



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS**

AGENDA

MONDAY, FEBRUARY 13, 2023

SPECIAL SESSION 6:00 P.M.

HELD VIA ZOOM VIDEOCONFERENCE ONLY

**To participate via Zoom videoconferencing
use the link below:**

<https://sonomavalleyhospital-org.zoom.us/j/96991794213?pwd=QmQyUnZGUfJmWnNmajFkOFdUR29wQT09>

and enter the Meeting ID: 969 9179 4213, Passcode: 950369

**To participate via telephone only,
dial: 1-669 900 9128 or 1-669 219 2599**

and enter the Meeting ID: 969 9179 4213, Passcode: 950369

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact Interim District Clerk Stacey Finn at sfinn@sonomavalleyhospital.org at least 48 hours prior to the meeting.</p>	RECOMMENDATION		
AGENDA ITEM			
<p>MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>			
<p>1. CALL TO ORDER</p>	<i>Bjorndal</i>		
<p>2. PUBLIC COMMENT <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that 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 Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i></p>			
<p>3. RESOLUTION NO. 371 – AUTHORIZING THE EXECUTION OF A CONTRACT FOR TEMPORARY MRI TRAILER</p>	<i>Henelly/ Drummond</i>	Action	Pages 2-15
<p>4. BOARD DESIGNATED FUNDS – OUTPATIENT DIAGNOSTIC CENTER</p>	<i>Armfield</i>	Action	Page 16
<p>5. ADJOURN</p>	<i>Bjorndal</i>		

Note: To view this meeting you may visit <http://sonomatv.org/> or YouTube.com.



To: SVHCD Board of Directors
From: John Hennelly
Meeting Date: February 13, 2023
**Subject: MRI Temporary Container Acquisition Process and
Resolution No. 371 – Authorizing Execution of Contract for
Temporary MRI Trailer**

Enclosed please find a resolution for the acquisition of a container to temporarily house our new MRI, without a public bid. The container must be specially outfitted to accommodate an MRI. The hospital identified four possible vendors, two of whom declined to engage due to their inability to customize a container to meet our requirements. Given this, we are requesting approval to direct contract with one of the enclosed vendors.

WHY: The hospital intends to construct a temporary site to host our newly acquired 3 tesla MRI in advance of the 2.5-year process to complete its permanent home.

WHEN: The MRI will be delivered by the end of calendar year 2023. The container, requiring 4-6 months to be built, must be contracted for as soon as possible.

WHERE: The temporary structure will be placed on the hospital campus near both the permanent location and the imaging department.

WHO: The hospital intends to purchase the container from Connex West. Connex West proposed the lowest price while meeting the requirements outlined by the hospital.

Given the aforementioned information, we ask that the Board approve the resolution authorizing the hospital to proceed.

Attachments:

Resolution No. 371

SONOMA VALLEY HEALTH CARE DISTRICT

RESOLUTION NO. 371

**RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT FOR
TEMPORARY MRI TRAILER**

RECITALS

- A. WHEREAS, the Sonoma Valley Health Care District (“District”) requires a temporary MRI trailer (the “Trailer”).
- B. WHEREAS, Sonoma Valley Hospital (“Hospital”) staff conducted a diligent search for all firms that provide satisfactory trailers within the geographic vicinity of the District, and only identified two such firms: Conexwest Shipping Containers (“Contractor”) and Transport Products Unlimited, Inc. (“Other Firm”) (collectively, the “Solicited Firms”), and further staff identified that competitive bidding would be unavailing because the design of a satisfactory Trailer is highly specialized, there is not a ready market of design-professionals not employed by such firms that could prepare a specification for competitive bidding, and the cost of retaining a design professional if even available to prepare a specification for competitive bidding would be cost prohibitive; and
- C. WHEREAS, proposals were solicited to provide the Trailer; and
- D. WHEREAS, proposals were received from the Solicited Firms, which are set forth in Exhibit 1 and Exhibit 2 hereto; and
- E. WHEREAS, Contractor has provided a proposal that meets the criteria of the needed Trailer at a lower rate than offered by Other Firm;
- F. WHEREAS, the District wishes to contract with Contractor to provide the Trailer for an amount not to exceed \$360,561.13;
- G. WHEREAS, as stated in *Mike Moore's 24-Hour Towing v. City of San Diego* (1996) 45 Cal.App.4th 1294, 1303, “[a] public entity's award of a contract, and all of the acts leading up to the award, are legislative in character. [T]he letting of contracts by a governmental entity necessarily requires an exercise of discretion guided by consideration of the public welfare.”
- H. WHEREAS, the District is empowered to award a contract that would otherwise require competitive bidding without competitive bidding “where competitive proposals work an incongruity and are unavailing as affecting the final result, or where competitive proposals do not produce any advantage, or where it is practically impossible to obtain what is required and to observe such form, competitive bidding is not applicable.” (*Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App. 3d 631, 636); and

