

CDHD / NCACH ADMINISTRATIVE HOSTING SERVICES AGREEMENT

THIS CDHD / NCACH ADMINISTRATIVE HOSTING SERVICES AGREEMENT ("Agreement") is entered into by and between the Chelan-Douglas Health District (the "CDHD") and the North Central Accountable Community of Health, a Washington non-profit corporation (the "NCACH"), sometimes individually referred to as "Party" or collectively as the "Parties".

RECITALS

- A. CDHD, as sub awardee, has received and administered funding from the Washington State Health Care Authority (the "HCA") in furtherance of the realization of an Accountable Community of Health serving Chelan, Douglas, Grant and Okanogan Counties.
- B. Pursuant to CDHD Board of Health Resolution 2016-002, the CDHD has been acting as host for the administrative functions of the NCACH prior to the NCACH's incorporation as a Washington non-profit corporation.
- C. NCACH incorporated on March 22, 2017 under the laws of the state of Washington and is governed by a Governing Board.
- D. NCACH desires that the CDHD continue to provide the administrative hosting services to the NCACH (the "Services") and contemplated the provision of such Services by reference to a "backbone organization" in the NCACH Bylaws.
- E. The CDHD desires to continue providing the Services, provided such Services do not result in a net cost to the CDHD.
- F. The Parties now wish to set out their mutual agreement regarding the Services and replace and supersede CDHD Resolution 2016-002.

NOW, THEREFORE, in consideration of the mutual benefits contained herein, the adequacy and receipt of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Incorporation. The Recitals set forth above are by this reference incorporated into this Agreement and are binding commitments and representations of the Parties.

2. Term. This Agreement shall remain in force so long as both Parties continue to operate, provided that any Party may terminate this Agreement by providing written notice as set forth herein. So long as this Agreement is in force, the Administrator of the CDHD shall be permitted to attend and participate in (without vote) all Governing Board meetings of the NCACH, if the Administrator is not otherwise a member of the NCACH Governing Board.

3. Administrative Services. The CDHD shall provide the following Services to NCACH so long as this Agreement is in force:

3.1 Personnel. The NCACH Executive Director and other staff shall be employees of CDHD. The NCACH Board shall be responsible, through its Executive Director, for the selection, oversight and management of the NCACH staff, including the establishment and evaluation of said staff members' services and deliverables, and the firing or discipline of said staff. The Executive Director will not fire or otherwise discipline any CDHD staff that are providing services to NCACH without the prior approval of the administrator, which approval shall not be unreasonably withheld. The NCACH Board shall be responsible for the selection, oversight and evaluation of the NCACH Executive Director. The NCACH Executive Director shall report to the NCACH Board and not the Administrator. Notwithstanding the selection and oversight by the NCACH, these staff members shall have the same privileges, obligations and benefits as other CDHD employees have, and will be selected, managed and compensated consistent with CDHD policies, pay scale, job descriptions and union contracts, as applicable. Should the NCACH Board elect to adopt and implement its own policies, such policies must be presented to the CDHD Board for CDHD Board review and approval prior to their adoption and application, and said policies must not contravene any applicable laws or CDHD labor agreements.

3.2 Funding, Budget and Expenditures. A primary purpose of this Agreement is to enable NCACH to use CDHD's fiscal infrastructure, including its fiscal policies and procedures, to assure transparency and accountability regarding the use of NCACH funds.

3.2.1 Through this Agreement NCACH authorizes and directs that all funds received for NCACH be deposited in CDHD accounts and managed through CDHD's accounting system. As a Health District established under Chapter 70.46 RCW, all CDHD funds must be managed through Chelan County under established policies and procedures. NCACH is entering into this Agreement in part to establish a mechanism for appropriate funds management and accountability for NCACH by using CDHD's administrative and fiscal infrastructure, but NCACH acknowledges that NCACH retains responsibility for meeting the terms of any NCACH contracts, including programmatic and administrative requirements, under which funds are provided to NCACH.

