals (includes MBE (Minority Business Enterprises) as well as WBE (Women's Business Enterprises). Like the other groups, this group advocates for policies that support small businesses and provide opportunities for small businesses, it provides technical and financing training, and it produces data on the successes/challenges of Small Disadvantaged Business Enterprises throughout the country. It also works to connect people with other programs, like the EPA Fair Share Objectives Program.

Business owners who certify that they are members of named groups (Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent-Asian Americans) are to be considered socially and economically disadvantaged.

Economically Disadvantaged Individuals: Socially disadvantaged individuals whose ability to compete in the free private enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area that are not socially disadvantaged.

Employee: Any individual who is presently employed by the University.

Employee – Supplier Relationship: A relationship in which:

1. An employee, acting alone, proposes for a consideration to lease or sell goods or to provide services to University of California departments; or
2. An employee who owns or controls more than 10% interest in any business which proposes for a consideration to lease or sell goods or to provide services to University of California departments; or
3. A former employee acting alone, proposes for a consideration to lease or sell goods or to provide services to University departments; or
4. The near relative of an employee, acting alone, proposes for a consideration to lease or sell goods or to provide services to University departments, when the employee has, in any connections with his or her University employment, any responsibility for or will be involved in any manner, in the department's decision to accomplish or approve the transactions; or
5. The near relative of an employee owns or controls more than a 10% interest in a business, which proposes for a consideration to lease or sell goods or to provide services to University departments, when the employee has, in any connection with his or her University employment, any responsibility for or will be involved in any manner in the department's decision to accomplish or approve the transactions.

Employee with Teaching or Research Responsibilities: An academic appointee who is engaged in teaching and/or research activities, and certain staff employees (e.g., Staff Research Associates) who may participate in teaching or research activities.

Escalation Authority: The individual to whom the Policy Exception Authority reports, or such individual's designee.

Executing Official: An individual who has the authority to purchase Goods and/or Services on behalf of the University.

External Financial Loan: Funds borrowed from external sources, such as banks, for the purpose of financing the purchase of personal property.

Factors: Individual qualitative criteria that the University determines to be important elements for evaluation of bids and successful agreement award(s).

Fair Share Objectives: A program developed by the Environmental Protection Agency, Fair Share sets aside a percentage of their procurement opportunities that are funded by the EPA financial assistance agreements. All EPA groups are to ensure that they are promoting contracting with MBEs and WBEs.

Fair Wage/Fair Work Services: Fair Wage/Fair Work Services include all services to be performed for the University at one or more UC Locations. Fair Wage/Fair Work services requirements do not apply to: (i) contracts funded by extramural awards containing sponsor-mandated terms and conditions, or (ii) endowment or investment property where the purpose is to generate income from the general public, except to the extent such property is used by the University in furtherance of its mission.

Federal Contracts and Grants: Extramural agreements which fund selected campus activities, and prime contracts governing Laboratory operations.

Former Employee: An individual who was retired or separated from the University, was dismissed, or was otherwise formerly employed by the University.

Good Faith Efforts: Good Faith Efforts are required methods that all EPA financial assistance agreement recipients have the ability to compete for these EPA-funded assistance dollars. The six tenets that the program is built upon are called "The Six Good Faith Efforts."

Historically Black College or University and Minority Institution (HBCU/MI): Colleges and universities that meet the requirements of 34 CFR-Section 608.2, as determined by the Secretary of Education. These Minority Institutions also meet the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C.-1135d.5 (3)). The terms can also include Hispanic-Serving Institutions as defined in Section 316(b)(1) of such previously mentioned Act (20 U.S.C. 1059c(b)(1)).

HUBZONE (HUBZone) Business: Businesses with their primary location in historically underutilized business zones. These businesses, like many other Socially Disadvantaged Businesses are often able to participate in special programs related to business and marketing. Preferences in contracting sometimes go to these businesses

since their owners are attempting to promote their businesses in areas with high-unemployment and low income, often located in economically distressed communities.

Incentive: Payment offered to the University by a supplier to provide additional consideration or compensation to encourage the purchase of goods and/or services from that supplier. Incentives include, but are not limited to: Gifts, whether monetary or free goods or services; cash or credits based on total purchases; and any other value-added goods or services offered at no charge or at a substantially reduced cost to the University including provisions for research grants or fellows.

Indian Tribal Governments (Tribes) and Alaska Native Corporation (ANC): Indian tribal governments and Alaska Native Corporations (the Alaska equivalent of tribes) have the primary responsibility for promoting economic development. On the premise that it is both appropriate and necessary to use the federal government's massive procurement activity to help jump-start reservation economies, Congress has given Tribes and Alaska Native Corporations unique rights in the federal procurement process. These rights provide the federal agencies and federal contractors with strong incentives to contract with tribal and ANC firms.

Inventorial Equipment: Non-expendable, tangible personal property which has an acquisition cost of \$5,000* or more, is free-standing, is complete in itself, does not lose its identity when affixed or installed in other property, and has a normal life expectancy of one year or more. These property items are tagged and are controlled by Equipment Management at each location.

* See [Business and Finance Bulletin BUS-29/Management and Control of University Equipment](#) for full definition of *Governmental Inventorial Equipment*.

Laboratory: Lawrence Berkeley National Laboratory.

Location: A location is the Office of the President, or a University campus, medical center, Agriculture and Natural Resources site, or Laboratory.

Low-Value Purchase Authorization (LVPA): The authorization that may be granted by the Procurement/Supply Chain Managers to individuals in departments outside the purchasing department. Each such delegation of authority shall be in writing and shall contain written procedure adequate to ensure observance of good business practices and compliance with University purchasing policy. (See Section III Policy Text, Part 1/Purchase Transactions, Sub-Section I. Low-Value Purchases for the guidelines to be observed in administering Low-Value Purchase Authorizations.)

Maintenance: Maintenance is the upkeep of property, machinery, and facilities, including buildings, building and utility systems, roads, and grounds. Maintenance usually is characterized by its routine or recurring nature, the purpose of which is to keep facilities and systems in good working order. It consists of the preservation of buildings and grounds, other real property improvements and their components such as elevators, boilers, refrigerators, air conditioners, and other equipment which is a fixed part of a structure or a grounds installation (including coverings of floors, walls, and windows). It may include replacement of components and equipment if replacement is

required on a routine or recurring basis, and if the work is not an upgrade or does not constitute replacement of greater than 50% of the replacement value of that system. Maintenance does not include the erection, construction, alteration, repair, or improvement of any University structure, building, road, or other improvement. Refer to Volume 6 of the UC Facilities Manual for applicable policies and definitions.

Procurement/Supply Chain Manager: Location official responsible for Procurement/Supply Chain Management functions, which generally include purchasing, receiving, storehouse operations, and equipment management. This definition also includes designees of a Procurement/Supply Chain Manager.

Native Americans: American Indians, Eskimos, Aleuts, and native Hawaiians.

Near Relative: The spouse, child, parent, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of a University employee, and step-relatives in the same relationship. *Near relative* also includes the domestic partner of a University employee and a relative of the domestic partner in one of the foregoing relationships.

Personal Property: Any movable item subject to ownership; material, but not real property.

Personal Services: Technical or unique functions performed by a supplier that is distinctly qualified to render the services. Personal services are of a nature that the University would consider the supplier's experience, qualifications and skills to be more important than comparative cost when selecting a supplier. Examples of personal services include translation services, technical editing, technical appraisals, transaction valuation, coaching, interior decorating, and contracts with musicians, artists and others in the performing arts.

Policy Exception Authority: The Chief Procurement Officer for a non-UC Health Systemwide or Office of the President contract; the AVP, UC Health Procurement for a UC Health Systemwide contract; and otherwise by the senior procurement officer of the campus, medical center, or Laboratory.

Pool Purchase: A purchase transaction involving two or more Locations which provides that definite or guaranteed minimum quantities of specified items be purchased at fixed prices during a stated period. Pool purchases normally are made on a regularly scheduled basis one or more times a year.

Prevailing Wage: The Prevailing Wage is the specific wage rate set by the State of California Department of Industrial Relations for all workers on a Public Work according to the type of work and location. The Department also sets specific audit and reporting requirements encompassing production and retention of certified payroll. UC typically complies with these state requirements by policy. The federal government also establishes prevailing wage rates and reporting requirements applicable in certain instances utilizing federal funding. For federally funded services, UC will apply the more stringent prevailing wage requirements between federal and state law.

Price Schedules: Agreements designated as an optional vehicle for supply of goods or services to the University. Such agreements have not been competitively bid, and therefore are not to be used in lieu of securing competition for all purchases over the bid threshold of \$100,000 annually.

Procurement Card Program Administrator: An individual who is responsible for the day-to-day management and operation of the procurement card program at each Location.

Professional Services: Highly specialized functions, typically of a technical nature, performed by a supplier that, with respect to the services to be rendered, most commonly a) has a professional license; b) is licensed by a regulatory body; and/or c) is able to obtain professional errors and omissions insurance. Professional services are of a nature that the University would consider the supplier's experience, qualifications and skills to be more important than comparative cost when selecting a supplier. Examples of professional services include medicine and related medical services, and legal, accounting, architectural, and engineering services.

Project: The erection, construction, alteration, repair, or improvement of any University structure, building, road, or other improvement that will exceed in cost, including labor and materials, a total of \$100,000.

Proprietary Products and Services: A product or service made and marketed by a supplier having the exclusive right to manufacture and sell.

Public Works Project: California law provides that a Public Work includes maintenance, construction, alteration, demolition, installation or repair work in excess of \$1,000, done under contract with a public agency and paid for in whole or part with public funds. UC typically complies with state prevailing wage requirements by policy. Note: The following work is also typically considered a Public Work:

- (a) laying of carpet done under contract or under a building lease-maintenance contract.
- (b) renewable energy work performed on UC property in California is considered a Public Work if done under contract and more than 50% of the energy generated will be purchased by UC or the work is primarily intended to reduce UC's energy costs.
- (c) hauling of refuse from a Public Work site to an outside disposal location is considered a Public Work.

Purchase Agreement: A legally binding written contract between the University and a supplier containing the terms of a purchase for goods and/or services furnished to the University.

Purchase Order: A commercial document issued on a University Purchase Order form or an electronic document created by a University e-procurement system authorizing a supplier to furnish goods and/or services to the University according to the stated terms with payment to be made later. A Purchase Order or electronic document forms a contract when issued by the University and performed by the supplier (see also "Agreement" and/or "Contract").

Purchasing Unit: Refers to the Procurement or Purchasing Department or other Business Unit for the management of the Procurement Card Program, as assigned by the campus Controller.

Real Property: Land and/or improvements including affixed structures and any other building space or variant of these such as prefabricated structures, mobile or portable, or light tension structures. This definition includes temporary or permanent structures and improvements.

Reasonable Price: A price that does not exceed that which would be incurred by a prudent person in the conduct of a competitive business. Reasonable price can be established by market test, price or cost analysis, or the experience and judgment of the Procurement/Supply Chain Manager. Such judgment considers total value to the University. There is value to the University in purchases which meet the University's needs, such as those involving quality, quantity, delivery and service. A reasonable price need not be the lowest price available, but is one which offers the highest total value to the University. For transactions above \$100,000, reasonable price is established through competition sufficient to ensure an adequate market test, or set by applicable law or regulation, or supported by an appropriate price or cost analysis.

Responsive Quotation: A quotation determined by the Procurement/Supply Chain Manager to be in substantial conformance with the specifications, delivery requirements, and conditions prescribed in the request for quotation, free of material mistakes or errors.

Responsible Bidder: A bidder who has the capability in all respects to fully perform the contract requirements and whose integrity and reliability will assure good faith performance. Factors considered in evaluating responsibility may include: financial resources, past performance, delivery capability, experience, organization, personnel, technical skills, operations controls, equipment, and facilities.

Reviewer: An individual(s) at a supervisory level who is responsible for reviewing and/or approving purchases made by the Cardholder. Reviewers may not be in a subordinate relationship to the cardholder. A review shall not be assigned transaction verification for more than 10 procurement cardholders. (See exception procedures noted in Section IV/Compliance/Responsibilities, Part F/Responsibility and Authority for the Procurement Card Program, Sub-Section 4/Reviewer).

Service: Labor performed for another; useful labor that may or may not produce a tangible commodity. Service includes, but is not limited to: bookstore operation; use of security guards; transportation; computer programming; clothing rental and cleaning; laundry; tests and analysis; film processing; janitorial work; window washing; rubbish and waste removal; and service and repairs to office equipment, transportation equipment, laboratory and medical equipment, and musical instruments. (See also Personal and Professional Services.)

Service-Disabled Veteran-Owned Small Business (SDVOSB): This program provides small business support to Service-Disabled Veterans. The program provides training, business resources for people with disabilities, counseling, assistance,

networking opportunities, and financial assistance for those who qualify for a variety of loan and grant programs. Additionally, this program also connects Service-Disabled Veteran Small Business Owners to government contracting opportunities.

Small Business: Small businesses are business organizations that are independently owned and operated, not dominant in their field of operation, their principal offices are located in California whose owners are domiciled in California and then have either 100 or fewer employees, \$14,000,000 or less in gross receipts, a manufacturer with 100 or fewer employees, or a micro-business (a Small Business with less than \$3,500,000 in gross receipts).

Small Business Coordinator: A University employee who is responsible for implementing the Small Business Program at their location. This employee may have another title and only do work on Small Business as a portion of their responsibilities. This employee generally assists departments in preparing Subcontracting Plans and in completing the final paperwork related to small business expenditures when the project is done. The SBC also assists the campus identifying small, local, diverse, disadvantaged, and Disabled Veteran-Owned business entities for the purchase of goods and services. This employee may also have responsibility for filing annual Small Business Reports with OP that are ultimately delivered to the Governor's Office. A Small Business Coordinator may also go by the term, "Supplier Diversity Coordinator," or if they have other duties and their responsibilities related to Small Business only comprise half of their time, they may have another procurement-related title.

Small Business Enterprise (SBE): An independently owned and operated concern certified, or certifiable, as a small business by the Federal Small Business Administration (SBA). (A general rule of thumb is that a concern with not more than 500 employees may be considered a small business. Size standards by North American Industry Classification System (NAICS) may be found in FAR Section 19.102. The University may rely on written representation by the Supplier regarding its status).

Small Business Disadvantaged Business Concerns (SDB) 8(a): A small business development program that assists small and disadvantaged businesses in learning how to compete in the marketplace. This is a business assistance program. The firms must have at least 51% ownership by socially and economically disadvantaged individuals. The 8(a) program helps their businesses connect with business opportunities and government contracting.

Socially-Disadvantaged Individuals: Those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as members of a group without regard to their individual qualities.

Sole Source Goods and/or Services: Sole source goods and/or services are the only ones that will meet the University's needs because they are: a) unique (meaning, that their characteristics and functions are such that only the particular goods or services will properly satisfy the University's needs and all other goods or services will be unacceptable for such needs); b) available only from only one source; or c) (inapplicable

to purchases that are federally funded) are designed to match others used in or furnished to a particular installation, facility or location.

Student Employee: An individual who is concurrently a student and a University employee. Student Employees are allowed to contract separately with the University to perform additional campus activities or engagements outside of the scope of their primary University employment per California Public Contract Code Section 10516.

Sub-Agreement: A Purchase Agreement issued by the University, under an extramural prime award, to implement a portion of the scope of work, to perform scholarly or professional instruction, or to perform public service programs relating to research or to scholarly or professional instruction.

Subcontract: A Purchase Agreement issued by the University under a prime extramural contract which contains special flow-down provisions.

Subcontinent Asian Americans: United States citizens whose origins are in India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal.

Supplier: A Supplier is a service provider, contractor, vendor or other entity entering into a Contract or Subcontract directly or indirectly with UC.

Supplier Diversity Coordinator: See Small Business Coordinator.

Temporary/Supplementary Staffing Agency: An agency that provides temporary or supplementary staffing is defined as a firm that hires its own employees and assigns them to support or supplement a client's workforce in situations involving employee absences, temporary skill shortages, seasonal workloads, and special projects. In some instances, temporary jobs can also lead to permanent placements. A temporary or supplementary staffing firm may also supply employees to work on long-term assignments. Employees are recruited, screened, and assigned by the staffing firm.

UC Fair Wage: The UC Fair Wage shall equal \$13 per hour as of 10/1/15, \$14 per hour as of 10/1/16, and \$15 per hour as of 10/1/17.

UC Location: A UC Location is any location owned or leased by UC.

UC Template Documents: The University's template documents include terms, conditions and standard forms that may be used in agreements negotiated with UC, and may be found at the UCOP website for Procurement Services.

Unusual and Compelling Urgency: The only Supplier capable of meeting the University's needs due to an emergency that precludes conventional planning and processing.

Veteran-Owned Small Businesses (VOSB): Veteran-Owned Small Businesses are Vets who have returned home with the goal of starting their own small business. This office provides them assistance with getting started on their new business, training, networking opportunities, resources, and often financial assistance with getting started.

Women-Owned Business Enterprise (WBE): A business that is at least 51% owned by a woman or women who also control and operate it. "Control" in this context means

exercising the power to make policy decisions. "Operate" in this context means being actively involved in the day-to-day management.

See ***Small Business Classifications by Government Source*** in Section VI. Related Information for additional definitions and resources related to Small Business and Supplier Diversity.

III. POLICY TEXT

[Part 1: Purchase Transactions](#)

[Part 2: Strategic Sourcing Initiative](#)

[Part 3: Supplier Diversity and Federal Planning and Reporting](#)

[Part 4: Personal Property/Special Acquisition](#)

[Part 5: Employee-Supplier Relationships](#)

[Part 6: Procurement Card Program](#)

Part 1: Purchase Transactions:

A. General Policy and Applicability

1. **Policy:** It is the practice of the University of California to meet its need for common goods, materials, and services at the lowest overall total cost or best value, as applicable, while affording the maximum opportunity practicable to those who wish to become suppliers to the University.
2. **General Applicability:** The policies and requirements set forth herein, and in other Procurement/Supply Chain Management issuances, shall apply to all Location purchasing activities, unless otherwise indicated or if the Laboratory is following federal policies and procedures.
3. **Applicability under Federal Contracts and Grants:** The policies and requirements in this Bulletin shall not apply to purchases funded exclusively by federal agencies to the extent they are in conflict with mandatory requirements of such agencies.
4. **Classification:** The University is committed to following applicable law regarding the classification of persons providing services to the University, and specifically whether service providers should be employees rather than Suppliers. Before engaging Suppliers for services, Procurement/Supply Chain Managers will inquire whether the University user requesting the services has undertaken the necessary analysis in this regard. Such analysis shall be the responsibility of the requesting department following the guidelines and templates provided by HR. Evidence of such analysis must accompany the request for procurement action.
5. **Inapplicability to Design and Construction:** The policies and procedures described in this part do not apply to Construction, with the exception of Moving Services (see definition of Construction), nor do they apply to

agreements for Planning and/or Design Services. Such activity is covered by policies and procedures and templates set forth in the UC Facilities Manual.

