

Memorandum

To: Board of Managers
From: Jonny F. Hipp, Administrator
Date: June 23, 2026
Re: Notification of Performance Goal Achievements and Related Goal Achievement Pay

Board Members:

Pursuant to the 2024–2028 Administrator Employment Agreement (“Agreement”) between the Hospital District (“District”) and myself, I am notifying the Board of Managers (“Board”) that certain Performance Goals established under the Agreement have been achieved. As a result, Goal Achievement Pay is due in accordance with the Agreement’s provisions. Supporting details and documentation are provided below and in the attached exhibits.

For reference, a copy of the Agreement is attached as Exhibit #1. The provisions regarding Performance Goal Pay are set forth in Paragraph 3(b) of the Agreement, while the specific Performance Goals and their associated achievement pay amounts, expressed as a percentage of salary, are contained in Attachment A of the Agreement.

Additionally, I have included as Exhibit #2 an analysis of the three Performance Goals achieved through the quarters ending December 31, 2025 and March 31, 2026, along with the corresponding amounts of Goal Achievement Pay to be disbursed. Detailed documentation supporting each achieved Goal is provided in Exhibits #3-6.

As required by the Agreement, prior to disbursement of any Goal Achievement Pay, the Board must be furnished with documentation substantiating the Administrator’s achievement of the specified Performance Goals. The relevant information is summarized on the following page and supported by the attached Exhibits.

Jonny F. Hipp

Performance Goals Achieved – Fiscal Year 2025

A. Opioid Abatement Funds

Goal: Select and implement program(s) from Opioid Abatement Fund Council’s approved programs listing.

Documentation:

1. Exhibit #3 – Interlocal Cooperation Agreement Between Nueces County Hospital District and Nueces Center For Mental Health and Intellectual Disabilities executed November 18, 2025.

B. Financial Audit Results

Goal: Achieve uneventful financial audit results with no significant management letter comments for the fiscal year ending September 30, 2025.

Documentation:

1. Exhibit #4 – Audited financial statements for the year ended September 30, 2025, issued by Adamson & Company LLC on February 24, 2026.

Performance Goals Achieved – Fiscal Year 2026

C. Inmate Health Services

Goal: Assist Nueces County develop RFP for Inmate Health Care Services.

Documentation:

1. Exhibit #5 – RFP No. 3315-25 Jail Medical Services; and
2. Exhibit #6 – Health Services Agreement Nueces County Correctional Facilities on November 7, 2025.

Exhibit # 1

**NUECES COUNTY HOSPITAL DISTRICT
ADMINISTRATOR EMPLOYMENT AGREEMENT
October 1, 2024 – September 30, 2028**

This Administrator Employment Agreement (the “Agreement”) is made by and between the Board of Managers (the “Board”) of the Nueces County Hospital District, a political subdivision of the State of Texas (the “Hospital District”), and Jonny F. Hipp, the person appointed by the Board to be the Administrator who is qualified for such by training and experience (the “Administrator”). The Board and Administrator, for and in consideration of the terms and conditions hereinafter set forth in this Agreement and pursuant to Texas Health and Safety Code, §281.026 and §281.028 hereby agree as follows:

W I T N E S S E T H:

1. **Employment.** The Board, by and on behalf of the Hospital District, does hereby employ Administrator as the District’s Administrator and Chief Executive Officer, and the Administrator hereby accepts such employment. It is the intent of the parties hereto that the Administrator’s employment be governed by this Agreement and the District’s policies regarding compensation, separation from employment, and employment-at-will shall not be applicable to the Administrator. Except as stated above and in Paragraphs 3-5 below, the District’s employee policies shall be applicable to the Administrator.

2. **Duties and Performance Goals.** Subject to the Board’s policies, limitations, and reasonable direction, the Administrator shall perform those duties required by the Board, including, but not limited to, supervision of the work and activities of the Hospital District and general direction of the District’s affairs. The Administrator shall perform those duties required of an administrator by Texas Health and Safety Code, Chapter 281. The Administrator shall assure the Hospital District complies with the applicable provisions of Texas Health and Safety Code, Chapters 61 and 281 and other applicable laws. The Administrator shall serve as Secretary of the Board as provided in Texas Health and Safety Code, §281.023(b). In addition, the Administrator shall endeavor to reasonably achieve the Performance Goals attached hereto and identified as Attachment “A.” The Administrator is hereby authorized to plan, organize, manage, supervise, and direct use of the District’s personnel, equipment, and other resources in the performance of his duties and achievement of the Performance Goals under this Agreement. The Administrator is encouraged to and may continue performing higher education-level teaching activities in the community and region and the Board is supportive thereof provided that those activities do not interfere with the performance of his duties under this Agreement or create a conflict of interest.

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3. **Compensation.** The Administrator shall be entitled to the following payments (collectively, the “Compensation”):

(a) **Salary.** Considering the level of expertise, education, and experience required of the Administrator by the Board, the adequacy of which is hereby confirmed by the Board, and the Board’s desire to fairly compensate the Administrator for such qualities, the Board has surveyed other similarly situated hospital districts in the State concerning the salary and benefits paid for positions comparable with that of the Administrator. The Board, acknowledging and considering (i) the Administrator’s performance in carrying out the requirements of prior employment agreements with the District; (ii) the Administrator’s achievement of prior Performance Goals; (iii) the Administrator’s doctoral education, collectively all of which have directly benefited and continue to benefit the taxpayers, District, community, and the region; (iv) the compensation and benefits paid and made available to administrators in similarly-situated hospital districts in the State; (v) the Board’s desire that the Administrator be fairly compensated; (vi) that the greater than ever complexities of healthcare administration, quality, financing, and governmental regulations require the expertise of the Administrator; and (vii) the Board’s desire to achieve consistency, stability and longevity in the Administrator’s position, the Board hereby determines and agrees that the Hospital District shall pay the Administrator a salary amount of two hundred ninety one thousand five hundred dollars (\$291,500.00) per twelve-month period during the Term (the “Salary”). The Salary shall be prorated for twenty-six (26) biweekly pay periods during each twelve-month period of the Term and for any partial employment period. The Salary shall be subject to withholding taxes prescribed by applicable statutes and as additionally authorized by Administrator.

(b) **Performance Goal Pay.** The Board desires that in addition to the Hospital District’s primary responsibility of ensuring medical care and hospital care for the indigent residents of the County, that the Administrator promote and continue to develop awareness of the Nueces Aid Program, achieve uneventful financial audit results, maintain modern and efficient healthcare facilities, remove facilities that are beyond their useful life, pursue needed state legislation, prepare a succession plan, divest specified real properties, and pursue other goals that benefit and promote the growth of the Hospital District as determined by the Board. Accordingly, the Board hereby determines and agrees that each calendar quarter during the Term, the District shall, in addition to the Salary above, pay the Administrator a lump sum amount equal to the amount(s) associated with the Administrator’s reasonable achievement of Performance Goal(s) as set forth in Attachment “A” during the previous calendar quarter (the “Goal Achievement Pay”). The Performance Goals set out are subject to annual modification and written approval by both parties. Performance Goals not achieved in any year may be carried over to succeeding years with Board approval. The Goal Achievement Pay shall be subject to withholding taxes prescribed by applicable statutes and as additionally authorized by the Administrator. Prior to disbursement of any Goal Achievement Pay, the Administrator shall present to the Board relevant documentation supporting his achievement of the specific Performance Goals being relied upon for that particular year’s Goal Achievement Pay.

4. **Benefits.** The Administrator shall be entitled to receive the same employee benefits, commensurate with his past service considering his original hire date, as other employees of the Hospital District (the “Common Benefits”). In addition to the Common Benefits, the Administrator shall be entitled to the following supplemental benefits during the Term (the “Supplemental Benefits”):

(a) **Automobile Allowance.** To facilitate performance of Administrator’s duties and achievement of his Performance Goals under this Agreement, the Hospital District agrees to pay the Administrator an allowance of two hundred sixty-five dollars (\$265.00) each biweekly pay period during the Term for his use of his personal automobile. (the “Automobile Allowance”). The Automobile Allowance shall be prorated for any partial employment period.

(b) **Telephone Allowance.** To facilitate performance of Administrator’s duties and achievement of his Performance Goals under this Agreement, the Hospital District agrees to pay the Administrator an allowance of sixty-five dollars (\$65.00) each biweekly pay period during the Term for use of his personal communications device(s) (the “Telephone Allowance”). The Telephone Allowance shall be prorated for any partial employment period.

(c) **Deferred Compensation Plan Contribution.** The Hospital District agrees to deposit into the District’s Internal Revenue Code (“IRC”), Section 457(b) Deferred Compensation Plan (the “Deferred Compensation Plan”) each calendar year for benefit of Administrator, an amount equal to the then current calendar year’s annual IRC Section 457(b) contribution limit (the “Retirement Contribution”). The Retirement Contribution shall be prorated based on twenty-six (26) biweekly pay periods per calendar year and shall be further prorated for any partial employment period. All Retirement Contribution deposits shall be fully and immediately vested in the Administrator and are freely transferrable by the Administrator in the event the Administrator is no longer employed by the Hospital District, subject to the requirements of IRC Section 457(b). The Administrator shall not be restricted from depositing additional personal contributions into the Deferred Compensation Plan. In consideration of this Retirement Contribution provided by the District, the Administrator agrees he will not participate in the District’s IRC, Section 403(b) Tax-Sheltered Annuity Plan.

(d) **Individual Retirement Account Contribution.** The Hospital District agrees to annually deposit into an Individual Retirement Account (“IRA”) designated by the Administrator an amount equal to the then IRC current calendar year’s annual contribution limit for IRAs for persons older than age 50 (the “IRA Contribution”). The IRA Contribution shall be made as a lump sum payment and deposited during the first week of December.

(e) **Employee Insurance Premiums.** The Hospital District agrees to pay up to one hundred twenty-five dollars (\$125.00) each biweekly pay period during the Term toward the employee’s portion of the Hospital District’s health, dental, and vision insurance premiums for the Administrator and his children or family, as he shall determine for each insurance type, and the Administrator is responsible for payment of any amounts in excess of that amount.

(f) **Expense Reimbursement.** The Hospital District shall reimburse the Administrator for reasonable expenses incurred by him in the performance of his duties and achievement of his Performance Goals under this Agreement and his professional development, statutorily required training, and related activities upon written approval of the required number of Board Authorities as described below. Such expenses shall be categorized as those: (i) incurred while within Nueces County; (ii) incurred while outside of Nueces County; (iii) related to Administrator's professional development, statutorily required training, and related activities; and (iv) not covered by or in addition to categories (i)-(iii) herein.

(i) Reasonable reimbursable expenses incurred while within Nueces County shall include business meals, telephone calls, parking, dues for professional organizations, and any other reasonably incurred business-related expenses. The aggregate amount of the Administrator's professional organizations-related dues expenses shall not exceed four hundred fifty dollars (\$450.00) per Hospital District fiscal year and the Administrator is responsible for payment of any dues in excess of that amount;

(ii) Reasonable reimbursable expenses incurred while outside of Nueces County shall include automobile mileage, airfare, toll charges, overnight accommodations, business meals, personal meals, taxicab and shuttle fares, limousine fares, bus fares, train fares, rental car, parking, office supplies, photocopying expense, overnight letters, telephone calls, facsimiles and any other reasonably incurred business-related expenses;

(iii) Reasonable reimbursable expenses for the Administrator's professional development, statutorily required training, and related activities shall include annual dues, registration and course fees, mileage, airfare, toll charges, overnight accommodations, personal meals, taxicab and shuttle fares, limousine fares, bus fares, train fares, rental car, parking and any other reasonably incurred development and training related expenses, including fees, course materials, books, publications, videos, software, and other similar and related materials. The aggregate amount of the Administrator's professional development shall not exceed five thousand dollars (\$5,000.00) per biennium and the Administrator is responsible for payment of any amounts in excess of that limit; and

(iv) Any other additional, reasonable and necessary expenses incurred in the performance of or in support of Administrator's duties and Performance Goals not otherwise identified in Paragraphs 4(e)(i) and (ii) above, or as otherwise approved by the Board Authorities as set forth herein.

