AMBULANCE SERVICE AGREEMENT

By and Between

KNOX COUNTY, TENNESSEE

and

RURAL/METRO OF TENNESSEE, L.P.
AMBULANCE SERVICE AGREEMENT

This Agreement for Ambulance Service made this ______ day of _____________, 2013, between Rural/Metro of Tennessee, L.P. with its principal place of business at 10140 Gallows Point Drive, Knoxville, TN 37931 (“Contractor”), and Knox County, a charter county government providing health services within the geographic and political boundaries of Knox County, Tennessee (“County”).

RECITALS

1. On August 27, 2012, the County released its Request for Proposal (RFP) to provide emergency medical ambulance services in Knox County, Tennessee.

2. On, November 29, 2012 the County awarded the Ambulance Service Agreement to the Contractor.

3. Pursuant to the RFP, the Contractor and the County now desire to enter into this Ambulance Service Agreement.

THEREFORE, in consideration of the mutual promises and covenants of each other contained in this Agreement, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties do COVENANT AND AGREE AS FOLLOWS:

ARTICLE I   THE AGREEMENT

SECTION 101. PURPOSE

The purpose of this Agreement is to define the obligations and responsibilities of the parties hereto, with respect to the provision of ambulance services in the County.

SECTION 102. COOPERATION

The parties shall cooperate and use all reasonable efforts, pursuant to the terms of this Agreement, to facilitate the terms of this Agreement. Accordingly, the parties further agree in good faith to mutually undertake resolution of disputes, if any, in an equitable and timely manner so as to limit the need for costly, time-consuming, adversarial proceedings to resolve such disputes.

SECTION 103. DOCUMENTS

The following documents are made part of this Agreement and are incorporated herein by reference:


B. Contractor’s response to Request for Proposal 1542 for Emergency Medical Services dated October 18, 2012 and associated Addenda.

C. Successful Proposer’s Performance Bond.

In the event there are inconsistent or conflicting provisions among this Agreement and the foregoing Documents, the following descending order of precedence shall prevail:
1) Ambulance Service Agreement;
2) Knox County Government Request for Proposal # 1542 for Emergency Medical Services and associated Addenda;
3) Contractor’s response to Request for Proposal # 1542 for Emergency Medical Services dated October 18, 2012 and associated Addenda; and
4) Successful proposer’s Performance Bond.

This Agreement, together with the foregoing Documents, constitutes the entire Ambulance Service Agreement between the parties with respect to the provision of ambulance services, shall supersede any prior agreement, contract or memorandum of understanding between the parties regarding such services and the parties agree that the terms and conditions of this Agreement, including the foregoing Documents, shall govern exclusively the obligations to the parties. Whenever the word “Agreement” is used within this document, it refers to the entire Ambulance Service Agreement and all modifications.

ARTICLE II DEFINITIONS

SECTION 201. WORDS AND TERMS

**Advanced Emergency Medical Technician (AEMT).** Means a person who has successfully completed an “AEMT” training course, has qualified by examinations to perform pre-hospital emergency patient care, and is to provide basic and limited advanced emergency medical care under medical directions, pre-hospital and during transportation for critical emergent and non-emergent patients, who access the EMS system.

**ALS First Responder.** Any vehicle not normally used for purposes of patient transport, and which must meet the following requirements: 1) be staffed with a minimum of an EMT/AEMT and paramedic; and 2) equipped with the required communications, Automatic Vehicle Locator and ALS equipment that will meet or exceed state equipment regulations.

**Advanced Life Support (ALS).** Means the treatment of life-threatening medical emergencies by authorized emergency medical technician-paramedics under medical control, pursuant to the laws of the County or State, or the provision of such treatment by other qualified and licensed medical or nursing personnel.

**Agreement Date.** The last date on which a party signs and executes the Agreement.

**Ambulance.** Any vehicle permitted by the Department and the County which is equipped to provide advanced or basic life support, which is designed, constructed, maintained, equipped, or operated for, and is used for or intended to be used for the transportation of patients.

**Applicable Law.** Any law, statute, rule, regulation, requirement, decision, opinion, judgment, or order of any federal, state, or local governmental entity, including courts, which is or may become applicable to the Agreement, operations, the Contractor, or the County.

**Arrival at Incident Location.** Means the time an ALS ambulance crew or ALS first responder notifies the E-911 Center that the ambulance or ALS first responder has arrived at its parking position at the scene of an incident (the entrance to a specific apartment building, not merely the entrance to the apartment complex in general; or an actual accident scene—not merely an approach location within sight of the accident scene).
In situations when the ambulance or ALS first responder has responded to a location other than the scene (e.g. staging areas for hazardous material, violent crimes incidents, or non-secured scenes), arrival “at the incident location” shall be the time the ambulance or ALS first responder arrives at the designated staging location. If an ambulance or ALS first responder unit fails to report that it has arrived at the incident location prior to the crew departing the unit, the response time clock shall not be stopped until the time of the next communication between the ambulance and the E-911 system.

**Basic Life Support (BLS).** Means the treatment of life-threatening medical emergencies by an emergency medical technician or other qualified and licensed medical and nursing personnel qualified through the use of such techniques as patient assessment basic cardiopulmonary resuscitation, splinting, obstetrical assistance, bandaging, administration of oxygen, application of pneumatic anti-shock trousers, and other techniques described in the Basic/Advanced Emergency Medical Technician curriculum or otherwise approved by the County, pursuant to the law of the State.