Procedures for agreements covering academic, research, or artistic programs are not included in Section III/Policy Text, Part 1/Purchase Transactions.

- a. **Contract Duration:** The maximum duration of any UC contract to purchase goods and/or services, including the initial term and all amendments or extensions, shall not exceed ten years.

6. **Exceptions to Policy:** Exceptions to this policy must be approved by the appropriate Policy Exception Authority.

B. Common Goods, Materials, and Services \$100,000 or less Annually in Value:

1. **Governing Requirements:** Negotiation is allowed for agreements or transactions where the expenditures with the specific supplier do not exceed \$100,000 annually. Competition is sought if the Procurement/Supply Chain Manager determines that the competition is necessary to develop a source, validate prices, or for other compelling business reasons. Negotiation may be used in conjunction with competitive quotations as well as in situations when competition is not obtainable or required.
2. **Conduct of Negotiations:** For a purchase not exceeding \$100,000, when it is advantageous to the University, all the necessary components of the order may be negotiated orally or in writing with one or more Suppliers. The number of Suppliers with whom negotiations are carried on is the responsibility of the Procurement/Supply Chain Manager and will generally depend upon the size and complexity of the purchase and market conditions. Before making a commitment, there shall be a determination that the price is reasonable.
3. **Purchase Agreements:** Purchase Agreements shall be in writing at a level determined appropriate by the Procurement/Supply Chain Manager to protect the interests of the University. Generally, Procurement/Supply Chain Managers should use the most current version of the [UC Template Documents](http://www.ucop.edu/procurement-services/policies-forms/index.html), which may be found at <http://www.ucop.edu/procurement-services/policies-forms/index.html> to document these contracts for goods and/or services, and when they cannot, they must document the purchase file to reflect the reason for the exception.

C. Goods and Services over \$100,000 Annually in Value:

1. **General Requirements:** California Public Contract Code Section 10507 et seq. requires that all Purchase Agreements involving an expenditure of more than \$100,000 annually be competitively bid, unless an exception applies.
2. **Requisition Requirements:**
 - a. **Specifications:** These should contain descriptions which are adequate to obtain competition, will insure responsive quotations, will provide the same information to all competing suppliers and, to the fullest extent practicable,

do not favor one brand, trade name, article, manufacturer, or supplier over others.

- b. Brand or Trade Names:** These should be used in specifications for descriptive purposes only. When it is believed that no other brand, trade name, item, or proprietary service will properly satisfy the needs of the University, specifications should include a description of the technical features necessary to determine if other available goods or services are equivalent to those specified.
- c. Date Needed:** This should provide a reasonable time to obtain competition, secure timely delivery, or obtain contract performance based on realistic schedules, thus avoiding payment of premium costs which may be required to meet abnormally short delivery or performance times.
- d. Verification of Needs:** Prior to the solicitation of a quotation, the Procurement/Supply Chain Manager will determine that specification requirements such as abnormally short delivery or performance times are reasonable and necessary.

3. Supplier Prequalification:

- a.** Procurement/Supply Chain Managers must determine whether a bidder is a Responsible Bidder.
- b.** Prospective bidders shall be required to provide relevant information as required to determine responsibility. Prequalification requirements shall be based upon factors relevant to determining responsibility and shall be commensurate with complexity, cost, risk, and time available. All potential bidders shall be given equal consideration in evaluating qualifications.
- c.** The Request for Quotation should specify whether information regarding qualifications should be submitted before or at the time of submission of the quote. Only quotations from bidders determined to be qualified will be evaluated.
- d.** Prequalification may not be a conclusive determination of responsibility in a given transaction. On the basis of subsequent information, the Procurement/Supply Chain Manager may determine that a prequalified bidder should be rejected or that a rejected bidder should be prequalified.
- e.** Known suppliers with a current record of satisfactory performance and reliability may be considered prequalified for goods and services they have previously supplied.

4. Quotation Solicitation:

- a. Competition:** Competition must be sought, as herein prescribed, for any transaction expected to involve an expenditure of more than \$100,000 annually for goods and/or services, unless an exception to competitive

bidding applies. Requirements shall not be artificially divided into separate transactions to avoid competition.

- b. Public Access to Information:** Competition shall be sought by all documents being made available to the public where feasible and practicable. Such public availability includes but is not limited to:
- i. Utilizing University systems to push notices out to appropriate suppliers via e-mail and other types of system notifications;
 - ii. Posting an appropriate notice in a place readily accessible to suppliers (e.g. Systemwide and Location websites) who may be interested in submitting a quotation or bid;
 - iii. Periodically utilizing third-party organizations where applicable, to inform potential suppliers of the University's practices, and,
 - iv. Making an appropriate newspaper or trade journal announcement, when determined by the Procurement/Supply Chain Manager to be in the University's best interests.

Procurement/Supply Chain Managers shall request written quotations from potential bidders that specifically apply after public notification and from other prequalified bidders as determined by the Procurement/Supply Chain Manager. If in the judgment of the Procurement/Supply Chain Manager the quotation period should be extended, all bidders shall be concurrently notified.

- c. Solicitation:** If public notification is not utilized, competition should be sought by as broad a solicitation of qualified potential bidders as the situation indicates. Such solicitation should be from at least three sources and may, in a limited market, include written inquiries to determine supplier interest and capability.
- d. Form and Content:** Quotations should be obtained in writing by the Procurement/Supply Chain Manager. All information necessary to prepare and submit quotations should be given equally to all suppliers solicited. The solicitation shall specify which evaluation method the University will use. If the award will be based on either the Cost per Quality Point or Best Value method, the Request for Quotation should list the different factors or criteria to be considered in the evaluation. Although it is not mandatory to indicate how many points are possible per factor/criteria, the number of points as well as the standards for determining the range of points that may be awarded per factor/criteria should be established prior to quotation opening. The University should reserve the right to accept or reject quotations on each item separately, or the quotation as a whole, without further discussion.

5. Processing Quotations Received:

- a. **Acceptance:** Quotations shall be accepted if received no later than specified in the request. Late quotations may be rejected and returned unless the delay is attributable to the University.
- b. **Rejection:** The University is not required to accept any quotation, and may reject all quotations without providing an explanation, provided it has not already awarded a contract to one of the bidders or issued a notification to a bidder giving the bidder the opportunity to negotiate a contract (see Section III, D. 5.). All quotations may be rejected when an award would not result in a reasonable price. Any quotation determined to be non-responsive, or which is from a bidder that is not Responsible, shall be rejected.
- c. **Exceptions:** For goods or services required to be competitively bid, the University may not allow a bidder to correct an error, take an exception to a specification, or waive an irregularity if it gives that bidder a material advantage over other bidders.
- d. **Quotations:** Bid documents are not opened publicly unless, in the judgment of the Procurement/Supply Chain Manager, a public opening will be advantageous to the University.

6. Award of Purchase Agreements:

- a. **General Basis:** Purchase Agreements shall be awarded according to one of the evaluation methods set forth herein. Should the apparent awardee refuse or fail to execute the tendered Purchase Agreement, it may be awarded successively to the next Responsible Bidder, and then to the third in the event of further refusal or failure.
- b. **Lowest Responsible Bidder:** There are three approved methods of evaluating bids:
 - i. Cost alone
 - ii. Cost per Quality Point
 - iii. Best Value

When using the Cost per Quality Point or Best Value methods, quotations will typically be scored by an evaluation team and by the method defined in the bid/quotation documents.

In the Cost per Quality Point method, the price/cost of the goods and/or services is divided by the total quality points. Where more than one price/cost figure is involved, the different prices/costs may be weighted in order to establish a single price/cost.

In the Best Value method, points are assigned using a weighted formula consisting of two components: qualitative criteria, and financial criteria. The minimum weight for the financial component is 25%.

- c. **Responsive Quotation:** In all bid evaluation methodologies, only those quotations which are Responsive may be considered for award. If any item in the quotation is deemed "mandatory" and the bidder does not provide information on the mandatory item or indicates it would not be able to comply with the mandatory item, that quotation is not Responsive.
- d. **Reasonable Price:** Purchase contracts or agreements shall be entered into only after it has been determined by the Procurement/Supply Chain Manager that prices to be paid are reasonable. Prices shall be considered reasonable when it has been determined by the Procurement/Supply Chain Manager that competition secured has resulted in a reasonable market test, or when prices are set by applicable law or regulation. Lacking these assurances, reasonableness shall be determined by appropriate price analysis.

Pricing techniques prescribed in federal regulations shall be utilized selectively in price analysis, recognizing their fundamental soundness but taking into account the different character and scale of purchases for which such regulations have been developed. Literal compliance shall be required only to the extent expressly required for purchases under specific federal contracts and grants.

- e. **Negotiation:** In some circumstances, it is not possible to specify all of the University's requirements, and some negotiation is allowed. The Request for Quotation should state that the lowest Responsible Bidder will be awarded the right to negotiate those requirements with the University. If the parties are unable to reach agreement, the University may go to the next lowest bidder if it wishes but it is not required to do so.
- f. **Multiple Awards:** Purchase Agreements may be awarded to multiple suppliers when the Procurement/Supply Chain Manager determines that a single supplier may not be capable of fulfilling the University's needs. The University should expressly reserve the right to make multiple awards.
- g. **Notification:** At the end of the award process, the University should notify non-awarded bidders in writing that they were not selected.

7. Purchase Contracts:

a. Written Purchase Agreements:

Purchase Agreements should be in writing.

- b. **Standard Documents:** Purchase Agreements should use the most current version of the [UC Template Documents](http://www.ucop.edu/procurement-services/policies-forms/index.html), which may be found at <http://www.ucop.edu/procurement-services/policies-forms/index.html>. No

changes, deletions, exceptions, or additions may be made to the UC Template Documents, except those contemplated in the annotated version of the appropriate Template Document, without the approval of the Policy Exception Authority, and, as the Policy Exception Authority deems appropriate, the input of the Office of General Counsel.

- c. **Special Documents:** Purchase Agreements for research and development work, sub-agreements for research, unusually complex or high-value items or services, or other unusual requirements, may require the use of documents specially created for the purpose. Such Purchase Agreements should be entered into only in consultation with the Procurement/Supply Chain Manager and if necessary approval as to form by the Office of General Counsel.
- d. **Extramural Agreement Provisions:** Purchase Agreements funded by federal contracts and grants or other extramural sponsor agreements shall include the provisions required by the funding agency.

Use of the standard University Purchase Order and Terms and Conditions of Purchase is inappropriate for issuing sub-agreements for research.
- e. **Compliance:** Full compliance with all terms, conditions, and provisions of Purchase Agreements should be secured to the maximum extent practicable. Locations should institute appropriate controls to ensure University rights are not waived, or a Purchase Agreement breached, through inaction or faulty action.

8. Performance and Acceptance:

- a. **Monitoring Progress:** Employing measures consistent with these policies and the requirements of the Purchase Agreement, the Procurement/Supply Chain Manager should secure timely delivery and/or performance and avoid waiving the right to timeliness through inaction or faulty action.
- b. **Changes:** After the execution of Purchase Agreements, required changes in quantities, specifications, or other terms should be negotiated in such manner as to ensure that the principle of competition is not violated and that any adjustments are equitable.
- c. **Acceptance:** Inspection of goods and services should be conducted immediately upon receipt or performance (when practical) and discrepancies reconciled promptly.

Particular care should be taken in accepting complex products, such as high-technology equipment, and unusual services. Acceptance tests or other acceptance criteria should be agreed upon and fully set forth in Purchase Agreement documents. Unless otherwise provided, payment other than agreed progress payments should be withheld until final acceptance. In addition, to avoid unauthorized commitments, care should

be taken to properly identify those persons authorized to represent the University and the supplier during performance and acceptance.

D. Exemptions from the Requirement to Competitively Bid Goods and Services:

- 1. General Requirements:** The requirement for competitive bidding of goods and services with expenditures in excess of \$100,000 annually may not apply when the Procurement/Supply Chain Manager determines that the goods and/or services are Sole Source Goods and/or Services, the Services are Professional Services or Personal Services, there is an Unusual or Compelling Urgency to obtain the goods or services, or (in the case of federally funded purchases only) the federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-federal entity; or after solicitation of a number of sources, competition is determined inadequate. However, Locations are strongly encouraged to seek competition even in cases where the goods and/or services are exempt from the requirement to competitively bid.
- 2. Governing Requirements:** In addition to the requirements set forth in this Section, the requirements governing purchases of goods and services shall apply fully to purchases of goods and/or services that are exempt from the requirement to competitively bid.
- 3. Solicitation of Quotations (or Proposals):**
 - a. Pre-Solicitation Investigations:** Prior to soliciting quotations for goods and/or services that are exempt from the requirement to competitively bid, the Procurement/Supply Chain Manager should develop sufficient information on available goods and services to:
 - i. Permit reasonable consideration of alternatives and evaluation of any technical information required to determine that the product or service is exempt from competitive bidding;
 - ii. Assess the capabilities of potential suppliers;
 - iii. Aid in design work;
 - iv. Develop complex specifications;
 - v. Estimate prices/costs, and/or;
 - vi. Establish time for delivery or performance.Care shall be taken to ensure that supplier effort is reasonable and that no commitments actual or implied are made.
 - b. Specification Development:** Requirements should be adequately specified in accepted industry design, performance, or other definitive terms, to ensure there is a reasonable basis for securing quotations,

forming a sound Purchase Agreement, and determining acceptability of goods or services furnished.

- c. **Form and Content:** Quotations should be secured or confirmed in writing on a University Request for Quotation form, or other appropriate document. The basis upon which the quotation is to be made should be clearly established. All information necessary to prepare and submit quotations should be given to potential suppliers including appropriate provision for negotiation, and any instructions pertaining to confidentiality.
- d. **Documentation:** The Procurement/Supply Chain Managers must use the Justification and Approval (J&A) form for documenting exceptions to competitively bidding goods and services. This document sets forth the facts and rationale justifying the use of other than full and open competition, in accordance with BUS-43 and state laws. The J&A form can be found on the Procurement Services' website.

4. Processing Quotations Received:

- a. **Rejection:** All quotations may be rejected when an award will not result in a reasonable price and/or terms. Quotations which the Procurement/Supply Chain Manager determines lack technical merit, or will not otherwise reasonably satisfy the University's requirements may be rejected.
- b. **Exceptions, Irregularities, and Errors:** Exceptions taken in quotations, or irregularities or errors therein may be negotiated with or corrected by the bidder involved.

5. Awards of Purchase Contracts:

- a. **General Basis:** Purchase Agreements may be awarded after determination by the Procurement/Supply Chain Manager that the bidder is Responsible and the quotation results in a reasonable price giving due consideration to overall price, delivery, technical merit, contract terms, and other relevant factors.
- b. **Negotiation of Reasonable Prices and Other Terms:** Reasonable prices and terms may be negotiated when determined appropriate by the Procurement/Supply Chain Manager.

E. Purchase Limitations and Special Requirements:

1. Campus and Laboratory:

- a. **Office of the President Coordination:** Certain matters require coordination with the Office of the President consistent with its designated role in Procurement/Supply Chain Management and with Delegations of Authority to the EVP – Chief Financial Officer, the Chancellors, the Vice President of Agriculture and Natural Resources, and the Laboratory Director. These matters are:

- i. Transactions subject to approval as exceeding delegated authority, exceptions to policy, or involving special commodities which require review prior to purchase.
- ii. Matters which should be reported to the President, such as sensitive policy issues, or potential or actual claims or disputes involving significantly large amounts.

Such coordination normally should occur through the Systemwide Office of Procurement Services. Information furnished for this purpose should be in such form and content as the Chancellor, the Vice President of Agriculture and Natural Resources, or Laboratory Director involved and the Executive Vice President - Chief Financial Officer (or designee) determine on a case-by- case basis.

b. Prevailing Wages on Public Works in Excess of \$1,000:

- i. *General Requirements:* University of California typically requires that prevailing wages be paid on all Public Works Maintenance projects in excess of \$1,000. Please see the UC Facilities Manual for requirements related to Public Works Construction projects. The California Labor Code provides that contractors may not bid on, or be awarded, a Public Work, or any portion thereof, unless registered with the California Department of Industrial Relations (“DIR”), though an exception exists regarding registration and filing of PWC-100s for maintenance contracts of \$15,000 or less. (NOTE: this is an exception for registration and University filings; it is NOT an exception for the payment of prevailing wage which is required on all contracts in excess of \$1,000.) This Policy applies to Public Works administered by Procurement Services. The UC Facilities Manual governs Public Works administered by Facilities Management.
- ii. *Exceptions to the Payment of Prevailing Wage:* Only the following types of maintenance are excepted from the payment of prevailing wage:
 - A. Exception 1: Janitorial or custodial services as routine, recurring, or usual in nature,
 - B. Exception 2: Protection of the sort provided by guards, watchmen, or other security forces, or
 - C. Exception 3: Landscape maintenance work by “sheltered workshops” where “sheltered workshops” are non-profit organizations licensed by the Chief of the California Department of Labor Standards Enforcement employing mentally and/or physically disabled workers.
- iii. *Award Procedures:* UC must: (1) include certain mandated language in UC’s solicitation and contracting documents; (2) verify that supplier is

registered with the DIR;(3) determine the date of the prevailing wage determination applicable to the Public Work(i.e., date of award); (4) inform DIR of award by filing a PWC 100 form which can be located on the DIR website; (5) make available the prevailing wage schedule upon request; and (6) take action upon receiving a report of a suspected prevailing wage violation.

- c. **Temporary or Supplementary Staffing Agencies:** To ensure compliance with the Federal Patient Protection and Affordable Care Act, UC requires that all contracts with temporary or supplementary staffing agencies contain a provision substantially in the form of the Patient Protection and Affordable Care Act Employer Shared Responsibility article in the UC Terms and Conditions of Purchase.

