



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE MEETING
AGENDA
Thursday October 3, 2019
8:00 AM**

**SONOMA VALLEY HOSPITAL
ADMINISTRATIVE CONFERENCE ROOM
347 ANDRIEUX ST SONOMA CA 95476**

AGENDA ITEM	RECOMMENDATION	
In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a District meeting, please contact the District Clerk, Stacey Finn, at stacy.finn@sonomavalleyhospital.org or (707) 935.5004 at least 48 hours prior to the meeting.		
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Boerum</i>	
2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up.</i>		
3. CONSENT CALENDAR: • Meeting minutes review 07.24.19	<i>Boerum</i>	Inform
4. GOVERNANCE CHARTER APPROVAL	<i>Boerum</i>	Inform/Action
5. PURCHASES OF MATERIALS AND PROCUREMENT OF SERVICES POLICY	<i>Boerum</i>	Inform/Action
6. MOU BETWEEN SVH AND SVHF FOR FUNDRAISING POLICY	<i>Boerum</i>	Inform/Action
7. CEO ANNUAL EVALUATION PROCEDURE POLICY	<i>Boerum</i>	Inform/Action
8. ESTABLISH CEO OBJECTIVES POLICY	<i>Boerum</i>	Inform/Action
9. NEXT MEETING DATE	<i>Boerum</i>	Inform/Action
9. ADJOURN	<i>Boerum</i>	



Healing Here at Home

**POLICY GOVERNING PURCHASES OF
MATERIALS, SUPPLIES AND EQUIPMENT
AND
PROCUREMENT OF PROFESSIONAL SERVICES # P-2013.11.07**

PURPOSE

This policy covers the procedures governing purchases of materials, supplies and equipment and the procurement of professional services. It does not cover the procedures governing the bidding and awarding of contracts for facility projects (public works). The bidding and awarding of contracts for facility projects is covered by the Policy and Procedures Governing Bidding for Facility Contracts. Contracts for professional services in conjunction with facility projects shall also be governed by the Policy and Procedures Governing Bidding for Facility Contracts and not by this policy. This policy does not apply to physician transactions.

It is the intent of the Board of Directors (“Board”) of the Sonoma Valley Health Care District (“District”) to provide an equal opportunity to all qualified and responsible parties wishing to participate in the bidding process with respect to the District and the Sonoma Valley Hospital (“Hospital”).

It is the intent of the Board, consistent with the District’s obligations, to obtain the best value for all expenditures.

It is the intent of the Board to clarify, with this policy, the authority granted to the District President and Chief Operating Officer (“CEO”) by the Board with regard to District and Hospital purchases and contracts. It is also the intent to clarify the authority retained by the Board.

In all instances where authority is granted to the CEO, it is understood that the CEO may in turn delegate this authority to a member of the CEO’s staff. Responsibility for adherence to this policy, when the authority is delegated by the CEO to a staff member, remains with the CEO.

STATEMENT OF BOARD POLICY

1. Scope and Application of the Policy

1.1 Delegation of Authority. The Board hereby makes selective delegation of its authority to the CEO to implement this Policy. By this Policy the Board also limits the CEO’s authority as specified in Section 5 [Limit of Authority Delegated to the CEO].

1.2 Bidding Threshold. The District, with certain exceptions, as covered in Section 2 [Exceptions to Bidding and Lowest Bid Policy], (*Health and Safety Code § 32132*) shall follow the formal bidding procedures outlined in Section 3 [Formal Bidding Procedures] for any contract for materials, supplies and equipment exceeding twenty-five thousand dollars (\$25,000) for services, materials and supplies to be furnished, sold, or leased to the District or the Hospital and shall award the contract to the lowest responsible bidder. Alternately, the District shall reject all bids.

Bidding is not required for contracts that are accepted under Section 2 and for contracts that do not exceed \$25,000, but bidding or other suitable procedures should be followed to obtain the best value for the District

1.3 Authority to Make Purchases. The District's CEO or the CEO's designee are hereby given authority to make all purchases and to execute all purchase orders or contracts for the District duly authorized pursuant to this Policy or other applicable policies referenced herein. All purchases and contracts shall be upon written order, whenever reasonably possible, and the District shall keep and maintain written records of the same.