3.2.2 CDHD will administer the funds of NCACH in conformity with any grant and contract requirements imposed by the HCA and other NCACH funding sources, and the fiscal policies and procedures of CDHD. The administrative and fiscal policies and procedures of the CDHD shall govern the mechanics and protocols for the issuance of checks, drafts or other

payments from the NCACH funds. CDHD fiscal staff will support and participate in any audits of NCACH funds. NCACH shall pay any additional CDHD audit fees related to CDHD's administrative hosting of NCACH funds. CDHD will maintain and provide fiscal records needed for such audits.

3.2.3 The annual budget of the NCACH shall be prepared on a calendar fiscal year basis, by the NCACH Executive Director working with the CDHD, and presented for approval to the NCACH Board consistent with the NCACH Bylaws. All NCACH expenditures shall be made pursuant to the NCACH budget in effect at the time of expenditure, and any other provisions of the NCACH Bylaws.

3.2.4 CDHD will provide monthly, quarterly and annual financial reports for all NCACH funds to the NCACH Executive Director within the same time frame as the CDHD undertakes reporting of its own funds.

3.3 IT and Phone Services. The CDHD will provide access to its computer network, internet connectivity, phone system and IT support services during the term of this Agreement. The NCACH shall be responsible for the purchase of any and all computer hardware and software (including without limitation desktops, laptops, printers, and other technology equipment) and desktop phone equipment necessary for the NCACH's operations; provided that such hardware and software shall be approved by CDHD for compatibility with the CDHD's network and phone system. NCACH shall abide by all CDHD standards and policies regarding computer and IT matters. Any software and hardware purchased by the NCACH shall belong to the NCACH.

4. Office Space and Furniture. During the term of this Agreement, CDHD shall provide office space and supplies, of the CDHD's choosing, to the NCACH staff. To the extent not in use for the CDHD's operations, the office space will include CDHD furniture provided "as-is" and "where is". Any furniture and office supplies not provided by CDHD shall be the responsibility of the NCACH to purchase, and the NCACH will own such furniture and supplies at the termination of this Agreement.

5. Fees. As fees for the Services hereunder, the CDHD shall be paid a fee equal to 15% of the NCACH's total expenditures (excluding expenditure for the fee payable to the CDHD) on a cash and not accrual basis. The fee shall be calculated and paid quarterly, within thirty (30) days of the end of the fiscal quarter. For the purposes of determining the fee, the CDHD reports provided under Section 3.2.4 shall be conclusive as to the determination of the total expenditures and calculation of the fee. For purposes of clarity, the Parties agree that the fee calculated pursuant to this section will only be based on funds that are deposited with the Chelan County Treasurer for the benefit of the NCACH.

~~5.1 Unanticipated Costs. Consistent with the Parties' intent that the provision of Services not result in a net cost to the CDHD, any unanticipated costs related to this hosting Agreement and incurred by the CDHD, beyond the cost of providing the services described in~~

~~this Agreement, will be paid by the NCACH, provided such costs are allowable under the regulations and laws governing the use of the NCACH funds. Such payment shall be in addition to the fees payable under Section 5 above. If such unanticipated costs are not paid by the NCACH, then notwithstanding any other provision of this Agreement, the CDHD may terminate this Agreement upon the provision of thirty (30) days written notice to the NCACH.~~

6. Termination. Except as otherwise provided herein, either Party may terminate this Agreement, for any reason, upon at least sixty (60) days written notice to the other. At such time as a Party provides a written notice of termination to the other, the Parties will promptly cooperate in obtaining written approval from the HCA (and any other applicable NCACH funding source) for the transfer of uncommitted NCACH funds and deliverables administered by the CDHD under this Agreement to an entity designated by the NCACH (the "designee"). The Parties agree to comply with written directions provided by the funding source regarding disposition of any uncommitted NCACH funds. If no such direction is provided, the Parties will cooperate to determine the amount of uncommitted NCACH funds and such funds will be transferred to a recipient designated by the NCACH Governing Board, consistent with applicable laws and regulations.