- d. **Fair Wage/Fair Work:**

- i. **General Requirements:** University of California requires that Suppliers of Fair Wage/Fair Work Services, including Suppliers of Public Works, pay their employees performing the Services no less than the UC Fair Wage.
- ii. **Contracting Procedures:** All contracts for UC Fair Wage/Fair Work Services must contain a provision substantially in the form of the UC Fair Wage/Fair Work Article in the UC Terms and Conditions of Purchase.
- iii. **Exceptions:** Any exceptions to this Policy must be approved by the Policy Exception Authority. The Fair Wage/Fair Work provision does not allow any exceptions after a contract has been signed with the sole case of when UC determines there is no other alternative provider within the required time frame. In such cases the Policy Exception Authority must document such approval in writing.

- e. **Alcohol, Drugs, Hazardous and Radioactive Materials:** Federal and State laws and regulations govern the purchase, control and use of narcotics, dangerous drugs, ethyl alcohol, and radioactive and other hazardous materials. Each Location should establish appropriate procedures and controls to ensure compliance with these laws and regulations and with prudent practices in the industry. (See also other appropriate University policies; BUS-2, Tax-Free Alcohol Permits, Records, and Operations and BUS-50, Controlled Substances).

- f. **Product Recall:** To ensure prompt, effective reaction to notices of product recall by any manufacturer or supplier, each Location should establish a procedure that assigns responsibility for notifying the Location of the recall, and coordinating and documenting the return, repair, or destruction of the defective products.

- g. Other Governing Requirements:** Certain requirements of Federal and State laws and regulations, and other authority govern purchases of items such as motor vehicles, protective items, uniforms, carpets, and items of foreign origin. They also deal with related matters such as clean air and water resources, employment of the disabled and non-segregated facilities. The Executive Vice President - Chief Financial Officer (or designee) shall furnish current complete information to each Location who in turn should establish appropriate procedures and controls to ensure compliance. *Letters of Intent:* At times it may be necessary for the Procurement/Supply Chain Manager to issue a letter of intent in advance of a Purchase Order. Since the University may be legally bound, the letter is subject to the same restrictions and policy requirements as other purchase actions including, but not limited to, the requirements for competition, determination of reasonableness of price, and appropriate administrative approval.
- h. Incentives:** In general, the Procurement/Supply Chain Manager should negotiate quantity or payment discounts in lieu of Supplier incentive payments. However, for Purchase Orders or Purchase Agreements that contain incentive payments, the following procedure should be followed:
- i. All incentives must be identified as such and listed in the Purchase Order or Purchase Agreement. The Procurement/Supply Chain Manager should include the value of the incentive payment when determining price reasonableness.
 - ii. Incentives should be returned to the University as cash rather than credits to make additional purchases. If the Purchase Order or Purchase Agreement only provides for incentive credits, which is strongly discouraged, such credits held by suppliers should be minimized by utilizing them promptly to purchase needed goods and services for the University program or activity that generated the credit.
 - iii. Patronage and earned incentive checks should be made payable to The Regents of the University of California and remitted to the appropriate Location office as determined by Procurement Services at the Office of the President, for Locations to use in support of Strategic Sourcing.
 - iv. All incentives and discounts not reflected in the sales price, allowances, or similar payments received from Suppliers but that are based upon either the volume (sales, transactions, quantities, dollars, or any other similar measure) of goods and services directly provided by those Suppliers, or based upon prompt payment for goods and services directly provided by those Suppliers must be credited back in a timely manner to the Federal Sponsor or Federal flow-through source account/fund, or to the sponsoring or cognizant agency, that was directly charged or recharged for the original purchase from the Supplier.

- v. Use of incentives should be tracked and monitored by the University program or activity receiving the incentive.

2. Campuses Only:

- a. **Purchasing Goods that Require Installation:** The purchase of goods and its installation usually should be handled in a single contract with the installation contractor supplying the goods. The Purchase Agreement should be processed according to procedures set forth in the [University Facilities Manual](#) with appropriate provisions included to govern the goods being purchased.
- b. There may be instances where handling the purchase of goods and its installation as separate transactions is of benefit to the University. To determine whether or not separate transactions are advantageous to the University, the following factors should be considered:
 - i. Time, cost, and supplier requirements;
 - ii. Warranty issues; or
 - iii. Installation by UC craft labor (depending upon the dollar amount), or
 - iv. Whether or not the installation involves the erection, construction, alteration, repair, or improvement of any University structure; or whether or not the State of California requires a contractor to have an active, valid license in order to perform the work.
- c. Whenever an activity will cost more than \$50,000 and require a California Contractor's license, consult the [University Facilities Manual](#), [UCOP Construction Services](#), or [UCOP Facilities Management](#) to determine what type of Purchase Agreement, Purchase Order or Construction Contract is appropriate.
- d. **Building Alterations:** No Purchase Orders shall be placed for requests which involve alterations to buildings, or installations which affect the nature of a building, without approval by the campus Facilities Management Department.

F. Resolution of Controversies over the Solicitation or Award of a Contract:

- 1. **Authority of the Escalation Authority:** The Escalation Authority shall have authority to resolve protests and other controversies of actual or prospective bidders regarding the solicitation or award of an agreement or contract.
- 2. **Filing of Protest:** Any actual or prospective bidder who has a complaint regarding the solicitation or award of an agreement should first attempt to resolve the grievance with the Buyer, Commodity Manager, Procurement/Supply Chain Manager, or other University Contracting Officer involved in the transaction. If the controversy over the solicitation or award of an agreement cannot be resolved at this level, the complainant may file a

protest with the Escalation Authority. A protest must be filed promptly and in any event within two calendar weeks after such complainant knows or should have known of the facts giving rise thereto. All protests must be in writing.

3. **Decision:** The Escalation Authority shall appoint one or more individuals to investigate the issues involved in the protest, analyze the findings, consult as appropriate with the Office of General Counsel, and promptly issue a decision in writing. A copy of that decision should be furnished to the aggrieved party and state the reasons for the action taken.
4. **Effect of a Protest:** In the event of a protest timely filed, the University should not proceed further with the solicitation or award involved until the protest is resolved or withdrawn unless the Escalation Authority consults with the Office of General Counsel and makes a written and adequately supported determination that continuation of the procurement is necessary to protect substantial interests of the University.
5. **Unresolved Controversies:** The Office of General Counsel should be consulted concerning potential or actual claims or disputes which cannot reasonably be settled in a fair and equitable manner through the administrative process described above.

G. Public Records Requests:

1. **Governing Requirements:** Third parties may request records relating to any University transaction. The Procurement/Supply Chain Manager should immediately forward such requests to the Location's Public Records or Information Practices Coordinator, and work with that office in producing records as appropriate. Where records are requested during the course of a procurement process or after an RFP has been cancelled, Locations and Information Practices Coordinators should consult with the Office of General Counsel before releasing responsive records. In many circumstances, there are legal exemptions to protect records from disclosure during the period prior to final award.

H. Unauthorized Purchases:

1. **Responsibility:** An individual who has not been delegated purchasing authority who makes an unauthorized purchase of goods or services shall be responsible for payment of the charges incurred. At the discretion of the Location's Responsible Official:
 - a. The unauthorized individual may be required to pay either the full amount whenever the purchase is found to cover unneeded items or items whose purchase would not otherwise be authorized and the transaction cannot be canceled, or the amount of any cancellation charges incurred when cancellation can be arranged; or

- b. The unauthorized individual may be required to pay the difference between the charges such individual incurred and those the University may reasonably have incurred if the purchase had been proper.

I. Low-Value Purchases:

1. **Policy:** Locations are encouraged to develop methods for reducing costs of executing low-value purchases. Such methods shall establish definite dollar limits of use and shall require compliance with basic purchasing policies and requirements.
2. **Low-Value Purchase Authorization:** Each Location determines its Low-Value Purchase Authorization limit amount. All purchases under this limit may be executed by Campus Personnel designated by each Department. The Campus Procurement Department is responsible for ensuring that training is available to all employees who will have this authorization to ensure observance of good business practices and compliance with University Purchasing Policy. The following shall be observed in administering Low-Value Purchase Authorization:

The amount the individual is authorized to spend shall not exceed \$10,000 per transaction (and an anticipated \$100,000 per supplier per year) with the following criteria:

- a. Individuals delegated such purchasing authority shall have a functional responsibility to the Procurement/Supply Chain Manager who shall ensure that all purchasing policies and procedures are followed and that the individuals receive the training and instruction the Procurement/Supply Chain Manager deems necessary so that activity is conducted in accordance with University policies;
- b. Purchases shall be limited to goods and services not available either through campus or Laboratory stores or through local or Strategic Sourcing Agreements, and to repairs not available internally or through established maintenance agreements;
- c. Any such delegation shall specifically prohibit purchases of goods determined inappropriate by the Procurement/Supply Chain Manager. Examples are inventorial equipment (Business and Finance Bulletin BUS-29, Management and Control of University Equipment); specially controlled items such as ethyl alcohol (Business and Finance Bulletin BUS-2, Tax-Free Alcohol Permits, Records, and Operations); narcotics and dangerous drugs (Business and Finance Bulletin BUS 50, Controlled Substances Program Best Practices Guide); firearms, precious metals, explosives, and other hazardous materials; and Personal Services, including Consulting Services;
- d. Requirements shall not be artificially divided to falsely create multiple small Purchase Orders under the authorization limit; and,

- e. Periodic appraisals shall be conducted by internal auditors cognizant of Procurement Policy or by an appropriate designee of the Procurement/Supply Chain Manager to ensure proper performance under this authorization and to provide a basis for adjusting or discontinuing the authorization for specific individuals as the audit findings indicate.
- 3. Purchasing Authority Outside of the Procurement Department:** The Procurement/Supply Chain Manager may grant additional purchasing authority to individuals outside the Purchasing Department, under the following conditions:
- a. The criteria in Section I., above, shall apply to this granted additional purchasing authority;
 - b. Qualifying departments shall have an historical level of purchase activity sufficient to ensure, in the judgment of the Procurement/Supply Chain Manager, that a higher level of authority will result in more cost effective procurement.
 - c. Qualifying departments have prepared written procedures implementing the proposed delegation of increased authority, and these procedures have been approved by the Procurement/Supply Chain Manager;
 - d. Individuals delegated such additional purchasing authority have a functional responsibility to the Procurement/Supply Chain Manager who shall ensure that all purchasing activity is conducted in accordance with University policies and procedures and that such individuals have had the training and instruction the Procurement/Supply Chain Manager deems necessary to discharge the increased authority effectively;
 - e. The additional authority shall not exceed the competitive bidding levels described in Section 1/Purchase Transactions, and,
 - f. Any such delegation shall specifically prohibit purchases of goods and services determined inappropriate by the Procurement/Supply Chain Manager. Examples are inventorial equipment (Business and Finance Bulletin BUS 29, Management and Control of University Equipment); specially controlled items such as ethyl alcohol (Business and Finance Bulletin BUS 2, Tax-Free Alcohol Permits, Records, and Operations); narcotics and dangerous drugs (Business and Finance Bulletin BUS 50, Controlled Substances Program); firearms, precious metals, explosives, and other hazardous materials; and Personal Services, including Consulting Services.
- 4. Exceptions:** The Procurement/Supply Chain Manager may grant exceptions, on a single transaction basis in advance of purchase, as to dollar amount and items to be purchased when notified by the responsible official that an emergency situation exists.

J. Personal Purchases:

1. **Policy:** University credit, purchasing power, facilities, and services shall not be used to purchase goods or services for individuals or for non-University activities except where a University program has been approved by a University administrator with delegated authority with advice as appropriate from the Office of General Counsel.
2. **Discretionary Use:** Organizations and activities closely allied to or officially associated with the University (such as a faculty club or an ASUC organization) with the approval of the Chancellor may be permitted to purchase materials not subject to federal tax through the Location's Procurement/Supply Chain Management/Procurement Office.

K. Debarment:

1. The University may debar a Supplier from doing business with the University by providing the Supplier with written notice stating i) the reasons that the University intends to debar the Supplier; ii) the length of time for the intended debarment; and iii) the time frame in which the Supplier must respond if the Supplier disputes the University's rationale for debarment. The length of time for the intended debarment may vary according to the circumstance, but generally would be three years. The length of time for the Supplier to respond to the notice of intended debarment may vary according to the circumstance, but generally would be two weeks. The University will review any Supplier response to the debarment notice and inform the Supplier of the University's disposition of the matter. Locations are encouraged to consult with the Office of General Counsel in this regard.

Part 2: Strategic Sourcing Initiative: It is the policy of the University of California to seek to satisfy its needs at the lowest overall total cost with the optimal qualitative requirements fulfilled through planned, quantity purchasing. To this end, regional and University-wide pool purchases, strategically sourced commodity agreements, and price schedules should be utilized to the maximum practicable extent.

A. Guidelines:

1. **Economic Advantage:** The major emphasis of the Strategic Sourcing Initiative is economic benefit to the University. Both administrative cost avoidance (a reduction of internal administrative costs) and price avoidance (a reduction of the price increases of the commodity) should be considered in determining economic advantage.
2. **Agreement Practicality:** Agreements should be established when either administrative cost avoidance and/or price avoidance can be achieved and the Responsible Official has determined that Location utilization and estimated dollar value are sufficient to justify the establishment of an agreement. The cost/price reductions should be greater than could be obtained by an individual campus and should exceed the cost of

administering the agreement or the aggregate costs of individual campus purchase actions.

3. **Goods and Service Acceptability:** Goods and services must be generally acceptable to the using departments or campuses, as determined by the Commodity Manager, based on information received from the Procurement/Supply Chain Managers.
4. **Laboratory Participation:** The prime contracts which govern Laboratory operations require the use of certain government sources not generally available to the campuses. When agreements are cost effective and there is no conflict with federal requirements, Strategic Sourcing Agreements may be used by the Laboratory.

B. State Supply Schedules and Contracts:

1. **Evaluation and Designation:** Commodity Managers shall evaluate state supply schedules and contracts and, with concurrence of participating campuses and the Director of Procurement/Supply Chain Management, designate those which prove to be advantageous as commodity agreements or price schedules. When so designated, California Multiple Award Schedules (CMAS) and contracts shall be utilized in accordance with this Bulletin.
2. **Liaison with State Procurement Office:** The Associate Vice President and Chief Procurement Officer - Procurement Services shall represent the University in its relations with the State Procurement Office, Department of General Services to secure mutually beneficial supply agreements. Reports and suggestions regarding state supply schedules or contracts shall be made to the Associate Vice President and Chief Procurement Officer-Procurement Services through the Commodity Managers.

Part 3: Supplier Diversity and Federal Planning and Reporting:

- A. Summary:** The mission of the University of California is to support teaching, research, and public services in a cost-effective manner which best serve the interests of the people of California.

This section of the Policy describes the responsibilities and procedures that each University location must establish and maintain to ensure that no firm seeking to do business with the University shall be discriminated against on a basis prohibited by law or University policy ("prohibited basis"). This section of the Policy also describes the steps that the University takes to make a good faith effort to comply with all state and federal laws, regulations, and policies on non-discrimination.

B. Policy:

1. It is University of California policy that no firm seeking to do business with the University shall be discriminated against on a prohibited basis.

2. The University recognizes that it has a responsibility to provide procurement opportunities to a diverse supplier pool as stated in the “[Principles and Standards of Ethical Supply Management Conduct](#),” and the “[Principles of Sustainability and Social Responsibility](#),” which are standards of practice derived from [The Institute of Supply Management \(ISM\)](#) and the Code of Ethics of the [National Association of Educational Procurement \(NAEP\)](#).

Diversity and Inclusiveness — Supply Base. Supply base diversity and inclusiveness refers to efforts to engage different categories of suppliers in sourcing processes and decisions.

3. The University seeks to dedicate an appropriate portion of the University's business to small, diverse and disadvantaged businesses through outreach programs and supplier fairs.is committed to maintaining the stated goals as required by:
 - a. The extramural funding requirements and,
 - b. The Subcontracting Plans for specific federal contracts.
4. As outlined in the University of California Contracts and Grants Manual, each Location is responsible for developing plans for their campus, medical center, or Laboratory. (Please see Section V, Procedures for more details about these requirements.) The University complies with applicable federal policies including the items listed in Section II/Definitions.

Part 4: Personal Property/Special Acquisitions: This part of the Policy describes factors to be considered and requirements to be met in acquisitions, or leases or Conditional Sales Contracts, of personal property by the University. University acquisitions of personal property by external financial loans to The Regents are covered by Capital Markets Finance guidelines.

A. Governing Requirements:

1. **Availability of Funds:** Personal property shall be acquired only when there is an established fund source or The Regents' approval has been secured. When funds are available for only a limited time, such as State funds appropriated on an annual basis, contracts for acquisitions shall provide for cancellation and return of property should funds not continue to be available. In no case shall the general credit of The Regents be pledged as security.
2. **Contract Period:** Acquisition of personal property by any method defined herein should provide for a contract period that is equal to, or less than, the useful life indicated in the University Useful Life Schedule available from campus Equipment Management units or the office of the Director-Procurement/Supply Chain Management.

3. Capital Markets Finance:

- a. Capital Markets Finance shall approve, prior to award, the rate or interest factor in leases greater than \$50,000, and shall be responsible for conducting the tax due diligence for all tax-exempt leases.

4. Policy Compliance: Contracts for acquiring personal property by any method defined herein shall be entered into only when, pursuant to University policy, requirements for competition have been met, any negotiations have been conducted according to established guidelines, rates or prices to be paid are determined by the Procurement/Supply Chain Manager or designee to be reasonable in the particular circumstances, and approval as to form has been secured as necessary.

5. University-wide Acquisitions: When an office of University-wide Administration initiates an acquisition of the type defined herein, the procedures established by the campus at which the particular program is headquartered shall be followed. If the procedures established by the campus indicate that such acquisition must be approved by the Chancellor, then the President, for his staff, or members of the President's Cabinet, for their respective staffs, must approve the acquisition.

B. Reimbursement Declaration: Whenever the University intends to make an expenditure of capital funds and repay the expenditure at a later date by entering into a lease-purchase or similar agreement, it must execute and file a Declaration of Official Intent of The Regents of the University of California to Reimburse Certain Expenditures from proceeds of Taxable or Tax-Exempt Indebtedness.

If a campus anticipates that an expenditure of capital funds will later be converted to a lease or similar agreement, the procedures outlined in the Delegation of Authority-Declaration of Intent to Reimburse Capital Expenditures from Proceeds of Indebtedness (DA 2055), must be followed.

C. Reports: Locations must report to the Assistant Vice President, Financial Services and Controls, all personal property acquisitions funded by lease-purchase agreements or Conditional Sales Contracts for inclusion in the University's Financial Position Report.