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Sonoma Valley Health Care District that:

1. Hospital staff (a) engaged in a diligent search for all firms that provide satisfactory trailers within the geographic vicinity of the District, and only identified two such firms, (b) obtained proposals from all such firms, and (c) proposes that the District award the contract to the firm submitting the proposal that meets the criteria of the needed Trailer at the lowest rate offered, Contractor (collectively, the “Proposed Alternative Procurement”);
2. In light of the Proposed Alternative Procurement, competitive bidding is not required because it would work an incongruity, would be unavailing as affecting the final result, and would not produce any advantage; and
3. The Hospital President and Chief Executive Officer or designee is hereby authorized and directed to enter into the Purchase Order attached hereto as Exhibit 3 (“PO”) consistent with the proposal of Contractor, subject to minor revisions, if any, approved by the Hospital President and Chief Executive Officer and District legal counsel to comply with applicable law or otherwise ensure that the District contracts for the Trailer on clear, unambiguous terms that are in the best interest of the District.

ADOPTED by the Board of Directors of the Sonoma Valley Health Care District at a regular meeting held on the 13th day of February, 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Judith Bjorndal, M.D., Chair
Board of Directors
SONOMA VALLEY HEALTH CARE DISTRICT

ATTEST:

Wendy Lee Myatt, Secretary
Board of Directors
SONOMA VALLEY HEALTH CARE DISTRICT

Exhibit 1
Contractor Proposal



Conexwest
 800 Avenue H
 San Francisco, CA 94130
 (855) 878-5233

Quote

Quote date: Jan 27, 2023 10:13 AM
 Quote number: 2397724000307034036
 Valid until:
 Customer PO:

Thank you for choosing Conexwest. We are pleased to provide you the following quote.

CUSTOMER:

Sonoma Valley Hospital

DELIVER TO:

347 Andrieux St Sonoma CA 95476

Account name: **Sonoma Valley Hospital**
 Contact name: **Kimberly Drummond**
 Phone number:

Sales rep: **Greg Miner**
 Direct number: **(415) 878-1249**

Product details	Quantity	List price	Total	Tax
1. 45ft New High Cube One-Trip ISO Container 45HCN 45 ft Shipping Container - High Cube Height - New Condition	2	\$ 12,656.00	\$ 25,312.00	\$ 2,151.52
2. MOD Conjoin No Post 45 ft MOD-CJNP45 Container Conjoining Kit 45 ft	1	\$ 8,700.00	\$ 8,700.00	\$ 0.00
3. MOD Custom Fabrication MODFAB Interior RF Shielding	2	\$ 63,603.13	\$ 127,206.25	\$ 10,812.53
4. MOD Interior Finish 2 in x 3 in Studs R13 Drywall 5/8 45 ft MOD-INTRD45 45 ft Container Interior Finish : R13 insulation w/Moisture Barrier 2 in x 3 in KD Studs Drywall 5/8 in (includes texture and paint)	2	\$ 12,200.00	\$ 24,400.00	\$ 2,074.00
5. MOD Custom Fabrication MODFAB Acoustic Drop Down Ceiling - TBar Frame Structure - Acoustic Ceiling Tiles	2	\$ 8,972.25	\$ 17,944.50	\$ 1,525.28
6. MOD Custom Fabrication MODFAB Elastomeric Roof Coating - Insulates and Waterproofs External Roof	1	\$ 16,000.00	\$ 16,000.00	\$ 1,360.00
7. MOD Man Door 4 ft Left Hand In-Swing MOD-MD4LI 4 ft Man Door Steel Left Hand In-Swing Single Bore, Locking Lever Only 48 in (Width) x 80 in (Height)	1	\$ 3,700.00	\$ 3,700.00	\$ 314.50

