



Northern Inyo County Local Hospital District

Board of Directors Regular Meeting

Wednesday October 21, 2009 5:30pm

*Board Room
Northern Inyo Hospital*

DRAFT AGENDA

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT BOARD OF DIRECTORS MEETING

October 21, 2009 at 5:30 P.M.

In the Board Room at Northern Inyo Hospital

1. Call to Order (at 5:30 P.M.).
2. Opportunity for members of the public to comment on any items on this Agenda.
3. Approval of minutes of the September 23, 2009 regular meeting.
4. Financial and Statistical Reports for the month of August 2009; John Halfen.
5. Administrator's Report; John Halfen.
 - A. Building Update
 1. Turner Construction
 2. Cash Flow
 - B. Security Report
 - C. Birch Street Property
 - D. CHIA Board Meeting
 - E. IT Systems Review
 - F. Next regular meeting
 - F. Other
 1. Bonds update
6. Chief of Staff Report – Charlotte Helvie, M.D..
 - A. Medical Staff appointments and privileging (*action items*):
 1. Thomas Boo, M.D.
 2. Kimberly Joyce Burkholz, M.D.
 3. Karen Stark Caldemeyer, M.D.
 4. Steven Mark Cohen, M.D.
 5. Mark Cameron Davis, M.D.
 6. Charles Stephen Henry, M.D.
 7. Heidi Kristine Henry, M.D.
 8. Susan Amy Klein, M.D.
 9. Leslie Scott Miller, M.D.
 10. Raymond Michael Montecalvo, M.D.
 11. Marc Howard Paul, M.D.
 12. Shailendri Eswar-Rao Philip, M.D.
 13. Richard Lee Toothman, M.D.
 - B. Other
7. Old Business
 - A. Reaffirmation of John Halfen as negotiator regarding potential acquisition of real property at Barlow Lane and Highway 395, Bishop, California. Negotiation will be with the designee(s) of Inyo Mono Title (*action item*).
 - B. Ratify purchase offer on property at Barlow Lane and Highway 395, subsequent to receipt of appraisal report.
 - C. Possible termination of Professional Services Contract (*action item*).

8. New Business
 - A. Fire Department thank you, Ray Seguire.
 - B. Review of financial reports provided for the Board of Directors (*Carrie Petersen*).
 - C. Employee Satisfaction Survey results.
 - D. Turner Logistics transition plan (*action item*).
 - E. Purchase of new shredding machine (*action item*).
 - F. Information Technology data backup purchase; \$75,031.20 (*action item*).
 - G. Information Technology data storage purchase; \$76,721.89 (*action item*).
 - H. Information Technology network switches (*action item*).
 - I. Structural engineering contract with Thorton Tomasetti / Dasse (*action item*).
 - J. Turner Construction change order COR #17, drilled piers (*action item*).
 - K. Turner Construction change order COR #18, pre-action work (*action item*).
 - L. Approval of contract with Mutuhi Mugo, M.D. (*action item*).
9. Reports from Board members on items of interest.
10. Opportunity for members of the public to comment on any items on this Agenda, and/or on any items of interest.
11. Adjournment to closed session to:
 - A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
 - B. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a real property (Government Code Section 54956.8).
 - C. Confer with legal counsel regarding claim filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).
12. Return to open session, and report of any action taken in closed session.
13. Opportunity for members of the public to address the Board of Directors on items of interest.
14. Adjournment.

THIS SHEET

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- CALL TO ORDER The meeting was called to order at 5:37 pm by Peter Watercott, President.
- PRESENT Peter Watercott, President
 John Ungersma, M.D., Vice President
 M.C. Hubbard, Secretary
 Michael Phillips, M.D., Treasurer
 D. Scott Clark, M.D., Director
- ALSO PRESENT John Halfen, Hospital Administrator
 Charlotte Helvie, M.D., Chief of Staff
 Douglas Buchanan, Esq., Hospital District Legal Counsel
 Sandy Blumberg, Administration Secretary
- ALSO PRESENT FOR
RELEVANT PORTION(S) Dianne Shirley, R.N., Performance Improvement Coordinator
- OPPORTUNITY FOR
PUBLIC COMMENT Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
- MINUTES The minutes of the July 15 2009 regular meeting, and the August 27 2009 special meeting were approved
- FISCAL YEAR 2008/2009
AUDITED FINANCIAL
STATEMENT John Halfen, Chief Financial Officer called attention to the audited financial statements for fiscal year 2008/2009. He noted audit adjustments netted a bottom line positive increase of approximately \$400,000, bringing total year-to-date net revenue to \$5,089,125. Following review of the audited statements it was moved by M.C. Hubbard, seconded by John Ungersma, M.D. and passed to approve the financial statements and audit adjustments for fiscal year 2008/2009 as presented.
- FINANCIAL AND
STATISTICAL REPORTS Mr. Halfen also reviewed with the Board the financial and statistical reports for the month of July 2009. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$958,281. Mr. Halfen called attention to the following:
- *Inpatient revenue was slightly under budget, but outpatient revenue was significantly over budget*
 - *Total expenses were over budget*
 - *Salaries & wages were under budget*
 - *Professional Fees expense continues to be over budget*
 - *The Balance Sheet shows no significant change*
 - *Total Assets continue to grow*
 - *Year-To-Date Net Revenue totals \$958,281*
- Mr. Halfen noted accounts receivable are currently under 60 days. He also noted expenses were over budget primarily due to professional fees

expense, and the month of July has started this fiscal year in a significantly profitable way. It was moved by Michael Phillips, M.D., seconded by Doctor Ungersma, and passed to approve the financial and statistical reports for the month of July 2009 as presented.

OPENING REMARKS,
EMPLOYEE
GRIEVANCE

Mr. Watercott asked if anyone present had comments regarding the employee grievance scheduled for discussion during the closed session portion of this meeting. No comments were heard.

CLOSED SESSION

At 5:45 p.m. Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:

- A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
- B. Discuss an employee grievance (Government Code Section 54957).
- C. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a real property (Government Code Section 54956.8).
- D. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a second real property (Government Code Section 54956.8).
- E. Confer with legal counsel regarding an amended claim filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).

RETURN TO OPEN
SESSION AND REPORT
OF ACTION TAKEN

At 7:30 p.m. the meeting was returned to open session. Mr. Watercott reported the Board took action to deny an employee grievance. Mr. Watercott also reported the Board took action to approve a purchase offer on the property at 2957 Birch Street, Bishop, California, subject to receiving the appraisal value of the property and subject to Board approval of the final documents for the sale.

ADMINISTRATOR'S
REPORT

BUILDING UPDATE

Turner Construction Project Manager Kathy Sherry reported drilling of the piers for the foundation of the new hospital building is progressing slower than expected. She noted soil conditions are not as expected following review of original geotechnical reports, and the resulting slowdown has caused the project to be one month behind schedule. Ms. Sherry also noted Turner representatives recently had a very positive meeting with the Office of Statewide Healthcare Planning and Development (OSHPD), and they are doing everything possible to speed up production on Phase II. Re-bidding of some of the subcontracts for the project is expected to provide significant cost savings, and will be completed as of September 30. Ms. Sherry also reported the changeover

to new architects is progressing smoothly, and the peer review portion of the process has already been completed.

Mr. Halfen called attention to the F.Y.I. section of the Administrator's report, which included information on reduction of the hospital's parcel tax receipts; a successful kitchen inspection; and security reports for two months which revealed no significant security issues.

CHIEF OF STAFF
REPORT

Chief of Staff Charlotte Helvie, M.D. called attention to the following policies and procedures recommended for approval by the District Board:

- A. Hospital wide policy and procedure *Photo Documentation Policy*
- B. Rural Health Clinic standardized procedures:
 - 1. *Minor Surgical Procedures*
 - 2. *Laboratory and Diagnostic Testing*

OLD BUSINESS

It was moved by D. Scott Clark, M.D., seconded by Ms. Hubbard, and passed to approve all three policies and procedures as recommended.

REAFFIRMATION OF
NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of two real properties; one located at Barlow Lane and Highway 395 in Bishop, California; and the other located at 2957 Birch Street in Bishop, California. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve both reaffirmations of John Halfen as negotiator as requested.

POSSIBLE
TERMINATION OF A
PROFESSIONAL
SERVICES CONTRACT

Mr. Watcrott reported discussion of the possible termination of a professional services contract will be tabled to the next regular meeting of the District Board.

NEW BUSINESS

PENSION PLAN
AMENDMENTS

Mr. Halfen referred to proposed changes to the Northern Inyo Hospital (NIH) pension plan as recommended by Milliman Corporation. The changes would not affect existing employees but would affect the interest rate for benefit calculations for incoming staff. The hospital's pension fund is extremely healthy at this time, however adjustments are needed to compensate for lower interest rates which have been a reality for the past couple of years. Mr. Halfen noted changes such as lower market rates and higher retirement ages have caused pension adjustments to become necessary, and the suggested changes include a decrease to the maximum payout amount for incoming employees. Mr. Halfen additionally noted the recommended adjustments are in accordance with federal guidelines and should make NIH eligible for government pension fund insurance programs expected to be available in the future. Mr. Halfen additionally stated the proposed changes will also affect employees who choose a lump sum distribution of their plan, and if market conditions improve in the future it is always an option to return to previously established

distribution rates. Following discussion it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the changes to the NIH pension plan as recommended by Milliman Corporation.

COBRA RATE
INCREASES

Mr. Halfen also referred to proposed Cobra rate increases to employee medical, dental, and vision programs, which have been recommended by Pinnacle Claims Management. The suggested changes are considered to be prudent in light of current market conditions, and can be recalculated again in future years if appropriate. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to approve the Cobra rate increases recommended by Pinnacle Claims Management as requested.

SUGGESTED
AMENDMENTS TO
PPAC GUIDELINES

Mr. Halfen also referred to proposed changes to guidelines for the NIH Personnel Payroll Advisory Committee (PPAC). The proposed amendments are the result of a long-overdue review of existing PPAC guidelines, and they provide guidance for the group that provides employee input to management. Following review of the suggested amendments, it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the PPAC guideline amendments as recommended.

ANNUAL APPROVAL
OF POLICY AND
PROCEDURE
MANUALS

Mr. Watercott referred to the following Policy and Procedure manuals which were submitted for the annual review and approval of the District Board:

- | | |
|------------------------|----------------------------|
| 1. Central Supply | 13. Med-Surg Unit |
| 2. Emergency Room | 14. MRI Safety |
| 3. ICU Unit | 15. Nuclear Medicine |
| 4. Infection Control | 16. Nursing Administration |
| 5. Laboratory Manual | 17. OB Unit |
| 6. Language Services | 18. Radiation Safety |
| 7. Outpatient Unit | 19. Respiratory Therapy |
| 8. PACU Unit | 20. Rural Health Clinic |
| 9. Pediatric Unit | 21. Safety |
| 10. Pharmacy | 22. Staff Development |
| 11. Radiology | 23. Surgical Services Unit |
| 12. Mammography & MSQA | |

It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve all of the policy and procedure manuals as requested.

ANNUAL APPROVAL
OF NIH AUXILIARY
BYLAWS

Mr. Watercott called attention to the NIH Auxiliary Bylaws, which were also presented for the annual approval of the District Board. It was moved by Ms. Hubbard, seconded by Doctor Clark, and passed to approve the NIH Auxiliary Bylaws as requested.

RHC PHYSICIAN
AGREEMENTS

Mr. Watercott referred to proposed agreements with Rural Health Clinic (RHC) physicians Thomas Boo, M.D., and Jennifer Scott, M.D.. Doctor Boo is returning to this area and establishing a practice at the RHC, and

Doctor Scott's agreement provides a three-month extension of her existing contract. It was moved by Ms. Hubbard, seconded by Doctor Clark, and passed to approve the agreements with Doctors Scott as Boo as requested, with housekeeping changes being made to the documents.

EQUIPMENT
FINANCING
PROPOSALS

Mr. Halfen referred to equipment financing proposals received from Healthcare Capital Services (HCS); and to District Resolution No. 09-05 and Ordinance 09-01 from Quint & Thimmig LLP for the purchase of Build America Bonds. Mr. Halfen noted the hospitals' previous equipment financing offer was recently withdrawn, and it is his feeling that Build America Bonds are currently the best equipment financing choice for the Hospital. The bonds allow for an approximate 35% rebate of bond interest and are part of the government's economic recovery plan. Following review of both financing proposals it was moved by Ms. Hubbard, seconded by Doctor Clark, and passed to approve District Resolution 09-05 and District Ordinance 09-01 for the purchase of Build America Bonds as presented.

2008/2009 BETA
HEALTHCARE GROUP
AUDIT

Mr. Watcrott referred to an audit of the hospital's comprehensive liability insurance for the period of July 1 2008 to June 30 2009, provided by Beta Healthcare Group. Mr. Halfen noted the audit results in no significant changes being made to the Hospital's policy, and in no increase being made to the annual premium. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the Beta Healthcare liability insurance audit as presented.

BLOOD GAS
ANALYZER PURCHASE

Leo Freis, Compliance and Administration Support Services referred to a proposal to purchase a new blood gas analyzer for the Hospital Laboratory, at a cost of \$14,738. The hospital's current analyzer is not the best technology available, and replacing it would allow significant time savings and more efficient testing. It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the purchase of a new blood gas analyzer as requested.

APPROVAL OF 457-B
PLAN CHANGES

Mr. Halfen called attention to proposed changes to the Hospital's 457(B) plan for voluntary supplemental pension plan insurance. The proposed updates to the plan have no real impact on the value of the plan, and are mostly housekeeping in nature and recommended by law. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve the changes to the District's 457(B) plan as recommended by Lincoln Financial Group.

BUILDING PROJECT
CHANGE ORDER,
ADDENDUM #5

Turner Construction project manager Kathy Sherry called attention to Change Order Request COR-012, addendum #5 to Phase II of the hospital rebuild project. The change order, which totals \$559,483.17, is for electrical upgrades, and for changes to plans for structural concrete and structural steel. It is essentially the result of OSHPSD recommendations

regarding the design plan for the new building. Following review of the changes needed it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve Turner Change Order Request Number COR-012 as requested

BOARD MEMBER
REPORTS

Doctor Ungersma reported on the current status of Senate Bill (SB) 726, which would allow California Healthcare Districts to employ physicians. The Bill has recently received a tremendous amount of positive press, and it appears that its successful passage is becoming more of a possibility.

OPPORTUNITY FOR
PUBLIC COMMENT

In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda or on any items of interest. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 8:29 p.m..

Peter Watercott, President

Attest:

M.C. Hubbard, Secretary

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BUDGET VARIANCE ANALYSIS

Aug-09 PERIOD ENDING After Audit

In the month, NIH was

-7% under budget in IP days;
(-0.17%) under in IP Ancillary Revenue and
(-1.4%) under in OP Revenue resulting in
\$ (530,027) (-7.4%) under in gross patient revenue from budget &
\$ 23,517 (0.5%) under in net patient revenue from budget

Total Expenses were:

\$ 254,828 (6.1%) over budget. Wages and Salaries were
\$ (34,317) (-2.3%) under budget and Employee Benefits
\$ 201,504 (21.9%) over budget.
\$ 54,872 of other income resulted in a net gain of
\$ 20,119 \$ (250,768) under budget.

The following expense areas were over budget for the month:

\$ 201,504 22% Employee Benefits
\$ 97,469 29% Professional Fees; registry staff & Physicians
\$ 71,364 49% Bad Debt

Other Information:

38.32% Contractual Percentages for month
38.60% Contractual Percentages for Year

\$ 978,400 Year-to-date Net Revenue

Special Notes:

Radiology Professional Fee Revenue and Expense were not budgeted.

NORTHERN INYO HOSPITAL

Balance Sheet

August 31, 2009

Assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2009</u>
Current assets:			
Cash and cash equivalents	1,443,135	477,691	881,651
Short-term investments	29,515,509	30,022,006	29,519,296
Assets limited as to use	579,080	748,026	738,740
Plant Expansion and Replacement Cash	8,973,876	9,719,648	10,439,607
Other Investments (Partnership)	961,824	961,824	961,824
Patient receivable, less allowance for doubtful accounts \$467,548	8,224,988	8,164,224	7,591,694
Other receivables (Includes GE Financing Funds)	1,126,201	995,662	867,584
Inventories	2,477,005	2,465,680	2,456,265
Prepaid expenses	1,279,597	1,211,951	1,057,280
Total current assets	54,581,215	54,766,711	54,513,940
Assets limited as to use:			
Internally designated for capital acquisitions	658,077	657,987	657,814
Specific purpose assets	595,614	595,661	564,033
	1,253,691	1,253,648	1,221,847
Revenue bond construction funds held by trustee	883,487	836,048	788,610
Less amounts required to meet current obligations	579,080	748,026	738,740
Net Assets limited as to use:	1,558,098	1,341,670	1,271,716
Long-term investments	100,000	100,000	100,000
Property and equipment, net of accumulated depreciation and amortization	36,345,550	35,897,923	35,316,271
Unamortized bond costs	682,733	685,349	687,964
Total assets	93,267,596	92,791,653	91,889,892

NORTHERN INYO HOSPITAL

Balance Sheet

August 31, 2009

Liabilities and net assets

	<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2009</u>
Current liabilities:			
Current maturities of long-term debt	963,196	1,022,271	1,103,540
Accounts payable	783,263	649,762	1,523,288
Accrued salaries, wages and benefits	3,346,492	3,044,641	2,807,675
Accrued interest and sales tax	488,040	364,712	247,663
Deferred income	486,101	529,813	48,991
Due to third-party payors	2,957,806	2,954,075	2,940,964
Due to specific purpose funds	-	-	-
Total current liabilities	<u>9,024,898</u>	<u>8,565,274</u>	<u>8,672,120</u>
Long-term debt, less current maturities	38,609,004	38,609,004	38,624,386
Bond Premium	1,472,901	1,477,244	1,481,587
Total long-term debt	<u>40,081,905</u>	<u>40,086,248</u>	<u>40,105,973</u>
Net assets:			
Unrestricted	43,565,179	43,544,470	42,547,767
Temporarily restricted	595,614	595,661	564,033
Total net assets	<u>44,160,793</u>	<u>44,140,131</u>	<u>43,111,799</u>
 Total liabilities and net assets	 <u>93,267,596</u>	 <u>92,791,653</u>	 <u>91,889,892</u>

NORTHERN INYO HOSPITAL

Statement of Operations

As of August 31, 2009

	MTD	MTD	MTD	MTD		YTD	YTD	YTD	YTD	
	Actual	Budget	Variance \$	Variance %	YTD Actual	Budget	Variance \$	Variance %	Prior YTD	
Unrestricted revenues, gains and other support:										
In-patient service revenue:										
Routine	553,622	658,288	(104,666)	(15.9)	1,221,596	1,316,562	(94,966)	(7.2)	7,248,013	
Ancillary	1,751,821	2,114,613	(362,792)	(17.2)	3,840,035	4,229,132	(389,097)	(9.2)	22,518,889	
Total in-patient service revenue	2,305,443	2,772,901	(467,458)	(0.17)	5,061,631	5,545,694	(484,063)	-8.7%	29,766,902	
Out-patient service revenue	4,332,371	4,394,940	(62,569)	(1.4)	9,849,211	8,789,757	1,059,454	12.1	50,635,559	
Gross patient service revenue	6,637,814	7,167,841	(530,027)	(7.40)	14,910,842	14,335,451	575,391	4.0	80,402,461	
Less deductions from patient service revenue:										
Patient service revenue adjustments	181,035	233,204	52,169	22.4	355,187	466,402	111,215	23.9	2,398,344	
Contractual adjustments	2,147,050	2,688,601	541,551	20.1	5,121,661	5,377,199	255,538	4.8	29,941,584	
Prior Period Adjustments	(1,489)	(41,666)	(40,177)	100.0	(1,489)	(83,333)	(81,844)	100.0	(1,635,264)	
Total deductions from patient service revenue	2,326,595	2,880,139	553,544	19.2	5,475,358	5,760,268	284,910	5.0	30,704,665	
Net patient service revenue	4,311,219	4,287,702	23,517	1%	9,435,484	8,575,183	860,301	10%	49,697,796	
Other revenue	24,656	40,130	(15,474)	(38.6)	63,128	80,247	(17,119)	(21.3)	428,093	
Transfers from Restricted Funds for Other Operating Expenses	64,666	64,666	-	-	129,332	129,332	-	0.0	857,543	
Total Other revenue	89,322	104,796	(15,474)	(14.8)	192,460	209,579	(17,119)	(8.2)	1,285,636	
Total revenue, gains and other support	4,400,541	4,392,498	8,043	(14.8)	9,627,944	8,784,762	843,182	(8.1)	50,983,432	
Expenses:										
Salaries and wages	1,472,107	1,506,424	34,317	2.3	2,962,871	3,012,818	49,947	1.7	16,914,904	
Employee benefits	1,119,860	918,356	(201,504)	(21.9)	2,093,657	1,836,685	(256,972)	(14.0)	9,962,751	
Professional fees	436,705	339,236	(97,469)	(28.7)	919,897	678,467	(241,430)	(35.6)	4,714,234	
Supplies	452,637	507,122	54,485	10.7	1,032,608	1,014,216	(18,392)	(1.8)	5,508,451	
Purchased services	210,432	223,280	12,848	5.8	401,023	446,538	45,515	10.2	2,599,428	
Depreciation	221,931	230,400	8,469	3.7	443,651	460,799	17,148	3.7	2,646,680	
Interest	109,870	105,660	(4,210)	(4.0)	214,632	211,318	(3,314)	(1.6)	1,321,609	
Bad debts	216,871	145,507	(71,364)	(49.1)	280,503	291,014	10,511	3.6	1,622,261	
Other	194,881	204,481	9,600	4.7	486,096	408,932	(77,164)	(18.9)	2,371,646	
Total expenses	4,435,294	4,180,466	(254,828)	(6.1)	8,834,939	8,360,787	(474,152)	(5.7)	47,661,964	
Operating income (loss)	(34,752)	212,032	(246,784)	(8.7)	793,006	423,975	369,031	(2.4)	3,321,467	
Other income:										
District tax receipts	43,711	47,650	(3,939)	(8.3)	87,422	95,300	(7,878)	(8.3)	571,808	
Interest	41,962	43,339	(1,377)	(3.2)	99,986	86,677	13,309	15.4	987,092	
Other	4,315	-	4,315	N/A	4,415	-	4,415	N/A	53,138	
Grants and Other Non-Restricted Contributions	8,973	1,224	7,749	633.1	35,193	2,448	32,745	1,337.6	118,098	
Partnership Investment Income	-	-	-	N/A	-	-	-	-	51,855	
Net Medical Office Activity	(44,090)	(33,358)	(10,732)	(6.8)	(41,622)	(66,705)	25,083	37.6	(52,424)	
Total other income, net	54,872	58,855	(3,983)	(7)	185,394	117,720	67,674	57.5	1,729,568	
Excess (deficiency) of revenues over expenses	20,119	270,887	(250,768)	(93)	978,400	541,695	436,705	81	5,051,035	

NORTHERN INYO HOSPITAL

Statement of Operations--Statistics

As of August 31, 2009

	Month Actual	Month		Variance		YTD Actual	YTD Budget	Year	
		Month Budget	Variance	Percentage	Variance			Percentage	
Operating statistics:									
Beds	25	25	N/A	N/A	0.93	25	25	N/A	N/A
Patient days	247	265	(18)		0.93	515	530	(15)	0.97
Maximum days per bed capacity	775	775	N/A	N/A	0.93	1,550	1,550	N/A	N/A
Percentage of occupancy	31.87	34.19	(2.32)		0.93	33.23	34.19	(0.96)	0.97
Average daily census	7.97	8.55	(0.58)		0.93	8.31	8.55	(0.24)	0.97
Average length of stay	2.87	3.01	(0.14)		0.95	2.98	3.01	(0.03)	0.99
Discharges	86	88	(2)		0.98	173	176	(3)	1
Admissions	88	88	-		1.00	175	175	-	1
Gross profit-revenue depts.	4,091,753	4,741,661	(649,908)		0.86	9,823,349	9,483,159	340,190	1.04

Percent to gross patient service revenue:

Deductions from patient service revenue and bad debts	38.32	42.21	(3.89)		0.91	38.60	42.21	(3.61)	0.91
Salaries and employee benefits	38.76	33.81	4.95		1.15	33.65	33.81	(0.16)	1.00
Occupancy expenses	5.48	5.10	0.38		1.07	5.02	5.10	(0.08)	0.98
General service departments	6.55	5.90	0.65		1.11	5.86	5.90	(0.04)	0.99
Fiscal services department	5.61	5.13	0.48		1.09	4.92	5.13	(0.21)	0.96
Administrative departments	5.46	5.23	0.23		1.04	5.20	5.23	(0.03)	0.99
Operating income (loss)	(2.14)	1.41	(3.55)		(1.52)	3.99	1.41	2.58	2.83
Excess (deficiency) of revenues over expenses	0.30	3.78	(3.48)		0.08	6.56	3.78	2.78	1.74

Payroll statistics:

Average hourly rate (salaries and benefits)	44.77	44.47	0.29		1.01	43.51	44.47	(0.97)	0.98
Worked hours	48,748.59	46,869.00	1,879.59		1.04	98,717.23	93,711.00	5,006.23	1.05
Paid hours	57,464.71	54,496.00	2,968.71		1.05	115,326.24	108,992.00	6,334.24	1.06
Full time equivalents (worked)	276.98	269.36	7.62		1.03	280.45	270.06	10.39	1.04
Full time equivalents (paid)	326.50	313.20	13.31		1.04	327.63	314.10	13.53	1.04

NORTHERN INYO HOSPITAL

Statements of Cash Flows

As of August 31, 2009

	<u>Month-to-date</u>	<u>Year-to-date</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	20,709.01	1,049,041.21
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: (correcting fund deposit)		
Depreciation	221,931.03	443,651.16
Provision for bad debts	216,871.42	280,502.73
Loss (gain) on disposal of equipment	4,195.15	4,195.15
(Increase) decrease in:		
Patient and other receivables	(408,174.90)	(1,172,414.32)
Other current assets	(78,971.31)	(243,057.57)
Plant Expansion and Replacement Cash	745,771.73	1,465,730.56
Increase (decrease) in:		
Accounts payable and accrued expenses	514,968.02	476,280.70
Third-party payors	3,731.00	16,842.00
Net cash provided (used) by operating activities	<u>1,241,031.15</u>	<u>2,320,771.62</u>
Cash flows from investing activities:		
Purchase of property and equipment	(669,558.86)	(1,472,930.76)
Purchase of investments	506,497.12	3,787.56
Proceeds from disposal of equipment	(4,195.15)	(4,195.15)
Net cash provided (used) in investing activities	<u>(167,256.89)</u>	<u>(1,473,338.35)</u>
Cash flows from financing activities:		
Long-term debt	(63,417.83)	(164,411.91)
Issuance of revenue bonds	(47,438.75)	(94,877.50)
Unamortized bond costs	2,615.43	5,230.86
Increase (decrease) in donor-restricted funds, net	(89.77)	(31,891.41)
Net cash provided by (used in) financing activities	<u>(108,330.92)</u>	<u>(285,949.96)</u>
Increase (decrease) in cash and cash equivalents	965,443.34	561,483.31
Cash and cash equivalents, beginning of period	<u>477,691.38</u>	<u>881,651.41</u>
Cash and cash equivalents, end of period	<u>1,443,134.72</u>	<u>1,443,134.72</u>

Northern Inyo Hospital
Summary of Cash and Investment Balances
Calendar Year 2009

Month	Operations Checking Account				Time Deposit Month-End Balances								
	Balance at Beginning of Month	Deposits	Disbursements	Balance at End of Month	Investment Operations Fund	Bond and Interest Fund (2)	Equipment Donations Fund	Childrens Fund	Scholarship Fund	Tobacco Settlement Fund	Total Revenue Bond Fund (1)	Project Revenue Bond Fund (1)	General Obligation Bond Fund
January	910,403	3,465,150	3,801,871	573,681	25,688,066	557,358	26,212	3,137	8,014	521,838	729,992	18,350	974
February	573,681	5,073,277	4,962,667	684,291	25,701,675	557,358	26,212	3,137	8,014	521,965	759,081	-	-
March	684,291	6,979,617	5,689,346	1,974,563	23,604,971	557,497	26,218	3,138	8,016	530,337	806,520	-	-
April	1,974,563	9,529,952	9,189,387	2,315,128	24,919,927	167,252	26,218	3,138	8,016	630,495	853,958	-	14,464,947
May	2,315,128	3,264,722	4,556,036	1,023,814	28,168,905	552,617	26,218	3,138	8,016	631,411	934,534	-	11,007,929
June	1,023,814	3,947,195	3,990,630	980,379	29,618,958	552,753	26,225	3,184	8,018	631,589	788,610	-	10,122,651
July	980,379	7,052,713	7,416,364	616,727	30,121,668	574,431	26,225	2,639	18,468	631,762	836,048	-	9,398,497
August	616,727	6,367,182	5,462,850	1,521,059	29,615,171	574,431	26,225	2,639	18,468	631,852	883,487	-	8,652,655
Prior Year													
September	308,005	6,941,975	5,021,257	2,228,723	23,464,535	539,363	25,805	3,037	8,963	533,463	913,829	18,335	488,249
October	2,228,723	3,669,458	5,409,330	488,851	24,438,919	72,065	25,805	3,037	8,963	521,427	957,490	18,349	490,613
November	488,851	3,294,047	3,600,921	181,977	24,595,851	89,165	25,805	3,037	8,963	521,554	1,000,949	18,350	491,657
December	181,977	4,947,737	4,219,311	910,403	24,670,653	557,358	26,222	3,037	8,014	521,703	682,553	18,350	882

Notes: (1) The difference between the Total and Project Revenue Bond Funds represents amounts held by the trustee to make payments on the District's behalf and about \$575,000 to cover the Bond Reserve Account Requirement with respect to the Series 1998 Bonds. The Project is exhausted.

(2) The Bond and Interest Fund now contains the Debt Service amount from the County for both the original Bond and the 2005 Bond.

Investments as of 08/31/2009

Institution	Certificate ID	Purchase Dt	Maturity Dt	Principal	YTM	Broker
L-AIF (Walker Fund)	20-14-002 Walker	02-Aug-09	01-Sep-09	\$316,290.00	0.93%	Northern Inyo Hospital
Union Bank-Money Market	2740028807	31-Aug-09	01-Sep-09	\$21,097,047.00	0.13%	Union Bank
Financial Northeastern	130-18319 039	24-Aug-09	15-Sep-09	\$250,000.00	0.50%	Financial Northeastern Corp.
Amboy Bank	023305CF0	10-Oct-08	09-Oct-09	\$250,000.00	3.75%	Financial Northeastern Corp.
Comerica Bank	200339CT4	15-Oct-08	15-Oct-09	\$250,000.00	3.65%	Financial Northeastern Corp.
Morgan Stanley Bank	61747MPB1	15-Oct-08	15-Oct-09	\$250,000.00	3.65%	Financial Northeastern Corp.
Bank of Michigan	06424TCW9	17-Oct-08	16-Oct-09	\$250,000.00	3.60%	Financial Northeastern Corp.
Firsbank of Puerto Rico	337629B32	17-Oct-08	16-Oct-09	\$250,000.00	3.70%	Financial Northeastern Corp.
GMAC Bank	36185AXP8	17-Oct-08	16-Oct-09	\$250,000.00	3.65%	Financial Northeastern Corp.
Westernbank Puerto Rico	95989QKL0	16-Oct-08	16-Oct-09	\$250,000.00	3.75%	Financial Northeastern Corp.
Citigroup Med Term Note	12560PCL3	21-Sep-07	01-Nov-09	\$702,986.88	6.88%	Multi-Bank Service
Federal Home Loan Mtg Corp-MBS	31282VBY0	02-Aug-09	01-Nov-09	\$45,021.82	4.50%	Multi-Bank Service
Bear Stearns Co Note	073902BR8	22-Feb-08	07-Dec-09	\$933,927.36	4.58%	Multi-Bank Service
1st Financial Bank USA (FNC CD)	5X42582	12-Dec-08	12-Dec-09	\$249,000.00	3.55%	Financial Northeastern Corp.
Discover Bank (FNC CD)	5x42584	12-Dec-08	12-Dec-09	\$250,000.00	3.15%	Financial Northeastern Corp.
M&T Bank N.A. (FNC CD)	5X42577	12-Dec-08	12-Dec-09	\$250,000.00	3.15%	Financial Northeastern Corp.
World Savings Bank Note	98151GAA3	18-Aug-08	15-Dec-09	\$492,950.00	5.24%	Multi-Bank Service
Capital City Bank and Trust	9N01713	30-Dec-04	30-Dec-09	\$99,000.00	4.75%	Financial Northeastern Corp.
Gulf Cost Community Bank IFNC CD)	5X42841	05-Jan-09	05-Jan-10	\$99,000.00	2.64%	Financial Northeastern Corp.
Berkshire Hathaway Fin Corp GRD Sr Note	084664AR2	11-Dec-08	15-Jan-10	\$203,510.00	2.49%	Multi-Bank Service
Citigroup Inc	172967CU3	11-Dec-08	22-Feb-10	\$97,308.00	6.49%	Multi-Bank Service
Schwab Medium Term Note	80851QCX0	25-Jul-08	01-Mar-10	\$528,440.00	4.33%	Multi-Bank Service
Greater Bay Bancorp Sr Note	391648AT9	11-Dec-08	15-Apr-10	\$101,688.00	3.82%	Multi-Bank Service
Bank of Waukegan	065563AR9	22-Apr-05	22-Apr-10	\$99,000.00	4.75%	Financial Northeastern Corp.
Toyota Motor Credit Corp Note	829233PV60	11-Dec-08	28-Apr-10	\$200,164.00	2.79%	Multi-Bank Service
American General Finance Corp Note	02635PSV6	24-Apr-08	15-May-10	\$503,905.00	4.47%	Multi-Bank Service
Worlds Foremost Bank (FNC CD)	5X42688	18-Dec-08	18-Dec-10	\$100,000.00	4.40%	Financial Northeastern Corp.
National Rural Utilites Corporate Bond	63743FLH7	13-Aug-09	15-Aug-11	\$250,000.00	2.35%	Financial Northeastern Corp.
United States Treasury Note	912828LK4	31-Aug-09	31-Aug-14	\$995,932.50	2.46%	Financial Northeastern Corp.
Total Investments				\$29,615,170.56		

Financial Indicators

	Target	Jul-09	Jul-09	Jul-09	Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08
Current Ratio	>1.5-2.0	6.05	6.39	6.29	6.56	7.53	4.20	4.09	3.89	4.13	3.92	3.90	3.90	3.31
Quick Ratio	>1.33-1.5	5.51	5.85	5.78	6.04	6.96	3.74	3.66	3.50	3.69	3.47	3.44	3.44	2.89
Days Cash on Hand	>75	344.81	349.84	388.66	289.03	337.98	227.43	222.55	230.22	223.53	223.62	218.15	218.15	229.56

NORTHERN INYO HOSPITAL
DEPARTMENTAL NON-EMERGENCY OUTPATIENT VISITS

MONTHS 2009	DIAGNOSTIC RADIOLOGY		MAMMOGRAPHY		NUCLEAR MEDICINE		ULTRASOUND		CT SCANNING		MRI		LABORATORY		EKG/EEG		PHYSICAL THERAPY		RESPIRATORY THERAPY		RURAL HEALTH CLINIC		TOTALS	
	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09	07 / 08 / 09
JANUARY	308 / 544 / 606	198 / 193 / 434	36 / 71 / 96	166 / 205 / 206	112 / 170 / 165	88 / 89 / 470	1621 / 1809 / 1635	139 / 103 / 120	335 / 335 / 363	19 / 10 / 10	941 / 1057 / 1457	3961 / 4586 / 5562												
FEBRUARY	263 / 593 / 477	194 / 193 / 182	38 / 63 / 51	157 / 205 / 195	102 / 217 / 153	71 / 85 / 435	1662 / 1744 / 1643	84 / 113 / 116	302 / 364 / 314	19 / 11 / 10	965 / 1150 / 1374	3857 / 4738 / 4950												
MARCH	269 / 529 / 581	122 / 311 / 261	29 / 133 / 1	144 / 223 / 201	95 / 233 / 152	76 / 403 / 472	1734 / 1774 / 1904	100 / 149 / 121	340 / 346 / 428	16 / 12 / 13	1095 / 1211 / 1477	4020 / 5324 / 5611												
APRIL	288 / 697 / 600	246 / 199 / 378	46 / 183 / 68	139 / 196 / 198	123 / 264 / 161	105 / 453 / 483	1787 / 1984 / 1824	85 / 121 / 108	300 / 410 / 380	14 / 14 / 16	883 / 1318 / 1423	3966 / 5639 / 5639												
MAY	282 / 613 / 680	230 / 479 / 391	85 / 167 / 87	150 / 213 / 187	131 / 230 / 131	100 / 424 / 656	1743 / 1758 / 1811	112 / 137 / 103	295 / 349 / 354	18 / 9 / 12	1007 / 1308 / 1373	4133 / 5687 / 5755												
JUNE	264 / 616 / 594	243 / 488 / 465	37 / 118 / 37	149 / 186 / 224	128 / 156 / 150	101 / 542 / 461	2203 / 1752 / 1881	90 / 123 / 120	260 / 314 / 388	7 / 19 / 19	864 / 1247 / 1387	4346 / 5559 / 5716												
JULY	275 / 604 / 610	192 / 477 / 444	46 / 71 / 84	155 / 196 / 210	109 / 157 / 179	113 / 443 / 505	1618 / 1716 / 1805	94 / 142 / 102	276 / 357 / 328	17 / 15 / 11	887 / 1190 / 1116	3782 / 5368 / 5394												
AUGUST	256 / 561 / 528	256 / 402 / 398	59 / 86 / 73	149 / 190 / 193	126 / 150 / 165	130 / 542 / 392	1850 / 1647 / 1779	115 / 145 / 103	289 / 325 / 386	17 / 11 / 12	1064 / 1294 / 1071	4311 / 5353 / 5100												
SEPTEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
OCTOBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
NOVEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
DECEMBER	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /	/ / /												
CALENDAR	2155 / 4757 / 4646	1681 / 2740 / 2943	376 / 892 / 497	1209 / 1614 / 1614	926 / 1577 / 1256	782 / 2981 / 3874	14188 / 14184 / 14282	819 / 1033 / 893	2397 / 2800 / 2941	127 / 101 / 103	7706 / 9775 / 10678	32376 / 42454 / 43727												
MONTHLY AVERAGES	269 / 595 / 581	210 / 343 / 368	47 / 112 / 62	151 / 202 / 202	116 / 197 / 157	98 / 373 / 484	1775 / 1773 / 1785	102 / 129 / 112	300 / 350 / 368	16 / 13 / 13	963 / 1222 / 1335	4047 / 5307 / 5466												

*Radiology has changed their methodology for capturing statistics and feel these are more accurate. They are much higher than previously reported.

Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2010
As of August 31, 2009

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
FY 2008-09	Coagulation Analyzer	25,000
	Zeiss Ophthalmic Argon Laser	39,840
	AMOUNT APPROVED BY THE BOARD IN PRIOR FISCAL YEARS TO BE EXPENDED IN THE CURRENT FISCAL YEAR	64,840
FY 2009-10	STAT Centrifuge	3,317
	QuickThaw Plasma Thawing System	5,736 *
	AMOUNT APPROVED BY THE BOARD IN THE CURRENT FISCAL YEAR TO BE EXPENDED IN THE CURRENT FISCAL YEAR	9,052
	Amount Approved by the Board in Prior Fiscal Years to be Expended in the Current Fiscal Year	64,840
	Amount Approved by the Board in the Current Fiscal Year to be Expended in the Current Fiscal Year	9,052
	Year-to-Date Board-Approved Amount to be Expended	68,157
	Year-to-Date Administrator-Approved Amount	61,947 *
	Actually Expended in Current Fiscal Year	5,736 *
	Year-to-Date Completed Building Project Expenditures	0 *
	TOTAL FUNDS APPROVED TO BE EXPENDED	135,840
	Total-to-Date Spent on Incomplete Board Approved Expenditures	0
 Reconciling Totals:		
	Actually Capitalized in the Current Fiscal Year Total-to-Date	67,683
	Plus: Lease Payments from a Previous Period	0
	Less: Lease Payments Due in the Future	0
	Less: Funds Expended in a Previous Period	0
	Plus: Other Approved Expenditures	68,157
	ACTUAL FUNDS APPROVED IN THE CURRENT FISCAL YEAR TOTAL-TO-DATE	135,840

**Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2010
As of August 31, 2009**

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
	Donations by Auxiliary	0
	Donations by Hospice of the Owens Valley	0
	+Tobacco Funds Used for Purchase	0
		<u>0</u>
		<u><u>0</u></u>

*Completed Purchase

(Note: The budgeted amount for capital expenditures for the fiscal year ending June 30, 2006, is \$3,600,000 coming from existing hospital funds.)