Part 5: Employee-Supplier Relationships:

- A. Purpose:** This Part 5 sets forth special limitations and requirements covering acquisition of goods or services by the University, when the transaction involves an employee-Supplier relationship, as opposed to an employer-employee relationship (as defined above in Section II). Employer-employee relationships are governed by appropriate Human Resource rules, including [Personnel Policy 82 - Conflict of Interest](#).

B. Basic Policies:

1. **Separation of Interests:** It is the policy of the University to keep separate an employee's University and private interests, and to safeguard the University of California and its employees from charges of favoritism in the acquisition of goods and services.
2. **Conflict of Interest:** [The California Political Reform Act](#) and [California Government Code Section 81000-81016](#) prohibit an employee from making or participating in the making of a decision if there is a financial conflict of interest. Requirements governing such decision making are set forth in the [University Conflict of Interest Code](#) and must be observed when the University purchases goods and services.
3. **Restrictions on Purchases/Leases/Contracts:** The following rules apply when there is an employee-Supplier relationship (as defined above in Section II):
 - a. **Employee:** No purchase or lease of goods or contract for services may be made with a University employee who has an employee-Supplier relationship, as defined in Section II, above. However, the University may enter into a contract for goods or services with an employee who has teaching or research responsibilities, or a student employee, provided that i) the Procurement/Supply Chain Manager (or designee) has made a specific determination that the goods or services are not available either from commercial sources or from within the University.
 - b. **Former Employee:** The University may not purchase or lease goods from or contract for services with any former employee who has an employee-Supplier relationship as defined in Section II, above, including one who has had teaching or research responsibilities, when:
 - i. Less than two years' time has elapsed since the individual separated from University employment, and the individual had been engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract during the period of employment; or
 - ii. Less than one year's time has elapsed since the individual separated from University employment, and the individual had been employed by a department in a policy-making position in the same general subject area as the proposed contract.

Notwithstanding the foregoing provisions of paragraphs i. and ii., the University may enter into a contract for *services* with a *retiree* immediately following retirement if the retiree did not participate in any way while serving as an employee, in the making of the contract for services. The post-employment restrictions in paragraphs i. and ii., however, apply to

any former University of California employee, including a retiree, who proposes to sell or lease goods to the University.

- c. Near Relative:** The University may purchase or lease goods from or contract for services with the near relative of *any* employee, provided that the Procurement/Supply Chain Manager or designee has made a specific determination that the goods and services are not available either from commercial sources or from within the University of California.
- 4. Inspection and Verification of Supplier Status:** Whenever it becomes necessary to ensure an understanding of the facts presented, the Responsible Official (or designee) must inspect the business premises and records of a prospective employee-Supplier or a near-relative Supplier.
- 5. Exceptions:** Within constraints imposed by the Political Reform Act and Public Contract Code §§10515 et seq., each Executing Official or designee is delegated authority to approve exceptions to this Policy under unusual or extenuating circumstances.

C. Certification Requirement:

- 1. Circumstances Requiring Certification:** A University of California employee, former employee, or the near relative of an employee must submit a written and signed certification conforming to the requirements of Section III B. and C. with any quotation or proposal to the University.
- 2. Contents:** The certification statement must:

 - a.** Indicate the University department(s) and position(s) of the employee-Supplier. In addition, a former employee must state the date of his or her separation from the University.
 - b.** Disclose the employee's, former employee's or employee's near-relative's financial interest in the proposal.
 - c.** Specify the employee's and/or near relative's relationship to or financial interest in any business entity involved in making the quotation or proposal.
 - d.** Indicate whether the employee has any responsibility for or will be involved in any manner in the departmental decision to accomplish or approve the transaction. In the case of a former employee, indicate whether the employee had any responsibility for or was involved in any manner in the departmental decision to accomplish or approve the transaction.
 - e.** Certify that no University time, material, equipment, or facilities have been or will be used in connection with any resulting Purchase Order or contract.

Part 6: Procurement Card Program: This part of the Policy sets forth basic policies and requirements for the University Procurement Card Program.

- A. Scope:** This part of the Policy applies to all procurement related activities associated with the University procurement card program.

This part of the Policy does not apply to the Laboratory. A separate policy governs the procurement card program for the Laboratory.

- B. Policy:** The University of California will ensure that transactions under its procurement card program are supported by adequate policies, procedures, and management controls to guard against fraud, waste, or abuse and the incurrence of unallowable costs under federal contracts and grants.

The Procurement Services Department at the Office of the President serves as a central clearinghouse for general information regarding the implementation of a procurement card system at the campuses. Prior to implementing such a system, the Chancellor or the VP of ANR (or designee pursuant to BUS-49/Policy for Handling Cash and Cash Equivalents) must submit to Procurement Services Department and the Office of the Chief Investment Officer, a written request listing the names of specific individuals who will be designated as Authorized Signers for that campus.

All other details for implementing procurement card services, such as establishing individual cards and determining expenditure limits, reporting requirements, and data transmissions, may be negotiated directly between the campus and the issuing bank, according to the needs of the campus.

C. General Information:

- 1. Procurement Card Program:** A procurement card is a credit card authorized by the University of California to designated employees to enable the timely purchase of low value goods or services. The card is routinely accepted by merchants who accept VISA or MasterCard for payment. The card is a corporate (e.g., University) liability card, issued to an employee only for University purposes. Its use is subject to strict cardholder purchasing controls (outlined in section V. 6.C.), which cannot be exceeded without authorization. Settlement is executed electronically on the settlement date providing the opportunity for the University to eliminate costs for processing Purchase Orders, Supplier invoices and for issuing checks, for each Supplier.

The University's procurement card program is managed by each campus' purchasing unit, in consultation with the campus Controller.

- 2. Designation of an Administrator:** At each University Location the Purchasing Unit Manager will designate an Administrator to be responsible for monitoring compliance with policies and procedures; to be the liaison between the issuing bank and the Procurement Services Department at the Office of the President and to oversee the Location Procurement Card Program.

D. Specific Transactional Responsibilities and Separation of Duties:

- 1. Separation of Duties:** The duties of individuals who are authorized to make purchases with a procurement card shall be separated to ensure that the items ordered were received and that the purchase are appropriate as follows:
 - a. A Reviewer (who should be at a supervisory level) other than the person placing an order shall certify that the items ordered were received. If the purchasing unit is too small to provide an independent confirmation of receipt, an individual from an outside unit may perform this step.
 - b. An individual other than the person who places an order shall periodically perform an administrative review of selected purchase documents to verify that the expenditures listed on the daily procurement card transaction report are supported by the required internal documentation (see Section III. D. 3 below). In order to ensure that the verification of expenditures is an entirely independent process, this person should not be the subordinate of any procurement cardholder. In general, this means that department heads and Management Services Officers cannot be issued a procurement card.
- 2. Source Documentation:** Source documentation from the Supplier shall provide enough detail to allow verification of all expenditures listed on the daily transaction report.
 - a. **Purchases Made in Person:** To document purchases made in person, the cardholder shall provide a credit card slip (customer copy) or cash register tape, signed by the cardholder. If the purchased merchandise is not itemized on the signed document, at the time of the sale, the purchaser shall request and obtain a cash register tape or a manual itemized receipt from the Supplier (unless the purchaser is aware that the line item detail will be provided automatically as part of the transaction record generated by the Supplier).
 - b. **Mail or Telephone Orders:** To document mail or telephone orders, the department shall obtain pricing/billing information on a document that accompanies the shipment of items (e.g., a packing slip). Such a document must provide enough information, as specified above, to allow verification of the items purchased.
- 3. Internal Reviews:** As part of the review process, a department shall perform the following internal reviews (see Section V. Procedures, Part 6, B, below for more details related to the procedures mentioned below).
 - a. Administrative Review of Documentation
 - b. Verification of Procurement Card Expenditures

- 4. Improper Use of a Procurement Card:** Written procedures for preventing, investigating, and reporting unauthorized use of procurement cards shall be developed by the purchasing offices for use by departments. These procedures shall be approved by the Controller prior to implementation of the procurement card program. The procedures shall include the requirement, as outlined in this Bulletin, that a procurement cardholder or unauthorized individual who makes improper an improper purchase with a card will be responsible for payment of the charge, at the discretion of the Location Controller.

To establish that a particular expenditure was improperly made, a department must complete the appropriate documentation, mark it File Copy Only – Credit Must Be Issues, and forward a copy to the Location purchasing unit. The Location may approve a transmission method that does not involve sending a paper copy to the purchasing unit. The original documentation may be retained in the department or a central office as designated by the Controller (Office of Record).

- 5. Sanctions:** Each Location shall establish guidelines for appropriate sanctions to address any abuse or misuse of procurement cards by cardholders or reviewers. All sanctions must be carried out in a timely manner.

Sanctions will be imposed for any unallowable cost, fraud, waste or abuse, or any other serious or chronic misuse of a procurement card by a cardholder or reviewer. Any suspected fraud, waste, or abuse must be immediately referred to the appropriate campus security and/or Internal Audit organization for appropriate action.

Improper use of a procurement card by an employee may be grounds for disciplinary action and shall result in cancellation of the individual's card.

- 6. Retention of Documentation:** Records will be retained for as long as designated in the [UC Records Retention Schedule](#). All records pertaining to pending, foreseeable or ongoing litigation; an investigation, an ongoing audit, or a request for records, cannot be destroyed until these actions have been completed or resolved. These records will be maintained according to the University's Records Management Program and instructions from legal counsel.

Documentation Exceptions: The Administrator of the Procurement Card Program will maintain a file of all policy exceptions made including a brief description of why the exception was necessary. This documentation will be available to the Controller and the Office of Ethics, Compliance, and Audit Services upon request.

IV. COMPLIANCE / RESPONSIBILITIES

[Part 1: Purchase Transactions](#)

[Part 2: Strategic Sourcing Initiative](#)

[Part 3: Supplier Diversity and Federal Planning and Reporting](#)

[Part 4: Employee-Supplier Relationships](#)

[Part 5: Procurement Card Program](#)

Part 1: Responsibility and Authority for the Purchase of Goods and Service/ Purchase Transactions:

A. Responsibility:

1. **Campus, ANR and Laboratory:** Each Chancellor, the Vice President of Agriculture and Natural Resources, and the Laboratory Director is responsible for purchasing and providing the goods and services required in a manner consistent with this Bulletin and with the following requirements.
 - a. **Strategic Sourcing Initiative:** Further the principal objective of the Strategic Sourcing Initiative which is to maximize the economies of scale in purchasing quantities where needs can properly be met through use of University-wide and regional pool purchases, commodity agreements, and price schedules.
 - b. **Cost Effectiveness:** Institute programs dealing with standardization, value and cost analysis, utilization of items excess to others, simplification in purchases of low-cost items, and such other matters as may encourage receipt of the most favorable prices, terms, and conditions, which will result in the lowest overall cost consistent with need.
 - c. **Solicitation of Supplier and Service Contractor Interest:** Stimulate interest in becoming a supplier to the University through means such as participating in trade fairs and other business meetings, distributing brochures describing campus or Laboratory needs and listing whom to contact and, as appropriate, utilizing newspaper and trade journal notices periodically to invite inquiries.
 - d. **Purchase Transactions:** Ensure in awards of Purchase Agreements that the requirements for competition have been met, any negotiations have been conducted according to established guidelines, and prices to be paid are reasonable in the particular circumstances.
 - e. **Procedures and Controls:** Develop and maintain written procedures and controls that implement University purchasing policies ensure coordination with Contracts and Grants Officers on execution of subcontracts for goods and services, and maintain records to substantiate compliance with these policies.

- f. Equal Opportunity in Business:** Make every effort to ensure that all persons, regardless of race, religion, sex, color, ethnicity, national origin and other protected characteristics, have equal access to Purchase Orders, Purchase Agreements, and other business opportunities with the University.
- g. Laboratory Compliance:** The procurement systems employed by the Laboratory negotiated with and approved by the Department of Energy (DOE) under the management contracts between DOE and the University. Approved policies and procedures supporting this DOE-approved system are included in the Laboratory Procurement Policy and Standard Practices Manual published and maintained by the University of California Laboratory Management Office. The obligation of federal funds will be accomplished employing such policies and procedures.

Each Responsible Official is expected to actively contribute to the further development and refinement of this Bulletin and these requirements by encouraging consultation and concerted efforts with colleagues throughout the University, including all Locations.

- 2. The Office of the President:** The role of the Office of the President in Procurement/Supply Chain Management/ Procurement Services is to recommend and develop policies, monitor compliance, provide effective coordination and counsel, administer the Strategic Sourcing Initiative, maintain the CALCODE (the coding system for equipment management), represent the University with external agencies, analyze proposed State and Federal regulations, formulate long-range planning, conduct special studies as needed, and staff task forces and cross-functional work groups. To this end, the Associate Vice President and Chief Procurement Officer shall be responsible in the following areas:
 - a. Strategic Sourcing:** Manage and Administer the Strategic Sourcing Initiative.
 - b. Purchase Agreements and Related Documents:** Provide staff support for maintenance of standard terms and conditions of Strategic Sourcing Systemwide Agreements and Price Schedules and some of the UCOP Agreements and their related documents, document development, and in interactions with the Office of General Counsel as required.
 - c. Regents' Agenda Items:** Work in tandem with the Office of the CFO to prepare required Regents' agenda items and submit them through the Office of the President to secure approval of Purchase Agreements and related documents that exceed the authority of the President.
 - d. Program Management:** Manage initiatives and programs that assist the University in becoming a premier institution known for its Procurement Excellence.

- e. **Policy:** Develop and refine University Procurement Policies, including the procedures in this Bulletin, in collaboration with campus and Laboratory colleagues.
- f. **Limitations on Authority:** Compile and distribute to the Locations all current, relevant information available on limitations on authority to execute purchase contracts and related documents imposed by State or Federal law or other relevant provisions.
- g. **Re-delegation of Purchasing Authority:** Approve re-delegation of purchasing authority to other than the Procurement/Supply Chain Manager for the purchase of goods and services and to other than the Librarian, for purchases of books and periodicals.
- h. **Liaison:** Maintain liaison with State and Federal agencies relating to Procurement/Supply Chain Management/ Procurement activities, analyze pending legislation and new regulations for potential impact on the University, disseminate relevant information, and consult with University colleagues on other governmental matters of interest.
- i. **Reporting to the State of California:** Collect and analyze data related to Small Business Utilization and complete the Annual Small Business Utilization Report which is submitted annually to the Governor's Office.
- j. **Policy Compliance:** Monitor, in conjunction with the Office of Ethics, Compliance & Audit Services, compliance with the procedures in this Bulletin, provide guidance in policy interpretation, and recommend to Responsible Officials corrective action when indicated.

B. Authority:

1. **Authority of the Regents:** The California Constitution vests in The Regents full powers of organization and governance of the University, subject only to certain limited legislative controls. One such control is California Public Contract Code Sections 10507, et seq. Thus, those authorized through the delegation process to commit the University may do so only when the requirements for competition, as set forth herein, have been met.
2. **Authority of the President:** The Standing Orders of The Regents authorize the President to execute on behalf of The Corporation all contracts and other documents necessary in the exercise of the President's duties. However, specific authorization by resolution of The Board of Regents is required for documents which involve or which are:
 - a. **Funding:** Obligations on the part of the University to expenditures or costs for which there is no established fund source.
 - b. **Liability:** Agreements by which the University assumes liability for conduct of persons other than University officers, agents, employees, students, invitees, and guests.

c. Delegations to Chancellors, Laboratory Director and the VP of ANR:

The President has delegated authority to Chancellors, Laboratory Director, and the VP of ANR to execute Purchase Agreements for goods and services, subject to the above limitations of The Standing Orders of The Regents and the additional provisions of the Presidential Delegation of Authority DA 2100.

Part 2: Responsibility and Authority for Strategic Sourcing Initiative:

- A. The Associate Vice President and Chief Procurement Officer:** Has overall responsibility for the management of the Strategic Sourcing Initiative and the outcomes of this program. The Associate Vice President and Chief Procurement Officer develops long-range plans, determining which commodities the University will bid out and in what order. Collaboratively with the Procurement Leadership Council, the Associate Vice President and Chief Procurement Officer ensures the successful execution of this program and the implementation of the resulting Systemwide Agreements for goods and services. The Associate Vice President and Chief Procurement Officer has full authority, delegated to him by the Executive Vice President and Chief Financial Officer, for signatory rights for all Office of the President and Systemwide Agreements, including agreements for goods and services.
- B. The Director of Strategic Sourcing:** Has overall responsibility for the successful execution of the Strategic Sourcing Initiative and the resulting Systemwide Agreements. Although the Director cannot sign these Agreements, the Director has the responsibility to review them thoroughly before having the Associate Vice President and Chief Procurement Officer sign them. The Director of Strategic Sourcing has signature authority up to \$250,000 for signing for departmental expenses, University Subawards, and may be requested to be the officer to sign other agreements in the Associate Vice President and Chief Procurement Officer's absence. The Director is responsible for all budgetary tasks and documents for the Procurement Services Department. The Director is also responsible for supervising the Commodity Managers, providing feedback and performance management, as well as hiring and disciplining staff as necessary. The Director provides input to the Procurement Services Staff regarding questions related to Strategic Sourcing Agreements, Price Schedule Agreements, Commodity Planning, and Procurement-related questions.

Part 3: Responsibility and Authority for Supplier Diversity and Federal Planning and Reporting:

- A. Implementation of the Policy:** The Procurement/Supply Chain Managers at all Locations are responsible for the implementation of this Policy.
- B. Revisions to the Policy:** The Executive Vice President-Chief Financial Officer owns this Policy and has the authority to interpret and implement changes to the Policy.

C. Campus Responsible Parties:

1. **The Escalation Authority (or the comparable position):** The primary campus/medical center leader with delegated responsibility for the administration of policies related to small business and supplier diversity.
2. **Location Reporting Requirements:** Each Location will also maintain and collect the data and provide it to the Office of the President, Procurement Services Office annually or as necessary, to report to the Federal Government and the State of California.
3. **The Procurement Services Office:** Procurement Services Office in the University's Office of the President will work with the Locations' Procurement/Supply Chain Managers/Procurement Directors or their designees to give guidance for the implementation of the Policy and the collection of the Small Business and Supplier Diversity procurement data.

Part 4: Responsibility and Authority for Employee-Supplier Relationships:

- A. **Approvals:** The required certification for Employee-Supplier Relationships, C. Certification Requirement) must be submitted to the Location's Procurement/Supply Chain Manager or designee. When the work involves an intercampus or Laboratory transaction, the certification must be submitted to the Procurement/Supply Chain Manager at the Location where the requirement originates. In addition, a re-certification is to be submitted prior to the extension/renewal of the terms of a contract. The Procurement/Supply Chain Manager is responsible for notifying the submitting department of approvals or denials of requests involving employee-Supplier relationships.

