

Interlocal Funding and Health Services Agreement
COVID-19 Lab Testing

This agreement, effective on the latest date of execution by either party ("effective date"), is between the City of League City, a political subdivision of the State of Texas ("Purchaser"), with its principal office at 300 West Walker St., League City, Texas 77573 and The University of Texas Medical Branch at Galveston d/b/a UTMB Health ("UTMB"), an institution of The University of Texas System, an agency of the state of Texas, on behalf of its UTMB Health System and/or UTMB Faculty Group Practice (either of which may be individually or collectively referenced as "UTMB Department"), with its principal place of business at 301 University Blvd., Galveston, TX, 77555-0419.

Recitals:

WHEREAS, UTMB, through its UTMB Department, provides health care services related COVID-19 lab testing inside Galveston County, Texas;

WHEREAS, Purchaser is eligible to receive funding from the Coronavirus Relief Fund ("CRF"), which permits transfers of funding to other units of government, including UTMB;

WHEREAS, Pursuant to Chapter 791 of the Texas Government Code, UTMB and Purchaser are authorized to enter into this interlocal agreement;

WHEREAS, Purchaser wishes to support availability of COVID-19 lab testing services for employees of service and hospitality businesses located in League City; and

WHEREAS, UTMB agrees to provide such services to those employees of service and hospitality business located in the League City.

NOW THEREFORE, in consideration of the agreements contained herein, the Parties hereby covenant and agree as follows:

I. Responsibilities of UTMB

1. UTMB, through its UTMB Department, shall provide those health care services, as more fully described and/or listed in Exhibit One ("UTMB Services"), attached hereto and incorporated by reference.
2. UTMB warrants, currently and for the duration of this Agreement, that its employees have and will maintain all licenses, certifications and board authorization required to provide UTMB Services in accordance with the laws and regulations of the State of Texas, and all facilities are properly accredited and qualified to support such UTMB Services to the extent required by federal or state laws, rules and regulations.
3. UTMB shall submit claims to Purchaser for payment within thirty (30) days after providing UTMB Services, to the Claims Address specified in Exhibit One.
4. UTMB shall accept from Purchaser a transfer of Purchaser's CRF funding as payment in full the amount or rate specified in Exhibit One for each specific item or service under UTMB Services.
5. UTMB shall arrange for any required consent of patients, and the collection, management and transportation of all specimens to UTMB for testing by UTMB.

6. UTMB shall be responsible to administer UTMB Services and/or otherwise expend the funds transferred hereunder in compliance with all state and federal laws and regulations applicable to CRF funding.

II. Responsibilities of Purchaser

1. Purchaser agrees to remit payment to UTMB at the Payment Address, and in the amount and manner specified in Exhibit One.
2. Though Purchaser intends to utilize CRF funding for this agreement, nothing herein shall prevent the Purchaser from exercising its sole discretion to fund this agreement from other sources.

III. Mutual Responsibilities and Agreements

1. The parties agree that the relationship between the parties of this Agreement is strictly that of independent contractors, and the parties have not entered into a joint venture, partnership or other entity in any capacity.
2. Each party shall obtain and maintain, at its own expense, policies of insurance for general business operations and professional negligence, or self-insurance as the case may be, for itself and its employees, agents and representatives. Pursuant to the authority of Chapter 59 of the Texas Education Code, UTMB will maintain during the term of this Agreement a self-funded program for professional liability coverage for UTMB Physicians in the amount of \$500,000 per claim/\$1.5million in annual aggregate against any claims for damages arising by reason of personal injury or death occasioned directly or indirectly by the negligent acts or omissions of UTMB Physicians. As an agency of the State of Texas, UTMB's liability for the tortious conduct of its agents and employees or for injuries caused by conditions of tangible state property is provided for by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code, Chapters 101, 104 and 108). Workers' Compensation Insurance coverage for employees of UTMB is provided under a self-insured, self-managed program as authorized by the provisions of Texas Labor Code, Chapter 503. Any applicable certificate or proof of insurance shall be made available upon request.
3. To the extent permitted by the laws and constitution of the state of Texas, UTMB shall defend, indemnify and hold Purchaser, its employees, representatives or agents harmless from and against any claims, liabilities, demands, causes of action, losses, damages, and expenses (including reasonable attorneys' fees) (collectively, "Claims") for bodily injury or death or property damage or loss to the extent arising out of or related to UTMB's breach of this Agreement or any act or omission of UTMB, its employees, representatives or agents in connection with or related to the performance of the UTMB Services or UTMB's other duties and obligations set forth in this Agreement (the "UTMB Indemnification Obligations"). To the extent permitted by the laws and constitution of the state of Texas, Purchaser shall defend, indemnify and hold UTMB, its employees, representatives or agents harmless from and against any Claims for bodily injury or death or property damage or loss to the extent arising out of or related to Purchaser's breach of this Agreement or any act or omission of Purchaser, its employees, representatives or agents in connection with or related to Purchaser's duties and obligations set forth in this Agreement (the "Purchaser's Indemnification Obligations" and, together with the UTMB Indemnification Obligations, the "Indemnification Obligations"). The Parties' respective Indemnification Obligations shall not be diminished in any regard if a Claim is caused in part by the concurrent or joint negligence, either active or passive, of UTMB and Purchaser; provided, however, that, in the

event of joint or concurrent negligence or fault of UTMB and Purchaser, each Party's Indemnification Obligations shall be limited to the allocable share of such Party's joint or concurrent negligence or fault. The Indemnification Obligations shall survive after the termination of this Agreement, and all rights associated with the Indemnification Obligations shall inure to the benefit of the successors or assigns of Purchaser or UTMB, as applicable.

4. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NEITHER PARTY (NOR THE PARENT, ANY SUBSIDIARY OR AFFILIATE OF EITHER PARTY) SHALL BE LIABLE FOR ANY OTHER PARTY'S INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, REGARDLESS OF WHETHER THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.
5. The Term of this Agreement will be for one (1) year from the Effective Date, unless sooner terminated as provided herein. The Term may be extended by written mutual agreement of the parties.
6. Either party may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other party.
7. UTMB shall document and maintain all results and findings within the appropriate medical file/medical record management system for each individual's lab specimen tested by UTMB.
8. The parties agree that the laws of the State of Texas shall govern in any dispute concerning the rights of the parties, and that a state court in Galveston County, Texas shall be the proper venue for such dispute.
9. Exhibit One may be amended from time to time by mutual written agreement of the parties.
10. By entering into this Agreement, the Parties specifically intend to comply with all applicable laws, rules and regulations as they may be amended from time to time, including (i) the federal anti-kickback statute (42 U.S.C. 1320a-7(b)) and the related safe harbor regulations; (ii) the limitations on certain physician referrals, also referred to as the "Stark Law" (42 U.S.C. 1395nn); (iii) the Emergency Medical Treatment and Labor Act ("EMTALA") and (iv) federal and state privacy laws. Accordingly, no part of any consideration paid hereunder is a prohibited payment for the recommending or arranging for the referral of business or the ordering of items or services; nor are the payments intended to induce illegal referrals of business. Furthermore, each Party, to the extent required by state and federal law, agrees to protect and maintain the confidentiality and confidential status of their records, and shall comply with all applicable regulations, rules or orders of the United States (to include regulations promulgated under Title II, Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104 191 "HIPAA"), and as amended by the Health Information Technology for Economics and Clinical Health Act ("HITECH")) with respect to patient privacy, security and electronic transactions, and protected healthcare information with respect to the UTMB Services provided hereunder. In the event any Party to this Agreement, in consultation with counsel, develops a good faith concern that any provision of the Agreement or any activity of the other Party to this Agreement is in violation of any applicable federal, state or local laws or any regulation, order or policy issued under any such laws, such Party shall immediately notify the other Party, in writing, of such concern and the specific activities giving rise to such concern and the reasons therefor. If an agreement on a method for resolving such concern is not reached within ten (10) days of such written notice, the activities described in the notice will cease or be appropriately altered to resolve the concern.

11. This Agreement shall supersede the previous Interlocal Funding and Health Services Agreement – COVID-19 Lab Testing agreement executed on May 15, 2020 between Purchaser and UTMB.
12. All notices relating to this Agreement {not including payment of invoices) shall be deemed given when mailed, by certified or registered mail, postage prepaid, return receipt requested, or overnight courier, to the other Party at the address(es) set forth below or such other address(es) as may be given in writing from time to time.

If to UTMB:

The University of Texas Medical Branch at Galveston d/b/a UTMB Health
Attn: Chief Financial Officer, Office of the President
301 University Blvd., Route 0128
Galveston, TX, 77555-0128
Facsimile: 409-266-2005

The University of Texas Medical Branch at Galveston d/b/a UTMB Health
Attn: Senior Vice President & General Counsel
30 I University Blvd., Route O 124
Galveston, TX, 77555-0124
Facsimile: 409-772-5064

If to Purchaser:

The City of League City, Texas
John Baumgartner, City Manager
300 West Walker St.
League City, Texas 77573
Telephone: 281-551-1414

The City of League City designates John Baumgartner, City Manager, to administer this agreement on its behalf.

By signing below, the representatives affirm that they are authorized to bind their respective entities and enter into this Agreement.

Executed this _____ day of _____, 2020.

THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

Cheryl A. Sadro, CPA. MSM
Chief Financial Officer

CITY OF LEAGUE CITY

John Baumgartner, City Manager

ATTEST:

Diana Stapp, City Secretary

APPROVED AS TO FORM:

Office of the City Attorney

EXHIBIT ONE

UTMB Services and Reimbursement:

Laboratory Services:

Covid 19 PCR testing services requested by Purchaser and provided by UTMB shall be reimbursed at \$100/test at a UTMB location, or \$120/test administered by UTMB staff at a City of League City facility.

UTMB shall make Laboratory Services available to employees of the City of League City and employees of service and hospitality businesses located in League City.

Purchaser

Payment shall be made to the Payment Address listed below.

The amount due from Purchaser to UTMB under this Agreement shall not exceed \$2,000,000 (two million) without written authorization.

Claims Address:

Jim Gentile
County of Galveston, Texas
722 Moody Ave., 3rd Floor
Galveston, Texas 77550

Payment Address:

UTMB Dept 730 Agency
P.O. Box 660120
Dallas, TX 75266-0120