**Completed in prior fiscal year

**Northern Inyo Hospital
 Monthly Report of Capital Expenditures
 Fiscal Year Ending JUNE 30, 2010
 As of August 31, 2009**

MONTH APPROVED BY BOARD	DESCRIPTION OF APPROVED CAPITAL EXPENDITURES	AMOUNT
Board Approved Construction and Remodel amounts to be Reimburse from Revenue Bonds:		
FY 1996-97	Central Plant and Emergency Power Generator	3,000,884 **
FY 1997-98	Administration/Office Building (Includes Furniture and Landscaping)	1,617,772 **
FY 2000-01	New Water Line Construction	89,962 **
FY 2001-02	Siemens ICU Patient Monitoring Equipment	170,245 **
	Central Plant and Emergency Power Generator OSHPD Fee	18464.5 **
FY 2003-04	Emergency Room Remodel (Included in New Building & Remodel)	0
FY 2004-05	Emergency Room Remodel (add to \$500,000) (In New Building & Remodel)	0
FY 2005-06	Hospital Building and Remodel see revisions below	39,500,000
FY 2005-06	Construction Cost Overrun Approval	15,250,000
FY 2008-09	Phase II-Bid 1 (Bid Approvals-part of above original numbers)	17,580,971
Total-To-Date Board Approved Construction Amounts to be reimbursed from Revenue Bonds & General Obligation Bond		<u><u>59,647,328</u></u>
Total-To-Date Spent on Construction In Progress from Rev Bonds for Incomplete Projects (Includes Architect Fees for Future Phases)		

*Completed Purchase

**Northern Inyo Hospital
Monthly Report of Capital Expenditures
Fiscal Year Ending JUNE 30, 2010
As of August 31, 2009**

Administrator-Approved Item(s)	Department	Amount	Month Total	Grand Total
ROOF REPAIR TO PI TRAILER	MAINTENANCE	2,952		
MHz MATRIX ARRAY LINEAR TRANSDUCER	ULTRASOUND	7,243		
iR C3080i Printer	PURCHASING	8,907		
MONTH ENDING AUGUST 31, 2009			19,101	61,947

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NORTHERN INYO HOSPITAL
SECURITY REPORT
08/26/09 THRU 09/22/09

FACILITY SECURITY

Access security during this period revealed 6 occasions of open or unsecured exterior doors being identified during those hours when doors were to be locked or secure. 10 interior doors were found unsecured during this period.

HUMAN SECURITY

NIH Security provided Law Enforcement standby in 11 instances during this period. One instance required physical force and restraint, as the patient was combative during an in-custody medical clearance. 4 instances were for lab BAC's, one of which was a forced draw of an uncooperative arrestee. All instances were handled without further incidence.

Security standby was provided in one instance of a suspected 5150 patient.

Several instances of combative or threatening patients were handled.

In one case an intoxicated, male, juvenile, patient became combative in ICU and was restrained.

Another case resulted in an intoxicated, male, patient running from the ER and engaging in a physical fight with a family member in the parking lot. The subject fled westbound on foot. Law Enforcement was called and responded in an attempt to locate the individual. The patient did not return to the ER.

In the third instance, an ER patient became angered over a procedural matter and among other things voiced threats to burn down the hospital. Law Enforcement was called and the subject was contacted and interviewed by Bishop Police personnel. The subject denied the allegation of making threats. Surgery was scheduled for this patient the following morning and as a result Security Staff remained on-duty until it was determined that the patient was not a threat.

In an ongoing matter regarding that of a problem visitor, several strategies have been employed over several months to gain cooperation from this individual. Much of the problem has to do with this subject stealing food and beverage, often times on a daily basis. The primary problem continued into this month with the individual altering his approach to avoid Security Staff.

When approached by Hospital Staff and or Security Personnel, the subject is often hostile and somewhat aggressive in tone.

On September 18th, Bishop Police made contact with this subject at the request of Security. This individual was advised that his presence on Campus, without his or a family members legitimate medical need, would be considered trespass, and as such, subject him to a potential arrest for Criminal Trespass.

Department Heads and Staff Supervisors have been briefed through e-mail and Security Staff will continue to monitor this situation closely.

Security is asking that the Bishop Police Department be called during those hours when Security Staff is off-duty, in the event that this subject is on Campus, without a medical necessity of his own or that of a family member.

As of the date of this report there have been no further reports of this subject on Campus.

Security Staff provided patient assists on 29 occasions during this period. Most of these instances were directing patients to the ER for treatment.

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NORTHERN INYO HOSPITAL
Northern Inyo County Local Hospital District
Medical Staff Office

150 Pioneer Lane
Bishop, California 93514
(760) 873-2136 voice
(760) 872-5836 fax

TO: Board of Directors
Northern Inyo County Local Hospital District

FROM: Charlotte Helvie, MD, Chief of Staff
Northern Inyo Hospital Medical Staff

DATE: October 7, 2009

RE: Medical Executive Committee report

The Medical Executive Committee met on October 6, 2009.

Following careful review and consideration, the Committee agreed to recommend to the Hospital District Board of Directors approval of the following:

1. Appointment of Thomas J. Boo, M.D., certified by the American Board of Family Medicine, to the Provisional Active Medical Staff with requested privileges commensurate with his family medicine practice at the Northern Inyo Hospital Rural Health Clinic and temporary privileges effective immediately;
2. Appointment of Virtual Radiologic radiologists Kimberly Joyce Burkholz, MD, Karen Stark Caldemeyer, MD, Steven Mark Cohen, MD, Mark Cameron Davis, MD, Charles Stephen Henry, MD, Heidi Kristine Henry, MD, Susan Amy Klein, MD, Leslie Scott Miller, MD, Raymond Michael Montecalvo, MD, Marc Howard Paul, MD, Shailendri Eswar-Rao Philip, MD, and Richard Lee Toothman, MD., who currently are temporarily privileged to provide teleradiology services at NIH, to the Provisional Consulting Staff with requested privileges in radiology.

Charlotte Helvie, MD, Chief of Staff

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Survey of Employee Satisfaction

Northern Inyo Hospital

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Welcome:

Thank you for participating in the BLR/HRDailyAdvisor 2009 Employee Attitude survey.

This report contains data supplied by over 500 employers, covering 30,000 employees, over the course of the last two years. It reports four major organizational factors: Teamwork, Communications, Our Organization, and Personal Development. Employees are asked how well the employer is doing (Performance) and how important the factor is to the employee (importance). Performance is then divided by importance, and an index then gives the overall "Satisfaction index."

Because we now have two years of data, and hundreds of employers, the survey shows how you compare against similar employers, and how you compare against yourself in the prior year (if you participated last year.)

The basic report is free to all participating employers. It includes performance, importance, and index results for all questions; year-to-year comparisons, and employer-to-overall comparisons; and employee comments.

The premium report data includes much greater detail, as well as each employer's base data (with demographic details stripped out to preserve confidentiality). To purchase the premium report (\$449), click on the link below or call 800 7ask blr.

Report Sections

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[Teamwork Section](#)

[Communications](#)

[Our Organization](#)

[Personal Development](#)

Use links at top of sheet to navigate to these sections

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Overall Summary

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Importance***

[Summary](#) [Premium](#)
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Percentiles

[Premium](#)

Teamwork

Satisfaction index
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Performance

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Importance

[Summary](#) [Premium](#)
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Comments

[Basic](#)

Communication

Satisfaction index
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[Year to year](#) [Premium](#)

Performance

[Summary](#) [Premium](#)
[Details](#) [Premium](#)
[Year to year](#) [Premium](#)

Importance

[Premium](#)

Summary

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Comments

[Basic](#)

Our Organization

Satisfaction index
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[Details](#) [Premium](#)
[Year to year](#) [Premium](#)

Performance

[Summary](#) [Premium](#)
[Details](#) [Premium](#)
[Year to year](#) [Premium](#)

Importance

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Summary

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Personal Development

Satisfaction index
[Summary](#) [Premium](#)
[Details](#) [Premium](#)
[Year to year](#) [Premium](#)

Performance

[Summary](#) [Premium](#)
[Details](#) [Premium](#)
[Year to year](#) [Premium](#)

Importance

[Premium](#)

Summary

[Premium](#)

Comments

[Basic](#)

* Satisfaction index is performance divided by importance.

**Performance is "how well are we doing."

***Importance is "how much does this matter to me."

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Scroll down to see Summary of Results

Highest / Lowest Ranked Questions

By Years of employment

By Department / Job Function

Year to year comparisons

Change assessment criteria

Assessment key
Strength
Opportunity
Weakness

Executive Summary

Satisfaction index	Year		Variance
	Prior	Current	
Teamwork	0.78	0.76	0.02
Communication	0.82	0.80	0.02
Our Organization	0.80	0.79	0.01
Personal development	0.79	129	1
Overall	1	1	0
# Employees			
# Employers			

Assessment:

No prior year to compare against

Percentile (year over year)	Year	
	Prior	Current
Teamwork	18	42
Communication	37	28
Our Organization	28	28
Personal development	28	28
Overall		

Assessment:

Northern Inyo Hospital did not participate last year

Satisfaction Index* (vs. other employers)	Northern Inyo Hospital		Variance
	All	From er	
Teamwork	0.78	0.76	0.02
Communication	0.82	0.80	0.02
Our Organization	0.80	0.79	0.01
Personal development	0.79	129	1
Overall	1	1	0
# Employees			
# Employers			

Assessment:

Northern Inyo Hospital has about the same level of satisfaction as other employers.

Assessment key	Strength		Opportunity		Weakness	
	Strength	Opportunity	Weakness	Strength	Opportunity	Weakness
Teamwork	18	42	28	28	28	28
Communication	37	28	28	28	28	28
Our Organization	28	28	28	28	28	28
Personal development	28	28	28	28	28	28
Overall						

Summary of Survey results

Employees 129

Survey Questions

Survey Question	Performance	Importance	Satisfaction Index*	Rank	R/GM
My department has a high level of teamwork	6.55	9.19	0.71	19	
Our organization, as a whole, has a high level of teamwork	5.97	9.14	0.65	24	
I understand how to be a good team player	9.08	9.29	0.98	2	
Teamwork, overall	7.20	9.20	0.78		
I know what is expected of me	7.79	9.09	0.86	8	
I have a basic understanding of our business goals	7.98	8.47	0.94	3	
I understand how my role fits in with the organization's future	8.11	8.65	0.94	4	
My department does a good job of communicating changes or decisions	6.26	9.16	0.68	21	
There is adequate communication between departments regarding changes or decisions that affect employees	5.26	8.98	0.59	25	
The organization does a good job communicating changes or decisions that affect employees	6.11	8.97	0.68	22	
During the last 30 days someone has praised me for doing a good job	6.57	8.52	0.77	13	
During the last 6 months, someone has communicated with me about my development	5.40	8.13	0.66	23	
Communication, overall	6.69	8.74	0.76		
My department has consistent, usable work practices	7.20	9.02	0.80	11	
Our organization, as a whole, has consistent, usable work practices	6.74	8.75	0.77	14	
I would recommend my organization to friends and family as a good place to work	7.74	8.72	0.89	5	
We consistently try to improve our customer service for our external clients	7.92	8.81	0.90	5	
My fellow employees try to do the best job they can	6.83	9.24	0.74	17	
Our Organization, overall	7.29	8.91	0.82		
I am committed to doing quality work in my job	9.59	9.65	0.99	1	
I am recognized when I do a good job	6.52	8.57	0.76	15	
I have the tools and resources I need to do a good job	8.09	9.40	0.86	7	
On the job, my views are listened to	6.50	8.94	0.73	18	
My manager is fair and even-handed in the treatment of employees	6.46	9.28	0.70	20	
My manager cares about me as an individual	6.96	8.76	0.79	12	
There is a person in the workplace who supports my business and professional growth	7.04	8.48	0.83	9	
My employer is helping me meet my career objectives	6.29	8.40	0.75	16	
During the past 12 months, I have had the chance to improve my business and professional ski	7.07	8.67	0.82	10	
Personal, overall	7.17	8.91	0.80		
Overall	7.09	8.94	0.79		

* Satisfaction index is performance divided by importance. A low number indicates dissatisfaction; a higher number shows that performance is in line with expectations.

Northern Inyo Hospital

Assessment	Rank	R/GM
Standard	19	
Opportunity	24	
	2	
	8	
	3	
	4	
	21	
	25	
	22	
	13	
	23	
	11	
	14	
	5	
	5	
	17	
	1	
	15	
	7	
	18	
	20	
	12	
	9	
	16	
	10	
	8	
	10	
	8	
	9	

Assessment key

By years of employment

	Number of respondent	Performance	Importance	Satisfaction index	Assessment
All employees	129	7.09	8.94	0.79	+
Less than 1 year	19	7.81	9.01	0.87	+
2-3 years	20	7.25	9.20	0.79	+
4-5 years	17	7.11	8.81	0.81	+
6-10	23	6.73	8.67	0.78	+
10 or more	50	6.90	8.98	0.77	+

By department

	Number of respondent	Performance	Importance	Satisfaction index	Assessment
Department 1	67	7.11	8.81	0.81	+
Department 2	1				
Department 3	4	7.75	9.68	0.80	+
Department 4	2				
Department 5	5	8.40	9.00	0.93	+
Department 6	6	7.33	9.02	0.81	+
Department 7	4	6.95	8.91	0.78	+
Department 8	3	7.45	9.79	0.76	+
Department 9	7	5.95	8.70	0.68	+
Department 10	6	7.63	9.20	0.83	+
Department 11	3	6.90	9.26	0.75	+
Department 12	1				
Department 13	4	7.92	9.35	0.85	+
Department 14	3	5.96	8.45	0.71	+
Department 15	2				
Department 16					
Department 17	1				
Department 18	2				
Department 19					
Department 20					
Department 21	8	6.85	9.23	0.74	+
Department 22					
Department 23					

By Job Function

respondent s	Performance	Importance	Satisfaction Index Assessment
4	6.38	8.73	0.73
1			
8	7.42	9.39	0.79
12	7.57	8.75	0.86
1			
3	5.63	7.50	0.75

By Role

respondent s	Performance	Importance	Satisfaction Index Assessment
3	6.55	9.21	0.71
13	8.12	9.36	0.87
56	6.88	8.79	0.78
17	8.03	9.03	0.89
1			
25	6.80	8.91	0.76

By Location

respondent s	Performance	Importance	Satisfaction Index Assessment
59	7.09	8.76	0.81
3	7.83	8.65	0.91
7	7.27	9.16	0.79
2			
8	6.70	8.62	0.78
7	6.76	9.34	0.72
5	7.00	9.29	0.75
4	7.59	9.50	0.80
2			
18	6.80	9.19	0.74

Highest ranked questions

- 1 I am committed to doing quality work in my job
- 2 I understand how to be a good team player
- 3 I have a basic understanding of our business goals
- 4 I understand how my role fits in with the organization's future
- 5 We consistently try to improve our customer service for our external clients
- 6 I would recommend my organization to friends and family as a good place to work
- 7 I have the tools and resources I need to do a good job
- 8 I know what is expected of me
- 9 There is a person in the workplace who supports my business and professional growth
- 10 During the past 12 months, I have had the chance to improve my business and professional skills

Lowest ranked questions

- 25 There is adequate communication between departments regarding changes or decisions that affect employees
- 24 Our organization, as a whole, has a high level of teamwork
- 23 During the last 6 months, someone has communicated with me about my development
- 22 The organization does a good job communicating changes or decisions that affect employees
- 21 My department does a good job communicating changes or decisions
- 20 My manager is fair and even-handed in the treatment of employees
- 19 My department has a high level of teamwork
- 18 On the job, my views are listened to
- 17 My fellow employees try to do the best job they can
- 16 My employer is helping me meet my career objectives

Year-to-Year change

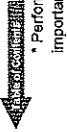
Northern Inyo Hospital

Employees 129

Survey Questions

Survey Questions	Satisfaction index		Variance	Current Year Satisfaction Index Ranking
	Prior year	Current Year		
My department has a high level of teamwork	0.71	0.65	0.06	19
Our organization, as a whole, has a high level of teamwork	0.98	0.78	0.20	24
I understand how to be a good team player	0.86	0.94	-0.08	12
Teamwork, overall	0.94	0.68	0.26	8
I know what is expected of me	0.59	0.77	-0.18	3
I have a basic understanding of our business goals	0.68	0.66	0.02	4
I understand how my role fits in with the organization's future	0.59	0.77	-0.18	21
My department does a good job of communicating changes or decisions	0.68	0.66	0.02	25
There is adequate communication between departments regarding changes or decisions that affect employees	0.68	0.66	0.02	22
The organization does a good job communicating changes or decisions that affect employees	0.77	0.66	0.11	13
During the last 30 days someone has praised me for doing a good job	0.66	0.76	-0.10	23
During the last 6 months, someone has communicated with me about my development	0.76	0.80	-0.04	11
Communication, overall	0.77	0.77	0.00	14
My department has consistent, usable work practices	0.89	0.90	-0.01	6
Our organization, as a whole, has consistent, usable work practices	0.90	0.74	0.16	5
I would recommend my organization to friends and family as a good place to work	0.74	0.82	-0.08	17
We consistently try to improve our customer service for our external clients	0.82	0.99	-0.17	1
My fellow employees try to do the best job they can	0.76	0.86	-0.10	15
Our Organization, overall	0.86	0.73	0.13	7
I am committed to doing quality work in my job	0.70	0.79	-0.09	18
I am recognized when I do a good job	0.79	0.83	-0.04	20
I have the tools and resources I need to do a good job	0.79	0.75	0.04	12
On the job, my views are listened to	0.83	0.75	0.08	9
My manager is fair and even-handed in the treatment of employees	0.75	0.82	-0.07	16
My manager cares about me as an individual	0.82	0.80	0.02	10
There is a person in the workplace who supports my business and professional growth	0.80	0.79	0.01	10
My employer is helping me meet my career objectives	0.79	0.79	0.00	10
During the past 12 months, I have had the chance to improve my business and professional skills	0.80	0.79	0.01	10
Personal, overall	0.80	0.79	0.01	10
Overall	0.80	0.79	0.01	10

Satisfaction Summary



Satisfaction Index*

	Your Organization	All	Variance From All	From All	From All	avg
Teamwork	0.78	0.82	0.04	-0.01		
Communication	0.76	0.76	0.00	0.03		
Our Organization	0.82	0.82	0.00	0.03		
Personal development	0.80	0.82	-0.02	0.01		
Overall	0.79	0.81	-0.01			
# Employees	129	18,258				
# Employers	1	369				

Percentile

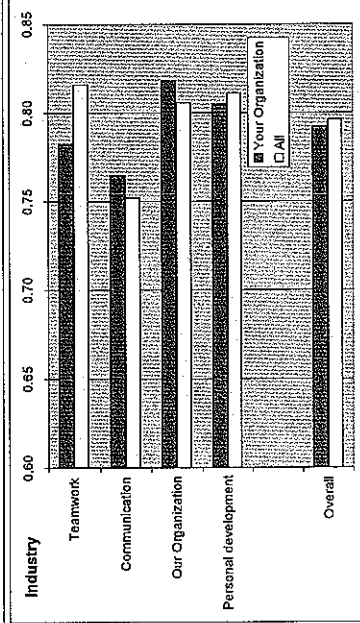
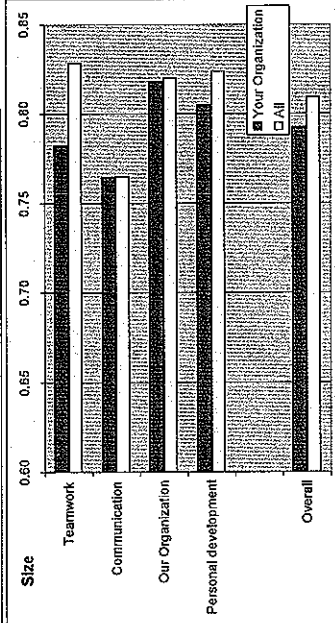
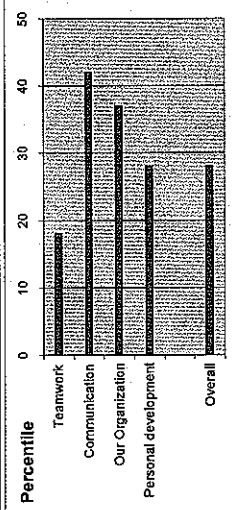
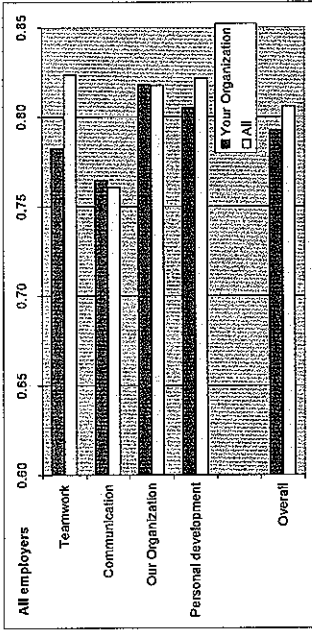
Teamwork	18
Communication	42
Our Organization	37
Personal development	28
Overall	28

Med

	Your Organization	All	Variance From All	From All	From All	avg
Teamwork	0.78	0.83	0.05	-0.01		
Communication	0.76	0.77	0.00	0.03		
Our Organization	0.82	0.82	0.00	0.03		
Personal development	0.80	0.82	-0.02	0.01		
Overall	0.79	0.81	-0.02			
# Employees	129	6,660				
# Employers	1	86				

Health Care

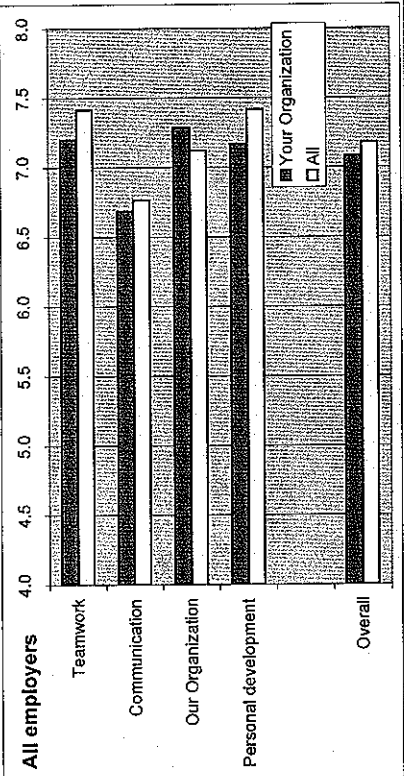
	Your Organization	All	Variance From All	From All	From All	avg
Teamwork	0.78	0.82	0.04	-0.01		
Communication	0.76	0.75	0.01	0.03		
Our Organization	0.82	0.81	0.01	0.03		
Personal development	0.80	0.81	-0.01	0.01		
Overall	0.79	0.80	-0.00			
# Employees	129	3,435				
# Employers	1	51				



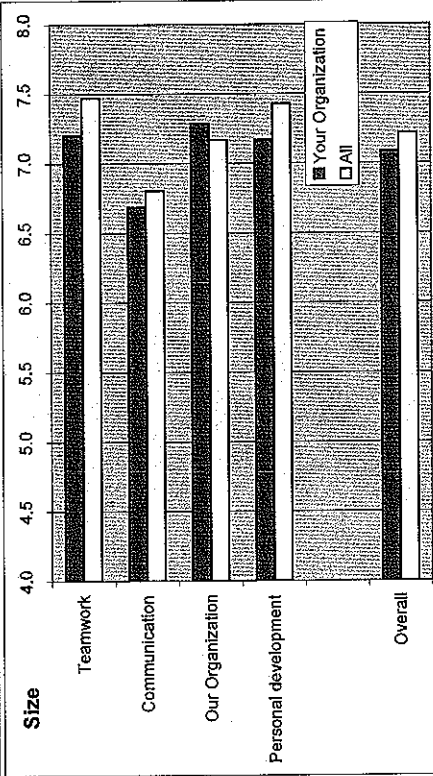


Assessment key

- Strength
- Opportunity
- Weakness



Performance		Variance	
	Your Organization	All	From All From er avg
Teamwork	7.20	7.42	-0.22
Communication	6.69	6.76	-0.08
Our Organization	7.29	7.12	0.17
Personal development	7.17	7.42	-0.25
Overall	7.09	7.18	-0.09

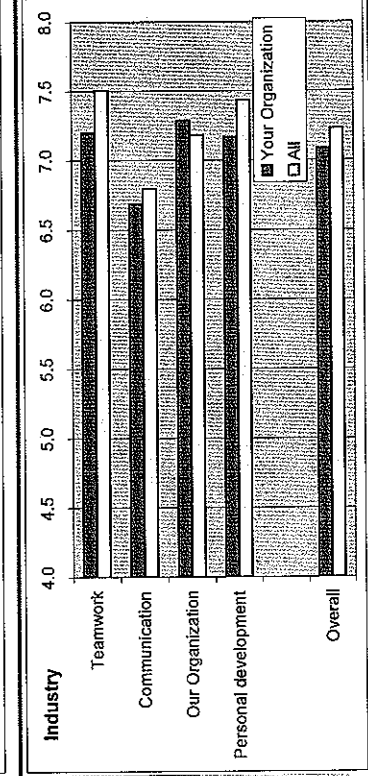


Performance		Variance	
	Your Organization	All	From All From er avg
Teamwork	7.20	7.47	-0.27
Communication	6.69	6.80	-0.12
Our Organization	7.29	7.17	0.12
Personal development	7.17	7.43	-0.26
Overall	7.09	7.22	-0.13

Employer size

Med

# Employees	129	18,258
# Employers	1	369



Performance		Variance	
	Your Organization	All	From All From er avg
Teamwork	7.20	7.50	-0.30
Communication	6.69	6.80	-0.11
Our Organization	7.29	7.18	0.11
Personal development	7.17	7.43	-0.26
Overall	7.09	7.23	-0.14

Industry

Health Care

# Employees	129	3,435
# Employers	1	51

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Turner Logistics

Medical & Research Solutions

Turner Logistics, LLC
5300 Virginia Way
Brentwood, TN 37027
Phone: 615-277-1700
Fax: 615-371-1347

September 9, 2009

Mr. John Halfen, CEO
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Dear Mr. Halfen:

We appreciate this opportunity to submit our proposal for Northern Inyo Hospital's Relocation Facilitation Services. We are excited to be considered to assist in the critical transition to the new Phase II Hospital by providing Relocation Facilitation Consulting Services. If selected as your consultant you can rest assured that we will remain dedicated to the continued success of the project and will work seamlessly with your existing team to deliver a best in class facility.

Included in this Proposal are the following documents:

- Relocation Facilitation – an overall summary of Turner Logistics approach to relocation planning process outlining some of the key milestones and deliverables that will be provided to ensure a successful transition to the new building.
- Scope of Relocation Services – a brief narrative that outlines the Scope of Services included in this proposal.
- Relocation Organizational Chart – a suggested Organizational Chart that will be further developed through collaborative discussions.
- Relocation Graphic – a graphic depiction of milestones of the Construction Schedule as well as the critical milestones of action items that need to take place during the relocation planning process.
- Summary of Costs for Relocation Facilitation Proposal – a summary of the lump sum cost of services provided by Turner Logistics for the Relocation Facilitation services, broken out by hours, duration, and travel.
- Back-Up for Relocation Facilitation Costs – a breakdown summary for Relocation Facilitation Consulting by month, activity and hours.

If you should have any questions or require any additional information, please feel free to contact me at (206) 505-6587.

Very Truly Yours,



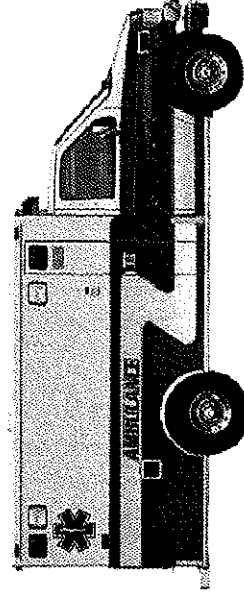
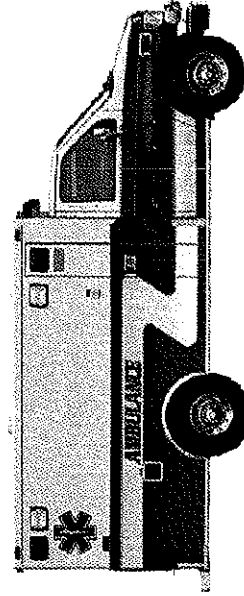
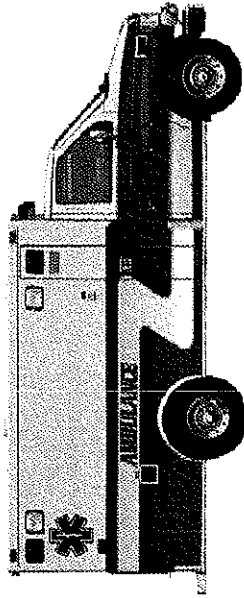
Linda Balabuch
Turner Logistics Project Manager

CC: Neil Lynch
Scott Hooker
Kathy Sherry
Arlen Arnold
Anne Pernell

RELOCATION FACILITATION

Northern Inyo Hospital

September 9, 2009

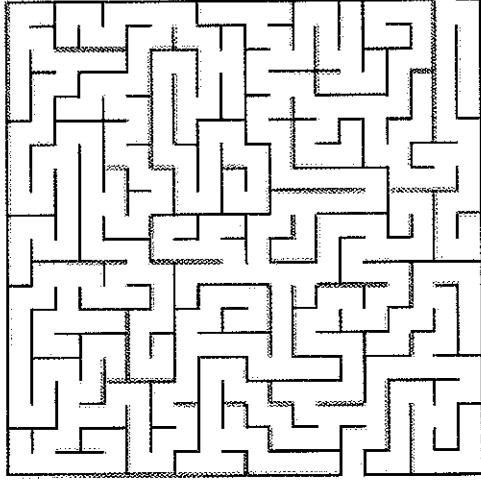


The Process

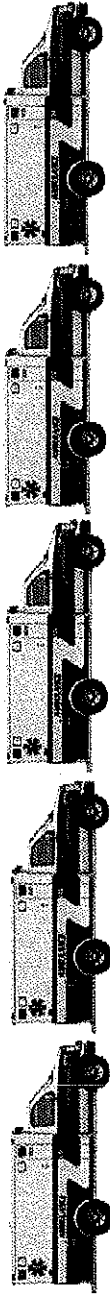
- Organization
- Milestone Schedules
- Budget Development
- Occupancy Plan
- Patient Relocation Planning
- Orientation and Training
- Relocation



The Relocation Maze



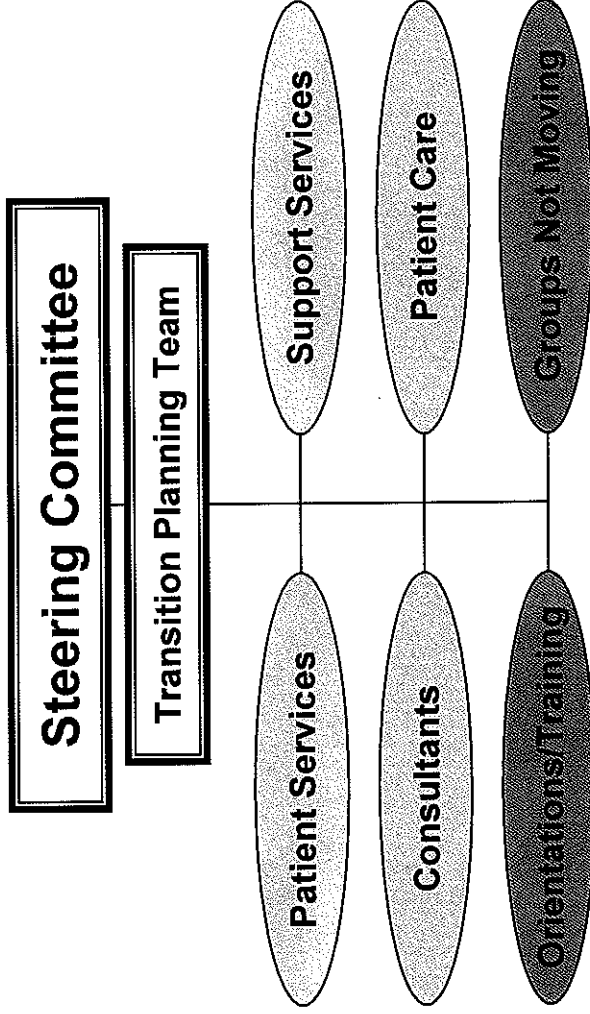
**THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!**



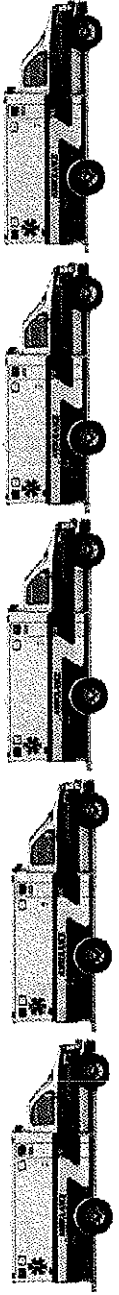
Turner MOVING SERVICES **Logistics**

Organization

Transition Planning Teams and Sub-Committees



**THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!**

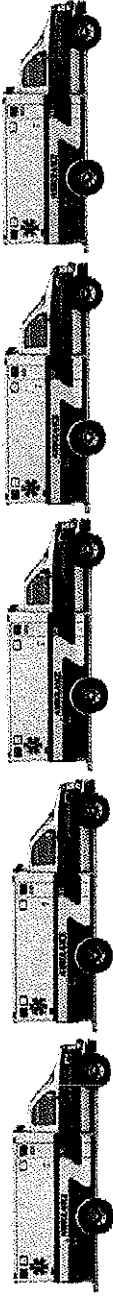


Turner MEMBER OF **Logistics**

Steering Committee

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer
- Vice President of Nursing
- Vice President of Administration
- Representatives from Support Services
(Clinical and Operational)

THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!

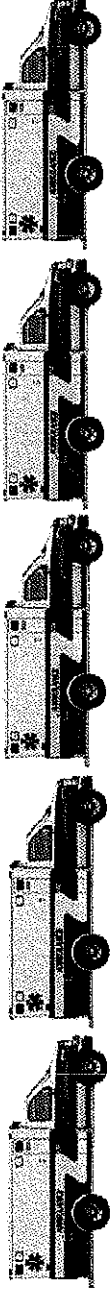


Turner LOGISTICS Logistics

Transition Team

- One Member of Steering Committee
- Chairperson from each Subcommittee
- Representative from each Consulting Firm
- Representative from the Contractor

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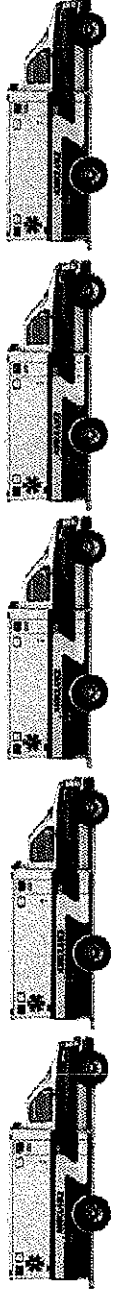
Turner  Logistics

Committees/Sub-Teams

- Support Services Committee
 - Equipment Committee
 - Furniture and Furnishings Committee
 - Communications Committee
 - Reclamation Committee
- Patient Care Team
- Orientation/Training Committee
- Marketing/Public Relations Committee



**THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!**



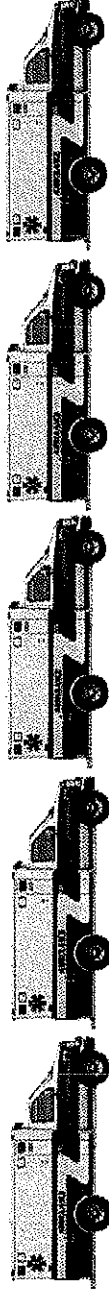
Turner MEMBER COMPANY **Logistics**

Support Services Committee

Representatives from:

- Plant Operations
- Biomed
- Security
- Housekeeping
- Pharmacy
- Lab
- Food Service
- Materials Management
- Radiology
- Maintenance
- Equipment Committee
- Furniture & Furnishings
- Automation

**THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!**



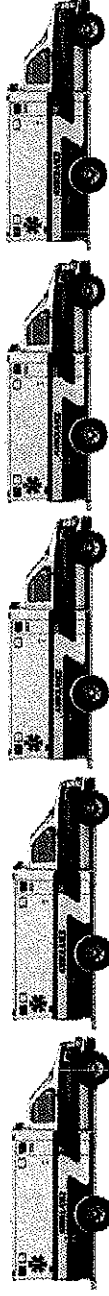
Turner MEMBER
SINCE 1988 Logistics

Equipment Committee

Representatives from:

- Purchasing
- Clinical Equipment
- Radiation Physics
- Maintenance
- Facilities Planning
- Patient Care Team
- Moving Company

THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!



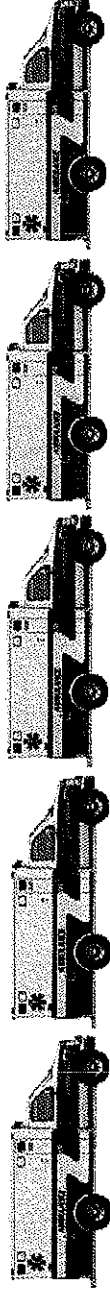
Turner MEMBER
TURNER
LOGISTICS **Logistics**

Furniture & Furnishings Committee

Representatives from:

- Purchasing
- Furniture Vendor
- Maintenance
- Facilities Planning

THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!



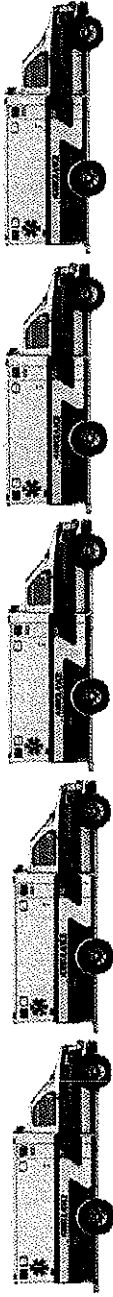
Turner LOGISTICS **Logistics**

Communications Committee

Representatives from:

- Information Systems
- Telecommunications
- Support Services

THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!



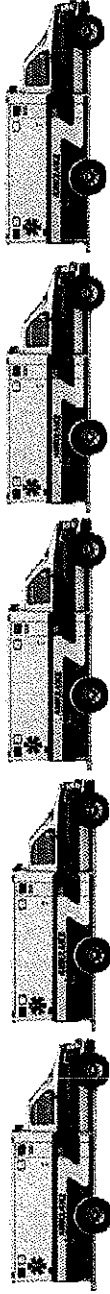
Turner INTERNATIONAL RELOCATION SOLUTIONS CONCEPTS **Logistics**

Patient Care Team

Representatives from:

- Dept. Manager for each Patient Unit
- Pastoral Care
- Cath Lab
- Nursing director
- Vascular Lab
- Nursing Education
- Respiratory/Pulmonary Services
- Risk Management
- Dietary
- Pharmacy
- Cardiopulmonary
- Lab
- Engineering
- Radiology
- Housekeeping

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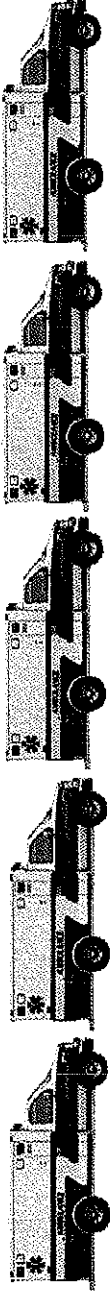
Turner LOGISTICS **Logistics**

Orientation & Training Committee

Representatives from:

- Marketing
- Nursing Administration
- Education & Training
- Patient Relations
- Volunteers
- Medical Photography
- Interpreter Services

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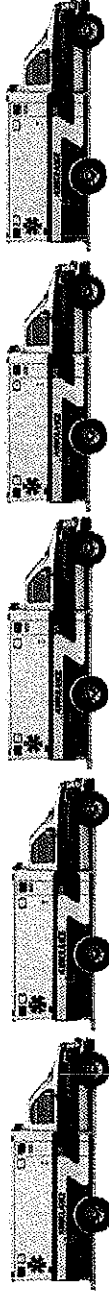
Turner MEMBER OF THE **Logistics**

Marketing & Public Relations

Representatives from:

- Marketing/PR Department
- Security
- Housekeeping
- Support Services
- Nursing
- Communications
- Administration

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ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!

