

Item #9-5A

**City of Carson City
Agenda Report**

Date Submitted: June 22, 2010

Agenda Date Requested: July 1, 2010

Time Requested: Consent

To: Mayor and Supervisors

From: Purchasing and Contracts

Subject Title: Action to authorize Risk Management to utilize RFP #1737 Occupational Health Services Contract for the purchase of Occupational Health Services through ARC Health & Wellness which RFP #1737 was approved by the State of Nevada Board of Examiners and which is exempt from competitive bidding pursuant to NRS 332.115 subsection 1 (m) and NRS 332.195 for a not to exceed Contract amount of \$199,000.00 to be funded from various budgets as provided for in the FY 2010 2011 (File No. 0910-225) (*Sandy Scott-Fisher*)

Staff Summary: ARC Health and Wellness Center was awarded the Occupational Health Services Contract RFP 1737 through June 2015 by the State of Nevada Board of Examiners to provide Occupational Health Services needs. ARC will serve Carson City agencies by providing for Heart and Lung Physicals and various Occupational Health Services. ARC will primarily provide Heart and Lung Physicals and various other occupational health to the City of Carson at their local office located at 2874 North Carson Street, Ste 135.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to authorize Risk Management to utilize RFP #1737 Occupational Health Services Contract for the purchase of Occupational Health Services through ARC Health & Wellness which RFP #1737 was approved by the State of Nevada Board of Examiners and which is exempt from competitive bidding pursuant to NRS 332.115 subsection 1 (m) and NRS 332.195 for a not to exceed Contract amount of \$199,000.00 to be funded from various budgets as provided for in the FY 2010 2011 (File No. 0910-225) (*Sandy Scott-Fisher*)

Explanation for Recommended Board Action: Pursuant to **NRS 332.115 subsection 1 (m)** and **NRS 332.195**, staff is requesting the Board of Supervisors declare that the contract is not adapted to award by competitive bidding and authorize Carson City utilize the Occupational Health Services providing Carson City's approved funding and purchasing procedures are followed.

NRS 332.115 Contracts not adapted to award by competitive bidding; purchase of equipment by local law enforcement agency, response agency or other local governmental agency; purchase of goods commonly used by hospital.

1. Contracts which by their nature are not adapted to award by competitive bidding, including contracts for:

(m) Supplies, materials or equipment that are available pursuant to an agreement with a vendor that has entered into an agreement with the General Services Administration or another governmental agency located within or outside this State; are not subject to the requirements of this chapter for competitive bidding, as determined by the governing body or its authorized representative.

NRS 332.195 Joinder or mutual use of contracts by governmental entities.

1. A governing body or its authorized representative and the State of Nevada may join or use the contracts of local governments located within or outside this State with the authorization of the contracting vendor. The originally contracting local government is not liable for the obligations of the governmental entity which joins or uses the contract.

2. A governing body or its authorized representative may join or use the contracts of the State of Nevada or another state with the authorization of the contracting vendor. The State of Nevada or other state is not liable for the obligations of the local government which joins or uses the contract.

(Added to NRS by 1975, 1539; A 1985, 357; 1999, 1686; 2001, 1320; 2003, 2263; 2005, 2556)

Applicable Statute, Code, Policy, Rule or Regulation: NRS 332.115 subsection 1 (m) and NRS 332.195

Fiscal Impact: Each department will budget their own purchases

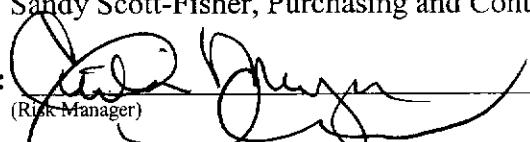
Explanation of Impact: Each department will budget their own purchases

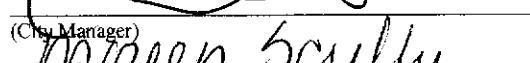
Funding Source: Each department will budget their own purchases

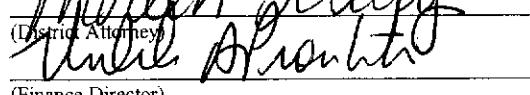
Supporting Material: Letter from ARC and State Contract

Prepared By: Sandy Scott-Fisher, Purchasing and Contracts Coordinator

Reviewed By:


(Risk Manager)


(City Manager)


(District Attorney)


(Finance Director)

Date: 6/22/10

Date: 6/22/10

Date: 6/22/10

Date: 6/22/10

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)



Occupational Health Services Agreement

In April of 2009, ARC Health and Wellness Centers was awarded through the State of Nevada, Board of Examiners the Occupational Health Services Contract (RFP # 1737) for a period of four (4) years. This Contract was classified as a Master Service Agreement "Good of the State", to serve all State agencies and Political Subdivisions with their Occupational Health Services needs. The State requested we consider reducing our contractual prices in consideration for an additional two (2) year extension a few months ago. ARC was able to assist the State and received approval from Risk Management and Purchasing to extend the contract through June of 2015.

GOOD OF THE STATE CLASSIFICATION

State of Nevada – Master Service Agreement # 1737 pg. 3 section 1-**OVERVIEW OF PROJECT** paragraph 2 states the following:

*"The following agencies will utilize the primary services: Bureau of Enforcement (DMV/PS), Department of Corrections, Nevada Division of Forestry, Nevada Division of Investigation, Division of Parole and Probation, Department of Wildlife, Lakes Crossing, Nevada Highway Patrol, Risk Management Division, Peace Officers Standards and Training, and The Office of The Military. See Attachment J for a list of the different Panel Exams. The University and Community College System, the Court System, the Legislative Counsel Bureau, and **Political Subdivisions (i.e., cities, counties, school districts, etc.) may use the contract(s) resulting from this Request**; however, they are not required to do so. Purchase of services offered through a resultant contract will be at the sole discretion of the individual entities and cannot be guaranteed by the State Purchasing Division."*

Under NRS 332.195 Joinder or mutual use of contracts by governmental entities (referenced below).

We invite and offer our services under Master Service Agreement # 1737 and all price considerations to Carson City, Carson County and any other agencies affiliated with this area. In this letter, we are providing an overview of our ability to service the Carson City / Carson County (herein referred to as "Carson") area. We will also outline expectations and costs associated with the contract.

NRS 332.195 Joinder or mutual use of contracts by governmental entities.

1. *A governing body or its authorized representative and the State of Nevada may join or use the contracts of local governments located within or outside of this State with the authorization of the contracting vendor. The originally contracting local government is not liable for the obligations of the governmental entity which joins or uses the contract.*
2. *A governing body or its authorized representative may join or use the contracts of the State of Nevada or another state with the authorization of the contracting vendor. The State of Nevada or other state is not liable for the obligation of the local government which joins or uses the contract.*



ARC Health and Wellness Center in Carson City

ARC will primarily service the Carson agencies at our location at 2874 N. Carson St. Suite # 135. This facility is exclusively used by the State of Nevada agencies for Heart and Lung Physicals and various occupational health services. We currently are not treating Workers Compensation Injuries or providing Urgent Care services at this location. Due to this fact, the ARC Carson facility will be available by appointment only based on appointment volumes between the State of Nevada and Carson City.

Heart and Lung / Annual Examinations

We will mirror the process we use for the State of Nevada agencies to service Carson. Carson will have access to our Master Scheduler (Anna Walker) to schedule appointments in a fashion that serves your agencies' needs in the manner that works best for them. Our Master Scheduler can schedule appointments through various communication methods- Email, Fax, or Phone. Appointments will be scheduled within 24 hours of request. We can schedule directly with your officers if they prefer to contact our scheduler directly or with an agency liaison.

The Heart and Lung / Annual Examinations are generally completed in two visits. The first visit will conduct most of the diagnostic testing including Blood work, Audiogram testing, Pulmonary Function Testing, Chest X-ray and body fat testing. The second visit will be with one of the ARC physicians to conduct either the Resting EKG or Stress EKG (conducted at our facility) who will go over all the results of the testing conducted in the first visit. Any "Non-Fit for Duty" physicals will be reported to the respective agencies liaison and risk management and officer will be directed to seek immediate treatment.