For purposes of this Agreement, the term "Board Authorities" shall mean the Board's Chairman, Vice Chairman, Finance Committee Chairman, and Planning Committee Chairman. Prior to reimbursement of any of the Administrator's expenses incurred under Paragraphs 4(e)(i)-(iv) above, said expenses (including appropriate detailed receipts) shall be submitted for review by and written approval of any two (2) of the Board Authorities within fifteen (15) days of incurrence. The Board Authorities shall consider reasonableness and practicality when reviewing Administrator's expenses and approve or disapprove his submissions within five (5) working days.

Following approval by the Board Authorities above, the Hospital District shall reimburse Administrator within five (5) working days.

Reimbursement of Administrator's expenses under Paragraphs 4(e)(ii) and (iii) above shall be limited as follows. The aggregate amount of the Administrator's personal meal expenses shall not exceed seventy-five dollars (\$75.00) per day (excluding tips, which should not exceed fifteen percent [15%] of the bill) and the Administrator is responsible for payment of any personal meal expenses in excess of that limit. To the extent possible, Administrator's airfare expenses should not exceed Coach fare. Administrator's automobile mileage reimbursement shall be based on actual mileage incurred and paid at the Internal Revenue Service standard mileage rate for business miles in effect at the time the mileage was incurred. The Hospital District shall not reimburse the Administrator for any expenses not specifically described and permitted above, including alcoholic beverages and entertainment.

(g) **Provision of Indemnification and Cost of Defense.** To the extent allowed by law, and if the Administrator was acting within the course and scope of his employment with the Hospital District, excluding any criminal acts, the District agrees to hold harmless and indemnify Administrator from any and all demands, claims, suits, actions, legal proceedings, and defense arising from the performance of his duties, both past and present, which are or expected to be brought against him, either in his individual capacity, or in his official capacity as agent and employee of the Board and/or Hospital District. However, in no case will any individual Board member or members be considered personally liable for indemnifying Administrator against such demands, claims, suits, actions, legal proceedings, and defense. This provision shall survive termination of this Agreement.

(h) **Payment of Performance Bond.** To assure compliance with the performance bond requirement of Texas Health and Safety Code, §281.026(d), the Hospital District agrees to arrange for and pay the cost of such bond.

5. **Term and Termination.** The Administrator's term of employment shall be for four (4) years beginning October 1, 2024 and ending September 30, 2028 (the "Term"). Except for good cause, or for other than good cause as described below, a majority vote of the entire Board may terminate this Agreement not more than ninety (90) days and not less than sixty (60) days prior to the end of the Term upon written notice of such to the Administrator.

For good cause, or for other than good cause, the Board may terminate this Agreement upon sixty (60) days written notice of such to the Administrator. For purposes of this Agreement, the phrase "for good cause" shall mean: (i) the Administrator willfully breaches or habitually neglects the duties he is required to perform under terms of this Agreement; (ii) the Administrator refuses to obey reasonable Board directives; (iii) the Administrator commits clearly dishonest acts toward the Hospital District; and (iv) the Administrator is formally charged for any crime involving moral turpitude. The phrase "for other than good cause" shall mean: (i) occurrence of circumstances that make it impossible or impracticable for the business of the District to be continued; (ii) the death of the Administrator; (iii) the loss by Administrator of his legal capacity;

(iv) the continued incapacity on the part of the Administrator to perform his duties for a continuous period of ninety (90) days, unless waived by the Board; and (v) the Administrator becomes permanently disabled because of sickness, physical or mental disability, or any other reason, such that it reasonably appears that he will be unable to perform his duties under this Agreement.

The Administrator may terminate this Agreement for any reason upon sixty (60) days written notice of such to the Board's Chairman.

Upon termination of this Agreement by either the Board or the Administrator as described in this Paragraph 5, the Administrator shall be entitled to the Compensation, Goal Achievement Pay, Common Benefits, and Supplemental Benefits, as provided for in this Agreement, that were earned prior to the effective date of the termination, computed pro rata up to and including the effective date of termination.

6. **Subsequent Employment.** The Administrator's subsequent employment shall be governed as follows:

(a) **Consultant for Hospital District.** In the event this Agreement shall expire at the end of the Term or be terminated by the Administrator or the Board at any other time, the Administrator may be called upon from time to time as a consultant by the Board for a period of one hundred eighty (180) days from the date of expiration or termination of the Agreement.

(b) **Indigent Health Care Providers.** During the one hundred eighty (180)-day period following the expiration or termination of this Agreement, the Administrator shall not consult to or be employed by any entities located in Nueces County, Texas then under contract to the Hospital District to provide indigent health care. In the event the Board terminates this Agreement, or in the event any action is taken by the Board or any other body or entity to abolish, dissolve, or materially diminish the powers or duties of the Hospital District and the Administrator terminates this Agreement, there shall not be any form of subsequent employment constraint enforceable on the Administrator at any time.

(c) **Payment.** In consideration of the Hospital District's requirements in Paragraphs 6(a) and (b) above, the Board agrees that the Administrator shall be paid for being a consultant to the Hospital District and his agreement not to consult to or be employed by any entities located in Nueces County, Texas then under contract to the Hospital District to provide indigent health care. As payment, the Board agrees the Administrator shall be paid at the end of the one hundred eighty (180)-day period a lump sum amount equal to the amount(s) associated with the Administrator's reasonable achievement of any previously unclaimed or unpaid Performance Goal(s) described in Paragraph 3(b) and set forth in Attachment "A," including any Performance Goal(s) achieved and documented following the expiration or termination of this Agreement. Such payment shall be made whether or not the Administrator is requested to consult with the Hospital District as described in Paragraph 6(a) above. Prior to disbursement of the payment, the Administrator shall present to the Board relevant documentation supporting his achievement of the specific Performance Goal(s) being relied upon for the payment and the Board

agrees the District will provide the Administrator such documentation if needed.

7. **Severability.** If any provision contained in this Agreement is determined by a court of competent jurisdiction to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision which was determined to be void, illegal, or unenforceable had not been contained herein.

8. **Amendment, Modification, and Waiver.** This Agreement may not be changed orally but only by written agreement signed by both parties. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party. This instrument contains the entire agreement of the Parties concerning employment and supersedes all prior and contemporaneous representations, understandings, and agreements, either oral or in writing between the parties hereto with respect to the employment of the Administrator by the Board and all such prior or contemporaneous representations, understandings and arrangements, both oral and in written, are hereby terminated upon the beginning date of this Agreement.

9. **Ratification.** Upon execution of this Agreement by both parties, the Administrator's compensation for any services provided to the Hospital District prior to execution of this Agreement shall be calculated pursuant to the terms of this Agreement and are herein ratified. All terms and conditions as set out in this Agreement shall apply to such ratified compensation and services.

10. **Governing Law and Venue.** Unless specifically provided otherwise, the parties intend that the laws of the State of Texas should govern the validity of the Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto. Venue for all matters arising from this Agreement or other related matters subject to the provisions herein relating to binding arbitration shall be in Nueces County, Texas.


11. **Attachments, Schedules, and Exhibits.** Attachments, schedules, and exhibits mean the attached documents setting out certain particulars of this Agreement and any replacement documents thereof. All attachments, schedules, and exhibits referred to in this Agreement are incorporated herein by reference and are hereby made part of this Agreement.

12. **Mediation.** In the event of a dispute or disagreement regarding the performance of duties or obligations as set forth in this Agreement, the parties agree that they will participate in mediation, for the purpose of resolving any such disputes or disagreements. Each party shall pay its own legal and other costs relating to the mediation regardless of the outcome of the mediation.

Attachment “A”

PERFORMANCE GOALS		
Goal	Description	Pay as Percent of Salary
Fiscal Year 2024 (10/01/2023 – 09/30/2024) - Additional Goal		
1	Resolve dispute relating to CHRISTUS Spohn’s Emergency Medicine Residency Program and secure commitment to continue the Program for an additional six years through the 2029-2030 Academic Year.	10%
Fiscal Year 2025 (10/01/2024 – 09/30/2025)		
2	Resolve Escrow payment dispute relating to achievement of final milestone.	7%
3	Initiate marketing campaign promoting the Nueces Aid Program.	5%
4	Pursue 89 th Legislative Session objectives.	3%
5	Conduct Nueces County Medical Needs Assessment.	2%
6	Assess the benefit of switching from Nueces County-provided employee health insurance to an open-market employee health insurance plan.	1%
7	Successfully upgrade Nueces Aid data processing system.	1%
8	Assist Nueces County with negotiating extension terms of Nueces County Inmate Healthcare Services Agreement with Wexford.	2%
9	Select and implement program(s) from Opioid Abatement Fund Council’s approved programs listing.	1%
10	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2025.	5%
Fiscal Year 2026 (10/01/2025 – 09/30/2026)		
11	Expand marketing campaign promoting the Nueces Aid Program.	3%
12	Assist Nueces County develop RFP for Inmate Health Care Services.	2%
13	Conduct employee wage survey.	3%
14	Assess need for additional mental health infrastructure.	2%
15	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2026.	5%
Fiscal Year 2027 (10/01/2026 – 09/30/2027)		
16	Expand marketing campaign promoting the Nueces Aid Program.	3%
17	Pursue 90 th Legislative Session objectives.	3%
18	Secure space for Administrative Offices; negotiate extension or new lease.	2%
19	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2027.	5%
Fiscal Year 2028 (10/01/2027 – 09/30/2028)		
20	Expand marketing campaign promoting the Nueces Aid Program.	3%
21	Propose Administrator succession plan.	5%
22	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2028.	5%
During Any Fiscal Year		
23	Accomplish sale of Memorial Medical Center property.	10%
24	Accomplish sale of non-Memorial Medical Center property.	5%

APPROVED & ACCEPTED

BY: 
NAME: VISHNU REDDY, M.D.
TITLE: VICE CHAIRPERSON
DATE: 1/14/2024

APPROVED & ACCEPTED

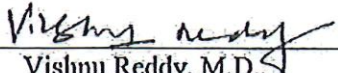
Digitally signed by Jonny F. Hipp
Date: 2025.01.12 22:15:48 -06'00'

Jonny F. Hipp

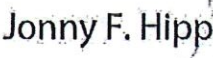
BY: _____
NAME: JONNY F. HIPPI
TITLE: ADMINISTRATOR/CHIEF EXECUTIVE OFFICER
DATE: _____

IN WITNESS WHEREOF, the parties have hereunto undertaken this Agreement and executed it as of the 13th day of January 2025.

**NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS**
("Board" and "Hospital District")

By: 
Vishnu Reddy, M.D.,
Vice Chairman Board of Managers

JONNY F. HIPPI
("Administrator")

By: 
Jonny F. Hipp, ScD, FACHE
Digitally signed by Jonny F. Hipp
Date: 2025.01.12 22:15:04 -06'00'

APPROVED AS TO FORM:



Jenny P. Dorsey
Nueces County Attorney
1/13/2025

Exhibit # 2

NUECES COUNTY HOSPITAL DISTRICT
 ADMINISTRATOR'S EMPLOYMENT AGREEMENT ANALYSIS
 FOR THE FISCAL QUARTERS ENDED 12/31/2025, 03/31/26

Goal	Description	% Salary	Paid 09/05/25	Paid 11/14/25	Currently Due	Unpaid Contract
<u>FY2024</u>						
11	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2024	2.0%	\$5,830.00			
1	Resolve dispute relating to CHRISTUS Spohn's Emergency Medicine Residency Program and secure commitment to continue the Program for an additional six years through the 2029-2030 academic year.	10.0%	\$29,150.00			
<u>FY2025</u>						
2	Resolve Escrow payment dispute relating to achievement of final milestone.	7.0%	\$20,405.00			
3	Initiate marketing campaign promoting the Nueces Aid Program	5.0%				\$14,575.00
4	Pursue 89th Legislative Session objectives	3.0%	\$8,745.00			
5	Conduct Nueces County Medical Needs Assessment	2.0%	\$5,830.00			
6	Assess the benefit of switching from Nueces County-provided employee health insurance to an open-market employee health insurance plan.	1.0%		\$2,915.00		
7	Successfully upgrade Nueces Aid data processing system	1.0%	\$2,915.00			
8	Assist Nueces County with negotiation extension terms of Nueces County Inmate Healthcare Services Agreement with Wexford.	2.0%	\$5,830.00			
9	Select and implement programs(s) from Opioid Abatement Fund Council's approved programs listing.	1.0%			\$2,915.00	
10	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2025.	5.0%			\$14,575.00	
<u>FY2026</u>						
11	Expand marketing campaign promoting the Nueces Aid Program.	3.0%				\$8,745.00
12	Assist Nueces County develop RFP for Inmate Health Care Services	2.0%			\$5,830.00	
13	Conduct employee wage survey.	3.0%				\$8,745.00
14	Assess need for additional mental health infrastructure.	2.0%				\$5,830.00
15	Achieve uneventful financial audit results and no significant management letter-related comments for fiscal year ending September 30, 2026.	5.0%				\$14,575.00
Total			\$78,705.00	\$2,915.00	\$23,320.00	\$52,470.00

Jonny F. Wisp
 Administrator, Jonny Hipp

04/14/2026
 Date

Compiled By:

Donna Littlefield
 Donna Littlefield

04/13/26
 Date

Reviewed by:

Belinda Espinoza
 Belinda Espinoza

4/13/26
 Date

Exhibit # 3

**INTERLOCAL COOPERATION AGREEMENT
BETWEEN NUECES COUNTY HOSPITAL DISTRICT
AND**

NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES

This Interlocal Cooperation Agreement (“Agreement”), effective as of the date of the last signature below, is entered into by and between the **Nueces County Hospital District** (“Hospital District” or “District”), a political subdivision and special district of the State of Texas created pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281, Texas Health and Safety Code and the **Nueces Center for Mental Health and Intellectual Disabilities** (“Mental Health Agency”), a local mental health authority authorized to provide mental health and substance abuse services under the Texas Mental Health Code, Chapter 534, Texas Health and Safety Code. Hospital District and Mental Health Agency shall collectively be referred to as the “Parties” or individually as a “Party”.