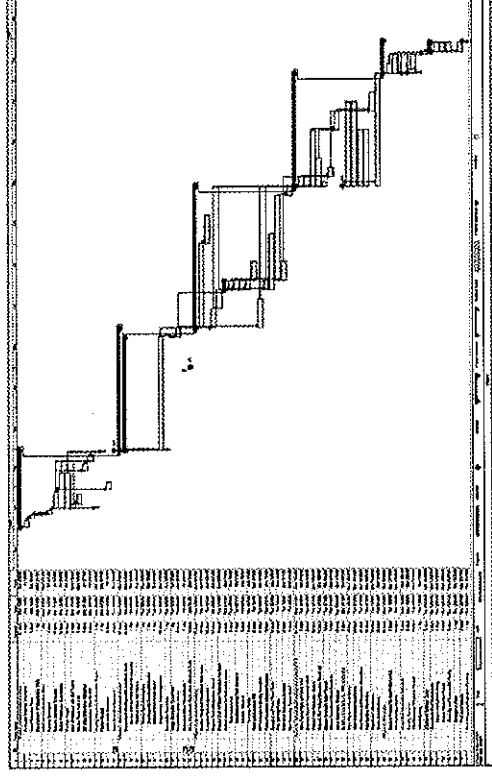


Turner LOGISTICS **Logistics**

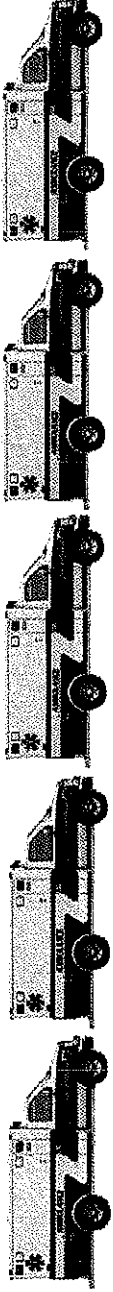
Operational Milestone Schedule

Schedule Issues

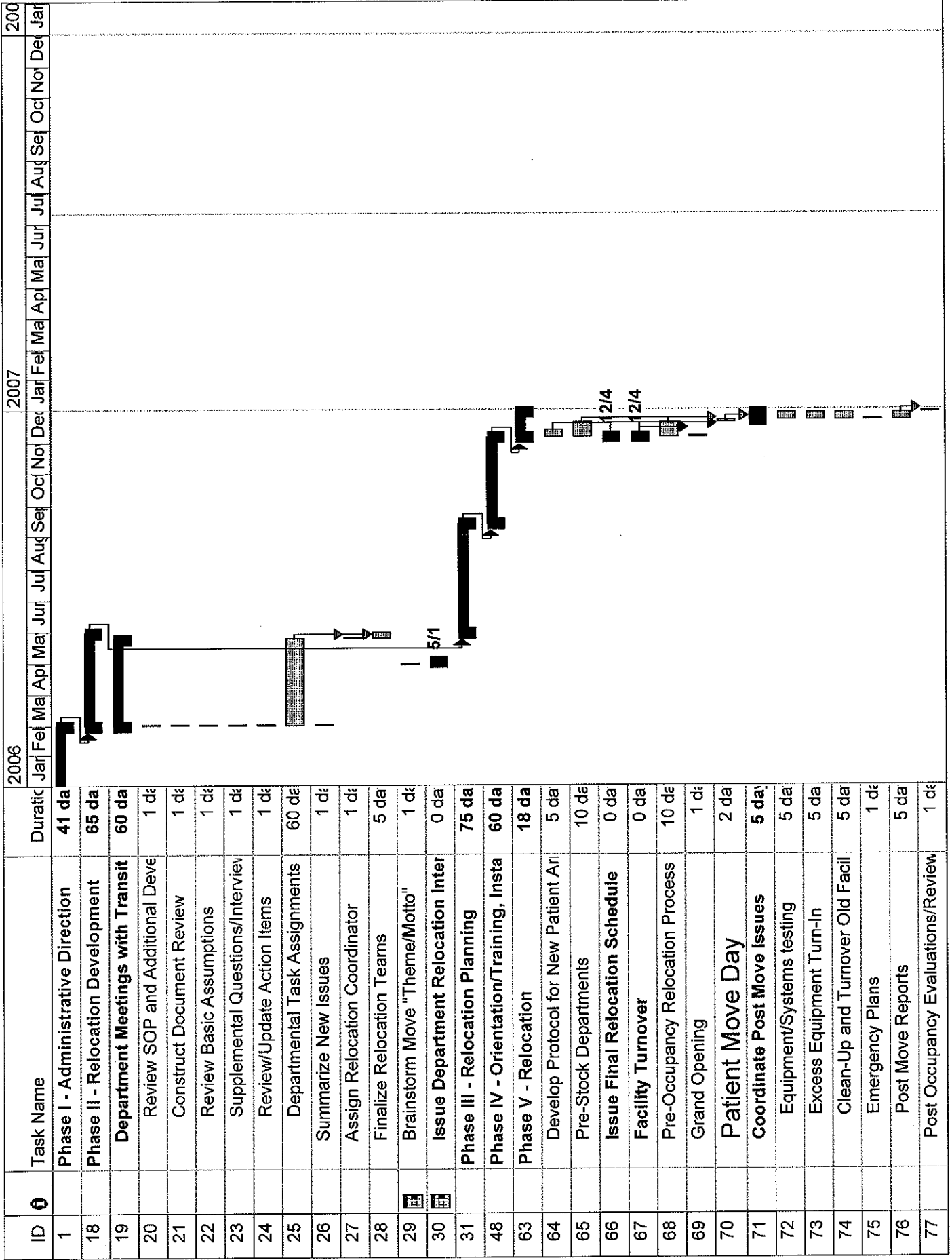
- Contractor Interface
- Staff Organization & Orientation
- Financial/Budget Issues
- Licensure and Certification
- Policies & Procedures Development
- Systems Interface
- Equipment, Furniture, Furnishings
- Supplies & Forms
- Moving Contractor Milestones
- Relocation Dates



**THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!**



Turner PROPERTY
MANAGEMENT
SERVICES **Logistics**



2007

2006

Budget Development

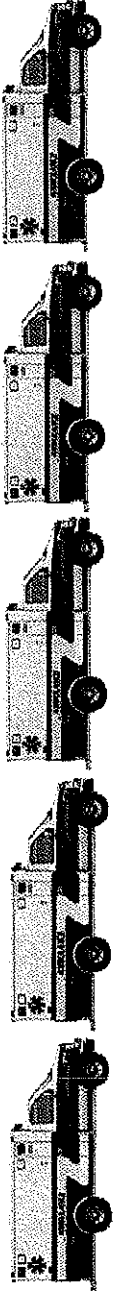
Budget Issues

- Inventory Expansion
- Moving and Storage
- Cost of Movement/Assembly of FFE
- Training
- Security
- New Systems/Procedures
- Housekeeping
- Interim Operations
- Equipment Installation
- Equipment Receipt, Accountability, and Turnover
- Special Services
- Dumpsters and Shredder trucks
- Temporary labor
- Letterhead, Stationery, etc
- Opening Events
- Incentive/Appreciation Gifts

Hospital Name
Location
Relocation Budget

Item	Description	Estimate	Notes
1	STAFF		
2	PHYSICIAN		
3	NURSE		
4	PHARMACEUTICAL		
5	LABORATORY		
6	RADIOLOGY		
7	OPERATIONS		
8	HOUSEKEEPING		
9	PROPERTY		
10	MAINTENANCE		
11	UTILITIES		
12	TELEPHONE		
13	POSTAGE		
14	TRAVEL		
15	MEALS		
16	ENTERTAINMENT		
17	SPORTS		
18	RECREATION		
19	ARTS		
20	LIBRARY		
21	CLUB		
22	CENTRAL		
23	OUTPATIENT		
24	INPATIENT		
25	AMBULANCE		
26	TRANSIT		
27	TAXI		
28	RENTAL		
29	CONTRACTOR		
30	ENGINEER		
31	ARCHITECT		
32	INSURANCE		
33	BOND		
34	LEGAL		
35	ACCOUNTING		
36	AUDIT		
37	TITLE		
38	PROPERTY		
39	CONSTRUCTION		
40	RENOVATION		
41	DEMOLITION		
42	FOUNDATION		
43	ROOFING		
44	MECHANICAL		
45	ELECTRICAL		
46	PLUMBING		
47	PAINTING		
48	CARPENTRY		
49	CONCRETE		
50	ASPHALT		
51	GRAVEL		
52	LANDSCAPE		
53	TREES		
54	BUSHES		
55	FLORAL		
56	SEEDS		
57	PLANTS		
58	SOIL		
59	FERTILIZER		
60	PESTICIDES		
61	WEEDS		
62	MOWER		
63	RICKSHAW		
64	TAXI		
65	BUS		
66	TRUCK		
67	CAR		
68	BICYCLE		
69	MOTORCYCLE		
70	WHEELCHAIR		
71	STRETCHER		
72	GAITER		
73	CRUTCH		
74	CANES		
75	WALKERS		
76	HEELERS		
77	SHOE		
78	SOCK		
79	UNDERWEAR		
80	TOPWEAR		
81	VEST		
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83	PAJAMA		
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200	TOPWEAR		

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Turner CONCRETE CONTRACTORS LOGISTICS

Relocation Budget

Date:

Item No.	Description	Unit	Quantity	Unit Price	Amount	Notes
20100	PLANNING					
20110	Planning/Scheduling Consultant	LS	0	0	0	
20120	Open House	LS	0	0	0	
20130	Newsletters	LS	0	0	0	
20140	Media	LS	0	0	0	
20150	Public Notices/Handout Material	LS	0	0	0	
20160	Opening Events	LS	0	0	0	
20170	Incentive/Appreciation Gifts	LS	0	0	0	
	TOTAL - Planning				0	
20200	FACILITY					
20210	Licensing	LS	0	0	0	
20220	Pre/Post Cleaning	LS	0	0	0	
20230	Pre-stocking Facility	LS	0	0	0	
20240	Commissioning Facility	LS	0	0	0	
20250	Bio-Med Recalibration/Certification	LS	0	0	0	
20250	Supplies/Forms/Manuals	LS	0	0	0	
20250	Letterhead, Business Cards, etc.	LS	0	0	0	
	TOTAL - Facility				0	
20300	RELOCATION					
20310	Moving Contractor	LS	0	0	0	
20320	Warehousing	LS	0	0	0	
20330	Equipment Relocation and Installation	LS	0	0	0	
20340	Ambulatory Services	LS	0	0	0	
20350	Redundant Equipment Rental	LS	0	0	0	
20360	Additional Phasing of Relocation	LS	0	0	0	
20370	Signs	LS	0	0	0	
20380	Other	LS	0	0	0	
	TOTAL - Relocation				0	
30700	OTHER					
30710	Inventory Expansion	LS	0	0	0	
30715	Training	LS	0	0	0	
30720	Security	LS	0	0	0	
30725	Dumpster rental	LS	0	0	0	
30730	Shredder Trucks	LS	0	0	0	
30735	Temporary Labor/Overtime	LS	0	0	0	
30740	Miscellaneous	LS	0	0	0	
30745	Miscellaneous	LS	0	0	0	
30750	Miscellaneous	LS	0	0	0	
	Total - Other				0	
	TOTAL RELOCATION COSTS				0	
39999	CONTINGENCY	%	5.00%	0	0	
	TOTAL RELOCATION ESTIMATE				0	

Occupancy Plan

Plan Development

- Task Assignments
- Periodic Departmental Meetings with Task Team
- Review SOP and Refine Procedures
- Develop Departmental Relocation Interview Form and Move Sequence Questionnaire
- Issue Departmental Interview Forms

TRANSITION TASK TEAM
Please Check and Sign Task Checklist

The purpose of this document is to provide a checklist of tasks that must be completed by the transition team. This document is intended to be used as a checklist for the transition team. It is not intended to be a substitute for the transition team's own checklist.

1. The Transition Task Team Checklist
 2. The Transition Task Team Checklist
 3. The Transition Task Team Checklist

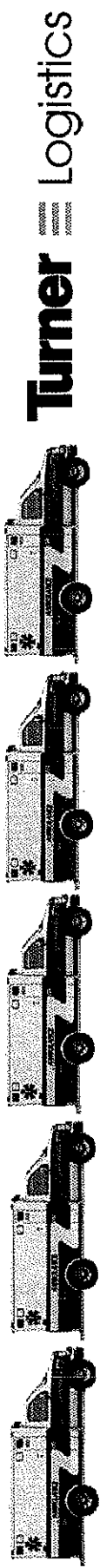
Task List

1. Develop a transition plan
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 100. Develop a transition plan

Departmental Relocation Interview Form

1. Department Name
 2. Department Head
 3. Department Address
 4. Department Phone
 5. Department Fax
 6. Department E-mail
 7. Department Website
 8. Department Description
 9. Department Relocation Date
 10. Department Relocation Time
 11. Department Relocation Location
 12. Department Relocation Method
 13. Department Relocation Status
 14. Department Relocation Comments
 15. Department Relocation Signature
 16. Department Relocation Date

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TRANSITION TASK TEAM Team Goals and Task Checklist

The main goal of this committee is to oversee the plan development. The team will review all procedures from the subcommittees, monitor the progress of each team, be the communication resource link, give guidance and direction when needed, and will have the authority to approve or change policies or procedures not requiring the approval of the Steering Committee.

- ⇒ One Member of the Steering Committee
- ⇒ Chairperson from each Subcommittee
- ⇒ Representative from each Consulting Firm

Task List

- ❖ Develop organization chart
- ❖ Form Subcommittee Teams
- ❖ Develop Operational Milestone Schedule
- ❖ Develop Budget
- ❖ Kick-off meetings with Subcommittees
- ❖ Review progress of Task Teams
- ❖ Ensure implementation of FFE
- ❖ Establish meeting schedule for Transition Task Team
- ❖ Track and update action items list
- ❖ Prepare executive summary
- ❖ Periodic department meetings
- ❖ Assign Relocation Coordinator
- ❖ Brainstorm move theme
- ❖ Department Relocation Interview Forms
- ❖ Resolve fit-up and operations issues
- ❖ Ensure task assignment completions
- ❖ Prepare Relocation Manual
- ❖ Prepare Patient Relocation Handbook
- ❖ Track milestone schedule for FFE
- ❖ RFP/Selection of moving contractor
- ❖ Publish milestone schedule for relocation
- ❖ Plan opening events
- ❖ Prepare move sequence schedule
- ❖ Plan employee open-house
- ❖ Implement mock patient runs and code drills
- ❖ Establish command center
- ❖ Schedule mover walk through
- ❖ Implement orientation meetings
- ❖ Ensure orientations for new building, systems and equipment
- ❖ Department orientations
- ❖ Room commissioning
- ❖ Systems Start-up

Departmental Relocation Interview Form

Department: _____

Date: _____

Interviewer: _____

Person(s) Interviewed: _____

Others Present: _____

Current Location: _____

Relocated Location: _____

Building Turnover Date: _____

Approximate Date of Move: _____

Approximate Date of Activation: _____

General Information

1. List the services this department provides. _____
2. Will there be any change of scope of services as a result of the move? _____
3. Will services be consolidated or fragmented as a result of the move? _____
4. What are your current days and hours of operation? _____

Department Organization

1. Who will be coordinating the move for the department? _____
2. How can he/she be reached? _____

Occupancy Plan

Plan Development

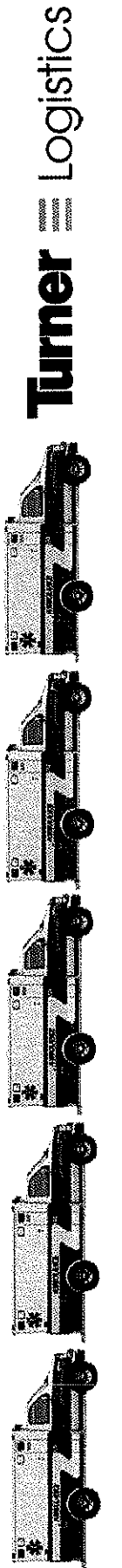
- Task Assignments
- Periodic Departmental Meetings with Task Team
- Review SOP and Refine Procedures
- Develop Departmental Relocation Interview Form and Move Sequence Questionnaire
- Issue Departmental Interview Forms

MOVE SEQUENCE QUESTIONNAIRE

Department	Phase (Describe Work)	Proposed Start Date	Proposed Start Time	Duration of Work (Hours)	Who is Responsible (Name)	Are any departments affected by this move (Name Department)	Are any departments which cannot be operated (Name Department)	Prepared By	Comments

- SOME ITEMS TO CONSIDER:**
- 1. To communicate with the people in your department and the movers, decide the priority of your inventory.
 - 2. Decide (you will be moving by room, by equipment, by supplies, etc.
 - 3. If you will be moving to multiple rooms, decide what inventory goes to what room.
 - 4. Decide the order of rooms to be furnished.
 - 5. Clarify additional people needed for the move - Are they from your department or from another shift?
 - 6. Do you need to borrow personnel from another department for technical reasons?
 - 7. Do you need to hire temporary?
 - 8. What are the delivery dates for new equipment?

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MOVE SEQUENCE QUESTIONNAIRE

Department	Phase (Describe Work)	Preferred Start Date	Preferred Start Time	Duration of each Phase (Hours)	Must Finish By: (Date)	Must Finish By: (Time)	List any departments which must be operational before your department	List any departments which cannot be operational until your department is operational	Prepared By	Comments

SOME ITEMS TO CONSIDER:

- z To communicate with the people in your department and the movers, decide the priority of your inventory.
- z Decide if you will be moving by room, by equipment, by supplies, etc.
- z If you will be moving to multiple rooms, decide what inventory goes to what room.
- z Decide the order of rooms to be furnished.
- z Clarify additional people needed for the move -- Are they from your department but from another shift?
- z Do you need to borrow personnel from another department for technical reasons?
- z Do you need to hire temporaries?
- z What are the delivery dates for new equipment?

Patient Relocation Planning Phase

Formal Documents

- Facility Relocation Manual
- Patient Relocation Handbook
- Tracking System for Furnishings and Equipment
- RFP/Selection of Move Contractor
- Patient Relocation Milestone Schedule

Request for Proposal

for the relocation of furnishings, equipment, and supplies of _____ and _____ to their newly-built facility located at _____.

Hospital is in the process of building a replacement hospital, with a scheduled completion date of _____. At the building near completion, it will be necessary to move the existing hospital's furnishings, equipment, and supplies to the new replacement hospital. You are invited to submit proposals for the provision of relocation services. If you have any questions, please contact the Project Manager (RFP).

Your response to the RFP is required by _____. Should you have any questions regarding the RFP, please do not hesitate to call, Transition Planner, Turner Healthcare 615.521.4500.

You should be prequalified before sending a proposal. If you need information regarding Turner Healthcare's prequalification process, contact, Transition Planner at 615.521.4500.

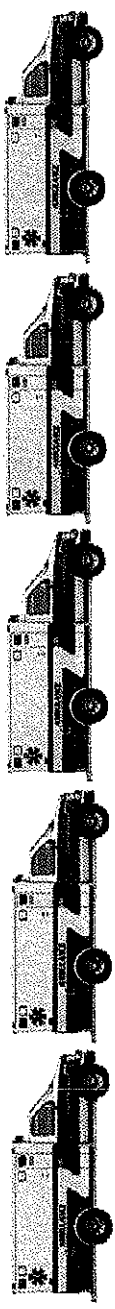
All proposals should be sent to:
Transition Planner
Turner Healthcare
3100 Virginia Way, Suite 200
Brentwood, Tennessee 37027

IMPORTANT: To limit telephone calls and correspondence, to answer all possible questions regarding this RFP, and to develop a common basis of understanding, there will be a meeting on _____ at _____ on the new hospital site. A tour of the move sites will begin immediately after this meeting at approximately _____.

INTRODUCTION AND SCOPE OF SERVICES:
Regional Background: A relocation coordination team has been assembled to plan and coordinate the move from the existing facility to the new hospital. This team is developing plans which include the Master Move Plan, a schedule of move, and will be responsible for the execution of the move. The Relocation Coordination Team will be coordinating and directing your work. It is the intent of _____ Hospital to accomplish this move with minimal disruption to the patient or safety organization. The move of departments is expected to take place on _____.

The move of all patients will occur on one day, and will be conducted by Hospital staff, for obvious reasons. However, some office furniture and medical equipment will need to be moved daily. These items will be closely coordinated for relocation in conjunction with the patient move.

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Turner TURNER
HEALTHCARE
CORPORATION **Logistics**

- Experience
- Reputation
- Bondable
- Warehousing
- Manpower
- Management

Request for Proposal

...for the relocation of furnishings, equipment, and supplies of _____ and related departments to their newly-built facility located at _____.

_____ Hospital is in the process of building a replacement hospital, with a scheduled completion date of _____. As the building nears completion, it will be necessary to move medical equipment, furniture, and contents from the existing hospital and off-site facilities into this new replacement hospital. You are invited to submit proposals for the provision of relocation services, of this the details are outlined in this Request for Proposal (RFP).

Your response to the RFP is required by _____. Should you have any questions concerning the RFP, please do not hesitate to call, Transition Planner, Turner Healthcare 615/231-6300.

You should be prequalified before sending in a proposal. If you need information regarding Turner Healthcare's prequalification process, contact, Transition Planner at 615/231-6300.

All proposals should be sent to:
 Transition Planner
 Turner Healthcare
 5300 Virginia Way, Suite 200
 Brentwood, Tennessee 37027

IMPORTANT: To limit telephone calls and correspondence, to answer all possible questions regarding this RFP, and to develop a common base of understanding, there will be a meeting on _____ at _____ on the new hospital site. A tour of the move sites will begin immediately after this meeting at approximately _____.

INTRODUCTION AND SCOPE OF SERVICES:

Hospital Background: A relocation coordination team has been assembled to plan and coordinate the move from the existing facility to the new hospital. This team is developing plans which include the Master Move Plan, a schedule of moves, and will be responsible for contract compliance of all work being performed by non-hospital employees. The lead individual on the Relocation Coordination Team who will be coordinating and directing your work is _____.

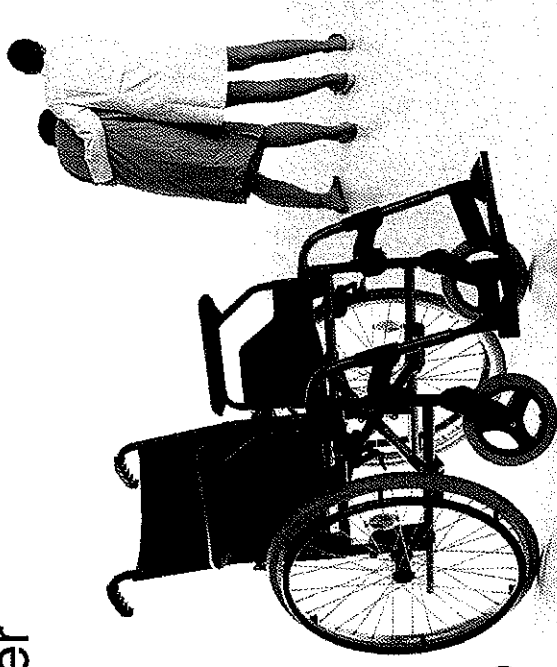
Objectives: It is the intent of _____ Hospital to accomplish this move with support from a professional moving company without any disruption of service to the patients or delays in operation. The move of departments is expected to take place in _____.

The move of all patients will occur on one day, and will be conducted by Hospital staff, for obvious reasons. However, some office furniture and medical equipment will need to be moved on that day. These items will be closely coordinated for relocation in conjunction with the patient moves.

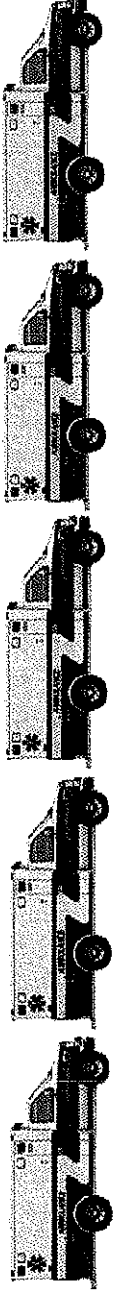
Orientation and Training

Activities

- Mock Patient Runs and Code Drills
- Establish Plans for Command Center
- Finalize Move Manuals
- Orientation Meetings
- New Systems and Equipment
- New Building
- Department
- Room Commissioning and Start-Up



**THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!**

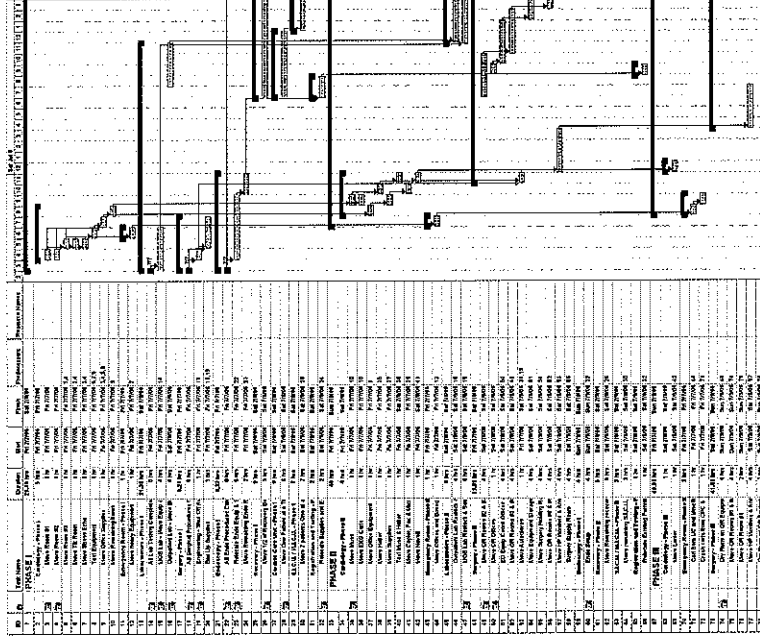


Turner LOGISTICS **Logistics**

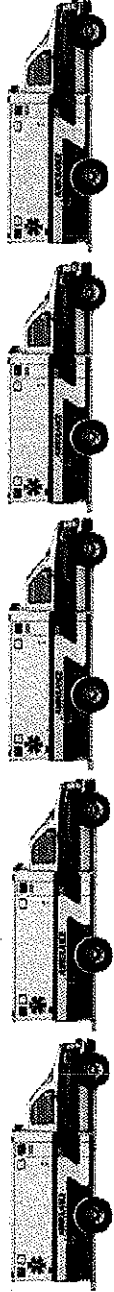
Relocation

Activities

- New Patient Arrival
- Pre-stock Departments
- Facility Turnover
- Pre-occupancy Relocation
- Grand Opening
- Patient Move Day
- Post-move Issues
- Post-occupancy Evaluations/Reviews



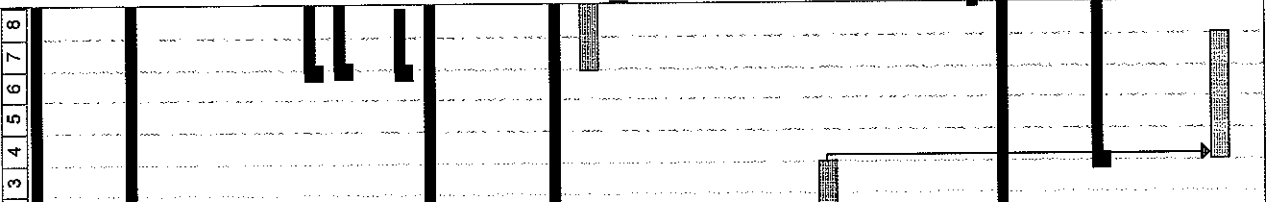
THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!



Turner LOGISTICS PROCESSES PROVIDED **Logistics**

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1	PHASE I					
2	Cardiology - Phase I	29.38 hrs	Fri 7/7/06	Sat 7/8/06		
11	Emergency Room - Phase I	5 hrs	Fri 7/7/06	Fri 7/7/06		
13	Laboratories - Phase I	1 hr	Fri 7/7/06	Fri 7/7/06		
17	Surgery - Phase I	21.38 hrs	Fri 7/7/06	Sat 7/8/06		
18	All Surgical Procedures Completed	5.23 hrs	Fri 7/7/06	Fri 7/7/06		
19	Engineering - Shut Off Autoclaves 1 & 2	0 hrs	Fri 7/7/06	Fri 7/7/06	18	
20	Box Up Supplies	1 hr	Fri 7/7/06	Fri 7/7/06	18,19	
21	Endoscopy - Phase I	3 hrs	Fri 7/7/06	Fri 7/7/06		
25	Recovery - Phase I	9.22 hrs	Fri 7/7/06	Fri 7/7/06		
27	Cardiac Care Unit - Phase I	9 hrs	Sat 7/8/06	Sat 7/8/06		
29	S.I.C.U. / M.I.C.U. - Phase 1	6 hrs	Sat 7/8/06	Sat 7/8/06		
31	Registration and Testing - Phase I	7 hrs	Sat 7/8/06	Sat 7/8/06		
33	PHASE II	2 hrs	Sat 7/8/06	Sat 7/8/06		
34	Cardiology - Phase II	40 hrs	Fri 7/7/06	Sun 7/9/06		
43	Emergency Room - Phase II	4 hrs	Fri 7/7/06	Sat 7/8/06		
45	Laboratories - Phase II	1 hr	Fri 7/7/06	Fri 7/7/06		
48	Surgery - Phase II	8 hrs	Sat 7/8/06	Sat 7/8/06		
49	Move OR Rooms #2 & #7	23.88 hrs	Fri 7/7/06	Sat 7/8/06		
50	Move OR Offices	4 hrs	Sat 7/8/06	Sat 7/8/06		
51	ED Equip Coord Offices & Classroom	1 hr	Sat 7/8/06	Sat 7/8/06	50	
52	Move OR Rooms #3 & #4	4 hrs	Sat 7/8/06	Sat 7/8/06	49	
53	Move Autoclaves	4 hrs	Sat 7/8/06	Sat 7/8/06	38,19	
54	Move Equipment Storage room	1 hr	Fri 7/7/06	Sat 7/8/06	51	
55	Move Surgery Holding Rooms	4 hrs	Sat 7/8/06	Sat 7/8/06	54	
56	Move OR Rooms #8 & #9	4 hrs	Sat 7/8/06	Sat 7/8/06	52	
57	Move HP Monitors & Anesthesia Equipment	4 hrs	Sat 7/8/06	Sat 7/8/06	53	
58	Surgery Supply Room	4 hrs	Sat 7/8/06	Sat 7/8/06	56	
59	Endoscopy - Phase I	4 hrs	Sun 7/9/06	Sun 7/9/06		
61	Recovery - Phase II	4 hrs	Sun 7/9/06	Sun 7/9/06		
63	S.I.C.U. / M.I.C.U. - Phase II	5 hrs	Sat 7/8/06	Sat 7/8/06		
65	Registration and Testing - Phase II	3 hrs	Sat 7/8/06	Sat 7/8/06		
67	PHASE III	1 hr	Sat 7/8/06	Sat 7/8/06		
68	Cardiology - Phase III	49.83 hrs	Fri 7/7/06	Sun 7/9/06		
70	Emergency Room - Phase III	1 hr	Sat 7/8/06	Sat 7/8/06		
73	Surgery - Phase III	2 hrs	Fri 7/7/06	Fri 7/7/06		
74	Dry Runs on OR Equipment	41.83 hrs	Sat 7/8/06	Sun 7/9/06		
75	Move OR Rooms #5 & #6	6 hrs	Sun 7/9/06	Sun 7/9/06	48	
76	Move OR Room #1	4 hrs	Sun 7/9/06	Sun 7/9/06	74	
77	Move HP Monitors & Anesthesia Equipment	2 hrs	Sun 7/9/06	Sun 7/9/06	75	
78	Dry Runs on OR Equipment	4 hrs	Sat 7/8/06	Sat 7/8/06	57	
		3 hrs	Sun 7/9/06	Sun 7/9/06	76	

Sat Jul 8



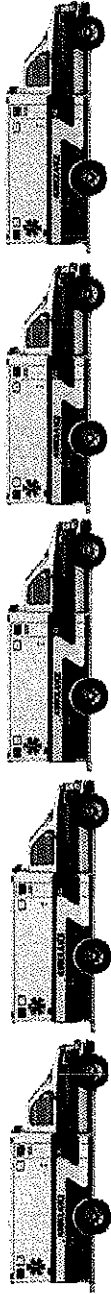
Relocation Facilitation

Predictable Results

- Minimal Downtime
- Continued Patient Care
- Operational Efficiency
- Oriented Staff & Community
- Minimal Revenue Loss
- Community Confidence
- Content Patients & Physicians



**THE SUCCESS OF RELOCATION IS ONLY AS GOOD AS THE PLANNING
ACCOMPLISHED BY ALL LEVELS OF MANAGEMENT AND STAFF!**



Turner MEMBER
OF
TURNER
LOGISTICS **Logistics**

Northern Inyo Hospital
Scope of Relocation Services
September 9, 2009

Organizational Meetings

The Purpose of these meetings is to kick off the relocation process and mobilize the departments that will participate in the move or be affected by the move. The following meetings will be needed to properly kickoff the Relocation Process:

1. **Administrative Meeting** – The purpose of this meeting is to lay out the Northern Inyo Hospital move strategy, define the role of hospital administration as it relates to the move process and to develop a communications system to keep administration up to date with move progress, move related issues and resource needs.
2. **Core Team Meeting** – This is an organization meeting for the core team responsible for getting the hospital moved into the new addition. The following Agenda will be discussed in this meeting:

AGENDA

1. Organization - An organization chart for the relocation process will be established. Members of the core team will be identified along with representatives from each of the departments directly and indirectly involved in the move process.
2. Milestone Schedule – A Master Relocation Schedule showing the elements of the move process, medical equipment deliveries, procedure analysis and training dates, vendor training, OSHPD final inspection dates, physical move dates, etc. will be developed.
3. Budget – A plan will be established to develop a budget for the relocation process.
4. Occupancy Plan – An initial plan as to how Northern Inyo Hospital will occupy the new facility will be developed.
5. Orientation and Training – Plans to develop training for new or revised procedures, and requirements for vendor training will be discussed.
6. Physical Relocation – We will review the process for securing a moving company and discuss the move process and possible move dates.

Analysis of Standard Operating Procedures

When hospitals move into new or renovated spaces the staff is faced with a new work environment, revised processes, new computer software and new digital systems. It is critical that the excellent level of patient care currently being provided to patients is maintained before, during and immediately after the move into the new space. To maintain high levels of patient care, hospital staff will need to be trained on revised procedures, new software and systems. We will utilize the following process to establish the necessary training for each department:

1. The Move Manager will conduct short training sessions with department representatives to provide the necessary tools and knowledge to departments to properly analyze current and future procedures. The departments will perform the analysis and documents the procedures. The Move Manager's role in this process is to act as a facilitator to keep the department teams on track and an advisor to assist with any issues that come up.
2. Document Current Procedures – Department personnel review current standard operating procedures and systems.
 - Make a complete list of current procedures provided by the department
 - Procedures are flow charted to properly document the steps and decision points
 - List current software applications utilized by the department
 - List electronic systems utilized by the department
3. Document Future Procedures in the new Space – Department personnel review future standard operating procedures and systems.
 - Make a complete list of procedures to be provided by the department in the new space
 - Procedures are flow charted to properly document the steps and decision points
 - List software applications to be utilized by the department in the new space
 - List electronic systems to be utilized by the department in the new space
4. Compare the current procedures, software and systems with those to be utilized in the future space. The staff from each department will identify differences in existing and new procedures and establish training sessions for departmental personnel to ensure that they are able to provide a high level of services to patients in the new spaces.

Vendor Training for new Medical Equipment

Department heads will identify which pieces of new medical equipment will require vendor training. Schedules for training will be developed with input from departmental personnel.

Physical Move

We will issue a Request for Proposal (RFP) to moving companies. This process includes a pre-bid meeting, collection of bids, post-bid interviews. The contract with the moving company will be directly with Northern Inyo Hospital. We will assist Northern Inyo Hospital with the contracting process.

We will work with Northern Inyo Hospital to accomplish the physical move in the shortest time possible to minimize disruption to daily hospital operations. Turner Logistics will provide supervision of the moving company during the move process.

A Day in the Life of a Patient

To ensure that the new digital systems are communicating properly and the staff is properly trained to deliver patient care in the new facility we utilize a process called "A Day in the Life of a Patient." This process is designed to utilize mock patient runs to test systems and procedures. Mock patients are tracked from the time they enter the facility until the time they are discharged. All new and existing systems are tested for proper operation. At the end of the day the patient's record and bill is reviewed to document the services received.