**CAD.** Computer aided dispatch.

**Change in Applicable Law.** Change in applicable law shall include any of the following events or conditions:

a. The adoption, promulgation, issuance, modification or change in an administrative or judicial interpretation, on or after the agreement date, of applicable law, including any federal, state or local law, regulation, rule, requirement, ruling or ordinance, unless such law, regulation, rule, requirement, or ruling was on or prior to the agreement date duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form, to become effective without any further action by any federal, state or local governmental body, administrative agency, or governmental official having jurisdiction; or

b. The order or judgment of any federal, state or local court, the administrative agency or governmental officer or body, on or after the agreement date which is or becomes applicable to the Agreement, operations, the Contractor or the County, to the extent such order or judgment is not the result of willful or negligent action or lack of reasonable diligence of the Contractor or of the County, whichever is asserting the occurrence of a change in applicable law; provided that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action or lack of reasonable diligence; or,

c. The denial of an application for or renewal of, delay in the review, issuance or renewal of, or suspension, termination, interruption, imposition of a new condition or modification of a previous condition in connection with the issuance, renewal or failure to issuance or renewal, on or after the agreement date, of any governmental permit, license, consent, certificate of need, authorization or approval, which is or becomes applicable to the Agreement, operations, the Contractor or the County, which shall include without limitation the imposition of standards or limitations which impose requirements more stringent than those previously applicable to the Agreement, operations, the Contractor or the County, to the extent that such denial, delay, suspension, termination, interruption, imposition, modification or failure is not the result of a material breach of the Agreement, willful or negligent action or lack of reasonable diligence of the Contractor or of the County, whichever is asserting the occurrence of a change in applicable law; provided that the contesting in good faith or failure in good faith to contest any such denial, delay, suspension, termination, interruption, imposition or failure shall not be construed as such a willful or negligent action or lack of reasonable diligence.
**Contractor.** Means Rural/Metro of Tennessee, L.P., including the Contractor's successors and assigns.

**County.** Knox County, Tennessee, a geographic and political subdivision of the State of Tennessee, and governed by a charter form of government.

**Dedicated Special Events Coverage.** Means the posting of an ALS ambulance at a location of a scheduled special event within Knox County. A unit so assigned shall not depart the scene of the event for any reason except to transport a patient in need of immediate transport from the event location to a medical facility, in which case another unit shall be immediately dispatched to resume dedicated coverage of the special event.

**Demised Persons.** Any person who is determined to be deceased by an employee of the Contractor, the Medical Examiner for the County, or other qualified medical personnel.

**Department.** Orders, judgments, rulings, rules and regulations issued or promulgated in final form which apply to the Agreement, operations, the Contractor or the County, which may be issued during the term of the Agreement by the Tennessee Department of Health, Office of Emergency Medical Services Division.

**Direct Damages.** Compensation for actual, tangible expenses, "out of pocket" payments, and other direct losses, excluding attorney's fees, which have been directly sustained or incurred by a party because of a material breach of the Agreement by the other party. Direct damages shall be offset by any insurance recoveries attributable to such losses, but shall not be offset by other collateral sources of indemnification in favor of the aggrieved party. For purposes of the Agreement, the term "direct damages" shall also be deemed to include, where sought on account of a party's material breach, equitable relief, including actions for specific performance, restraining orders and injunctions.

**E-911 System.** Knox County’s Emergency Communications District which receives all requests for emergency medical services, fire service, and law enforcement.

**EMS.** Means Emergency Medical Services.

**EMS Coordinator.** An employee of the County who is designated by the Director of the Knox County Health Department or the Knox County Mayor as the EMS Coordinator.

**EMT.** Means Emergency Medical Technician.

**Emergency Request.** A request for emergency services received at E-911 or a request for emergency services transferred from the E-911 System to the Contractor.

**Emergency Services.** The delivery of emergency medical services, including without limitation the response to calls for emergency medical assistance, the rendering of such levels of medical services as are required by applicable law, including emergency medical treatment rendered by employees of the Contractor who are trained as EMT/AEMT’S and paramedics as described in the Ordinance of Knox County, Section 22-56 et seq., as amended, and the provision of ambulance transportation of patients within the County.

**Emergency Transport.** Is the transport of a patient in an ALS ambulance resulting from (1) a response to an emergency request, or (2) a response to a non-emergency request which results in a need for emergency services.
**Force Majeure.** Any change in applicable law or any other act, failure or refusal to act, or an event, occurrence or condition, or any combination of the foregoing, which causes performance of the Agreement to be impossible or economically unreasonable; such act, failure or refusal to act, event, occurrence or condition may include an act of God, or terrorism.

However, force majeure shall not include an act, failure or refusal to act, event, occurrence or condition which, either in whole or in part:

a. Is the result of a labor strike, stoppage, slowdown or other labor related problem caused by employees either of the Contractor or an affiliate; or
b. Is the result of a change in the federal revenue income tax laws; or
c. Is or was reasonably within the control of, reasonably could have been permitted by, or was caused by the negligence, misfeasance or malfeasance of the party claiming force majeure.

**Request for Proposal (RFP).** The document issued by the County requesting detailed proposals to provide the services described in the RFP and the Agreement.

**Knox County Emergency Communications District (KCECD).** The E-911 system which receives all requests for emergency medical services, fire service, and law enforcement.

**Material Breach of the Agreement.** A material failure or refusal by either party to perform its respective duties and obligations required by the Agreement and applicable law, which causes substantial harm to the non-breaching party.

**Medical Director.** Medical Director means an individual who has an active, unencumbered license to engage in the practice of medicine pursuant to Title 63, Chapter 6, or Chapter 9, and who provides medical advice, direction, oversight and authorization to emergency medical services personnel at a licensed ambulance service, and/or emergency medical services educational institution, including, but not limited to, quality assurance.

**Modification.** A written amendment to the Agreement, executed by the Contractor and the County.

**Non-Emergency Transports.** Requested medical transports of patient(s), or unscheduled transports, not meeting the definition of emergency transport of patient(s).

**Ordinance.** Ordinance of Knox County, Tennessee, Chapter 22, Section 22-56 et seq., as amended.

**Paramedic.** A person who is certified by the State to perform basic and advanced life support procedures, pursuant to the provisions of Department Regulations.