1.4 Contract File. The CEO shall keep and maintain written records of all contracts. The contract file shall include the method used to select the contractor or service provider, a copy of the request for proposal (RFP) or other form of solicitation, the amount of the contract, the expiration date of the contract, and the name of the contractor or service provider. When the formal bidding procedure is required, file shall also include a copy of the Notice of Bids and the names of all bidders and their proposals. The contract file for all contracts awarded under the exceptions listed in section 2 shall include a description of the exception and an explanation of the method used to select the contractor or service provider.

The contract file shall include the names of any employee of the District, or any Board member who elected to recuse themselves from the award process because of a conflict of interest.

1.5 Conflict of Interest. With respect to all contracts covered by this Policy, any practices or procedures which might result in unlawful activity shall be prohibited, including practices which might result in rebates, kickbacks or other unlawful consideration. No employee of the District may participate in any selection process when such employee has a relationship with a person or business entity seeking a contract which would subject those employees to the prohibitions in *Government Code § 87100*¹. (See *Government Code §4526*)

¹ Section 8100 provides, "No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."

1.6 No Advantage. No illegal, unfair, unethical or otherwise improper advantage shall be accorded to any bidder by the District, a Board member or an employee of the District/Hospital.

2. Exceptions to Bidding and Lowest Bid Policy

The District shall not be required to utilize the formal bidding process or to award the contract to the lowest bidder to (a) emergency contracts, (b) contracts for medical or surgical equipment or supplies, (c) electronic data processing and telecommunications goods and services, (d) professional services, (e) energy services contracts, or (f) purchases made through a Group Purchasing Organization (“GPO”) (*Health and Safety Code § 32132(b) & (e).*)

2.1 Emergency Contracts. Notwithstanding anything to the contrary, the Board may award contracts for more than \$25,000, without following the formal bidding and lowest bid policy, if it first determines (i) an emergency exists that warrants such expenditure due to fire, flood, storm, epidemic or other disaster and (ii) it is necessary to protect public health, safety, welfare or property. (*Health and Safety Code § 32136.*) In the event that the emergency requires immediate action, the CEO may make the determination that an emergency condition exists and award a contract without first receiving Board approval. The CEO shall inform the Board of the emergency and the contract by email within 24 hours. The Board shall review the emergency and the contract no later than 14 days after the action.

2.2 Medical Equipment and Supplies. Notwithstanding anything to the contrary, the CEO may award contracts for more than \$25,000 without following the formal bidding and lowest bid policy for medical equipment and supplies commonly, necessarily and directly used by or under the direction of a physician or surgeon in caring for or treating a patient. (*Health and Safety Code § 32132(b)&(d).*)

2.3 Electronic Data Processing and Telecommunications Goods and Services. Consistent with Health & Safety Code §32138, the District shall employ competitive means to acquire electronic data processing and telecommunications goods and services, where such goods and services exceed a cost of twenty-five thousand dollars (\$25,000). (*Health and Safety Code §§ 32132(b) and 32138.*)

For purposes of this section, “competitive means” includes any appropriate means specified by the Board. “Competitive means” may include (i) the preparation and circulation of a request for proposal to a sufficient number of qualified sources to permit reasonable competition consistent with the nature and requirements of the proposed acquisition, as determined by the Board in its reasonable discretion; (ii) the lowest bid policy; (c) any other appropriate means determined by the Board in its reasonable discretion. (*Health and Safety Code § 32138(b)*)

The CEO shall provide the Board and the Board shall approve the competitive means that will be used for all electronic data processing and telecommunications goods and services.