Part 5: Responsibility and Authority for Procurement Card Program:

A. Campus Controller:

1. Approve campus guidelines for use of a Procurement Card as a payment mechanism;
2. Approve procedures for preventing and investigating and reporting unauthorized use of Procurement Card;
3. Approve requests to issue Procurement Cards to central purchasing unit employees;
4. Approve requests to issue Procurement Cards to non-University employees;
5. Approve procedures for annual self-assessment by the Purchasing Unit or other business unit.

B. Procurement Unit:

1. Oversee the Procurement Card Program;
2. Formally authorize new cardholders to commit funds for the University in accordance with this policy's provisions regarding Low Value Purchases;

3. Plan and provide for regularly scheduled audits, reviews, and/or oversight;
4. Approve spending limits;
5. Ensure that sanctions are imposed for the abuse or misuse of a Procurement Card by a cardholder or reviewer;
6. Cooperate with investigations of suspected fraud, waste, or abuse;
7. Ensure adherence with the requirements of the Procurement Card Program;
8. Approve more than ten (10) cardholders per reviewer; and
9. Approve exception to reviewer reporting relationship.

C. Procurement Card Administrator: The Administrator (or other individual approved by the Controller) shall:

1. Administer the Procurement Card Program consistent with this section of this Bulletin;
2. Interface with the Procurement Card Issuing Bank;
3. Develop and conduct mandatory initial and refresher Procurement Card training for Procurement Card holders and reviewers;
4. Process and approve requests for issuance of new Procurement Cards;
5. Maintain an up-to-date listing of all authorized cardholders, their Delegations of Authority, and their respective reviewers;
6. Monitor departmental reconciliation activity and unresolved disputers;
7. Report discrepancies to the Procurement Unit Manager and recommend appropriate sanctions;
8. Verify that proper incentive amounts are received under the University program with the Procurement Card Issuing Bank;
9. Perform periodic reconciliation of bank statements and financial systems;
10. Ensure the Procurement Cards are cancelled and surrendered by the cardholder upon termination of a cardholder's need or termination of employment; and
11. Cooperate with investigations of suspected fraud, waste, or abuse.

D. Reviewer: The Reviewer shall:

1. Successfully complete mandatory initial and annual refresher training;
2. Review on a timely basis, documentation related to all purchase and approve all cardholder transactions to confirm appropriateness and receipt of the goods and services ordered;
3. Notify the Procurement Card Administrator or Procurement Unit Manager of any cardholder non-compliance.

4. Cooperate with investigations of suspected fraud, waste, or abuse; and
5. Take or recommend corrective action in cases where Procurement Cards have been used inappropriately, including disciplinary action.

E. Cardholder: The Cardholder shall:

1. Successfully complete mandatory new cardholder and annual refresher training;
2. Sign a Cardholder Agreement form that includes cardholder requirements associated with proper use of the Procurement Card;
3. Comply with campus policies, procedures, and program updates related to the use of Procurement Cards, including limitations on transaction limits, monthly and/or annual spending limits, and prohibited items;
4. Cooperate with investigation of suspected fraud, waste, or abuse.
5. Obtain proper documentation associated with Procurement Card transactions;
6. Reconcile the statement of account on a timely basis; and
7. Promptly process all Procurement Card transactions including prompt resolution of merchant and bank disputes.

V. PROCEDURES

Part 1: Purchase Transactions

Part 2: Strategic Sourcing Initiative

Part 3: Supplier Diversity and Federal Planning and Reporting

Part 4: Procurement Card Program

Part 1: Purchase Transactions

- A. Policy Compliance:** Pool Purchase Orders, commodity agreements, and price schedules shall be established only when, pursuant to University policy, requirements for competition have been met, any negotiations have been conducted according to established guidelines, prices to be paid are reasonable in the particular circumstances, and approval as to form has been secured as necessary.
- B. Required Use:** Items covered by pool Purchase Orders and commodity agreements shall not be purchased from other sources, unless the exception involves special delivery requirements, or there are substantial differences in specifications which preclude the use of the contract source. Such exceptions shall be approved by the campus Procurement/Supply Chain Manager. Exceptions on any basis other than the above circumstances shall be approved by the Commodity Manager with the concurrence of the Associate Vice President and Chief Procurement Officer.

- C. Exception Reports:** Purchases from other than pool Purchase Order suppliers or commodity agreement sources shall be reported to the Commodity Manager. Such reports shall include copies of the purchase action.
- D. Availability of Funds:** Pool Purchase Orders shall be entered into only when the Commodity Manager has been assured that funds are available to cover the definite or guaranteed minimum quantities to be ordered.
- E. Unsatisfactory Performance:** Unsatisfactory, unusual, or significant supplier or product performance deficiencies shall be reported promptly to the Commodity Manager involved so that appropriate, timely action may be taken to correct the deficiency.
- F. University Price Schedules:** Such arrangements may be entered into to take advantage of special discounts on proprietary products or when a commodity agreement is not practical. When not established through the required competitive process, prices shall be reasonable and such agreements shall not be used in lieu of soliciting competition

Part 2: Strategic Sourcing Initiative:

A. Program Management:

- 1. Associate Vice President and Chief Procurement Officer of Procurement Services, University of California Office of the President:**
 - a. Working with the Executive Vice President-Chief Finance Officer, the Associate Vice President and Chief Procurement Officer is responsible for developing an overall strategy which addresses overall University needs in terms of savings, pricing, operational efficiencies, and continuous improvement:
 - i. Ensure that these factors are considered when developing the departmental strategic plan;
 - ii. Ensure the commodities providing the maximum savings to the University be developed as projects early in the Strategic Plan; and
 - iii. Consider Location needs in all planning for the department:
 - A. In customer service;
 - B. In the timing of Strategic Sourcing Initiatives
 - C. In Location staffing needs, and the needs of all Location Stakeholder Groups;
 - D. In the identification of those items for inclusion in the program that are purchased by multiple Locations;
 - E. In sufficient quantities that an economic advantage can be gained by creating a Strategic Sourcing Initiative.

- F. In the review of all goods and services purchased by the University to leverage non-traditional concepts and cost-savings ideas to provide maximum benefit to the University.
- b. Analyze usage data from all Locations to identify needs, trends, and potential opportunities. Guide the Commodity Managers and Commodity Teams to a positive outcome for the University. Review the business trends quarterly to determine options for additional opportunities for savings to the University.
 - c. Work closely with colleagues at other institutions to develop strategies and find opportunities for collaboration. Determine if collaboration with other higher education institutions, medical institutions, or group purchasing organizations to leverage immediate savings until a Strategic Sourcing Initiative is able to be scheduled and executed.
 - d. Develop a strategy using the needs of the Location customers, collected data, marketplace conditions, and historical industry information to determine the best approach to leverage the University's purchasing power to gain the best advantage in terms of customer service, quality, and price.
 - e. Market the Strategic Sourcing concept to Senior Management within the University, colleagues in other industries, other higher education and medical colleagues, and the supplier community. Brainstorm with these groups as appropriate for creative ideas where partnership opportunities exist for Strategic Sourcing Initiatives.
 - f. Lead the Team, both at the Office of the President and at all Locations in knowledge of current market conditions as they pertain to all commodities, and keep everyone informed of significant developments which could affect consolidated purchasing, marketplace conditions, and availability of product.
 - g. In carrying out the above responsibilities, the Associate Vice President and Chief Procurement Officer shall consult with and secure assistance from, as appropriate, the Director of Strategic Sourcing, Commodity Managers, Procurement/Supply Chain Managers, Small Business Coordinators, Location Stakeholder Groups, Subject Matter Experts (SME's) and other knowledgeable persons.
- 2. Director of Strategic Sourcing/University of California Office of the President:** The Director of Strategic Sourcing, when assigned responsibility for specific staff supervision as well as specific commodity groups by the Associate Vice President and Chief Procurement Officer, shall:
- a. Work with the Associate Vice President and Chief Procurement Officer to develop an overall strategy which addresses customer service needs of the Locations, commodities that need to be addressed, timing to go out to bid

on these commodities, Commodity Manager assignment of projects, and supervision of the Commodity Managers on their projects.

- b. Identify those items for inclusion in the program which are purchased by multiple Locations in sufficient quantities that an economic advantage can be gained by creating a Strategic Sourcing Initiative.
- c. Develop specifications and standards through value analysis and consultation with Subject Matter Experts (SME's), as appropriate and secure usage data from those Locations which expect to participate in the Strategic Sourcing Initiative. Review the analysis of the Commodity Managers to determine that it is accurate and reflects the needs of the University.
- d. Determine if there are opportunities to develop agreements with other higher education institutions, other medical institutions, or group purchasing organizations to leverage immediate savings until a Strategic Sourcing Initiative is able to be scheduled and executed.
- e. Develop a strategy using the needs of the Location Customers, collected data, marketplace conditions, and historical industry information to determine the best approach to leverage the University's purchasing power to gain the best advantage in terms of customer service, quality, and price.
- f. Solicit quotations; prepare and execute resulting Systemwide Strategic Sourcing Initiative RFP and a commodity agreement or price schedule where appropriate; review quarterly usage reports from agreement suppliers or internal polling of the Locations; and monitor overall Systemwide compliance to the agreement. Determine methodologies to address maverick spend at Locations by leveraging Procurement/Supply Chain Managers, Procurement Departments, Strategic Sourcing Units, and Stakeholder Groups. Utilize supplier support to assist in making contacts at Locations and to convert customers to the Strategically Sourced Agreements.
- g. Review and evaluate existing consolidated purchase arrangements for expansion or modification, and schedule advantageous purchases and renewal of commodity agreements and price schedules in a timely manner consistent with work schedules.
- h. Maintain up-to-date knowledge of current market conditions as they pertain to assigned commodities, and keep the campuses and Laboratory informed of significant developments which could affect consolidated purchasing, marketplace conditions, and availability of product.
- i. Determine the sustainability issues related to the specific commodity and how to integrate sustainable products, energy savings, water savings, and reuse or recycling opportunities into every Strategic Sourcing Initiative.

- j. In carrying out the above responsibilities, the Director of Strategic Sourcing shall consult with and secure assistance from, as appropriate, the Associate Vice President and Chief Procurement Officer, Procurement/Supply Chain Managers, Commodity Managers, Buyers, Small Business Coordinators, Location Stakeholder Groups and Subject Matter Experts (SME's) and other knowledgeable persons.
- 3. Commodity Manager, Procurement Services/University of California Office of the President:** The Commodity Manager, when assigned responsibility for specific commodities or groups of commodities by the Director of Strategic Sourcing, shall:
- a. Identify those items for inclusion in the program which are purchased by multiple Locations in sufficient quantities that an economic advantage can be gained by creating a Strategic Sourcing Initiative.
 - b. Develop specifications and standards through value analysis and consultation with Subject Matter Experts (SME's), as appropriate and secure usage data from those Locations which expect to participate in the Strategic Sourcing Initiative.
 - c. Develop a strategy using the needs of the Location Customers, collected data, marketplace conditions, and historical industry information to determine the best approach to leverage the University's purchasing power to gain the best advantage in terms of customer service, quality, and price.
 - d. Solicit quotations; lead Systemwide Strategic Sourcing Initiatives and prepare and execute resulting commodity agreements or price schedules where appropriate; review quarterly usage reports from agreement suppliers or internal polling of the Locations; and monitor overall Systemwide compliance to the agreements. Determine methodologies to address maverick spend at Locations by leveraging Purchasing/Procurement Departments, Strategic Sourcing Units, and Stakeholder Groups. Utilize supplier support to assist in making contacts at Locations and to convert Customers to the Strategically Sourced Agreements.
 - e. Review and evaluate existing consolidated purchase arrangements for expansion or modification, and schedule advantageous purchases and renewal of commodity agreements and price schedules in a timely manner consistent with work schedules.
 - f. Maintain up-to-date knowledge of current market conditions as they pertain to assigned commodities, and keep other campuses and the Laboratory informed of significant developments which could affect consolidated purchasing, marketplace conditions, and availability of product.

- ### Part 3: Supplier Diversity and Federal Planning and Reporting:

- 1. Program Development:** The University supports the use of small, diverse, and disadvantaged suppliers whenever these suppliers offer products and services that meet the University's needs for competitive pricing and the quality of the products and services. The University has not set specific goals for procurement from any classification of business. Campuses are strongly encouraged to:

 - a.** Make a concerted effort to target and solicit responses from small, diverse, and disadvantaged suppliers in all Requests for Information, Quotation, or Proposal.
 - b.** When possible, purchase goods and services from small, diverse, and disadvantaged suppliers that are a University of California contracted suppliers as part of a strategically sourced agreements awarded through a competitive bid process.
 - c.** Purchase goods and services from small, diverse, and disadvantaged suppliers for commodities and services where strategically sourced agreements do not exist, and for amounts not exceeding the \$100,000 bid threshold is appropriate.
- 2. Outreach Efforts:** Each Location shall develop and implement effective outreach programs to ensure equal opportunity in business contracting. Such programs shall:

 - a.** Create awareness in the small, diverse, and disadvantaged supplier communities, of contracting opportunities available from the University.
 - b.** Direct efforts to develop potential new small, diverse, and disadvantaged suppliers.

- c. Obtain written representation (either/or federal and state) from suppliers regarding their status as a small, diverse, or disadvantaged supplier (see Section VI/Related Information for links to all classification types). Search for small, diverse, and disadvantaged suppliers and verify their certification. Check the [SBA Dynamic Small Business Search Database](#) for federally-certified suppliers. Check the [California Certification Website](#) for State of California-certified businesses. Determine whether small, diverse, and disadvantaged suppliers can be used for the purchase of particular goods and services as needed by departments. Encourage small, diverse, and disadvantaged supplier participation through trial purchases, product pilot testing, the arrangement of Supplier orientation visits, and by other means at various Locations, so that these suppliers can learn about University procurement practices, bidding processes, business models, and contractual agreement implementation. Increase competitive opportunities for small, diverse, and disadvantaged business providers by allowing adequate time to respond to the bid requirements.
 - d. Maintain contact with small, diverse, and disadvantaged suppliers to ensure their inclusion in University procurement opportunities. These contacts could include small business fairs, meetings with key University staff, and seminars applicable to small and local business providers about how to best work with the University.
 - e. Respond to studies or surveys that may be conducted by the Small Business Administration or other related agencies so that information about the University's bidding and procurement practices are distributed to the appropriate suppliers.
- 3. University of California Small Business Plans:** The Campus Small Business or Supplier Diversity Coordinator in collaboration with the originating department and the Contracts and Grants/ Sponsored Projects Office are responsible for the development of the Small Business Plan and its goals. The University department receiving the award is responsible for seeking to meet their supplier diversity goals established in the plan.
- B. Campus Reporting/Management of Plans and Reporting for Federal Contracts of Subcontracts Exceeding \$700,000:** The University recognizes its obligation with regard to extramural contracts and grants by incorporating the requirements of all relevant statutes, Executive Orders, and regulations into its procurement activities.
- 1. Small Business Subcontracting Plan Requirements:** Federal solicitations, contracts and subcontracts to the University exceeding \$700,000 and expected to have subcontracting opportunities will usually require that the University prepare a Small Business Subcontracting Plan. The Campus Small Business or Supplier Diversity Coordinator, in collaboration with the originating department and the Contracts and Grant/Sponsored Projects

Office are responsible for the development of the Small Business Subcontracting Plan.

The plan must include the total percentages and dollar amounts to be spent with both large and small businesses for materials and supplies, equipment over \$5,000, and travel. This plan is either requested at the time that an initial proposal is submitted or it can be requested when the funding has been awarded. Once approved by the federal agency awarding the funding, the Subcontracting Plan goals become a contractual obligation which the Principal Investigator must make a good faith effort to achieve.

Principal Investigators and Contract Administrators must provide the following documentation to the designated Campus Small Business or Supplier Diversity Coordinator when potential small business spend for materials and supplies, equipment over \$5,000, and/or travel exists:

- a. Agency proposal or award number,
- b. Title of proposal or award,
- c. The Statement of Work,
- d. High-level budget information,
- e. A worksheet detailing totals for materials and supplies, equipment over \$5,000, and travel be purchased from suppliers, and
- f. The Small Business Plan Worksheet describing materials and supplies, equipment over \$5,000, and travel that can be purchased from small businesses, the dollar amounts for these items, and names of small businesses from which they can be purchased.

2. **Good Faith Effort - Locating Small Business Sources:** Each Principal Investigator (PI) of a federally funded contract containing a Small Business Subcontracting Plan approved by the awarding federal agency must encourage maximum participation by the types of small businesses in the plan for which they set specific percentages and dollar amounts. To do so, they must work with their support staff to:

- a. **Reasonable Effort:** Make every reasonable effort to find additional small business entities which have the classification types set in the goals and which can meet the technical specifications required for the project. Such efforts include working with the designated Campus person assigned to Supplier Diversity, contacting the federal agency to get a list of approved small business suppliers, and by using the [SBA Small Business Dynamic Search Database](#). Alternate data bases from third party suppliers that some Locations have access to may also be utilized as an alternative to the SBA Small Business Dynamic Search Database.

- b. Supplier Contacts:** Contact small, diverse, and disadvantaged, suppliers when soliciting prospective suppliers via Requests for Information, Quotation, or Proposal for the project.
 - c. Required Documentation:** Document in writing in the project's records on an ongoing basis any failure to purchase from small suppliers as stated in the Small Business Subcontracting Plan. Report these reasons to the Supplier Diversity Program Coordinator in writing in advance of the April 1 and October 1 federal reporting dates.
 - d. Other Assistance:** Notify the Small Business or Diversity Supplier Coordinator to assist in finding other appropriate small businesses. The Small Business or Diversity Supplier Coordinator must also include the reason for zero utilization, whenever a federal report is filed with the federal agency.
- 3. Post Award Small Business Program Re-Representation:** If [FAR 52.219-28](#) is included in the contract and the conditions in the clause for re-representation are met, the designated employee must:
 - a.** Require the contractor that represented itself as a small business concern prior to award of the contract re-represent its size status via its registration in the federal System for Award Management and using the corresponding North American Industry Classification System code, or via a separate certification containing this information; and
 - b.** Permit a contractor that represented itself as other than a small business concern prior to award to re-represent its size status.
- 4. Data Collection and Reporting Requirements:** Locations must monitor and report the extent of small business participation in their federal funded contracts exceeding \$700,000, when a Small Business Subcontracting Plan has been approved by taking the following actions:
 - a.** Require each prospective small business to certify whether it is a small business with one or several of the government classification types or self-certify (for all others) on the Federal Central Contractor Registration.
 - b.** Accurately track the participation by small businesses (by classification type) in terms of the total value of Purchase Orders placed in that classification during each fiscal year.
 - c.** Report utilization to the appropriate federal agencies as required.
- 5. Report Types and Reporting Periods:**
 - a. Individual Subcontracting Report (ISR):** This report collects prime contractor and subcontractor subcontract award data for specific Federal Government agencies (see b. ii. and b. iii.). **This is the former SF-294 Report.**

Designated staff at each campus must file an *Individual Subcontracting Federal Report (ISR)* for each contract or sub-contract in the [Electronic Subcontracting Reporting System \(eSRS\)](#) to the appropriate federal agency in the following reporting periods:

- i. October 1st of the prior year through March 31th of the current year (six months)/due by April 30th and;
 - ii. October 1st of the prior year through September 30th of the current year (fiscal year)/ due October 31st;
 - iii. A final [ISR](#) is completed within 30 days of the expiration date of the contract or sub- contract.
- b. [Summary Subcontracting Report \(SSR\)](#): This report provides an annual summary of subcontracts awarded by prime and subcontractors for a specific Federal Government agency that required an Individual Subcontracting Plan for the previous fiscal year.