**Party.** The Contractor or the County.

**Patient.** An individual who is ill, sick, injured, wounded, or otherwise incapacitated, and is in need of, or is at risk of needing, medical attention or care on scene and/or during transport to or from a health care facility.

**Performance Damages.** Means any damages stemming from any breach of this Agreement by the Contractor, other than Response Damages.
Response. Means the act of responding to an emergency or a non-emergency request, which begins with the dispatching of an ambulance and, (1) in the case of a request resulting in a patient being transported, ends with the ambulance’s arrival at the incident location, or (2) in the case of a request which does not result in a patient transported, ends with cancellation of the ambulance responding to the request.

Response Time. That period of time when the Contractor is notified of a pending emergency request, until arrival at the incident location.

State. Means the State of Tennessee.

Unit Hour. Means a fully equipped and staffed ALS ambulance on a response or waiting for a response for one hour.

SECTION 202. TERMS GENERALLY

The terms "include", "includes", or "including", as used in this Agreement, shall be deemed to be followed by the phrase, "without limitation". When words or terms are used in the Agreement, they are to be interpreted or construed, first, as expressly defined in the Agreement; and secondly, if not expressly defined, according to any generally accepted technical meaning in the emergency medical services industry; and thirdly, if there is no generally accepted technical meaning, according to their common and customary usage.

SECTION 203. MODIFICATION

The Agreement may be amended only by a modification. The County and the Contractor expressly agree that any oral communication, later course of conduct, or other attempt to change the Agreement other than by a modification shall not be binding or enforceable. For this purpose, the Agreement shall be considered to be within the Tennessee Statute of Frauds, TCA 29-2-101(5), because the Agreement cannot and shall not be fully performed within the space of one (1) year from the Agreement date.

ARTICLE III TERM AND END-TERM PROVISIONS

SECTION 301. TERM OF AGREEMENT

This Agreement shall commence at 00:00:01 hours on July 1, 2013 and shall terminate at 24:00 hours on June 30, 2018.

SECTION 302. RENEWAL OPTION

a. The Agreement may be renewed for up to two (2) additional five (5) year terms upon written agreement of the parties. Request for the Agreement extension must be made by the Contractor to the County in written form by January 1, 2018. This option shall be exercised only if the Contractor is successful in completing the performance review as outlined in Subsection b and if all terms and conditions remain the same. Knox County Commission must approve any extension.

b. Upon receipt of the Contractor’s request for a five (5) year extension in accordance with Subsection a above, the County shall conduct an evaluation and assessment of the Contractor’s performance during the previous contract years.
The County will evaluate the Contractor using two sets of performance based criteria.

Level I criteria will be assigned a value of zero or two points. Level II criteria will be assigned a value of zero, one or two points. The determination of whether the Contractor has satisfied the performance review is solely within the judgment of the County. A score of 12 points or higher will result in a recommendation to the Knox County Commission of a contract extension of five (5) years. The Knox County Commission may accept or reject the recommendation, as it is within the Commission’s sole discretion whether to approve any extension of this Agreement.

**Level I** criteria will be minimum standards to be met by the Contractor during each contract year and are generally described as follows:

1. The Contractor has consistently achieved response time compliance based on the standards set forth in Section 406.

2. The Contractor’s overall performance has resulted in a minimum number of performance damages being assessed as set forth in Section 705.

3. The Contractor consistently and timely delivers to the County all reports and documentation required by this Agreement with a minimum of inaccurate, deficient or missing documentation.

4. The Contractor consistently demonstrates clinical performance standards which comply with all County / State rules and regulations.

5. The Contractor consistently maintains and projects to the general public a professional image.

**Level II** criteria identify performance by the Contractor in excess of the minimum standards and are generally described as follows:

1. The Contractor consistently exceeds the minimum response time requirements set forth in Section 406.

2. The Contractor can effectively demonstrate that the overall EMS System has realized improvements in quality of patient service and clinical excellence in each of the prior contract years.

3. The Contractor exceeds the minimum contractual requirements regarding community service and education.

4. The Contractor has received recognition through community service awards or other honors which signify superior commitment to the community.

5. The Contractor’s recent audit by the County or the Department is ranked superior with a zero or minimum number of deficiencies.

**SECTION 303. EXPIRATION OF TERM**

If the Contractor fails to exercise the renewal option as set forth in Section 302(a) above, or fails to earn an extension in accordance with Section 302(b), the term of this Agreement shall automatically terminate on the expiration date at 24:00 hours June 30, 2018.
SECTION 304. LAME DUCK PROVISIONS

Should the Contractor not succeed itself at the end of the term of this Agreement, the County shall depend upon the Contractor to continue to provide all services required under this Agreement until the successor contractor assumes service responsibilities. Under these circumstances, the Contractor will, for the remaining term of this Agreement, serve as a “lame duck” contractor. To ensure continued performance fully consistent with the requirements of this Agreement throughout any such lame duck period, the following shall apply:

   a. The Contractor shall make no changes in methods of operation, which could reasonably be considered to be aimed at cutting the Contractor’s service below that required by this Agreement in order to maximize profits during such lame duck period.

   b. The Contractor shall continue all operations and support services at the same level of effort and performance that were in effect prior to the award of the subsequent contract to the successor contractor, including, but not limited to, compliance with the provisions related to the qualifications of key personnel.

   c. The Contractor shall not penalize or bring personal hardship to bear upon any of its employees who may apply for work on a contingent basis with a competing bidder, and shall allow without penalty its employees to sign contingent employment agreements with competing bidders at the employees’ discretion. The Contractor may, however, prohibit its employees from assisting competing bidders in preparing their bid proposals by revealing the Contractor’s trade secrets or other information about the Contractor’s business practices or field operations.

