KAISER PERMANENTE

HEALTHCARE TECHNOLOGY MANAGEMENT
MEDICAL EQUIPMENT SERVICES REQUIREMENTS
FOR VENDORS, CONTRACTORS AND SUPPLIERS

1. DEFINITIONS

For the purposes of these Medical Equipment Services Requirements (the "Requirements"), unless the context otherwise requires, words in the singular shall include the plural and words in the plural shall include the singular. This provision is intended to ensure that all terms are interpreted consistently and comprehensively throughout these Requirements, thereby avoiding any ambiguity or misinterpretation.

1.1. "Acceptance" means a Customer's verification, subject to the Agreement, as applicable, that the Product meets Supplier's specifications and is ready for clinical or commercial use, including, if applicable, completion of installation and delivery of required Documentation.

1.2. "Agreement" means the written agreement, Purchase Order, Statement of Work, or the like which refers to or incorporates these Requirements.

1.3. "AHA" means American Hospital Association.

1.4. "Customer" means any KP Affiliate purchasing Services under the Agreement.

1.5. "Documentation" means all reference, technical and user manuals and guides, set-up instructions, Specifications and other explanatory materials of any type provided by Supplier describing the Services or Products.

1.6. "Downtime" means a period of time measured in minutes during which the Equipment is not operating in accordance with the manufacturer's published specifications.

1.7. "Equipment" means any medical equipment Products generally having a Useful Life of more than one year (including, but not limited to, durable goods) or that runs on a power source (including, but not limited to, electricity or batteries).

1.8. "Field Service Report" means the report used to record the details of a service visit conducted by a Supplier.

1.9. "Firmware" includes all the programming code or instructions stored in read-only memory or on a hardware device incorporated into the Equipment. Firmware also includes any associated Documentation supplied for use in connection with the Equipment and Third Party Materials included or embedded in Firmware.

1.10. "Force Majeure Event" means an event resulting from causes beyond Customer or Supplier's reasonable control, including fire or other casualty, act of God, pandemic, war or other violence, or any law, order or requirement of any governmental agency or authority.

1.11. "KP Affiliate" means (i) an entity participating in the integrated health care delivery system doing business as Kaiser Permanente®, including Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, the Permanente Medical Groups, and all subsidiaries and successors of the foregoing, and (ii) Risant Health, Inc. and Kaiser Permanente Insurance Company, and all subsidiaries, and successors of the foregoing.

1.12. "KP Representative" means an employee of Customer who is authorized to act as the representative for this Service.

1.13. "Post-Warranty Service Plan" means the post-warranty maintenance terms set forth in the Agreement.

1.14. "Product" means any product and service provided by Supplier to Customer during or after the warranty period (including related shipping, taxes, maintenance, repairs, accessories, parts, glassware, updates and upgrades that Supplier performs to these products and services).

1.15. "Purchase Order" or "PO" means a purchase order for Services issued by Customer to Supplier under the Agreement.

1.16. "Services" means any maintenance and support services provided by Supplier to Customer during or after the warranty period.

1.17. "Software" means the software program(s) identified in the Agreement, or included or supplied with the Equipment, including any bug fixes, patches, Updates or new releases of the Software provided by Supplier.

1.18. "Supplier" means a vendor, contractor or supplier who is providing healthcare related Products or Services to Customer.

1.19. "Supplier's Personnel" means any individuals who are engaged by Supplier, either directly or indirectly through one or more contractors, subsidiaries or affiliates, to perform Services.

1.20. "Statement(s) of Work" or "SOW(s)" means agreements between Customer and Supplier that outlines the Services to be provided, the fees, deliverables, and acceptance criteria.

1.21. "System" means each piece of Equipment and all associated network, Firmware, and Software necessary for proper function of the Equipment as set forth in the Equipment literature, specifications, operating manual, and service Documentation.

1.22. "Systemic Failure" means the failure of a piece of Equipment or a System to conform to its published specifications four or more times in a consecutive 12-month period for reasons other than Customer's misuse, abuse, negligence, or unauthorized modification or alteration.

1.23. "Third Party Materials" mean tangible or intangible materials, products, technology, or property which is owned by a person or entity that is not a party to the Agreement, including open source software.

1.24. "Update" means any modifications, Error corrections, bug fixes, new releases, patches, updates, improvements, new versions, new releases, changes or additions and upgrades to the Software (and any related Documentation) provided or otherwise made available by Supplier to its supported customers of the cloud Services or Software, including Customer. "Updates" do not include new Supplier Products containing substantially different features and functionality that are not a substitute for, or a successor to, the Software.

1.25. "Uptime" means the percentage of time that Equipment is fully operational in accordance with its published manufacturer specifications, calculated on a quarterly basis.

1.26. "Useful Life" means the applicable depreciable life for hospital assets established by the AHA.