The completed examination will be uploaded, within 15 business days to ARC's HIPPA compliant / SSL Encrypted website at NRS617.com. An email will be sent to the respective agency liaison and/or risk management notifying of the completed physical. The billing will be sent electronically, via email to the respective agency liaison. ARC requests that Carson submit payment within 45 days of receipt of billing.

ARC understands that some appointments will need to be rescheduled or cancelled from time to time. ARC requests that a 48 hour notification of cancelled appointments be given. The State of Nevada actually assesses a \$100.00 fee to employee for a missed, no-call / no show appointment. The State requests that we bill them for these events. If this is not a normal practice with Carson, we request a professional courtesy of our working relationship with your employees / officers to cancel appointments so we can avoid assessing no call / no show fees.

CARSON FEE SCHEDULE UNDER RFP # 1737

All prices are equal to that under RFP # 1737 with State of Nevada. I've have imputed those prices into your respective examinations for ease of understanding.

New Hire Physical Exam (Carson City / Carson County)	
Concentra Terminology of Test	ARC Pricing
Audiogram	\$ 24.25
Body Fat	\$ 7.76
DOT Card\Form Replacement	\$ 14.55
EKG Stress Test	\$ 111.55
Gen Hlth Pnl 2 (Chem23,CBC, UA)	\$ 35.89
Hepatitis A Surface Antibody	\$ 33.95
Hepatitis B Surface Antibody	\$ 19.40
OSHA Respirator Questionnaire	\$ 9.70
Physical-Level 3	\$ 48.50
Pulmonary Function Test	\$ 36.86
Report of Results	\$ 14.55
X-Ray Chest 2-View	\$ 38.80
Total	\$ 395.76

Optional Test for New Hire:

Non Regulated UDS Pre-Placement \$ 32.98

Limited-Under 40 Annual Physical Exam (Carson City / Carson County)	
Concentra Terminology of Test	ARC Pricing
Audiogram	\$ 24.25
Body Fat	\$ 7.76
DOT Card\Form Replacement	\$ 14.55
EKG Resting	\$ 38.80
Gen Hlth Pnl 2 (Chem23,CBC, UA)	\$ 35.89
Hepatitis B Surface Antibody	\$ 19.40
OSHA Respirator Questionnaire	\$ 9.70
Physical-Level 3	\$ 48.50
Pulmonary Function Test	\$ 36.86
Chart Review per Review / Report of Results	\$ 14.55
X-Ray Chest 1-View	\$ 29.10
Total	\$ 279.36



CARSON FEE SCHEDULE UNDER RFP # 1737 CONT.

40 and Over Annual Physical Exam (Carson City / Carson County)	
Concentra Terminology of Test	ARC Pricing
Audiogram	\$ 24.25
Body Fat	\$ 7.76
DOT Card/Form Replacement	\$ 14.55
EKG Stress Test	\$ 111.55
Gen Hlth Pnl 2 (Chem23,CBC, UA)	\$ 35.89
Hepatitis B Surface Antibody	\$ 19.40
OSHA Respirator Questionnaire	\$ 9.70
Physical-Level 3	\$ 48.50
Pulmonary Function Test	\$ 36.86
Chart Review per Review / Report of Results	\$ 14.55
X-Ray Chest 2-View	\$ 38.80
Total	\$ 361.81

Optional Services		ARC Pricing
Hepatitis A - Cost per Vaccination Shot	\$	72.75
Hepatitis B - Cost per Vaccination Shot	\$	58.20
TwinRix (Hep A / B Combo - series of three)	\$	100.88
Hepatitis B Titer – (determine immunity to Hep B Virus)	\$	19.40

HazMat Compliance Exam (Carson City / Carson County)	
Concentra Terminology of Test	ARC Pricing
Audiogram	\$ 24.25
Body Fat	\$ 7.76
Cholinesterase RBC - Whole Blood	\$ 42.68
EKG Stress Test	\$ 111.55
Gen Hlth Pnl 2 (Chem23,CBC, UA)	\$ 35.89
HazMat Form	\$ 19.40
Heavy Metals 24 Hour (AS/CD/Hg/Pb) Urine	\$ 78.57
Hemocult (In Center)* (*Currently not offered to State)	\$ 10.00
Hepatitis B Surface Antibody	\$ 19.40
Lead & ZPP - Whole Blood	\$ 57.23
OSHA Respirator Questionnaire	\$ 9.70
Physical-Level 3	\$ 48.50
Polychlorinated Biphenyls (PCB)	\$ 57.23
Pulmonary Function Test	\$ 36.86
Chart Review per Review / Report of Results	\$ 14.55
X-Ray B-Read/Interpretation* (*Currently not offered State)	\$ 66.50
X-Ray Chest 1-View	\$ 29.10
Total	\$ 669.17

CARSON FEE SCHEDULE UNDER RFP # 1737 CONT.

Carson City / Carson County may also utilize the State Contract for other services. An example of these services is listed below and prices are locked in through 2015.

Other Occupational Health Services (State Pricing)	
Available to all employees including CDL Drivers	ARC Pricing
Respiratory Compliance Exam (Includes: OSHA Respirator Questionnaire, Pulmonary Function test, Respirator Clearance Letter)	\$ 67.90
Respiratory Fit Test	\$ 29.10
OSHA Respirator Questionnaire	\$ 19.40
Pulmonary Function Test	\$ 38.80
Respirator Clearance Letter	\$ 9.70
DOT Examination	\$ 33.95
DOT Paperwork	\$ 14.55
DOT Urine Drug Screen	\$ 37.83
Non DOT Urine Drug Screen	\$ 32.98
DOT Breath Alcohol Test	\$ 24.25
Non DOT Breath Alcohol Test	\$ 24.25

This is a summary of the common examinations conducted by Carson Fire Department and Carson Sheriffs Department. If Carson agrees to work with ARC, you will also be able to take advantage of the set pricing with the State of Nevada for any other services including specialist pricing and procedures. If you have questions about additional services or charges, please feel free to contact Paul Granstrom at 775-846-3413.

If Carson wishes to “Piggyback” on the Master Service Agreement # 1737, We request a meeting with the respective agencies prior to launch of the contract between ARC and Carson to iron out any questions or special needs of your agencies. We are ready to start the examinations as soon as July 1st, 2010.

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the Carson City / Carson County
Acting By and Through Its

Various Carson City / County Agencies
Monitored By: Risk Management
Carson City Finance Division
201 North Carson Street STE 3
Carson City, NV 89701
Contact: Cecilia Meyer
Phone: (775) 887-2133 Fax: (775) 684-2107

And

Gilbert, Romick and Associates of Nevada, MD LTD
d/b/a ARC Health and Wellness Centers
2205 Glendale Ave. Suite 131
Sparks, NV 89431
Contact: Paul Granstrom
Phone: (775) 846-3413 Fax: (775) 823-9025

Carson City and Carson County elect to use the State of Nevada Master Service Agreement # 1737 for Occupational Health Services with ARC Health and Wellness. ARC under this contract and the terms outlined under ATTACHMENT AA: STATE SOLICITATION OR RFP # 1737 and AMENDMENT(S) # 1; ATTACHMENT BB: INSURANCE SCHEDULE; AND ATTACHMENT CC: CONTRACTOR'S RESPONSE and this response. This Contract shall be effective from July 1, 2010 to June 30, 2015, unless sooner terminated by either party as specified in paragraph ten (10) under ATTACHMENT AA. All other terms and requirements fall under ATTACHMENT AA and this document.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Gilbert, Romick and Associates of Nevada, MD LTD
ARC Health and Wellness Centers LLC

Carson City Representative
Carson City, NV

Date

Date

For Purchasing Use Only:
RFP/CONTRACT #1737

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada
Acting By and Through Its

Various State Agencies
Monitored By: Department of Administration
Purchasing Division
515 E Musser Street, Room 300
Carson City NV 89701
Contact: Lyn Callison
Phone: (775) 684-0198 Fax: (775) 684-0188

and
Gilbert, Romick and Associates of Nevada, MD LTD
d/b/a ARC Health and Wellness Centers
and
SpecialtyHealth MCO, Inc.
2205 Glendale Ave Suite 131
Sparks NV 89431
Contact: Paul Granstrom
Phone: (775) 846-3413 • Fax: (775) 823-9025

WHEREAS, NRS 284.173 authorizes elective officers, heads of departments, boards, commissions or institutions to engage, subject to the approval of the Board of Examiners, services of persons as independent contractors; and

WHEREAS, it is deemed that the service of Contractor is both necessary and in the best interests of the State of Nevada;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

2. DEFINITIONS. "State" means the State of Nevada and any state agency identified herein, its officers, employees and immune contractors as defined in NRS 41.0307. "Independent Contractor" means a person or entity that performs services and/or provides goods for the State under the terms and conditions set forth in this Contract. "Fiscal Year" is defined as the period beginning July 1 and ending June 30 of the following year.