ARTICLE IV DUTIES AND RESPONSIBILITIES OF CONTRACTOR

SECTION 401. GENERAL DUTY

   a. Beginning on July 1, 2013 at 00:00:01 hours and continuing for the term of the Agreement, the Contractor shall provide and pay for all administration, insurance, professional expertise, labor, materials, vehicles, and equipment necessary to respond to all emergency and non-emergency calls referred to the Contractor by the Knox County Emergency Communications District (KCECD). In responding to emergency requests, the Contractor shall satisfy the response time requirements set forth in Section 406.

   b. The Contractor is to have personnel located within the KCECD in order to facilitate all emergency and non-emergency calls and the deployment of ambulances. The Contractor is to be responsible for all associated expenses of having onsite operations within the KCECD.

   c. The Contractor shall apply for, secure, and renew all licenses, permits, certificates or similar government approvals which are or may be required by applicable law and Department’s Rules and Regulations for conducting services described herein.

   d. The Contractor shall accept assignment of Medicare benefits as payment and shall not bill Medicare beneficiaries for any additional amount except as permitted by the Medicare Guidelines for the acceptance of assignment.

   e. The Agreement shall make available to all persons within the County, on a subscription fee basis, emergency services (as defined herein) to be provided by the Contractor pursuant to this Agreement. A household shall be defined as all individuals living in the home.
f. The Contractor shall provide a standby ALS ambulance for standby upon request of the EMS Coordinator when: 1) there is reason to believe a life threatening public emergency presently exists in the County (to include Fire and Law Enforcement scenes, when requested), and 2) dedicated special events (not to exceed 500 unit hours per year).

g. Subject to the Contractor’s reasonable policies and procedures regarding same, the Contractor shall permit paramedic and emergency medical technician trainees to accompany ambulances in their regular and ordinary responses for the purpose of assisting such trainees in completing the curriculum and experiences necessary for completion of training programs approved by the State. The Contractor’s policies and procedures may address, among other things, the requirement of written waiver and indemnity agreements, dress codes, conduct codes and the like.

h. The Contractor shall comply with all Knox County Emergency Plans, or successor plans adopted and approved by the EMS Coordinator, or the Knoxville-Knox County Emergency Management Agency whenever the provisions or such plan or plans are in effect. The Contractor further agrees to participate in at least two (2) community disaster drills per calendar year, as directed by KCHD, or the Knoxville-Knox County Emergency Management Agency.

i. The Contractor may not offer incentives, by way of additional salaries or wages, or compensated leave of absence, to employees based upon the number of procedures performed or based upon mileage for the provision of ambulance transportation.

SECTION 402. TRANSPORT

a. The Contractor shall provide emergency services from the scene to the appropriate health facility or other location for all persons in the county, regardless of ability to pay.

b. The Contractor will transport demised persons to appropriate health facilities for identification and examination upon request by the Knox County Medical Examiner or designee at no cost to the County. When possible, a non-ALS unit shall be used for transport.

c. The Contractor will not bill the County or the patient for transportation of those enrolled in the Indigent Care program

SECTION 403. COMMUNICATIONS EQUIPMENT

a. The Contractor shall, at its sole expense, install in all units, an operating Automatic Vehicle Locator (AVL) system utilizing a technology approved by the Coordinator and which allows real-time monitoring at the locations of all units in service.

The AVL system will place the unit at the incident location when the unit is placed in park. The AVL system, including necessary associated hardware and software, shall be compatible with all associated hardware and software of the KCECD.

b. The Contractor shall supply and maintain fully operational vehicle and portable radios as required for it to perform hereunder. All radios shall operate on frequencies 155.205, 155.295, and 155.340 mega hertz, and med channels 1 through 10.

c. The contractor shall provide to Knox County, all system status software, notification devices used to alert level status, and other equipment that may be needed to monitor responses.
SECTION 404. NOTIFICATION

a. The Contractor shall notify the EMS Coordinator;

1. The Coordinator shall be notified immediately, via page or verbally, whenever the following occurs:

   a. Response time exceptions greater than 10 minutes; and
   b. Any single incident or accident requiring the response of three (3) or more ambulances; and
   c. Mass casualty incidents; and
   d. Any vehicle accidents involving a Contractor’s vehicle; and
   e. Ambulance levels of three or less specific to the number of available ambulances.

2. The Coordinator shall be notified daily, via electronic communications, of the Contractor’s daily compliance report.

SECTION 405. AVAILABLE AMBULANCES

a. The Contractor shall, at all times under this Agreement, make available not less than three ambulances for emergency response.

b. The contractor will maintain a Memo of Understanding (MOU) with another licensed ambulance service in Knox County to assist them in emergency responses when the system drops to level three. All responses will be logged and reported to the EMS Coordinator.

c. If the Contractor has no ambulances available for an emergency request (level 0) and/or fails to meet the response time provided herein, damages as set forth in Section 705(a) will be assessed against the Contractor.

SECTION 406. RESPONSE TIME

a. As used herein, the term emergency request shall include any response by the Contractor on an emergency request as called into the Knox County Emergency Communications District, including responses (1) resulting in transportation of patients, (2) resulting in no services being rendered or patients being transported, and 3) the emergency request is cancelled after the lapse of the contracted response time 10 minutes). In each thirty (30) day period, (beginning on the first day of each month) and commencing on the first day of operations, not less than ninety percent (90%) of the Contractor’s responses to emergency requests shall be performed in less than 10 minutes.

b. If, in each thirty (30) day period, the Contractor fails to respond to emergency requests within the applicable performance requirement, as set forth above, it shall pay response damages set forth in Sections 703 and 704.

c. Response time exemptions. The Contractor shall maintain projections for reserve staffing capacity for increase production should there be a temporary system overload. However, it is understood that on occasion unusual factors beyond the Contractor control affect the achievement of the required response time standards. For purposes of determining the Contractor’s compliance with the response time standards as set forth herein, and for calculating damages in Sections 703 and 704, every request for ambulance service shall be counted except as follows:
1. Requests which are cancelled prior to the Contractor's arrival at the incident Location, but before the contracted response time has expired (10 minutes).
2. During a period of severe weather conditions, such that response time compliance is either impossible or could be achieved only at a greater risk to EMS personnel or the public than would result from a delayed response;
3. Requests during a disaster, locally or in a neighboring jurisdiction, which has requested assistance from the County.
4. The response time for an emergency request may also be excluded when the EMS Coordinator determines there is other good cause for an exception. The grounds for the exception must have been a substantial factor in producing the particular response time, and the Contractor must have made a good faith effort to comply with the appropriate standard. Such grounds include, but are not limited to, the transmission of erroneous, incomplete or inaccurate information from the KCECD.