2.4 Energy Services Contract. Notwithstanding anything to the contrary, the District shall award contracts for more than twenty-five thousand dollars \$25,000 for

energy services including conservation, cogeneration, and alternate energy supply sources without following the formal bidding and lowest bid policy if 1) the Board determines that such contract is in the best interest of the District, and 2) the determination is made at a regularly scheduled public hearing of the Board in compliance with the provisions of *Government Code §4217.12*. (Government Code §§ 4217.11 & 4217.12)

2.5 Group Purchasing Organizations. Notwithstanding anything to the contrary, the CEO may award contracts that are placed through an accredited Group Purchasing Organization (“GPO”) in excess of twenty-five thousand dollars (\$25,000) without following the formal bidding and lowest bid policy (Revenue and Taxation Code §23704). (*Health and Safety Code § 32132(e)*.)

2.6 Professional Services. Notwithstanding anything to the contrary, the CEO may award contracts for professional services and advice in financial, economic, accounting, engineering, legal, architectural or administrative matters (“Special Services”) in excess of twenty-five thousand dollars (\$25,000) without following the formal bidding and lowest bid policy or the use of competitive means, provided such persons are specially trained, experienced and competent to perform the special services required and have been selected based on these qualifications. (*Health and Safety Code § 32132(b) & Government Code § 53060*).

The Policy and Procedures Governing Bidding for Facility Contracts shall be followed for the contracts for professional services of architectural, engineering, environmental, land surveying, or construction project management firms if the work is to be performed in conjunction with an approved facility project.

3. Formal Bidding Procedure

3.1 Bid Packet. Where formal bidding is required, (or otherwise deemed desirable by the Board) the CEO shall prepare a bid packet, including a notice inviting formal bids (“Notice Inviting Bids”). The packet shall include a description of the materials or supplies, scope of services, or work in such detail and written with such specificity as may be required to allow all potential bidders to understand the need and give a level playing field to all bidders.

3.2 Notice Inviting Bids. Where formal bidding is required, the CEO shall publish the Notice Inviting Bids at least fourteen (14) calendar days, but preferably twenty (20) calendar days, before the date of opening the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the jurisdiction of the District. (Public Contract Code §20150.8).

In addition, the CEO may also publish the Notice Inviting Bids in a trade publication as specified in Public Contract Code 22036 or may give such other notice as it deems proper.

3.3 Requirements of Notice Inviting Bids. The CEO shall include all of the following in the Notice Inviting Bids:

- a. A description of the item(s) to be bid upon;

b. The procedure by which potential bidders may obtain electronic copies of the Specifications;

c. The final time, date, and, place where bids are to be received(Government Code § 53068; Public Contract Code §§ 4104.5, 22037). If the District elects to receive bids electronically, this option must be included in the Notice Inviting Bids.

d. The appropriate District person to receive the bids and the address for that person, including an e-mail address.

e. The date, time and place for opening of bids;

f. Other matters, if any, that would reasonably enhance the number and quality of bids.

3.4 Submission of Bids. The CEO shall accept only written sealed bids from the prospective bidders. The CEO shall date and time stamp all bids upon receipt. All bids shall remain sealed until the date and time set forth for opening the bids in the Notice Inviting Bids. Any bid received by the District after the time specified in the Notice Inviting Bids shall be returned unopened. (Government Code § 53068). Any electronic bids received after the time specified shall have their attachments deleted and the bidder notified electronically of their rejection.

3.5 Examination and Evaluation of Bids. On the date, time and at the location provided in the Notice Inviting Bids, the District shall publicly open the sealed bids. A person designated by the CEO, shall attend and officiate over the opening of bids (“Opening”). The bids shall be made public for bidders and other properly interested parties who may be present at the Opening.

The District reserves the right not to determine the low bidder at the Opening, to obtain the opinion of counsel on the legality and sufficiency of all bids, and to determine at a later date which bid to accept. Such determination shall be made within sixty (60) days of the Opening unless a different period of time is specified in the Notice Inviting Bids.

In the event there are two or more identical lowest bids pursuant to any provision requiring competitive bidding, the District may determine by lot which bid shall be accepted. (Government Code § 53064)

3.6 Award of Contract. When formal bidding is required the CEO shall award the contract to the lowest bidder, provided the bidder is responsible as defined by section 3.7 and the bid is reasonable and meets the requirements and criteria set forth in the Notice Inviting Bids

Any contract awarded by the District shall be subject to all applicable provisions of federal, California and local laws. In the event of a conflict between any contract documents and any applicable law, the law shall prevail.

