

THE STATE OF TEXAS     §  
  §  
COUNTY OF HIDALGO     §

**SERVICE CONTRACT**  
**C-08-116-07-08**

THIS CONTRACT is made and entered into this **8<sup>th</sup>** day of **July 2008**, by and between the **County of Hidalgo, Texas** ("County"), and **Quest Diagnostics, Inc.** a Texas Corporation ("Company").

WHEREAS, Company responded to request for bids for “**Laboratory Services for CHIP Perinatal Eligible Patients**” (the "Services"); and

WHEREAS, Company submitted a bid to provide services in accordance with the specifications as bid, a copy of such specifications and bid being attached hereto as Exhibits "A" and "B" respectively, and incorporated herein for all purposes (the "Specifications"); and

WHEREAS, in recognition of and in consideration of Company's agreement to perform the Services in accordance with Specifications, the Commissioners Court of County awarded the bid to Company.

NOW, THEREFORE, in mutual consideration of the foregoing and the further consideration of the following, the parties hereto agree as follows:

1. County and Company hereby agree that this Contract is entered into in order to provide the Service to locations within **Hidalgo County Health Department** for “Laboratory Services for CHIP Perinatal Eligible Patients”. Company will be responsible for billing claims (for all services) to the Superior Health Plan/Superior Health Plan Kids for all qualified CHIP patients. Patients not qualified for CHIP will then be the County ‘s responsibility.

2. Company hereby promises and agrees to render and provide, during the term of this Contract, and shall be obligated to render and provide the Services in accordance with the

Specifications within **Hidalgo County** following a request for Services by the **Department Head**. Company agrees in performing the Services that it will use proper professional standards, comply with any and all appropriate laws and regulations in providing the Services, and devote such time as is necessary to safely and efficiently provide the Services.

3. This Contract shall be for a period beginning **July 08, 2008** and ending **July 08, 2009** and may be extended at the sole discretion of County for an additional two (2) one (1) year term .

4. County and Seller agree that either party may terminate this contract upon thirty (30) days written notice at any time for any reason or no reason at all.

5. As a condition of this Contract, Company shall hold and maintain throughout the term of this Contract all licenses and permits required, or which may be required by any authority during the term hereof to provide the Services.

6. All trucks or vehicles operated by the Company to perform the Services shall contain all equipment required by any authority to operate on streets and roads and all persons in the employ of Company who operate such trucks or vehicles shall have the required licenses, qualifications, skill and expertise to perform such Services and shall comply with all laws, rules and regulations prescribed by any agency or authority having jurisdiction with regard to the operation of such trucks or vehicles in providing the Services.

7. As consideration for rendering the Service provided for in this Contract, the County agrees to pay Company the amounts specified in Exhibit "B", only after refusal to pay is received in writing from Superior Health Plan or any future awarded health administrator for CHIP qualified patients, attached hereto payable against written invoice submitted by Company.

8. Company shall provide insurance in force on all its vehicles and all persons connected with providing services under this Contract naming County as an additional insured (with the

coverages and in the amounts described on Exhibit "C" attached hereto and incorporated herein at this point for all purposes), and shall furnish to County certificates of such insurance coverage.

9. Company shall provide a sufficient number of trucks, vehicles, personnel and equipment available to safely and efficiently provide the Services.

10. Company shall indemnify and hold harmless County, its elected officials, employees and agents from any and all claims, damages, losses, and expenses including attorney's fees for the defense of any action against County arising out of, resulting from, or connected with the provision of the Service by Company under this Contract. Said indemnity shall cover any act or failure to act by the Company, its agents or employees.

11. This Contract shall not be assignable in whole or in part by either party without prior written consent of the other party.

12. It is expressly agreed that this Contract and the performance by the parties hereunder does not create any agency relationship or master-servant relationship, that County has no supervision of the performance of the Services provided by Company, and that Company is an independent contractor under this Contract.