3. CONTRACT TERM. This Contract shall be effective from June 1, 2009 subject to Board of Examiners' approval (anticipated to be April 14, 2009) to April 30, 2013, unless sooner terminated by either party as specified in paragraph ten (10).

4. NOTICE. Unless otherwise specified, termination shall not be effective until 30 calendar days after a party has served written notice of default, or without cause upon the other party. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified above.

5. INCORPORATED DOCUMENTS. The parties agree that the scope of work shall be specifically described. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA: STATE SOLICITATION OR RFP #1737 and AMENDMENT(S) #1;
ATTACHMENT BB: INSURANCE SCHEDULE; AND



ATTACHMENT CC: CONTRACTOR'S RESPONSE

A Contractor's Attachment shall not contradict or supersede any State specifications, terms or conditions without written evidence of mutual assent to such change appearing in this Contract.

6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph five (5) at a cost of \$ Various (determined by type of Test per invoice as outlined in Attachment CC, contractor's response) not to exceed \$ 4,000,000.00. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. The contractual authority, as identified by the not to exceed amount, does not obligate the State of Nevada to expend funds or purchase goods or services up to that amount; the purchase amount will be controlled by the individual using agency's purchase orders or other authorized means of requisition for services and/or goods as submitted to and accepted by the contractor. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

7. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations specified.

8. TIMELINESS OF BILLING SUBMISSION. The parties agree that timeliness of billing is of the essence to the contract and recognize that the State is on a fiscal year. All billings for dates of service prior to July 1 must be submitted to the State no later than the first Friday in August of the same year. A billing submitted after the first Friday in August, which forces the State to process the billing as a stale claim pursuant to NRS 353.097, will subject the Contractor to an administrative fee not to exceed one hundred dollars (\$100.00). The parties hereby agree this is a reasonable estimate of the additional costs to the State of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to the Contractor.

9. INSPECTION & AUDIT.

- a. Books and Records. Contractor agrees to keep and maintain under generally accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.
- b. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by the State Auditor, the relevant state agency or its contracted examiners, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this paragraph.
- c. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three (3) years, and for five (5) years if any federal funds are used pursuant to the Contract. The retention period runs from the date of payment for the relevant goods or services by the State, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. CONTRACT TERMINATION.

- a. Termination Without Cause. Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties, or unilaterally by either party without cause.
- b. State Termination for Non-appropriation. The continuation of this Contract beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and/or federal sources. The State may terminate this Contract, and Contractor waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the Contracting Agency's funding from State and/or federal sources is not appropriated or is withdrawn, limited, or impaired.
- c. Cause Termination for Default or Breach. A default or breach may be declared with or without termination. This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:
 - i. If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

- ii. If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or
- iii. If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or
- iv. If the State materially breaches any material duty under this Contract and any such breach impairs Contractor's ability to perform; or
- v. If it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or
- vi. If it is found by the State that Contractor has failed to disclose any material conflict of interest relative to the performance of this Contract.

d. Time to Correct. Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in paragraph four (4), and the subsequent failure of the defaulting party within fifteen (15) calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

e. Winding Up Affairs Upon Termination. In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

- i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;
- ii. Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Contracting Agency;
- iii. Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by the Contracting Agency;
- iv. Contractor shall preserve, protect and promptly deliver into State possession all proprietary information in accordance with paragraph twenty-one (21).

11. REMEDIES. Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation one hundred and twenty-five dollars (\$125.00) per hour for State-employed attorneys. The State may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190.

12. LIMITED LIABILITY. The State will not waive and intends to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any State breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach. Damages for any Contractor breach shall not exceed one hundred and fifty percent (150%) of the contract maximum "not to exceed" value. Contractor's tort liability shall not be limited.

13. FORCE MAJEURE. Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

14. INDEMNIFICATION. To the fullest extent permitted by law Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents.

15. INDEPENDENT CONTRACTOR. Contractor is associated with the State only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract, Contractor is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for the State whatsoever with respect to the indebtedness, liabilities, and obligations of

Approved 05/08/02

Revised 11/07

Contractor or any other party. Contractor shall be solely responsible for, and the State shall have no obligation with respect to: (1) withholding of income taxes, FICA or any other taxes or fees; (2) industrial insurance coverage; (3) participation in any group insurance plans available to employees of the State; (4) participation or contributions by either Contractor or the State to the Public Employees Retirement System; (5) accumulation of vacation leave or sick leave; or (6) unemployment compensation coverage provided by the State. Contractor shall indemnify and hold State harmless from, and defend State against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising or incurred because of, incident to, or otherwise with respect to any such taxes or fees. Neither Contractor nor its employees, agents, nor representatives shall be considered employees, agents, or representatives of the State. The State and Contractor shall evaluate the nature of services and the term of the Contract negotiated in order to determine "independent contractor" status, and shall monitor the work relationship throughout the term of the Contract to ensure that the independent contractor relationship remains as such. To assist in determining the appropriate status (employee or independent contractor), Contractor represents as follows:

1. Does the Contracting Agency have the right to require control of when, where and how the independent contractor is to work?
2. Will the Contracting Agency be providing training to the independent contractor?
3. Will the Contracting Agency be furnishing the independent contractor with worker's space, equipment, tools, supplies or travel expenses? **N/A**
4. Are any of the workers who assist the independent contractor in performance of his/her duties employees of the State of Nevada?
5. Does the arrangement with the independent contractor contemplate continuing or recurring work (even if the services are seasonal, part-time, or of short duration)? **N/A**
6. Will the State of Nevada incur an employment liability if the independent contractor is terminated for failure to perform?
7. Is the independent contractor restricted from offering his/her services to the general public while engaged in this work relationship with the State?

Contractor's Initials

YES NO

FC Ave _____ Verbal
SL Ave Avg JC 3/4/69
EN/4 N/A Ave N/A
JC Pne
SC/VA/N/A Pub/4
VC Ave
JC Pne

16. **INSURANCE SCHEDULE.** Unless expressly waived in writing by the State, Contractor, as an independent contractor and not an employee of the State, must carry policies of insurance and pay all taxes and fees incident hereunto. Policies shall meet the terms and conditions as specified within this Contract along with the additional limits and provisions as described in Attachment BB, incorporated hereto by attachment. The State shall have no liability except as specifically provided in the Contract.

The Contractor shall not commence work before:

- 1) Contractor has provided the required evidence of insurance to the Contracting Agency of the State, and
- 2) The State has approved the insurance policies provided by the Contractor.

Prior approval of the insurance policies by the State shall be a condition precedent to any payment of consideration under this Contract and the State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of the State to timely approve shall not constitute a waiver of the condition.