Notwithstanding anything to the contrary, the District is under no obligation to accept the lowest responsible bidder and reserves the right to reject all bids. (*Health and Safety Code § 32132*)

3.7 Responsible Bidder.

a. For purposes of this Policy, “responsible bidder” means a bidder who has demonstrated the attribute of trustworthiness and quality during prior service, a reputation for reliability and satisfactory service with other clients, sufficient financial capacity and the physical capability and the technical and non technical expertise in order to perform the contract satisfactorily (Public Contract Code 1103).

b. If the CEO determines that the lowest bidder is not responsible, the Board may award the contract to the next lowest responsible bidder

c. If the Board decides to award the contract to a bidder other than the lowest bidder pursuant to subparagraph (b), the Board shall first notify the low bidder of any evidence, either obtained from third parties or concluded as a result of the District’s investigation, which reflects on such bidder’s responsibility. The District shall afford the low bidder an opportunity to rebut such adverse evidence and shall permit such bidder to present evidence that it is qualified. Such opportunity to rebut adverse evidence and to present evidence of qualification shall be submitted in writing to the District.

4. Bid Conditions.

All formal bids shall be subject to the following general conditions.

4.1 Minimum Number of Bids. When formal bidding is required the CEO shall consider a minimum of three (3) bids whenever possible; however, where the CEO cannot obtain three bids or when the CEO decides that time will not permit obtaining three bids, the Board may authorize consideration of a minimum of two (2) bids.

The District may accept sole source bids for contracts that are exempt from the formal bidding policy under section 2.

4.2 Multiple Bids. When bids for multiple items are solicited at the same time, the CEO may accept parts of one or more bids (provided the Notice Inviting Bids so indicates) unless the bidder has specified to the contrary, in which event the District reserves the right to disregard the bid in its entirety.

4.3 Minor Deviations. When formal bidding is required, the CEO, after receiving advice from counsel, may waive inconsequential deviations from the specifications in the substance or form of bids received.

4.4 Reference Check. Contracts shall be awarded to the lowest responsible bidder meeting the applicable criteria established by the District, subject to a check of references and review of legal counsel, as applicable.

4.5 Right to Direct Competitive Bidding. The Board reserves the right to direct competitive bidding (including but not limited to lowest bid) for any contract, regardless of whether or not competitive bidding is required by the terms of this policy. (*Public Contract Code §1601*)

4.6 Flexibility and Waiver of Policy Requirements. In recognition of the fact that the contracting and procurement needs of the District may, from time to time, render certain procedures or requirements set forth in this Policy impractical, the CEO or

his/her designee is authorized to permit or waive deviations from this Policy, to the extent permitted by law, in consultation with the District's legal counsel and upon making a written finding that such deviations are in the best interest of the District.

5. Limit of Authority Delegated to CEO for Materials and Services

The CEO may sign a contract for an operating expense, the cost of which has been included in the approved (by the Board) operating budget for the current fiscal year. The contract may cover a period of up to 5 years.

The CEO may sign a contract for an operating expense, the cost of which has been included in the approved (by the Board) operating budget for the current fiscal year, but the contract amount is greater than the amount in the budget, if the total dollar amount of contracts exceeding the budgeted amounts is not in excess of \$100,000 for the year. When a contract is signed that exceeds the budgeted amount the CEO should reduce operating costs in other areas to keep the impact of the contract "budget neutral." The contract may cover a period of up to 5 years.

The CEO may approve a contract for a capital expense, if the item meets the guidelines for capital projects which were included with the capital budget and approved by the Board.