Product details	Quantity	List price	Total	Tax
8. MOD Man Door 3 ft Left Hand Out-swing Double Bore MOD-MD3LODB 3 ft Man Door Steel Double Bore, Locking Lever Only 36 in (Width) x 80 in (Height) Left Hand Out-swing	1	\$ 2,450.00	\$ 2,450.00	\$ 208.25
9. MOD Window 72 in x 36 in Picture MOD-W72X36PIC Window 72 in x 36 in Slider Vinyl Dual-Pane w/ 2 in x 3 in Steel Frame	1	\$ 995.00	\$ 995.00	\$ 0.00
10. MOD Window 36 in x 24 in MOD-WINDOW36X24 Window Fixed Dual-Pane - 36 in x 24 in - Lead Lined - RF Shielded	1	\$ 2,675.00	\$ 2,675.00	\$ 0.00
11. MOD Man Door 4 ft Right Hand In-Swing MOD-MD4RI 4 ft Man Door Steel Right Hand In-Swing - Single Bore, Locking Lever Only - 48 in (Width) x 80 in (Height) - Lead Lined - RF Shielded	1	\$ 3,980.00	\$ 3,980.00	\$ 338.30
12. MOD Custom Fabrication MODFAB Structural Reinforcement in Flooring - Cut Out Flooring to Match up with Existing MRI Foundation - Flooring to be Reinforced	2	\$ 4,200.00	\$ 8,400.00	\$ 714.00
13. MOD Custom Fabrication MODFAB Roof Vents Per Call Outs	1	\$ 0.00	\$ 0.00	\$ 0.00
14. MOD Custom Fabrication MODFAB Exterior Siding	1	\$ 30,000.00	\$ 30,000.00	\$ 2,550.00
15. MOD Electrical Fixture Install MOD-ELECFIXINST Electrical Fixture Installation and Data Locations - Electrical Equipment Provided by Customer - Rough Electrical - Rough Data Ports/Locations - Hospital Grade Outlets	1	\$ 12,000.00	\$ 12,000.00	\$ 0.00
16. Labor CXW-LABOR On-Site Installation and Assembly of Units -(4) Employees On-Site for (5) 8 Hour days *****160 Total Man Hours for On-Site Installation	160	\$ 150.00	\$ 24,000.00	\$ 0.00
17. Professional Services CXW-PROSERV Professional Services - Mechanical Engineering	1	\$ 15,000.00	\$ 15,000.00	\$ 0.00

Product details	Quantity	List price	Total	Tax
18. MOD Custom Fabrication MODFAB	1	\$ 10,000.00	\$ 10,000.00	\$ 850.00
Custom Fabrication Work - Contingency				
19. OAK Flatbed Delivery OAKFLATBED	2	\$ 2,450.00	\$ 4,900.00	\$ 0.00
Flatbed Delivery *** Flatbeds are not able to place containers on the ground. A forklift, crane, or other offloading equipment is required at the site to complete delivery.				
			Sub Total (with tax) \$ 360,561.13	
			Adjustment \$ 0.00\$ 0.00	
			Grand Total \$ 360,561.13	



Notes:

Lead time: stock.

Estimated delivery date May 15, 2023.

To accept this proposal please reply to the original email.
Thank you for your business, your trust and your confidence. It is our pleasure to work with you.
CONEXWEST SHIPPING CONTAINERS
(855) 878-5233 | conexwest.com

Exhibit 2
Other Firm Proposal



Quote

VERTRA020223-1

Date: 02/02/23		Date Required:	
Customer #:	P.O. #:	Sales Rep: Dave Snyder	
Ordered By: Ron Peluso			
Sold To: Vertran Associates			
Street Address:			
City:	State:	Zip:	
Phone: 415-609-1878	Fax:		
Email: ron.peluso@vertranassociates.com			

Ship To:	
Name:	
Street:	
City: Sonoma	
State: CA	Zip: 95476
Phone:	Fax:
Other:	

Rental Terms	Unit Cost In	Unit Cost Out	Total Unit Freight	Site Contact	Contact #
N/A	N/A	N/A	N/A		