This Agreement is executed pursuant to authorities of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to facilitate governmental functions in which the Parties are mutually interested.

WITNESSETH

WHEREAS, the Hospital District approved settlement of its claims against Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica, Inc. in *In Re: Texas Opioid Litigation*, MDL No. 2018-63587 before the 152nd District Court in Harris County (“**Opioid Litigation**”)

WHEREAS, the Parties desire to enter into an agreement to operationalize the Hospital District distributions from the Texas Opioid Abatement Fund Council (the “Council”) by arranging for the Mental Health Agency to provide services of one or more of the eligible opioid abatement strategies or remediation uses within Nueces County; and

WHEREAS, the Hospital District has received opioid settlement funds to be utilized in a manner that shall effectively mitigate the adverse consequences resulting from the actions of the named defendants in the Opioid Litigation (“**Opioid Settlement Funds**”).

WHEREAS, the Mental Health Agency operates programs that assist individuals affected by opioid abuse described in the Scope of Services, attached and incorporated herein as Exhibit “A”;

WHEREAS, the Parties have authority to enter an interlocal contract to facilitate governmental functions, as defined by §791.003 pursuant to Chapter 791 of the Texas Government Code;

WHEREAS, the Hospital District is authorized to use funds made available to the district from sources other than a tax levy to fund health care services pursuant to Texas Health and Safety Code §281.094. The Hospital District has determined that providing funding for Mental Health Agency’s services is an appropriate health care expenditure by the Hospital District for the purpose

of providing prevention, intervention, treatment, evaluation and administrative services to residents of Nueces County affected by opioid abuse;

NOW, THEREFORE, for and in consideration and exchange of mutual covenants and conditions contained herein the Hospital District and the Mental Health Agency agree as follows:

ARTICLE I – PURPOSE

The purpose of this Agreement is to operationalize a distribution of opioid settlement funds in the amount of **\$2,277,014.24** received by the Hospital District from the Council pursuant to Section 403.508(a)(2), Texas Government Code by contracting with the Mental Health Agency to provide services relating to one or more eligible opioid abatement strategies categorized under 34 Texas Administrative Code §16.201(b) each as delineated in “Exhibit E” of the “Texas Term Sheet,” an intrastate agreement between the State of Texas and litigating subdivisions resulting from the Global Opioid Settlement, and administered by the Council (the “Term Sheet Exhibit”). The Term Sheet Exhibit is attached hereto and incorporated by reference.

ARTICLE II – AUTHORITY

This Agreement is entered into under the authority of:

- The Interlocal Cooperation Act, Chapter 791, Texas Government Code, which permits local governments and special districts to contract with each other for the provision of governmental services.
- The Texas Term Sheet of the Global Opioid Settlement, which provides funding and guidance for opioid-related abatement strategies and remediation uses.
- The Council’s statutory opioid abatement strategies, which define allowable abatement strategies and remediation uses of opioid settlement distributions.

ARTICLE III – SCOPE OF SERVICES

3.1 Services Provided

The Mental Health Agency shall perform one or more Hospital District-designated opioid-related abatement strategies and remediation uses from the Scope of Work Exhibit “A” attached hereto, including but not limited to:

1. **Medication-Assisted Treatment (MAT)** – Providing evidence-based treatments such as buprenorphine, methadone, and naltrexone to individuals with opioid use disorder.
2. **Behavioral Health and Counseling Services** – Including individual and group therapy, cognitive behavioral therapy (CBT), trauma-informed care, and co-occurring disorder treatment.
3. **Peer Support and Recovery Services** – Offering peer-led recovery coaching, harm reduction strategies, and support groups.
4. **Crisis Intervention and Stabilization** – Providing emergency mental health and substance use disorder crisis services, including detoxification and crisis residential stabilization.

5. **Prevention and Education Programs** – Conducting community outreach, public education, and school-based prevention programs focused on opioid use disorder awareness and prevention.
6. **Overdose Prevention and Harm Reduction** – Distributing naloxone (Narcan) and providing training on overdose response and harm reduction strategies.
7. **Coordinated Care and Case Management** – Connecting individuals to housing, employment, and other supportive services to address social determinants of health.
8. **Reentry and Justice-Involved Services** – Providing mental health and substance use services for individuals transitioning from incarceration.
9. **Other Approved Programs** – Any additional services mutually agreed upon by the Parties and consistent with the Texas Opioid Abatement Fund guidelines and as maybe described in Scop of Services/Scope of Work Exhibit “A” attached hereto.”.

3.2 Service Locations

The Mental Health Agency shall provide services at locations within Nueces County, Texas, unless specified otherwise in the Term Sheet Exhibit. If specified otherwise, the locations shall be as in the Term Sheet Exhibit.

3.3 Eligibility for Services

Services under this Agreement shall be provided to persons and entities according to the Term Sheet Exhibit.

ARTICLE IV – TERM AND TERMINATION

4.1 Term and Renewal

The initial term of this Agreement shall be for a period of one (1) year, effective as of October 01, 2025, and shall terminate at the close of business on September 30, 2026. Thereafter, the term of the Agreement shall run each fiscal year (i.e., from October 01 of the then current year to September 30 of the following year) and shall automatically renew for additional one-year terms unless either party terminates the Agreement as provided in Section 4.2.

4.2 Termination

- Either Party may terminate this Agreement with or without cause by providing 90 days’ written notice to the other Party.
- Immediate termination may occur if either Party materially breaches the Agreement or if distributions for the services provided hereunder are discontinued. The non-breaching Party shall provide breaching Party with 30 day prior written notice of termination.

If at any time during the term of this Agreement, Hospital District in its sole discretion, determines that the welfare or safety of a participant in Mental Health Agency’s program

may be in jeopardy, Hospital District may immediately suspend this Agreement, including but not limited to the obligation to pay, upon giving notice to Mental Health Agency.

Violation of the contract terms or breach of this Agreement by Mental Health Agency or Hospital District shall be grounds for termination. This agreement shall not be considered as specifying the exclusive remedy for any default, but all remedies existing at law and in equity may be availed of by either party and shall be cumulative.

- If the Agreement is terminated, the Parties agree to coordinate and cooperate in transference of the services to a party designated by the Hospital District.

Hospital District shall pay Mental Health Agency for work completed up to the termination date of this Agreement.

- 4.3 Notwithstanding any provisions contained in this Agreement, the obligations of the Hospital District under this Agreement are expressly contingent upon the availability of funding for each item and obligation for the Term of the Agreement. Mental Health Agency shall have no right of action against Hospital District in the event Hospital District is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future fiscal years. In the event that Hospital District is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding or if funds become unavailable, Hospital District at its sole discretion, may terminate this Agreement by written notice to Mental Health Agency.

ARTICLE V – COMPENSATION (FUNDING AND PAYMENT)

5.1 Funding Sources

The Hospital District funding for services provided under this Agreement may be derived from:

- Council distributions to the Hospital District.
- Other local, state, or federal funding sources as available.

5.2 Payment Terms

- The Hospital District agrees to compensate the Mental Health Agency for services rendered during the period of this agreement and as set forth in Exhibit A (Payment Schedule), attached hereto and incorporated by reference.
- The Mental Health Agency shall submit descriptive invoices monthly to the Hospital District's Administrator/Chief Executive Officer. Invoices must include/be accompanied by information deemed by the Hospital District to be necessary for adequate fiscal control concerning all Services rendered by Mental Health Agency under this agreement, including, but not limited to, appropriate performance measures, the dates the Services

were performed, receipts, time sheet (if applicable, which shall include hours worked and the applicable hourly rate)

- Each invoice received for payment from Mental Health Agency, shall be reviewed by the Hospital District to monitor financial compliance by Mental Health Agency under this agreement and for approval by the Hospital District .
- Hospital District’s payment of approved invoices submitted by Mental Health Agency shall be made within 30 days of receipt of said invoice.
- Funds provided by the Hospital District under this agreement shall be expended by Mental Health Agency only for the purposes described in this Agreement. Funds received by Mental Health Agency under this Agreement may not be used for any other purpose including staff bonuses or performance payments, entertainment, gifts or legal expenses.
- Upon written notice by Hospital District to Mental Health Agency, notifying Mental Health Agency of an overpayment by Hospital District, Mental Health Agency shall refund said overpayment to Hospital District within 10 days from their receipt of said notice of overpayment by Hospital District.
- Hospital District may withhold all or part of any payments to Mental Health Agency to offset reimbursement for any overpayments that Mental Health Agency has not refunded to Hospital District. Hospital District may take repayment from funds available under this Agreement in amounts necessary to fulfill Mental Health Agency’s repayment obligations as applicable.

ARTICLE VI – RESPONSIBILITIES OF THE PARTIES

6.1 Responsibilities of Mental Health Agency

The Mental Health Agency shall:

1. Ensure all services comply with federal, state, and local laws, including the Council guidelines.
2. Ensure the services and activities contemplated in this Agreement are performed in a professional manner and in accordance with the terms and conditions of this Agreement, and in a manner consistent with generally accepted business practices.
3. Employ properly licensed and trained professionals to deliver services.
4. Maintain accurate records of service delivery and quarterly submit required reports to the Hospital District. See Performance Measures/Metrics Exhibit “B” attached hereto as a means of measuring, reporting the effectiveness of the services provided for herein.
5. Cooperate in any audits or program evaluations conducted by the Hospital District or regulatory agencies.

6.2 Responsibilities of Hospital District

The Hospital District shall:

1. Administer use of the Council distributions used to fund this Agreement.
2. Provide funding in accordance with Article V of this Agreement.

ARTICLE VII – COMPLIANCE AND RECORDS

7.1 Confidentiality and HIPAA Compliance

Both Parties agree to comply with all applicable confidentiality laws, including:

- The Health Insurance Portability and Accountability Act (HIPAA)
- 42 C.F.R. Part 2 (Confidentiality of Substance Use Disorder Patient Records)
- Texas Health and Safety Code, Chapter 611 (Mental Health Records)
- Texas Health and Safety Code Section 181, et seq ; and **All other laws and regulations that pertain to the privacy of medical records and medical information.**

7.2 Records Retention and Requirements

Mental Health Agency shall comply with all federal, state, and local laws and ordinances applicable to County and to Mental Health Agency for the work or services provided under this Agreement .

Hospital District may conduct at a minimum, two (2) monitoring visits to Mental Health Agency’s facility to determine performance and compliance with the terms of this Agreement.

Mental Health Agency shall maintain, books, records, and other documents relating to the receipt and disbursement of funds under this Agreement . Mental Health Agency must maintain a receipts and disbursements ledger and a general ledger with an income and expense account for each line item. Paid invoices revealing method of payment, date paid and evidence of goods or services received shall be maintained and produced upon request by Hospital District.