Designated staff must also file a [Summary Subcontracting Report/SSR](#) with each federal agency when the Campus:

- i. Holds one or more contracts or subcontracts over \$700,000 and,
- ii. Is required to report subcontracts awarded to Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUBZone Small Business (HUBZone SB), and Veteran-Owned Small Business (VOSB), Service-Disabled Veteran- Owned Small Business (SDVOSB), ANCs and Tribes concerns under a Subcontracting Plan with the Federal government, and
- iii. Is required to report subcontract awards for Historically Black Colleges and Universities (HBCUs), Minority Institutions (MI), for the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, and
- iv. Also has reporting periods for civilian agencies [non-Department of Defense (DOD) or NASA)], annual submission:
 - a) October 1st of the prior year through September 30th of the current year (fiscal year)/due October 31st.
 - b) For contracts with the Department of Defense and the National Aeronautics and Space Administration twice per year (same as for *ISR*'s above):
 - 1) October 1st of the prior year through March 31st of the current year (six months)/due by April 30th, and,
 - 2) October 1st of the prior year through September 30th of the current year (fiscal year)/ due October 31st.

- c. **Small Disadvantaged Business Report: Disadvantaged Status and Reporting**; If a **Small Disadvantaged Business (SDB)** goal was included in the Small Business Subcontracting Plan, per **FAR 52-219-25 Small Disadvantaged Business Participation** the University must report on the participation of SDB concerns at contract completion or as provided in the terms and conditions of the contract.
- d. **Failure to Make a Good Effort–Liquidated Damages: FAR 52.219-16** deals with Liquidated Damages and a “Failure to make a good effort to comply with the subcontracting plan” which means a willful or intentional failure to perform-or- willful or intentional action to frustrate the plan in accordance with the requirements of the subcontracting plan approved by a federal agency.

Federal agencies measure performance toward the Small Business Subcontracting goals by applying the percentage goals to the total actual subcontracting dollars or, if a commercial plan is involved, to the pro-rata share of actual subcontracting dollars attributable to government contracts covered by the commercial plan.

If the Small Business Subcontracting Plan goals have not been met by the contract completion or in the case of the commercial plan, at fiscal year close for which the plan is applicable, the Federal Contracting Officer will determine if the Contractor has failed to make a good faith effort to comply with the Subcontracting Plan. The Contracting Officer will give the Campus written notice specifying the failure and permitting the campus on behalf of the UC Regents, to demonstrate the Good Faith Effort that has been made and to discuss the situation with the federal agency. A failure to respond to the notice may be taken as an admission that a valid explanation does not exist.

If the Contracting Officer has considered all pertinent data and finds that the campus or the Regents did fail to make a good faith effort, the Officer shall issue a final decision to that effect and require the Campus on behalf of the Regents to pay the Federal Government liquidated damages for the difference between the proposed goals and the actual dollars spent.

- e. **Defense Federal Acquisition Regulations (DFARS)**: In addition to the FAR regulations, the Defense Federal Acquisition Regulations (DFARS) develop and maintain acquisition rules and guidance to facilitate purchasing staff as they acquire the goods and services required for **Department of Defense** contracts. These regulations apply whenever the University has a DOD research contract exceeding \$650,000 and requires the use of small businesses.

f. Campus Reporting to the Environmental Protection Agency Grant Awards with Fair Share Objectives-Title 40/Protection of the Environment, Chapter 1, Subchapter B, Part 35/Participation by Disadvantaged Business Enterprises:

Federal Disadvantaged Business Enterprise (DBE) provisions affect procurement actions under EPA financial assistance agreements/grants.

The Environmental Protection Agency requires a Disadvantaged Business Enterprise Rule and Program provision in the Terms and Conditions of the grant agreement. The University departments holding these contracts and grants are required to make a good faith effort to achieve the requirements as stated.

The key functional components of the EPA Disadvantaged Business Enterprise Rule and Program are the following:

- i. DBE Overview Fact Sheet;
- ii. Fair Share Objectives;
- iii. Six Good Faith Efforts and Contract Administration Requirements;
- iv. MBE/WBE Reporting; and
- v. MBE/WBE Certification.

6. Office of the President - Procurement Services Department Required Reporting-State of California Small Business Report: The University of California complies with all reporting requirements issued by the State of California. During the month of September the Office of the President - Procurement Services Small Business Coordinator collects purchasing, design, and construction small business data from campuses, medical centers, Agriculture and Natural Resources, and the Laboratory. The Coordinator then prepares the annual Small Business Utilization report for the California Governor's Office.

Part 4: Procurement Card Program:

A. General Information:

- 1. Instructions to Cardholders:** The Procurement Card Administrator, in coordination with the campus Controller, will provide mandatory training for cardholders and reviewers, regarding the use of the procurement card consistent with these procedures. Instructions will include:
 - a.** Procedures to ensure the appropriateness of the transaction and to prevent fraud, waste or abuse (e.g., controls requiring each purchase or class of purchases to be reviewed and approved in advance and/or subsequent to the transaction by a designated independent reviewing or approving official);

- b. Procedures requiring that invoices, packing lists, or other documentation identifying the items or services received are reviewed and approved by the cardholder and the designated reviewer. These controls will provide confirmation as to appropriate billing and receipt of the ordered item or service, and that the ordered and received items or services are the same as those requested;
 - c. Spending limits for each transaction, spending limits for each day and each billing cycle, established by the Procurement Card Administrator and approved by the campus Controller;
 - d. Compliance with account and fund guidelines and approval processes as set forth in the University of California Accounting Manual;
 - e. Identification of goods and services that cardholders are authorized to purchase;
 - f. Identification of goods and services that cardholders are not authorized to purchase; and
 - g. Information regarding the need to comply with Sales and Use Tax requirements.
- 2. Applying for a Procurement Card:** Each application for a procurement card must be submitted by the proposed cardholder's unit to the Procurement Card Administrator. The application must be endorsed by the Chief Administrative Officer, Dean or designee of the unit. The request will indicate who will serve as the cardholder's reviewer(s). The format for such a request will be established by the Procurement Card Administrator.
- The cardholder and reviewer will be required to complete procurement card training prior to issuance of a procurement card.
- 3. Reporting:** To provide timely controls over purchasing activities, the bank's procurement card system provides a daily transaction report, or electronic data, which lists each transaction necessary to properly manage and control the program. Various other reports are available at the close of each cycle, including a merchant summary which contains information that can be used to negotiate volume discounts with Suppliers. Sales tax; customer codes, e.g., job number, cost center; 1099 data; and minority Supplier information are captured automatically at the point of sale when a transaction occurs, *if the merchant is equipped to record such (level 3) data*. (NOTE: This data may not be adequate if a merchant is a level 1 or 2 merchant). To ensure sales or use taxes are paid when a Supplier does not collect the appropriate taxes, the campus should have a procedure to ensure that taxes are properly accrued for payment to the state.

Each card will be assigned a default accounting charge string. When the actual charge is imported, campus procedures may allow the charge to be processed using that string, or require that an alternative accounting string be used to record the transaction.

- 4. Source Documentation:** The cardholder must obtain source documentation from the Supplier, regardless of the manner in which the order was placed, (i.e. internet, phone, mail, fax, or in person), that is sufficient in detail to allow the reviewer to verify the items purchased.

Each campus will utilize the detailed procedures for defining acceptable forms of documentation outlined in this Policy (see also the UC Sales & Use Tax Manual).

B. Administrative Review:

- 1. Department Review:** The responsibilities of a cardholder, who is authorized to make purchases with a procurement card, must be separate from the individual assigned to conduct an administrative review of the purchase.
 - a.** Department reviewers shall perform an independent administrative review of all purchase transactions for cardholders that are assigned to them.
 - b.** If the department is too small to assign a reviewer, a reviewer from an outside department may be assigned.
 - c.** The administrative review ensures that the following requirements are met:
 - i. The expenditure was properly authorized;
 - ii. The expenditure is described in sufficient detail on at least one document (web/email confirmation, Supplier invoice, packing slip, receipt, etc.); "miscellaneous supplies" is not sufficient;
 - iii. There is evidence that the items sold by the Supplier were actually received;
 - iv. The expenditure is appropriate, both in general terms and with regard to the specific fund source used. Although administrative personnel are not expected to understand exactly what technical items are to be used for, they should be able to identify questionable expenditures such as computer game software, inappropriate furniture, pet food supplies not relevant to experiments, and the like;
 - v. The document must be signed and dated, electronically or on paper, by the reviewer to indicate that an administrative review was performed.
 - vi. The review must be conducted in a defined period of time, based on individual campus requirements.

- 2. Program Review:** The purchasing unit will perform an administrative review of departmental purchase transactions to ensure program requirements are met. This review may be done on a sampling basis at the discretion of the campus. Each campus shall establish procedures for self-assessment to review the effectiveness of campus procurement policies and procedures.

The procedures, written by the purchasing unit and approved by the campus Controller, shall describe the types and frequency of reviews, sampling methodology to be used, and data retention requirements. Such assessments may include the following elements:

- a. Review of a statistical sample of cardholder records (source documentation) to determine compliance with local procurement card policies and procedures.
- b. System edits data mining, and/or visual inspection of transaction records to identify questionable transactions, sufficiency of purchase descriptions and transaction amounts, potentially unallowable costs, purchases of restricted items, split transactions, or potential fraud, waste or abuse.
- c. Ensure reviewers perform an administrative review of all purchase transactions within the defined period of time.
- d. Documentation of corrective action taken.

- C. Detailed Procedures:** In most cases, procurement card procedures should parallel a department's established procedures for acquisition and procurement of low-value purchases. However, to prevent fraud or misuse of such cards, each department shall establish additional control procedures as follows:

- 1. Card Controls:** The individual whose name appears on a card is responsible for protecting that card and is accountable for all purchases made using that card number. The cardholder may not share their procurement card or number with any other person. To safeguard against the unauthorized use of the card, all orders placed using a card should be made only by the cardholder. Although the cardholder is subject to disciplinary action if the card is misused, liability for procurement card charges resides with the University, not the cardholder.

Before issuance of a card, each cardholder shall be required to sign a statement acknowledging receipt of the card and agreeing to be bound by the terms and conditions of University procurement card use.

- 2. Cardholder Limits:** Each campus shall institute the following point-of-sale controls to impose additional purchasing limits on each cardholder:
 - a. Dollar limit per transaction;
 - b. Total dollar amount allowed per day; and
 - c. Total dollar amount allowed per cycle.

- 3. Merchant Category Restrictions:** Cardholders may be restricted from purchasing certain items or services. Each campus may set restrictions by assigning a group of permitted Merchant Category Codes (MCC) to each cardholder. Permitted Supplier types are checked automatically at the point of sale using codes based on North American Industry Classification System (NAICS) designations. For example, a campus could exclude purchases from Suppliers of controlled substances, or radioactive materials.
- 4. Department Cards:** No campus may issue a single procurement card for use by multiple employees.
- 5. Convenience Checks:** No campus may request or use checks provided by the issuing bank for charges against a University procurement card.
- 6. Issuance of Procurement Cards to Purchasing Unit Employees:** Purchasing cards may be issued to employees within the central purchasing unit, if the use thereof is supported by a specific business need and guidelines for use are implemented. The campus Controller shall approve all requests to issue procurement cards to central purchasing unit employees.
- 7. Issuance of Procurement Cards to Non-University Employees:** Cards shall be issued only to University faculty and staff. Any exceptions must be approved by the campus Controller. Upon approval, these individuals must complete the same training required as University employees, prior to receiving a procurement card or assuming their role.
- 8. Cardholder Authorization and Approving Official Designation:** At the time a card is authorized, the Procurement Card Administrator must formally:
 - a. Authorize a specific cardholder to commit funds for the University, and identify the individual spending limits imposed by the campus.
 - b. Maintain records documenting cardholder and reviewer assignments.
- 9. Disputes:** Each cardholder shall be responsible for promptly resolving all disputed transactions with the issuing bank and the merchant. Cardholders must formally notify the issuing bank and the Procurement Card Administrator within 60 days (or within a shorter period if specified by individual campus procedures) of disputed transactions appearing on the cardholder's account statement. Although the Procurement Card Administrator will track the disputed transaction to attempt resolution, the cardholder remains responsible for pursuing the matter to resolution.
- 10. Payment Mechanism:** Each purchasing unit may implement guidelines for use of a procurement card as a payment mechanism, which are subject to the approval of the campus Controller. This may include use of the purchasing card as the payment mechanism for e-procurement systems, use of a purchasing card to pay ongoing or recurring charges (i.e. cell phone or bottled

water) and use of ghost accounts (where no physical card is issued) for payments to a specific Supplier.

11. Procurement Card User Population: Each campus shall determine the number of procurement cards required to meet operational requirements, while also assuring adequate training, certification, audit, assessment, and supervision of the procurement card user population.

12. Training: Each cardholder and reviewer must complete training prior to receiving a procurement card or assuming their role. Upon completion of training, the cardholder must sign an agreement stating he/she acknowledges and understands the requirements associated with the proper use of the card.

a. New Cardholder Training: Training for proposed cardholders will include:

- i. Review of local policies and procedures regarding procurement card usage;
- ii. Restrictions and prohibitions regarding use of the procurement card (e.g., unallowable costs, restricted items, split orders, dollar spending limitations, participation in promotional programs that result in personal gain);
- iii. Ramifications for misuse or abuse of the procurement card;
- iv. Dispute resolution and importance of timely resolution;
- v. The need to safeguard the procurement card at all times;
- vi. Reporting a lost or stolen procurement card or compromised account number;
- vii. Documentation requirements (e.g., requests and approvals, invoices, receipts, packing lists, or other documentation confirming billing and receipt, etc.) and document retention requirements;
- viii. Procedures for the administrative review of each purchase transaction;
- ix. Sales and Use Tax requirements;
- x. Source and Supplier restrictions;
- xi. Property management considerations (e.g., pre-approvals, restrictions and prohibitions, tagging, etc.);
- xii. Role of the Reviewer;
- xiii. Methods of oversight and types of reviews;
- xiv. Sanctions for noncompliance with policies and procedures; and
- xv. Proper procedures for surrendering procurement cards upon transfer to a new department, termination of employment or retirement.

Refresher Training: Cardholders and reviewers are required to complete refresher training annually.

VI. RELATED INFORMATION

[California Public Contract Code Division 2 - General Provisions, Part 2, Contracting by State Agencies, Chapter 2.1, University of California Competitive Bidding](#)

[Article 2 - Materials, Goods, and Services \(§§10507.5-10510\)](#)

[Article 4 - Conflict of Interest \(§§10515-10518\)](#)

[Article 5, Remedies and Penalties \(10520-10526\)](#)

[California Labor Code Part 7, Public Works and Public Agencies, Chapter 1, Public Works and Public Agencies, Article 2: Wages \(§§ 1770, 1771, 1773, and 1776\)](#)

[Regents Bylaw 12, Composition and Powers](#)

[Regents Bylaw 30](#) and [Standing Order 100.4\(dd\), Duties of the President of the University](#)

[Regents Policy on Procurement of Foreign-Made Equipment, Materials, or Supplies Produced by Forced, Convict, or Indentured Labor](#)

Policy on HIPAA Business Associates

IS-3 Electronic Information Security

University Guidelines on Contracting for Services

[Sustainable Practices Policy](#)

[Policy to Ensure Equal Opportunity in University Business Contracting](#)

[Policy Regarding Employee-Vendor Relationships](#)

Policy on Personal Purchases from StorehousesUCB

[Administrative Guidelines on the Procurement of Foreign-Made Equipment, Materials, or Supplies. Produced by Forced, Convict, or Indentured Labor.](#)

Administrative Guidelines to Ensure Equal Opportunity in University Business Contracting

Small Business Reporting Guidelines

Guidelines for the Purchase of Paper Products and Recycled Paper Products

University Guidelines on Contracting for Services Such as Custodial, Garage, Food, and Similar Maintenance and Housekeeping Services incorporated in Senior Vice President Brady's letter of September 19, 1986 addressed to Chancellors

[University Facilities Manual](#)

[Business and Finance Bulletin BUS-2, Tax-Free Alcohol Permits, Records, and Operations](#)

[Business and Finance Bulletin BUS-29, Management and Control of University Equipment](#)

[Business and Finance Bulletin BUS-38, Disposition of Excess Property and Transfer of University-Owned Property](#)

[Business and Finance Bulletin BUS-50/Controlled Substances Program](#)

[Business and Finance Bulletin BUS-54, Operating Guidelines for University Supply Inventories](#)

[Business and Finance Bulletin BUS-56, Procurement/ Supply Chain Management: Purchases from Entities Violating State or Federal Water or Air Pollution Laws](#)

[Business and Finance Bulletin BUS-63, Insurance Requirements - Certificates of Insurance](#)

[Business and Finance Bulletin BUS-81, Insurance Programs](#)

Additional Resources for Small and Diverse Businesses:

Other definitions relevant to small business and supplier diversity business classification include the following links:

Small Business Classifications by Governmental Source

TERM	SOURCE
Small Business (SB)	State of California Department of General Services (DGS) Procurement Division, Small Business Eligibility Requirements.
Disadvantaged Business Enterprise (DBE)	Proposition 209 modified the California Constitution to make contracting on the basis of race and gender unconstitutional. This proposition was upheld by the Ninth Circuit Court of Appeals case, Monterey Mechanical that determined MBE/WBE contracting was unconstitutional. The effect on Public Contract Code Section 10115.15 was to leave the DVBE program intact. Therefore, such businesses are considered Disadvantaged Business Enterprises.
Disabled Veteran Business Enterprise (DVBE)	State of California Department of General Services (DGS) Procurement Division Disable Veteran Business Enterprise (DVBE) Certification Eligibility Requirements
<u>Code of Federal Regulations (CFR)</u>	
Title 13 Code of Federal Regulations (CFR) – Small Business Administration	
<u>Federal Regulations (FAR)</u>	
i. FAR Part 19 - Small Business Programs	
ii. FAR Part 52.219 - Small Business Programs Provisions and Clauses	
Small Business (SB)	U.S. Small Business Administration (SBA)
Small Disadvantaged Business (SDB) 8(a)	U.S. Small Business Administration (SBA) 8(a) Business Development Program
HUBZone	U.S. Small Business Administration (SBA) Office of the HUBZone Program
Service-Disabled Veteran-Owned Small Business (SDVOSB)	U.S. Small Business Administration (SBA) Veteran-Owned Businesses
Veteran Owned Small Business (VOSB)	U.S. Small Business Administration (SBA) Veteran-Owned Businesses
Historically Black Colleges/Minority Institutions (HBCU/MI)	DFARS Notice of Historically Black College or University and Minority Institution Set-Aside (1994)
Alaska Native Corporations (ANC)	U.S. Small Business Administration 8(a) Business Development (BD) Program for Alaskan Native Corporation-Owned Concerns
<u>Environmental Protection Agency (EPA)</u>	
Disadvantaged Business Enterprise (DBE)	Environmental Protection Agency (EPA) Disadvantaged Business Enterprise (DBE) Program (Includes Minority Business Enterprise (MBE) and Women Business Enterprise(WBE))
Fair Share Objectives	Environmental Protection Agency (EPA) Fair Share Objectives
Good Faith Efforts	Environmental Protection Agency (EPA) Good Faith Efforts

VII. FREQUENTLY ASKED QUESTIONS

Not applicable.