13. Any notice required or permitted to be given hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, as set forth below:

If to County:           **The County of Hidalgo**  
                                  **Attn: County Judge**  
                                  **100 E. Cano**  
                                  **Edinburg, Texas 78539**

If to Company           **Quest Diagnostics Incorporation**  
                                  **Attn: Dr. Michael Peat, Ph.D.**  
                                  **4770 Regent Blvd.**  
                                  **Irving, Texas 75063**

14. In case any one or more of the provisions contained in this Agreement shall for any

reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein

15. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement

16. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Hidalgo County.

WITNESS our hands in duplicate originals this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

**COUNTY OF HIDALGO**

**ATTEST:**

By \_\_\_\_\_  
Juan D. Salinas, III, County Judge

\_\_\_\_\_  
Arturo Guajardo, Jr. County Clerk

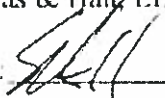
**COMPANY:** Quest Diagnostics Inc.  
By \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved by Commissioners Court on, July 08 2008

**APPROVED AS TO FORM:**  
Atlas & Hall LLP

By:  \_\_\_\_\_

# **EXHIBIT “A” SPECIFICATIONS**

**Exhibit "A"**

**Hidalgo County Health Department  
"LABORATORY SERVICES FOR CHIP PERINATAL ELIGIBLE PATIENTS"  
Bid No.: 2008-116-05-14-otm/ysi**

**SPECIFICATIONS**

1. The Hidalgo County Health Department is seeking to contract with a qualified vendor(s) to furnish "Laboratory Services for CHIP Perinatal Eligible Patients" AND BILL THIRD PARTY (Superior Health Plan/Superior Health Plan Kids) FOR ALL SERVICES
2. The following are the minimum requirements and/or specifications that will be acceptable to the Hidalgo County Health Department. These requirements and/or specifications must be **equal or better**, including, but not limited to, the following:

**REQUIREMENTS, TERMS AND CONDITIONS**

1. All costs and expenses associated with the preparation and submission of bids shall be the responsibility of the bidder and no reimbursement for such charges or expenses shall be passed onto Hidalgo County.
2. Hidalgo County Health Department has the authority to utilize State Contracts from its membership with their existing or new cooperatives when ever it is in the County's best interest to do so.
3. All services will be on an "As Needed Basis", there are no set quantities to be requested only approximations.
4. The initial contract term for this project will be for one (1) year with the County's option to extend for an additional two (2) one (1) year term.
5. Hidalgo Health Department reserves the right to continue this bid for an additional sixty (60) day grace period, under the same rates, terms and conditions at the end of the contract term for unforeseen delays in award of new bid for the next contract term.
6. Insurance requirements for this project to be maintained through out the contract term (Refer to limits on the Exhibit "C" for limits)
7. Hidalgo County Health Department reserves the right to award to one (1) or multiple vendors which ever is more valuable to the County.

8. All bid prices for items shall take into consideration shipping and handling costs and any other items mentioned on specifications as part of the fixed item price.
9. Hidalgo County Health Department reserves the right to add/delete items as it deems to be in the best interest of the County.
10. Laboratory will be responsible for billing Superior Health Plan-Superior Health Plan Kids for all services.
11. Patients will be screened by Hidalgo County Health Department staff for CHIP Perinatal eligibility.
12. Specimens will be collected by Hidalgo County Health Department Staff.
13. Provide at least 2 (two) accessible lab locations to refer patients for collection if specimen cannot be collected by Hidalgo County Health Department staff (i.e. Weslaco, Edinburg, McAllen). Laboratory will be responsible for delivery/processing of such specimens when necessary.
14. Electronic Lab results are required.
15. Lab must schedule and provide pick up services for all specimens from each clinic location on a daily basis. Locations are as follows:
  - Edinburg Clinic —3105 E. Schunior, Edinburg, TX
  - Elsa Clinic -- 708 Edinburg St., TX
  - Hidalgo Clinic — 702 E. Texano St., Hidalgo, TX
  - McAllen Clinic -300 E. Hackberry, McAllen, TX
  - Mission Clinic --211 E. Schurback, Mission, TX
  - Pharr Clinic --- 1903 N. Fir, Pharr, TX
  - Weslaco Clinic Weslaco, TX
16. All certificates, licenses, etc. for laboratory to operate in the State of Texas are required and copies must be submitted with bid.
17. Must be CHIP Perinatal Provider mandated by the State of Texas Department of Health.
18. All supplies must be provided to Hidalgo County health Department for all required testing.
19. Annually approximately 1,250 female patients are seen, at five (5) specimens per patient.
20. Approximately 600 lab re-submissions according to weeks gestation.
21. Maternal Serum Screen 5. (Age, AFP, hCG, uE3, DIA, ITA) *Results must be available and provided within 24 hours.*  
**Exception: 72 hours with electronic reporting.**
22. Prenatal (OB) Panel (Total of 11 tests which include Hepatitis B, HIV, RPR &