SECTION 407. AMBULANCE SPECIFICATIONS

a. All ambulances used for emergency patient transportation shall be a minimum of Type III ambulance, not more than five (5) years old from the date of sale as a new vehicle, and shall not have been used more than 350,000 miles. All ambulances used for the non-emergency transportation of patients shall be not more than six (6) years old from the date of sale as a new vehicle, and shall not have been used more than 350,000 miles.

b. All maintenance and repair records and inventory records shall be available for inspection by the EMS Coordinator.

c. All ambulances shall conform to the State Rules and Regulations.

d. Equipment shall be available to allow ambulances to travel in inclement weather conditions, including snow or ice. The Contractor shall adhere to the inclement weather policy of the Knox County Emergency Management Agency.

e. Each ambulance shall permanently display the name or other suitable corporate identification or logo on the outside of the vehicle along with that vehicle’s identification number.

f. Any ambulance used by the Contractor for transporting of patients shall conform to all standards as promulgated and defined by the State and all rules and regulations promulgated and set forth in the Ordinance.

g. All ALS ambulances shall be equipped with necessary equipment to transmit EKG’s to all Knox County hospital emergency rooms.

SECTION 408. PERSONNEL

a. The Parties understand that the EMS System requires professional and courteous conduct at all times from Contractor’s field personnel, communications personnel, middle management, and top executives. The Contractor shall employ highly trained paramedics, EMTs, AEMT’s and support staff to provide patient care and to operate Contractor’s vehicles and equipment. Each EMT/AEMT and paramedic shall be physically capable of performing the tasks assigned by the Contractor, shall be clean in dress and person, and shall display their name and certification on a photo identification badge in an appropriate manner visible to the patient.
1. Each Paramedic (EMT-AEMT) will obtain and maintain certification or licensing as follows: (a) Class D with an F endorsement Tennessee drivers license, (b) Tennessee Paramedic license from the Division of Emergency Medical Service, (c) American Heart Association or Red Cross CPR (1 and 2 person, FBAO infant, child, and adult conscious and unconscious, plus AED), (d) Advanced Cardiac Life Support (ACLS), (e) Pre-hospital Pediatric Life Support or Pediatric Advanced Life Support (PALS), and (f) Pre-hospital Trauma Life Support (PHTLS) or the advanced level of International Trauma Life Support (ITLS).

2. Each EMT/AEMT will obtain and maintain certification or licensing as follows: (a) Class D with an F endorsement Tennessee driver’s license, (b) Tennessee EMT/AEMT license from the Division of Emergency Medical Service, (c) American Heart Association or Red Cross CPR (1 and 2 person, FBAO infant, child, and adult conscious and unconscious, plus AED.

3. Communications personnel shall be certified as Basic Telecommunicator and Emergency Medical Dispatchers (EMD) by the standards set forth in the Association of Public Safety Communication Officials (APCO).

b. The Contractor shall utilize reasonable work schedules, shift assignments, and provide working conditions that assists in attracting and retaining highly qualified personnel. The Contractor shall utilize management practices which ensure that field personnel working extended shifts, part-time jobs, voluntary overtime, or mandatory overtime are not exhausted to an extent which might impair judgment or motor skills.

c. The Contractor shall offer to its employees a compensation and benefits package designed to attract and retain highly qualified field personnel and communications center personnel.

SECTION 409. QUALITY IMPROVEMENT PROGRAM

The Contractor shall develop and implement a comprehensive quality improvement program for the EMS System. This program shall include a committee consisting of stakeholders within the EMS System. The stakeholders include, but are not limited to, representatives from E-911, Knoxville Fire Department, Knox County Health Department, local area First Responder Agencies, etc. The County anticipates meetings, at a minimum, to occur on a quarterly basis.

SECTION 410. FIRST RESPONDERS

The Contractor shall cooperate and coordinate its activities and services with First Responders for the purpose of ensuring quality patient care. The Contractor will maintain all records per State’s requirements.

ARTICLE V COUNTY’S DUTIES AND RESPONSIBILITIES

SECTION 501. GENERAL DUTIES

a. The County shall monitor the response time performance pursuant to the requirements of and upon the intervals set forth in Section 406.

SECTION 502. EMS MEDICAL SERVICES COST REVIEW BOARD

a. The County shall upon approval of the County Commission establish an EMS Medical Services Cost Review Board (Board). The Board’s authority will be limited to approval or disapproval of all subsequent increases in charges that the Contractor proposes.
b. Rate increases to the consumer will only be allowed following the review by the Board. Rates must remain firm for the first three (3) years of the initial five (5) year term. The Contractor will then be able to request rate increases every two (2) years. Rate increases will only be granted by the Board and will take effect on July 1 of the year in which they are requested.

c. The County's intent is to establish a Board of five (5) members who will be recommended by the County Mayor with subsequent approval required by the Knox County Commission.

d. The membership of the Board shall consist of two (2) active professional members of the EMS industry, one (1) person with professional experience in health care finance, one (1) elected County Commissioner, and one (1) citizen representative.