2. REQUIREMENTS

If Supplier is providing Services to Customer for its Equipment, Supplier must adhere to the following requirements, unless Customer and Supplier have agreed in writing to alternative terms and conditions for the Services:

2.1. Payment for Services and Software. For all Service and Software agreements, Customer may choose to pay the associated fees on a monthly, quarterly, or annual basis.

2.2. Technology Obsolescence Program. If Supplier makes Firmware or Software improvements to a System that substantially improves the performance of the System, or the System is made obsolete or replaced with an alternate part number, version, or System within the first 36 months after Acceptance, the Customer has the right to purchase the newly released System and replace the obsolete System at discounts commensurate with the discounts on the original unit pricing. Supplier agrees to provide a credit toward the purchase in the full amount of the previously purchased System. If the new System requires changes in installation, site utilities, or infrastructure, Supplier will bear all costs associated with such changes.

2.3. Supply Chain Disruption. During any warranty period, if Supplier has a supply chain disruption that precludes clinical use of Equipment or creates Downtime, and Supplier continues to sell the Equipment, Customer has the option to return the Equipment and receive a full refund of the purchase price within 60 days of written notification to Supplier.

2.4. Essential Services. Supplier acknowledges that: (i) Customer is a provider of essential medical services to its community; and (ii) the services are vital to Customer's ability to provide medical and other health care services to patients and customers of Customer. Accordingly, if any of the Services become unavailable (including in connection with a Force Majeure Event), Supplier shall resume delivery and service of Services to Customer on a priority basis before it restores delivery or service of any Services provided to a customer of Supplier that is not providing essential services. Supplier shall develop, test, and implement business continuity and disaster recovery plans with respect to the manufacture, delivery, and service of Equipment. Upon request, Supplier will provide Customer with a summary of its business continuity and disaster recovery plans. The occurrence of a crisis (including any Force Majeure Event) shall not relieve Supplier of its obligation to implement such plans.

2.5. Supplier's Personnel. Customer shall have the right to require the immediate removal and replacement of any individual Supplier's Personnel for any reason upon notice to Supplier. Supplier is solely responsible for all costs related to the removal or replacement of Supplier's Personnel. Supplier remains solely responsible for all employer-type matters and liabilities, including those matters associated with recruiting, hiring, employment, compensation, benefits, insurance, promotion, discipline, discharge and work environment of each Supplier's Personnel. Supplier shall be responsible for performing its obligations hereunder notwithstanding the turnover of any Supplier's Personnel, and any attrition and turnover shall under no circumstances relieve Supplier of any of its obligations set forth in the Agreement.

2.6. Service Training. Upon any Customer's request, and at no additional cost, Supplier must provide any Customer's Healthcare Technology Management staff with on-site service (maintenance) training. For each piece of Equipment purchased, and prior to the expiration of the applicable warranty period, Supplier shall, at no cost, provide Customer's Healthcare Technology Management staff with all necessary technical training, technical Documentation, service software, service software keys/licensing, clinical/applications software, and tools (excluding those tools that are readily available) for maintenance, repairs, and Updates to the Equipment. Supplier shall provide training on all Updates and improvements to the Equipment concurrently with training its own service personnel, as well as provide any re-certification necessary, at no charge, for Customer's Healthcare Technology Management staff to support Equipment. If Healthcare Technology Management staff is added to Customer, Supplier shall provide training to the additional Healthcare Technology Management staff at no additional charge. If Supplier is unable to comply with this Section, all Service costs incurred until completion of the training will be at no charge. If any Customer coordinates a service (maintenance) location/training agenda with 10 or more personnel, then Supplier must provide training at the agreed-upon location at no cost to the Customer. As part of the obligations of this Section, services performed by Customer's Healthcare Technology Management staff shall be treated for purposes of the warranty as Services performed by Supplier.

2.7. End of Warranty Transition. Supplier shall ensure that Customer's Healthcare Technology Management staff have the technical training completed before the expiration of the applicable warranty period and are prepared to take over as the primary provider of support and maintenance in accordance with Customer's election. If Supplier fails to complete technical service training prior to expiration of the applicable warranty period, Supplier shall extend such warranty period until such training and transition are complete. Supplier shall provide Customer with notice of end of warranty transition technical training dates at least six months in advance of such training to allow Customer to arrange schedules and attend training sessions. If Customer is unable to attend training sessions, through no fault of Supplier, and does not reschedule within a reasonable time, Supplier shall not be obligated to extend the applicable warranty period.

2.8. Business Reviews. At Customer's request, Supplier and Customer will meet at least annually at times mutually agreed to by the parties to review each party's performance under the Agreement. Such review may include, but is not limited to, Supplier's compliance with Customer's requirements and guidelines as outlined in the Agreement, Service performance metrics, pricing, and Productivity analysis. Supplier and Customer will discuss in good faith recommendations for improvements to Supplier's compliance with Customer's requirements and guidelines stated in the Agreement, and/or the Services for the remainder of the term of the Agreement.