- Rubella) *Results must be available and provided within 24 hours.*
23. Amplified CT/GC Testing for Chlamydia and Gonorrhea. *Results must be available and provided within, 24 hours.*
  24. Surpath (Liquid Pap Smear) includes HPV, GC/Chlamydia. *Results must be available and provided within 24 hours. Exception: 48 hours*
  25. Bacterial Vaginosis/Vaginitis (Trich, G Taginalis, & Candida). *Results must be available and provided within 24 hours. Exception: 48 hours*
  26. Average of 250 Children enrolled in Superior Health Plan. Services Required for Children:
  27. New Born Screening. *Results must be available and provided within 24 hour.*
  28. Lead. *Results must be available and provided within 24 hours.*
  29. Total Hemoglobin. *Results must be available and provided within 24 hours.*
  30. Total Electro Phoresis. *Results must be available and provided within 24 hours.*
  31. RPR. *Results must be available and provided within 24 hours.*
  32. HIV. *Results must be available and provided within 24 hours.*

**ADDITIONAL INFORMATION:**

Hidalgo County is requesting that any and all questions, inquiries and clarifications regarding quotes, bids, proposals or statements of qualifications be addressed to, Olga Montero, Buyer or Yvette Islas, Buyer, Physical: 2802 S. Business Hwy. 281 Postal/Mailing: 2812 S. Business Hwy 281, New Administration Building, Edinburg, Texas 78539. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

**ALL WRITTEN INQUIRIES WILL BE ACCEPTED VIA FACSIMILE NO LATER THAN, Wednesday, May 7, 2008 by 5:00 P.M.. Responses to said inquiries will be sent to all applicants via facsimile by no later than, Friday, May 9, 2008 by 5:00 p.m.**

**EXHIBIT "B"**  
**FEE SCHEDULE**

**Exhibit "B"**  
**Hidalgo County Health Department**  
**"LABORATORY SERVICES FOR CHIP PERINATAL ELIGIBLE PATIENTS"**  
**Bid No.: 2008-116-05-14-otm/ysi**

Location of labs where patients will be referred for specimen collection

1221 E. Tenth St., Ste 101-A  
street address  
Weslaco, TX 78596  
city, state, zip code

2723 W. Trenton  
street address  
Edinburg, TX 78539  
city, state, zip code

1201 E. Ridge Rd., Ste. A  
street address  
McAllen, TX 78503  
city, state, zip code

302 Lorenaly Drive Suite B  
street address  
Brownsville, TX 78526  
city, state, zip code

**(Quest Diagnostics PSC maps included)**

Maternal Serum Screen 5 (Age, AFP, hCG, uE3, DIA, ITA)	\$ <u>99.00</u>
Prenatal (OB) Panel (Total of 11 tests which include Hepatitis B, HIV, RPR & Rubella)	\$ <u>36.50</u>
Amplified CT/GC Testing for Chlamydia and Gonorrhea	\$ <u>50.00</u>
Surpath (Liquid pap Smear) includes HPV, GC/Chlamydia	\$ <u>108.00</u>
Bacterial Vaginosis/Vaginitis (Trich, G. Vaginalis, & Candida)	\$ <u>65.00</u>

**Children Services:**

New Born Screening	<u>\$ Exception, required to be tested by state</u>
Lead	\$ <u>9.50</u>
Total Hemoglobin	\$ <u>2.75</u>
Total Electro Phoresis	\$ <u>11.00</u>
RPR	\$ <u>3.75</u>
HIV	\$ <u>12.00</u>