Insurance Coverage: The Contractor shall, at the Contractor's sole expense, procure, maintain and keep in force for the duration of the Contract insurance conforming to the minimum limits as specified in Attachment BB, incorporated hereto by attachment. Unless specifically stated herein or otherwise agreed to by the State, the required insurance shall be in effect prior to the commencement of work by the Contractor and shall continue in force as appropriate until:

1. Final acceptance by the State of the completion of this Contract; or
2. Such time as the insurance is no longer required by the State under the terms of this Contract; Whichever occurs later.

Any insurance or self-insurance available to the State shall be in excess of, and non-contributing with, any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer

Approved 05/08/02

Revised 11/07

required by the State, Contractor shall provide the State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

General Requirements:

- a. Additional Insured: By endorsement to the general liability insurance policy evidenced by Contractor, the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 shall be named as additional insureds for all liability arising from the Contract.
- b. Waiver of Subrogation: Each insurance policy shall provide for a waiver of subrogation against the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 for losses arising from work/materials/equipment performed or provided by or on behalf of the Contractor.
- c. Cross-Liability: All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
- d. Deductibles and Self-Insured Retentions: Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the State. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed fifty thousand dollars (\$50,000.00) per occurrence, unless otherwise approved by the Risk Management Division.
- e. Policy Cancellation: Except for ten (10) days notice for non-payment of premium, each insurance policy shall be endorsed to state that without thirty (30) days prior written notice to the State of Nevada, c/o Contracting Agency, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mailed to the address shown on page one (1) of this contract:
- f. Approved Insurer: Each insurance policy shall be:
 - 1) Issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made; and
 - 2) Currently rated by A.M. Best as "A-VII" or better.

Evidence of Insurance:

Prior to the start of any Work, Contractor must provide the following documents to the contracting State agency:

- 1) Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor. The certificate must name the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 as the certificate holder. The certificate should be signed by a person authorized insurer to bind coverage on its behalf. The state project/contract number, description and contract effective dates shall be noted on the certificate, and upon renewal of the policies listed Contractor shall furnish the State with replacement certificates as described within Insurance Coverage, section noted above.

Mail all required insurance documents to the State Contracting Agency identified on page one of the contract.

- 2) Additional Insured Endorsement: An Additional Insured Endorsement (CG 20 10 11 85 or CG 20 26 11 85), signed by an authorized insurance company representative, must be submitted to the State to evidence the endorsement of the State as an additional insured per General Requirements, subsection a above.
- 3) Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

Review and Approval: Documents specified above must be submitted for review and approval by the State prior to the commencement of work by Contractor. Neither approval by the State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of Contractor or its sub-contractors, employees or agents to the State or others, and shall be in addition to and not in lieu of any other remedy available to the State under this Contract or otherwise. The State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

17. COMPLIANCE WITH LEGAL OBLIGATIONS: Contractor shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract. Contractor will be

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responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property taxes are the responsibility of Contractor in accordance with NRS 361.157 and NRS 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. The State may set-off against consideration due any delinquent government obligation in accordance with NRS 353C.190.

18. **WAIVER OF BREACH.** Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

19. **SEVERABILITY.** If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

20. **ASSIGNMENT/DELEGATION.** To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Contractor shall neither assign, transfer nor delegate any rights, obligations nor duties under this Contract without the prior written consent of the State.

21. **STATE OWNERSHIP OF PROPRIETARY INFORMATION.** Any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under the Contract), or any other documents or drawings, prepared or in the course of preparation by Contractor (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of the State and all such materials shall be delivered into State possession by Contractor upon completion, termination, or cancellation of this Contract. Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of Contractor's obligations under this Contract without the prior written consent of the State. Notwithstanding the foregoing, the State shall have no proprietary interest in any materials licensed for use by the State that are subject to patent, trademark or copyright protection.

22. **PUBLIC RECORDS.** Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State has a legal obligation to disclose such information unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

23. **CONFIDENTIALITY.** Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Contract.

24. **FEDERAL FUNDING.** In the event federal funds are used for payment of all or part of this Contract:

a. Contractor certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Contractor and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

c. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

25. **LOBBYING.** The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

- a. Any federal, state, county or local agency, legislature, commission, counsel or board;
- b. Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or
- c. Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

26. **WARRANTIES.**

a. **General Warranty.** Contractor warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

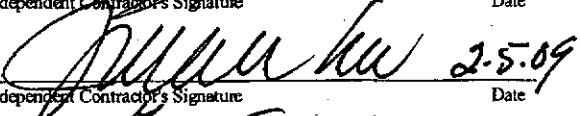
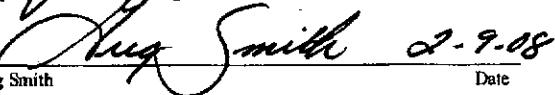
b. **System Compliance.** Contractor warrants that any information system application(s) shall not experience abnormally ending and/or invalid and/or incorrect results from the application(s) in the operating and testing of the business of the State. This warranty includes, without limitation, century recognition, calculations that accommodate same century and multi-century formulas and data values and date data interface values that reflect the century.

27. **PROPER AUTHORITY.** The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges that as required by statute or regulation this Contract is effective only after approval by the State Board of Examiners and only for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.

28. **GOVERNING LAW; JURISDICTION.** This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of the First Judicial District Court, Carson City, Nevada for enforcement of this Contract.

29. **ENTIRE CONTRACT AND MODIFICATION.** This Contract and its integrated attachment(s) constitute the entire agreement of the parties and as such are intended to be the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

	2-5-09	Executive Vice President
Independent Contractor's Signature	Date	Independent's Contractor's Title
	2-5-09	Pres. / CEO
Independent Contractor's Signature	Date	Independent's Contractor's Title
	2-9-08	Administrator, Purchasing Division
Greg Smith	Date	Title
Signature	Date	Title
Signature	Date	Title


Signature - Board of Examiners

Approved as to form by:


Amy D. Marin
Deputy Attorney General for Attorney General

APPROVED BY BOARD OF EXAMINERS

On 4-14-09
(Date)

On 6-Fe-09
(Date)

**STATE OF NEVADA
OCCUPATIONAL HEALTH SERVICES
REQUEST FOR PROPOSAL NO. 1737**

SUBMITTED BY:

ARC HEALTH & WELLNESS CENTERS, LLC

AND

SPECIALTY HEALTH, MCO, Inc.

DECEMBER 15, 2008

INTRODUCTION

ARC Health and Wellness Centers, LLC and Specialty Health, MCO, Inc. are pleased to submit this Request for Proposal to provide Statewide Occupational Health Services to the State of Nevada employees through a **single statewide contract**. We understand the seriousness of the current economic climate in the State of Nevada. ***This proposal is competitive, comprehensive and provides value added services beyond what the State of Nevada is currently receiving.***

ARC Health and Wellness Centers, LLC ("ARC") is a newly formed company which recently completed a management buyout of ARC MedCenters, a leading Occupational Health Provider in Northern Nevada. The principals of ARC include the former senior managers of ARC MedCenters as well as two prominent physicians experienced in occupational medicine. ARC currently provides high quality, occupational health services to nearly 2,000 employers in Northern Nevada including the City of Reno, City of Sparks, NV Energy, and REMSA. ***ARC performs the heart and lung physicals for the City of Reno and City of Sparks.***

ARC has also established a state-wide network panel that coordinates the scheduling, collection and reporting of all drug testing for NV Energy. During the past six years, ARC has been a preferred primary provider of Employers Insurance Group (Formerly EICON).

Specialty Health, MCO, Inc. ("SpecialtyHealth") is a URAC Certified Utilization Review Company licensed in 12 states including Nevada. The core of the UR process applies principles of evidenced based medicine to a requested procedure. SpecialtyHealth provides utilization review and case management for group health and workers' compensation claims identified by diagnosis, severity and complexity of the injury or illness. It is a specialist driven model which eliminates layers of inefficiencies with the utilization review process. The goal is to ensure the best possible quality of care to members through the use of evidenced based medicine while significantly reducing healthcare costs for our clients.

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SpecialtyHealth provides medical risk management and wellness and prevention in a number of areas including: group health musculoskeletal disease management and prevention; workers' compensation injury management; cardiac risk assessment, wellness and prevention.