Mental Health Agency shall allow any duly authorized representative of County, at all reasonable times, to have access to and the right to inspect, copy, audit, and examine all books, records, and other documents of closeout procedures respecting this Agreement, until final settlement and conclusion of all issues arising out of this activity are completed.

All records related to services under this Agreement shall be maintained by Mental Health Agency for at least seven (7) years following the termination of the parties agreement or as required by law.

As often and in such form as Hospital District may require, Mental Health Agency shall furnish to Hospital District information deemed by Hospital District to be pertinent to matters covered by this Agreement.

ARTICLE VIII – DESIGNATION OF REPRESENTATIVES

- 8.1 Hospital District hereby designates Belinda Espinoza (“**Hospital District’s Designated Representative**”), as its representative under this Agreement. Hospital District’s Designated Representative shall be the primary point of contact for Mental Health Agency unless the Hospital District’s Designated Representative delivers to Mental Health Agency a written notice designating another individual to act as Hospital District’s Designated Representative.
- 8.2 Mental Health Agency hereby designates Mark Hendrix (“**Mental Health Agency’s Designated Representative**”) as its designated representative under this Agreement and the primary point of contact for Hospital District unless the Mental Health Agency’s Designated Representative delivers to Hospital District a written notice designating another individual to act as Mental Health Agency’s Designated Representative.

ARTICLE IX– DISPUTE RESOLUTION

In the event of a dispute, the Parties shall first attempt resolution through informal discussions. If unresolved, the matter may be submitted to mediation before judicial intervention.

ARTICLE X RELATIONSHIP OF PARTIES

- 10.1 The Hospital District shall not be liable for any expense of Mental Health Agency, and in no event shall employees of Mental Health Agency ever be deemed to be employees of Hospital District. Mental Health Agency and Hospital District shall have and retain the exclusive right of control over its employees and contractors assigned to perform services under this Agreement in accordance with the applicable laws of the State of Texas. It is understood and agreed among the parties that Mental Health Agency and the Hospital District, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibilities or liabilities to third parties in connection with these actions.
- 10.2 Nothing contained herein shall be deemed or construed by the Parties hereto, or by any third party as creating the relationship of principal and agent, partners, joint venturers or any similar relationship between the Parties hereto. Mental Health Agency and Hospital District agree that Mental Health Agency is an independent entity, that Mental Health Agency shall be responsible to all Parties for its respective acts and omissions, and that Hospital District

shall in no way be responsible therefore, and that neither has authority to bind the other, or hold out to third Parties that it has the authority to bind the other.

ARTICLE XI NOTICES

11.1 All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand or sent by certified mail or registered mail, return receipt requested, postage prepaid addressed to the proper party at the following address or to any such other address as the Parties hereto may hereafter designate in writing in advance by the parties in accordance herewith or five (5) days after being deposited in the United States Postal Service:

For the Hospital District:

Nueces County Hospital District
Attn: Administrator/Chief Executive Officer
555 N. Carancahua, Suite 950
Corpus Christi, Texas 78401-0835

For the Mental Health Agency:

Nueces Center for Mental Health and Intellectual Disabilities
Attn: Chief Executive Officer
1630 S. Brownlee Blvd.
Corpus Christi, Texas 78404-3134

Notice of changes of address by either Party must be made in writing and delivered (or mailed, registered or certified mail, postage prepaid) to the other Party's address contained in this Article within five (5) business days of such change.

ARTICLE XII – MISCELLANEOUS PROVISIONS

12.1 Amendments

This Agreement may be amended by mutual consent of both parties. In order to be effective, any amendment to the Agreement must be in writing, dated subsequent to the date of the Agreement and signed by both parties after approval by the respective governing bodies at a publicly noticed meeting.

12.2 Assignment:

A Party may not transfer, pledge or otherwise assign this Agreement, any interest in and to it, or any claim arising under it, without the prior written consent of the applicable non-

assigning Party and any purported assignment without such consent shall be void and unenforceable.

12.3 Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and venue shall be in Nueces County, Texas.

12.4 Changes in The Law

Changes in applicable local, state and federal rules, regulations or laws occurring during the term of this Agreement shall be automatically incorporated into this Agreement without written amendment, as of the effective date of the rule, regulation or law.

12.5 Use of Current Revenues

Each party hereto paying for the performance of governmental functions or services hereunder must make those payments from current revenues available to the paying party.

12.6 Waiver of Performance.

a. No waiver by Hospital District of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of Hospital District to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement or to exercise any option herein contained, shall not be construed as a waiver of relinquishment for the future of that covenant or option. In fact, no waiver, change, modification or discharge by either party of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the Party to be charged.

b. No act or omission of Hospital District shall in any manner impair or prejudice any right, power, privilege, or remedy available to Hospital District under this Agreement, by law or in equity.

c. No representative or agent of Hospital District may waive the effect of the provisions of this section.

12.7 Severability

In the event that any provision of this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, then that invalidity, illegality or unenforceability of the Agreement shall be deemed stricken and deleted and construed as if such invalid, illegal or unenforceable provision had never been contained herein, but shall not affect the remaining provisions of this Agreement which shall remain in full force and effect.

12.8 Waiver of Defenses

Neither the Hospital District nor the Mental Health Agency waives any defenses assertible by either party including governmental immunity, or immunity from liability, or defense afforded under law of any of the Parties or their officers, employees, representatives, and agents as a result of the execution of this Agreement and the performance of the covenants contained herein.

12.9 Captions

The Captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

12.10 Governing Body Approval

This Contract must be approved by the governing bodies of both parties in accordance with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

12.11 Parties Bound

This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal representatives, successors and assigns, except as otherwise expressly provided for in this Agreement. Representatives of each of the Parties represent that the execution and performance of this Agreement has been duly authorized by its governing authority and does not require the consent or approval of any other person which has not been obtained. Additionally, the individual executing this Agreement on behalf of each of the Parties represents, warrants, assures, and guarantees that the individual has full legal authority to execute this Agreement on behalf of the Party and to bind said Party to all terms, performances and provisions herein contained.

12.12 Notifications

The Hospital District shall promptly notify the Mental Health Agency if the Council amends its list of eligible strategies, the categorization of strategies, or the ranking of strategies within each category that affect the services provided by the Agency during the term this Agreement.

12.13 Entire Agreement

This Contract including all Exhibits and any attachments constitutes the entire agreement between the Parties relating to such matter and supersedes all other negotiations and agreements, whether written or oral. No prior agreement or understanding between the parties pertaining to any such matter contained herein shall be effective.

t

IN WITNESS WHEREOF, the Parties have executed this Agreement and effective as of the date of the last signature.

NUECES COUNTY HOSPITAL DISTRICT

By: Jonny F. Hipp
Jonny F. Hipp
Administrator/Chief Executive Officer

Date: 11/18/25

NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES

By: Mike Davis
Mike Davis
Chief Executive Officer

Date: 11/17/2025

Exhibit # 4

NUECES COUNTY HOSPITAL DISTRICT

AUDITED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

NUECES COUNTY HOSPITAL DISTRICT
AUDITED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025

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Craig A. Adamson, CPA CFF-Partner
Austin Adamson, CPA MAcc-Partner
Jennifer M. Perales, CPA MBA-Partner
Trevor R. Prewett, MAcc-Partner

Caitlin J. Chupe, CPA MAcc-Partner
Adam R. Miller, CPA MBA-Partner
Jeremy C. Moore, CPA MAcc-Partner
Priyanka B. Desai, CPA MAcc-Partner

INDEPENDENT AUDITOR'S REPORT

February 24, 2026

The Board of Managers of the
Nueces County Hospital District
Corpus Christi, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Nueces County Hospital District (the "District"), a component unit of Nueces County, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Nueces County Hospital District as of September 30, 2025, and the respective changes in financial position and budgetary comparisons for the general fund, indigent care fund, tobacco settlement fund and opioid settlement fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Nueces County Hospital District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nueces County Hospital District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Nueces County Hospital District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nueces County Hospital District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated February 24, 2026 on our consideration of the Nueces County Hospital District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nueces County Hospital District's internal control over financial reporting and compliance.

Adamson & Company, LLC

**Nueces County Hospital District
Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2025**

This Management's Discussion and Analysis ("MD&A") of the Nueces County Hospital District ("District"), a political subdivision of the State of Texas and component unit of Nueces County, Texas ("County"), is intended to provide an overview of the District's financial position and results of operation for fiscal year ended September 30, 2025 ("Fiscal Year 2025"). Since the focus of the MD&A is on the above fiscal period's operations, activities, and currently known facts, it should be read in conjunction with the District's related financial statements and accompanying notes to best understand the District's financial position.

The MD&A is one of the elements of the reporting model required by the Government Accounting Standards Board ("GASB"). As part of the MD&A, presentation of certain comparative fiscal information between the current year and the prior year is required to assist in financial analysis.

Financial Highlights

The District's net position increased by \$13.7 million, or 9%, compared to the prior year. As of September 30, 2025 and 2024, the District's net position totaled \$165.0 million and \$151.3 million, respectively. Cash and cash equivalents, restricted cash, and investments totaled \$198.0 million at September 30, 2025 and \$165.1 million at September 30, 2024, representing 96.3% and 95.6% of total assets, respectively.

During Fiscal Year 2025, the District's General Fund balance increased by \$10.0 million, or 12.2%, compared to the prior year. At fiscal year-end September 30, 2025, the General Fund balance was \$91.9 million, compared to \$81.8 million in 2024.

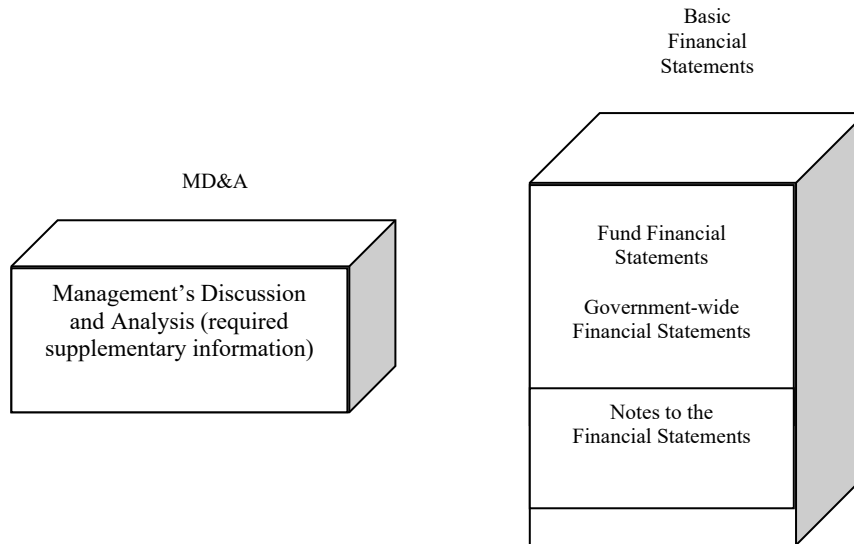
Total revenues for Fiscal Year 2025 increased by \$20.4 million, or 11.5%, over the prior year, with non-tax sources accounting for 78.8% of total revenues. Total expenses increased by \$38.8 million, or 26.7%, compared to the prior year.

In Fiscal Year 2025, the District continued to make discretionary intergovernmental transfers supporting Medicaid-related supplemental and directed payment programs sponsored by the State of Texas through the Texas Health and Human Services Commission ("Medicaid Payment Programs"). These transfers enabled local and regional healthcare providers that deliver indigent healthcare consistent with the District's mission to access additional Medicaid funding. The District also continued to utilize its authority to operate a Local Provider Participation Fund Program ("LPPF") to sustain these Medicaid Payment Programs.

During Fiscal Year 2025, the District's Board of Managers committed \$34.3 million of fiscal year-end General Fund balance cash to fund Medicaid Payment Program-related intergovernmental transfers anticipated to be requested by the State in the subsequent fiscal year. Refer to Note 12 regarding intergovernmental transfers and Note 13 regarding committed fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic is provided to facilitate the reader's understanding of the format of the Basic Financial Statements and their individual components:



The District's Annual Financial Report consists of the MD&A, the basic financial statements and accompanying notes, with the primary focus being on the District as a whole. As a special purpose entity with only one governmental program, GASB allows the District to combine its government-wide and fund financial statements and that is done so here. The Statement of Net Position and the Statement of Activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status. The fund financial statements report the District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the fund financial statements focus on major funds that, for the District, include the General Fund and the Indigent Care Fund, rather than fund types. The Fiduciary Fund statements provide financial information for those activities in which the District acts solely as the trustee or agent for the benefit of others. The accompanying notes provide essential information that is not disclosed on the face of the financial statements. Consequently, the notes form an integral part of the District's basic financial statements.