VIII. REVISION HISTORY

This Policy was updated on November 17 2017 to: 1) update the definitions relating to exceptions from the requirement to competitively goods and/or services contracts for more than \$100,000 annually; 2) encourage competition even when an exception applies, and require documentation of the decision to apply an exception; 3) require approval when the University's template documents are not used; 4) provide that Locations and their Public Records or Information Practices Coordinators should consult with the Office of General Counsel if they receive Public Records Act requests during the course of a procurement process or after an RFP is cancelled; 5) add a policy relating to debarring suppliers; 6) update the dollar threshold applicable to Prevailing Wage Services; 7) limit the circumstances under which "after the fact" Fair Wage/Fair Work exceptions may be approved; 8) provide that contract duration (including the initial term plus all amendments or renewals) may not exceed ten years unless an exception to policy is approved; 9) provide that price may not have less than a 25% weight when the Best Value evaluation method is used; 10) update provisions pertaining to leases; 11) increase the low-value purchase ceiling for individual purchases from \$5,000 per transaction, to \$10,000; 12) update language applicable to purchases that are federally funded; 13) generally update the Policy's language and make it consistent; and 14) eliminate most hyperlinks.

This Policy was remediated in accordance with Web Content Accessibility Guidelines (WCAG) 2.0.

Revision to update the Fair Wage/Fair Work policy that is applied to services performed at locations owned or leased by UC, including certain endowment or investment properties, annual audit requirement will not apply to Fair Wage/Fair Work services that are subject to State of California prevailing wage law, since these service providers are already highly regulated by the Department of Industrial Relations, effective October 19, 2016.

Revision to BUS-43 Procurement/ Supply Chain Management to address the Affordable Care Act, Prevailing Wage Legislation, and the Fair Wage/Fair Work Initiative, effective October 1, 2015.

Revision to BUS-43/Procurement/ Supply Chain Management to address some legal changes, to remove the attachments to this Policy which are all now residing on the home department's websites, and to update links, professional titles, and references, April 10, 2014.

Addition of policy and procedure related to the passage of SB 1280 (adding Public Contract Code 10507.8) and update some of the language in the Policy, February 1, 2013.

Revision to BUS-43/Procurement/ Supply Chain Management to put the Policy into the standard University of California template effective July 1, 2012.

Revision to BUS-43/Procurement/ Supply Chain Management, July 7, 2011.

Revision to BUS-43/Procurement/ Supply Chain Management, June 12, 2011.

Revision to BUS-43/Procurement/ Supply Chain Management, December 15, 2010.

Revision to BUS-43/Procurement/ Supply Chain Management, November 10, 2010.

Revision to BUS-43/Procurement/ Supply Chain Management, October 1, 2010.

Revision to BUS-43/Procurement/ Supply Chain Management, August 10, 2010.

Revision to BUS-43/Procurement/ Supply Chain Management, May 7, 2010.

Revision to BUS-43/Procurement/ Supply Chain Management, April 15, 2010.

Revision to BUS-43/Procurement/ Supply Chain Management, March 31, 2010.

Revision to BUS-43/Procurement/ Supply Chain Management, December 10, 2008.

Revision to BUS-43/Procurement/ Supply Chain Management, August 6, 2007.

Revision to BUS-43/Procurement/ Supply Chain Management May 15, 2007.

Revision to BUS-43/Procurement/ Supply Chain Management, March 23, 2006.

Revision to BUS-43/Procurement/ Supply Chain Management, June 24, 2005.

Revision to BUS-43/Procurement/ Supply Chain Management, August 5, 2004.

Revision to BUS-43/Procurement/ Supply Chain Management, February 5, 2004.

Revision to BUS-43/Procurement/ Supply Chain Management, May 31, 2000.

Revision to BUS-43/Procurement/ Supply Chain Management, August 1, 1999

EXHIBIT 19

From: Scott Hill <shill@afscme3299.org>
Subject: Central Processing Information Request
Date: January 18, 2019 at 3:34:36 PM PST
To: UC Davis Information <hs-hrrequestforinfo@ou.ad3.ucdavis.edu>
Cc: Claudia Preparata <cpreparata@afscme3299.org>, Zachary Freels <zfreels@afscme3299.org>

Please help identify the answers in regards to the out sourced workers in Central Processing.

- How long has UC Davis Medical Center contracted with MGA?
Please provide a copy of the most recent contract, as well as a copy of the original contract, along with any extensions and/or modifications since it's original term date.
- What are the classifications that MGA has filled to fulfill UC Davis Medical Center's "temporary" staffing needs?
- Is UC switching from MGA to AYA Healthcare just to fill "vacancy gaps" in the Central Processing Department, or for other departments as well? If the latter, please provide a list of departments that will be reliant on AYA, as well as any information on classifications that AYA will fill.
- Please provide a copy of all contracts and/or purchase(s) order between UC Davis Medical Center and AYA since January 1, 2018.
- Please provide a copy of all invoices between UC Davis Medical Center and AYA since January 1, 2018.
- Please provide the number of hours worked by contractors (by classification) by month since January 1, 2016.
- Please provide the number of AFSCME-represented FTEs who have worked by month since January 1, 2016.
- Please provide the number of AFSCME-represented FTEs on medical leave by month since January 1, 2016.
- Please provide a list of each occurrence of AFSCME-protected medical leaves in the Central Processing Department since January 1, 2016, including the name of the individual, title, reason for the medical leave, and the start date (and end date, if any) of their leave.

- Please provide a list of all AFSCME-represented employees who have retired since January 1, 2015. Please include name, classification, retirement date and how long the vacancy went unfilled (in days) by an AFSCME-represented member.
- Please provide a list of all job announcements, postings, etc. in the Central Processing Department since January 1, 2016. For each listing, please indicate the date that the position was filled.

Thank you.

--

In Solidarity,

Scott A. Hill, M.A., MDiv.

Organizer

AFSCME 3299

Sacramento Office

*2400 O Street
Sacramento, CA 95831
Tel: (916) 491-1426
Fax: (916) 443-1747*

EXHIBIT 20

A F S C M E

American Federation of State, County and Municipal Employees, AFL-CIO

LOCAL 3299

February 8, 2019

Main Office

2201 Broadway Avenue
Suite 315
Oakland, CA 94612
Ph: 510.844.1160
Fax: 510.844.1170

UC Berkeley

2519 Telegraph
Ste. B
Berkeley, CA 94704
Ph: 510.486.0100
Fax: 510.486.0111

UC Davis Office

2400 O Street
Sacramento, CA 95816
Ph: 916.491.1426
Fax: 916.443.1747

UC Irvine Office

1740 West Katella Ave.
Suite I
Orange, CA 92867
Ph: 714.634.1449
Fax: 714.634.0705

UC Los Angeles Office

5839 Green Valley Circle
Suite 203
Culver City, CA 90230
Ph: 310.338.1299
Fax: 310.338.1574

UC Riverside Office

1280 Palmyrita Ave
Suite F
Riverside, CA 92507
Ph: 951.781.0679
Fax: 951.781.7034

UC San Diego Office

2828 Camino Del Rio N.
Suite 104
San Diego, CA 92108
Ph: 619.296.0342
Fax: 619.702.8311

UC San Francisco Office/ UC Hastings

College of the Law Office
1360 9th Avenue
Suite 240
San Francisco, CA 94122
Ph: 415.566.6477
Fax: 415.566.6846

UC Santa Barbara Office

900 Embarcadero Del Mar
Suite E
Goleta, CA 93117
Ph: 805.685.3760
Fax: 805.685.3270

UC Santa Cruz Office

501 Mission St #4
Santa Cruz, CA 95060
Ph: 831.425.4822
Fax: 831.316.0049

To Whom It May Concern:

Pursuant to the terms of Article 5(B) of the collective bargaining agreements between AFSCME Local 3299 and the University of California, as well as under the authority of HEERA and the California Public Records Act, Government Code Section 6250 et seq., we request the information listed below for AYA Healthcare at UCD Medical Center providing services customarily performed by AFSCME-represented bargaining unit employees.

1. Provide a copy of each contract and/or agreement currently in effect, including all amendments, renewals and/or extensions negotiated with the vendor, including, but not limited to, all purchase orders and change orders;
2. Confirm whether the University considers the current agreement to be a Sole Source contract. If so, provide the justification as to why the contract was not competitively bid, including all documentation supporting that designation;
3. Specify whether a RFx was published soliciting the services in question;
4. If a RFx was published, indicate whether an AFSCME-representative was notified and the date of the notification. If no notification was provided, provide an explanation;
5. Provide all proposals and other documents submitted by the selected vendor in response to the RFx, along with the original copy of the RFx soliciting the work, and any amendments and/or clarifications published during the bid process;
6. Provide all written descriptions of the services provided by the vendor during the term of the contract, including but not limited to a "Statement of Work" (also called "Scope of Work");
7. Identify the estimated annual monetary value of the contract, and within that authorized expenditure, the estimated annual monetary value of AFSCME-represented work during each year of the contract, and also during the entire time period for which the expenditure is authorized or for which authorization is sought;
8. Since the start date of the existing contract, provide copies of all requests made on behalf of the University to the vendor requesting services under the terms of the contract. If the University has this information in electronic form, please provide it in *Excel* or another electronic format;
9. Since the start date of the existing contract, provide copies of all invoices the vendor has submitted to the University for all services rendered under the terms of the contract. If the University has this information in electronic form, please provide it in *Excel* or another electronic format;
10. Provide a list of all physical locations, including by department if applicable, where the vendor (or another entity on its behalf) provides services on or off campus;

11. At each location where the vendor (or another entity on its behalf) provides services, for each month since the start date of the existing contract, identify the number of contractor FTEs in each classification and the total hours worked by all contractor employees providing services customarily performed by AFSCME. If the University does not have this information, please provide correspondence indicating that it has requested it from the vendor and the vendor's response(s);
12. At each location where the vendor (or another entity on its behalf) provides services, for each month since the most recent start date of the existing contract, identify the monthly monetary value paid to the vendor for providing services customarily performed by AFSCME;
13. For FY 2017-18 and FY 2018-19, the number of budgeted FTEs in each AFSCME-represented classification in each of the locations where the contractor performs (or performed) work;
14. For FY 2017-18 and FY 2018-19, the number of new or additional FTEs [above the number identified in UC's response to #12] requested by Departmental management, and the number approved in the relevant budget. If requests for additional FTE are currently pending, please indicate the number requested in each classification;
15. For the past 24 months, indicate whether there have been any job openings for AFSCME-represented titles at any location where the vendor provides services. For each opening, indicate the position, the date the job was posted, and the date the job was filled, if applicable;
16. If there have been job openings in the past 24 months, for each opening, indicate whether an existing contractor employed by the vendor, or on its behalf, applied for the position, and whether the individual was accepted or denied. If the latter, indicate on what basis;
17. For the past 24 months, provide the monthly (or bi-weekly) staffing schedules for each location where the vendor provides services. The schedule should reflect the scheduling of both AFSCME-represented employees and contractors employed by the vendor, or on its behalf;
18. For the past 24 months, for each contractor employed by the vendor, or on its behalf, provide the name and classification of the contractor, start date and end date of when he/she worked at any University (on or off campus) location. Include each contractor's hourly pay, along with a description of any benefits he/she receives. If the University does not have this information, please provide correspondence indicating that it has requested it from the vendor and the vendor's response(s);
19. Provide an explanation for why "Article 5: Contracting Out" of the collective bargaining agreement that permits this work to be contracted out, along with all documentation supporting this explanation;
20. If the University's rationale (in part or in whole) is that it is using contractors to cover for the absences of AFSCME-represented UC employees, for the past 24 months, provide the name of

each AFSCME-represented employee who has required coverage, his/her Title, Department, Location, the reason for his/her absence, the state date of his/her absence, and the end date, if applicable; and

21. If the University's rationale (in part or in whole) is that it is using contractors to cover for the absences of AFSCME-represented UC employees, for the past 24 months, provide a roster of the contractors assigned to work at UC and/or a copy of the relevant departmental schedules or other documentation showing the schedules and hours worked by the vendor's employees during each 12-month period.

When providing documents or other information, please identify the letter and number of the item to which each document or information corresponds.

For items that request information over a certain period of time, data from the most recent month should be within a month from the date the University fulfills this request.

Please provide the information as it becomes available, rather than waiting to send all of it together. In your acknowledgement of this request, please include a time estimate for production of information and documents. If there are items that do not exist, please confirm that in writing. If there are items that exist, but that you are refusing to provide, please provide the basis for your refusal.

Please let me know if you have any questions.

Thank you in advance.

Sincerely,



Claudia Preparata

Cc: Zachary Freels

EXHIBIT 21

A F S C M E

American Federation of State, County and Municipal Employees, AFL-CIO

LOCAL 3299

February 11, 2019

Main Office

2201 Broadway Avenue
Suite 315
Oakland, CA 94612
Ph: 510.844.1160
Fax: 510.844.1170

UC Berkeley

2519 Telegraph
Ste. B
Berkeley, CA 94704
Ph: 510.486.0100
Fax: 510.486.0111

UC Davis Office

2400 O Street
Sacramento, CA 95816
Ph: 916.491.1426
Fax: 916.443.1747

UC Irvine Office

1740 West Katella Ave.
Suite I
Orange, CA 92867
Ph: 714.634.1449
Fax: 714.634.0705

UC Los Angeles Office

5839 Green Valley Circle
Suite 203
Culver City, CA 90230
Ph: 310.338.1299
Fax: 310.338.1574

UC Riverside Office

1280 Palmlyrita Ave
Suite F
Riverside, CA 92507
Ph: 951.781.0679
Fax: 951.781.7034

UC San Diego Office

2828 Camino Del Rio N.
Suite 104
San Diego, CA 92108
Ph: 619.296.0342
Fax: 619.702.8311

**UC San Francisco Office/
UC Hastings**

College of the Law Office
1360 9th Avenue
Suite 240
San Francisco, CA 94122
Ph: 415.566.6477
Fax: 415.566.6846

UC Santa Barbara Office

900 Embarcadero Del Mar
Suite E
Goleta, CA 93117
Ph: 805.685.3760
Fax: 805.685.3270

UC Santa Cruz Office

501 Mission St #4
Santa Cruz, CA 95060
Ph: 831.425.4822
Fax: 831.316.0049

To Whom It May Concern:

Pursuant to the terms of Article 5(B) of the collective bargaining agreements between AFSCME Local 3299 and the University of California, as well as under the authority of HEERA and the California Public Records Act, Government Code Section 6250 et seq., we request the information listed below for the vendor providing services customarily performed by AFSCME-represented bargaining unit employees in the UC Davis Medical Center's Operating Room Department.

1. Provide a copy of each contract and/or agreement currently in effect, including all amendments, renewals and/or extensions negotiated with the vendor, including, but not limited to, all purchase orders and change orders;
2. Provide all written descriptions of the services provided by the vendor in UCDMC's OR Department during the term of the contract, including but not limited to a "Statement of Work" (also called "Scope of Work");
3. Identify the estimated annual monetary value of the service provided, and within that authorized expenditure, the estimated annual monetary value of AFSCME-represented work during each year of the contract, and also during the entire time period for which the expenditure is authorized or for which authorization is sought;
4. Since the start date of the existing contract, provide copies of all requests made on behalf of the University to the vendor requesting services in the OR Department under the terms of the contract. If the University has this information in electronic form, please provide it in *Excel* or another electronic format;
5. Since the start date of the existing contract, provide copies of all invoices the vendor has submitted to the University for all services rendered in the OR Department under the terms of the contract. If the University has this information in electronic form, please provide it in *Excel* or another electronic format;
6. Provide a list of all physical locations the vendor (or another entity on its behalf) provides services to UCDMC's OR Department;
7. At each location where the vendor (or another entity on its behalf) provides services, in the last 24 months, by month, identify the number of contractor FTEs in each classification and total hours worked. If the University does not have this information, please provide correspondence indicating that it has requested it from the vendor and the vendor's response(s);
8. At each location where the vendor (or another entity on its behalf) provides services, in the last 24 months, identify the monthly monetary value paid to the vendor for providing services customarily performed by AFSCME;
9. For FY 2017-18 and FY 2018-19, the number of budgeted FTEs in each AFSCME-represented classification in each of the locations where the contractor performs (or performed) work;

9. For the past 12 months, indicate whether there have been any job openings for AFSCME-represented titles in the OR Department. For each opening, indicate the position, the date the job was posted, and the date the job was filled, if applicable;
10. If there have been job openings in the past 12 months, for each opening, indicate whether an existing contractor employed by the vendor, or on its behalf, applied for the position, and whether the individual was accepted or denied. If the latter, indicate on what basis;
11. For the past 12 months, provide the monthly (or bi-weekly) staffing schedules in the OR Department where the vendor provides services. The schedule should reflect the scheduling of both AFSCME-represented employees and contractors employed by the vendor, or on its behalf;
12. For the past 12 months, for each contractor employed by the vendor, or on its behalf, provide the name and classification of the contractor, start date and end date of when he/she worked at any University (on or off campus) location, as well as each contractor's hourly pay. If UC Davis does not have this information, please provide correspondence indicating that it has requested it from the vendor and the vendor's response(s);
13. Provide an explanation for why "Article 5: Contracting Out" of the collective bargaining agreement that permits this work to be contracted out, along with all documentation supporting this explanation;
14. If the University's rationale (in part or in whole) is that it is using contractors to cover for the absences of AFSCME-represented UC employees in the OR Department, for the past 12 months, provide the name of each AFSCME-represented employee who has required coverage, his/her Title, the reason for his/her absence, the start date of his/her absence, and the end date, if applicable; and
15. If the University's rationale (in part or in whole) is that it is using contractors to cover for the absences of AFSCME-represented UC employees, for the past 12 months, provide a roster of the contractors assigned to work in the OR Department and/or a copy of the relevant departmental schedules or other documentation showing the schedules and hours worked by the vendor's employees.