**EXHIBIT “C”  
INSURANCE**

# MARSH

## CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER  
NYC-00287040-01

PRODUCER

MARSH USA INC  
ATTN: JANET T. NORMAN  
1100 AVENUE OF THE AMERICAS 8TH FL  
(P) 212/345-5029  
(F) 212/345-7616  
NEW YORK, NY 10036

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

07926 -MAIN--07/08

XXX

INSURED

QUEST DIAGNOSTICS INCORPORATED AND ITS WHOLLY OWNED SUBSIDIARIES  
RISK MANAGEMENT DEPT  
3 GERALDA FARMS  
MADISON NJ 07940

COMPANIES AFFORDING COVERAGE

- COMPANY  
**A** QUEST DIAGNOSTIC CS INCORPORATED
- COMPANY  
**B** Travelers Property Casualty Company Of America
- COMPANY  
**C** N/A
- COMPANY  
**D** Lexington Insurance Company

COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INCURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGREEMENTS, LIMITATIONS, MAY HAVE BEEN REQUIRED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> WAIVER OF CONTRACTORS PROT	\$2,000,000 SELF INSURED RETENTION*	12/31/07	12/31/08	GENERAL AGGREGATE \$ PRODUCTS COV. OF AGG \$ PERSONAL & AD. INJURY \$ EACH OCCURRENCE \$ 2,000,000 FIRE DAMAGE (BY OTHERS) \$ MED EXP. Any one person \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ALL AUTO <input type="checkbox"/> NON OWNED AUTO <input type="checkbox"/> GARAGE LIABILITY <input type="checkbox"/> AUTO AUTO	TC2JCAP-266T3603-TIL-07	12/31/07	12/31/08	COMBINED SINGLE LIMIT \$ 3,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
D	EXCESS LIABILITY <input checked="" type="checkbox"/> SUPPLEMENTARY <input type="checkbox"/> OTHER THAN LIBERTY A FORM	8122778	12/31/07	12/31/08	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> THE PROPRIETOR, PARTNER, EXECUTIVE OR OFFICER ARE <input type="checkbox"/> INCL <input type="checkbox"/> EXCL	TC2JUB-266T3523-07 (AOS) TRJUB-266T3535-07 (AZ, MA, OR, WI)	12/31/07	12/31/08	<input checked="" type="checkbox"/> NO DEDUCTIBLE <input type="checkbox"/> \$100,000 PER EMPLOYEE E. EACH ACCIDENT \$ 2,000,000 E. DISEASE POLICY LIMIT \$ 2,000,000 E. DISEASE-EACH EMPLOYEE \$ 2,000,000
A	OTHER PROFESSIONAL LIAB CLAIMS MADE	SELF-INSURED RETENTION	12/31/07	12/31/08	\$5,000,000 (SIR)

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS  
HIDALGO COUNTY IS INCLUDED AS AN ADDITIONAL INSURED.

CERTIFICATE HOLDER

HIDALGO COUNTY  
ATTN: MARY  
100 E CANO  
EDINBURG, TX 78539

CANCELLATION

IF YOU WANT TO CANCEL THIS POLICY, YOU MUST NOTIFY THE INSURER IN WRITING. THE INSURER'S CANCELLATION PROCEDURE WILL APPLY. THE POLICY WILL BE CANCELLED 30 DAYS AFTER THE DATE OF CANCELLATION. IF YOU WANT TO RENEW THIS POLICY, YOU MUST NOTIFY THE INSURER IN WRITING. THE INSURER'S RENEWAL PROCEDURE WILL APPLY. IF YOU WANT TO ASSIGN THIS POLICY, YOU MUST NOTIFY THE INSURER IN WRITING. THE INSURER'S ASSIGNMENT PROCEDURE WILL APPLY.

AUTHORIZED REPRESENTATIVE  
of Marsh USA Inc  
BY Edward J. Basso



MM1(3/02)

VALID AS OF 06/20/08