The District has two kinds of funds:

- 1.) **Government Funds** - The accounting for most of the District's services is included in the governmental funds. The General Fund and Special Revenue Fund are governmental funds that use the modified accrual accounting method which focuses on how cash and other financial assets that can readily be converted to cash and the balance at year-end that are available for future spending. Furthermore, under this basis of accounting, changes in net spendable assets are normally recognized only to the extent that they are expected to have a near-term impact, while inflows are recognized only if they are available to liquidate liabilities of the current period. Similarly, future outflows are typically recognized only if they represent a depletion of current financial resources.
- 2.) **Fiduciary Funds** - These funds are used to report activity and other resources held purely in a custodial capacity. The resources accounted for in these funds are excludable from the government-wide financial statements or columns because these funds are not available to finance the District's operations. Consequently, the District is responsible for ensuring that these resources are used only for their intended purpose. The District has an irrevocable trust originally used for self-insured health claims of the then employees of the District's former hospital, Memorial Medical Center. The fund may be used to subsidize the District's current employees with their health insurance premiums and other Board-approved allowable Trust benefits.

Notes to the Financial Statements

The notes provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

GOVERNMENT WIDE-FINANCIAL ANALYSIS

Statement of Net Position (Government-Wide)

The District's total Net Position was \$165 million and \$151.3 million as of September 30, 2025 and 2024, respectively, an increase of \$13.7 million or 9%. Total assets increased \$33 million or 19.1% compared to September 30, 2024. The District's total liabilities increased \$19.3 million or 90.8% compared to September 30, 2024.

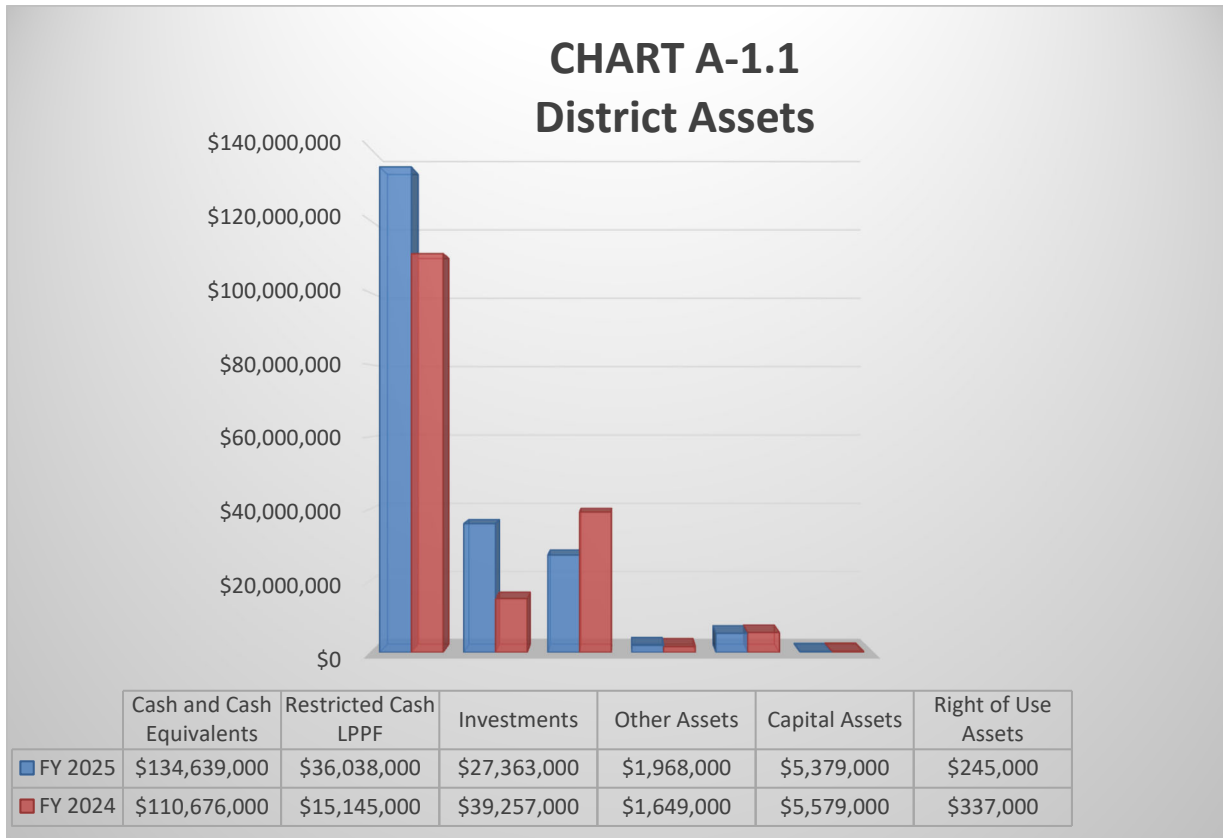
TABLE A-1
Nueces County Hospital District Net Position
September 30, 2025 and 2024
(In Thousands)

Assets:	2025	2024	2025-2024 Variance
Cash and Cash Equivalents	\$ 134,639	\$ 110,676	\$ 23,963
Cash Restricted for Local Provider Participation Fund	36,038	15,145	20,893
Investments	27,363	39,257	(11,894)
Other Assets	1,968	1,649	319
Capital Assets (Net of Accumulated Depreciation)	5,379	5,579	(200)
Right of Use Assets	245	337	(92)
Total Assets	<u>205,632</u>	<u>172,643</u>	<u>32,989</u>
Liabilities:			
Accounts Payable	3,924	5,384	(1,460)
Lease Payable	94	85	9
Accrued Payroll and Related Liabilities	368	382	(14)
Long-Term Liabilities:			
Accrued Paid Time Off	45	40	5
Lease Payable	179	273	(94)
Due to Local Provider Participation Fund	36,038	15,145	20,893
Total Liabilities	<u>40,648</u>	<u>21,309</u>	<u>19,339</u>
Net Position:			
Net Investment in Capital Assets	5,379	5,580	(201)
Unrestricted	159,605	145,754	13,851
Total Net Position	<u>\$ 164,984</u>	<u>\$ 151,334</u>	<u>\$ 13,650</u>

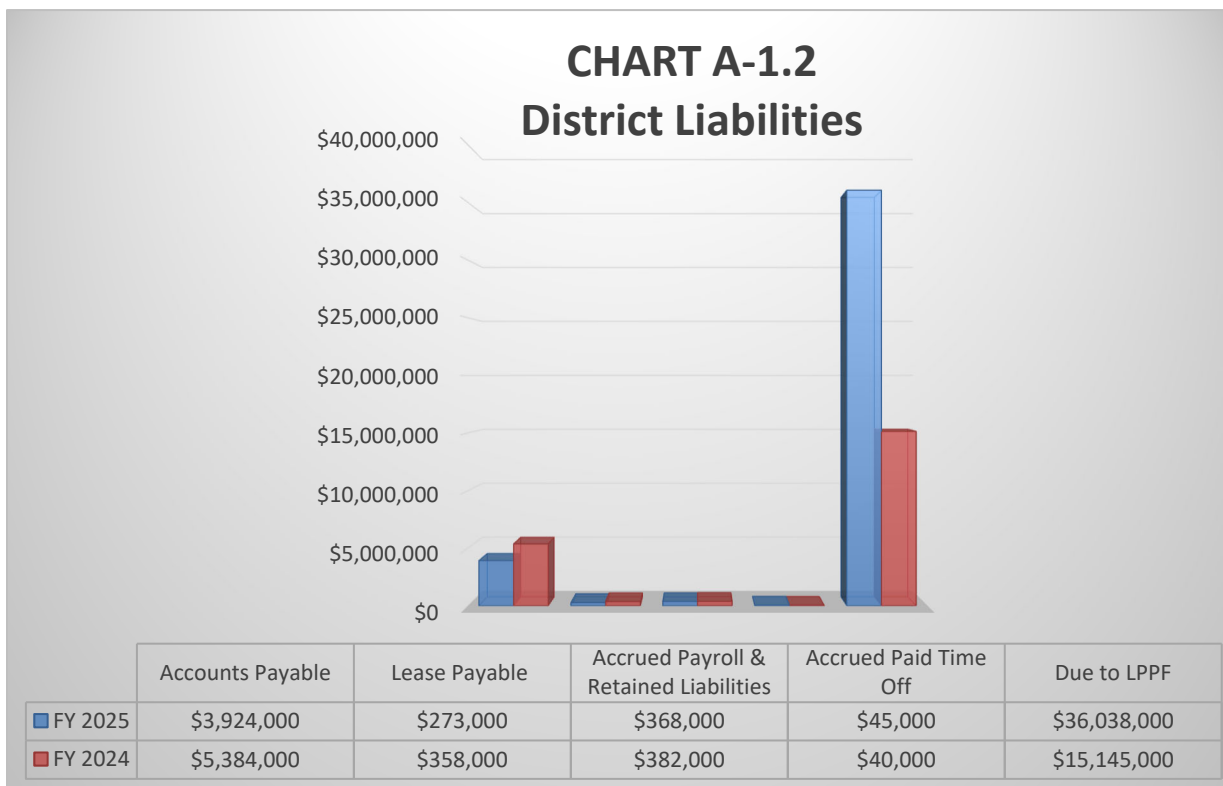
Financial Analysis

In Fiscal Year 2025, cash and cash equivalents and investments combined increased \$33 million compared to the prior year mostly due to higher Spohn corporate membership revenue, as well as an increase in LPPF funds. The LPPF cash is statutorily restricted to funding the Medicaid Payment Programs. Other Assets increased \$319 thousand or 19.3% primarily from an increase in property taxes receivable. The \$292 thousand or 4.9% decrease in Capital Assets (Net of Accumulated Depreciation) mainly relates to depreciation expense. Accounts Payable and Related Liabilities increased \$19.3 million or 90.8% mainly due to offsetting the LPPF cash and annual fluctuations in payments of accrued liabilities.

Please refer to Table A-1 above for details of Chart A-1.1 below relating to the District's Assets.



Please refer to Table A-1 above for details of Chart A-1.2 below relating to the District's Liabilities.