Units Ordered	Units Shipped	Part Number	Description	Unit Cost	Amount
1		CustomMod	Custom Container Modification	\$48,125.00	\$48,125.00
			Includes:		
			2x used 45' containers (modified)		
			Install 48"x80" insulated steel man door		
			Install 72"x24" (1/4" tempered) fixed glass window		
			Install 36"x80" insulated steel man door		
			Cut out 1x side of each container, prep, install reinforcing framework for connection of containers at final destination. Includes temporary bracing.		
			Bolt and weld containers at destination site.		
			Does not include: actual placement of containers, site prep, any other exterior modifications other than listed above, interior modifications, floor modifications, roof modifications, electrical inside or outside, paint, interior accessories, metal thresholds or modification drawings.		
			50% deposit due on received order.		
			Balance due on or before delivery.		
			8 week lead time after received deposit.		
1		Total Units		Sub Total	\$48,125.00
			2x \$450.00 Sonoma	Roll-Off Delivery	\$900.00
			9.0%, Sonoma, Sonoma Co	Sales Tax	\$4,412.25
				Total	\$53,437.25

Special Instructions	
Changes to or additional requirements for modifications quoted will void quote and require new quotation based on additional requirement information.	
Please note that due to the current market situation all quotes are provided based on availability and pricing at the time of quote and subject to change without notice.	
Terms	COD
Trucking Zone	SON/SON
Comments	Sales Consultant: Dave Snyder Ph: 707-557-5259 email: dsnyder@tpuinc.com

This **QUOTE** is good for **20** days. After this period of time we will re-quote your needs.

Signature	Printed Name	Date
Your Signature signifies your acceptance of the <i>Terms & Conditions, Pricing and Delivery</i> for this QUOTE		
Please Fax or Email this QUOTE form along with your Purchase Order for an approval and acceptance of your order.		

Exhibit 3
PO

Account No. 	Req. No. 	Purchase Order No. Order Date: Delivery By: Buyer: Phone Number: E-mail:	Remit to: Sonoma Valley Health Care District
VENDOR <hr/> <hr/> <hr/> <hr/> Attn: _____		Ship to: Sonoma Valley Health Care District F.O.B. Point: <hr/> <hr/> <hr/>	

This Purchase Order is subject to the attached terms and conditions.

Order:

[INSERT DESCRIPTION OF GOODS TO BE PURCHASED OR ADD REFERENCE TO ATTACHMENT INCLUDING DETAILED DESCRIPTION OF GOODS - FOR EXAMPLE, SPECIFICATIONS AS APPLICABLE]

PURCHASE ORDER TERMS AND CONDITIONS FOR GOODS

1. Acceptance. This purchase order for goods issued by the Sonoma Valley Health Care District ("District") to the Vendor designated in the purchase order must be promptly accepted and acceptance is expressly limited to the terms of this order. Any additions or different terms in the Vendor's forms are hereby deemed to be material alterations and notice of objection to them and rejection of them is hereby given. Vendor's shipment of goods in response to this order shall be considered acceptance by the Vendor.

2. Entire Agreement. Unless Vendor and District have entered into a separate written contract covering the purchase of the goods described herein, the entire contract between the parties consists of this order and the Vendor's acceptance as above stipulated, and said contract shall not be changed or added to except in writing signed by authorized representatives of each party.

3. Price. The price invoiced for the goods on this purchase order shall be no higher than the price stated on the front of this purchase order unless prior notification is received from Vendor prior to shipment and the change is accepted by District. If the Vendor's established price for any item upon the date of delivery shall be lower than the price shown on this purchase order, District shall have the benefit of such lower price. Vendor shall deliver to District all invoices within 30 days of shipping or service delivery.

4. Payment. Payments will be made net 30 days unless otherwise specified as per agreements regarding discount terms. The period of computation will commence on the date of receipt of a correctly completed invoice. Payment may be withheld, in whole or in part, due to deficiencies in Vendor's performance. Payment of an invoice by District shall be without prejudice to any and all claims District may have against Vendor in connection with such goods. Invoices are paid on a weekly basis and such practice may result in minor deviations from payment terms otherwise cited herein

5. Time of the Essence. Time is of the essence on this order. If delivery is not made in the quantity or quantities and at the time or times specified, District shall have the right, at its option, to cancel the entire order or that part of same not so delivered, provided that the District shall grant the Vendor a reasonable extension of time to have such delivery made where such delay is not within the reasonable control of Vendor. If District accepts delayed delivery the time of payment shall be extended accordingly.