SpecialtyHealth has been the leader in providing cardiac risk assessment, wellness and prevention for the State of Nevada Public Employee Benefit Plan (PEBP), Public Agency Compensation Trust (PACT), and Nevada Systems of Higher Education (NSHE) among several other public and private entities. SpecialtyHealth utilizes "evidenced based standards" to assess the cardiovascular risk of sworn officers in compliance with NRS 617 and the general public.

SpecialtyHealth has set up specialized "exclusive provider organizations"; EPO networks to direct patients to the most appropriate level of care by utilizing a combination of networks to provide the most effective care. The network includes; statewide MCO, statewide musculoskeletal EPO, statewide Cardiac Wellness and prevention network, and a National Panel of experts called our "Super Specialist Panel".

SpecialtyHealth has developed an advanced computer database risk assessment tool to assess cardiovascular risk based on: ATP III, Framingham 10 year risks calculator, and metabolic syndrome for the early detection of Cardiovascular Disease (CVD). CVD risk is accurately evaluated and monitored over time (years) to detect medical risks and compliance in risk reduction.

ARC and SpecialtyHealth understand the project as outlined in the Request for Proposal and, if selected, look forward to working with the individual agencies. We are confident in our ability to develop a close working relationship with each agency resulting in the efficient scheduling of services, establishment of protocols and optional services as outlined, responding to fitness for duty issues and the compliance of the various agencies' employees participation in the services.

SCOPE OF WORK

3.1 SERVICES

3.1.1 Estimated Number of Services. We acknowledge the estimated number of services per year and the possibility of a 15% variance in services in any given year as outlined in Attachment I.

3.1.2 Physical Exams. The physical exams will only be performed by ARC's board certified physicians. The administration of the annual physical exams for the police and firefighters will be in accordance with NRS 617.455 and NAC 617.010 – 617.100. We acknowledge the purpose of the exams as identified in Sections 3.1.2.1 – 3.1.2.5 on page 6 of the Request for Proposal.

3.1.3 Components of Exams. We have carefully reviewed the basic standard components included in the physical exams identified in Section 3.1.4 and understand the minor variations of the four separate Panel Exams listed in Attachment J. As requested, in the event abnormalities are detected during the exam that are potentially indicative of the presence of heart disease, lung disease, cancer in firefighters or hearing loss, the physical exam will be carried through until a diagnosis is confirmed or ruled out. We also understand that employees must be referred to their own personal physician for follow-up of all other pre-disposing health conditions that lead to heart disease, lung disease or hearing loss or other identified health conditions.

In conjunction with ARC, SpecialtyHealth will provide an option to the State for each sworn officer with an individualized CVD risk assessment based on ATP III, Framingham 10 year risk calculation, and metabolic syndrome. Each officer's initial and annual physical will be assessed for CVD risk factors, with instructions both verbally and in written format; outlining the individuals CVD risks with

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options and alternatives to correct identified risks. Risks will be monitored from the annual physical for compliance in correcting identified risks.

3.1.4 Standard Components of Physical Exams.

Panel 1 - Baseline Exam (1st Year) and/or Pre-Hire Exam (Attachment J)

State of Nevada Medical History Form

Job Specific Medical History Form (Determined by vendor for pre-hire exams only)

Audiometry with interpretation (air conduction or pure tone test)

Blood Pressure Monitoring

Chest X-Ray (Single View) w/radiologist over-read

Coronary Risk II (CBC + Chem. Panel + HDL + LDL)

Heart and Lung Physical Exam

Resting EKG

* Stress EKG (*If 2 or more risk factors for heart disease identified*)

** EBT Heart Scan (*only if employee worked previously as a police/correctional officer or fireman*)

Pulmonary Function Test (Spirometry)

TB Skin Test – One-step. Two step for baseline exams and converters.

Urinalysis

Nicotine Test with Quant Levels

Per-Cent Body Fat (BMI Method) / Waist Circumference

Vision Screening

State of Nevada Physician's Report of Results Form

Written Report to Agency and Employee

Note: Written report must document rationale in regard to whether or not a Stress EKG test or EBT heart scan was administered and document whether or not the employee worked for another police/fire or correctional jurisdiction)

Hepatitis ABC Antibody Screening

Inoculation Series Option

Hepatitis B Inoculation Series, if indicated-
Vendor must provide employee with a card identifying status and dates of inoculations

Panel 3 - General Heart/Lung Exam (Over 5 years of Service)

State of Nevada Medical History Form
Heart and Lung Physical Exam
Audiometry with interpretation (air conduction or pure tone test)
Blood Pressure Monitoring
Chest X-Ray (Dual View) includes radiologist over-read
Coronary Risk II (CBC + Chem. Panel + HDL + LDL)
Per-Cent Body Fat (BMI Method)
Stress EKG
Pulmonary Function Test (Spirometry)
TB Skin Test (Excludes: Department of Correction's employees)
Urinalysis
Nicotine Test with Quant Levels
State of Nevada Physician's Report of Results Form
Vision Screening
Written Report to Agency and Employee
Work Capacity Readiness Form-Division of Forestry only (form to be provided)

OPTION

A1C— *If employee has documented Type 1 Diabetes from prior exam*
CDL Exam
HAZMAT Exam
Other Tests to confirm or rule out heart or lung disease, if indicated

Panel 4 - Lung/Hearing Exam – Department of Corrections only- 3rd year of Service Only

State of Nevada Medical History Form
Audiometry with interpretation (air conduction or pure tone test)
Chest X-Ray (Single View) w/radiology over-read
Pulmonary Function Test (Spirometry)
Lung Exam (Physical)
State of Nevada Physician Report of Results Form

Panel 5 - Volunteer Firefighter Exam – (Baseline-Every Even-Numbered year)

State of Nevada Medical History Form
Heart and Lung Physical Exam
Audiometry with interpretation (air conduction or pure tone test)
Blood Pressure Monitoring
Resting EKG
Chest X-Ray (Single View) w/ radiology over-read
Coronary Risk II (CBC + Chem. Panel + HDL + LDL)
Pulmonary Function Test (Spirometry)
Per-Cent Body Fat (BMI Method) / Waist Circumference
Urinalysis
Nicotine Test with Quant Levels
TB Skin Test
Vision Screening
State of Nevada Physician's Report of Results Form
Written Report to Agency and Employee

OPTION

Hepatitis B Inoculation Series (First year only, if indicated)
CDL Exam
HAZMAT Exam

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3.1.5 Stress EKG Tests. All Stress EKG tests will be performed in accordance with Sections 3.1.5.1 – 3.1.5.3.

3.1.6 Cardiology/pulmonology/audiology consultations; additional diagnostic testing. When abnormalities are found in the EKG exams, chest x-rays, pulmonary tests or hearing tests, ARC will make a referral to and schedule an appointment with an appropriate specialist within ten (10) working days of the initial physical exam. ARC will identify and list the cost of each type of additional diagnostic test that may be utilized in confirming or ruling out these diseases, the related consultation/evaluation fee and identify the specialists that will be utilized.

In the event a diagnosis of heart or lung disease is identified or if occupational related hearing loss is identified, ARC will ensure that a C-4 form is completed within three days of the diagnosis and forwarded to the State's workers' compensation administrator, the agency and the Risk Management office unless the employee documents that he/she chooses not to submit a claim.

3.1.7 Pre-Placement Exams. ARC will perform the pre-placement exams in accordance with this Section 3.1.7.

3.1.8 Optional Components of Physical Exam.

The following listed services may be requested in conjunction with the annual physical exams or as a specific separate service, as requested by agency and/or agreed by employee.