When providing documents or other information, please identify the letter and number of the item to which each document or information corresponds. For items that request information over a certain period of time, data from the most recent month should be within a month from the date the University fulfills this request.

Please provide the information as it becomes available, rather than waiting to send all of it together. In your acknowledgement of this request, please include a time estimate for production of information and documents. If there are items that do not exist, please confirm that in writing. If there are items that exist, but that you are refusing to provide, please provide the basis for your refusal.

Please let me know if you have any questions. Thank you in advance.

Sincerely,



Claudia Preparata

Cc: Zachary Freels

EXHIBIT 22

Main Office

2201 Broadway Avenue
Suite 315
Oakland, CA 94612
Ph: 510.844.1160
Fax: 510.844.1170

UC Berkeley

2519 Telegraph
Ste. B
Berkeley, CA 94704
Ph: 510.486.0100
Fax: 510.486.0111

UC Davis Office

2400 O Street
Sacramento, CA 95816
Ph: 916.491.1426
Fax: 916.443.1747

UC Irvine Office

1740 West Katella Ave.
Suite I
Orange, CA 92867
Ph: 714.634.1449
Fax: 714.634.0705

UC Los Angeles Office

5839 Green Valley Circle
Suite 203
Culver City, CA 90230
Ph: 310.338.1299
Fax: 310.338.1574

UC Riverside Office

1280 Palmyrita Ave
Suite F
Riverside, CA 92507
Ph: 951.781.0679
Fax: 951.781.7034

UC San Diego Office

3838 Camino Del Rio N
Suite 104
San Diego, CA 92108
Ph: 619.296.0342
Fax: 619.702.8311

**UC San Francisco Office/
UC Hastings**

College of the Law Office
1360 9th Avenue
Suite 240
San Francisco, CA 94122
Ph: 415.566.6477
Fax: 415.566.6846

UC Santa Barbara Office

900 Embarcadero Del Mar
Suite E
Goleta, CA 93117
Ph: 805.685.3760
Fax: 805.685.3270

UC Santa Cruz Office

501 Mission St #4
Santa Cruz, CA 95060
Ph: 831.425.4822
Fax: 831.316.0049

To Whom It May Concern:

Pursuant to HEERA and the California Public Records Act, Government Code Section 6250 et seq., we request the information listed below for **AYA Healthcare at UC Davis Medical Center**, or any of its affiliates, providing services customarily performed by AFSCME-represented bargaining unit employees. Please provide the following information and/or documentation:

1. A copy of UC Davis Medical Center's Statement of Work that has been proposed or agreed upon with Aya as reflected in Appendix B referenced in the Master UC Health Purchasing Agreement, between Aya and each "Customer" [i.e., each UC Location (campus, medical center etc) or UC Affiliate Location), as defined in the Master UC Health Purchasing Agreement, Sections 1(b) and 1(c)];
2. Please provide a copy of the rate sheet covering each specific title for positions that UC Davis Medical Center believes it can fill with AYA contract workers, or with another subcontractor on its behalf;
3. Please identify the mark up to be paid to AYA, or any other subcontractor on its behalf;
4. Regardless of whether UC Davis Medical Center has or has not entered into a Statement of Work with AYA, please provide a copy of each Purchase Order (aka "Service Contract Purchase Order") issued in 2018 or 2019 that reflects a decision to contract out specific work to Aya, and to pay Aya for that work;
5. With respect to each Purchase Order issued by UC Davis Medical Center that is responsive to item #4, please provide the related "Service Contract Request" and "Staffing/Outside Contractor Request Form;"
6. A copy of each report provided by AYA to the University as identified on pages 12 and 13 of the Master Purchasing Agreement with AYA under the titles "Reporting" and "UC Relations;"
7. Please provide a list of the UC employees that the University has hired directly to work at UC Davis Medical Center who previously performed work at or for UC Davis Medical Center as an employee of AYA, an AYA subcontractor, or an AYA predecessor company;
8. Please provide a list of the UC employees that the University has hired directly to work at the UC Davis Medical Center because they were presented as a candidate by AYA;

9. For FY 2018-19, the number of budgeted FTEs in each AFSCME-represented classification in each UC Davis Medical Center department where AYA (or its subcontractor) performs (or performed) work;
10. For the past 12 months, indicate whether there have been any job openings for AFSCME-represented titles at each UC Davis Medical Center department where AYA provides services or personnel. For each opening, indicate the position, the date the job was posted, and the date the job was filled, if applicable;
11. For the past 12 months, provide the monthly (or bi-weekly) staffing schedules for each UC Davis Medical Center department where the AYA provides services. The schedule should reflect the scheduling of both AFSCME-represented employees and contractors employed by the vendor, or its subcontractor;
12. For the past 12 months, for each contract worker provided by AYA to UC Davis Medical Center, provide the name and classification of the contract worker, his or her hourly pay, start date and actual or anticipated end date of when he/she worked and the department where he or she has worked or is working. If the University does not have this information, please provide correspondence indicating that it has requested it from the AYA and AYA's response(s);
13. With respect to each decision to contract out specific work, including but not limited to UC Davis Medical Center's plans to have AYA (and/or MGA or another vendor's) contract workers perform ORA and Scrub Tech work in various departments, Rad Tech work in the ENT Otolaryngology Department, EP Tech work, Physical Rehabilitation work to be provided in the Main Hospital and Outpatient Clinics, and Central Processing Tech work, please identify the justification that UCSD Medical Center believes, in each instance, would have justified doing so under Article 5(B) of the collective bargaining agreement, along with supporting documentation;
14. If the University's rationale (in part or in whole) is that it is using AYA-employed contract workers to cover for the absences of AFSCME-represented UC employees at UC Davis Medical Center, for the past 12 months, provide the name of each AFSCME-represented employee who has required coverage, his/her Title, Department, Location, the reason for his/her absence, the start date of his/her absence, and the end date, if applicable;
15. If the University's rationale (in part or in whole) is that it is using contract workers to cover for the absences of AFSCME-represented UC employees at UC Davis Medical Center, for the past 12 months, provide a roster of the contractors assigned to work at UC and/or a copy of the relevant departmental schedules or other documentation showing the schedules and hours worked by the vendor's employees; and
16. Please identify what subcontractors of AYA have been designated as "Approved Agencies" to provide contract workers to the University generally and/or to UC Davis Medical Center under the terms of the Master Purchasing Agreement with AYA.

When providing documents or other information, please identify the letter and number of the item to which each document or information corresponds.

For items that request information over a certain period of time data from the most recent month should be within a month from the date the University fulfills this request.

Please provide the information as it becomes available, rather than waiting to send all of it together. In your acknowledgement of this request, please include a time estimate for production of information and documents. If there are items that do not exist, please confirm that in writing. If there are items that exist, but that you are refusing to provide, please provide the basis for your refusal.

Please let me know if you have any questions.

Thank you in advance.

Sincerely,

A handwritten signature in blue ink that reads "Claudia Preparata". The script is cursive and fluid, with the first name "Claudia" and last name "Preparata" clearly distinguishable.

Claudia Preparata

cc: Zach Freels

EXHIBIT 23

LOCAL 3299

April 19, 2019

To Whom It May Concern:

Main Office

2201 Broadway Avenue
Suite 315
Oakland, CA 94612
Ph: 510.844.1160
Fax: 510.844.1170

UC Berkeley

2519 Telegraph
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UC Riverside Office

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UC Santa Barbara Office

900 Embarcadero Del Mar
Suite E
Goleta, CA 93117
Ph: 805.685.3760
Fax: 805.685.3270

UC Santa Cruz Office

501 Mission St #4
Santa Cruz, CA 95060
Ph: 831.425.4822
Fax: 831.316.0049

Pursuant to HEERA and the California Public Records Act, Government Code Section 6250 et seq., we request the information listed below for **AYA Healthcare at UC San Diego Medical Center**, or any of its affiliates, providing services customarily performed by AFSCME-represented bargaining unit employees. Please provide the following information and/or documentation:

1. A copy of UCSD Medical Center's Statement of Work that has been proposed or agreed upon with Aya as reflected in Appendix B referenced in the Master UC Health Purchasing Agreement, between Aya and each "Customer" [i.e., each UC Location (campus, medical center, etc) or UC Affiliate Location], as defined in the Master UC Health Purchasing Agreement, Sections 1(b) and 1(c)];
2. Please provide a copy of the rate sheet covering each specific title for positions that UCSD Medical Center believes it can fill with AYA contract workers, or with another subcontractor on its behalf;
3. Please identify the mark up to be paid to AYA, or any other subcontractor on its behalf;
4. Regardless of whether UCSD Medical Center has or has not entered into a Statement of Work with AYA, please provide a copy of each Purchase Order (aka "Service Contract Purchase Order") issued in 2018 or 2019 that reflects a decision to contract out specific work to Aya, and to pay Aya for that work;
5. With respect to each Purchase Order issued by UCSD Medical Center that is responsive to item #4, please provide the related "Service Contract Request" and "Staffing/Outside Contractor Request Form;"
6. A copy of each report provided by AYA to the University as identified on pages 12 and 13 of the Master Purchasing Agreement with AYA under the titles "Reporting" and "UC Relations;"
7. Please provide a list of the UC employees that the University has hired directly to work at UCSD Medical Center who previously performed work at or for UCSD Medical Center as an employee of AYA, an AYA subcontractor, or an AYA predecessor company;
8. Please provide a list of the UC employees that the University has hired directly to work at the UCSD Medical Center because they were presented as a candidate by AYA;

9. For FY 2018-19, the number of budgeted FTEs in each AFSCME-represented classification in each UCSD Medical Center department where AYA (or its subcontractor) performs (or performed) work;
10. For the past 12 months, indicate whether there have been any job openings for AFSCME-represented titles at each UCSD Medical Center department where AYA provides services or personnel. For each opening, indicate the position, the date the job was posted, and the date the job was filled, if applicable;
11. For the past 12 months, provide the monthly (or bi-weekly) staffing schedules for each UCSD Medical Center department where the AYA provides services. The schedule should reflect the scheduling of both AFSCME-represented employees and contractors employed by the vendor, or its subcontractor;
12. For the past 12 months, for each contract worker provided by AYA to UCSD Medical Center, provide the name and classification of the contract worker, his or her hourly pay, start date and actual or anticipated end date of when he/she worked and the department where he or she has worked or is working. If the University does not have this information, please provide correspondence indicating that it has requested it from the AYA and AYA's response(s);
13. With respect to each decision to contract out specific work, including UCSD's plan to contract out Patient Billing work, please identify the justification that UCSD Medical Center believes would have justified doing so under Article 5(B) of the collective bargaining agreement, along with supporting documentation;
14. If the University's rationale (in part or in whole) is that it is using AYA-employed contract workers to cover for the absences of AFSCME-represented UC employees at UCSD Medical Center, for the past 12 months, provide the name of each AFSCME-represented employee who has required coverage, his/her Title, Department, Location, the reason for his/her absence, the state date of his/her absence, and the end date, if applicable;
15. If the University's rationale (in part or in whole) is that it is using contract workers to cover for the absences of AFSCME-represented UC employees UCSD Medical Center, for the past 12 months, provide a roster of the contractors assigned to work at UC and/or a copy of the relevant departmental schedules or other documentation showing the schedules and hours worked by the vendor's employees; and
16. Please identify what subcontractors of AYA have been designated as "Approved Agencies" to provide contract workers to the University generally and/or to UCSD Medical Center under the terms of the Master Purchasing Agreement with AYA.

When providing documents or other information, please identify the letter and number of the item to which each document or information corresponds.

For items that request information over a certain period of time data from the most recent month should be within a month from the date the University fulfills this request.

Please provide the information as it becomes available, rather than waiting to send all of it together. In your acknowledgement of this request, please include a time estimate for production of information and documents. If there are items that do not exist, please confirm that in writing. If there are items that exist, but that you are refusing to provide, please provide the basis for your refusal.

Please let me know if you have any questions.

Thank you in advance.

Sincerely,

A handwritten signature in blue ink that reads "Claudia Preparata". The script is cursive and fluid.

Claudia Preparata

cc: Shaun McCollum

EXHIBIT 24

LOCAL 3299

April 19, 2019

To Whom It May Concern:

Main Office

2201 Broadway Avenue
Suite 315
Oakland, CA 94612
Ph: 510.844.1160
Fax: 510.844.1170

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Culver City, CA 90230
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Ph: 951.781.0679
Fax: 951.781.7034

UC San Diego Office

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Goleta, CA 93117
Ph: 805.685.3760
Fax: 805.685.3270

UC Santa Cruz Office

501 Mission St #4
Santa Cruz, CA 95060
Ph: 831.425.4822
Fax: 831.316.0049

Pursuant to HEERA and the California Public Records Act, Government Code Section 6250 et seq., we request the information listed below for **AYA Healthcare at UC Irvine Medical Center**, or any of its affiliates, providing services customarily performed by AFSCME-represented bargaining unit employees. Please provide the following information and/or documentation:

1. A copy of UC Irvine Medical Center's Statement of Work that has been proposed or agreed upon with Aya as reflected in Appendix B referenced in the Master UC Health Purchasing Agreement, between Aya and each "Customer" [i.e., each UC Location (campus, medical center, etc) or UC Affiliate Location), as defined in the Master UC Health Purchasing Agreement, Sections 1(b) and 1(c)];
2. Please provide a copy of the rate sheet covering each specific title for positions that UC Irvine Medical Center believes it can fill with AYA contract workers, or with another subcontractor on its behalf;
3. Please identify the mark up to be paid to AYA, or any other subcontractor on its behalf;
4. Regardless of whether UC Irvine Medical Center has or has not entered into a Statement of Work with AYA, please provide a copy of each Purchase Order (aka "Service Contract Purchase Order") issued in 2018 or 2019 that reflects a decision to contract out specific work to Aya, and to pay Aya for that work;
5. With respect to each Purchase Order issued by UC Irvine Medical Center that is responsive to item #4, please provide the related "Service Contract Request" and "Staffing/Outside Contractor Request Form;"
6. A copy of each report provided by AYA to the University as identified on pages 12 and 13 of the Master Purchasing Agreement with AYA under the titles "Reporting" and "UC Relations:"
7. Please provide a list of the UC employees that the University has hired directly to work at UC Irvine Medical Center who previously performed work at or for UC Irvine Medical Center as an employee of AYA, an AYA subcontractor, or an AYA predecessor company;
8. Please provide a list of the UC employees that the University has hired directly to work at the UC Irvine Medical Center because they were presented as a candidate by AYA;

9. For FY 2018-19, the number of budgeted FTEs in each AFSCME-represented classification in each UC Irvine Medical Center department where AYA (or its subcontractor) performs (or performed) work, if any;
10. For the past 12 months, indicate whether there have been any job openings for AFSCME-represented titles at each UC Irvine Medical Center department where AYA provides services or personnel, if any. For each opening, indicate the position, the date the job was posted, and the date the job was filled, if applicable;
11. For the past 12 months, provide the monthly (or bi-weekly) staffing schedules for each UC Irvine Medical Center department where the AYA provides services, if any. The schedule should reflect the scheduling of both AFSCME-represented employees and contractors employed by the vendor, or its subcontractor;
12. For the past 12 months, for each contract worker provided by AYA to UC Irvine Medical Center, provide the name and classification of the contract worker, his or her hourly pay, start date and actual or anticipated end date of when he/she worked and the department where he or she has worked or is working. If the University does not have this information, please provide correspondence indicating that it has requested it from the AYA and AYA's response(s);
13. With respect to any decision to contract out specific work, including but not limited to UC Irvine Medical Center's plans to have AYA (and/or MGA or another vendor's) contract workers perform EX or SX work, please identify the justification that Irvine Medical Center believes, in each instance, would have justified doing so under Article 5(B) of the collective bargaining agreement, along with supporting documentation;
14. If the University's rationale (in part or in whole) is that it is using AYA-employed contract workers to cover for the absences of AFSCME-represented UC employees at UC Irvine Medical Center, for the past 12 months, provide the name of each AFSCME-represented employee who has required coverage, his/her Title, Department, Location, the reason for his/her absence, the start date of his/her absence, and the end date, if applicable;
15. If the University's rationale (in part or in whole) is that it is using contract workers to cover for the absences of AFSCME-represented UC employees at UC Irvine Medical Center, for the past 12 months, provide a roster of the contractors assigned to work at UC and/or a copy of the relevant departmental schedules or other documentation showing the schedules and hours worked by the vendor's employees; and
16. Please identify what subcontractors of AYA have been designated as "Approved Agencies" to provide contract workers to the University generally and/or to UC Irvine Medical Center under the terms of the Master Purchasing Agreement with AYA.

When providing documents or other information, please identify the letter and number of the item to which each document or information corresponds.

For items that request information over a certain period of time data from the most recent month should be within a month from the date the University fulfills this request.

Please provide the information as it becomes available, rather than waiting to send all of it together. In your acknowledgement of this request, please include a time estimate for production of information and documents. If there are items that do not exist, please confirm that in writing. If there are items that exist, but that you are refusing to provide, please provide the basis for your refusal.

Please let me know if you have any questions.

Thank you in advance.

Sincerely,

A handwritten signature in blue ink that reads "Claudia Preparata". The script is cursive and fluid.

Claudia Preparata

cc: Marisa Salgado