**MEMORANDUM OF UNDERSTANDING BETWEEN THE
SVHD AND SVH FOUNDATION
FOR FUND RAISING ACTIVITIES #P-2013.06.06-4**

This Agreement is made and executed in Sonoma, California, on May 2, 2013, by and between the Sonoma Valley Health Care District (hereinafter referred to as “District”), a District duly organized and existing under the Local Health Care District Law of the State of California (California Health and Safety Code, Division 23, Sections 3200-32492), with its principal place of business at Sonoma, California and the Sonoma Valley Hospital Foundation, a hospital foundation organized and operating as a tax-exempt 501(c)(3) corporation with its principal place of business at Sonoma, California (hereinafter referred to as “Foundation”). The District and the Foundation may be referred to herein as “Party” or “Parties.” The District and the Foundation desire to enter into this Agreement for fund raising activities with respect to the following:

RECITALS

Whereas, the District and the Foundation agree that significant philanthropic support is needed to continue to provide patient-focused, state-of-the-art health care and health-related programs to residents and visitors in its service area; and

Whereas, the District and the Foundation agree that such support can most effectively be garnered through a hospital foundation operated as a 501(c)(3) corporation, and as such an organization, the Foundation is best suited to provide and develop philanthropic support for the District; and

Whereas, the District and the Foundation agree that in order to provide and develop philanthropic support for the District, the Foundation will develop and implement a fund-development program in support of health care for residents and visitors of the District.

Now therefore, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, it is agreed:

1. Responsibilities and Mutual Expectations

A. Responsibilities of the Foundation

- i. The Foundation will develop, implement and refine a rolling three-year philanthropic strategic plan to maximize community support for the health care of the residents and visitors of the District. A Development Plan that

outlines the programs and associated tasks of the three-year plan will be submitted to the District Board with the proposed Foundation budget no later than the May District Board meeting beginning with the 2014 fiscal year.

- ii. The Foundation will continue to work with the Hospital and District leadership to determine annual and longer-term goals and mission.
- iii. The Foundation agrees to support the capital, program, and other needs of District-owned facilities and District-operated programs.
- iv. The Foundation shall ensure there are three (3) ex-officio directors on the Foundation Board. Ex-officio directors shall be selected as follows: one shall be selected by the Board of Directors of the District; one shall be selected by the CEO of the Hospital; and one shall be selected by the Board of Directors of the Sonoma Valley Hospital Auxiliary.
- v. The Foundation will accept and process all gifts in accordance with all applicable laws and regulations.
- vi. The Foundation shall operate according to fundraising best practices and ethical standards.
- vii. The Foundation shall make its books and records available to the District and its agents for review and inspection upon reasonable written notice and at reasonable times
- viii. The Foundation shall inform the District Board of proposed changes to the Foundation's bylaws prior to their submission to the Foundation Board for approval.

B. Responsibilities of the District.

- i. The District will direct all charitable contributions in support of the District to the Foundation for acceptance and gift processing. If unusual circumstance requires a gift to be accepted directly by the District, the District will do so in accordance with the Foundation's Gift Acceptance Policy. (see attachment)
- ii. The District agrees to honor donor instructions by using the restricted funds it receives from the Foundation only for the purposes intended by the donor.
- iii. The District shall select one (1) ex-officio director on the Foundation Board, as described in Section 1.A.iv above.
- iv. The District agrees to make all books and records pertinent to the Foundation available to the Foundation for review and inspection upon reasonable notice and at reasonable times.

- v. The District shall be responsible for funding independent audits of the Foundation's financial statements. The District shall determine when and if these audits are to be conducted.

2. Request for and Transfer of Funds

- A. All requests for funding by the Foundation must be submitted by the Hospital's President/CEO in writing, after approval by the District Board, to the Foundation for consideration for approval by the Board of Directors of the Foundation.
- B. The Foundation agrees to review grant requests submitted by the District within sixty (60) calendar days of receipt.
- C. If a grant is approved by the Foundation Board, the Foundation will notify the primary project contact, as indicated on the grant application, within seven (7) calendar days of approval.
- D. If a grant is denied by the Foundation Board, explanation of the Board's decision will be submitted in writing to the Hospital President/CEO within seven (7) calendar days.
- E. Grants approved by the Foundation Board will be paid within thirty (30) days of receiving request for payment, which shall be submitted in writing by the Hospital President/CEO ~~District~~ and shall be accompanied by the invoice or purchase order showing the equipment and/or services.