- Hepatitis / HIV Screening
- Hepatitis A inoculations
- Hepatitis B inoculations (and boosters) Baseline exams
- Hazmat Exams/ Medical Surveillance
- Respirator Clearance Exams

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Psychological Screening and Interpretation (Baseline Exams, Pre-hire exams or fitness for duty evaluations)

CDL Exams

Drug and Alcohol Testing (Reviewed by Medical Review Officer)

Graded Exercise Tests

Blood Lead

CT Scan (if abnormalities found in X-ray)

Physical assessment screening

Hemoglobin A1C (when diabetes has been documented from prior exams, or as recommended by physician and approved by agency)

Other miscellaneous services identified by an individual agency

Pre-employment and Yearly Physical Examinations will be completed in two phases. Physicals will be conducted at either an ARC location or in an ARC Mobile Clinic at the various designated onsite locations. Appointments for the State employees will be coordinated by the Medical Concierge and the respective contacts at the various agencies. The designated Medical Concierge will be managing the entire process to ensure that the exam is completed with utmost efficiency.

Phase One of the process is the initial visit including those tests and procedures that require evaluation prior to the physical exam, such as: fasting blood tests, the audio exam, pulmonary function test, EKG and other diagnostic services. **The employee will be greeted by an ARC staff member and the testing will commence within 15 minutes of arrival.**

Phase Two of the process includes a comprehensive physical examination and Stress EKG (if appropriate) by the physician. The physician will personally review the test results with the employee and make recommendations regarding future healthcare options.

3.1.9 Pre-Hire Psychological Screening and Interpretation for police/correctional officer employees. These services will be made available to those agencies requesting these services by one or more referring specialists participating in the Specialty Health network. ARC has consulted with the specialist currently conducting these screenings for the State of Nevada and he is willing to continue providing these services in collaboration with ARC and SpecialtyHealth.

3.1.10 Medical Surveillance/Follow-up Physician Review. In the event an agency, in conjunction with established procedures, requests medical surveillance and follow-up physician review on significant medical conditions identified during the exam which affects fitness of duty issues, and correction of significant pre-disposing health conditions, ARC's physicians will instruct the state employee(s) to return appropriate documentation from the employee's personal physician with a specified period of time for review and concurrence for release to full duty or will coordinate with the Health Program Specialist with the Risk Management Physician. ARC's physicians will resolve any unclear issues directly with the employee's physician.

3.1.11 Bloodborne Pathogen – Post exposure treatment/counseling/preventive care. ARC will comply with this section as required by OSHA 1910.1030.

3.1.12 Independent Medical Exams/Fitness for Duty Exams. ARC will conduct the Independent Medical Exams/Fitness for Duty Exams. If required, the ARC physician will refer the employee to a psychologist or psychiatrist on the network panel of SpecialtyHealth for completion of the exam and secure an appointment within five working days of a receipt for request. As stipulated, ARC will limit the number of psychologists and psychiatrists utilized for referrals to not more than three of each specialty who have documented and verifiable experience and expertise in dealing with occupational situations and who will provide specific recommendations in regard to fitness for duty.

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3.1.13 Job Analyses. ARC will provide the services of a specialist who is qualified to perform on-site job evaluations to establish objective and specific physical work requirements for a specific job position.

3.1.14 Other Services. ARC will work closely with the Risk Manager or agency liaison to provide any other services requested.

3.2 Reporting of Exams. The results of the physical exam and all diagnostic tests shall be reviewed and explained, in person, by the ARC physician with each employee as stipulated in Section 3.2.1. All reporting shall conform to the stipulations included in Sections 3.2.2 – 3.2.3.4.

3.3 Agency Reports/Time Frames/Penalties. ARC shall meet the requirements stipulated in Sections 3.3.1 – 3.3.6.

3.4 Customer Service Liaison. ARC will designate two Medical Concierges...one for Northern Nevada and one for Southern Nevada...to act as liaisons with agency representatives and Risk Management to coordinate services, scheduling and billing and to resolve any concerns or problems that may arise. **ARC understands the nuances and complexities of administering this type of program and recognizes the enormity of the task.**

The Medical Concierges will be extensively trained by ARC's Medical Director of Occupational Medicine Services and ARC's administrative leadership team in performing quality control reviews of each physical exam to ensure compliance with all reporting and other contract requirements. The Medical Concierges will ensure that the needs of the employees of the State will be met with professionalism, graciousness and efficiency. Furthermore, the Medical Concierge position will be a management position...not a clerical position with ARC.

Each Medical Concierge will be provided a dedicated cell phone by ARC so that the various agencies only have one phone number to call at which point they can immediately reach the ARC Medical Concierge that they are assigned to.

3.5 Billing. The billing arrangement stipulated in this section is acceptable to ARC.

3.6 Record Keeping/Reports. ARC shall create and maintain a database which shall include the components as well as summary and statistical reports as stipulated in Sections 3.6.1 – 3.6.5.

4. COMPANY BACKGROUND AND REFERENCES

4.1 Primary Vendor Information

4.1.1 ARC Health and Wellness Centers, LLC is a Limited Liability Company.

4.1.1.1 ARC Health and Wellness Centers, LLC was formed in the State of Nevada and filed its charter with the Nevada Secretary of State on September 10, 2008 with the charter signed by the Secretary of State on September 11, 2008.

Specialty Health, MCO, Inc. was formed in 1993 in the State of Nevada.

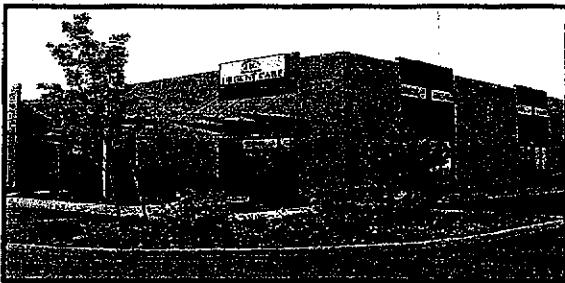
4.1.1.2 ARC Health and Wellness Centers, LLC and Specialty Health, MCO, Inc. are appropriately licensed by the Department of Taxation and all other local and state government entities.

4.1.2 There are no disclosures to report regarding contract failures, contract breaches, civil or criminal litigation or investigation pending involving ARC Health and Wellness Centers, LLC and Specialty Health, MCO, Inc.

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4.1.3 LOCATIONS.

RENO/SPARKS METROPOLITAN AREA



ARC currently has two offices located at 2205 Glendale Avenue and 82 East Glendale Avenue in Sparks, NV. The office that will be utilized for purposes of this statewide contract is 2205 Glendale Avenue, Suite 131. This state-of-the-art facility is located near 395 and

Glendale Avenue (between Baldini's Sports Casino and Grand Sierra Resort. ARC believes this location is ideal to ensure the convenience and privacy of the employees of the State of Nevada.

This facility is decorated in warm, inviting colors and includes an electric fireplace and flat panel television set in the waiting room. Custom rock walls and hand carved artwork add to the friendly ambience of this facility.



A private entrance and waiting lounge will be designated for use by the State of Nevada employees. This private entrance and waiting lounge will only be shared by the City of Reno's and the City of Spark's police and firemen.

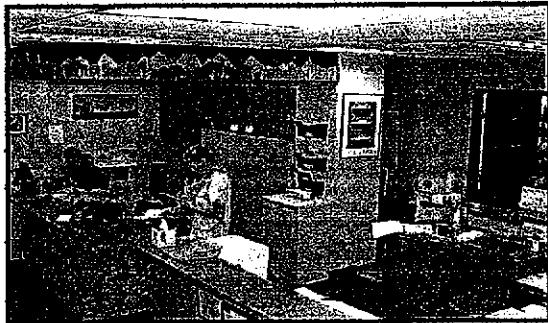
CARSON CITY

The State is offered, as part of this proposal, the option to utilize ARC's on-site mobile testing units in Carson City as with the rural areas or utilize an ARC office to be



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located in the Eagle Medical Center at 2874 N. Carson Street, Carson City, NV. Built in



2002, the Eagle Medical Center is an 80,000 square foot medical office building that offers extensive medical services to the residents of Carson City and outlying areas including, but not limited to: diagnostic imaging including two MRI machines, cardiology, laboratory, physical therapy, Internal Medicine, ENT, Family

Practice, Orthopedics, Psychological counseling, and many other services.