**Northern Inyo
Hospital Relocation**

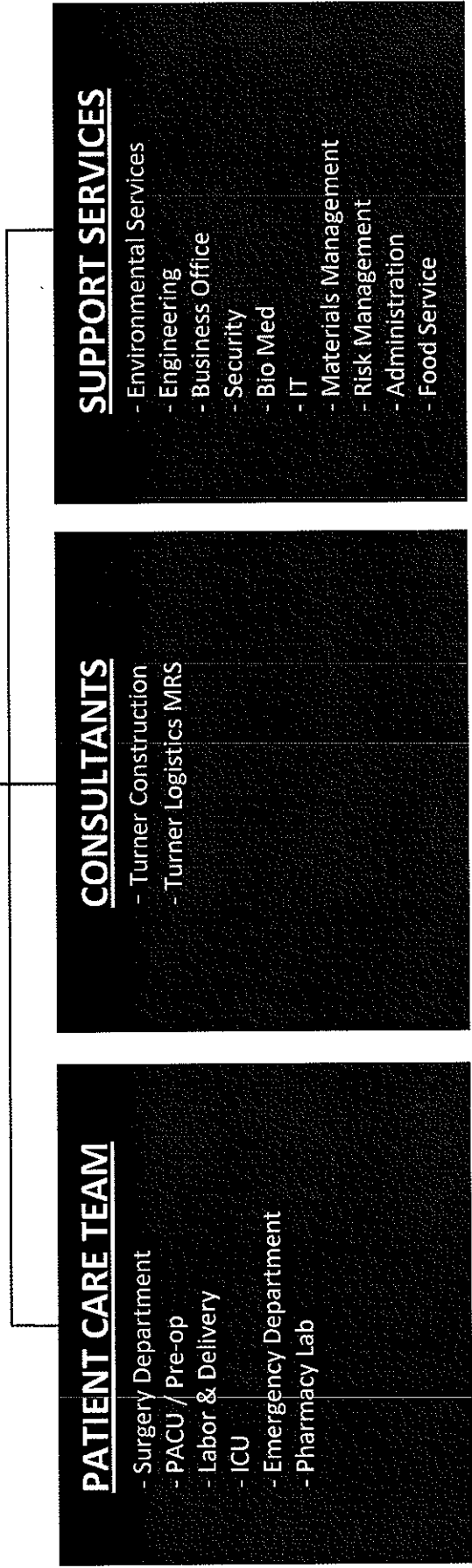
Turner ANALYSIS
DESIGN
CONSTRUCTION **Logistics**

September 9, 2009

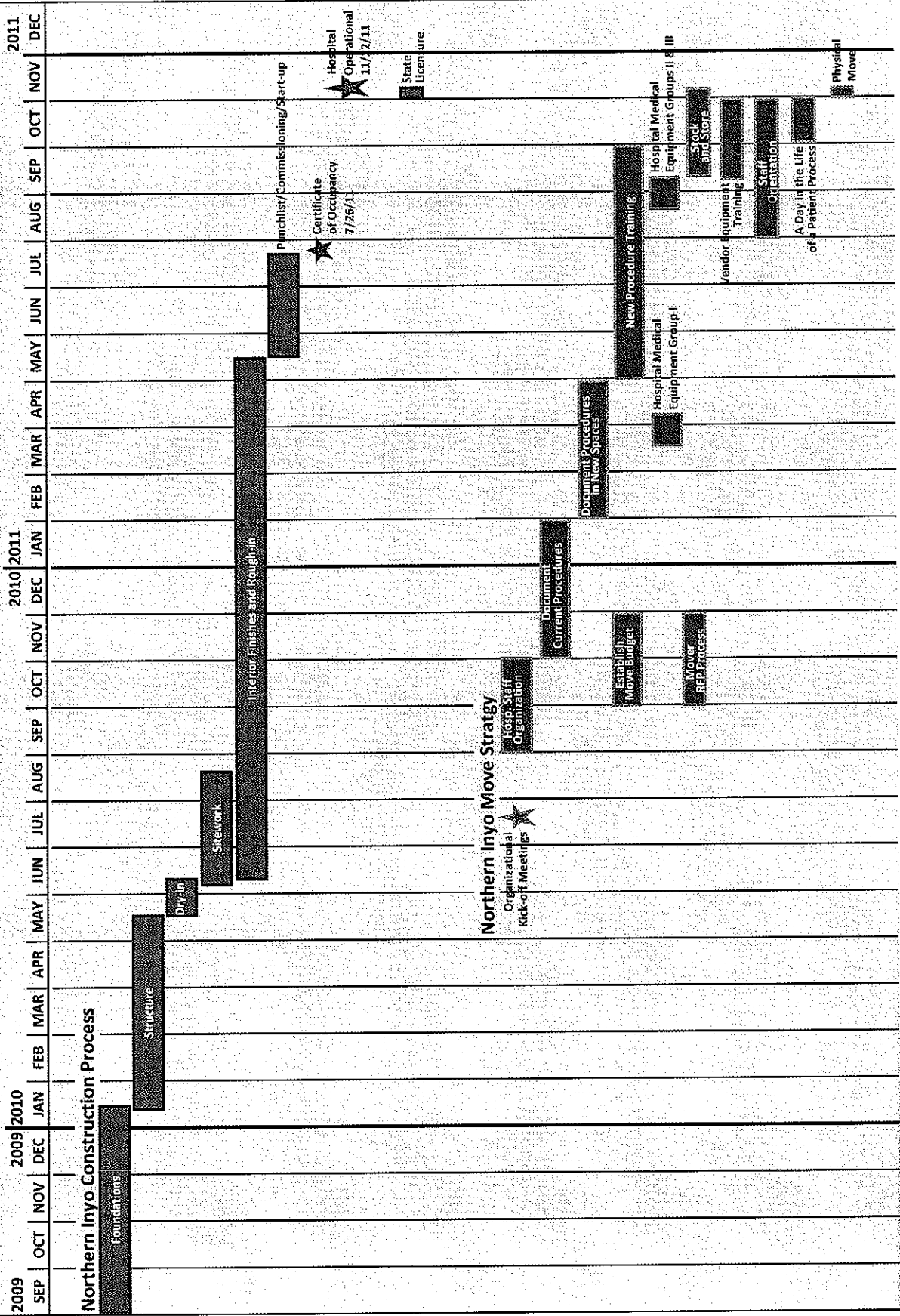
Relocation Organization Chart

**STEERING
COMMITTEE**
John Halfen
Susan Batchelder

**RELOCATION
PLANNING TEAM**
Neil Lynch
Scott Hooker
Tom McLaughlin
Mark Johnson



Northern Inyo Relocation Big Picture



September 9, 2009

Summary of Total Costs for Relocation Facilitation Services:

Project Manager:	Linda Balabuch	24 hours	(Sept. thru Nov. 2011)
Field Operations Engineer:	Mark Johnson	144 hours	(July 2010 thru Nov. 2011)
Operations Manager:	Anne Pernell	12 hours	(Sept. thru Nov. 2011)
	Subtotal:	180 hours	
Move Manager:	Tom McLaughlin	352 hours	(July 2010 thru Nov. 2011)
Relocation Scheduling			
Coordinator:	Toby Allen	144 hours	(July 2010 thru Nov. 2011)
	Subtotal:	496 hours *	
	Total hours:	692 hours	
Total Staff Cost:	\$102,000.00		
Travel:	\$ 26,000.00		
Lump Sum Total Cost of Service:	\$128,000.00		

* Refer to attachment Back Up for Relocation Facilitation Proposal Costs

Back up for NIH Relocation Facilitation Management Costs
 September 09, 2009

<u>Date</u>	<u>Activity</u>	<u>Position</u>	<u>Hours</u>
Jul 2010	Organizational Meetings *		
	Prepare for meetings	Move Manager	24
	Trip to NIH: Mon. – Fri.	Move Manager	32
	Process and distribute deliverables:	Move Manager	16
	<ul style="list-style-type: none"> ➤ Org Chart ➤ Milestone Schedule ➤ Budget Template ➤ Initial Occupancy Plan ➤ Tentative Move Schedule and Dates 		
	Develop milestone schedule	Scheduling Coordinator	32
Sep 2010	Staff Organization *		
	Prepare for meetings	Move Manager	16
	Training trip to NIH: Mon. – Thurs.	Move Manager	24
	Process and distribute deliverables:	Move Manager	8
	<ul style="list-style-type: none"> ➤ Department Training Summaries 		
Oct 2010	Department Kickoff Meetings *		
	Prepare for meetings	Move Manager	16
	Department meetings at NIH: Tues. – Wed.	Move Manager	16
	Moving company Pre-bid Meeting: Thurs.	Move Manager	8
Nov 2010	Department Updates & Moving Contractor Interviews *		
	Update department progress: Tues. – Wed.	Move Manager	16
	Moving company interviews: Thurs.	Move Manager	16
Dec 2010	Conference Calls with Departments	Move Manager	8
	<ul style="list-style-type: none"> ➤ Update progress ➤ Answer questions & resolve issues 		
Jan 2011	Conference Calls with Departments	Move Manager	8
	<ul style="list-style-type: none"> ➤ Update progress ➤ Answer questions & resolve issues 		

Feb 2011	Meetings with Departments *		
	Prepare for meetings	Move Manager	16
	Department meetings at NIH: Tues. – Wed.	Move Manager	24
	Process and distribute deliverables:	Move Manager	8
	➤ Document loose ends from 1 st phase of procedure documentation		
	➤ Issue Department progress summaries		
Mar 2011	Conference Calls with Departments	Move Manager	8
	➤ Update progress		
	➤ Answer questions & resolve issues		
Apr 2011	Conference Calls with Departments	Move Manager	8
	➤ Update progress		
	➤ Answer questions & resolve issues		
Jul 2011	Set up “A Day in the Life of a Patient Process” *		
	Prepare for meetings	Move Manager	16
	Meeting with move contractor: Tues.	Move Manager	16
	Meeting with NIH: Wed.	Move Manager	8
	“A Day in the Life” meetings with NIH: Thur.	Move Manager	8
Oct 2011	A Day in the Life of a Patient Process *		
	Carry out “A Day in the Life” at NIH: Mon. – Fri.	Move Manager	32
	Schedule Updates (14 each)	Schedule Coordinator	<u>112</u>
	Sub-Total Relocation Facilitation Consulting Hours:		496
	* indicates an anticipated trip to NIH		

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*People you know,
caring for people you love.*

N . I . H . M E M O R A N D U M

DATE: 10/12/2009
TO: Mr. Halfen
FROM: Scott Hooker
RE: **Shredder**

Mr. Halfen,

Our shredder broke beyond repair. In order for us to continue to provide in house shredding we need to purchase a new shredder. I provide you with the following information:

- **Current shredder (Olympia industrial 14.90CC)**
 - 7 years old
 - Motors and gears imploded from the inside out (this is the reason it is beyond repair).
 - Fully depreciated (it had a 5 year depreciation)
 - As of yet no companies are willing to take this unit in on trade or any type of buyback.
 - Shredding capacity 60-80 sheets
 - Cost in 2002, \$10,082.80

- **Proposed new shredder (Destroyit 5009)**
 - Shredding capacity 600+ sheets
 - Cost \$32,178.00
 - Built by the same company as above, we have been very happy with this product, service parts etc.
 - Additional safety and ergonomic features, ergonomic features address current concerns with bag replacement, and dealing with the end product.
 - Same power requirement as old unit (220V 3 phase)

- **Summary**

The middle market on industrial shredders is all but gone; this leaves us to purchase an undersized shredder in the price range of \$12,000.00 or an oversized shredder in the price range of \$30,000.00. Our shredding has increased due to physician office management and purchases, A very large amount of documents were released for destruction in 2006, and the shift towards electronic files. We see this continuing on to at least 2014. A new shredder will make it through depreciation and then some.

I looked into purchasing used, this market seemed to be companies that purchased the low end units and must upgrade to the upper unit. The larger units on the market have been abused through out there warranty period, I am not comfortable purchasing these.

This purchase was not budgeted as a capital expenditure; this was my mistake as I thought we could make it last two more years.

Thank you for your consideration,

Scott Hooker
Director of Plant Operations

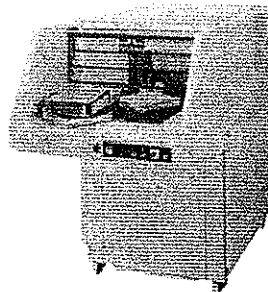
WHITAKERTM Brothers

Industrial Paper Shredders 800-243-9226

Commercial Sales
Division

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High Security Paper Shredders
CD/DVD/Credit Card & ID Badge Destruction Hard Drive Erasers
Keypape Shredder
Disintegrators / Granulators
Low Volume/Personal Paper Shredders
Mid-Volume/Office Paper Shredders
High Volume Paper Shredders
Industrial Paper Shredder/Balers
Pharmacy Shredders
Automatic Oilers Shredder Bags & Oil
Paper Cutters
Kutrimmers
Paper Folders
Postage Machines & Mailroom Equipment
Bookletmakers
Collators
Perforators
Paper Drills
Paper Joggers
Time/Date Stampers



Specifications

Shred Type: Cross Cut
 Shred Size: 1-1/2" x 3"
 Capacity: *Up to 600+ sheets
 Speed: 24-46 ft/min
 Throat: 20 inches
 Motor: 24 HP
 Electrical: 220V, 3 Ph V
 Dim: 67-1/2"H x 40-3/4" W x 67-1/2"D
 Weight: 3080 lbs

Destroyit 5009 Cross Cut Paper Shredder

Price: \$29,269.00

[ADD TO CART](#)

[Request A Quote](#)

Features Include:

- Extra-large feed table with conveyor belt and electronically secured safety guard
- Easy-to-use control panel with push buttons for forward/stop/reverse
- Safety lock and key, main switch, and emergency stop button
- Two automatic speed modes: "Power" for bulk feeding large quantities of paper, and "Speed" for high speed shredding of small amounts
- Automatic reverse and re-feed in case of paper jam
- Optical indicators show operational status
- Hardened steel cutting shafts are soft metal resistant and can take CDs, VHS tapes, hardbound documents and 3-ring binders
- Dual 3 phase motors (24 maximum HP) rated for continuous operation
- Large shred compartment with easy-access door located at rear of machine
- Mobile shred cart with bag mounting frame for easy replacement of shred bags
- 79 gallon shred bin capacity
- New models use our #995 shred bag (older styles use #975 bag)
- Automatic stop when shred bag is full or when cabinet door is opened
- Thermal switch prevents overheating
- Mounted on heavy duty casters

50 Amp dedicated line required.

Options include: modular conveyor belt system and additional shred carts.

* Capacity varies with paper weight, grain, size and quality plus sufficient power supply.



Corporate 1632 Sierra Madre Circle
 Facilities Placentia, CA 92870

Telephone 714-238-1133
 Fax 714-238-1147
 Toll Free 800-395-5283

Website www.pfnfs.com

Fed. ID# 33-0889553

Sales Order B97823

Sales Order Date 10/02/09

Bill To:

Northern Inyo Hospital
 150 Pioneer Lane
 Bishop, CA 93514

Ship To:

Northern Inyo Hospital
 Robert Ralston
 150 Pioneer Lane
 Bishop, CA 93514
 760/873-8316

THIS IS A BID/ESTIMATE

Customer	Ship Via	F.O.B.	Terms	Purchase Order Number	Salesperson	Reference No.
	Truck			Robert Ralston	MT	Mike
Qty. Ordered	Qty. Shipped	Item Number	Unit of Measure	Required Date	Unit Price	Extended Price
	Back Ordered	Item Description			Discount %	Tax
1	0	MBM-5009CC		10/02/09	29589.00	29589.00
		DestroyIt Cross-Cut Shredder 1/3" x 3" Feed opening: 20" Maximum horsepower: 24 Motor output: 9 KW Electrical requirements: 220 V, 3 phase (50 amp. dedicated line required) Dimensions (D x W x H): 85 1/2" x 40 3/4" x 67 1/2" (depth with conveyor system is 121") Shipping weight: 3,080 lbs. *** DESTROYIT WARRANTY • lifetime limited warranty on strip- and cross-cut cutting shafts and wheels • 1 year limited warranty on super micro-cut cutting shafts and wheels • 1 year warranty on all other parts, excluding wearables • 100 Days on Labor (Secure Shredders)				
1	0	SHIP-MISC		10/02/09	0.00	"NO CHARGE"
		Freight Truck Delivery				
1.00	0.00	001-LABOR		10/02/09	0.00	"NO CHARGE"
		Installation and Training				
Thank you for doing business with SecureShredder.com. We are your complete source for paper shredding and paper destruction needs. Including service and supplies. If there is ever anything we can assist you with, please give me a call direct at (888) 286-1242 ext. 225. Sincerely, Mike Turner ** Visit us on the web at www.secureshredders.com **						
					Non Taxable Subtotal	0.00
					Taxable Subtotal	29589.00
					Tax (8.750%)	2589.04
					Total Order	32178.04

Print Date: 10/02/09 4:44 PM

Thank you for your business.

Page 1

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Budgeted Capital Expenditures

Backup & Storage

- Backup Solution: \$75,031.20
 - Budgeted: \$90,000
- Storage Solution: \$76,721.89
 - Budgeted: \$75,000



*People you know,
aring for people you love*

**NORTHERN
INYO HOSPITAL**

Northern Inyo County Local Hospital District

150 Pioneer Lane
Bishop, California 93514
(760) 873-5811 voice
(760) 873-2633 fax

October 6, 2009

Information Technology Storage and Data Backup Solution Purchase

Background:

Among other responsibilities, the NIH IT Department is responsible for procuring and operating data storage and data protection technologies in support of hospitals operations. The storage systems include primary hardware components such as disk arrays as well as specialized data protection or backup software. Backup software is used in the event of human error or other data recovery scenarios, such as computer hardware failure. Together these components are some of the most critical technologies operated by the IT department since they are a building block for other solutions and provide protection of critical hospital information assets.

Current Primary Storage System:

The hospital currently relies on an IBM DS4300 disk system for primary storage. This system holds all medical records such as those stored in DMS and Centricity. It also supports Affinity financial information and most other software applications in use in the hospital. It is where the hospitals information lives.

The DS4300 disk system is nearing capacity. Since the system is over three years old, expansion options are limited and would not be cost effective in the long run.

Current Backup Software:

The hospitals backup software is currently Tivoli TSM. While the software has served the hospital well for a number of years, the IT department is looking to replace this with another software package for a number of reasons. First and foremost is the fact there are now software packages available that are a better fit for a small IT department such as the one here at NIH. TSM scales to large corporate needs but with that comes undue complexity that requires extensive training and oversight. Second, the hardware hosting the TSM solution is antiquated and requires replacement. We would like to use the opportunity to replace the hardware to find a better solution for our environment.

Proposed Storage Solution:

After looking at numerous storage vendors, the IT department has selected the NetApp FAS 2040 as the most appropriate solution for our primary data storage needs. NetApp is a leading

storage vendor with solutions available that fit the hospital's needs. Some of these needs included specific capacity and performance requirements. Other needs included finding a system scaled for our environment, specifically a system that can be managed by on-site IT staff. Some storage solutions are more suited to companies with employees dedicated to storage management support.

NIH IT also took a close look at solutions from companies such as IBM, HP, Lefthand Networks and EqualLogic.

The solution from NetApp offers a number of data protection and efficiency options that the IT Department feels are of value to the hospital, such as the ability to create instant backups of data throughout the day, reducing the potential amount of data loss in the case of certain disasters. The solution is also able to greatly reduce the amount of redundant data stored on the system.

Proposed Backup Solution:

NIH IT is recommending the purchase of CommVault to serve as our primary data protect/backup software solution. The selected solution is well suited to our needs and is a highly rated solution. This software offers simplified backup operations and integrates well with features of the NetApp storage solution.

Conclusion:

As technology improves, the hospital is able to get many more features for much less expense. While still not inexpensive, the data storage and protection solutions we are looking at today, cost a fraction of what similar solutions would have cost only 5 years ago.

CAPITAL EXPENDITURE BUDGET REQUEST

Department: 8480 - Information Technology
Requested by: Adam Taylor

Budget year: 2009/2010
Estimated cost: \$90,000.00
Requested
Priority: 2

GENERAL INFORMATION:

Item description:
New software for data backup

Purpose:
Current backup is very complex, difficult to manage and resource-intensive. New software would be robust and require much less management.

Is this item required or recommended by third-party or regulatory agencies?
Yes No N/A
If yes, please explain:

Is this item a replacement item?
Yes No N/A
If yes, please explain:

Describe any associated installation costs, site preparation, construction costs, additional equipment or supply costs or additional staffing requirements:

Additional comments:

Department Head Signature: _____ Date: 10/8/2009



commvault®

solving forward®

Date: 28-Sep-2009

8.0.5

Prepared For: Devin Riley

Phone: 760-873-2630

Northern Inyo Hospital

Fax:

150 Pioneer Ln

Email: devin.riley@nih.org

Bishop, CA 93514-2599

United States

Prepared By: Scott Reilly

Phone: (916) 771-3536

Fax: (916) 771-3678

Email: sreilly@commvault.com

<u>Part Number</u>	<u>Description</u>	<u>Qty</u>	<u>Extended List Price (USD)</u>	<u>Extended Price (USD)</u>
Software				
DA-W-AD-1	DA-Active Directory	1	550.00	412.50
DA-W-EXDM-2	DA-Exch MB/DB/PF/WF (Tier 2)	1	1,975.00	1,481.25
DA-W-SQL-1	DA-SQL (Tier 1)	3	5,250.00	3,937.50
MA-W-S	Media Agent (Windows)	1	2,350.00	1,762.50
DA-VSA-1	DA-Virtual Infrastructure Host Tier 1 (1-20 VMs)	4	8,000.00	6,000.00
MM-ADVDSK-1T-A	Adv Disk with Deduplication 1TB Tier-A (1-49TB) CommCell Capacity License	9	27,000.00	20,250.00
B-CHPROMO-C-10	10 Server Starter Bundle	1	6,995.00	5,246.25
Software Total (USD)			52,120.00	39,090.00
Discount on Software			25%	
Maintenance				
Support & Maintenance Subscription		21%	10,945.20	10,945.20
Notification of software updates, product fixes and related enhancements. 24 hour access to the CommVault Technical Assistance Center (including holidays). Quarterly reports.				
S-PREM				
Number of Months		12		
Documentation/Travel				
FXTRVL-CONS	Fixed Price Travel Expenses	4	2,000.00	2,000.00
Doc/Trvl Total (USD)			2,000.00	2,000.00
RSE				
RSE Total (USD)			0.00	0.00
BCS				
Number of Months		1		
BCS Total (USD)			0.00	0.00
ROMS				
ROMS Total (USD)			0.00	0.00
Implementation & Consulting				
IC-CONS2-5	Consulting Services (daily rate)	4	10,000.00	10,000.00

		I & C Total (USD)	10,000.00	10,000.00
Training				
TR-CREDIT	Training Credit	9	9,000.00	9,000.00
		Training Total (USD)	9,000.00	9,000.00
		Grand Total (USD)	84,065.20	71,035.20

CommVault Systems Proprietary Information

- The pricing and products contained in this quotation/proposal will be valid 30 days.
- All sales shall be made under the CommVault End User License Agreement.
- Maintenance and Support shall be provided in accordance with CommVault's current policies.
- Annual maintenance support renewals will be based upon 21% of software list price for Premier and 19% of software list price for Standard at time of this purchase.
- Annual maintenance support period begins upon shipment of software.
- Any and all pre-paid professional services credits; including training courses and eLearning materials, will expire one year from the purchase date if not used, and will not be forwarded and or credited to the following year or any new agreement
- NO Statement of Work will be provided for this engagement
- Terms of Delivery - FOB point of shipment with freight prepaid. Terms of Payment - Net 30 Days.

CommVault[®] Simpana[®] Backup and Recovery for Enterprise Deployments

Simplified, Enterprise-Class Data Protection for File Systems, Applications, Databases and Virtual Machine Systems

Key Benefits

- ▶ Improve Administrator and Operator efficiency by reducing the backup and recovery burden.
- ▶ Simplify operations with guided recovery.
- ▶ Dramatically improve recovery performance.
- ▶ Find and restore individual files, e-mail and database objects quickly and easily.
- ▶ Complete more jobs in the time allocated for backup and recovery.
- ▶ Recover data easily and quickly to alternate systems and locations, to enable test, staging and disaster recovery.
- ▶ Dramatically reduce disk and tape use.
- ▶ Rapidly find and fix gaps in data protection.
- ▶ Easily report on the value of data management.
- ▶ Improve media handling with built-in tape tracking and rotation management.
- ▶ Protect all key systems, applications and databases with a single solution.
- ▶ Benefit from CommVault[®] Simpana[®] software core competencies for backup & recovery.

Easily add capabilities for protection, archive, replication and snapshot recovery, all managed from a single management console.

The Business Challenge

Backup and recovery is usually about maximizing Returns on Investment. It is a fine balancing act between meeting data retention needs and recovery objectives, while deriving maximum value from limited infrastructure and resource investments. In the last few years, exponential data growth, newer faster technologies and geographical expansion have upset this balance and made it extremely difficult and cost prohibitive for IT to continue meeting ever aggressive data management demands.

The CommVault[®] Solution

CommVault[®] Simpana[®] Backup and Recovery software delivers what you really need: reliable data protection, multiple recovery options and sophisticated data retention capabilities, allowing maximum return on investment.

The CommVault Simpana solution is designed for fast, easy deployment within your existing infrastructure. With Simpana Backup and Recovery software, you can easily browse and find data, and then recover it reliably, rapidly and efficiently. Compatible with a wide variety of applications and platforms, the software provides easy-to-use data protection and retention that supports corporate and federal policies. Because the software is self-managing, there is no need to waste time double-checking backup copies. Inherent point-and-click reporting targets critical issues so they can be quickly resolved without negative impact to your data protection environment.

Increased Productivity

Better Recovery Operations

Most other backup offerings start by managing devices. Simpana[®] Backup and Recovery software starts from the data and enables you to define what you need to do with the data, such as how many copies you need, for how long and when to retire it. Then, Simpana Backup and Recovery software does the work for you—managing the devices transparently to ensure efficient, cost-effective use of storage while preserving simple, one-step recovery.

Granular, object-level recovery is provided with easy, point-and-click browse and selection. Using Simpana Backup and Recovery software, you find the data, select it and recover. You do not have to start by finding the tapes or scanning jobs, Simpana Backup and Recovery software tracks the data location to let you focus on the data.

Better Backup Operations

Completing backup and recovery jobs is often the key challenge for backup administrators. Typically, much time can be wasted verifying that jobs have run—and completed—and then diagnosing the network, server or storage problem that disrupted operations.

Key Features

- ▶ **Rapid deployment with existing infrastructure**—CommVault® Simpana® Backup and Recovery software is easy to install, configure and manage. Support for a wide range of platforms and application versions makes it easier to maintain your systems environment.
- ▶ **Web browser-based management**—Administrators and operators can manage data from virtually any location with web access.
- ▶ **Fully configurable user-level security access levels**—Define and assign operational and management activities to different users and user groups.
- ▶ **Simple-to-operate recovery**—Out-of-box simple, guided recovery that makes it easy for operators to handle recovery tasks.
- ▶ **Backup job retry**—Retries the job automatically, to help ensure completion. Failover resume capabilities use alternate systems and data paths when equipment and networks fail.
- ▶ **Efficient library and device management**—Easily share and manage disk and library devices, and manage mixed drives, for best cost-efficiencies.
- ▶ **Tape spanning and appending**—Use fewer tapes by appending partially-full tapes, and spanning tapes with a single backup job. Single-step data recovery is still preserved.
- ▶ **Point-and-click reporting**—Verify that backup jobs ran and completed. Quickly find and fix problems, and verify CommCell® system readiness before critical jobs are started. Audit operator and administrator tasks and activities, to find and correct human error.

Simpana Backup and Recovery software provides advanced retry and failover resume capabilities that help jobs to complete even when failures occur, along with comprehensive point-and-click reporting to help simplify verification.

capability to switch backup jobs to alternative tape drives when drives fail. The advanced design of Simpana Backup and Recovery software preserves easy, one-step recovery, even when backup copies span tapes.

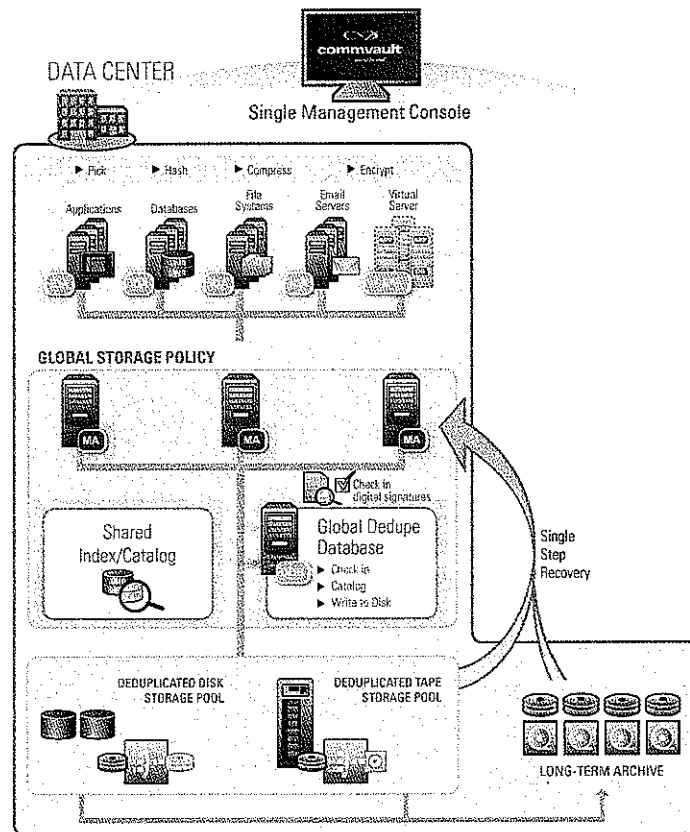


Figure 1: Enterprise-wide Data Protection with a single management console.

More Jobs Complete with CommVault® Backup Failover Resume

In the event that a CommVault® Backup node (called a Media Agent) fails, the backup and recovery jobs are automatically resumed on alternate nodes. Resume means that the job does not have to restart from the beginning, but is resumed from the point of failure. This can be critical for finishing long jobs, in particular. Simpana® Backup and Recovery software also resumes jobs using alternative network connections when networks drop. It uses this same

Better Library and Device Management

Most other backup offerings require add-on software (including third-party software) and complex setup to manage what should be basic configurations for data protection. Simpana Backup and Recovery software makes it easy for you to attach and use the devices and libraries that you have in your environment, and to manage them with advanced Cost Optimized Storage (COS) capabilities.

Point-and-Click Reporting

Easy point-and-click access directly from the CommVault® Unified Console verifies occurrence of scheduled back-ups. The interface enables you to generate key reports to verify recovery job history, tape tracking and rotation, and operator administrator audit tracking. Reports can be saved, exported, scheduled and attached to e-mail for easy distribution—all without the administrator's assistance.

An optional analysis report of primary and secondary storage usage for backup copies is also available as an easy add-on to CommVault Simpana Backup and Recovery software.

Fast, Comprehensive Search and Find

Simpana® Backup and Recovery software provides unique capabilities to search across all copies of managed data in a CommCell® group with a single search request. Searchable fields include file and e-mail objects, as well as time, job and location details. Search of backup copies can be

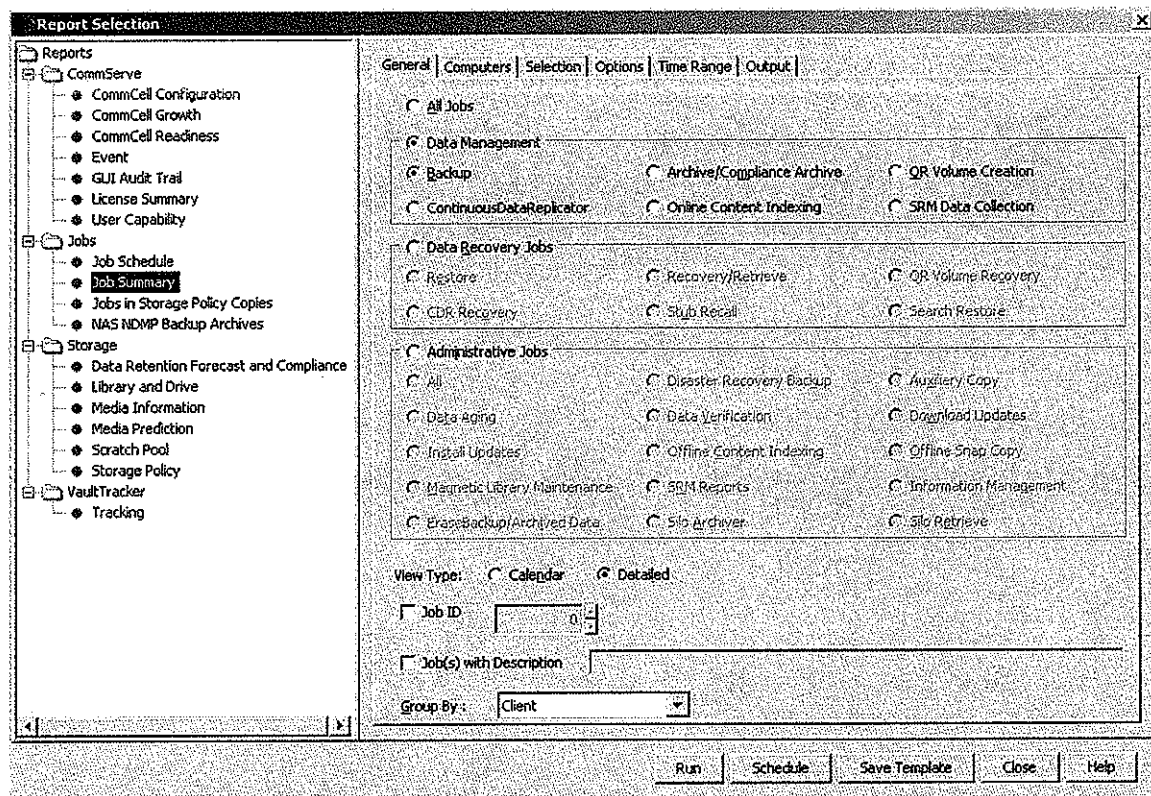
combined with search of archive copies in the same CommCell group. For more information on CommVault search capabilities, see the Search datasheet.

Application Benefits

CommVault offers Intelligent DataAgents (iDAs) to work with Simpana® Backup and Recovery software for business-critical applications. These iDAs integrate with application APIs to deliver on-line, consistent backup and granular, object-level recovery.

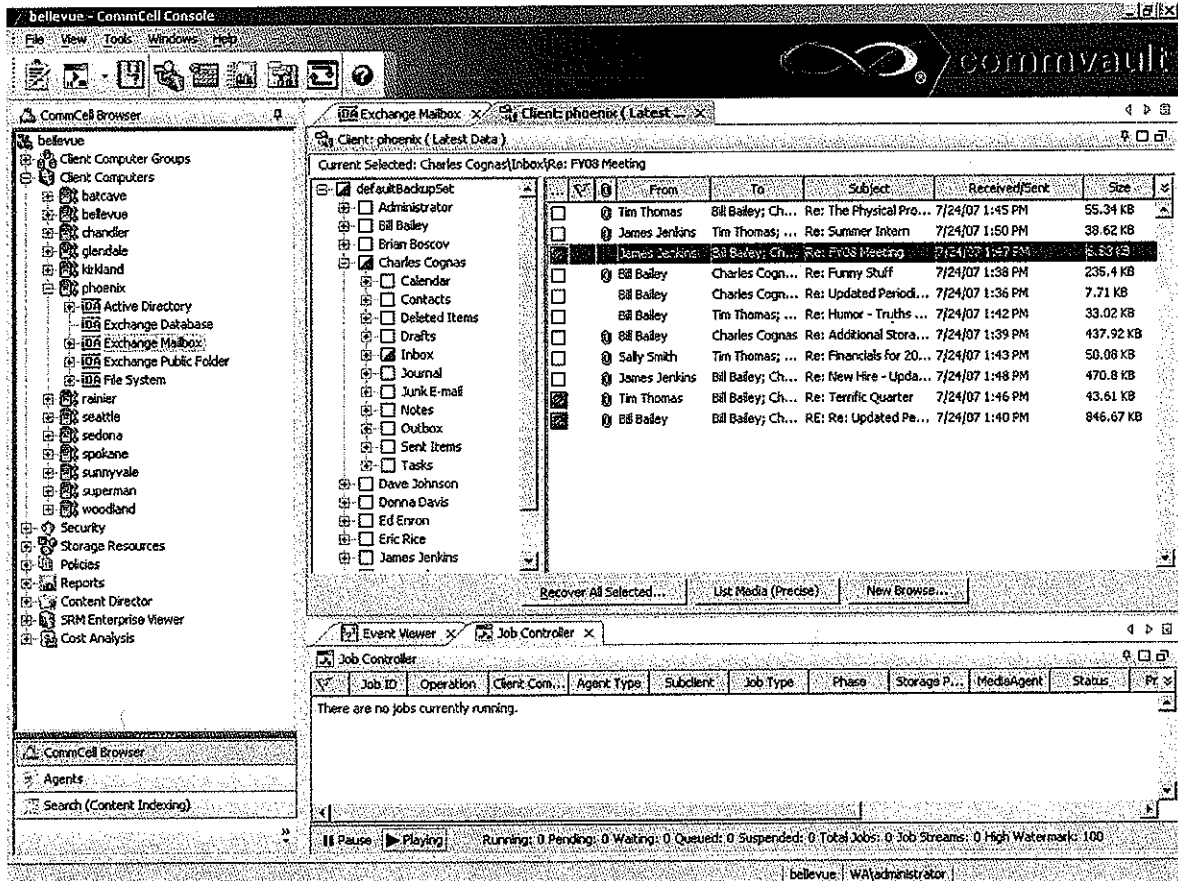
E-mail Systems Protection

The iDAs are integrated with Lotus Notes®, Notes Domino®, and are Microsoft®-certified to protect Exchange messaging systems. Granular recovery of individual mail messages, mailboxes and entire mail databases is provided. With this solution, you can find and restore individual mail messages using a single keyword, all with point-and-click ease from the Unified Console.



Built-in reporting options make finding and fixing backup problems a snap. Color-coded for easy scanning, administrators can validate that backups occurred and quickly spot incomplete backup jobs listed in red.

Reports can be created at the touch of a button right from the Unified Console interface. Reports can also be scheduled, exported and attached to e-mail for easy distribution.



CommVault® Simpana® Backup and Recovery software enables point-and-click browse and recovery of individual mail messages, mailboxes and entire mail databases—and recovers the data without requiring you to first locate tapes.

ERP Systems Protection

Simplify management and coordinate data protection and recovery across complex, multi-tiered Enterprise Resource Planning (ERP) systems. The CommVault® solution is certified with SAP® R/3® and SAP NetWeaver™, and is also well-suited for deployment with other popular ERP solutions by easy embedding of pre- and post-processing commands in the backup process.

Database Systems Protection

Significant database capabilities added:

- Support for protecting MySQL databases
 - Table level restores on Oracle
- Integrated with key API sets to ensure consistent database protection, including:
- RMAN for Oracle® and Oracle RAC
 - ONBAR XBSA API set for Informix
 - DB2/UDB API set
 - MSDN VDI interface for SQL Server, to support parallel backup streams and best data protection performance
 - Sybase

File Systems Protection Including Directory Services and File Sharing Capabilities

Simpana® Backup and Recovery software coordinates backup and recovery policies for all parts of an interconnected platform to deliver file system, directory services and file sharing services. This enables you to simplify management and coordinate data protection of Windows® platforms with document-level backup and recovery of Microsoft® Active Directory® with foreign character support. You can also simplify data protection for Novell® NetWare® platforms with document-level backup and recovery of NetWare eDirectory services, GroupWise and Open Enterprise System (OES) environments running SuSE® Linux.

Simpana Backup and Recovery software provides you with "Best-in-Class" protection and object-level recovery for all your business-critical applications and systems data. Its operations are designed to be more scalable, more reliable, and more usable across hundreds of heterogeneous systems. The operations work with virtually any disk and library architecture you require, and divide backup and recovery loads across UNIX®, Linux®, NetWare and Windows systems according to your preference and requirement.

Optimized for Virtual Systems

Simpana Backup and Recovery software offers multiple backup options for virtualized server data protection including: image-level, file-level, volume-level and incremental delta block image backup. It offers a universal virtual agent per physical system, to help deliver agent-less backup of Virtual Machines (VMs). This streamlined approach eliminates backup resource consumption within the VMs.

Built-In Disaster Recovery

Simpana Backup and Recovery software includes built-in capabilities for disaster recovery, making it quick and easy to recover a CommVault® CommCell® environment at a hot site following disaster. Daily full and differential backups of the CommCell index are stored at the CommServe® level. A two-phase export-and-backup process makes index backup fast and efficient. Administrative time is not required to oversee this process, which is configured with default settings to avoid the typical overhead associated with index management.

Embedded Global Data Deduplication for Enhanced Storage Cost-Efficiency

CommVault extends the power of Simpana® software with hardware-independent, content-aware deduplication. CommVault deduplication software eliminates all duplicate copies of backup and archive data managed within the guidelines of your Global Storage Policy, regardless of source, data type or platform. We do this using our content-aware and adjustable segment-based approach that delivers better deduplication ratios compared to other block-based approaches. We also compare the digital signature of each segment against all the other segments of data in your global storage policy, maximizing deduplication across 100% of your backup and archive data. Combining client-based generation of hash signatures with integrated data compression and data encryption capabilities minimizes network bandwidth requirements and maximizes end-to-end network speed and security that goes from clients all the way to disk and tape-based storage tiers.

With Simpana software, you can expand the use of data deduplication across all tiers of storage, including tape, without the need to "rehydrate" the data back into full form. Using our automated, policy-based approach, you can implement a hands-free approach to migrate and manage aging data quickly and efficiently. The migration is invisible to end-users, and ensures that the deduplicated data is brought back seamlessly directly from any storage tier. CommVault also combines our Shared Index/Catalog with our unique SILO storage to track and retrieve just the data required, without the need for lengthy restores and searching through entire volumes of data.

Deduplication With Simpana is Especially Helpful for:

- ▶ End-to-end elimination of duplicate data across multiple backup cycles, and across backup and archive data stores → Greater deduplication ratios.
- ▶ Direct data restores from any storage tier and the ability to create and retain dramatically more recovery points → Faster recovery of data covering longer retention periods.