3. Funding Cost of Foundation Operations

- A. Based on a budget approved by the Foundation Board, the District will fund operating expenses of the Foundation.
- B. The Foundation will fund all operating expenses not funded by the District.

4. Terms and Termination

- A. *Term.* The term of this Agreement shall automatically renew at midnight on June 30 of each calendar year unless either Party exercises their right to terminate the Agreement under Section B below.
- B. *Termination.* This Agreement may be terminated by either Party, with or without cause, by giving sixty (60) days written notice as provided in Paragraph 11 of this Agreement.
- C. *Dissolution and Distribution of Assets.* In the event that this MOU is terminated or the Foundation be dissolved by the Foundation Board, all properties, monies,

and assets will be distributed as outlined in the Fourth section of the Foundation's Articles of Incorporation.

5. **Negotiation and Mediation Clause.** In the event of disagreement or dispute between the Parties arising out of or connected with this Agreement, the disputed matter shall be resolved as follows:

A. *Negotiation.*

- i. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between District and Foundation Board Chairs. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the notice, the chairs of both parties shall meet at a mutually acceptable time and place.
- ii. Unless otherwise agreed in writing by the negotiating parties, the above-described negotiation shall end at the close of the first meeting of chairs described above ("First Meeting"). Such closure shall not preclude continuing or later negotiations, if desired.
- iii. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.
- iv. At no time prior to the First Meeting shall either side initiate an arbitration or litigation related to the Agreement except to pursue a provisional remedy that is authorized by law or by agreement of the parties. However, this limitation is inapplicable to a party if the other party refuses to comply with the requirements of Paragraph i above.
- v. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in Paragraphs i and ii above are pending and for 15 calendar days thereafter. The parties will take such action, if any, required to effectuate such tolling.

B. *Mediation.*

- i. If the matter is not resolved by negotiation pursuant to paragraphs i – v above, then the matter will proceed to mediation as set forth below.

- ii. The parties agree that any and all disputes, claims or controversies arising out of or relating to this Agreement shall be submitted for mediation.
- iii. Either party may commence mediation by providing the other party a written request for mediation, setting forth the subject of the dispute and the relief requested.
- iv. The parties will cooperate in selecting a mediator and in scheduling the mediation proceedings. The parties agree that they will participate in the mediation in good faith and that they will share equally in its costs.
- v. All offers, promises, conduct and statements, whether written or oral, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
7. **Forum.** Any mediation to enforce or interpret the provisions of this Agreement or the Parties' rights and liabilities arising out of this Agreement or the performance hereunder shall be maintained only in the County of Sonoma, California, or within one of such County's incorporated cities.
8. **Severability.** If any provision of the Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
9. **Integration.** This Agreement contains the entire agreement among the Parties and supersedes all prior and contemporaneous oral and written agreements, understandings, and representations among the Parties. No amendments to this Agreement shall be binding unless executed in writing by all of the Parties.
10. **Waiver.** No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.
11. **Notices.** Any notice required by this Agreement shall be effective only if sent by certified or registered mail, postage prepaid, as follows:

If to District:

Chair, Board of Directors and President/CEO
Sonoma Valley Hospital, 347 Andrieux St, Sonoma, CA 95476

If to Foundation:

Chair, Board of Directors and Executive Director
Sonoma Valley Hospital Foundation, 347 Andrieux St, Sonoma, CA 95476

For the purposes of determining compliance with any time limit in this Agreement, a notice shall be deemed to have been duly given on the second business day after mailing, if mailed to the Party to whom notice is to be given in the manner provided in this Section. Either Party may, at any time, change its address designated above by giving to the other Party thirty (30) days' written notice of the new address to be used for the purposes of this Section.

12. **Assignability.** Neither this Agreement nor any duties or obligations hereunder shall be assignable by any Party hereto without the prior written consent of the other Parties.

In witness whereof, the Parties have executed this Agreement as of the date first above written.