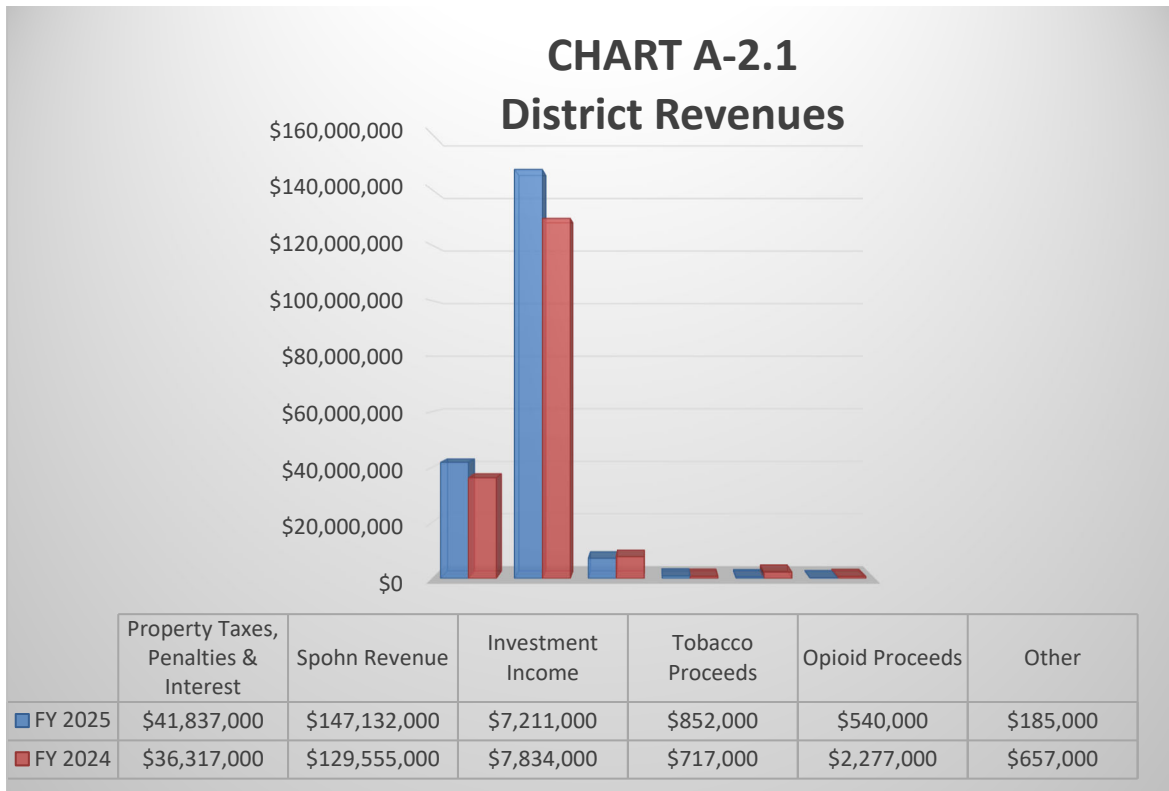


Statement of Activities (Government-Wide)

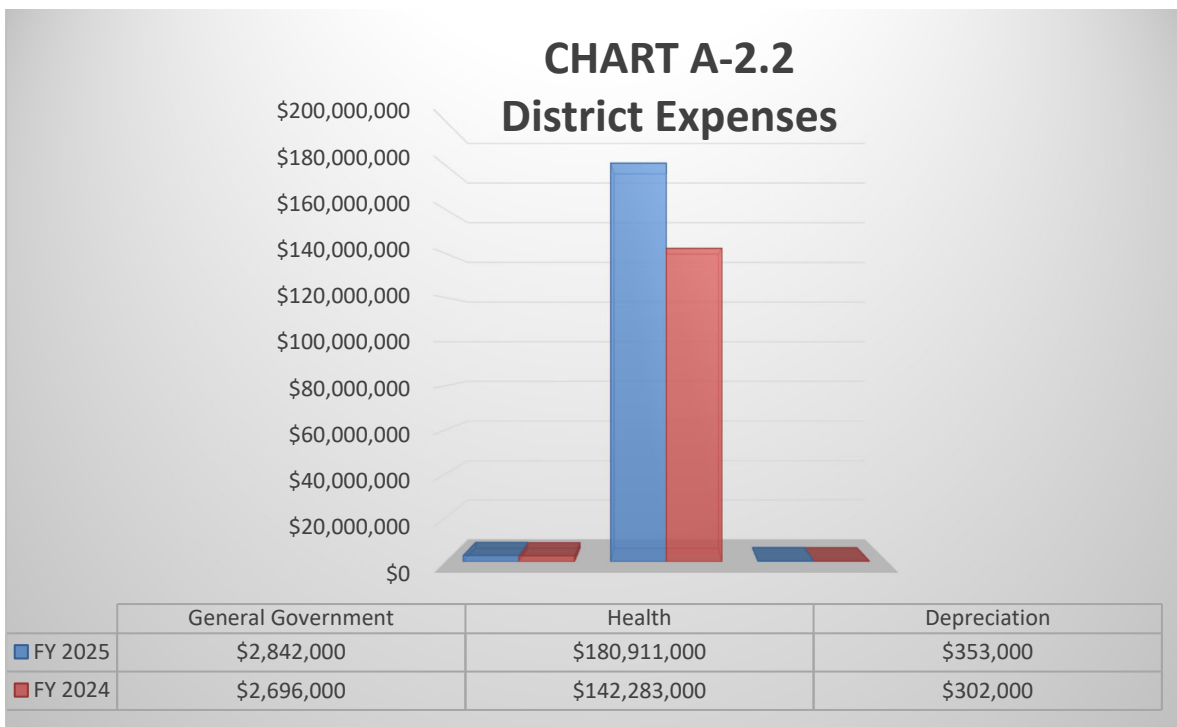
TABLE A-2
Changes in Nueces County Hospital District Net Position
September 30, 2025 and 2024
(In Thousands)

	<u>2025</u>	<u>2024</u>	<u>2025-2024</u> <u>Variance</u>
Revenues			
Property Taxes and Penalties and Interest	\$ 41,837	\$ 36,317	\$ 5,520
Spohn Corporate Membership Revenue	147,132	129,555	17,577
Investment Gain (Loss)	7,211	7,834	(623)
Tobacco Proceeds	852	717	135
Opioid Proceeds	540	2,277	(1,737)
Other	185	657	(472)
Total Revenues	<u>197,757</u>	<u>177,357</u>	<u>20,400</u>
Expenses:			
General Government	2,842	2,696	146
Health	180,911	142,283	38,628
Depreciation	353	302	51
Total Expenses	<u>184,106</u>	<u>145,281</u>	<u>38,825</u>
Net Change in Net Position	13,650	32,076	(18,425)
Net Position, Beginning of Year	<u>151,334</u>	<u>119,258</u>	<u>32,076</u>
NET POSITION, END OF YEAR	<u>\$ 164,984</u>	<u>\$ 151,334</u>	<u>\$ 13,651</u>

Please refer to Table A-2 above for details of Chart A-2.1 below relating to the District’s Revenues.



Please refer to Table A-2 above for details of Chart A-2.2 below relating to the District’s Expenses.



FINANCIAL ANALYSIS

Revenues

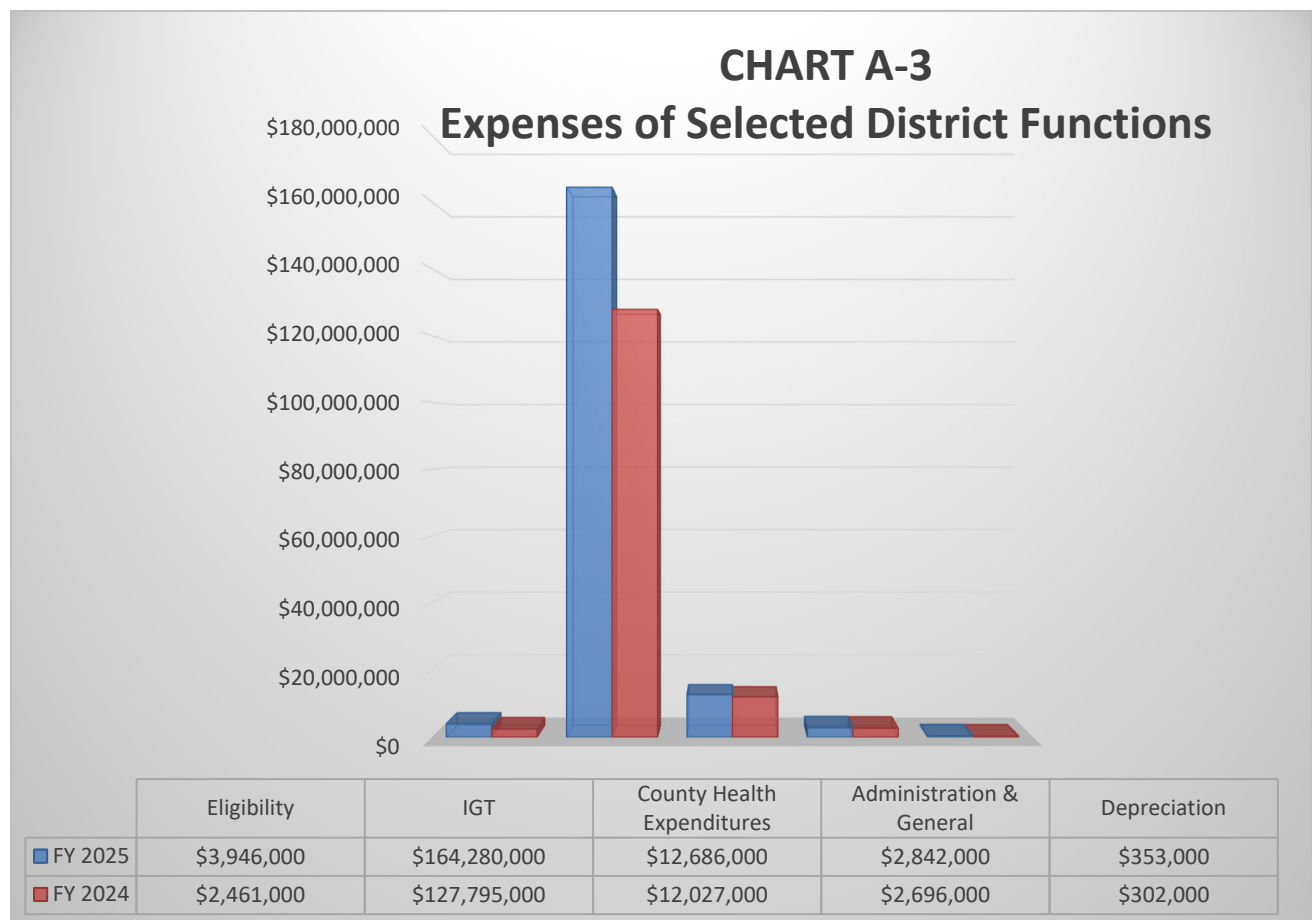
In Fiscal Year 2025, the District’s total revenues increased \$20.4 million or 11.5% compared to the prior year. There were five principal sources of revenue for the District during the fiscal year. The initial and primary source is from the Membership Agreement with Spohn which accounted for \$147.1 million and 74.4% of total revenue. This revenue increased \$17.6 million, or 13.6%, and resulted from an increased net patient revenue sharing allocation percentage utilized during the fiscal year. See Note 3 for an outline of the Membership Agreement. The second source is from ad valorem taxes levied on property owners based on assessed valuations. These tax revenues amounted to \$41.8 million representing an increase of \$5.5 million or 15.2% and accounted for 21.2% of total revenues compared to 20.5% in the prior year. The District’s tax rate during Fiscal Year 2025 increased to \$0.08924 per \$100 valuation, which was the new-revenue tax rate. Property valuations decreased by \$804.7 million or 1.7%. The antepenultimate source is investment income which amounted to \$7.2 million representing a decrease of \$623 thousand or 8% mainly due to decreasing interest rates. The penultimate source is an annual Tobacco Settlement distribution of \$852 thousand from settlement of the State’s past tobacco litigation which increased by \$135 thousand or 18.8% from prior year. The last source is \$540 thousand from settlement proceeds from the State of Texas’ opioid litigation. Additionally, revenue proceeds of \$185 thousand decreased \$472 thousand from prior year or 71.9%. These funds largely include a reimbursement from a federal agency for COVID-19 epidemic-related expenditures and the receipt of an annual administrative fee from the LPPF.

TABLE A-3
Net Cost of Selected District Functions
September 30, 2025 and 2024
(In Thousands)

	<u>2025</u>	<u>2024</u>	<u>2025-2024</u> <u>Variance</u>
Eligibility	\$ 3,946	\$ 2,461	\$ 1,485
Intergovernmental Transfers (IGT)	164,280	127,795	36,485
County Healthcare Expenditures	12,686	12,027	659
Administration and General	2,842	2,696	146
Depreciation	353	302	51
TOTAL	<u>\$ 184,107</u>	<u>\$ 145,281</u>	<u>\$ 38,826</u>

Expenses

The expenses associated with the District’s functions in Fiscal Year 2025 increased \$38.8 million or 26.7% compared to the prior year. The District’s health functions include intergovernmental transfers and county healthcare expenditures. The District’s largest function cost category is discretionary intergovernmental transfers to the State in support of the Medicaid Payment Programs for the benefit of various local and regional health care providers who provide indigent healthcare; these transfers draw down supplemental and directed Medicaid funds for the local and regional providers under the Medicaid Payment Programs. This cost totaled \$164.3 million during the fiscal year and represented 89.2% of all functional expenditures. The second largest function cost is \$12.7 million for county healthcare expenditures which relates to the District’s support of other healthcare services in Nueces County; the District directly or indirectly pays for non-indigent related healthcare costs that were paid by Nueces County in earlier years. These costs include expenses such as emergency medical services, jail healthcare services, reimbursement for the County’s portion of the City/County Public Health District, match and other subsidies for the Nueces Center for Mental Health and Intellectual Disabilities for jail mental health programs, and other miscellaneous costs. The county healthcare expenditures cost increased \$659 thousand or 5.5% in the fiscal year compared to the prior year. County healthcare expenditure costs represented 6.9% of all the District’s net costs in the fiscal year compared to 8.3% in the prior year. The two smallest functions of the District were Administrative and General and Eligibility determination. Collectively, the costs for these functions increased \$1.6 million or 31.6% during the fiscal year compared to the prior year. Major costs in this category were emergency room residency support, legal fees, consulting fees, rents, supplies, purchased services, and salaries and benefits. Administrative and General costs represented 1.5% of all net costs in the fiscal year compared to 1.9% in the prior year. Eligibility determination costs represented 2.1% of all net costs during the fiscal year compared to 1.7% in the prior year. Please refer to Table A-3 for details of Chart A-3 below relating to the District’s net cost of selected functions.