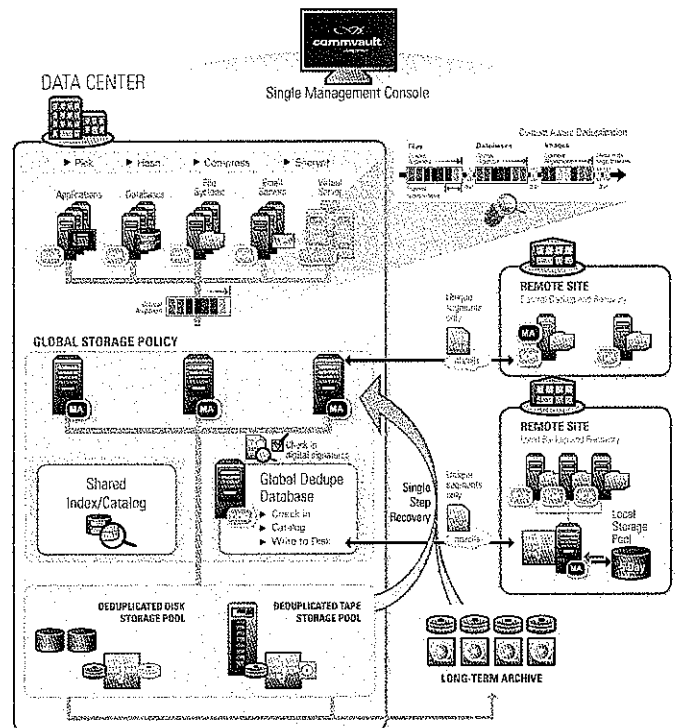


Figure 2: Embedded Global Data Deduplication Featuring Inline Block-level Deduplicated Storage Copies.

- ▶ Automated policy-based migration/management of long-term data on tape-based backup media → Better manageability with optimized storage/tiering of data.

CommVault® Simpana® integrates deduplication with our broader platform capabilities around Backup and Recovery, Archiving, Replication, SRM and Search to deliver a holistic integrated deduplication approach that maximizes efficiency and minimizes barriers to implementation throughout the enterprise.

Maximizing Deduplication Without Sacrificing Performance

1. Content-aware segment-based deduplication across all data within a global Storage Policy that spans all associated clients, applications, agents, jobs, etc.
2. Integration with compression and encryption increases speed and security when writing unique data to disk.
3. Retains dedupe to tape, and eliminates traditional VTL/appliance re-assembly "tax," for direct and selective retrieval of data from any tier (including archived data on tape).

Key Capabilities and Benefits

Capabilities

Benefits

Object-Level Recovery	Easy, fast data recovery and business resumption. No need to recover an entire Exchange database, SharePoint® database, or volume—which could take days—when all you need is a single data object, which restores in minutes.
Easy Right-Click Select	See multiple versions of the same file and easily select all, some or one to recover the exact version that your business-user requires.
One-Pass Restore Volume-Level Recovery	Speeds recovery and reduces tape wearing by restoring all data using a single pass through the tape, without needing to recover multiple versions of the same file like other backup offerings do. Same capability works on disk to help speed restore.
Skip Errors and Continue	Obtains and restores files and information that are possible to restore, even when some files requested may not be found. When selected, this option causes Simpana® Backup and Recovery software to ignore media errors and continue the restore operation without going into pending mode. This option will also provide a list of files (full path names) that failed to restore due to "seek" errors, for easier troubleshooting.
Distributed Relational Index	Eliminates issues typically associated with managing other backup software catalogs. Relational structure ensures high-speed performance for index lookups. Double-commit store of index ensures recoverability, and eliminates the need for administrative management of the index.
Full, Incremental, Differential and Synthetic Full Backup Options	Enables most efficient data protection possible, and with appropriate use of storage media to help ensure just as rapid recovery from synthetics as from full backups.
Configurable Auxiliary Copies	Configurable for inline, selective, synchronous or casing copies. Ensures compliance with your policies for data protection and retention, and ensures recoverability since a copy of the data is always available.
Granular Backup Job Control and Management	Fine-tune your operation by controlling all jobs by queue, pre-emption, priority, on-demand restart, and update interval. Suspend, resume or cancel any job, at will, using the Job Controller Window.
Multistreaming and Multiplexing	Depending on backup needs, such as when managing many small files or when writing to fast-performing drives, these capabilities can offer improved performance and efficiencies to help perform backups more quickly and help fit backups into smaller windows.
Round-Robin Load Balancing of Backup Loads Using Available Systems	Perform backups more quickly, and fit backups into smaller windows, by dividing backup loads among UNIX®, Linux®, NetWare® and Windows® systems.
Efficient Port Utilization	Depending on your needs and configuration, as few as two ports are required to backup through a firewall, saving you money and resources.
Shared Library Management	Increase ROI on expensive library equipment, by providing shared access to libraries and built-in robot management from multiple backup servers. Because library sharing is built-in, it is easier to deploy, manage and maintain than with other backup offerings.
Shared Drive Management	Append data and fill removable media such as tape, rather than wasting tape and increasing your costs if tapes are not filled when you need to rotate them off-site.
Data Aging	Automatically prunes out older data, eliminating need for expensive add-on or third-party software to manage different types of tape drives in the same library.
Rapid, Easy Install	Simpana Backup and Recovery software is easy to install, locally or remotely, helping save time and money typically required for deployment services. Silent installs are offered for most Simpana agents, reducing the need for disruptive server reboots and enabling deployments and updates to occur during normal business hours. Remote library configuration is supported, helping reduce the need for on-site visits to remote locations as part of the deployment or upgrade process.
Search	An integrated part of Simpana Backup and Recovery software, Search provides support for data mining without the need for additional infrastructure (servers, networks or storage devices).
SnapBackup	CommVault® SnapBackup Media Agent uses snapshots to make backups "near instant."

Additional Solutions to Use With CommVault® Simpana® Backup and Recovery Software

CommVault® Simpana® software offers data management software built on the same software platform so that all capabilities work together. This makes it more easy to add capabilities when and how you need them. To add on to CommVault Simpana Backup and Recovery software, consider:

► Backup

- Object-level backup and recovery of file systems, applications, databases and virtual server systems
- Reliable operation with failover resume and job completion capabilities

► Archive

- Reduced cost and growth of primary storage systems
- Legal discovery and compliance readiness

► Replication

- Remote office data centralization as a seamless extension of backup
- Disaster recovery flexibility

► Search

- Information Access and eDiscovery of Electronically Stored Information (ESI)
- Simplify, speed and reduce the cost of enterprise-wide discovery from a single console

► Resource Management

- Analysis of primary storage growth requirements
- Analysis of secondary storage growth requirements

► SnapBackup

- “Near Instant” snapshot backups across heterogeneous systems and storage
- Eliminates backup impact on production servers

► Virtual Server Data Protection

- Flexible backup and recovery options for VMware® and Microsoft® virtual platforms
- Agent-less backup of virtual machines

► Remote Office and Branch Office Data Protection

- Leverage multiple options for protecting remote office data based on RTO/RPO and recovery SLAs
- Optimize disk and network utilization with client-site deduplication

► Data Deduplication

- Reduced costs and recovery time with optimized dedupe across all backup and archive data stores
- Expand use of dedupe capabilities to tape-based storage combined with fast, direct recoveries

System Requirements

Applications and Databases—Active Directory®, IBM® DB2, IBM Informix®, Lotus Notes®/Domino®, Microsoft® Exchange Server, Microsoft SharePoint® Systems, Microsoft SQL Server®, Novell® GroupWise, Oracle®, Oracle RAC, SAP® R/3® and NetWeaver®, Sybase®.

Client Platforms—AIX®, FreeBSD, HP-UX®, Novell OES Linux, Macintosh®, Microsoft Windows and Active Directory, Microsoft Vista, NAS NDMP, NetWare and eDirectory services, Red Flag Linux, Red Hat Linux, SGI Irix, Solaris™, SuSE Linux, Tru64.

Media Agent Platforms—AIX®, HP-UX, Solaris, NetWare, Microsoft Windows, Tru64, Red Flag Linux, Red Hat Linux, SuSE Linux. Clustering options are supported.

Deduplication—Windows and UNIX Media Agents.

Deduplication Backup Copies—Mac File System, Microsoft DPM, Microsoft Exchange Mailbox, Microsoft SharePoint Documents, Microsoft Windows File System, OES File system, ProxyHost, UNIX File System.

- FS support: Provides backup of Windows, UNIX, Linux file system data.
- Image-level backup: Snapshots replace need for whole file scans for faster backups.

• NDMP: Provides granular recovery, speeding recovery over alternative all-or-nothing approaches.

• Dedupe support: Configurable byte-level and file-level deduplication is supported for both disk and tape backup systems, enabling use of virtually any storage device—eliminates need for expensive, specialty dedupe appliances.

Deduplication Archive Copies—Domino Mailbox, Microsoft Exchange Compliance, Microsoft Exchange Mailbox/Public Folder, UNIX File System, Microsoft Windows File System, NAS Files, Microsoft SharePoint.

- Dedupe support across entire CommVault data store: Supports deduplication across all backups (backup and archival), maximizing compression ratio.
- Active-Archive: Designed for file systems and email boxes, reduces amount of primary disk space required.
- Compliance Archive: Indexes data at the content level, facilitating search and retrieval to help simplify e-discovery and to meet federal requirements, as dictated by government regulations, such as Sarbanes-Oxley and HIPAA.

Note: System Requirements are subject to change. For up-to-date System Requirements, please refer to product documentation on the CommVault website at <http://www.commvault.com>

SIMPANA
software

CommVault® Simpana® Backup & Recovery, Archive, Replication, Resource Management and Search software is designed to work together seamlessly from the ground up, sharing a single code and common function set. This exclusive single-platform architecture enables unparalleled software efficiency, performance and reliability for unprecedented control over data growth, costs and risk.



www.commvault.com ☎ 888.746.3849 ✉ info@commvault.com

CommVault Worldwide Headquarters • 2 Crescent Place • Oceanport, NJ 07757 • 888-746-3849 • Fax: 732-870-4525

CommVault Regional Offices: United States • Europe • Middle East & Africa • Asia-Pacific • Latin America & Caribbean • Canada • India • Oceania

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Enhanced Data Protection and Manageability of Virtual Servers Using CommVault® Simpana® Solutions

Scalable Data Protection Options for VMware® and Microsoft Virtual Environments

Companies relying on the benefits of virtualized environments to reduce cost and maximize operational efficiencies are often challenged by limited manageability, data protection and disaster recovery options.

Key Benefits

- ▶ Offload backup operations from virtual machines to a VMware® VCB proxy server or to a Microsoft® Hyper-V™ server to reduce resource contention and eliminate backup agents on each virtual machine.
- ▶ Meet SLAs for protection and recovery by leveraging multiple backup and recovery options for protection and recovery of VMware or Microsoft Hyper-V virtualization platforms.
- ▶ Improve data management and protection of virtual machines by automatically discovering and adding them to default protection policies.
- ▶ Manage and retain more recovery copies on disk or tape while reducing storage footprint by using embedded deduplication, smarter management policies, powerful indexing and random disk access.
- ▶ Identify and eliminate redundant data across backup and archive of physical and virtual environments running VMware or Microsoft Hyper-V by using embedded deduplication.
- ▶ Leverage a single solution that integrates backup, archive, replication and storage resource management across physical and virtual servers, providing unlimited scalability and efficiencies through simplified management and better use of data and resources. All manageable from a single console.
- ▶ Ensure applications are protected and recoverable with seamless, consistent application protection and data mining tools to perform granular recovery of application objects from backup sets.
- ▶ Implement a cost-effective DR strategy for all environments, applications, locations and points-in-time. Replicate from P2V or V2P to recover data and applications and rebuild your backup environment on dissimilar equipment quickly and efficiently.
- ▶ Easily implement tiered storage by using automated data lifecycle management to retain current critical data on primary storage, while archiving legacy and stale data to less expensive, secondary storage.

The Business Challenge

Many organizations are shifting to virtualization of servers to improve operational efficiency and reduce capital expenditures. Virtualization helps consolidate servers, improve hardware utilization and reduce the consumption of power and physical space in the data center. However, it also creates a whole new level of management complexity, presenting challenges across the enterprise in the areas of data protection, storage, network consumption and manageability. As servers and workloads continue to consolidate into virtual stacks, effective data protection and recovery remain an ongoing challenge. There are several considerations for data protection in the virtual environment:

- ▶ **Physical server load and resource consumption:** As the ratio of virtual servers to physical servers continues to increase, there is severe resource contention among virtual entities vying for limited physical server and network resources. Traditional server-based data protection operations only increase this resource contention and system load.
- ▶ **Virtual machine (VM) sprawl:** As virtual servers become the default server policy, and with the ease of allocating new virtual machines, it is very easy to create a virtual machine sprawl. Automatic and simplified protection and recovery of data on these virtual machines using a consistent set of policies is necessary to manage this growth with limited administrator resources.

- ▶ **Different recovery needs:** It is necessary for any data protection operation to provide a single pass backup process, yet allow multiple recovery options ranging from full virtual machine recovery for disaster recovery to granular single file recovery for data loss.
- ▶ **Backup storage optimization:** The unique nature of virtual machine data protection lends to a lot more backup storage consumption. A credible solution needs to have built-in capabilities to allow data and storage optimization not only at rest, but also in transit.
- ▶ **Application protection:** As applications running in virtual machines become more mainstream, a data protection solution needs to provide a consistent set of recovery methods not just for the virtual machine, but for applications running inside virtual machines as well.

The CommVault® Simpana® Solution Universal Virtual Server Agent

CommVault® Simpana® software's Universal Virtual Server Agent helps address the challenges in a virtual environment based on VMware® Virtual Infrastructure, VMware Virtual Server, Microsoft® Hyper-V™ server and Microsoft Virtual Server Environments. The agent resides on a proxy server outside the virtual machines and reaches into virtual servers for off-host backups. Local agents in the virtual machine are not required. The Universal Virtual Server Agent leverages tools built into the virtualiza-

Key Capabilities

- ▶ **Agent-less Backup of Virtual Machines**—Offload backup operations from virtual machines to a VMware® VCB proxy server or to a Microsoft® Hyper-V™ server—eliminating resource contention on the physical host and the need for costly backup agents on each virtual machine.
- ▶ **Flexible Backup and Recovery Options for VMware and Microsoft Virtual Platforms**—Leverage multiple backup options to balance SLAs for protection and recovery of virtual machines on VMware or Microsoft virtualization platforms. Recover individual files, even from an image-level backup, without having to recover the entire image first. Perform volume-level backup and recovery for VMware environments. Other options include the ability to perform incremental delta-block, image-level backup to expedite backup operations, reduce storage utilization, and enable single-pass, full virtual machine recovery.
- ▶ **Consistent Application Protection**—Ensure applications are consistently protected and recoverable across physical or virtual servers by creating a consistent copy of a virtual machine's application data for fast recovery using VCB snapshots. Leverage data mining tools to perform granular recovery of application objects from backup sets.
- ▶ **Optimized Storage and Network Utilization with Global Data Deduplication**—Manage and retain more recovery copies on disk or tape without increasing storage requirements. Leverage smarter management policies, powerful indexing, embedded global data deduplication and random disk access capabilities. Share storage for backup and archiving across physical and virtual servers; archive stale data; eliminate duplicate files, e-mails and messages across the backup and archive tier of physical or virtual environments. *continued on next pg.*

tion platforms—VMware Consolidated Backup (VCB) and Microsoft Virtual Snapshot (VSS)—to perform block-level incremental image backups, volume-level backups or file-level backups. Each backup type provides a wide array of recovery options that span from a full virtual machine restore to a granular single file restore.¹ Cross-platform restore is also available from VMware to Microsoft to support migration or for testing purposes.

Administrators have the ability to automatically discover virtual machines across the entire virtual environment and can assign groups of virtual machines to specific backup policies. Newly added machines can also be added automatically to default backup policies to enable automatic protection of new virtual machines.

Together, these features relieve the administrator from having to selectively balance backup policies, enabling them to work more effectively with existing approaches such as VCB. They ensure data transfers are efficient and not wasteful as in the case of daily VCB-Full Image backups. Furthermore, these features provide the broadest set of recovery options to reduce additional steps in the restore process.

Best-in-Class Data Protection for VMware® Virtual Server Environments

CommVault® Simpana® Software's Universal Virtual Server Agent delivers the following capabilities to optimize protection for the VMware virtualization platform:

- ▶ By installing the Simpana® software Universal Virtual Server Agent on a VCB proxy server, which is different from the physical server that hosts the virtual machines, all backup operations are conducted by this proxy server, virtually eliminating the need to consume the physical server resources.
- ▶ The VCB proxy can back up virtual machines running on any ESX server that is part of the Virtual Infrastructure environment.
- ▶ Throttling parameters streamline the number of simultaneous backup processes to limit load on the virtual infrastructure, network and storage.

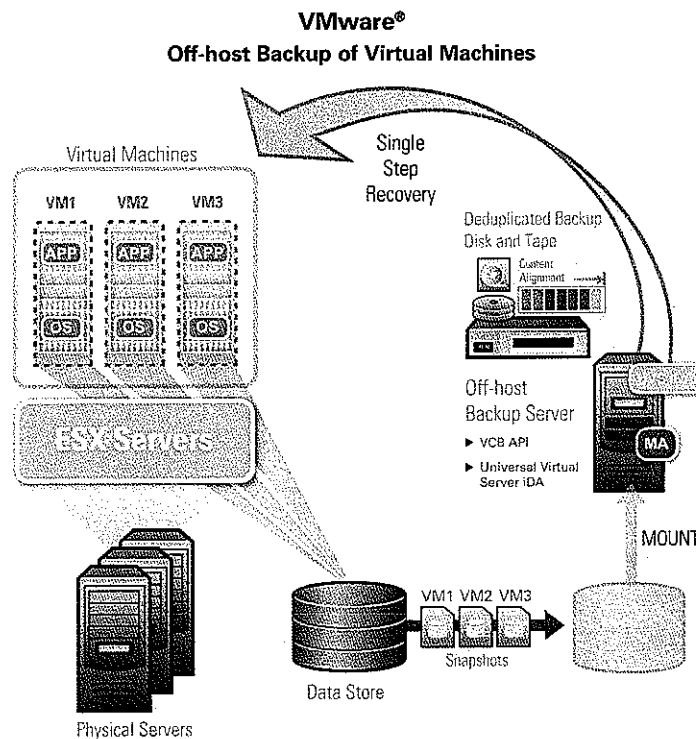


Figure 1: Leverage VCB snapshots to perform off-host backup of virtual machines. Perform file-level, single-step restore back to the source.

¹Disk-level restores only available on Hyper-V™ due to API constraints. File-level is supported on guest hosts running NTFS when metadata collection is specified.

Key Capabilities (cont.)

► **Unified Platform for Simplified Administration**—Consolidate data management for physical and virtual servers including data protection, archiving, replication and storage resource management—all integrated to deliver centralized management for virtual servers, physical servers and storage from a single unified console without learning new technologies or installing new infrastructure. Standardizes tools and best practices across the enterprise; automates data lifecycle management across storage tiers and physical or virtual environments; centralizes logging, reporting and auditing.

► **Automated Discovery and Set up of Virtual Machines**—Manage virtual machine sprawl by automatically discovering virtual machines and adding them to default protection policies—simplifying set up and guaranteeing immediate protection.

► **Replication from Physical to Virtual (P2V), Virtual to Virtual (V2V), or Virtual to Physical (V2P) Servers**—Deploy fast, cost-effective disaster recovery by replicating data directly from physical servers (remote or data center) to virtual environments and vice versa. Rebuild your backup environment on dissimilar equipment quickly and efficiently. Easily set up virtual machines at a DR site that mirror physical production site servers. Leverage virtualization tools to rapidly provision resources for disaster recovery.

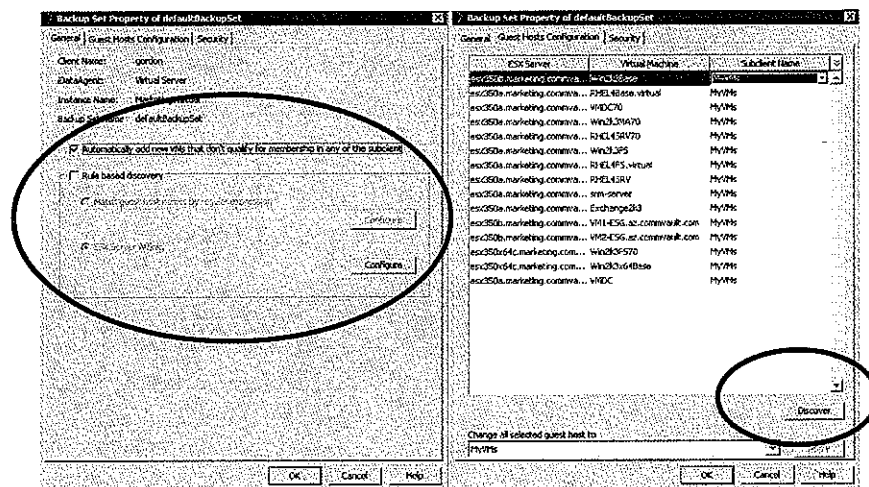


Figure 2: Auto Discovery of Virtual Machines to be Protected.

- Automatically discover virtual machines across multiple ESX servers and add them to data protection policies, eliminating the need to individually add each virtual machine and its data set.
- Automatically add newly created virtual machines to default protection policies, thus guaranteeing immediate data protection for all virtual servers in the environment. Virtual machines can be discovered based on affinity to ESX servers or based on virtual machine naming patterns (e.g. all machines that begin with the name "Fin_" can be automatically assigned to data protection policies for servers used in finance department).
- CommVault® software uniquely provides the ability to perform incremental delta block image-level backups by peeking into the file system inside the image file during the disk-level backup process to determine the Windows files that have changed. The backup operation then only copies image extents associated with these files. This leads to dramatically faster backups, less data transfer over the network and less storage utilization. As with other incremental backups, the disk-level incremental backup represents a fully recoverable recovery point, even though only a fraction of the total data has been moved.

Multiple Backup Options

- Disk-level backups leverage VCB image-level option to back up the full virtual machine image from the VCB Proxy. VCB commands quiesce the virtual machine and present the image to the proxy server which backs it up to a designated storage policy. During the backup process of Windows® virtual machines (only), we uniquely crack open the image to catalog and index all the files inside the virtual machine, allowing granular recovery from disk-level backup.
- File-level backup of the virtual machine file system is possible for Windows guests. Using VCB, the file system of the guest is mounted on the VCB Proxy. The proxy then backs up the files to the storage policy.
- Volume-level backup allows the backup of volumes as seen by the guest's file system.
- Incremental backup is possible for all the backup types. This ensures that only data changed since the last backup is transferred. Each incremental backup, however, represents a fully recoverable point-in-time backup image.
- Synthetic Full backup allows the creation of full backups for all 3 backup types without the need to hit the production servers.

Multiple Recovery Options From a Single Pass Backup, Including Granular File Recovery From Image Backup

- ▶ Recover entire virtual machine image from a disk-level (image-level) backup.
- ▶ Recover individual files from a disk-level full or incremental backup without the need to recover the entire virtual machine image back.
- ▶ Recover individual volumes associated with the guest machine file system.

Embedded Deduplication

- ▶ Leverage delta block disk-level backups to reduce the amount of data transferred and stored on disk.
- ▶ Content-aware data deduplication at the segment level allows retaining backups on limited disk for a longer period of time. Virtual machine images contain redundant segments, reducing the backup disk footprint considerably.
- ▶ Leverage Tape SILO storage to slide deduplicated backups to tape, thus extending the benefits of deduplication to tape devices. Transparent recovery process ensures only relevant data is shifted back from tape to disk for recovery.

Additional Advantages

- ▶ Recover data backup of VMware® to a Hyper-V™ environment.
- ▶ Support for using VCB in both SAN and NAS mode. VCB by default requires shared SAN storage between the ESX server and the VCB Proxy. However, newer implementations of VCB allow data to be presented to the VCB Proxy over the network. CommVault® software supports both modes. The network mode adds more overhead as it moves data over the network.
- ▶ The latest VCB release includes a VSS requestor that gets deployed on each virtual machine. This VSS requestor is invoked before creating a VCB snapshot so any applications running on the virtual machine can flush the data to disk. A snapshot created in this way ensures that the application data within the image is consistent. However, this does not allow recovering data directly to the application. The recovery process still involves either recovering the entire VM, or recovering database files associated with the application and presenting it manually to the application.

Microsoft® Hyper-V™

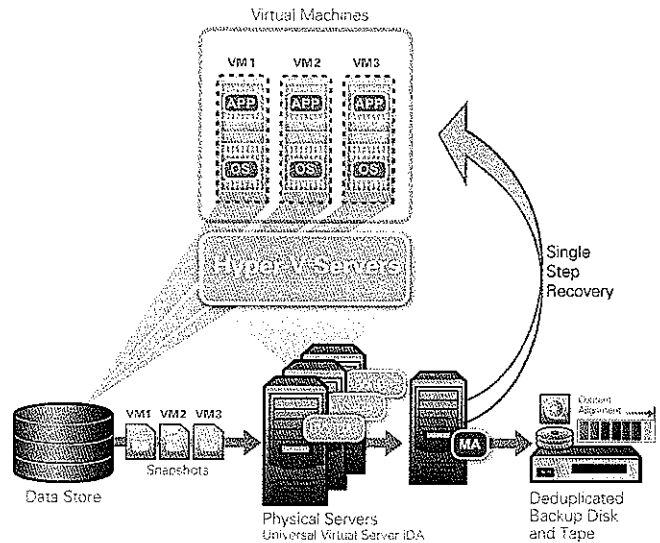


Figure 3: Leverage VSS snapshots to perform server based backup of virtual machines. Perform image or individual file-level, single step restore back to the source.

In general, the functionality of the Simpana® software Universal Virtual Server Agent on Microsoft Hyper-V is similar to that on VMware. Minor differences are highlighted here.

Best-in-Class Data Protection for Microsoft® Virtual Server Environments

Physical Server Based Backup of Virtual Machine

- ▶ Hyper-V™ does not have the ability to present a virtual machine image to a different physical server; therefore, the Simpana software Universal Virtual Server Agent can be deployed only on the Hyper-V server.
- ▶ The Simpana software Universal Virtual Server Agent engages with the VSS writer on the Hyper-V server to quiesce the virtual machines and then backs up the image/files associated with the virtual guests running on that server.

Auto Discovery of Virtual Machines to be Protected

- ▶ Auto-discover all virtual machines that are running on the physical Hyper-V server. Discovery of virtual machines on a different Hyper-V server is not allowed due to lack of support from Hyper-V.

Multiple Backup Options

- ▶ Virtual Server agent on Hyper-V supports disk-level (image-level) backups only. However, just like in VMware, we are able to crack open the image file (.vhd file) to catalog all the files in the VM. Incremental delta block and Synthetic Full backups are also supported.

Multiple Recovery Options from a Single Pass Backup, Including Granular File Recovery from Image Backup

- ▶ A single disk-level backup can be used to recover the entire virtual machine image or individual files within the virtual machine.
- ▶ Volume-level recovery is not supported on Hyper-V due to API limitations.

Embedded Deduplication

- ▶ Leverage delta block disk-level backups to reduce the amount of data transferred and stored on disk.
- ▶ Content-aware data deduplication at the segment level allows retaining backups on limited disk for a longer period of time. Virtual machine images contain redundant segments which reduce the backup disk footprint considerably.
- ▶ Leverage Tape SiLO storage to slide deduplicated backups to tape, thus extending the benefits of deduplication to tape devices. Transparent recovery process ensures only relevant data is shifted back from tape to disk for recovery.

Reliable Disaster Recovery for VMware® and Microsoft® Virtual Platforms

CommVault enhances and extends the disaster recovery benefits of virtualized environments with unique capabilities that enable organizations to:

- ▶ Balance SLAs for protection and recovery
- ▶ Quickly recover data and applications
- ▶ Accelerate the process of rebuilding a backup environment

CommVault® Simpana® software simplifies and accelerates the process of rebuilding the backup environment and re-establishing the index database, so that actual data recovery can begin much quicker. With the backup environment re-established, CommVault® software's granular recovery capabilities allow restores of single objects, instead of entire application databases or volumes. The same granular recovery benefits apply to VMware® virtual machine file system environments, and applications including Microsoft® Exchange and SQL Server®, Oracle®, Lotus Notes®, GroupWise® and SharePoint® Portal Server.

Replication of Data for Simplified Migration and Management

CommVault® software's Replication module operates on multi-platform host-based environments and is fully supported on virtual machines hosted on VMware ESX or Microsoft Hyper-V servers. When deploying a virtual environment, CommVault® software's Replication module helps migrate data and applications from Windows, Linux® and UNIX® production servers to virtual servers. Data Replicator captures byte-level changes of data written to disk in real time and offers the ability to continuously or discretely replicate that data from physical to virtual (P2V), virtual to virtual (V2V), or virtual to physical (V2P) over a local or wide area network for centralized protection and disaster recovery preparedness.

Embedded Global Data Deduplication for Enhanced Storage Cost-Efficiency

CommVault extends the power of Simpana® software with hardware-independent, content-aware deduplication. CommVault deduplication software eliminates all duplicate copies of backup and archive data managed within the guidelines of your Global Storage Policy, regardless of source, data type or platform. We do this using our content-aware and adjustable segment-based approach that delivers better deduplication ratios compared to other block-based approaches. We also compare the digital signature of each segment against all the other segments of data in your global storage policy, maximizing deduplication across 100% of your backup and archive data. Combining client-based generation of hash signatures with integrated data compression and data encryption capabilities minimizes network bandwidth requirements and maximizes end-to-end network speed and security that goes from clients all the way to disk and tape-based storage tiers.

With Simpana software, you can expand the use of data deduplication across all tiers of storage, including tape, without the need to “rehydrate” the data back into full form. Using our automated, policy-based approach, you can implement a hands-free approach to migrate and manage aging data quickly and efficiently. The migration is invisible to end-users, and ensures that the deduplicated data is brought back seamlessly directly from any storage tier. CommVault also combines our Shared Index/Catalog with our unique SILO storage to track and retrieve just the data required, without the need for lengthy restores and searching through entire volumes of data.

Deduplication With Simpana is Especially Helpful for:

- ▶ End-to-end elimination of duplicate data across multiple backup cycles, and across backup and archive data stores → Greater deduplication ratios.
- ▶ Direct data restores from any storage tier and the ability to create and retain dramatically more recovery points → Faster recovery of data covering longer retention periods.

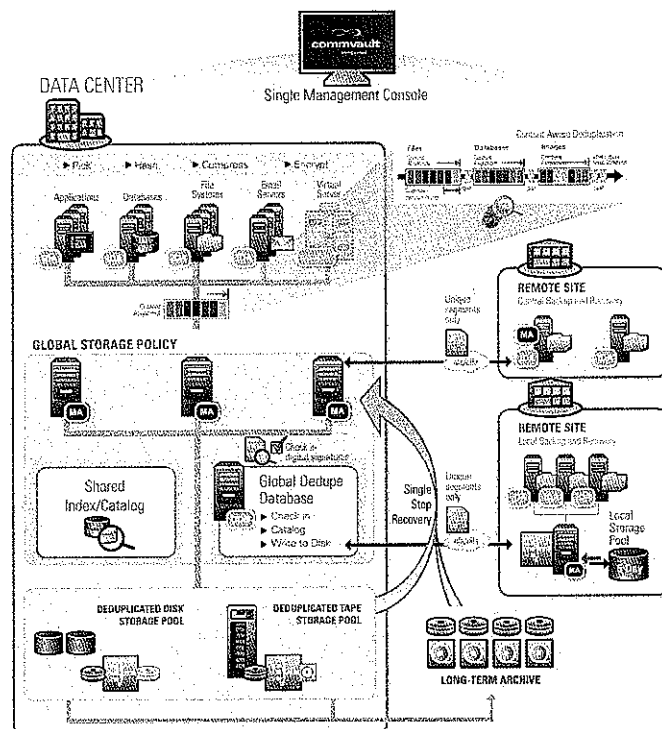


Figure 4: Embedded Global Data Deduplication Featuring Inline Block-level Deduplicated Storage Copies.

- ▶ Automated policy-based migration/management of long-term data on tape-based backup media → Better manageability with optimized storage/tiering of data.

CommVault® Simpana® integrates deduplication with our broader platform capabilities around Backup and Recovery, Archiving, Replication, SRM and Search to deliver a holistic integrated deduplication approach that maximizes efficiency and minimizes barriers to implementation throughout the enterprise.

Maximizing Deduplication Without Sacrificing Performance

1. Content-aware segment-based deduplication across all data within a global Storage Policy that spans all associated clients, applications, agents, jobs, etc.
2. Integration with compression and encryption increases speed and security when writing unique data to disk.
3. Retains dedupe to tape, and eliminates traditional VTL/appliance re-assembly “tax,” for direct and selective retrieval of data from any tier (including archived data on tape).

Key Features and Benefits

Features

Benefits

Multiple backup and recovery options for VMware®

Easily offloads backup from production or critical ESX servers while maintaining integration with existing backup schemes. Enables file backups for fast and easy single step recovery of individual files. Enables full image backups for disaster recovery purposes. Performs volume-level backups; back up volumes within a virtual machine (Windows® only).

Multiple backup and recovery options for Microsoft® Hyper-V™

Offloads backup operations from virtual machines, eliminating resource contention on the physical host. Leverages multiple backup options, including full virtual-machine image backup, full virtual machine recovery to any physical server and incremental delta block image-level backup.

Granular file-level recovery from a full image backup

Easy, fast recovery of file system, database and application data using a single data object.

Incremental delta block image-level backup

Enables faster backup, reduces storage utilization, server load and the amount of data transferred over the network. Represents a full point-in-time backup image allowing full virtual machine recovery from a single pass backup.

Auto discovery and protection of virtual machines

Guarantees immediate protection for all virtual servers in the environment by ensuring that virtual machines are backed up as part of standard policies—eliminating the need to individually add each virtual machine and its data set.

Discovers virtual machines across multiple VMware ESX Servers as well as those running within a physical Hyper-V Server.

Embedded global deduplication

Eliminates redundant segments from the backup sets storing only unique data on disk to reduce storage requirements and improve disk retention without any impact on the recovery speeds.

Extend deduplication to tape

Extends the benefits of deduplication to tape devices, significantly reducing the amount of tape required for long-term retention. Sophisticated copy management and indexing automatically shifts only necessary data from tape to disk during recovery.

Full, incremental, differential and synthetic full backup operations

Enables most efficient data protection possible and, with appropriate use of storage media, ensures just-as-rapid recovery from synthetics as from full.

Additional Solutions to Use with CommVault® Simpana® Software

CommVault® Simpana® software offers data management software built on the same software platform so that all capabilities work together. This makes it easy to add capabilities when and how you need them. To add on to CommVault Simpana software for virtualized environments, consider:

► Backup

- Object-level backup and recovery of file systems, applications, databases and virtual infrastructures
- Reliable operation with failover resume and job completion capabilities

► Archive

- Reduced cost and growth of primary storage systems
- Legal discovery and compliance readiness

► Replication

- Remote office data centralization as a seamless extension of backup
- Disaster recovery flexibility

► Search

- Information Access and eDiscovery of Electronically Stored Information (ESI)
- Simplify, speed and reduce the cost of enterprise-wide discovery from a single console

► Data Deduplication

- Reduced costs and recovery time with optimized dedupe across all backup and archive data stores
- Expand use of dedupe capabilities to tape-based storage combined with fast, direct recoveries

System Requirements

Supported Platforms

VMware®:

- VMware ESX 3.0
- VMware ESX 3.5
- VMware ESXi 3.5 U2

VMware Virtual Center:

- VMware Virtual Center 2.5.0

Microsoft® Windows® Virtual Server:

- Microsoft Virtual Server 2005 R2 Editions with a minimum of Service Pack 1

Microsoft Windows 2008 Hyper-V™:

- Hyper-V version 6.x

Note: System Requirements are subject to change. For up-to-date System Requirements, please refer to product documentation on the CommVault website at <http://www.commvault.com>

SIMPANA
software

CommVault® Simpana® Backup & Recovery, Archive, Replication, Resource Management and Search software is designed to work together seamlessly from the ground up, sharing a single code and common function set. This exclusive single-platform architecture enables unparalleled software efficiency, performance and reliability for unprecedented control over data growth, costs and risk.



commvault
solving forward™

www.commvault.com • 888.746.3849 • E-mail: info@commvault.com

CommVault Worldwide Headquarters • 2 Crescent Place • Oceanport, NJ 07757 • 888-746-3849 • Fax: 732-870-4525

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CAPITAL EXPENDITURE BUDGET REQUEST

Department: 8480 - Information Technology
Requested by: Adam Taylor

Budget year: 2009/2010
Estimated cost: \$75,000.00
Requested
Priority: 1

GENERAL INFORMATION:

Item description:
New Storage Area Network

Purpose:
We are running low on space for data storage. Additionally, our current storage is outdated. We need to purchase a new storage system to accommodate current and future data storage needs.

Is this item required or recommended by third-party or regulatory agencies?
Yes No N/A
If yes, please explain:

Is this item a replacement item?
Yes No N/A
If yes, please explain:

Describe any associated installation costs, site preparation, construction costs, additional equipment or supply costs or additional staffing requirements:

Additional comments:

Department Head Signature: _____ Date: 10/8/2009

**NetApp Enterprise Storage
Proposal**

For



Northern Inyo Hospital

**Prepared by:
Dan Putnam, Zumasys, Inc.**

September 25, 2009

9/25/2009

Dear Team:

Thank you for the opportunity to propose our NetApp solution to address your enterprise storage requirements. Your time spent with us and the information you've shared are very much appreciated.

To deliver the industry leading Return of Investment for our customers, NetApp solutions significantly drive down costs and mitigate risk while dramatically improving application performance and operation efficiencies. This summary provides a recap of the objectives and priorities as we understand them and details the value our solutions will deliver to Northern Inyo Hospital, your IT organization, and your end users.

PROJECT OBJECTIVES

Currently, Northern Inyo Hospital uses IBM DS4300 FC SAN and direct-attached storage (DAS) with ESX 3.5 virtualization technology. There are a few areas where Northern Inyo Hospital's current environment limits the level of service that can be delivered to its customers and end-users, manageability of the environment, and Northern Inyo Hospital's ability to scale. The following key objectives have been defined for this solution:

1. **Consolidation** – Northern Inyo Hospital is looking to further consolidate components of its heterogeneous DAS and SAN storage environment onto one scalable and highly reliable enterprise storage system. Consolidation will allow Northern Inyo Hospital to simplify management and reduce the costs associated with deploying, licensing, and managing its current heterogeneous storage environment.
2. **Virtualization** – Northern Inyo Hospital currently leverages VMware server virtualization technology to create an enterprise platform of flexibility for its Windows-based applications. However, this project unites VMware with NetApp and the new virtualized environment will allow greater scalability, improved performance and increased functionality like high availability, ease of management and ultimately disaster recovery in a universal environment. Greater application availability and SLAs can be leveraged with VMware Vsphere functions like HA, DRS, SRM, and FT. Traditional important financial gains will also be realized through decreased power and cooling and server needs while in the data center.
3. **Scalability** – Northern Inyo Hospital is looking to lay the groundwork and foundation for a scalable, highly available enterprise class storage infrastructure, which provides the foundation for future growth and will scale seamlessly and cost effectively.
4. **Data Protection** – Northern Inyo Hospital is looking to leverage SAN/NAS networked storage for data protection, rapid application recovery, high-availability as well as eventually offsite data replication. We have architected a solution in this proposal to leverage NetApp integrated Active Disk2Disk (D2D) Snapvault technology to save and store multiple recent mission critical server snapshots on high-performance 15k SAS production drives as well as archive older static server snapshots to Tier2 SATA storage. Additionally- the utilization of a LTO Tape library for media backup (which will be quoted separately) will serve as an additional protection and recovery method. The NetApp solution provides hardware system redundancy and includes software tools to enhance the backup and recovery strategy for production applications by enabling instantaneous online disk backup and recovery, as well unique, leading-edge snapshots replication for disaster recovery.
5. **Simplify Management** – As Northern Inyo Hospital continues to explore new business ventures and continues to grow, the IT team will be tasked with supporting more users, more data, and more applications. Choosing the right solution that will provide the right support for the organization is critical. Therefore, Northern Inyo Hospital is looking for a solution that will improve overall management while lowering operating expenses.
6. **Interoperability** – The solution must successfully interoperate with appropriate current network infrastructure allowing Northern Inyo Hospital to leverage their existing technology investments and processes incorporating a phased approach that regulates capital outlay.