ARTICLE VI INSURANCE AND INDEMNIFICATION

SECTION 601. MINIMUM INSURANCE REQUIREMENTS

a. On or before July 1, 2013, the Contractor shall obtain and provide certain insurance coverage by insurers duly licensed and authorized to operate in the State of Tennessee. The Contractor shall provide the following insurance coverage:

1. Automobile liability, combined single limit, in the amount of $2,000,000.
2. General liability in the amount of $1,000,000 per occurrence, $3,000,000 aggregate.
3. Medical professional liability claims made in the amount of $1,000,000 per occurrence $3,000,000 aggregate.
4. Worker’s compensation in the amount of the statutory limits plus $1,000,000 employers liability, Part B Workers’ Compensation.
5. Excess liability coverage in the amount of $10,000,000.

b. The Contractor shall have Knox County named as additional insured per the insurance policy.

c. Complete copies of the Contractor’s required insurance policy shall be delivered to or otherwise made available for inspection by the County within ten (10) days after being received by the Contractor. The Contractor shall maintain required insurance in full force and effect for the term of the agreement.

SECTION 602. INDEMNIFICATION

a. The Contractor shall indemnify, defend, save and hold harmless Knox County, its officers, agents, representatives, and employees from any and all suits, claims, demands, liabilities, penalties, expenses, judgments, actions or damages of any nature brought because of, arising out of, or due to breach of the agreement by the Contractor, its subcontractors, suppliers, agents, or employees or due to any negligent act or occurrence or any omission or commission of the Contractor, its subcontractors, suppliers, agents, or employees.

b. It is not the intention of the parties that the Contractor shall indemnify the County against the County's own negligence or the negligence of the County's employees, officers, volunteers or agents. If any County employee, officer, volunteer or agent damages any of the Contractor's property, the County will be responsible for repair or replacement of the property. If a Contractor’s employee, officer or agent damages any County property, the Contractor will be responsible for repair or replacement of the property.
ARTICLE VII  PAYMENT AND OTHER FINANCIAL PROVISIONS

SECTION 701. PAYMENT

a. The County shall submit claims for response time damages on a monthly basis pursuant to Section 703, 704 and 705.

PD  = Performance Damages pursuant to Section 705, or breach of contract damages other than Response Damages.
RD  = Response Damages pursuant to Sections 703 and 704.

b. The County may require an audit of the Contractor's Knox County enterprises and operations.

SECTION 702. Reserved

SECTION 703. RESPONSE TIME DAMAGES

In each thirty (30) day period (beginning on the first day of each month, and commencing on the first day of operations), not less than ninety percent (90%) of the Contractor's responses to emergency requests shall be performed in less than 10 minutes as set forth in Section 406.

Failure of the Contractor to meet response time requirements will result in a penalty levied against the contractor. Since there is no subsidy from the county, a penalty letter will be sent to the Contractor and must be paid within 15 days of the date of the penalty letter. If the penalty is not paid within 15 days, the payment will double with further actions taken.

<table>
<thead>
<tr>
<th>Percentage of responses to emergency requests which satisfy response requirements:</th>
<th>Damages per 30-day period (damages are cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>90% or greater</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>89.0% to 90.0%</td>
<td>$1,000.00 per one (1) percent</td>
</tr>
<tr>
<td>88.0% to 88.9%</td>
<td>$2,000.00 per one (1) percent</td>
</tr>
<tr>
<td>87.0% to 87.9%</td>
<td>$3,000.00 per one (1) percent</td>
</tr>
<tr>
<td>86.0% to 86.9%</td>
<td>$4,000.00 per one (1) percent</td>
</tr>
<tr>
<td>85.9% or below</td>
<td>$5,000.00 per one (1) percent</td>
</tr>
</tbody>
</table>

SECTION 704. RESPONSE TIME DAMAGES - ALS FIRST RESPONDER

a. The Contractor may use an ALS First Responder for meeting the response time requirements set forth in Section 406.
b. If the Contractor utilizes an ALS First Responder for time response compliance as required by Section 406, the ALS ambulance emergency transport unit must arrive at the incident location within seventeen (17) minutes of the emergency request. Failure of the ALS ambulance to arrive at the incident location within seventeen (17) minutes will result in a response time damage assessment based on the following:

ALS First Responder damages shall be rounded up to the next whole number. Example, 17:01 would be rounded to 18:00 minutes.

<table>
<thead>
<tr>
<th>ALS Ambulance Arrival</th>
<th>Damages per incident (cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17:01 to 19:01</td>
<td>$250 per minute</td>
</tr>
<tr>
<td>20:01 to 29:01</td>
<td>$500 per minute</td>
</tr>
<tr>
<td>30:01 plus each subsequent minute</td>
<td>$1000 per minute</td>
</tr>
</tbody>
</table>

Where additional ambulances are requested at an incident (multi-unit response), the Contractor shall adhere to the time response compliance described herein.

SECTION 705. SPECIFIC PERFORMANCE DAMAGES

a. Ambulance availability. The Contractor’s failure to provide available ambulances as required in Section 405 will result in performance damages to be assessed per emergency request as follows:

<table>
<thead>
<tr>
<th>Ambulance availability level</th>
<th>Damages (not cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 0 (request pending)</td>
<td>$1,000</td>
</tr>
<tr>
<td>Level 0 (response time &gt; contracted time)</td>
<td>$5,000 per emergency</td>
</tr>
</tbody>
</table>

b. Non-emergency requests received through the KCECD. For every non-emergency request for which the ambulance response time exceeds forty-five (45) minutes from the Contractor’s notification till arrival at the incident location, a penalty of two hundred and fifty ($250) will be assessed per incident.

ARTICLE VIII COUNTY’S RIGHT TO TERMINATE AGREEMENT

SECTION 801. TERMINATION FOR CAUSE

a. The County may, subject to the Agreement, terminate the Agreement because of any one or more of the following material breaches of the Agreement:

1. The Contractor has failed to satisfy the response time requirements for a period of three (3) consecutive months.

2. The Contractor has committed any other material breach of the Agreement.

3. The Contractor has intentionally falsified any information it is required to provide under the Agreement or the Ordinance.