6.1 Transfer of Funds/Personnel. At such time as the designee has been approved as set out in Section 6, above, the CDHD will transfer any uncommitted NCACH funds it is administering to the designee. At that time, NCACH staff shall no longer be employees of CDHD and NCACH will be responsible for any arrangements regarding staff employment. Any and all costs associated with this transition and transfer, including by way of example and without limitation, accrued and unpaid leave payable to NCACH staff consistent with any policy of the CDHD, will be charged to the NCACH funds prior to the transfer of NCACH funds to the designee.

6.2 Records. Upon termination of this Agreement, CDHD shall make available to the NCACH the computer files generated by NCACH staff or programmatic activities. In addition, the NCACH staff shall be permitted to take the NCACH's hard copy files. The CDHD will retain duplicates of the data, in formats of the CDHD's choosing, for the purpose of any financial or program audit. The Parties agree to cooperate promptly and fully in any audits following the termination of this Agreement.

7. Indemnification. The NCACH shall hold harmless, indemnify and defend the CDHD, its officers, agents and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, or damage to property, arising out of or in connection with the performance of this Agreement, except for injuries or damages caused by the sole negligence of CDHD. The CDHD shall hold harmless, indemnify and defend the NCACH, its officers, agents and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, or damage to property, arising out of or in connection with the performance of this Agreement, except for injuries or damages caused by the sole negligence of NCACH.

8. Insurance. The NCACH shall maintain Commercial General Liability insurance written on

an occurrence basis with an insurer acceptable to the CDHD with coverage of not less than \$1,000,000 per occurrence. The policy of insurance shall name the CDHD as an additional insured.

9. Notices. All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered, sent by facsimile or sent by U.S. certified mail, return receipt requested, addressed as set forth below:

To the NCACH:

Attn: Executive Director, NCACH
200 Valley Mall Pkway
East Wenatchee, WA 98802

To the CDHD:

Attn: Administrator, CDHD
200 Valley Mall Pkway
East Wenatchee, WA 98802

Either Party hereto may, by proper notice to the other, designate such other address for the giving of notices as deemed necessary. All notices shall be deemed given on the day such notice is personally served or transmitted by facsimile; or on the third business day following the day such notice is mailed in accordance with this Section.

10. Severability. In the event any provision in this Agreement shall be determined to be unenforceable or otherwise invalid for any reason, the remainder of this Agreement shall be enforced and validated to the extent permitted by law. All provisions of this Agreement are severable and the unenforceability or invalidity of a single provision hereof shall not affect the remaining provisions.

11. No Assignment. Except as otherwise specifically provided in this Agreement, the Parties may not assign any rights or delegate any duties under this Agreement, whether by assignment, subcontract or other means.

12. Governmental Regulation. This Agreement is subject in all respects to the terms and conditions of the rules, regulations and policies of the CDHD, together with the assurances, requirements and regulations applicable to or imposed by the funding source for the NCACH. The Parties agree to comply with all applicable federal, state and local laws, rules, regulations, and Court decisions.

13. No Entity Created. It is understood that the CDHD and the NCACH are independent entities and not agents of each other, or joint venturers. Nothing herein shall be construed as creating a separate organization, partnership, joint venture or other entity between the Parties.

14. Administration and Delegation of Authority. Except as otherwise provided herein, or as may be required by the Bylaws or Articles of Incorporation of the NCACH, or the Resolutions of the CDHD, the Executive Director of the NCACH shall be responsible for administration of this Agreement on behalf of the NCACH and the Administrator of the CDHD shall be responsible for administration of this Agreement on behalf of the CDHD.

IN WITNESS WHEREOF, the Parties have signed this Agreement to be effective the day and year of the last signature written below.

Approved by the Board of the Chelan Douglas
Health District at an Open Public Meeting the
_____ day of _____ 2017

Approved by the Governing Board of the
North Central Accountable Community of
Health the _____ day of _____
_____ 2017

KEITH GOEHNER,
CDHD Board of Health Chair

LINDA EVANS PARLETTE,
NCACH Executive Director

ATTEST/AUTHENTICATED:

BARRY KLING, CDHD Administrator