6. Delivery and Acceptance. Vendor expressly warrants that any article, material or work is free and clear of all liens and encumbrances whatsoever, and that Vendor has good and marketable title to same. Unless otherwise specified, all goods are to be shipped prepaid, F.O.B. destination. No charge will be allowed for packing, crating, freight, express or other carrier's charges, or cartage, unless specifically agreed to by District. Title to goods purchased hereunder shall pass to District at the designated F.O.B. point, subject to District's right to inspect and reject or revoke acceptance.

7. Warranty.

Vendor hereby warrants to District that the goods purchased in connection herewith are free from defects in materials and workmanship on the same terms as the manufacturer's warranty attached hereto as Exhibit A.

The rights and remedies of the District provided in this clause are in addition to and do not limit any rights afforded

to the District by any other clause of this contract or any other warranty District may have in connection with the subject matter of this contract, including by way of illustration and not by limitation, any warranty furnished by a manufacturer or material supplier.

8. Rejection of Goods. District shall have the right, at its option, to reject or revoke acceptance of any goods which do not conform to these warranties or to the specifications. In case of such rejection or revocation of acceptance, transportation of the rejected goods, both to and from District, shall be at the expense of Vendor, said rejected goods are not to be replaced except upon specific instruction from District, and District shall have the right at its option to cancel the remainder, if any, of the order, by notice to Vendor at the time notice is given of rejection or revocation of acceptance. Vendor shall be liable to District for all damages proximately caused by breach of any of the foregoing warranties, including incidental damages but excluding special or consequential damages.

9. Returns. District reserves the right to return for full credit any excess over quantity called for in any order or orders. Vendor to bear the cost of transportation both ways.

10. Force Majeure. Vendor shall not be held responsible for failure or delay in shipping nor District for failure or delay in accepting goods described herein if such failure or delay is due to act of God, war, federal or state legislation or any regulations or orders, fire, accident, or other causes, either similar or dissimilar to the foregoing, beyond their control. In the event of any such excused interference with shipments, District shall have the option either to reduce the quantity provided for in the order accordingly or to exercise its right of cancellation as set forth in these terms and conditions.

11. Additional Fees. Unless otherwise required by law or provided herein, Vendor assumes exclusive liability for, and shall pay before delinquency, all sales, use, excise and other taxes, charges or contributions of any kind now or hereafter imposed on or with respect to, or measured by the article sold or material or work furnished hereunder on the wages, salaries or other remunerations paid to persons employed in connection with performance of this order.

12. No Waiver. No exercise by District of its rights hereunder shall constitute a waiver of any rights it may have for breach of contract. District's waiver of or failure to enforce its rights on account of Vendor's failure or delay in performing any obligation of Vendor hereunder, or on account of Vendor's breach of contract in any respect, shall not constitute a waiver of any subsequent failure, delay or breach.

13. Compliance with Law. Vendor shall comply with all applicable laws and regulations of the federal, state and local government. District shall assist Vendor, as requested, in obtaining and maintaining all permits required of Vendor by Federal, State and local regulatory agencies. Vendor is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of his or her Work. Vendor is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Work is being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Vendor agrees to

fully comply with such Prevailing Wage Laws. Vendor shall defend, indemnify and hold District, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Any stop orders issued by the Department of Industrial Relations against Vendor or any subcontractor that affect Vendor's performance of services, including any delay, shall be Vendor's sole responsibility and Vendor shall indemnify District from liability arising out of the same. It shall be mandatory upon the Vendor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815), contractor registration (Labor Code Sections 1725.5 and 1771.1) and debarment of contractors and subcontractors (Labor Code Sections 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 and to be registered with the Department of Industrial Relations shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1771.4, 1725.5 and 1771.1.

14. Insurance. Vendor shall take out and maintain: A. Commercial General Liability Insurance, of at least \$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury and property damage, at least as broad as Insurance Services Office Commercial General Liability most recent Occurrence Form CG 00 01, naming District as an additional insured; B. Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, of at least \$1,000,000 per accident for bodily injury and property damage, at least as broad as most recent Insurance Services Office Form Number CA 00 01 covering automobile liability, Code 1 (any auto); C. Workers' Compensation in compliance with applicable statutory requirements and Employer's Liability Coverage of at least \$1,000,000 per occurrence; and D. Pollution Liability Insurance of at least \$1,000,000 per occurrence and \$2,000,000 aggregate shall be provided by those Vendors transporting hazardous materials. Insurance carriers shall be licensed to do business in California and maintain an agent for process within the state. Such insurance carrier shall have not less than an "A:VII" rating according to the latest Best Key Rating unless otherwise approved by District. VENDOR SHALL ENSURE THAT THIRD PARTY SHIPPERS CONTRACTED BY VENDOR HAVE ADEQUATE INSURANCE COVERAGE.