LAS VEGAS

As with Carson City, the State will be offered the option to utilize ARC's on-site mobile testing in Las Vegas or utilize an ARC office, centrally located for the convenience of the state employees, *which will be established prior to the commencement of the statewide contract.* ARC has a number of excellent options available regarding the leasing of office space in the Las Vegas market.

RURAL AREAS

ARC will purchase or lease two mobile medical units to serve the rural areas described in the Request for Proposal. A local bank has already committed the financing of these mobile clinics upon ARC being awarded the state-wide contract.

Two mobile medical clinics will be utilized for the on-site services. One mobile clinic will be designated for the Phase One portion of the physicals conducted by support staff and will include a portable x-ray machine, blood draw/lab station, audiometric testing center (OSHA rated audio booth), Spirometer, a BMI/Vision Testing station, rest room for urine testing and small waiting area.

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The second mobile unit will be custom designed for Phase Two of the physicals conducted by an ARC physician and will include an examination room, EKG testing area for Resting and Stress EKGs, a defibrillator, miscellaneous medical equipment and a small waiting room.

These mobile medical clinics will travel to the state designated rural areas once per month.

As indicated above, ARC will provide the State the option of expanding the use of the mobile medical clinics to include Carson City and Las Vegas if it so desires.

4.1.4 Nevada Resident. ARC Health and Wellness Centers, LLC and Specialty Health, MCO, Inc. are residents of Nevada. Furthermore, all principal owners of ARC Health and Wellness Centers, LLC and Specialty Health, MCO, Inc. are residents of Nevada as well. Both ARC and SpecialtyHealth are locally owned and operated, which provides ease in maintaining communication and addressing important issues as they arise.

4.1.5 Number of employees. ARC currently employs 12 individuals in the Reno/Sparks geographic area. ARC anticipates hiring an additional 10 employees to service the statewide contract. We will not report on the number of employees with SpecialtyHealth because ARC will be the provider of the services covered in the statewide contract.

4.1.6 Location(s) from which employees will be assigned. ARC anticipates that three employees will be assigned to Carson City; five employees to Las Vegas and two employees to Reno/Sparks.

4.1.7 Point of Contact. ARC's point of contact for the statewide contract shall be:

Paul Granstrom
2205 Glendale Avenue, Suite 131
Sparks, NV 89431
Telephone Number: (775) 846-3413

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ARC guarantees a response time to any issues raised by the State within three hours of the message received.

4.1.8 Company Background/History & Qualifications. We believe ARC Health & Wellness Centers, LLC and Specialty Health, MCO, Inc. are uniquely qualified to provide the services described in this RFP.

ARC Health and Wellness Centers, LLC (as a company) was recently formed for the purposes of a senior management and physician buyout of the Occupational Medicine services previously owned and operated by ARC MedCenters, LLC. The business now operated by ARC Health & Wellness Centers initially began in 2002 and steadily grew in the Reno/Sparks market to become a leading provider of Occupational Medicine services.

ARC currently provides high quality, occupational health services to nearly 2,000 employers in Northern Nevada including the City of Reno, City of Sparks, NV Energy, Atlantis Casino, Granite Construction, Sierra Nevada Construction, Manpower, Federal Express, REMSA and numerous other companies. ARC has established a network panel that coordinates the scheduling, collection and reporting of all drug testing throughout the State of Nevada for NV Energy. ARC is contracted with most work comp insurance carriers and during the past six years, ARC has been a preferred primary provider of Employers Insurance Group (Formerly EICON).

Since ARC has the heart and lung physical contracts with the City of Reno and the City of Sparks, our staff is well trained in conducting these physicals. We are pleased to include references from both of these municipalities in this proposal.

Furthermore, both Drs. Gilbert and Romick are former medical directors of Concentra and have an extensive background and experience in occupational medical services including performing heart and lung physicals. In fact, Dr. Gilbert has performed numerous heart and lung physicals for state employees when he was medical director of Concentra.

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The principals of ARC Health and Wellness Centers, LLC have extensive backgrounds and experience in healthcare and the provision of occupational medicine services. Section 4.1.12 includes an abbreviated resume on the key principals of ARC.

Specialty Health, MCO, Inc. has partnered with ARC to provide a comprehensive approach to fulfilling the requirement of NRS 617 through combined efforts with Health Lung Physicals; early identification of CVD risks and related diseases; accurate and clear education for the officer at risk and alternatives to correcting identified risk factors. The HLP and identified risk factors are monitored and tracked year after year through SpecialtyHealth's cardiac database specifically designed to address the needs of NRS 617.

SpecialtyHealth, founded in 1993, has placed a major focus on utilization review and case management of musculoskeletal injuries (spine, shoulders, knees, foot and ankle, upper extremity arm pain and injuries, carpal tunnel syndrome, and other musculoskeletal conditions) and Cardiac Wellness and Prevention for law enforcement officers under NRS 617. SpecialtyHealth is a ~~URAC~~ Certified Utilization Review Company for workers' compensation, licensed in 12 states including Nevada. The principals of SpecialtyHealth are: E. James Greenwald, M.D., Chairman; Jacqueline C. Cox, BSN, MPA, President / CEO, and Steven G. Atcheson, M.D, Secretary and Treasurer.

SpecialtyHealth has provided peer (physician-directed) review and case management since 1995. The utilization review program is a specialist-driven model which largely eliminates layers of inefficiency with the utilization review process by going directly to a musculoskeletal specialist trained in utilization review.

Over 60,000 physician reviews have been completed in California since the implementation of the new workers compensation regulations and even more in Nevada. The goal of UR is not to deny requests for treatment, but rather to ensure that patients are getting necessary and appropriate medical care along with early identification and prevention of CVD risk.

SpecialtyHealth Resources

The core of Specialty Health's processes is that of applying the principles of evidence-based medicine to the identified problem. A detailed review of the medical records and or physical examination is involved in order to determine if the known indications for the requested procedure have been adequately applied to the particular clinical situation and the risks have been adequately assessed.

Many different clinical guidelines may be applied to a given situation. SpecialtyHealth has access to all of them, and in addition, has written special guidelines which can be used in special situations. The key element, however, is having access to qualified specialists to properly analyze the setting to make sure that certain guidelines are not misapplied. SpecialtyHealth's primary physician reviewers are a) a Board-Certified Orthopedic Surgeon, with over 30 years' experience; b) a Board-Certified Internist and Rheumatologist, also with over 30 years' practice experience, and c) a Board-Certified Sports Medicine physician who is also certified in Family Practice.

SpecialtyHealth also has a unique resource not available anywhere else in the United States; the Super Specialist Panel of Expert Reviewers. This is a panel of more than 40 specialists who are board certified in their specialties, nationally recognized, and highly respected by their peers. These nationally known physicians have published scholarly books and research papers, and taught other physicians and national courses. They can provide additional reviews as part of a 2nd opinion and as part of an appeals process.

As part of SpecialtyHealth's resources; there is a network of credentialed physicians, facilities, ancillary services and pharmacies. This network is composed of two exclusive provider networks (EPO's); one focused on musculoskeletal diseases; the cardiovascular disease and related problems; which are the two major cost centers for most employers.

Our Cardiac Wellness Network is unique in that we have contracted with excellent programs throughout the state to provide a comprehensive approach to the risk evaluation, prevention and

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treatment of CVD and related diseases: Three Board Certified Lipidologists provide expertise on complex cases that are determined to be at high risk for CVD.

In combination with an expert panel of physicians, we combine expertise in nutrition, fitness and behavior modification. These programs are offered thru our partner St. Mary's Health Plans and Catholic Healthcare West and other local providers in all areas of the state.

SpecialtyHealth's program is truly "state of the art"; supporting excellent resources and a database application for assessment and monitoring results.