NETAPP BENEFITS SUMMARY FOR NORTHERN INYO HOSPITAL

We appreciate your consideration and the information you shared to help us design what we believe is a very powerful solution for Northern Inyo Hospital. The unique high-value capabilities delivered natively by the NetApp platform include:

- Performance – In a marketplace where customers must choose between performance and efficiency, only NetApp solutions can both accelerate business performance and provide outstanding cost efficiency.
- Superior Storage Utilization – Flexible volumes with ability to grow and shrink volumes on the fly, while leveraging thin provisioning to optimize utilization.
- Scalability – Rapid storage provisioning and optimal reliability. Dynamic LUN provisioning to dramatically reduce administrative tasks required to allocate and management SAN disk space.
- Flexibility – Unified storage platform providing native NAS, CIFS, FC SAN, and iSCSI from a single solution provides investment protection to support future requirements. Prioritize workloads in the storage pool to ensure quality of service.
- Simplified Management - High-productivity management tools, integrated with servers and applications.
- Improve Backups – Native point-in-time copies of data to provide online backup and recovery of file data to reduce/eliminate tape-based restores. Instantaneous recovery of entire data volumes from disk to significantly improve recovery time objectives from days/hours to minutes.
- Proven low total cost of ownership (TCO).
- Do More with Less – Smart technology that reduces the amount of storage required and lowers capital expenditures. NetApp's storage virtualization, thin provisioning, space-efficient snapshot copies, patented RAID-DP technology, and deduplication for removal of redundant data objects all contribute to allowing our customers to do more with less.
- Level of Commitment to Service and Support – NetApp is a storage industry leader with a global support and service network that is recognized for its high performance standards, with many customers in the digital media and entertainment space.

PROPOSED SOLUTION

As highlighted in this proposal, we have configured a robust configuration to meet the specific requirements of your storage project. All of the unique native NetApp capabilities that deliver our customers the industry's best in class value (usability, price, and total cost of ownership) are included along with the capacity required.

Section 2 provides a NetApp technology overview. Section 3 details the proposed solution architecture and configurations.

Thank you again for this opportunity. Delivering best in class value to our customers through superior performance, availability, and TCO is NetApp's key differentiator in the market. This enterprise storage solution provides Northern Inyo Hospital the platform to economically address your near-term needs as well as forms the building blocks to deliver on your long-term vision of cost-effective and efficient data storage and protection.

Sincerely,

The Zumasys and NetApp Team

Section 2 – NetApp Technology Overview

Data ONTAP® 7G Software

Highly optimized, scalable, and flexible operating system for unified enterprise data management

Network Appliance™ FAS and V-Series solutions are based on Data ONTAP 7G, a highly optimized, scalable, and flexible operating system that can handle mixed SAN and NAS environments. Data ONTAP 7G provides a fully virtualized data management environment based on breakthrough NetApp FlexVol™ technology, which provides the highest levels of management simplicity, utilization, and performance.

Flexibility and Ease of Management

Data ONTAP 7G provides a unified storage software platform that dramatically simplifies data management. This platform combines multiprotocol access with a simple, easy-to-use management interface, resulting in a storage system that integrates seamlessly into your Windows®, UNIX®, and Web environments. Data ONTAP 7G includes NetApp leadership FlexVol technology, which pools storage resources automatically and enables you to create multiple flexible volumes on a large pool of disks. This flexibility means you can focus on managing data, not hardware, and make changes quickly and seamlessly. Additionally, Data ONTAP 7G combines the "just-in-time" storage advantages of thin provisioning with policy-based control for optimal application-level flexibility. The result is that you can add storage when and where you need it without disruption and at the lowest incremental cost.

FlexVol™
Dramatic Data Management Improvements

Flexible Volumes
Not Tied to Physical Storage

- Aggregate is pool of many disks
- Aggregate holds many volumes
- Volumes are the primary unit of data management
- The following can be managed at the Flexible Volume Level:
 - Capacity
 - Performance
 - Backup schedules
 - Replication
 - Cloning

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FlexVol™ Volumes: Increasing I/O Performance

Traditional Layout

- ▶ Volume / LUN performance limited by the number of disks
- ▶ "Hot" volumes and LUNs can't be helped by other disks

NetApp FlexVol volumes

- ▶ Spindle sharing makes total aggregate performance available to all volumes and LUNs

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Superior Storage Utilization and Scalable Performance

Data ONTAP 7G incorporates innovative NetApp FlexVol technology to provide the industry's highest levels of storage utilization. Since FlexVol volumes can access all available physical storage in the system, dramatic storage utilization improvements (up to 2X) are possible. Also, FlexVol volumes may be spread across all available disk spindles to provide maximum performance for I/O-intensive applications and to eliminate disk media hot spots.

Highest Levels of Application Availability and Reliability

Data ONTAP 7G includes industry-leading NetApp Snapshot™ technology as a standard feature. NetApp Snapshot allows you to protect your data and achieve rapid application recovery with minimal overhead and maximum scalability. Disk array protection is further enhanced by our innovative double-parity RAID, RAID-DP™, which

safeguards data from double disk failures while providing the performance that even the most demanding applications require.

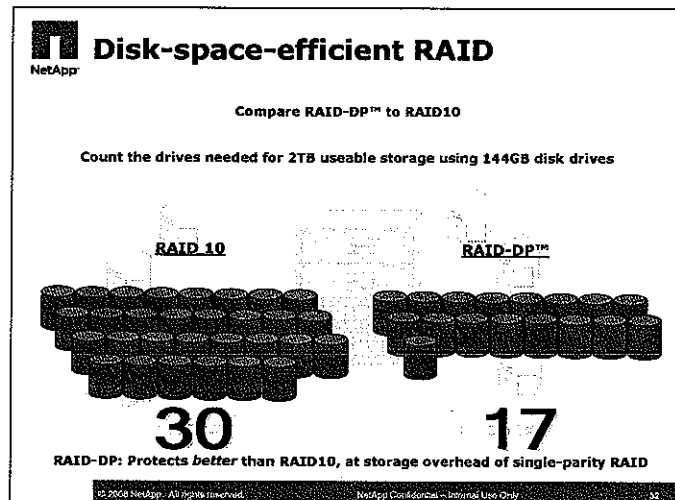
RAID-DP™

Dual-parity RAID 6 protection without a performance compromise

As disk drive capacities continue to grow, protection from disk-related failures can be critically important to system availability and continuous operation of your applications. Traditional types of RAID protection have provided solid resiliency to storage systems, but the increasing possibility that more than a single disk drive failure per RAID group may occur raises some valid concerns.

Protection from Double Disk Failures

RAID-DP, a RAID 6 implementation, provides double-parity RAID protection against data loss with negligible performance overhead and no cost penalty compared to single-parity RAID. RAID-DP is a standard feature of Data ONTAP® and prevents data loss in the event of a second drive failure without excessive redundancy costs. Using an elegantly simple solution, a second parity drive is added to each RAID group, and parity for this drive is calculated differently from the first parity drive. The second parity drive utilizes a diagonal stripe that provides enough information to ensure reconstruction after a dual drive failure.



Superior Reliability, High Performance, Lower Cost

Unlike other RAID 6 offerings, RAID-DP is integrated with the NetApp WAFL® file system to ensure that dedicated parity drives do not become a performance bottleneck. As a result, RAID-DP safeguards data from double disk failures while providing the performance that even the most demanding applications require. RAID-DP can also lower your storage acquisition costs, since less expensive SATA disk technology is now a viable choice for enterprise-class applications.

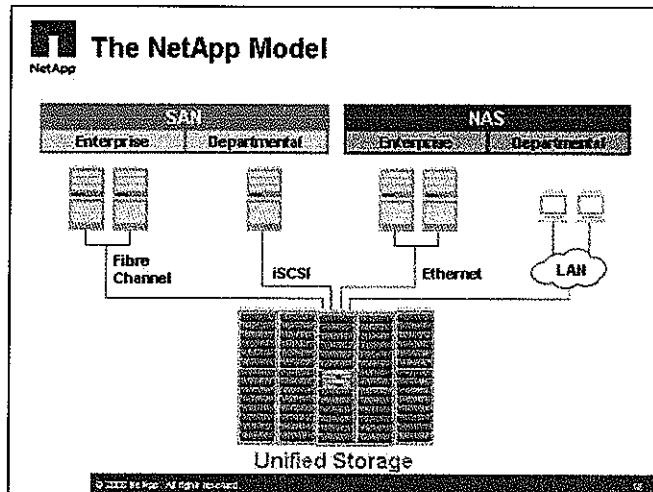
Foundation for Storage Resiliency

For ultimate storage resiliency, SyncMirror® can be layered on top of RAID-DP to offer additional protection against enclosure failure, triple (or more) disk failures, or FC loop failure. The combination of SyncMirror and RAID-DP provides maximum subsystem fault tolerance that exceeds RAID1, but with similar cost overhead and read performance benefits.

Native Networking Protocols

Consolidate your file servers to optimize utilization and improve data security

The dramatic growth of Windows® data has led to a proliferation of Windows file servers that can number in the hundreds or even thousands. The consequences of such complex infrastructures include extremely high overhead costs, poorly utilized server and storage assets, difficult and time-consuming backup and restore processes, and reduced system availability.



Because the CIFS protocol is fully integrated into the NetApp FAS and V-Series systems, you can consolidate many individual Windows file servers into a single NetApp storage system to achieve substantial reductions in cost and complexity. Among the many reasons to choose NetApp solutions for Windows file serving are:

- Reduced complexity in managing your Windows file serving infrastructure
- Enhanced data protection
- Increased user productivity
- Improved IT agility
- Lower costs

FlexShare™ Software

Quality of service for optimal workload consolidation.

As consolidation of data becomes more prevalent in the enterprise, it is important to ensure that applications can be prioritized to provide the right balance of service level and cost. In order to host multiple disparate workloads on a single storage system, administrators need tools to ensure that the most business-critical applications will receive resource priority. At the same time, the flexibility to change priorities must also be provided to ensure that the dynamic needs of the business can be met.

NetApp FlexShare is a powerful tool that enables quality of service for Data ONTAP® 7G storage systems. With FlexShare, you can host multiple workloads on a single NetApp system and assign individual priorities to each. FlexShare gives storage administrators the ability to leverage existing infrastructure and increase processing utilization without sacrificing the performance allocated to business-critical tasks. Using FlexShare, administrators can confidently consolidate disparate applications, prioritize specific data sets, and dynamically adjust priorities if business needs change.

FlexShare is enabled when storage systems become fully loaded and require prioritization of resources. Five priority levels are available and are allocated by volume. Since critical system operations such as backup are time critical, the highest priority levels can be assigned to specific workloads to ensure that business deadlines are met. The result is that you get all of the benefits of storage consolidation without sacrificing performance and customer service.

VMware and NetApp

A virtualized infrastructure from servers to storage maximizes utilization, performance, resiliency, and ROI.

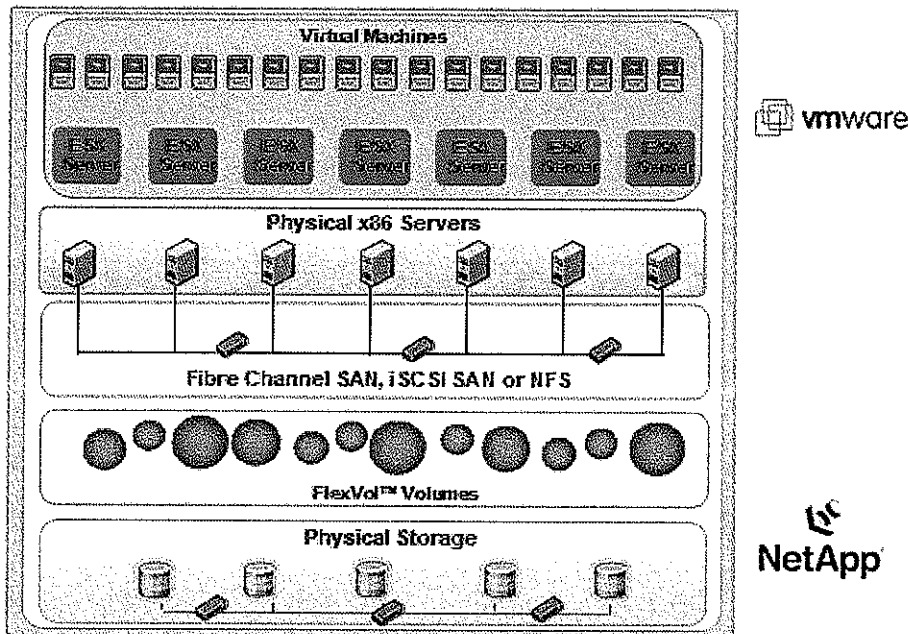
The growing use of x86-based servers running single-instance, data-intensive applications often results in server sprawl and a dramatic increase in dedicated, vastly underutilized assets that demand more resources to manage, provision, and maintain. These demands, combined with baseline requirements for 24x7 availability, more granular data protection, and pressure to improve efficiency and reduce costs, mean that IT professionals are increasingly looking to the power of server virtualization to cost effectively increase the utilization, flexibility, availability, and manageability of their data centers.

Although customers can experience dramatic improvements in server utilization and manageability, these benefits

place a much higher demand on storage subsystems to support higher I/O rates, greater capacity, and faster nondisruptive provisioning. Failure to consider cost-effective storage optimization in the design and deployment of a server virtualization infrastructure can simply transfer costs from servers to the storage infrastructure. To maximize the benefits of your IT infrastructure, NetApp is partnering with VMware to offer solutions and best practices for the design of a virtualized infrastructure from servers to storage, with storage solutions that can deliver:

- Scalable and consistent I/O performance for all ESX protocols (NFS, iSCSI, and FCP)
- Flexible, rapid, simple, and cost-efficient provisioning and data management solutions
- Best-in-class virtualized storage for thin provisioning of heterogeneous storage environments

A Server to Storage Virtualized Infrastructure Solution



The benefits of VMware server virtualization capabilities are uniquely complemented by NetApp storage across NAS, FC, and IP SANs. This server-to-storage virtualized infrastructure makes utility computing real and affordable for the enterprise.

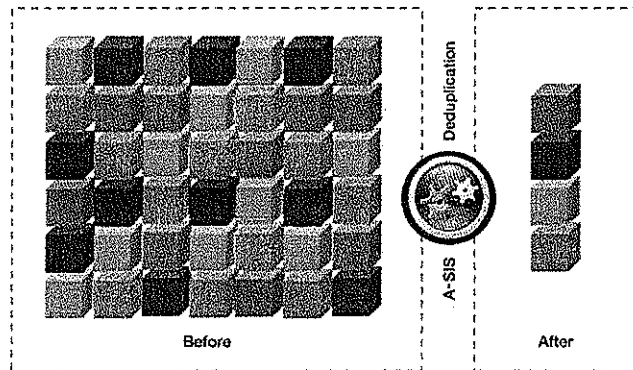
	Lower Costs	Simplified Management	Increased Flexibility and Utilization
VMware (Servers)	<ul style="list-style-type: none"> ▪ Reduce hardware costs by 30% to 50% ▪ Reduce operations costs by 70% to 80% 	<ul style="list-style-type: none"> ▪ Consolidation ratios of 10:1 to 20:1 ▪ Optimized to run all major OSs 	<ul style="list-style-type: none"> ▪ Provisioning time reduced from days to minutes ▪ Utilization rates increase by 45% to 75%
NetApp (Storage)	<ul style="list-style-type: none"> ▪ Proven lowest TCO in the industry ▪ Thin provisioning: buy what you use 	<ul style="list-style-type: none"> ▪ Manage 2 to 3 times more storage than competitors ▪ Unified software and usage: FC, iSCSI, NFS 	<ul style="list-style-type: none"> ▪ Fast ESX backups and restores using minimal disk ▪ Provisioning times reduced 40% with no impact on servers

Data Deduplication

Reduce your storage footprint and IT spend

Space savings through deduplication can provide substantial cost benefits through reduced storage capacity requirements. The average UNIX® or Windows® enterprise disk volume contains thousands or even millions of duplicate data objects. As these objects are modified, distributed, backed up, and archived, the duplicate data objects are stored repeatedly. The end result of this is inefficient use of storage resources. Deduplication helps to prevent this inefficiency.

Deduplication searches for duplicate data objects (e.g., blocks, chunks, files) and discards those duplicates. When duplicate data is detected, it is not retained, but instead a "data pointer" is modified so that the storage system references an exact copy of the data object already stored on disk.



NetApp deduplication is:

- Tightly integrated with Data ONTAP® software and the WAFL® file system, because of this, deduplication is performed with extreme efficiency
- Extremely easy to use and does not require any external software or additional appliances
- Supported across a wide variety of applications and file types. These include data backup, data archival, and primary data.

NetApp® deduplication is providing significant space savings for customers such as Virginia Credit Union, providing a complement to VMware® environments. By leveraging NetApp deduplication for VMware Infrastructure, customers are achieving up to **90%** space savings to store their VMware virtual machines.

NetApp, a leader in data storage efficiency since 1992, has established NetApp deduplication as the first deduplication product to be used broadly across many applications, including data backup, data archival, and primary data. NetApp deduplication combines the benefits of granularity, performance, and resiliency to provide users with a significant data deduplication advantage.

SupportEdge

Comprehensive support for data centers where on-site support is essential to business success.

IT professionals know that a robust architecture that eliminates single points of failure can help in achieving a fault-tolerant, high-availability infrastructure. But many factors cannot be designed for; equipment failure, viruses, security breaches, and human error can all cause unexpected down time.

In today's competitive business environment, reacting to problems is not enough. SupportEdge Standard combines expert on-site resources with innovative remote capabilities to meet the needs for superior comprehensive and proactive support services that most enterprise environments require.

SupportEdge Standard includes:

- NetApp AutoSupport – Sophisticated 24x7 monitoring alerts your staff and NetApp to potential issues. This service can be beneficial for identification and problem resolution during non business hours when staffing is minimal.
- On-site Event Support - Ready to provide hands-on NetApp expertise if an issue arises. Replacement parts delivery within four hours.
- Priority case management. This top-priority service is valuable when the clock is ticking and you are being pressured for answers.
- Software interoperability and revision control are implemented based on your requirements.
- Award-winning Knowledge Services at your fingertips when you need documented best practice, reference architecture and the latest updates from NetApp Technical Support from the Web.

Included Application Integration Software

SnapManager for Virtual Infrastructure

Realize the full potential of your virtual infrastructure with our SnapManager® storage solutions that support efficiency, flexibility, and scalability of virtualized servers

Traditional physical and virtual server backups are CPU intensive, time consuming, and use too much storage. SMVI eliminates storage and time constraints with our Snapshot™ technology, which provides granular restore capabilities at the virtual machine level. This allows you to reduce data center costs by increasing server asset utilization with server virtualization. Your administrators will be able to centrally manage backups, recovery, and replication through our intuitive interface. Further, when disaster recovery is important, SMVI seamlessly integrates with SnapMirror technology.

SnapManager for Microsoft Exchange

Online backup & recovery for Microsoft Exchange

SnapManager for Microsoft Exchange speeds and simplifies application data managed. It empowers Exchange administrators to utilize the capabilities of NetApp storage systems from an Exchange-centric approach. It automates and simplified the complex, manual and time-consuming processes associated with the backup, recovery, and verification of Exchange databases. It is integrated with native Microsoft technology and frameworks.

Execute fast backups without taking Exchange Server databases or mailboxes offline. Use our Snapshot™ technology to store more than 250 copies of data to get fast, granular recovery. Restore from a wide range of options such as full content, individual, storage group, individual database, and virtual disk recovery.

Integrate with our SnapMirror® technology to simplify the remote replication of your Exchange Server data to support disaster recovery.

SnapManager for SQL Server

Reduce costs and simplify data management with our SnapManager® for Microsoft® SQL Server™ by automating complex, manual, and time-consuming processes associated with backup, restore, and recovery activities

Like SnapManager for Exchange, SnapManager for SQL Server allows the administrator to seamlessly integrate NetApp's SnapMirror technology with Microsoft SQL Server. It automates and simplifies the time-consuming, manual, and complex task of backing up and restoring Microsoft SQL server databases.

Integrate with NetApp SnapMirror to simplify remote replication of SQL Server data and rapid disaster recovery. Leverage your existing infrastructure and deploy our SnapManager software into Ethernet and Fibre Channel infrastructures.

SnapDrive

Dynamic LUN provisioning

SnapDrive for Windows is an enterprise-class storage and data management solution for Microsoft Windows environments. It simplifies management and increases availability and reliability of the application data.

Key SnapDrive functionality includes error free application-storage provisioning, consistent data snapshots, rapid application recovery, and the ability to easily manage data. SnapDrive runs on Windows hosts, complements the native NTFS file system, and integrates seamlessly with Microsoft Cluster Server (MSCS).

SnapMirror

Replicate data across your global network at high speeds simply, efficiently and flexibly with SnapMirror

NetApp SnapMirror is one of the key foundation solutions to protect your business-critical data running on NetApp storage. Replicate data across your global network at high speeds in a simple, reliable, and cost-effective manner with SnapMirror.

Obtain cost benefits from our solutions through efficient storage and network bandwidth utilization with NetApp deduplication capability along with WAN acceleration technologies from Cisco and Riverbed.

You can further extend the power of SnapMirror to your virtualized storage environment. With the introduction of VMware® Site Recovery Manager, a new product from VMware for disaster recovery management and automation, you can leverage VMware Site Recovery Manager for rapid, reliable, and affordable automated site disaster recovery.

You will receive enhanced application protection for virtualized applications via integration with SnapMirror which means that you can achieve high levels of availability through instantaneous recovery and access of your data through your fail-over virtual machines on the secondary site.

Together, these products provide customers with a robust disaster recovery solution that reduces the risk, cost, and complexity associated with traditional disaster recovery approaches.

QUOTE 1-- FAS2040

SEPTEMBER 25, 2009

HIGH PERFORMANCE SAN AND NAS

BUDGETARY QUOTE

- *Quote #1-T8HSLI is valid through September 29, 2009 and is subject to Zumasy's current terms & conditions. Payment terms are Net 20.*
- *This configuration and pricing information is CONFIDENTIAL between Northern Inyo Hospital and Zumasy and may not be distributed to third parties without Zumasy's or NetApp's prior written consent.*

<p><u>System Components</u></p> <p><u>Northern Inyo Hospital Production FAS : (1) FAS2040 Dual Controller</u></p> <ul style="list-style-type: none"> ◆ Fully Redundant High Availability Architecture ◆ Multi-path IO Loop Architecture ◆ Dynamic Cache ◆ Storage QoS - FlexShare ◆ End-to-End 4Gb/s FC Connectivity ◆ 28x450GB 15K SAS RPM drives (12.6TB Raw, 28 drives) ◆ 12X1TB SATA (12.0TB Raw) ◆ Protocols - iSCSI, CIFS, NFS and FC SAN 	<p>INCL</p>
<p><u>Data Protection Software</u></p> <ul style="list-style-type: none"> ◆ Storage Virtualization ◆ Data Deduplication ◆ Thin Provisioning ◆ Snapshots – 255 per volume ◆ Data ONTAP ◆ FlexVol ◆ RAID-DP ◆ SnapRestore ◆ SnapMirror 	
<p><u>Application Integration Software</u></p> <ul style="list-style-type: none"> ◆ SnapManager for Exchange ◆ SnapManager for SQL Server ◆ SnapManager for Vmware ◆ SnapManager for Sharepoint ◆ SnapManager for Oracle and SAP ◆ SnapDrive for Dynamic LUN Provisioning (Windows and Unix) ◆ Single Mailbox Recovery (1000 mailboxes) ◆ Operations Manager ◆ Data Protection Manager ◆ Flexclone 	<p>INCL</p>

<ul style="list-style-type: none"> ◆ Snapvault Primary and Secondary (D2D) ◆ Multistore 	
<p><u>System Warranty</u></p> <ul style="list-style-type: none"> ◆ SupportEdge Standard Service Plan..... 12 months. System parts and drive service are 4-hour delivery. 24x7x365. ◆ Hardware Support – included at \$0.00 ◆ Software Subscription 	12,863.15
<p>***** NetApp Special Pricing***** received by 9/28/09 with signed proposal. Represents Discount \$12,725.00!</p>	\$65,221.89

<p><u>Services and Training for NetApp Only</u></p> <ul style="list-style-type: none"> ◆ ZumasyS NetApp Implementation Services & Training & Project Management - 40 Hours (Additional Hours may be necessary and will be billed T&M at \$225/Hour) 	\$11,500.00
<p><u>Optional (Not Included in Total)</u></p> <ul style="list-style-type: none"> - DS14MK4 Shelf and Cables 14x450GB SAS 15k (6.3TB Raw) and 1 Yr Standard SupportEdge - DS14MK4 Shelf and Cables 14.0TB SATA and 1 Yr Standard SupportEdge 	<p>\$26,036.00</p> <p>\$18,513.00</p>

NetApp Solution Total

\$ 76,721.89

Appendix A – Additional Information

- **NetApp 50% Virtualization Guarantee**

<http://www.netapp.com/us/solutions/infrastructure/virtualization/guarantee.html>

- (Datasheet) **FAS Family Overview Datasheet**

<http://www.netapp.com/ftp/fas-overview.pdf>

- (Datasheet) **FAS3100 Series Technical Specifications**

<http://www.netapp.com/us/products/storage-systems/fas3100/fas3100-tech-specs.html>

- (Whitepaper) **Buying Less Storage with NetApp**

http://www-download.netapp.com/edm/TT/docs/WP7022_Less_Storage_06JUN07.pdf

- (Whitepaper) **10 Techniques for Improving Data Center Power Efficiency**

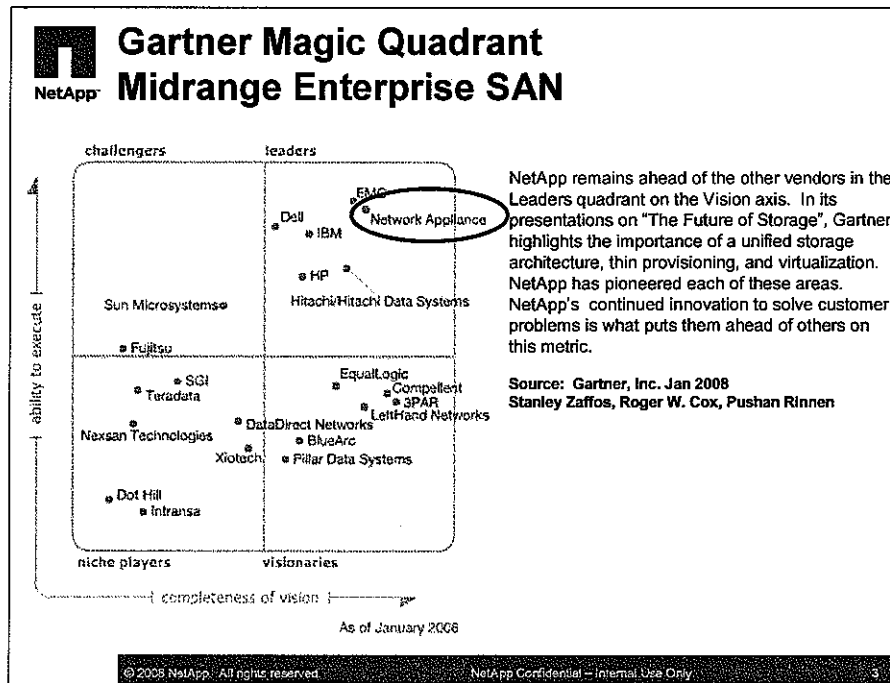
<http://www.netapp.com/ftp/wp-netapp-data-center-power-efficiency.pdf>

- (Tool) **Dedupe Calculator**

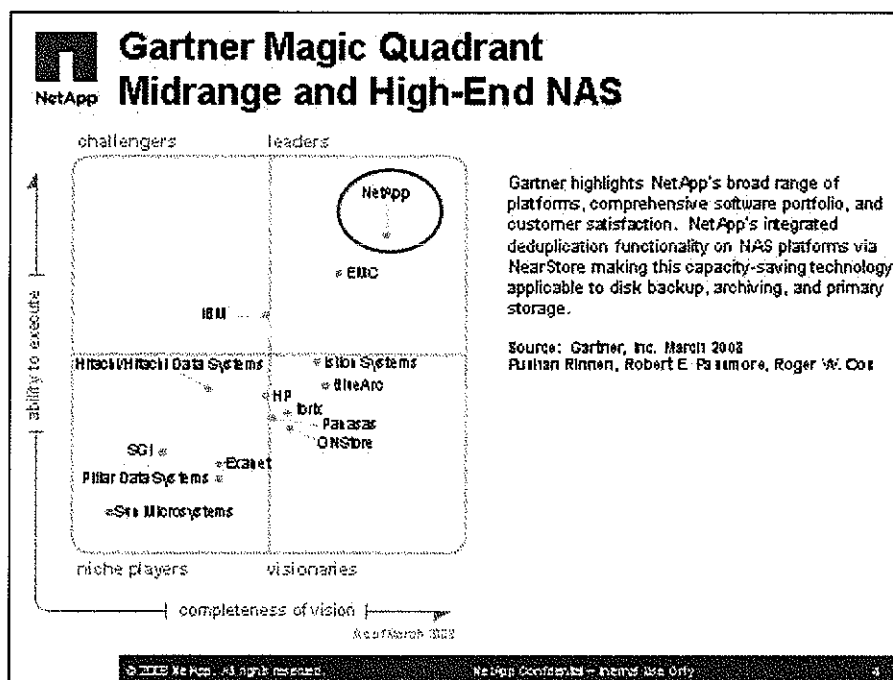
<http://www.dedupecalc.com/>

Appendix B – Third Party Analyst Reports

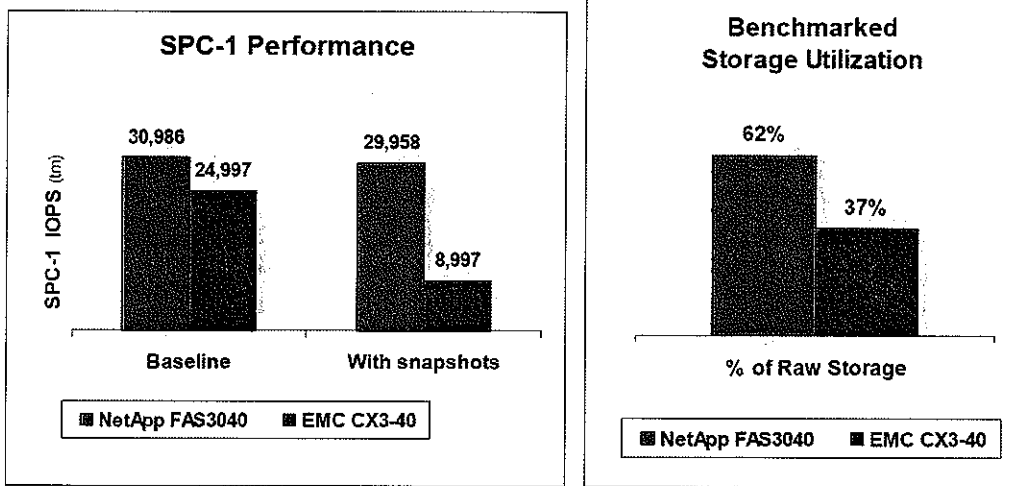
- LEADERSHIP: Gartner's Magic Quadrant for Midrange Enterprise Disk Arrays (Jan 2008)



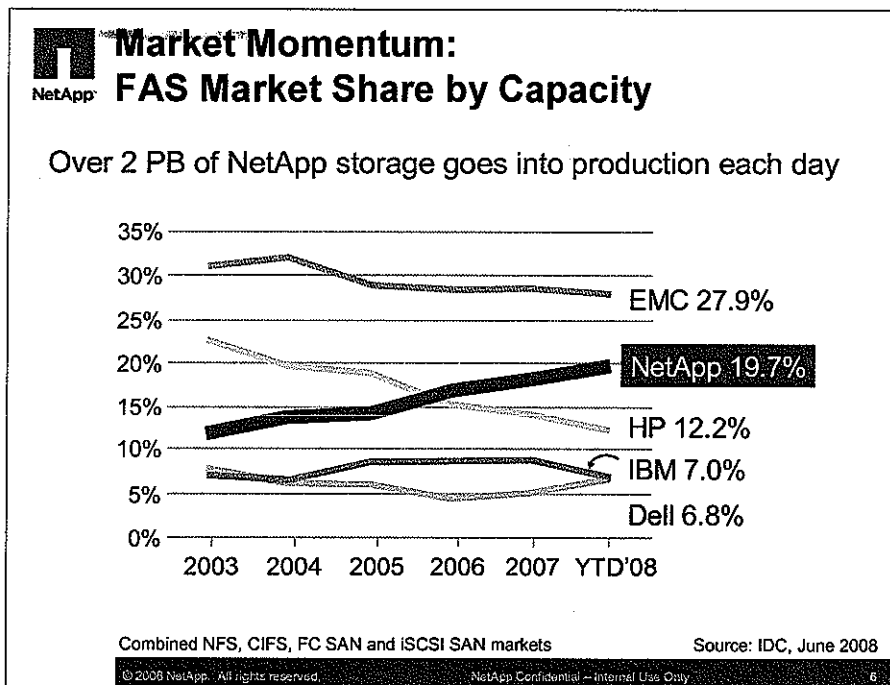
- LEADERSHIP: Gartner's Magic Quadrant for Midrange and High-End NAS Arrays (March 2008)



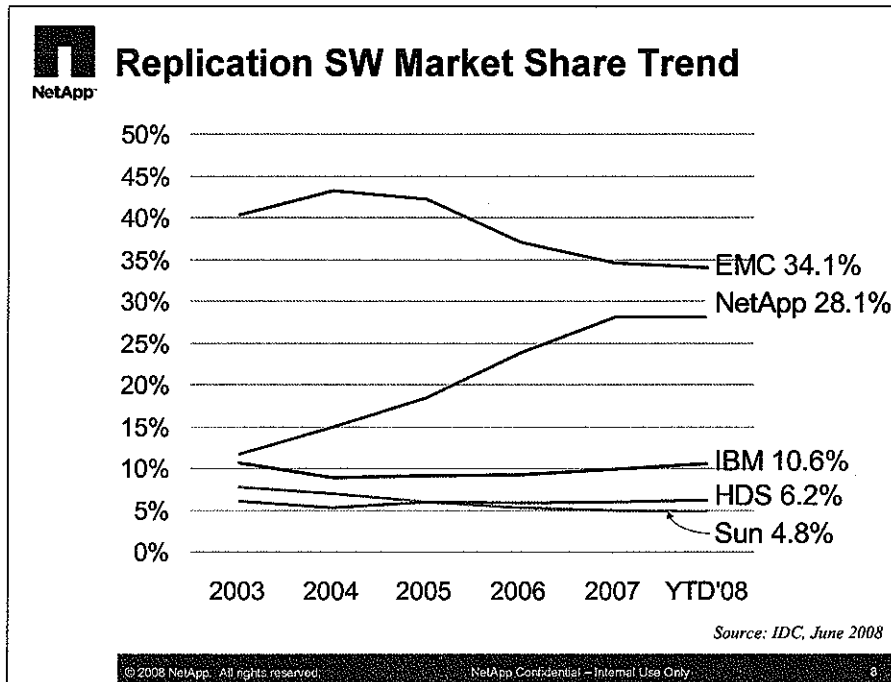
- PERFORMANCE: SPC-1 Performance Benchmark – http://www.netapp.com/ftp/redux_page_external.pdf

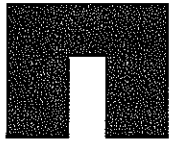


- MOMENTUM: IDC Storage Market Share by Capacity (June 2008)

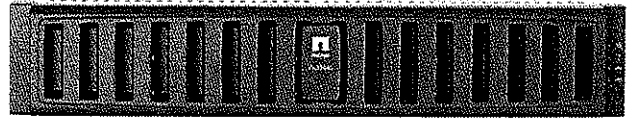


- PROTECTION: IDC Replication Market Share (June 2008)





NetApp™
Go further, faster



Systems

NetApp FAS2000 Series

Take control of your fast-growing data and maximize your shrinking budgets with an affordable, and easy-to-use storage system from NetApp

KEY BENEFITS

Experience value

Acquire segment-leading efficiency, performance, and scalability at an affordable price.

Adapt easily and affordably to growing storage needs

Expand capacity, add incremental functionality, and upgrade to a larger system quickly and nondisruptively.

Unburden your overextended IT staff

Leverage a comprehensive set of management tools to optimize performance and manage system health without the need for extensive storage expertise.

Reduce cost

Get a lower total cost of ownership for an entry-level storage system.

THE CHALLENGE

Explosive data growth

Whether you are responsible for a remote or branch office, a department, or a midsized enterprise, you are challenged more than ever before by shrinking budgets, overextended staff, and the need to do more with less. These challenges, coupled with the increasing complexity of your Windows® environment, can quickly eat into your budget and affect your productivity.

THE SOLUTION

Build for now and for the future

As your company grows, so does your need for efficient data storage. At NetApp, we think that you should install a data infrastructure only once and then expand as your needs grow. Our common end-to-end Unified Storage architecture makes it possible for you to expand capacity and add functionality to our systems quickly and easily. NetApp® FAS2000 series systems deliver the right blend of price, performance, and scalability.

Our FAS2000 series entry systems offer you excellent value:

- Integrated block- and file-level data access over Fibre Channel and Ethernet networks delivers capacity where you need it, when you need it, regardless of user or application

- Primary and/or secondary storage
- Intelligent management software
- Data-protection capabilities of high-end systems with NetApp ease of use
- Internal SAS (serial-attached SCSI) or SATA drives
- Built-in remote management

INCREASE EFFICIENCY

NetApp FAS2000 systems provide a powerful range of technologies and features based on Data ONTAP® to help increase storage utilization and the efficiency of your system and storage administrators.

- NetApp Snapshot™ provides point-in-time images, enabling you to perform near-instantaneous file-level or full data set recovery, and its minimal performance overhead makes it uniquely suited for protecting your production data.
- Thin provisioning helps avoid the costly over provisioning and time-consuming reconfiguration that is typical with other storage solutions.
- Deduplication enables you to store only one copy of each unique data object, substantially reducing capacity requirements.
- Highly efficient RAID-DP® protects against multiple failures in a RAID group.

	Automated Provisioning & Recovery	Data Protection & Replication	Integrated Data Management for Applications	Backup & Recovery for Virtual Server Environments	Advanced Data Management & Compliance
Optional Software	Foundation Pack	Protection Pack	Application Pack	Server Pack	Advanced Pack
Included Software	Snapshot point-in-time copy FlexVol® storage pooling Thin provisioning RAID-DP (Double Parity RAID) FlexShare® workload prioritization Deduplication NearStore® integrated near-line storage SyncMirror® local disk mirroring			iSCSI protocol support for IP SAN CIFS and NFS protocol support for NAS* FC protocol support for FC SAN HTTP protocol HTTP access System Manager Windows-based management tool Operations Manager health and performance monitoring FilerView® CLI-based management tool	

* Included on preconfigured FAS2020 systems.

Figure 1) Included software and optional software packs.

ADAPT QUICKLY TO CHANGE

To help your data storage infrastructure adapt as your business grows, we offer:

- A new level of performance to support your most demanding applications
- New integrated SAS connectivity that enables up to 136TB of capacity as needed to support all your workloads

With the breadth of included and optional software you can:

- Dynamically expand or contract volumes or LUNs with a single command
- Upgrade from entry-level FAS2000 systems to midrange and high-end NetApp systems, using the same operating system, toolset, and software products
- Easily expand data management capabilities as your needs grow by using optional NetApp Software Packs,* which provide enterprise-proven capabilities for automated provisioning and restoration, simple efficient disaster recovery, automated application, and virtual machine-aware backup, recovery, and cloning

New simplified product structure enables flexibility to order preconfigured systems that include high-capacity drives at attractive prices; or customize your configuration by ordering configure-to-order systems that allow you to choose drive quantity, type, and capacity.

SIMPLE TO ACQUIRE, DEPLOY, AND MANAGE

You don't need to be a storage expert to acquire, deploy, and manage FAS2000 storage systems and to keep your NetApp storage infrastructure in line with business requirements.

With NetApp System Manager, you can:

- Rapidly deploy NetApp storage systems, typically within minutes after installation.
- Provision storage for SAN (iSCSI/FCP) and NAS (CIFS/NFS), for both physical and virtualized server environments.
- Simple, workflow-based wizards automate the most common device management tasks.
- Manage NetApp storage via your Windows Management Console, minimizing training and management costs.**

LOWER TCO

The FAS2000 is an economical storage system, and NetApp's unique data management capabilities help the FAS2000 support lower TCO than other systems in its class.

FAS2000 series storage systems offer you:

- Segment-leading efficiency that can cut storage cost by 50%
- Universal knowledge set for all products that can slash administrative overhead by up to 60%
- No needs for retraining as you expand capabilities or upgrade to larger systems.