15. Indemnification. The Vendor shall indemnify and hold harmless District, its officials, officers, agents and employees from and against any and all claims, liabilities, expenses or damages, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, or patent infringement or fees for use of patented items, or any claim of the Vendor or sub-contractors for wages or benefits which arise in connection with the sale, delivery and/or installation of goods, except to the extent caused or resulting from the negligence or willful misconduct of District or another person not within the reasonable control of Vendor. The foregoing indemnity includes, but is not limited to, the cost of prosecuting or defending such action with legal counsel acceptable to District and District's attorneys' fees incurred in such an action.

16. Substitutions, Changes and Cancellation. No substitutions are acceptable unless expressly accepted in writing by District. District may make changes in the general scope of this order by giving written notice to Vendor. If any such change affects the cost of or time to deliver or perform under this order, an adjustment in price, delivery or both will be made as District determines to be equitable. Vendor may request changes; however no such change shall be effective unless accepted in writing by District. District may cancel this order in whole or in part at any time before acceptance of the goods due to Vendor's breach or for District's convenience.

17. Laws, Venue, and Attorneys' Fees. This purchase order shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this purchase order, the action shall be brought in a state or federal court situated in the County of Sonoma, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

18. Contract Terms. Nothing herein shall be construed to give any rights or benefits to anyone other than District and the Vendor. The unenforceability, invalidity or illegality of any provision(s) of this purchase order shall not render the other provisions unenforceable, invalid or illegal. Notice may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to the parties to the addresses set forth in the purchase order. Vendor shall not assign, sublet, or transfer this purchase order or any rights under or interest in this purchase order without the written consent of District, which may be withheld for any reason. Vendor is retained as an independent contractor and is not an employee of District. No employee or agent of Vendor shall become an employee of District. This is an integrated agreement/purchase order representing the entire understanding of the parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding or representations with respect to matters covered hereunder. This Contract may not be modified or altered except in writing signed by both parties hereto.

Exhibit A

[insert manufacturer warranty behind this page]



To: Sonoma Valley Health Care District Board of Directors
From: Ben Armfield, Chief Financial Officer
Date: February 13, 2023
Subject: **Board Designated Funds – Outpatient Diagnostic Center**

PROPOSAL

Back in September of 2020 the Board of Directors approved the restriction of \$1 million from our operating cash as a contingency for the purpose of funding a possible temporary cash flow shortfall towards the end of the Outpatient Diagnostic Center project completion.

Fast forward to current state, there is now no projected cash flow shortfall from the funding commitments that were raised by the Foundation. We are asking the Board of Directors to release the restriction of the \$1 million so those funds can be moved back into operating cash to help fund other needed financial commitments.

BACKGROUND

Back in the summer of 2020, the Foundation and hospital leadership completed their efforts to raise \$21 million in financial commitments to fund the approved Outpatient Diagnostic Center at Sonoma Valley Hospital. The \$21 million of commitments contained cash payments and pledges made through the Foundation.

The Foundation scheduled those pledge payments over a period of time that extended to the completion of the project. In an effort to ensure cash would be available to pay for construction costs, the Foundation obtained a line of credit (LOC) to cover any anticipated shortfalls in cash as a result of pledge payment timing.

The Board of Directors took an additional step in restricting \$1 million from operating cash as a contingency to protect against any temporary shortfall in cash needed to pay for ongoing construction costs.

The Board of Directors also elected that after restricting this cash, to have the ability to release the restriction for any other purposes it deemed necessary once pledges and other funding sources made through the Foundation had been fulfilled and paid to the hospital.

CURRENT STATE

There is now no projected shortfall in cash payments relating to the \$21 million that the Foundation helped raise. In addition the line of credit (LOC) that the Foundation procured to help address any funding gap was relinquished earlier this fiscal year as well.

We still do project an overall deficit on the project as a whole, but that relates to the overrun on the original project cost, which SVH is already planning to absorb in the 2nd quarter of Fiscal Year 2025, per earlier board action.