General Fund Budgetary Highlights

Expectations for the District's general fund budget were surpassed during Fiscal Year 2025.

Revenues

Revenues exceeded budget by \$29 million. The greater amount of additional revenue resulted from the Membership Agreement, which surpassed budget by \$24.2 million. That amount is due to the method of determining the Membership Agreement's revenue sharing allocation percentage between the District and Spohn when the year's budget was developed. Due to the difficulty in projecting Spohn's net patient revenues, the District is only able to estimate the Membership Agreement-related sharing allocation. The additional revenue is also attributed to investment income that exceeded budget by \$3.4 million. Ad valorem tax revenue, combined with penalties and interest, exceeded budget by \$1.4 million. Finally, the lesser of the surplus included reimbursements from a federal agency for COVID-19 epidemic-related expenses and receipt of an annual administrative fee from the LPPF Fund, collectively exceeded budget by approximately \$35 thousand.

Expenditures

Expenditures were more than budget by \$8.8 million. Of the expenditures that exceeded budget, \$11.2 million was associated with Medicaid Payment Programs-related discretionary intergovernmental transfers by the District for the benefit of local and regional healthcare providers. This amount is the result of the State delaying its request for the remaining amount of the prior year's budgeted intergovernmental transfer which was subsequently transferred during Fiscal Year 2026. Due to the District's lack of means to prospectively calculate the State's intergovernmental transfer requests, the District is limited to approximating the timing and estimating the transfer amounts when its budget is adopted. County Services expenses exceeded the approved budget by \$571 thousand, primarily due to county jail healthcare costs that were not fully reflected at the time the District's budget was adopted. Of the expenditures that were less than budget, Contractual Services were below by \$2 million primarily due to overestimated jail diversion program costs. Personal services expenditures were below budget by \$669 thousand, reflecting a reduction in eligibility staff, increased utilization of the District's paid-time-off accrued liability and less than maximal participation in certain employee benefit programs. The Materials and Supplies category was under budget by \$88 thousand. Finally, the Other category which includes office lease and administrative expenditures ended under budget by approximately \$69 thousand.

CAPITAL ASSETS

The District had \$5.6 million in net capital assets at the end of September 30, 2025. The breakdown of the capital assets is as follows:

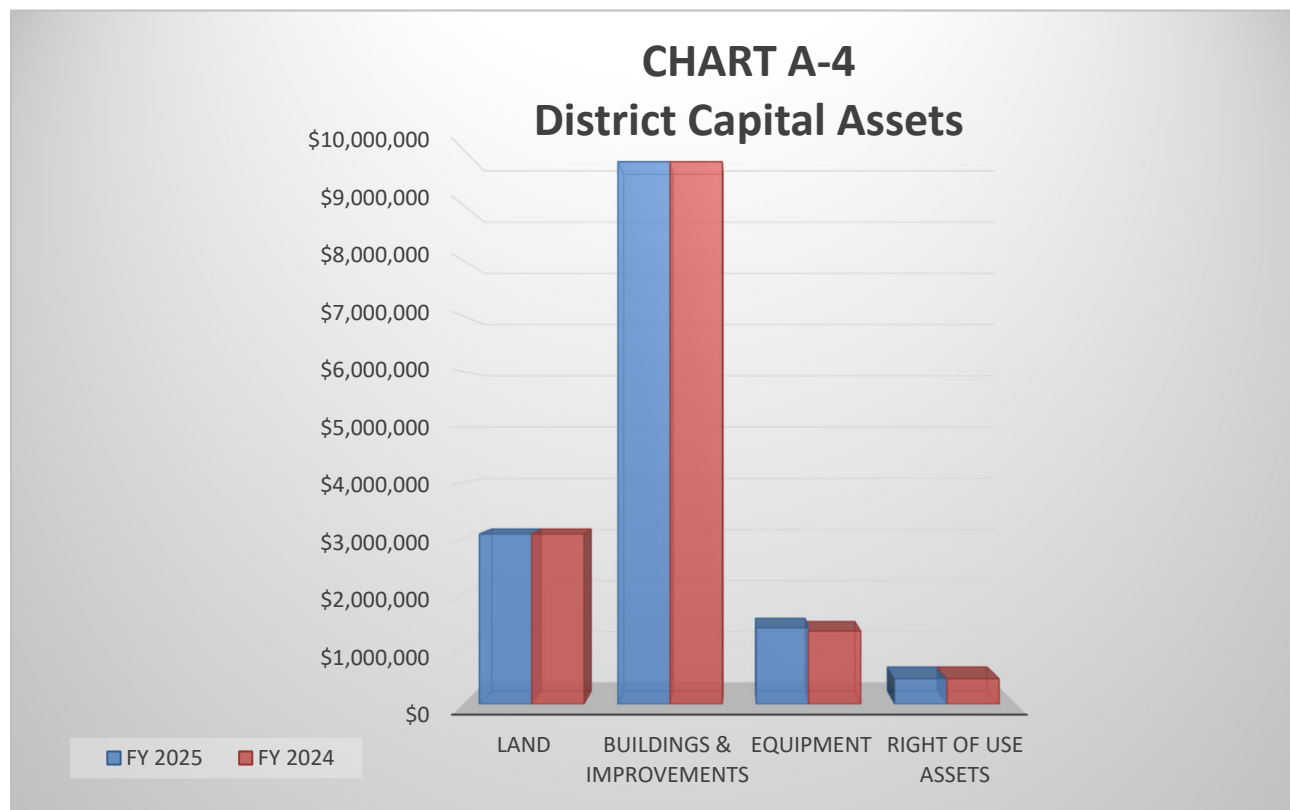
TABLE A-4
Nueces County Hospital District's Capital Assets
September 30, 2025 and 2024
(In Thousands)

	<u>2025</u>	<u>2024</u>	<u>2025-2024</u> <u>Variance</u>
Land	\$ 3,077	\$ 3,077	\$ --
Buildings and Improvements	9,768	9,768	-
Equipment	1,389	1,328	61
Right of Use Assets	460	460	-
Total	14,694	14,633	61
Less: Accumulated Depreciation	9,070	8,716	354
NET CAPITAL ASSETS	\$ 5,624	\$ 5,917	\$ (293)

Under terms of the Membership Agreement, the District contributed the use of its former hospital Memorial Medical Center (“MMC”) campus, buildings, and equipment along with certain medical office buildings and health clinics to Spohn (“District Contributed Assets). In accordance with the terms of the Membership Agreement, Spohn completed construction of an approximate 40,000 square foot family health center named the Dr. Hector P. Garcia Health Center on the MMC Campus (“Family Health Center”) on December 9, 2016. The Membership Agreement provides that the District has fee simple title to the Family Health Center. Consistent with the terms of the Membership Agreement, Spohn demolished the MMC buildings and related structures and infrastructure as of August 3, 2024. The MMC equipment was re-purposed, salvaged, sold, or disposed of in accordance with the terms of the Membership Agreement. In each calendar year starting in 2017 and thereafter, the Membership Agreement requires that Spohn spend a minimum of \$600 thousand annually on upkeep of the District Contributed Assets, including a minimum of \$200 thousand in capital expenditures. Please refer to Note 8 – Capital Assets of the Financial Statements for more details on capital assets.

Net Capital Assets shows an overall decrease of \$293 thousand mostly due to depreciation.

Please refer to Table A-4 for details of Chart A-4 relating to the District’s Capital Assets.



Economic Factors, Next Year’s Budget, Tax Rates, Uncertainties and External Influences, and Property Valuations, and Financial Planning

Economic Factors

For the forthcoming fiscal year, the expiration of the COVID-19 public health emergency, the expiration of the State’s Medicaid waiver program, State budget policies, expansions of State supplemental and directed payment programs, and shifting national health policy—including the non-renewal of temporary federal premium subsidy enhancements under the Affordable Care Act—may alter Medicaid funding, services, programs, or eligibility, which could downstream affect enrollment in the District’s indigent health care program. Beginning in 2026, subsidy eligibility and amounts reverted to pre-pandemic rules, resulting in reduced or eliminated subsidies for certain households and higher out-of-pocket premium costs. Texas continues to have the highest uninsured rate in the nation, with the County’s rate among the highest in the State, and the intended coverage expansion benefits of the Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) have not been fully realized in Texas. The repeal of the individual mandate effective in 2020 may further influence coverage decisions, while potential federal regulatory changes affecting State financing of the non-federal share of Medicaid payments could jeopardize the availability or continuation of indigent health care services. Additionally, services provided by local non-profit health care clinics and other unknown future changes to federal health policy may further affect demand for the District’s services.

Next Year's Budget, Tax Rates, Uncertainties and External Influences, and Property Valuations

Budget

For the District's forthcoming fiscal year ending September 30, 2026 ("Fiscal Year 2026"), the District's Board of Managers and County Commissioners Court approved a District operating budget wherein expenditures exceed revenues by \$21.4 million primarily to utilize unexpended intergovernmental transfer funds held over from the prior year. Revenues are budgeted at \$137 million, a 16.3% decrease compared to the prior year. Expenditures are budgeted at \$175.1 million, an 8.9% decrease compared to the prior year.

Tax Rates and Property Valuations

The property valuations for the District's Fiscal Year 2026 are \$47.9 billion, an increase of 0.8% from the prior year. To maintain about the same District tax revenue as the prior year, Commissioners Court adopted a District tax rate of \$0.089495 per \$100 valuation, which is the no-new-revenue tax rate. The Fiscal Year 2026 budget estimates include tax revenues, inclusive of payment of delinquent taxes and payment of penalties, and interest, of \$40.9 million, an increase of \$884 thousand or 2.2% over the Fiscal Year 2025 budget. The District assumes that future tax base valuations will be comparable to those of recent years.

Uncertainties and External Influences

Several potential policy and strategic actions may affect the District's financial position. Possible expansions of medical education and workforce development support could increase operating commitments while strengthening long-term provider capacity within the community. In addition, changes to health insurance exchange subsidy policies—including the expiration or modification of federal premium assistance—may influence insurance affordability and coverage levels in the individual market, potentially affecting demand for indigent health care services. The timing, scope, and financial impact of these actions will depend on future legislative, regulatory, and budgetary decisions at the federal and state levels.

Financial Planning

The District does not receive state or federal funding for the direct provision of indigent health care; however, it expects to continue receiving de minimis reimbursement for administering the Local Provider Participation Fund (LPPF) program. The District anticipates that revenues in the forthcoming fiscal year will be insufficient to support the full range of its objectives and, accordingly, expects to rely on reserves to fund operations to a greater extent than in the prior year. The District anticipates adoption of the no-new-revenue tax rate (formerly the effective tax rate), which is expected to result in property tax revenues remaining generally consistent with the prior year.

The District expects to continue providing financial support for an emergency medicine residency program at Spohn during Fiscal Year 2026 (see Note 17). In addition, during Fiscal Year 2026, either party to the Membership Agreement may terminate the agreement with 60 days' notice. While termination is not anticipated, if the agreement were terminated and not replaced, the resulting loss of revenue-sharing could significantly impact Fiscal Year 2026 revenues. Further, federal regulatory requirements applicable to certain provisions of the Membership Agreement, as well as prior state actions related to recoveries and disallowances under Medicaid payment programs, may affect the future performance of the agreement. It is possible that the District's currently permitted use of a combination of tax revenues, LPPF proceeds, and Membership Agreement-related revenues to make discretionary intergovernmental transfers to the State in support of Medicaid directed and supplemental payment programs could change during Fiscal Year 2026.