2.9. Field Service Report.

2.9.1. At the conclusion of each service call, the Supplier's field service personnel shall provide the KP Representative with, at the Customer's discretion, either: (a) a hard copy of the Field Service Report; or (b) a receipt of service form specifying the exact time by which an electronic Field Service Report, written in layman's terms, will be made available to the KP Representative. The Field Service Report must include, but is not limited to, the following information:

- Date of Service
- Name of the Equipment
- Serial number of the Equipment
- EIN number of the Equipment (provided by the KP Representative)
- Specific location of the Equipment (street address, room number)
- Action performed (e.g., what was performed, why, outcome, recommendations, etc.)
- Complete name (first and last name) of the service technician
- Complete name of the KP Representative who acknowledged the service was performed/completed.
- Itemized cost and quantities (e.g., labor hours, parts, travel charge, zone charges, etc.)

2.9.2. The Supplier must provide the Field Service Report no later than 5-7 business days from Equipment being returned to the Customer. Failure to provide the Field Service Report may delay the processing of payment for service(s), as all required Documentation must be provided before approval.

2.10. Quarterly Reports.

2.10.1. On a quarterly basis, Supplier must provide the reports set forth in the Agreement to Customer. If Supplier submits the reports more than 10 business days beyond the end of the quarter, upon the second occurrence, Supplier will pay to Customer a flat fee of $500 per day, beginning on the 11th business day following the end of the quarter, until Supplier submits the reports referenced in the Agreement and Supplier must send the reports electronically to (a) Customer's Healthcare Technology Management department, and (b) a designated contact at each region (email addresses to be established after contract award).

2.10.2. Uptime Guarantee. The quarterly report will contain the Uptime by Equipment and location as well as the Downtime per incident by Equipment (including Equipment issue, date of occurrence, resolution, and number of hours the Equipment was down).

2.10.3. Response Time. The quarterly report will contain all response times recorded per occurrence by Equipment and location and include the average response time.

2.11. Sample Reports. Supplier must (a) provide sample reports for the Uptime guarantee and service response time to Customer for Customers' review and (b) adjust the proposed reports based upon Customers' input. Supplier must make the revised reports available to Customer no later than 15 days after Supplier's receipt of Customer's feedback.

2.12. Disclosure of Performance and Safety Data. Supplier must immediately disclose performance data for Equipment to Customer if defects are identified which create a hazard to patients and/or caregivers. This disclosure is required for Customer to implement interim actions to protect against the hazard. Further, upon request by Customer, Supplier agrees to provide detailed failure / performance data of Equipment including failure rates by subsystem or component.

2.13. Cleaning. All Equipment shall tolerate generally accepted hospital cleaning techniques including the application of microbial disinfectants.

2.14. Systemic Failure. During the applicable warranty period, in the event of any Systemic Failure, Customer may, at its sole discretion, either: (i) receive a refund equal to the cost of the Equipment or System at issue and any related Services or (ii) have such Equipment or System replaced at no cost to Customer within 30 days of the Systemic Failure. If Supplier and Customer dispute whether a piece

of Equipment or a System has experienced a Systemic Failure, a mutually agreed upon third-party inspector will inspect the piece of Equipment or System and review the piece of Equipment's or System's service history to resolve the dispute. The non-prevailing party is responsible for the inspector's fees and costs.

2.15. Service Plan. Supplier may offer Customers one or more Post-Warranty Service Plans in the form described in the Agreement and under the terms and conditions of the Agreement. Customer may modify the level of Service provided for any Equipment or remove any Equipment from a Post-Warranty Service Plan upon written notice to Supplier, and Supplier will adjust the applicable Post-Warranty Service Plan and credit or refund Customer within 30 days following such modification or removal. If any covered Equipment is replaced by Equipment with technology and Service requirements substantially similar to such covered Equipment, Supplier will add the replacement Equipment to the applicable Post-Warranty Service Plan. New Equipment or upgraded Equipment not covered by the Agreement will be discussed with Customer and priced according to the generally applicable pricing methodology set forth in the Agreement.

2.16. Termination for Convenience of a Post-Warranty Service Plan. A Customer may terminate any Post-Warranty Service Plan for any reason or no reason upon 30 days' prior written notice to Supplier.

2.17. Records.

2.17.1. Supplier must keep all maintenance records required by any federal or state agency or any other regulatory body and must make those records immediately available to the Customer at all times.

2.17.2. Where Customer and Supplier have agreed to rely on the Supplier's system of record, the Supplier must adhere to the Kaiser Permanente Business Record Retention Policy and procedures, which will be provided to Supplier upon request, which will require compliance with state laws, and which will meet Customer's criteria for device maintenance record retention.