According to an analysis by Oliver Wyman, with a NetApp solution you get lower acquisition costs, lower management costs, and lower system downtime costs.

Managing server and application sprawl on a shoestring budget is now a lot easier with the NetApp FAS2000 series.

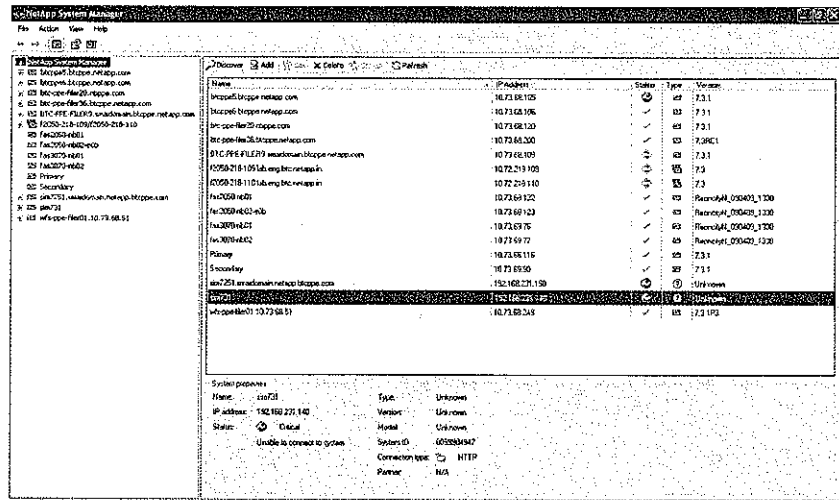


Figure 2) Simple, intuitive and easy to use NetApp System Manager Console.

CHOOSING THE RIGHT SYSTEM FOR YOUR NEEDS

All members of the FAS2000 family feature Data ONTAP and offer industry leading technology in an affordable, easy-to-use package. Each system provides segment-leading performance, efficiency, and value.

NetApp offers three systems in the FAS2000 family to help you find the perfect balance of price, performance, and features to best fit your needs.

FAS2020

Most affordable platform in family, ideal for value-oriented deployments

- For midsized enterprises, remote offices, and local storage that need low system acquisition costs
- Excellent for consolidating virtualized environments with one to three Windows applications and lighter file-serving workloads
- Offered in easy-to-order, preconfigured systems that include high-capacity drives at attractive prices

FAS2040

Ideal for higher performance or capacity needs

- For distributed or midsized enterprise sites that require more performance and higher capacity
- Ideal for consolidating virtual environments with multiple workloads and Windows applications
- Offered in flexible configure-to-order systems that allow you to choose drive quantity, type, and capacity.

FAS2050

Ideal for specialized storage deployments

- Offers the highest internal drive count and advanced I/O connectivity (10GbE, FCoE, additional FC/GbE ports)
- Easily scalable and able to handle multiple workloads and Windows applications
- Offered in easy-to-order, preconfigured systems that include high-capacity drives
- * FAS2000 Software Packs provide a simple way to add licenses for powerful data management software. For details, see the FAS2000 Software Packs Datasheet.

** See the System Manager Datasheet for details.

FAS2000 SERIES OVERVIEW	FAS2020	FAS2040	FAS2050
Form factor	2U/12 Drive	2U/12 Drive	4U/20 Drive
Dual controllers	Yes	Yes	Yes
Maximum raw capacity	68TB	136TB	104TB
Maximum disk drives	68	136	104
Maximum Ethernet ports	4	8	8*
Maximum Fibre Channel ports	4	4	8*
Onboard SAS port	No	2	4*
10Gbe support	No	No	Yes*
FCoE support	No	No	Yes*
Multipath Expansion	No	No	Yes*
Remote management	Yes	Yes	Yes
Storage protocols	FCP, iSCSI, NFS, CIFS	FCP, iSCSI, NFS, CIFS	FCP, iSCSI, NFS, CIFS

All specifications are for dual-controller, active-active configurations
 * Combines integrated ports with I/O expansion cards

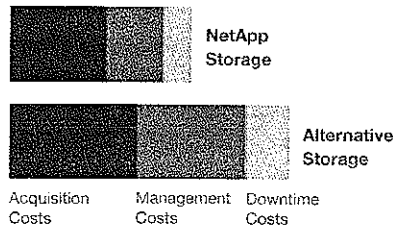


Figure 3) Proven lower TCO.

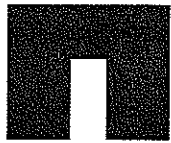
Studies by Oliver Wyman show that your total cost of ownership for NetApp storage systems is substantially lower than the cost of storage from other major vendors. Read the full reports at www.netapp.com/tco.



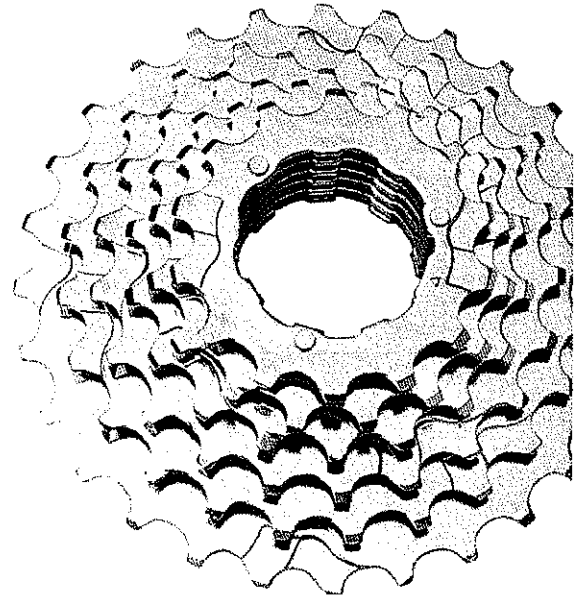
www.netapp.com

NetApp creates innovative storage and data management solutions that accelerate business breakthroughs and deliver outstanding cost efficiency. Discover our passion for helping companies around the world go further, faster at NetApp.com

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NetApp™
Go further, faster



Software

FAS2000 Software Packs

Software packs for your FAS2000 storage system offer exceptional capabilities, value, and simplicity

KEY BENEFITS

Exceptional Value

Take advantage of a robust set of features included with every system, plus economical add-on software packs.

Simplicity

Easy-to-use data management software comes in five simple software packs.

Unmatched capabilities

FAS2000 software packs bring a broad range of proven, compelling, enterprise-class data management capabilities to entry systems.

CHALLENGES

Powerful capabilities for data protection and data management are critical on all storage systems. However, entry-level system environments also require simplicity of ordering, installation, and management.

THE SOLUTION:

NETAPP FAS2000 SOFTWARE PACKS

NetApp delivers data management software using a robust set of capabilities that are included with every FAS2000 system, plus optional add-on software packs for additional capabilities. With this approach, FAS2000 software packs provide the flexibility to take advantage of breakthrough capabilities, while maximizing value with a very economical solution.

Base software provides unique data protection capabilities and superior storage utilization

Every FAS2000 system comes standard with the Data ONTAP® 7G operating system and an unmatched set of data management features:

- NetApp® Snapshot™: A point-in-time copy solution that enables rapid data restore, requires only a minimal amount of incremental disk space, and uniquely has no performance impact

- Storage pooling, which coupled with thin provisioning enables storage utilization up to 2X of traditional approaches and eliminates performance bottlenecks by distributing volumes over many spindles
- Thin provisioning, whereby many applications share a common pool of free space on demand, enabling increased storage utilization
- Ability to resize volumes on the fly
- Unique low-overhead double-parity RAID-DP®, which provides protection against two failures in a RAID group
- Flexibility to store only one copy of each unique data object through deduplication
- Disk mirroring
- Workload prioritization, making sure higher priority workloads get more storage system resources
- SAN protocols iSCSI and FCP to support FC SAN and/or IP SAN
- Integrated support for tiered storage, including near-line
- System administration using a Windows® OS-style user interface for Windows server system administrators or a command-line interface
- Comprehensive monitoring of system health and performance

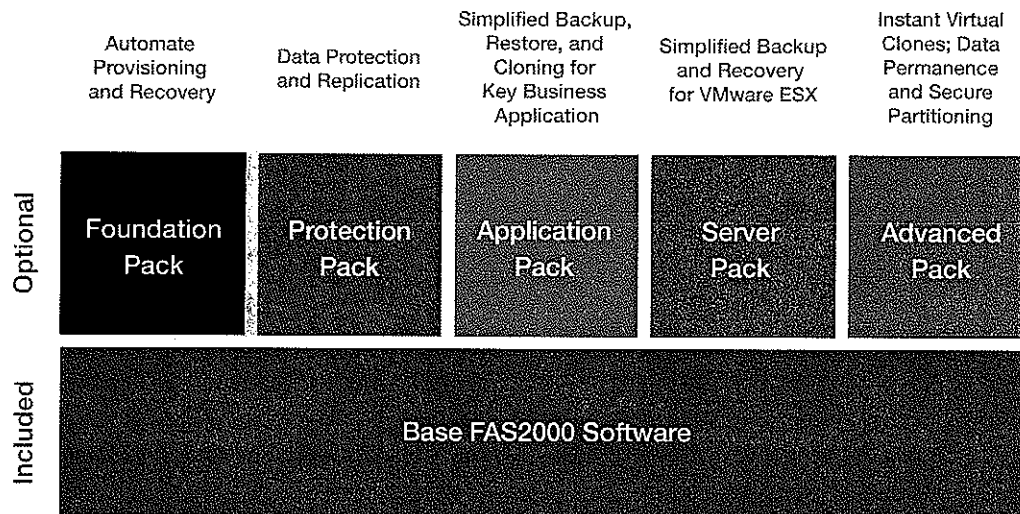


Figure 1) FAS2000 software packs.

In addition to this powerful set of base capabilities provided that are included with every FAS2000 system, optional add-on software packs deliver additional capabilities.

Foundation Pack provides automated provisioning and recovery

Foundation Pack provides key capabilities for primary storage across all key solutions and automating provisioning and local backup/restoration of a NetApp environment.

- Restore volumes or file systems of any size in seconds using Snapshot copies.
- Implement policy-based automated provisioning, enabling storage to be provisioned much faster than with manual provisioning and with fewer errors.
- Prepare primary storage for automated disk-to-disk backup. By copying only the individual data blocks that have changed since the last backup, both storage capacity and network bandwidth requirements are minimized compared to other approaches.

Protection Pack: Fast, simple, reliable data protection

Protection Pack provides powerful capabilities for secondary storage, across all business and technical applications, and for infrastructure-level business continuance and backup/restore solutions.

- Replicate data across a global network to enable disaster recovery solutions or to centralize tape-based backups from multiple data centers.
- Simplify replication-based activities using policy-based automation to automatically discover and protect new data. Simplifies management and makes sure that all data is protected.
- Flexibly meet RTO/RPO requirements using a replication solution that is simple to deploy and manage.
- Restore data from a secondary system in seconds.
- Improve backup and restore speeds up to 92% compared to tape-based solutions.
- Minimize both bandwidth storage capacity and network bandwidth requirements, as only changed blocks are backed up or replicated.

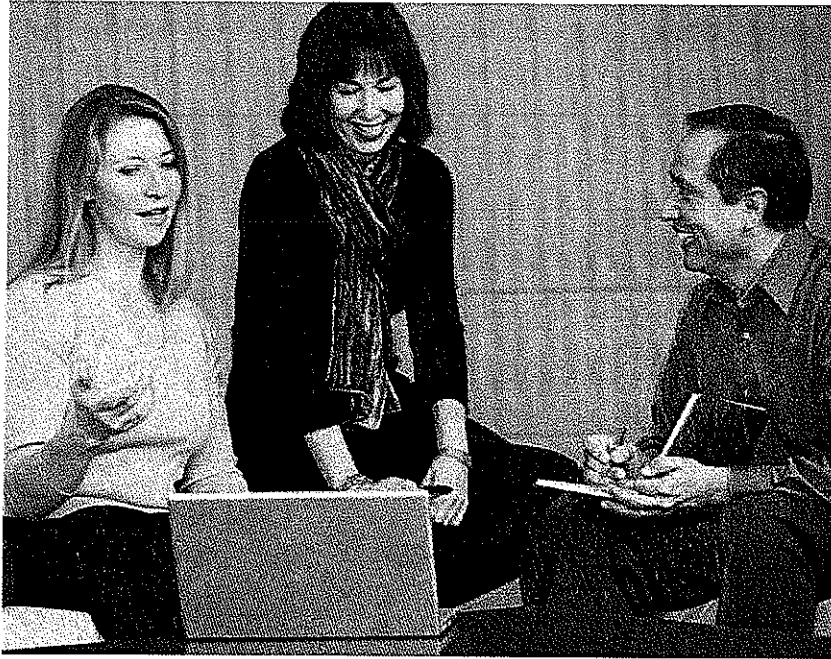
NetApp provides the only single-vendor data protection solution fully integrated into the storage system.

Application Pack: Integrated data management from application toolsets

NetApp server-based software integrates with key business applications in order to simplify backup, recovery, replication, and cloning of application data.

- Available for SAP®, Oracle®, Microsoft® Exchange, Microsoft SQL Server®, Microsoft SharePoint® Server, and VMware® ESX
- For individual application solutions and for consolidations that include one or more of these business applications
- Fast, simple, automated backup, recovery, and cloning of application-consistent data
- Enable self-service data management for routine data management tasks, thus improving productivity and efficiency across the organization
- Add storage capacity or resize volumes without interrupting applications
- Enable Exchange Server administrators to recover individual messages, attachments, or mailboxes in minutes instead of hours or days of manual effort

With these capabilities of Application Pack, organizations can reduce costs and increase operational efficiencies by integrating data management into other application management processes.



Server Pack: Simplified backup and recovery for virtual server environments

Server Pack is specifically for VMware virtual server environments. It is a subset of software also available in the Application Pack.

- Fast, simple, automated backup and recovery of VMware virtual server environments
- Enable self-service data management for routine data management tasks, thus improving productivity and efficiency across the organization

These capabilities reduce costs and increase organizational efficiencies in virtualized environments.

Advanced Pack: Advanced data management and compliance

Advanced Pack offers a range of additional advanced data management capabilities.

- Generate instant virtual clones of production data, while requiring minimal incremental disk space. Accelerates test/dev and QA activities and reduces costs.
- Securely partition storage, supporting consolidations and/or multitenant environments.
- Provide flexibility to make sure of data permanence for primary or secondary storage in order to comply with various industry, corporate, or government regulations.
- Enable flexible retention policies for archival and compliance solutions to meet internal and external requirements.

ADDITIONAL NETAPP SOFTWARE FOR FAS2000

In addition to FAS2000 software packs, NetApp also offers various other capabilities through individual optional products:

- NAS protocols: NFS and CIFS are available for file-based workloads.
- Validation of data integrity in Oracle environments.

Table 1) FAS software pack components and functions.

FAS2000 SOFTWARE PACK	COMPONENTS	FUNCTIONS
Included system software	Snapshot	Point-in-time virtual copy
	FlexVol®	Storage pooling
	Thin Provisioning	"Just-in-time" storage provisioning
	RAID-DP	Low-overhead double-parity RAID (RAID 6)
	FlexShare®	Workload prioritization
	Deduplication	Store only one copy of each unique data object
	Operations Manager	Comprehensive health and performance monitoring
	NearStore®	Integrated near-line storage
	SyncMirror®	Local disk mirroring
	System Manager	Windows OS-based management tool
	FilerView®	CLI-based management tool
	FC protocol	Support for FC SAN
	iSCSI protocol	Support for IP SAN
	HTTP protocol	HTTP access
Foundation Pack	SnapRestore®	File/volume restore from Snapshot copies
	SnapVault® Primary	Enable disk-to-disk backup from primary system
	Provisioning Manager	Automates provisioning workflow
Protection Pack	SnapMirror®	Remote replication
	SnapVault Secondary	Enable disk-to-disk backup on secondary system
	Protection Manager	Policy-based data protection
Application Pack	SnapManager® (for Microsoft Exchange, Microsoft SharePoint Server, Microsoft SQL Server, Oracle, SAP, Virtual Infrastructure)	Enable and streamline application-aware backup, recovery, and cloning
	SnapDrive® (for Windows, UNIX®)	Automated provisioning; makes sure of host-consistent Snapshot copies
	Single Mailbox Recovery	Enable recovery of messages, attachments, and mailboxes for Microsoft Exchange
	NetApp DSM	Load-balancing and failover capabilities
Server Pack	SnapManager for Virtual Infrastructure	Simple, policy-based backup and recovery of virtual machines
	SnapDrive (for Windows, UNIX)	Automated provisioning; makes sure of host-consistent Snapshot copies
	NetApp DSM	Load-balancing and failover capabilities
Advanced Pack	FlexClone®	Instant virtual clones of production data
	MultiStore®	Secure partitioning and storage consolidation
	SnapLock® Compliance	Data permanence for government requirements
	SnapLock Enterprise	Data permanence for corporate requirements

NetApp creates innovative storage and data management solutions that accelerate business breakthroughs and deliver outstanding cost efficiency. Discover our passion for helping companies around the world go further, faster at NetApp.com.

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Capital Expenditure Network Infrastructure

- 8 “mini” switches
 - Replace obsolete Net Gear switches in trailers or offices with insufficient data ports.
 - Total: 3,126.60
- Redundant Ports for network core and wireless infrastructure
 - Total: 10,307.72
- 5 standard switches and connections to core switch
 - RHC, Women’s Clinic, Swing Building, Hospice, Dr. Reid’s Office
 - Expansion of wireless coverage and support for future phone system.
 - Total: 14,323.30
- 4 standard switches
 - 3 - Replacement of obsolete network switches in Admin building
 - 1 – Clinics in Pioneer Medical Building
 - Total: 33,894.00
- Service contracts/warrantees on all network equipment.
 - Total: 6,486.92
- Tax and shipping
 - Total: 6,213.46
- Grand Total: 74,382.00
- Original Capital Expenditure Budget: 71,500.00

CAPITAL EXPENDITURE BUDGET REQUEST

Department: 8480 - Information Technology
Requested by: Adam Taylor

Budget year: 2009/2010
Estimated cost: \$71,500.00
Requested
Priority: 1

GENERAL INFORMATION:

Item description:
Quantity 6 48-port switches. Quantity 2 24-port switches

Purpose:
Replacement switches for RHC and Board Room Building. New switches for PMA building and Ramadan office. Possible switch for Swing building.

Is this item required or recommended by third-party or regulatory agencies?
Yes No N/A

If yes, please explain:

Is this item a replacement item?
Yes No N/A

If yes, please explain:

Describe any associated installation costs, site preparation, construction costs, additional equipment or supply costs or additional staffing requirements:

Additional comments:

Department Head Signature: _____ Date: 10/14/2009



SALES QUOTATION

QUOTE NO.	ACCOUNT NO.	DATE
SBN5295	9130691	10/12/2009

BILL TO:
 NORTHERN INYO HOSPITAL
 150 PIONEER LN

SHIP TO:
 NORTHERN INYO HOSPITAL
 Attention To: JUSTIN NORCROSS
 150 PIONEER LN

Accounts Payable
 BISHOP, CA 93514-2599

BISHOP, CA 93514-2599
 Contact: JUSTIN
 NORCROSS 760.873.2841

Customer Phone #760.873.5811

Customer P.O. # CISCO QUOTE

ACCOUNT MANAGER	SHIPPING METHOD	TERMS	EXEMPTION CERTIFICATE
DAVE SOLOMON 866.342.9087	UPS Ground (2-3 days)	Request Terms	

QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
8	1409874	CISCO CAT2960 PD 8PT 10/100 Mfg#: WS-C2960PD-8TT-L Contract: Amerinet GPO - Tier 1 VH10213	390.45	3,123.60
1	189886	CISCO CAT4000GB MOD Mfg#: WS-X4418-GB= Contract: Amerinet GPO - Tier 1 VH10213	5,720.00	5,720.00
5	1650913	CISCO 48PT POE (370W POWER CAP) Mfg#: WS-C2960-48PST-L Contract: Amerinet GPO - Tier 1 VH10213	2,580.45	12,902.25
2	722414	CISCO CATALYST 3750 48PT 10/100/1000 Mfg#: WS-C3750G-48TS-S Contract: Amerinet GPO - Tier 1 VH10213	7,732.77	15,465.54
5	486569	CISCO GE SFP LC CON SX Mfg#: GLC-SX-MM= Contract: Amerinet GPO - Tier 1 VH10213	284.21	1,421.05
6	525142	CISCO 1000BASE-T SFP Mfg#: GLC-T= Contract: Amerinet GPO - Tier 1 VH10213	221.54	1,329.24
12	141751	CISCO CAT1000BSX MM GBIC MOD Mfg#: WS-G5484= Contract: Amerinet GPO - Tier 1 VH10213	271.54	3,258.48
4	727212	CISCO CATALYST 3750 48PORT Mfg#: WS-C3750G-48PS-S Contract: Amerinet GPO - Tier 1 VH10213	8,473.50	33,894.00
2	964492	CISCO SMARTNET 8X5XND Mfg#: CON-SNT-8760C4T Contract: Standard Pricing Electronic distribution - NO MEDIA	1,030.40	2,060.80
5	1668190	CISCO SMARTNET 8X5XNBD Mfg#: CON-SNT-2964STL Contract: MARKET Electronic distribution - NO MEDIA	233.76	1,168.80
8	1459297	CISCO SMARTNET 8X5XNBD Mfg#: CON-SNT-C2960P8T Contract: MARKET Electronic distribution - NO MEDIA	38.00	304.00
4	982940	CISCO SMARTNET 8X5XNBD Mfg#: CON-SNT-3750G48P Contract: MARKET Electronic distribution - NO MEDIA	759.08	3,036.32
20	931563	CISCO LEARNING 1 TRAINING CREDIT Mfg#: TRN-CLC-004 Contract: MARKET	98.89	1,977.80

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Thornton Tomasetti

Via email: john.halfen@nih.com

September 23, 2009

John Halfen
CEO
NORTHERN INYO HOSPITAL
150 Pioneer Lane
Bishop, CA 93514

Project: Northern Inyo Replacement Hospital
05B307.00

RE: PROPOSAL TO PROVIDE STRUCTURAL ENGINEERING SERVICES

Dear Mr. Halfen,

Thank you for the opportunity to continue to serve the hospital's structural engineering needs. While the transition from NTD to RBB continues, Thornton Tomasetti is continuing to work so as to not adversely affect the project. The remaining work for the construction administration services includes: site visits (6 visits included), shop drawing review, submittal review, responses to RFI's and creating instructional bulletins and change orders where appropriate, review of testing and inspection reports, answering architect and contractor questions, and assisting in obtaining OSHPD approvals.

We understand that RBB will need time to get up to speed and will perform an independent analysis of the design (peer review). We will consider this work and associated site visits an additional service. (Currently there are 112 structural comments and 50-60 associated comments). Site visits, in excess of the 6 provided under basic services, will also be considered additional services (charged at \$3,600.00 per visit). *including reimbursables*

~~Attached is an accounts receivable aging report totaling \$28,694.00 owed to either DASSE Design Inc. or to Thornton Tomasetti, through 8/28/09. We would like this matter to be resolved as soon as possible. Services do not include owner or contractor initiated revisions to the approved documents or preparing and maintaining "record drawings".~~

Reimbursables such as reproduction, overnight packages, travel costs including transportation, meals and lodging will be billed at 1.1x cost. Our estimate of reimbursable costs is \$10,000.00. While we are under contract to the hospital we will work collaboratively with RBB.

Thornton Tomasetti

John Halfen

September 23, 2009

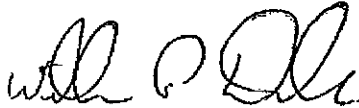
Page 2 of 2

Our lump sum fee to complete our services as outlined above includes a balance of ~~\$28,634.00~~ plus \$49,748.00 for a total of ~~\$78,382.00~~.

If the above is acceptable please sign below.

Very truly yours,

THORNTON TOMASETTI, INC.



William P. Dasher, S.E. #2363
Senior Vice President

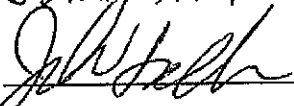
WPD/gm

cc: Arlen Arnold
aarnold@tcco.com

encl: Fee Schedule
Terms & Conditions

ACCEPTED BY:

NORTHERN INYO HOSPITAL

John Halfen
BY: 
DATE: 10-13-09

Thornton Tomasetti

Thornton Tomasetti, Inc. (TT) Standard Conditions for Investigation and/or Design Services

- (1) TT will perform its services in accordance with the standards of skill and care generally exercised by other design firms in the same locale acting under similar circumstances and conditions. Client acknowledges that TT's services will be rendered without any warranty, express or implied. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or TT.
- (2) To the fullest extent permitted by law, the Client shall hold harmless, defend and indemnify TT and its consultants, and each of their owners, directors, employees, heirs, successors and assigns from any and all claims, suits, demands, damages, losses, judgments, payments, awards, and expenses arising out of the Client's negligence on this project; Contractor(s)' negligence in performing the work and/or supplying the materials; or the negligence of any other party relative to the project except that, subject to paragraph 8, TT shall be liable for claims, damages, losses, judgments and expenses due to the sole negligence of TT, its owners, directors, employees and consultants.
- (3) TT shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB), bacteria, mold, fungi, or other toxic substances, infectious materials, or contaminants. To the fullest extent permitted by law, Client shall hold harmless, defend and indemnify TT and its consultants, and each of their owners, directors, employees, heirs, successors and assigns from any and all claims, suits, demands, damages, losses, judgments, payments, awards, and expenses which directly or indirectly arise from or relate to any such hazardous materials.
- (4) If TT is called upon by Client, or subpoenaed by any other person, to testify or produce records in an action at law, equity, arbitration, or in a pre-trial hearing or conference, as to any work performed by anyone in connection with this project, TT shall be paid by the Client for all time spent while testifying and preparing therefor and producing such records in accordance with the rates set forth in the attached agreement.
- (5) TT shall not have control or charge of, and shall not be responsible for, construction means, methods, techniques, sequences or procedures, for safety precautions and programs in connection with the work, for the acts or omissions of the Contractor, Subcontractors or any other persons performing any of the work, or for the failure of any of them to carry out the work in accordance with the Contract Documents.
- (6) The Client shall cause any Contractor responsible for construction of work designed or specified by TT or responsible for any other services relating to TT's services to indemnify TT to the fullest extent permitted by law against risks which are not normally borne by the design professions in the form of AIA Document A-201 - General Conditions of the Contract for Construction (1987 Edition), Section 3.18. Client shall also cause such Contractor(s) to name TT as an additional insured on Contractor's Comprehensive General Liability policy.
- (7) Drawings, specifications, reports, and other documents prepared by TT as Instruments of service are, and shall remain, the property of TT whether the project for which they are made is executed or not. They are not to be used on other projects, extensions to this project or for completion of this project by others, except by agreement in writing and with appropriate compensation to TT.
- (8) It is expressly understood and agreed that, to the fullest extent permitted by law, TT's liability arising from any claims, suits, demands, damages, losses, judgments, payments, awards, and expenses relating to the project shall be limited to and in no event exceed the lesser of 1) three times the basic fee received by TT for services rendered on the project or 2) TT's available insurance proceeds.
- (9) Evaluation of the Owner's project budget, and/or estimates of construction cost, if included in TT's Scope of Services, represent TT's best judgment as a design professional familiar with the construction industry. It is recognized, however, that TT does not have control over the cost of labor, materials, or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding, market, or negotiating conditions. Accordingly, TT cannot and does not warrant or represent that bids or negotiated prices will not vary from the

Thornton Tomasetti

- project budget proposed, established or approved by the Owner, if any, or from any statement of probable construction cost or other cost estimate or evaluation prepared by TT.
- (10) Review of Contractor submittals (for example, shop drawings), if included in TT's Scope of Services, is not conducted for the purpose of determining the accuracy and completeness of details such as dimensions and quantities or for substantiating instructions for installation or performance of equipment or systems designed by the Contractor, all of which remain the responsibility of the Contractor to the extent required by the Contract Documents. TT's review shall not constitute approval of safety precautions or of construction means, methods, techniques, sequences, or procedures. TT's approval of a specific item shall not indicate approval of an assembly of which the item is a component. When professional certification of performance characteristics of materials, systems or equipment is required by the Contract Documents, TT shall be entitled to rely upon such certification to establish that the materials, systems or equipment will meet the performance criteria required by the Contract Documents.
- (11) Periodic site visits, if included in TT's Scope of Services, shall mean that TT shall visit the site at intervals, appropriate to the stage of construction, or as otherwise agreed with Client in writing. The purpose of periodic site visits is to become generally familiar with the progress and quality of the work designed by TT and to determine in general if such work is proceeding in accordance with the Contract Documents. TT shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work designed by TT. On the basis of such on-site observations as an engineer, TT shall keep Client informed of the progress and quality of the work designed by TT and shall endeavor to guard the Owner against defects and deficiencies in such work of the Contractor.
- (12) Full time project representation services, if included in TT's Scope of Services, shall mean that TT shall endeavor to provide further protection for the Owner against defects in the work designed by TT. The furnishing of such full-time project representation services shall not make TT responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs. TT shall not have control or charge of and shall not be responsible for the acts or omissions of the Contractor, Subcontractors, or any other persons performing any of the work. TT shall not be responsible for the failure of the Contractor, Subcontractors or any other persons performing any work to carry out the work in accordance with the Contract Documents.
- (13) If the project is to be designed, bid and constructed according to a "fast track" schedule, in consideration of the benefits to the Client of employing the fast track process (in which design services overlap the construction work and are out of sequence with the traditional project delivery method), the receipt and sufficiency of which are hereby acknowledged, and in recognition of the inherent risks of fast tracking to TT, the Client hereby agrees to waive all claims against TT, its officers, directors, employees and subconsultants (collectively, Consultant) for design changes and for required modifications by contractor of portions of the Work already constructed due to the Client's decision to employ the fast track process. In addition, the Client hereby agrees, to the fullest extent permitted by law, to indemnify and hold harmless Consultant, against all damages, liabilities or costs, including reasonable attorneys's fees and defense costs, arising out of or in any way connected with the "fast tracking" of this Project, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct by the Consultant. The Client hereby further agrees to compensate the Consultant for all Additional Services required to modify, correct or adjust the Construction Documents and coordinate them in order to meet the Client's program requirements because of the Client's decision to construct the Project in a fast track manner.
- (14) TT and Client waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement.
- (15) If the project is suspended or abandoned in whole or in part for more than three months, TT shall be compensated for all services performed and expenses incurred prior to receipt of written notice from Client of such suspension or abandonment in an amount as determined in accordance with the provisions set forth in this Agreement, together with all reasonable termination costs and expenses.
- (16) The foregoing conditions are incorporated into any agreement under which services are to be performed by TT for the Client. If any of TT's Standard Conditions or portions thereof shall be adjudged null and void, it is agreed that the remaining Standard Conditions or portions thereof shall remain intact and be given full force and effect. These Standard Conditions shall not be construed to indemnify TT for its own negligence if not permitted by law, or to provide for any indemnification which would, as a result thereof, make the provisions of these Standard Conditions void, or to eliminate or reduce any other indemnification or right which TT has by law.

Thornton Tomasetti

SAN FRANCISCO AND OAKLAND OFFICES 2009 BILLING RATES

<u>TITLE</u>	<u>HOURLY BILLING RATE</u>
SENIOR PRINCIPAL	\$250.00
SENIOR VICE PRESIDENT.....	\$225.00
VICE PRESIDENT	\$195.00
SENIOR ASSOCIATE.....	\$180.00
ASSOCIATE	\$150.00 to \$170.00
SENIOR PROJECT ENGINEER/ARCHITECT/DIRECTOR.....	\$140.00 to \$155.00
PROJECT ENGINEER/ARCHITECT/ DIRECTOR	\$115.00 to \$140.00
ENGINEER/ARCHITECT/DESIGNER.....	\$90.00 to \$105.00
CAD MODELER.....	\$95.00 to \$105.00
ADMINISTRATIVE SUPPORT STAFF.....	\$55.00 to \$75.00

Notes: (1) Out-of-pocket expenses including, but not limited to, travel, computer, long-distance telephone calls, printing, courier service, mailings, and special consultants, will be billed at our cost plus 10%.

(2) Rates are effective through December 31, 2009.

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Turner Construction
Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
 phone: 760-873-7214
 fax: 760-873-7246

October 14, 2009

Mr. John Halfen
 Northern Inyo Hospital
 150 Pioneer Lane
 Bishop, CA 93514

RE: Northern Inyo Hospital Construction
 150 Pioneer Lane
 Bishop, CA 93514
 Project # 1495401
Change Order Request Number COR - 017

Dear Mr. Halfen,

We have evaluated the preliminary cost submitted by Galletti and Sons and Hillside Drilling for the differing site conditions encountered during the drilling operation. The Geotechnical Report advised of "clayey sand, silty sand and sandy clay underlain with gravel" being the native material that Hillside would be drilling through for the piers. However cobble layers at the 25'-0" and 45'-0" level have been encountered causing delays in the casing and drilling operations. Many of the cans have been damaged, at which point they are cut and another can spliced or welded on in order to meet the necessary pier depth. The standard operation at this point when casing refusal is met, which is typical for the 36" diameter piers, is as follows: 1) the casing is cut, 2) the hole is relief drilled, 3) the casing is rewelded, and 4) the casing is driven to the required design depth. Then the operation of final drilling of the hole and pouring of concrete is continued.

At this time we are requesting only a partial approval of costs related to this issue. The specific cost included herein are for additional casing material required due to the consistent damages being incurred that would not have otherwise been a factor had the material been the silty sand and gravel as expected. Additionally, the cost for the welder to consistently cut and reweld casings would not have been required. These are costs that we feel can not be disputed therefore recommend approval.

There will be additional discussions in the next 2 weeks with the subcontractors in order to finalize negotiations for any additional funding that may be determined as valid. We can not determine with certainty what this value will be and therefore request approval of the partial value only under this COR. The final balance will be forwarded under a separate COR once final negotiations are completed.

We have reviewed the scopes of work and have verified that they are in compliance with our contract agreement. (Reference PCO 46) The following is a detailed itemization of all extra costs:

Item	Description	Amount Proposed	Contractor
2	Additional Casings & Welder	\$205,933	Galletti & Sons

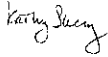
Total Amount \$205,933

See the attached for a detailed breakdown of the costs included in this Change Order Request.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Two hundred five thousand nine hundred thirty three and 00/100 dollars (\$205,933.00)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,



Kathy Sherry
Project Manager

Approved By: _____ Date: _____

John Halfen
CEO - Northern Inyo Hospital

cc: File

COR 17 - PCO 46 (Partial Cost for Drilled Piers)					
Welders					
	Week Ending	hours	Rate	Projected	Actual
	9/5/09	40.0	\$65		\$2,600
	9/12/09	46.5	\$65		\$3,023
	9/19/09	45.0	\$65		\$2,925
	9/26/2009	50.0	\$65	\$3,250	
	10/3/2009	100.0	\$65	\$6,500	
	10/10/2009	100.0	\$65	\$6,500	
	10/17/2009	100.0	\$65	\$6,500	
	10/24/2009	140.0	\$65	\$9,100	
	10/31/2009	140.0	\$65	\$9,100	
	11/7/2009	140.0	\$65	\$9,100	
	11/14/2009	50.0	\$65	\$3,250	
	Subtotal			\$53,300	\$8,548
	Subtotal Welding			\$61,848	
	TOTAL w/OHP				\$68,032
Casings					
	9/14/09 Quotation				\$55,586
	10/14/09 Quotation				\$59,315
	TOTAL w/OHP				\$114,901
Cutting Shoes					
	9/25/09 Quotation				\$23,000
	Grand Total Request				\$205,933

HILLSIDE DRILLING COMPANY, INC.

ENGINEERING CONTRACTORS

CONTRACTOR LICENSE NO. 478991-A
P.O. BOX 70130 - PT. RICHMOND, CA 94807
Phone 510-234-6532 Fax 510-234-3131

To: Galletti Concrete
Attn: Jesse Galletti

Date: September 25, 2009

Subject: Inyo County Hospital, Bishop, CA

Re: Hillside Drilling's Options to Overcome the Differing Site Conditions

Jesse,

HSD has developed three options to overcome the differing Site Condition (DSC) due to the material change in the subsurface conditions. Option 1 – purchase cutting shoes and additional casing and hire three on site welders to splice and maintain casings. Option 2 – Purchase a 1" steel mandrel used as a driving aid to the ½" casing. Option 3: Get a bigger drill rig to relief drill before driving the casing. HSD lists the three and explains the use of each option. HSD recommends option 1 for the following reasons:

Option 1. Install cutting shoes on the tips of the casing, purchase additional casing and hire two additional welders. Option 2. Order a 1" thick mandrel used as a driving device before installing the temporary ½" casing. Option 3. Get a bigger drill rig on site to relief drill the casing.

Option 1:

The price for the cutting shoes are as follows:

38" - \$1,600 each HSD recommends purchasing 10 ea.	Total.....	\$16,000
32" - \$1,000 each HSD recommends purchasing 3 ea.	Total	\$3,000
26" - \$800 each HSD recommends purchasing 5 ea.	Total.....	\$4,000
Total for cutting shoes mentioned above.....		\$23,000
(add for welder to install shoe)		

And purchase additional casing and hire an additional welder or two to assist in splicing casings while casing is vertical in the ground. These additional welder(s) will also be on-site full time. While the casing has met refusal, HSD will relief drill, splice the casing and proceed to drive the casing to tip elevation.

The price for additional casing is as follows:

6 each 38" O.D. x 40' x 1/2" wall @ \$218.50/ft. = \$52,440
2 each 32" O.D. x 40' x 1/2" wall @ \$202.40/ft = \$16,192
4 each 26" O.D. x 40' x 1/2" wall @ \$162.15/ft. = \$25,944
Total \$94,576 (more casing may be needed if necessary)

Add for three welders time @ \$110.00 +/- per hour per man. Estimated 45 working days
10 hours per day\$148,500 +/- (price may vary
depending on welders rates)

Total Option 1\$266,076

Option 2 Drive Steel Mandrel (F.O.B. Bishop included)

38"O.D.x 60' x 1" wall = \$28,151 each (+ cutting shoe installation \$2,500 each)
32"O.D.x 60' x 1" wall = \$24,080 each (+ cutting shoe installation \$1,850 each)
26"O.D.x 60' x 1" wall = \$18,960 each (+ cutting shoe installation \$1,100 each)
+ crew time to drive mandrel (\$250,000 +/-)

Total..... \$332,090+/-

This option is not recommended by HSD. The crane will be maxed out with the additional weight of the casing. The mandrel will be used as a relief driving device, the original casing will still need to be installed after the 1" casing (mandrel). The additional crew & Equipment time will be 1 hour per hole +/- . The possibility of getting driving refusal is still not eliminated. If driving refusal is met the can will need to be cut. This is not the way to do this project.

Option 3: Bigger Drill Rig

Getting a bigger drill rig on site to relief drill down to -55' bgs is an option. This drill rig will have to have a 24" continuous flight auger. Smaller augers will be needed for the smaller diameter holes. The drill rig will only be able to relief drill and not drill out the cans due to the smaller diameter of the auger. Switching to a bigger auger each time will be time consuming and not productive. Relief drilling to -55' bgs will create a water problem due to the high water table. The size of the drill rig when the job site gets tight will limit its accessibility to all of the holes.

Cost: Rig Rental2 months \$110,000 + MOB \$18,000

HSD needs to get the casing to tip elevation and by doing this a cutting shoe needs to aid the casing to get through the cobble and boulder layers, HSD also needs to be able to cut the casing and splice on to the casing where refusal is met (anywhere between -35' to -54'bgs). HSD feels the combination of option 1 will need to be implemented in order to complete or get this project further ahead more efficiently and productively.

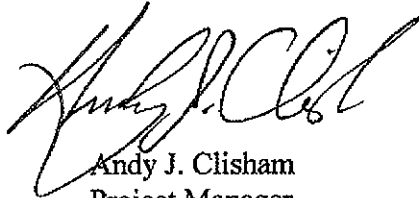
The estimated cost for options 1 is.....\$228,951

(this price reflects the immediate need and does not include the additional time and materials for the drilling crew and driving crew and equipment and other miscellaneous costs involved with the total differing site condition.)

Please acknowledge this as an additional change order due to the Differing site condition by signing this sheet. HSD will then order the above materials and hire two more welders.