4. The written admission by the Contractor that it is bankrupt, or the filing by the Contractor of a voluntary petition as such under the Federal Bankruptcy Act, or the consent by the Contractor to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Contractor of any arrangement
with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary regardless of how designated, of all or a substantial portion of Contractor's property or business.

b. If the County has grounds for termination of the Agreement as provided by Section 801 due to a material breach and elects to terminate the Agreement, the County shall give written notice to the Contractor of the basis for the claim within thirty (30) days after the County's actual discovery of the first act, omission, occurrence or event giving rise to the claim. If, within sixty (60) days following the delivery of the written notice to the Contractor, the Contractor acts reasonably to remedy the claimed material breach, the County shall not be permitted to terminate this Agreement on account of that claimed material breach. If, within sixty (60) days following the delivery of the written notice to the Contractor, the Contractor does not remedy the claimed material breach, but does submit a written plan and schedule to the County for remediation of the claimed material breach, and that plan is approved by written notice from the County to the Contractor (which approval will not be unreasonably withheld), the County shall not be permitted to terminate the Agreement on account of the claimed material breach; provided, however, that if the Contractor fails to perform in accordance with the approved written remedial plan, the County shall be entitled to subsequently assert such failure by the Contractor as an additional material breach. If, within sixty (60) days following delivery of the written notice, the Contractor fails or refuses to act reasonably to remedy the County's claimed material breach and fails or refuses to submit a written plan and schedule for remediation of the material breach and obtain approval of that plan by the County, then the County may, by written notice to the Contractor, terminate this Agreement. Nothing contained in this Agreement is meant to operate as or constitute a waiver or release of the Contractor's rights to dispute the existence of the basis of any termination or to protest any termination decision by the County. The County reserves the right during the process set out in this paragraph to negotiate with and contract with a new provider for the services set out in this Agreement.

SECTION 802. AFTER TERMINATION FOR CAUSE

After termination of the Agreement for cause, the County may exercise any one or more of the following remedies:

1. Take possession of the Contractor's ambulances, equipment and/or supplies pursuant to a lease agreement by which the County would pay the Contractor a sum total of ten dollars ($10.00) for the use of all of Contractor's ambulances, equipment and/or supplies used in performing Contractor's contractual obligation for a period of not less than one hundred eighty (180) days, and operate ambulance services as would otherwise be operated by the Contractor; the County would be responsible for maintenance and insurance of Contractor's ambulances, equipment and/or supplies during this period;

2. Negotiate a contract with another contractor to provide the services required under this Agreement;

3. Assess against the Contractor the County's performance damages which have accrued prior to termination, termination damages which consist of the County's direct damages, and assert any other rights and remedies specifically provided for by the Agreement against the Contractor.
SECTION 803. TERMINATION FOR CONVENIENCE

Prior to December 31 of 2014, 2015, 2016 and 2017, the Knox County Mayor may recommend to the Knox County Commission that this Agreement be discontinued for the County’s next fiscal year. Termination under this Section will require an affirmative vote of the Commission.

SECTION 804. COUNTY’S RIGHTS - CUMULATIVE; SURVIVAL

The County's rights and remedies as provided in this Agreement are cumulative, except as otherwise expressly provided by the Agreement, and shall survive the termination of the Agreement.

SECTION 805. END OF CONTRACT

Contractor acknowledges that Knox County shall initiate a competitive procurement for the award of the County's Emergency Medical Services at the end of this Contract. When this action is taken and if the provider is not judged to be the successful proposer, Knox County shall depend on the Contractor to continue provision of all services required under this Contract until the subsequent successful provider's Contract begins. During that period, the current Contractor shall continue operations at the same level of effort and performance as were in effect prior to the award of the new Contract. Contractor shall be prohibited from making any changes in Contractor’s methods of operation which could reasonably be considered to be aimed at cutting costs to maximize profits during the final stages of the Contract. Failure to comply with this Section shall result in forfeiture of Contractor’s Performance Bond and possible exclusion from the next competitive process.

ARTICLE IX  CONTRACTOR’S RIGHT TO TERMINATE AGREEMENT

SECTION 901. TERMINATION FOR CAUSE

a. The Contractor may, subject to the Agreement, terminate the Agreement upon the occurrence of any one or more of the following acts, omissions, events or conditions:

   1. Any material breach of the Agreement by the County.

b. If the Contractor believes that it has grounds for termination of the Agreement and elects to terminate the Agreement, the Contractor shall give written notice to the County of the basis for the claim within thirty (30) days following the Contractor's actual discovery of the first act, omission, occurrence or event giving rise to the claim.

   If, within sixty (60) days following delivery of written notice, the County acts reasonably to remedy the Contractor's claimed grounds for termination, the Contractor shall not be permitted to terminate the agreement.

   If the Contractor's claimed grounds for termination are not remedied by the County within the sixty (60) day period, the Contractor may, by written notice to the County, terminate the Agreement. Nothing herein shall restrict or impair the Contractor's right to claim damages or losses on account of a material breach by the County which is subsequently cured.
SECTION 902. AFTER TERMINATION FOR CAUSE

After termination of the Agreement by the Contractor under Section 901, the Contractor may assert any claims for costs, losses and damages which may be permitted by law incurred in enforcing its rights and remedies relating to this Agreement.

SECTION 903. CONTRACTOR’S RIGHTS - CUMULATIVE; SURVIVAL

The Contractor's rights and remedies as provided in this Agreement are cumulative, except as otherwise expressly provided by the Agreement, and shall survive the termination of the Agreement.

ARTICLE X OPERATIONAL CHANGES

SECTION 1001. COUNTY INITIATED CHANGES

a. The County, without invalidating the Agreement, may at anytime order the Contractor to perform changes in operations, including additions to or deletions from the Contractor's obligations, subject to the following terms and procedure:

1. The County shall submit to the Contractor a written request, describing the County's proposed change in operations and requesting the Contractor to submit a proposal for performing the requested change;

2. The Contractor, within twenty (20) days after receiving the County's request, shall prepare and submit to the County, on such forms and with such detailed information as the County may require, a written proposal which shall include the following information:

   a. A statement as to whether the Contractor is ready, willing and able to perform the requested change in operations;
   b. What changes, if any, in the response time requirements will, in the Contractor's opinion, be required for performing the County's requested change;
   c. The effect, if any, of the requested change upon the Contractor's operations under this Agreement; and
   d. Such additional detailed information as the County may reasonably require.