4.1.9 Length of time vendor has been providing services described in this RFP. As indicated previously, the principals of ARC, collectively, have been providing these services to both the private and public sectors for over 50 years. As former medical directors of Concentra, both Drs. Gilbert and Romick have extensive backgrounds and years of experience in providing these services. ARC has been directly providing these services to the private sector since 2002 and to the City of Sparks for over one and one-half years and to the City of Reno for approximately six months.

The experience our providers have gained through conducting pre-employment screenings and annual heart and lung physicals for both these municipalities, as well as through their previous association with the State of Nevada through Concentra, have prepared ARC to offer the highest level of care and proficiency to the outstanding public servants of the State of Nevada.

4.1.10 Has the vendor been engaged under contract by any State of Nevada agency? ARC has not been engaged under contract by a State of Nevada agency. However, SpecialtyHealth has engaged in a few contracts with State of Nevada agencies, such as the State of Nevada Public Employee Benefit Plan (PEBP), Public Agency Compensation Trust (PACT), and Nevada Systems of Higher Education (NSHE) among several other public and private entities.

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4.1.11. Is the vendor or any of the vendor's employees employed by the State of Nevada, any of its political subdivision or by any other government? Excluding Dr. Gilbert's military appointment and Dr. Romick's association with the Tribal Health Center, the answer is NO.

4.1.12. Resumes for key ARC staff. Listed below are brief summaries of the key principals of ARC Health and Wellness Centers, LLC. The resumes of SpecialtyHealth have not been included but are available upon request.

WARREN GILBERT, MD – Medical Director of Occupational Medicine Services

Dr. Gilbert is board certified in Family Practice and has had training in general surgery and ER Medicine. A graduate of Rush Medical College in Chicago, Dr. Gilbert served as Medical Director/Area Medical Director for Concentra Medical Services for eleven (11) years prior to joining ARC as Medical Director of Occupational Medicine Services.

As a former Medical Director/Area Medical Director for Concentra Medical Services, Dr. Gilbert has extensive experience with performing the heart and lung physicals for the State of Nevada.

Dr. Gilbert is also a Commander with the U.S. Naval/Marine Reserve and served as the commanding officer of the 4th Marine Medical Battalion, H & S Company, 1st Detachment. He has been deployed three times, first in March of 2003 for the war with Iraq, in April of 2004 for the war with Afghanistan and recently for a nine month tour of duty in Iraq.

CHARLES ROMICK, MD – Medical Director

Charles Romick, MD is board certified in Family Practice and has had training in general surgery and ER medicine. A graduate of Creighton University, College of Medicine, Dr. Romick has served as site medical director of Renown Family Care, medical director of Concentra Medical Centers, on the medical staff of the Tribal Health Center, and as a medical director of ARC

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MedCenters. Dr. Romick is certified by the United States Department of Justice Drug Enforcement Administration.

Dr. Romick has almost 25 years of clinical experience including extensive experience in Occupational Medicine. He was the former Medical Director of Occupational Medicine at Concentra Occupation Health Center (Reno) from 1998 to 2003. Dr. Romick is a Fellow of the American Academy of Family Physicians, and a Clinical Assistant Professor, Department of Family Practice, University of Nevada School of Medicine.

PAUL GRANSTROM, B.A., Executive Vice President

Paul Granstrom, Executive Vice President of ARC, holds a Bachelor of Arts Degree in Organizational Studies from Bethel University, St. Paul, MN. Mr. Granstrom started his career with Textron Financial, a division of Textron, Inc., a Fortune 100 company, in 1998. Over a six-year period Paul held leadership positions with Textron Financial in both operations and sales.

Paul joined ARC MedCenters as Executive Vice President in 2004. His primary responsibility with ARC included daily operations, business development and the growth and expansion of ARC's Occupational Medicine Program. During his tenure with ARC, Paul extensively grew ARC's book of business in occupational medicine. He was directly responsible for obtaining and coordinating the City of Sparks' and the City of Reno's heart and lung physicals for the respective cities' police and firemen.

WES GRANSTROM, MHA, President and CEO

Wes Granstrom, President and CEO of ARC HEALTH & WELLNESS CENTERS, has over 39 years of healthcare management experience. Mr. Granstrom held executive healthcare positions at Lutheran General Hospital, a 700-bed teaching hospital in Park Ridge, IL; at Christ Hospital, a 1,000-bed teaching hospital in Oak Lawn, IL; and at the Chicago Hospital Association, a hospital association representing over 100 hospitals in the metropolitan Chicago area. Mr. Granstrom holds a Bachelor of Science degree from North Park University, Chicago and a Masters Degree

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in Healthcare Administration from The George Washington University, Washington, D.C. Mr. Granstrom has extensive background and experience in owning and operating urgent care, family practice and occupational medicine centers as well as rehab centers.

4.1.13 Financial Information – See Part III

4.2 REFERENCES

City of Reno –

Jon Heinrich (Director of Organizational Effectiveness) - 775-334-2289

(Scope of Care: Police and Fire Heart and Lung Annual Physicals)

City of Sparks –

Karen Caterino (Senior Analyst – Benefits Risk Management)- 775-353-2346

(Scope of Care: Police and Fire Heart and Lung Annual Physicals / Other Occupational Health Services)

REMSA –

Evan Schwartz (Safety Director) – 691-4706

(Scope of Care: Extensive Physicals and Injury Care)

NV Energy –

Tonica Pintar (Sr. Safety Consultant) – 834-7701

(Scope of Care: Statewide Drug Testing Program)

Additional references available upon request

4.3 SUBCONTRACTOR INFORMATION. This proposal does not include the use of subcontractors.

5. COST. Please see "Cost Proposal in Response to RFP No. 1737."

6. PAYMENT. The payments terms outlined in this section are acceptable to ARC.

CONCLUSION

Thank you for the opportunity to submit this proposal. ARC Health and Wellness Centers, LLC and Specialty Health, MCO, Inc. are uniquely qualified to not only meet the requirements specified in Request for Proposal No. 1737, but also to provide value-added services that the State of Nevada is currently not receiving.

Although ARC Health and Wellness Centers is a new company formed for the purpose of a senior management buyout of ARC MedCenters, the principals of ARC Health and Wellness have extensive experience and background in Occupational Medicine. In addition to the fact that ARC currently has the contracts to perform heart and lung physicals for the City of Sparks and the City of Reno, the Medical Director of ARC has extensive experience in performing heart and lung physicals for the State of Nevada because of his former position with Concentra. ARC recognizes that this state-wide contract is complex and requires a high level of administrative coordination and leadership. ARC's leadership team has extensive experience in managing multi-million dollar businesses and contracts.

Because ARC has partnered with SpecialtyHealth, we are able to provide an option to the State of Nevada by offering a comprehensive approach to fulfilling the requirement of NRS 617 through combined efforts with Health Lung Physicals; early identification of Cardiovascular Disease risks and related diseases; accurate and clear education for the officer at risk and alternatives to correcting identified risk factors. The Heart and Lung Program and identified risks factors are monitored and tracked year after year through SpecialtyHealth's cardiac database specifically designed to address the needs of NRS 617. This is truly a unique service that ARC and SpecialtyHealth have to offer.

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ARC recognizes that the State of Nevada, as well as the nation as a whole, is facing difficult economic times. Therefore ARC has competitively priced the four panels of exams along with other services outlined in this proposal. Coupled with the optional value-added services offered by ARC's partnership with SpecialtyHealth, we believe that the State of Nevada will benefit significantly by awarding ARC and SpecialtyHealth the statewide contract.

In closing, ARC and SpecialtyHealth will focus it's collective efforts not only on high quality care, but also on *customer service*. We recognize that the process of providing the service is as important as the actual fulfillment of the contractual relationship. Our leadership team will take a personal interest in developing close working relationships, not only with your employees, but also with the liaisons of the various agencies and at the state level. We will be responsive to any concerns that may arise during the normal course of business and will work diligently to resolve these concerns in a gracious, expedient and helpful manner.

If you have any questions, please feel free to contact us at any time.

Thank you.