Please let me know how you want to proceed.

Sincerely,



Andy J. Clisham
Project Manager

Accepted By:

Galletti Concrete Construction Date

GALLETTI & SONS, INC.

CONCRETE CONTRACTORS

STATE LICENSE #310663

55 Howe Road • Martinez, CA 94553-2039
(925) 999-4183 • FAX (925) 372-7003

Monday, September 14, 2009

Attn: Kathy Sherry
Turner Construction
150 Pioneer Ln.
Bishop, CA 93514
Ph: 760-873-7214

Re: North Inyo Hospital
Extra Pier Casings ordered 9-11-09

Casings	\$52,939.00	\$52,939
Welding (per Andy)	\$2,000.00	<u>\$2,647</u>
Sub Total	\$54,939.00	\$55,586
5%	\$2,747.00	
Total	\$57,686.00	

Please review and issue any necessary paperwork. If you have any questions or need additional assistance, please do not hesitate to contact us.

Sincerely,


Jesse Galletti
Project Manager
Galletti & Sons, Inc.

GALLETTI & SONS, INC.

CONCRETE CONTRACTORS

STATE LICENSE #310653

55 Howe Road • Martinez, CA 94553-2039
(925) 939-4183 • FAX (925) 372-7003

Wednesday, October 14, 2009

Attn: Kathy Sherry
Turner Construction
150 Pioneer Lane
Bishop, CA 93514
Ph: (760)873-7214
Fax:

Re: Northern Inyo Hospital
PCO #046 Purchase of pier casings for (dual shift work) due to site conditions

This price is for the purchase of the casings only and does not include any welding or prepping of the casings.

Sub-total	\$56,490.00
5%	<u>\$2,825.00</u>
Total	\$59,315.00

Please review and issue any necessary paperwork. If you have any questions or need additional assistance, please do not hesitate to contact us.

Sincerely,



Jesse Galletti
Project Manager
Galletti & Sons, Inc.

HILLSIDE DRILLING COMPANY, INC.

ENGINEERING CONTRACTORS
CONTRACTOR LICENSE NO. 478991-A
P.O. BOX 70130 - PT. RICHMOND, CA 94807
Phone 510-234-6532 Fax 510-234-3131

To: Galletti Concrete
Attn: Travis Olsen

Date: October 9, 2009

Subject: Inyo County Hospital, Bishop, CA

Re: Request to Purchase Casing

Travis,

This letter is a request to purchase casing per Turner Construction PCO 046 per the attached quote sheet in the amount of \$56,490.09.

This price does not include the welders it will take to fabricate the casing into full length. HSD reserves the right to request for additional casing due to unforeseen conditions.

Sincerely,



Andy Clisham
Project Manager

DAILY EXTRA WORK REPORT

Hillside Drilling
HSD Job Number -2904

Invoice Number:
Invoice Date
Work Performed 10/9/09

**Inyo County Hospital
Bishop, CA**

Casing Quote

LABOR

EMPLOYEE NAME	LABOR CODE	TOTAL COST	RATE	PAY RATE \$/HR	TOTAL HOURS
ANDY CLISHAM	PROJ	\$0.00	ST	\$85.00	
	MNGR	\$0.00	OT		
		\$0.00	DBL		
SERGIO ARTEAGA	OPER	\$0.00	ST	\$78.22	
		\$0.00	OT	\$108.32	
		\$0.00	DBL	\$134.41	
SHAWN NELSON	OPER	\$0.00	ST	\$78.22	
		\$0.00	OT	\$108.32	
		\$0.00	DBL	\$134.41	
GEORGE BITTNER	LAB	\$0.00	ST	\$73.98	
		\$0.00	OT	\$100.40	
		\$0.00	DBL	\$126.81	
DAVID LAMONT	FORMN	\$0.00	ST	\$79.41	
	LAB	\$0.00	OT	\$111.66	
		\$0.00	DBL	\$143.71	
SALVADOR BELTRAN	LAB	\$0.00	ST	\$52.40	
		\$0.00	OT	\$71.08	
		\$0.00	DBL	\$89.71	
CARLOS LEYVA	LAB	\$0.00	ST	\$52.40	
		\$0.00	OT	\$71.08	
		\$0.00	DBL	\$89.71	
ROBERT GARLAND	OPER	\$0.00	ST	\$73.51	
		\$0.00	OT	\$101.81	
		\$0.00	DBL	\$129.70	
TODD CARR	OPER	\$0.00	ST	\$75.63	
		\$0.00	OT	\$102.28	
		\$0.00	DBL	\$129.03	
JACOB BANTAL	LAB	\$0.00	ST	\$38.49	
		\$0.00	OT	\$50.28	
		\$0.00	DBL	\$62.03	
MIKE ARMSTRONG	OPER	\$0.00	ST	\$76.41	
		\$0.00	OT	\$105.98	
		\$0.00	DBL	\$130.16	
RANDY SNIPES	LAB	\$0.00	ST	\$50.17	
		\$0.00	OT	\$67.78	
		\$0.00	DBL	\$85.38	
WILLIAM DEWS	LAB	\$0.00	ST	\$30.17	
		\$0.00	OT	\$67.78	
		\$0.00	DBL	\$85.38	
SUBTOTAL HSD LABOR		\$0.00			

EQUIPMENT

(DAILY RATE)

EQUIPMENT DESCRIPTION	CODE	Total Cost per Day	Unit	Rate	Name	Month Rate
F356 SUPERDUTY	TRUCK	\$0.00	PER HR	\$20.00	HSD Owned	
10 TON FORKLIFT	FL	\$0.00	PER DAY	\$113.41	United Rental	\$2,268
80,000 3 LO-DRILL	LD1	\$0.00	PER HR	\$150.00	HSD Owned	
SOIL MEC DRILL RIG	SM1	\$0.00	PER HR	\$175.00	HSD Owned	
18 HYLAB CRAWLER CRANE	CRANE	\$0.00	PER DAY	\$616.40	Maxim Rental	\$16,328

DAILY EXTRA WORK REPORT

DESCRIPTION	CODE	AMOUNT	UNIT	TOTAL	REMARKS
66 VIBRATORY HAMMER	HMMER	\$0.00	PER DAY	\$539.55	American Pile EQ \$10,791
TANKS	TANK	\$0.00	PER DAY	\$40.00	Denbeste \$800
PUMPS	PMPS	\$0.00	PER DAY	\$286.88	DW Pump \$4,738
28 TON RT CRANE	CRANE	\$0.00	PER HR	\$80.00	HSD Owned \$800
185 AIR COMPRESSOR	COMP	\$0.00	PER DAY	\$36.85	United Rental \$737
STORAGE CONTAINER	CONT	\$0.00	PER DAY	\$5.25	United Rental \$105
SUBTOTAL HSD EQUIPMENT		\$0.00			

MATERIALS, SPECIALTY & MISC.

DESCRIPTION	CODE	Total Cost	Unit	Rate	Quantity	REMARKS
2 WELDERS	INV		Per Day	\$150/HR	10	Welders \$29,000
Substance Lodging	INV		Per Day	\$280/Day	1	Best Western \$6,992
Substance - Food	INV		Per Day	\$280 / Day	1	\$40/man
Substance - Travel	INV		Per day	\$14/day/man	1	\$70 each way/ man
Septic - Disposal	INV		Per Day	\$31.00	1	Prefered Septic 620/Month
Independent Pipe	INV	\$44,658.20	LS	\$44,658.20	1	
	INV	\$0.00	LS		0	
	INV	\$0.00	LS		0	
	INV	\$0.00			0	
SUBTOTAL HSD MATERIALS		\$44,658.20				

HSD LAB + EQUIP+ MAT'L	\$44,658.20
Add 15% Ind. cost	\$6,898.43
Subtotal	\$51,354.63
add 10% profit	\$5,135.46
TOTAL HSD COST	\$56,490.09

TOTAL INVOICE HSD \$56,490.09

Independent Pipe & Steel, Inc.

5303 Rosedale Hwy.
 Bakersfield, CA 93308
 661-325-0398 Ph.
 661-325-0269 Fax

Quote

Date	Quote #
9/25/2009	524

Name / Address
HILLSIDE DRILLING INC. PO BOX 70130 RICHMOND, CA. 94851 510-234-6532 510-234-3131

Ship To
Bishop Inyo Hospital

Rep	Job
BH	

Description	Qty	Cost	Total
38" .500 200.25# NEW STEEL PIPE 50KSI	80	190.00	15,200.00T
32" .500 168.21# NEW STEEL PIPE 50KSI	80	176.00	14,080.00T
26" .500 136.17# NEW PIPE 50KSI	80	141.00	11,280.00T
freight.	1	750.00	750.00

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Subtotal	\$41,310.00
Sales Tax (8.25%)	\$3,346.20
Total	\$44,656.20



Turner Construction
Northern Inyo Hospital Construction
150 Pioneer Lane
Bishop, CA 93514
phone: 760-873-7214
fax: 760-873-7246

October 14, 2009

Mr. John Halfen
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

RE: Northern Inyo Hospital Construction
150 Pioneer Lane
Bishop, CA 93514
Project # 1495401
Change Order Request Number COR - 018

Dear Mr. Halfen,

We have reviewed the required quotations for the additional work outlined below associated with the Pre-Action Sprinkler System added in the OSHPD Permit set of documents. The remainder of costs associated with the Permit documents will be reconciled under a separate COR. Allowances are carried for the plumbing and electrical work required for this change as it has not yet been designed. Upon approval to proceed with the Pre-Action Sprinkler System, it will be designed and the cost of the other disciplines will be finalized for the Change Order. Please see the attached supporting documentation for a complete labor, material and equipment estimate of the work.

PCO No	Description	Amount
002A	OSHPD Permit Set Dated 8/17/2009 Pre-Action Fire Protection System	\$69,411.20

Total Amount \$69,411.20

We have reviewed the scopes of work and have verified that they are in compliance with our contract agreement. See the attached for a detailed breakdown of the costs included in this Change Order Request.

Please return one (1) copy of this letter indicating your approval of this Change Order Request which increases our Contract by **Sixty nine thousand four hundred eleven and 20/100 dollars (\$69,411.20)**. This approval will also authorize us to issue Subcontract Change Orders accordingly.

If you have any questions regarding this Change Order Request, please call me at your earliest convenience.

Sincerely,

Kathy Sherry
Project Manager

Approved By: _____ Date: _____
John Halfen
CEO - Northern Inyo Hospital

cc: File



Northern Inyo Hospital Construction
 Project # 1495401
 150 Pioneer Lane
 Bishop, CA 93514

Telephone: 760-873-7214 Fax: 760-873-7246

Potential Change Orders
 [Detailed (with Cost Info), Grouped by Each Number]

October 14, 2009

PCO #: 002A 10/6/2009 OSHPD Permit Set Dated 8/17/2009 Pre-Action Fire Protection System

Category	Reason	Reference	COR Number	T.C.O Number
Change Order			018	
Notes			Task Name	Revenue Code

Summary:

Requested Days:	0	Budget:	\$69,411	Proposed	\$69,411	Approved	\$0	Applied	\$69,411
Approved Days:	0	Cost:	\$69,411		\$69,411		\$0		\$69,411

Itemized Details:

General Description	Quote Due	Quote Rec'd	Allocation	Estimated	Proposed	Approved	Applied
034 - TRAFIR - 02-13-13900-3SD-08-001	9/28/2009		Budget:	\$57,038	\$57,038	\$0	\$57,038
Transbay Price Changes for the Approved OSHPD Permit Set of Drawings dated 8-17-09 Pre-Action Fire Protection System			Cost:	\$57,038	\$57,038	\$0	\$57,038
037 - RAYHEA - 02-15-15000-3SD-08-001	9/28/2009		Budget:	\$5,000	\$5,000	\$0	\$5,000
RHP Mechanical Price Changes for the Approved OSHPD Permit Set of Drawings dated 8-17-09 Pre-Action Fire Protection System added drains			Cost:	\$5,000	\$5,000	\$0	\$5,000
038 - REXMEL - 02-16-16000-3SD-08-001	9/28/2009		Budget:	\$4,500	\$4,500	\$0	\$4,500
Rex Moore Electrical Price Changes for the Approved OSHPD Permit Set of Drawings dated 8-17-09 Pre-Action Fire Protection System installing smokes, release modules, push button, power supply, release solenoids and input modules to communicate with FA panel.			Cost:	\$4,500	\$4,500	\$0	\$4,500
Level 001 - TURCON - 02-01-01837-3SD-02-001			Budget:	\$765	\$765	\$0	\$765
Subguard			Cost:	\$765	\$765	\$0	\$765
Level 002 - TURCON - 02-01-01831-3SD-06-001			Budget:	\$673	\$673	\$0	\$673
			Cost:	\$673	\$673	\$0	\$673

Northern Inyo Hospital Construction

Project # 1495401

Potential Change Orders
 [Detailed (with Cost Info), Grouped by Each Number]
 October 14, 2009

General Liability	Cost:	Apprx Uncommt	\$673	\$673	\$0	\$673
Level 003 - TURCON - 02-01-01840-3SD-06-001	Budget:	Pend Rev	\$680	\$680	\$0	\$680
Builder's Risk	Cost:	Apprx Uncommt	\$680	\$680	\$0	\$680
Level 004 - TURCON - 02-01-01860-3SD-06-001	Budget:	Pend Rev	\$755	\$755	\$0	\$755
Payment and Performance Bond	Cost:	Apprx Uncommt	\$755	\$755	\$0	\$755

TRANSBAY FIRE PROTECTION, INC
NORTHERN INYO HOSPITAL, BISHOP
COR-894-01B (PREACTION SYSTEMS)
PCO-002
DATE: 10/02/09

DESCRIPTION: CHANGES RESULTING FROM OSHPD PERMIT SET DATED 8/17/09 - PROVIDE (2) PREACTION FIRE SPRINKLER SYSTEMS.

LABOR \$80.91 | \$84.47 |

COST BREAKDOWN	QTY	UNIT	HRS	Journey man		Foreman		MAT'L		EQUIP.	
				EA	EXT	EXT	EA	EXT	/DAY	EXT	
2-1/2" Sch. 10 Blk. Pipe	130	FT	0.15	\$1,183.31	\$411.79	\$8.73	\$1,134.90	\$141.43	\$344.74	\$3,165.53	
2-1/2" Grooved Coupling	35	EA	0.09	\$191.15	\$66.52	\$19.70	\$689.50	\$141.43	\$55.69	\$1,058.02	
2-1/2" Grooved 90 Ells	14	EA	0.89	\$756.10	\$263.12	\$19.60	\$274.40	\$141.43	\$220.28	\$1,535.86	
2-1/2" Grooved Cap	1	EA	0.06	\$3.64	\$1.27	\$10.80	\$10.80	\$141.43	\$1.06	\$17.63	
4" Sch. 10 Blk. Pipe	30	FT	0.24	\$436.91	\$152.05	\$21.64	\$649.20	\$141.43	\$127.29	\$1,417.38	
4" Grooved Coupling	9	EA	0.12	\$65.54	\$22.81	\$30.30	\$272.70	\$141.43	\$19.09	\$401.95	
4" Grooved 90 Ells	4	EA	0.89	\$216.03	\$75.18	\$38.95	\$155.80	\$141.43	\$62.94	\$522.41	
2-1/2" Double-Inter. Preaction Cabinet	1	EA	6.0	\$364.10	\$126.71	\$12,792.00	\$12,792.00	\$141.43	\$106.07	\$14,412.23	
2" Double-Inter. Preaction Cabinet	1	EA	6.0	\$364.10	\$126.71	\$12,054.00	\$12,054.00	\$141.43	\$106.07	\$13,615.19	
Hanger Assemblies	24	EA	0.5	\$728.19	\$253.41	\$20.00	\$480.00	\$141.43	\$212.15	\$1,712.15	
Sway Brace Assemblies	25	EA	1.0	\$1,517.06	\$527.94	\$35.00	\$875.00	\$141.43	\$441.97	\$3,431.97	
Line Restraint Assemblies	5	EA	0.8	\$227.56	\$79.19	\$30.00	\$150.00	\$141.43	\$66.30	\$535.05	
Utility Truck	7	EA	0	\$0.00	\$0.00	\$0.00	\$0.00	\$85.84	\$600.88	\$600.88	
Travel (Field)	24	EA	1.0	\$1,456.38	\$506.82	\$0.00	\$0.00	\$0.00	\$0.00	\$1,963.20	
Testing - Inspection	16	EA	1.0	\$970.92	\$337.88	\$0.00	\$0.00	\$0.00	\$0.00	\$1,308.80	
Design - Coordination	52	EA	75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,900.00	
				\$8,480.99	\$2,951.38		\$29,538.30		\$2,364.51	\$49,598.24	
						TAX	\$2,363.06				

TOTAL DIRECT COSTS \$49,598.24

TOTAL MARK UP 15.00% \$7,439.74

TOTAL COST \$57,037.98

NOTE: WIRING AND DETECTORS BY OTHERS.

PRICING VALID FOR THIRTY (30) DAYS. SUBJECT TO CHANGE PRIOR TO ACCEPTANCE.

By signing below, you acknowledge that the above described work shall modify the terms and conditions of the contract and that you are directing Transbay Fire Protection, Inc. to proceed with the work as described above. You further agree to issue a valid change order within 10 working days of the completion of the above described work. In the absence of a valid change order being issued, you acknowledge that the total cost of this change will be added to the next billing cycle as a valid claim.

Authorized Signature

Date

Issued by Transbay Fire Protection, Inc.

Hossein Tabatabai, V.P.

**THIS SHEET
INTENTIONALLY
LEFT BLANK**

RELOCATION EXPENSE AGREEMENT

THIS AGREEMENT, MADE AND ENTERED into this 1st day of December, 2009, by and between the NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT, hereinafter referred to as "District" and Mutuhi Mugo, MD, hereinafter referred to as "Physician."

I

RECITALS

1.01. District is a Local Healthcare District, organized and existing under the California Local Health Care District Law, Health and Safety Code Section 32000, et seq., with its principal place of business in Bishop, California, at which location it operates Northern Inyo Hospital (hereinafter "Hospital").

1.02. Physician is licensed to practice medicine in the State of California, and is certified or eligible to be certified by the American Board of Internal Medicine. Physician has applied for membership on the Medical Staff of Northern Inyo Hospital. Physician warrants that she is qualified for membership on the Provisional Active Medical Staff and Active Medical Staff of the Hospital and that there is no impediment to her obtaining such membership.

1.03. The Board of Directors (hereinafter "Board") of District has determined, pursuant to Health & Safety Code section 32121.3, that the Northern Inyo Hospital Medical Staff requires an additional physician practicing Internal Medicine in order to insure adequate coverage of that medical specialty and, further, has determined that recruitment of such a physician would be in the best interests of the public health of the communities served by the District and would benefit the District.

1.04. Physician desires to relocate her practice in Bishop, California.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES SET FORTH BELOW,
THE PARTIES AGREE AS FOLLOWS:

II

COVENANTS OF THE PARTIES

2.01. Physician agrees to relocate her practice in Bishop, California; to apply for and use her best efforts to obtain membership on the Provisional Active Medical Staff and Active Medical Staff of Northern Inyo Hospital, with privileges in Internal Medicine, to maintain such memberships continuously for an aggregate period of at least two (2) years and to maintain an active practice in Internal Medicine in the City of Bishop, California, for at least two (2) years.

2.02. District agrees to pay up to \$20,000.00, as incurred, to Physician for moving expenses (which shall include items such as moving company fees, U-Haul and other conveyance expenses, travel expenses, temporary lodging, rental payments and deposits incurred in the first year) to support her move to Bishop, California.

2.03. Physician agrees that should she fail to perform all of the acts promised in Section 2.01 above, that she shall, not later than thirty (30) days after being given written notice by the District, repay to the District, with interest at the rate of three and six tenths percent (3.6%) a prorated share, representing that portion of the two (2) years in which she is or will not be performing such acts, of those funds expended by the District pursuant to Section 2.02 above. For example, if Physician fulfills her obligations for 18 months, then he shall repay the District, with interest, \$5,000.00 (representing the product of $6/24 \times \$20,000.00$)

III

GENERAL PROVISIONS

3.01. This is the entire agreement of the parties with respect to the subject matter set forth in the Relocation Agreement. It may not be modified except by a writing signed by each of the parties.

3.02. Any written notice given pursuant to the Agreement shall be deemed given when such notice is deposited in the U.S. Mail, first class postage prepaid, addressed to the respective parties as follows:

NORTHERN INYO COUNTY LOCAL HOSPITAL DISTRICT
150 Pioneer Lane
Bishop, CA 93514

Mutuhi Mugo, MD, Physician
C/O Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

3.03. If either party brings legal action to enforce any rights or obligations under this Agreement, the Court shall have the power to award reasonable attorney's fees to the prevailing party.

3.04. The rights and obligations set forth in this Agreement are personal to all parties, and may not be assigned without the express written consent of all parties.

3.05. This Agreement shall be binding upon the heirs, successors, assigns, and personal representatives of the respective parties.

3.06. The parties acknowledge and agree, in accord with the requirements of Health & Safety Code section 32121.3(c) (2), that no payment or other consideration shall be made for the

referral of patients to the District's hospital or to any affiliated non-profit corporation, and that no such payment or consideration is contemplated or intended.

3.07. This Agreement shall be interpreted according to the laws of California.

3.08. The term of this agreement shall be from the first day Physician is granted privileges and is available to fulfill this agreement obligations until the last day of the twenty-fourth month thereafter.

EXECUTED at Bishop, California, on the day and year first above written.

NORTHERN INYO COUNTY LOCAL
HOSPITAL DISTRICT

By _____
President, Board of Directors
Northern Inyo County Local
Hospital District

By _____
Mutuhi Mugo, MD, Physician

**NORTHERN INYO HOSPITAL
PRIVATE PRACTICE PHYSICIAN
INCOME GUARANTEE AND PRACTICE MANAGEMENT AGREEMENT**

This Agreement is made and entered into on this 1st day of December, 2009 by and between Northern Inyo County Local Hospital District ("District") and Mutuhi Mugo, MD ("Physician").

RECITALS

- A. District, which is organized and exists under the California Local Health Care District Law, *Health & Safety Code section 32000, et seq.*, operates Northern Inyo Hospital ("Hospital"), a general acute care hospital serving northern Inyo County, California, including the communities of Bishop and Big Pine.
- B. The District Board of Directors has found, by Resolution No. 09-01 that it will be in the best interests of the public health of the aforesaid communities to obtain/retain a licensed physician and Internist who is a board-certified/eligible specialist in the practice of Internal Medicine, to practice in said communities, on the terms and conditions set forth below.
- C. Physician is a physician and Internist, engaged in the private practice of medicine, licensed to practice medicine in the State of California, and a member of the American College of Internal Medicine. Physician desires to relocate her practice ("Practice") to Bishop, California, and practice Internal Medicine in the aforesaid communities.

IN WITNESS WHEREOF, THE PARTIES AGREE AS FOLLOWS:

**I.
COVENANTS OF PHYSICIAN**

Physician shall relocate her Practice to medical offices ("Offices") provided by District at a place to be mutually agreed upon in Bishop, California and shall, for the term of this Agreement, do the following:

- 1.01. Services.** Physician shall provide Hospital with the benefit of her direct patient care expertise and experience, and shall render those services necessary to enable Hospital to achieve its goals and objectives for the provision of Internal Medicine services. The scope of services to be performed by Physician is described in Exhibit A attached hereto and incorporated by reference herein. Physician shall provide Hospital with patient medical record documentation of all direct patient care services rendered hereunder; such documentation shall be submitted to Hospital on an ongoing basis, and shall be in the form, and contain the information, requested by the Hospital such that a complete medical record can be assembled.

1.02. **Limitation on Use of Space.** No part of any offices provided by the District either by lease or other arrangement shall be used at any time by Physician as anything other than the private practice of Internal Medicine unless specifically agreed to, in writing, by the parties.

1.03. **Medical Staff Membership and Service:** Physician shall:

- a) Apply for and maintain Provisional or Active Medical Staff ("Medical Staff") membership with Internal Medicine privileges sufficient to support a full time Internal Medicine practice, for the term of this Agreement.
- b) Provide on-call coverage to the Hospital's Emergency Services within the scope of privileges granted to physician by Hospital and as required by the Hospital Medical Staff. Physician shall not be required to provide more than one week in four of Emergency Room call in weekly increments unless otherwise agreed upon from time to time. Physician shall be solely responsible for call coverage for her personal private practice.
- c) Maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred, and revenue acquired, pursuant to this Agreement to the extent, and in such detail, as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which he may claim payment or reimbursement from the District. Physician acknowledges and agrees that any federal office authorized by law shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of Physician which are relevant to this Agreement, at all reasonable times for a period of four (4) years following the termination of this Agreement, during which period Physician shall preserve and maintain said books, documents, papers, and records. Physician further agrees to transfer to the District, upon termination of this Agreement, any books, documents, papers or records which possess long-term [*i.e.*, more than four (4) years] value to the Hospital. Physician shall include a clause providing similar access in any sub-contract he may enter with a value of more than Ten Thousand Dollars (\$10,000) or for more than a twelve (12) month period, when said sub-contract is with a related organization.
- d) At all times comply with all relevant policies, rules and regulations of the Hospital, subject to California and federal statutes governing the practice of medicine.
- e) District expressly agrees that said services might be performed by such other qualified physicians as the Physician may employ or otherwise provide so long as each such physician has received proper training, is properly licensed, has been granted privileges by the Hospital Medical Staff, and has received approval in writing from the Hospital.

II.
COVENANTS OF THE DISTRICT

2.01. Hospital Services.

- a) Space. Hospital shall make the Offices available for the operation of Physician's Practice either through a direct let at no cost to the physician or through an arrangement with a landlord, also at no cost to the physician, other than the fees retained by the hospital (3.05).
- b) Equipment. In consultation with Physician, Hospital shall provide all equipment as may be reasonably necessary for the proper operation and conduct of Physician's practice. Hospital shall repair, replace or supplement such equipment and maintain it in good working order.

2.02. General Services. District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone service, as may be required for the proper operation and conduct of Physician's Practice.

2.03. Supplies. District shall purchase and provide all supplies as may be reasonably required for the proper treatment of Physician's Practice patients. Physician shall inform Hospital of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

2.04. Personnel. District shall determine the initial number and types of employees and place them in the Practice initially. Physician and Hospital will mutually agree to subsequent staffing requirements. Physician shall not be required to maintain any personnel that she does not feel is appropriate for the practice.

2.05. Business Operations. District shall be responsible for all business operations related to operation of the Practice, including personnel management, billing and payroll functions. Physician will provide the appropriate billing codes, which will be used unless changed by mutual consent of the Physician and Hospital. Hospital will incur and pay all operating expenses of the Practice.

2.06. Hospital Performance. The responsibilities of District under this Article shall be subject to District's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

2.07. Practice Hours. The District desires, and Physician agrees, that Physician's Practice shall operate on a full time basis, maintaining hours of operation in keeping with the part time practice of one Internist. Specific shifts will be scheduled according to normal operating procedures of the Practice and will be mutually agreed upon with Physician.

III. COMPENSATION

1. **3.01. Compensation.** District will guarantee the Physician that she will realize gross annual income of at least 182,000 without having any liability with respect to the payment and incurrence of operating expenses of her practice. This will be accomplished as follows:
 - a. The district will remit to the Physician \$7,000 every two weeks.
 - b. The district will arrange for the patients of the Physician to be billed and collected. Physician will agree to all assignments necessary to accomplish this.
 - c. District will retain all collections and pay all Practice expenses.
 - d. At the end of each calendar quarter the District will compare the total payments to the physician (3.01.a) against the collections received for that quarter (3.01.c). If 50% of the collections exceed the payments made to the Physician, The District will remit that amount to the Physician. If 50% of the collections are less than the payments made to the Physician, that amount will be carried forward and calculated in the subsequent quarter's analysis. In no event will the physician owe money to the District as a result of these quarterly calculations.
 - e. At the end of each calendar year, all carry forwards will cease and new reconciliations will begin.
 - f. In the event that the Physician terminates or elects not to renew her relationship with the District, she shall be entitled to the maintaining uncollected balance of the Accounts Receivable less any payments made to the physician to satisfy the guarantee.

- 3.02. **Malpractice Insurance.** Physician will secure and maintain her own malpractice insurance with limits of no less than \$1 million per occurrence and \$3 million per year. District will reimburse Physician eighty percent (80%) of the premiums for said insurance paid for by Physician.

- 3.03. **Health Insurance** ~~During the first year of the term of this Agreement, and no longer, Physician will be admitted to the Hospital's self-funded Medical-Dental-Vision-Benefit Plan and be provided the benefits contained therein as if he were an employee of the District.~~

- 3.04. **Billing for Professional Services.** Subject to section 2.05 above, Physician assigns to District all claims, demands and rights of Physician to bill and collect for all professional services rendered to Practice patients, for all billings for Internal Medicine services, for all billings consulting performed or provided by the Physician. Physician acknowledges that Hospital shall be solely responsible for billing and collecting for all professional services provided by Physician to Practice patients and for all Internal Medicine services performed at the Hospital, and for managing all Practice receivables and payables, including those related to Medicare and MediCal beneficiaries. Physician shall not bill or collect for any services rendered to Practice patients or Hospital patients, and all Practice receivables and billings shall be the sole and exclusive property of Practice. In particular, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the Practice. In the event payments are made to Physician pursuant to any payer agreement, Physician shall promptly remit the payments directly to Hospital.

- 3.05. **Retention.** Hospital will retain 50% of all fees collected from the activities of Physician/practice in exchange for the services rendered in II above.

IV.
TERM AND TERMINATION

4.01. Term. The term of this Agreement shall be three years beginning on the Monday next following the day upon which Physician is granted clinical privileges at Hospital and provisional membership on the Active Medical Staff of Hospital. The Agreement may be renewed, by written instrument signed by both parties, no later than 120 days before its expiration date.

4.02. Termination. Notwithstanding the provisions of section 4.01, this Agreement may be terminated:

- a) By either party, at any time, without cause or penalty, upon ninety (90) days' prior written notice to the other party;
- b) Immediately by Hospital in its sole discretion if Physician fails to maintain the professional standards described in Article V of this Agreement;
- c) Immediately upon closure of the Hospital or Practice;
- d) By either party upon written notice to the other party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits, restricts, limits or in any way substantially changes the arrangement contemplated herein or which otherwise significantly affects either party's rights or obligations under this Agreement; provided that in such event, Hospital must give notice to Physician equal to that provided to Hospital by the relevant federal, state or local government or agency. If this Agreement can be amended to the satisfaction of both parties to compensate for any such prohibition, restriction, limitation or change, this clause shall not be interpreted to prevent such amendment; or
- e) By either party in the event of a material breach by the other party and, in such event, the non-breaching party shall have the right to terminate this Agreement after providing thirty (30) days' written notice to the breaching party, explaining the breach, unless such breach is cured to the satisfaction of the non-breaching party within the thirty (30) days.

In the event that this contract is terminated in accordance with 4.02 a) or 4.02 b) the hospital administrator must present the circumstances surrounding the anticipated termination to the Medical Executive Committee prior to any final action to the District Board. The Medical Executive Committee may support, decline to support, or not take a position relative to the matter. In any event the decision of the District Board will be final.

4.03. Rights Upon Termination. Upon any termination or expiration of this Agreement, all rights and obligations of the parties shall cease except those rights and obligations that have accrued or expressly survive termination. The Hospital shall retain the Accounts Receivable to offset the expense of any performance required under 3.01. Funds remaining after that shall be remitted to the physician within 60 of termination.

V.

PROFESSIONAL STANDARDS

- 5.01. **Medical Staff Membership.** It is a condition of this Agreement that Physician obtain Provisional or Active Medical Staff membership on the Hospital Medical Staff with appropriate clinical privileges and maintain such membership and privileges throughout the term of this Agreement.
- 5.02. **Licensure and Standards.** Physician shall:
- a) At all times be licensed to practice medicine in the State of California;
 - b) Comply with all policies, bylaws, rules and regulations of Hospital, Hospital Medical Staff, and Practice, including those related to documenting all advice to patients and proper sign-off of lab and X-ray reports;
 - c) Be a member in good standing of the Provisional or Active Medical Staff of Hospital;
 - d) Maintain professional liability coverage in an amount required for membership on the Active Medical Staff of Hospital;
 - e) Participate in continuing education as necessary to maintain licensure and the current standard of practice; and
 - f) Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of the Joint Commission on Accreditation of Healthcare Organizations.
 - g) At all times conduct himself, professionally and publicly, in accordance with the standards of the medical profession, the American College of Internists, the Hospital Medical Staff, and the District. Further, he shall not violate any California law which prohibits (1) driving a motor vehicle under the influence of alcohol or prescription drugs or the combined influence of such substances, (2) unlawful use of controlled substances, (3) being intoxicated in a public place in such a condition as to be a danger to himself or others, and/or (4) conduct justifying imposition of an injunction prohibiting harassment of Hospital employees in their workplace. Entry of any injunction, judgment, or order against Physician based upon facts, which constitutes the above offenses, shall be a material breach of this Agreement.

VI.

RELATIONSHIP BETWEEN THE PARTIES

6.01. **Professional Relations.**

- a) **Independent Contractor.** No relationship of employer and employee is created by this Agreement. In the performance of Physician's work and duties, Physician is at all times acting and performing as an independent contractor, practicing the profession of medicine. District shall neither have nor exercise control or direction over the methods by which Physician performs professional services pursuant to this Agreement; provided, however, that Physician agrees that all work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician's professional specialty and in accordance with the standards set forth in this Agreement.

b) **Benefits.** Except as specifically set forth in this Agreement, it is understood and agreed that Physician shall have no claims under this Agreement or otherwise against Hospital for social security benefits, worker's compensation benefits, disability benefits, or any other employee benefit of any kind. In addition, Hospital shall have no obligation to reimburse Physician for any costs or expenses associated with Physician's compliance with continuing medical education requirements.

6.02. **Responsibility for Own Acts.** Each party will be responsible for its own acts or omissions and all claims, liabilities, injuries, suits, demands and expenses for all kinds which may result or arise out of any malfeasance or neglect, caused or alleged to have been caused by either party, their employees or representatives, in the performance or omission of any act or responsibility of either party under this contract. In the event that a claim is made against both parties, it is the intent of both parties to cooperate in the defense of said claim and to cause their insurers to do likewise. However, both parties shall have the right to take any and all actions they believe necessary to protect their interest.

VII. **GENERAL PROVISIONS**

7.01. **No Solicitation.** Physician agrees that he will not, either directly or indirectly, during and after the term of this Agreement, call on, solicit or take away, or attempt to call on, solicit or take away any patients or patient groups with whom Physician dealt or became aware of as a result of Physician's past, present or future affiliation with Hospital and Practice.

7.02. **Access to Records.** To the extent required by Section 1861(v)(i)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that Section, Physician agrees to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other duly authorized representatives, this Agreement and the books, documents and records of Physician to the extent that such books, documents and records are necessary to certify the nature and extent of Hospital's costs for services provided by Physician.

Physician shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of the Physician's duties under this Agreement at a cost of \$10,000.00 or more over a twelve (12) month period, and if that subcontractor is organizationally related to Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of services by Physician pursuant to this Agreement. If Physician is requested to disclose books, documents or records pursuant to this subsection for purposes of an audit, Physician shall notify Hospital of the nature and scope of such request, and Physician shall make available, upon written request of Hospital, all such books, documents or records. Physician shall indemnify and hold harmless Hospital in the event that any amount of reimbursement is denied or disallowed because of the failure of Physician or any subcontractor to comply with its obligations to maintain and make available books, documents, or records

pursuant to this subsection. Such indemnity shall include, but not be limited to the amount of reimbursement denied, plus any interest, penalties and legal costs.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Physician under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements or those provisions are reduced or eliminated, the obligations of the parties under this section shall likewise be reduced or eliminated.

- 7.03. **Amendment.** This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by both parties.
- 7.04. **No Referral Fees.** No payment or other consideration shall be made under this Agreement for the referral of patients, by Physician, to Hospital or to any nonprofit corporation affiliated with District.
- 7.05. **Repayment of Inducement.** The parties stipulate and agree that the income guaranteed to Physician under this Agreement, and the covenants of the District to provide office space, personal, equipment, and certain other benefits, are the minimum required to enable Physician to relocate himself to Bishop, California; that he is not able to repay such inducement, and no such repayment shall be required.
- 7.06. **Assignment.** Physician shall not assign, sell, transfer or delegate any of the Physician's rights or duties, including by hiring or otherwise retaining additional physicians to perform services pursuant to this Agreement, without the prior written consent of Hospital.
- 7.07. **Attorneys' Fees.** If any legal action or other proceeding is commenced, by either party, to enforce rights, duties, and/or responsibilities under this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs. As used in this Section 7.07, the term "prevailing party" shall have the meaning assigned by Section 1032(a)(4) of the California Code of Civil Procedure.
- 7.08. **Choice of Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.
- 7.09. **Exhibits.** All Exhibits attached and referred to herein are fully incorporated by this reference.
- 7.10. **Notices.** All notices or other communications under this Agreement shall be sent to the parties at the addresses set forth below:

Hospital: Administrator
Northern Inyo Hospital
150 Pioneer Lane
Bishop, CA 93514

Physician: _____ M.D.

Notice may be given either personally or by first-class mail, postage prepaid, addressed to the party designated above at the address designated above, or an address subsequently specified in writing by the relevant party. If given by mail, notice shall be deemed given two (2) days after the date of the postmark on the envelope containing such notice.

- 7.11. **Records.** All files, charts and records, medical or otherwise, generated by Physician in connection with services furnished during the term of this Agreement are the property of Practice. Physician agrees to maintain medical records according to Practice policies and procedures and in accordance with community standards. Each party agrees to maintain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Hospital agrees to permit Physician to have access, during or after the term of the Agreement, to medical records generated by Physician if necessary in connection with claims, litigation, investigations, or treatment of patients.
- 7.12. **Prior Agreements.** This Agreement represents the entire understanding and agreement of the parties as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement. This Agreement may be modified only by a writing signed by each party or her/its lawful agent.
- 7.13. **Referrals.** This Agreement does not impose any obligation or requirement that Hospital shall make any referral of patients to Physician or that Physician shall make any referral of patients to Hospital. The payment of compensation pursuant to section 3.01 is not based in any way on referrals of patients to Hospital.
- 7.14. **Severability.** If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the parties.
- 7.15. **Waiver.** The failure of either party to exercise any right under this Agreement shall not operate as a waiver of that right.
- 7.16. **Gender and Number.** Use of the masculine gender shall mean the feminine or neuter, and the plural number the singular, and vice versa, as the context shall indicate.
- 7.17. **Authority and Executive.** By their signature below, each of the parties represent that they have the authority to execute this Agreement and do hereby bind the party on whose behalf their execution is made.
- 7.18. **Construction.** This Agreement has been negotiated and prepared by both parties and it shall

be assumed, in the interpretation of any uncertainty, that both parties caused it to exist.

NORTHERN INYO COUNTY
LOCAL HOSPITAL DISTRICT

PHYSICIAN

By _____
Peter J. Watercott, President
Board of Directors

By _____
_____, M.D.

APPROVED AS TO FORM:

Douglas Buchanan
NICLHD Legal Counsel

EXHIBIT A

SCOPE OF DUTIES OF THE PHYSICIAN

POSITION SUMMARY

The Physician is a Member of the Northern Inyo Hospital Active Medical Staff. Physician provides direct primary medical diagnosis and treatment to Practice and Hospital patients. The Physician will provide services commensurate with the equivalent of a full time Internal Medicine Practice. Full time shall mean regularly scheduled office hours to meet the service area demand for office visitations as may be required. Full time shall also mean the provision of no more than four (4) weeks of vacation ~~and two (2) weeks of time to acquire CME credits~~ if needed, as well as all recognized national holidays. All time off will be coordinated with Call coverage such that scheduled time off will not conflict with the Physician's call requirement.

Specifically, the Physician will:

1. Provide high quality primary medical care services.
2. Direct the need for on-going educational programs that serve the patient.
3. Evaluate and develop treatment plans to facilitate the individual healthcare needs of each patient.
4. Work with all Practice personnel to meet the healthcare needs of all patients.
5. Assess, evaluate, and monitor on-going health care and medication of Practice patients.
6. Manage all medical emergencies.
7. Participate in professional development activities and maintain professional affiliations.
8. Participate with Hospital to meet all federal and state regulations.
9. Accept emergency call as provided herein.

END