Sonoma Valley Hospital Foundation

By: _____
Bill Boerum, Chairman, Board of Directors

Sonoma Valley Health Care District

By: _____
Sharon Nevins, Treasurer, Board of Directors



**POLICY CONCERNING CEO ANNUAL EVALUATION PROCEDURE AND SCHEDULE
P-2013.06.06-2**

A standard process and timetable for accomplishing an objective evaluation of the District's CEO is essential to the effective management of the District and the Hospital. Because the evaluation must be based on the operating results of the prior fiscal year the process cannot start until these results are available at the end of July of each year. Accordingly it will be the policy of the District Board to adhere to the following process and timetable for the evaluation.

1. The Board shall annually review the performance of the CEO and President of the District.
2. The Board shall establish a Board Advisory Committee (the Committee) during the regular July Board meeting to evaluate the performance of the CEO during the prior fiscal year and to prepare a CEO Evaluation Report for submission to the full Board for review, refinement and approval in September.
3. The Board Chair shall appoint, with the Board's approval, two Board members to the Committee at the same July meeting that the Committee is established.
4. The Committee shall make the evaluation of the CEO's performance based on a comparison of the final results of the prior fiscal year compared to the Board approved objectives and on a summary of the information gained through the use of the survey tool used during the 2012 performance evaluation (or similar instrument approved in advance by the Board)
5. The Committee shall request the following individuals complete the survey.
 - a. The five members of the District Board of Directors
 - b. The CEO of the Marin General Hospital
 - c. The outgoing Chair of the Medical Executive Committee
 - d. The CEO and President of the District

This list may only be amended by a vote of the Board at a regular Board meeting.

The survey shall be issued by and returned to the HR Director of the Hospital during the month of July. The HR Director shall collect the raw data, and shall assist as requested by the Committee in the development of reports or information derived from this data. The HR Director shall provide the raw data, reports or any other information coming from the data only to the Committee, or the full Board and to no other individuals.

6. The Committee shall prepare a summary of the survey information for inclusion in the CEO Evaluation Report.
7. The Committee may also consider other objective , measurable metrics.
8. The CEO Evaluation Report prepared by the Committee shall contain a recommendation to the Board for the CEO's compensation for the coming year and a calculation of the bonus earned for performance against the agreed upon objectives for the year.
9. The Committee shall be dissolved after the Board acts on the report and its recommendations.
10. Nothing in this Board Policy shall preclude the Board from conducting a performance evaluation of the CEO and taking appropriate action at any time.

Chair Board of Directors

Date



POLICY CONCERNING ESTABLISHMENT OF ANNUAL CEO OBJECTIVES
P-2013.06.06-1

A standard process and timetable for establishing the District's CEO's annual objectives is essential to the effective management of the District and the Hospital. Because the objectives must be based on the Hospital's Strategic Plan and the upcoming fiscal year's budget, the process cannot start until these documents have been approved in June of each year. Accordingly it will be the policy of the District Board to adhere to the following process and timetable for the establishment of the CEO's annual objectives.

1. The Board shall annually set the Hospital CEO's objectives for each fiscal year.
2. The Board shall annually establish a Board Advisory Committee (the Committee), no later than the regular June Board meeting to work with the CEO to identify the significant problems/issues facing the Hospital and the District and to develop the annual CEO objectives to address these problems/issues.
3. The Committee shall be comprised of two Board members approved by a vote of the Board at the same regular Board meeting that the Committee is established.
4. The Committee as a temporary advisory board committee, and not a standing board committee, is not subject to the Brown Act.
5. The draft objectives shall be developed by the Committee during the month of June in collaboration with the CEO for review in closed session by the Board in conjunction with the regular July Board meeting, The Board may hold additional closed sessions as necessary to finalize the objectives prior to their presentation for approval at a regular Board meeting.
6. These objectives shall be measurable on a monthly basis, to the degree possible, so that the CEO is able to provide a written report on progress toward their achievement at each regular monthly Board meeting.
8. The Committee shall be disbanded when the CEOs annual objectives have been adopted by the Board.

Signature

Date

Print Name