3. The County may, after receipt of the Contractor's proposal, follow any one or more of the following courses of action:

   a. The County may elect to abandon the proposed change in operations;
   b. The County may negotiate with or seek additional information from the Contractor;
   c. The County may revise and resubmit the request to the Contractor according the above procedure;
   d. The County and the Contractor may voluntarily execute the proposal for a requested change in operations, which will then constitute a modification to the Agreement;

b. The Contractor shall, upon receipt of a change in operations from the County, promptly proceed to perform or cause the change as authorized and directed and shall complete the implementation of the change in operations within a reasonable time, to be determined by mutual agreement of the Contractor and the County; provided, however, that the Contractor shall not be required to proceed to perform or cause the change in the work:
1. If the Contractor has notified the County, and has in good faith determined that the change will adversely affect the Contractor’s ability to satisfy all response time requirements of the Agreement.

SECTION 1002. CONTRACTOR INITIATED CHANGES

The Contractor may propose and submit to the County a proposed operational change in the County's basic obligations or the performance requirements subject to the following terms and procedure:

1. The Contractor shall prepare and submit to the County a written proposal for a requested change on such forms and with such detailed information as the County may require, including, but not limited to, the following:
   a. A detailed description of the requested change in operations;
   b. What changes, if any, in the Agreement or the performance requirements are requested by the Contractor;
   c. The effect, if any, of the requested change upon the Contractor’s operations; and
   d. Such additional detailed information as the County may require.

2. The County, within twenty (20) days after receipt of the Contractor's request for a proposed change order, shall follow any one or more of the following courses of action:
   a. The County may fail or refuse to respond (within the twenty (20) day time period) to the request for proposed change, in which case the Contractor’s request shall be deemed to be denied, and the Contractor shall proceed with performance under the Agreement;
   b. The County may negotiate with or request additional information from the Contractor concerning the request, in which event the County shall have no duty to act upon the request for the proposed change order until such information, in writing, is received from the Contractor; or
   c. The County and the Contractor may voluntarily execute the proposal for the requested change in operations, which will then constitute a modification to the Agreement.

ARTICLE XI  MISCELLANEOUS

SECTION 1101. DISPUTE RESOLUTION FORUM

Any dispute arising under the Agreement which is not resolved informally by the County and the Contractor, or under the terms of the Agreement, shall be prosecuted further, if at all, only in the Circuit or Chancery Courts located in Knoxville, Tennessee.

SECTION 1102. SEVERABILITY

If any term or provision of the Agreement, or the application thereof to any party or circumstance, shall be invalid or unenforceable to any extent, the remainder of the Agreement, and the application of such term or provision to parties and circumstances other than those as to whom or to which it is held invalid or unenforceable, shall not be affected thereby; and each term or provision of the Agreement shall be valid and enforceable to the fullest extent permitted by law.
SECTION 1103. THIRD PARTY BENEFICIARIES

This Agreement is solely for the benefit of the Contractor and the County and is not intended to confer any right or benefit on any other party whatsoever. No third party shall have any right or claim whatsoever based on this Agreement.

SECTION 1104. ASSIGNMENT

The County may, after written notice to the Contractor, assign all or part of its rights and benefits and delegate its obligations under the Agreement to any successor form of government with authority to act as the local government for the current geographic and political boundaries of the County. The Contractor shall not assign any rights nor delegate any obligations required by this Agreement to any party, except with the express written approval of the County.

SECTION 1105. NON-WAIVER

No payment, acceptance of payment or other act or failure to act by the County or the Contractor shall be considered to be an acceptance of default or defective performance, nor a waiver under the Agreement or the law, unless such acceptance or waiver is expressed in a written notice.

SECTION 1106. NON-DISCRIMINATION IN EMPLOYMENT

Contractor will not discriminate against any applicant for employment because of age, race, color, religion, sex or national origin. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to age, race, color, religion, sex or national origin. Such action shall include, but not be limited to, recruiting and related advertising, layoff or termination, upgrading, demotion, transfer, rates of pay and compensation, and selection for training, including apprenticeship. Contractor will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

SECTION 1107. ENTIRE AND COMPLETE AGREEMENT

This Agreement, as amended, and Documents A-C as listed in Section 103 of this Agreement, constitute the entire and complete agreement of the parties with respect to the services to be provided hereunder. This Agreement, unless provided herein to the contrary, may be modified only by written agreement duly executed by the parties with the same formality as this Agreement.

SECTION 1108. GOVERNING LAW

The Agreement shall be interpreted, construed and governed according to the laws of the State of Tennessee and Knox County.

SECTION 1109. NOTICES

All notices, consents and agreements required or permitted by this Agreement shall be written, and as applicable, shall be transmitted by registered or certified mail, with notice to be given upon receipt, and shall be addressed as follows:
**County:** Knox County Mayor  
City-County Building, Suite 651  
400 Main Avenue  
Knoxville, Tennessee 37902  

**Contractor:** Rural/Metro of Tennessee, L.P.  
10140 Gallows Point Drive  
Knoxville, TN 37931  

The Agreement has been executed on behalf of the County and the Contractor on the last date appearing below:

Knox County, Tennessee: Rural/Metro of Tennessee, L.P.

By: _______________________  
   By: _______________________  
   
   Tim Burchett  
   
   Title: Knox County Mayor  
   Title: _______________________  

Date: ______________________  
   Date: ______________________

Approved as to Form and Correctness:  

_______________  

Knox County Law Director’s Office  

_________________________  

Date