CONTACTING DISTRICT MANAGEMENT

These District financial statements are designed to provide our citizens, taxpayers, elected officials, investors, creditors, and others with a general overview of the District's financial position and results of operations, to demonstrate the District's accountability for the tax and other funds it receives, and show how the District's funds are used.

Questions concerning any of the information contained in these statements or requests for additional statement information can be directed to the District at:

Nueces County Hospital District
Administrative Offices
555 N. Carancahua St., Suite 950
Corpus Christi, TX 78401-0835
Telephone: (361) 808-3300
Facsimile: (361) 808-3274
https://www.nchdcc.org/about_us/contact_us.php

HISTORICAL AUDITED FINANCIAL STATEMENTS

Recent historical audited financial statements of the District are available via the Internet and can be viewed or downloaded in Portable Document Format from https://www.nchdcc.org/public_notices/finance.php.

Basic Financial Statements

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

ASSETS	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
Cash and Cash Equivalents (Note 4)	87,074,128	44,624,090	2,005
Cash Restricted for Local Provider Participation Fund (Note 4 and 16)	36,037,687	--	--
Investments (Note 4 and Note 5)	8,883,606	18,479,385	--
Accrued Interest	--	148,442	--
Taxes Receivable Net of Allowance for Uncollectible (Note 7 and 10):	1,633,193	--	--
Other Receivables	1,596	--	--
Prepaid Expenditures	184,954	--	--
Due from Indigent Care Fund	2,718	--	--
Land (Note 8)	--	--	--
Other Capital Assets, net of Accumulated Depreciation (Note 8)	--	--	--
Right-of-Use Building (Note 8 and 9)	--	--	--
TOTAL ASSETS	133,817,882	63,251,917	2,005

Exhibit 1

OPIOID SETTLEMENT FUND	GOVERNMENTAL FUNDS TOTAL	ADJUSTMENTS EXHIBIT 2	STATEMENT OF NET POSITION
2,938,513	134,638,736	--	134,638,736
--	36,037,687	--	36,037,687
--	27,362,991	--	27,362,991
--	148,442	--	148,442
--	1,633,193	--	1,633,193
--	1,596	--	1,596
--	184,954	--	184,954
--	2,718	(2,718)	--
--	--	3,076,926	3,076,926
--	--	2,302,262	2,302,262
--	--	245,079	245,079
2,938,513	200,010,317	5,621,549	205,631,866

(Continued)

NUECES COUNTY HOSPITAL DISTRICT

(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
LIABILITIES			
Accounts Payable	3,923,640	--	--
Lease Payable (Note 9)	--	--	--
Accrued Payroll and Related Liabilities	368,315	--	--
Unearned Revenue (Note 10)	1,633,193	--	--
Due to General Fund	--	2,719	--
Long-term Liabilities-			
Accrued Paid Time Off (Note 11)	--	--	--
Lease Payable (Note 9)	--	--	--
Due to Local Provider Participation Fund			
Fund (Note 16)	36,037,687	--	--
TOTAL LIABILITIES	41,962,835	2,719	--
 FUND EQUITY/NET POSITION			
Fund Balances:			
Nonspendable	184,954	--	--
Committed to: (Note 13)			
Intergovernmental Transfers	34,296,362	--	--
Indigent Care	--	63,249,198	--
Opioid Crisis	--	--	--
Assigned to County Health Care	--	--	2,005
Unassigned	57,373,731	--	--
Total Fund Equity	91,855,047	63,249,198	2,005
 TOTAL LIABILITIES AND FUND EQUITY			
	133,817,882	63,251,917	2,005
 Net Position:			
Net Investment in Capital Assets			
Unrestricted			
 TOTAL NET POSITION			

The notes to the financial statements are an integral part of this statement.

<u>OPIOID SETTLEMENT FUND</u>	<u>GOVERNMENTAL FUNDS TOTAL</u>	<u>ADJUSTMENTS EXHIBIT 2</u>	<u>STATEMENT OF NET POSITION</u>
--	3,923,640	--	3,923,640
--	--	94,213	94,213
--	368,315	--	368,315
--	1,633,193	(1,633,193)	--
--	2,719	(2,719)	--
--	--	--	--
--	--	45,322	45,322
--	--	178,757	178,757
--	36,037,687	--	36,037,687
--	41,965,554	(1,317,620)	40,647,934
--	184,954	(184,954)	--
--	34,296,362	(34,296,362)	--
--	63,249,198	(63,249,198)	--
2,938,513	2,938,513	(2,938,513)	--
--	2,005	(2,005)	--
--	57,373,731	(57,373,731)	--
2,938,513	158,044,763	(158,044,763)	--
2,938,513	200,010,317		
		5,379,189	5,379,189
		159,604,743	159,604,743
		164,983,932	164,983,932

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NUECES COUNTY HOSPITAL DISTRICT(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)EXPLANATIONS FOR ADJUSTMENTS TO RECONCILE
GOVERNMENTAL FUNDS - BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total Fund Balance - Total Governmental Funds	158,044,763
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and Right of Use assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$14,694,490 and the accumulated depreciation and amortization is \$9,070,222 (Note 8).	5,379,189
Taxes receivable, net of allowance is not available to pay for current period expenditures and is, therefore, deferred in the governmental funds. (Note 7)	1,633,193
Long-Term liabilities, include accrued paid time off, are not due and payable in the current period and, therefore, are not reported in the funds. (Note 11)	(45,322)
Differences between the right-of-use assets and the District's lease liability under (GASB 87) not reported in the governmental funds	<u>(27,891)</u>
NET POSITION	<u><u>164,983,932</u></u>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT

(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES**

YEAR ENDED SEPTEMBER 30, 2025

	<u>GENERAL</u>	<u>INDIGENT CARE FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>
Revenues:			
Taxes	41,002,821	--	--
Penalties and Interest - Taxes	441,938	--	--
Spohn Corporate Membership Revenue	147,131,719	--	--
Investment Income	4,272,625	2,821,361	4,196
Tobacco Settlement	--	--	852,026
Opioid Settlement	--	--	--
Other (Note 16)	184,673	--	--
Total Revenue	<u>193,033,776</u>	<u>2,821,361</u>	<u>856,222</u>
Expenditures/Expenses:			
General Government	2,908,461	13,307	--
Health	180,911,436	--	--
Depreciation and Amortization	--	--	--
Capital Outlay	60,884	--	--
Total Expenditures/Expenses	<u>183,880,781</u>	<u>13,307</u>	<u>--</u>
Excess of Revenues Over Expenditures/Expenses	9,152,995	2,808,054	856,222
Other Financing Sources (Uses):			
Transfers In (Note 14)	856,000	--	--
Transfers Out (Note 14)	--	--	(856,000)
Total Other Financing Sources (Uses)	<u>856,000</u>	<u>--</u>	<u>(856,000)</u>
Net Change in Fund Balance/Net Position	10,008,995	2,808,054	222
Fund Balance/Net Position, Beginning of Year	<u>81,846,052</u>	<u>60,441,144</u>	<u>1,783</u>
FUND BALANCE/NET POSITION, END OF YEAR	<u><u>91,855,047</u></u>	<u><u>63,249,198</u></u>	<u><u>2,005</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit 3

OPIOID SETTLEMENT FUND	GOVERNMENTAL FUNDS TOTAL	ADJUSTMENTS EXHIBIT 4	STATEMENT OF ACTIVITIES
--	41,002,821	392,732	41,395,553
--	441,938	--	441,938
--	147,131,719	--	147,131,719
112,506	7,210,688	--	7,210,688
--	852,026	--	852,026
540,319	540,319	--	540,319
--	184,673	--	184,673
652,825	197,364,184	392,732	197,756,916
--	2,921,768	(79,932)	2,841,836
--	180,911,436	--	180,911,436
--	--	353,339	353,339
--	60,884	(60,884)	--
--	183,894,088	212,523	184,106,611
652,825	13,470,096	180,209	13,650,305
--	856,000	(856,000)	--
--	(856,000)	856,000	--
--	--	--	--
652,825	13,470,096	180,209	13,650,305
2,285,688	144,574,667	6,758,960	151,333,627
2,938,513	158,044,763	6,939,169	164,983,932

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NUECES COUNTY HOSPITAL DISTRICT**(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)****EXPLANATIONS FOR ADJUSTMENTS TO RECONCILE
GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds	13,470,096
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$261,434 and amortization of \$91,905 was more than capital outlays of \$60,884 in the current period. (Note 8)	(292,455)
Lease payments related to (GASB 87) are recorded in the statement of activities but not reported in the governmental funds.	85,302
Revenues from uncollected taxes that do not provide current financial resources are included in the statement of activities and not reported as revenues in the governmental funds.	392,732
Expenses accrued for employees paid time off in the statement of activities that do not use current financial resources are not reported as expenses in the governmental funds.	<u>(5,370)</u>
CHANGE IN NET POSITION	<u><u>13,650,305</u></u>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL GAAP BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes	39,617,597	41,002,821	1,385,224
Penalties and Interest - Taxes	391,961	441,938	49,977
Spohn Corporate Membership Revenue	122,980,000	147,131,719	24,151,719
Investment Income	904,124	4,272,625	3,368,501
Other	150,000	184,673	34,673
Total Revenues	164,043,682	193,033,776	28,990,094
Expenditures:			
Current:			
General Government			
Administration:			
Personal Services	1,071,821	945,506	126,315
Materials and Supplies	116,500	44,582	71,918
Contractual Services	2,068,940	1,737,326	331,614
Other	236,300	180,793	55,507
Total Administration	3,493,561	2,908,207	585,354
Facilities Management -			
Materials and Supplies	1,500	254	1,246
Total General Government	3,495,061	2,908,461	586,600
Health:			
Personal Services	2,152,762	1,609,608	543,154
Materials and Supplies	57,800	41,401	16,399
Contractual Services	3,957,200	2,288,690	1,668,510
Intergovernmental Transfers (Note 11)	153,092,697	164,279,998	(11,187,301)
County Services	12,114,275	12,685,743	(571,468)
Other	19,450	5,996	13,454
Total Health	171,394,184	180,911,436	(9,517,252)
Capital Outlay	174,000	60,884	113,116
Total Current Expenditures	175,063,245	183,880,781	(8,817,536)
Excess (Deficiency) of Revenues over Expenditures	(11,019,563)	9,152,995	20,172,558
Other Financing Sources-			
Transfers In	650,000	856,000	206,000
Total Other Financing Sources	650,000	856,000	206,000
Net Change in Fund Balance	(10,369,563)	10,008,995	20,378,558
Fund Balance, Beginning of Year		81,846,052	
FUND BALANCE, END OF YEAR		91,855,047	

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT**(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)****INDIGENT CARE FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
BUDGET (GAAP BASIS) AND ACTUAL**YEAR ENDED SEPTEMBER 30, 2025**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL GAAP BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues -			
Investment Income	904,206	2,821,361	1,917,155
Expenditures -			
General Government -			
Consultant Fees	12,000	13,307	(1,307)
Total Other Financing Sources	12,000	13,307	(1,307)
Net Change in Fund Balance	<u>892,206</u>	2,808,054	<u>1,915,848</u>
Fund Balance, Beginning of Year		<u>60,441,144</u>	
FUND BALANCE, END OF YEAR		<u>63,249,198</u>	

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT**(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)****TOBACCO SETTLEMENT FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
BUDGET (GAAP BASIS) AND ACTUAL**YEAR ENDED SEPTEMBER 30, 2025**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL GAAP BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Tobacco Settlement	650,000	852,026	202,026
Investment Income	--	4,196	4,196
Total Revenues	<u>650,000</u>	<u>856,222</u>	<u>206,222</u>
Other Financing Uses -			
Transfers Out	<u>(650,000)</u>	<u>(856,000)</u>	<u>(206,000)</u>
Total Other Financing Uses	<u>(650,000)</u>	<u>(856,000)</u>	<u>(206,000)</u>
Net Change in Fund Balance	<u><u>--</u></u>	<u>222</u>	<u><u>222</u></u>
Fund Balance, Beginning of Year		<u>1,783</u>	
FUND BALANCE, END OF YEAR		<u><u>2,005</u></u>	

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT**(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)****OPIOID SETTLEMENT FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
BUDGET (GAAP BASIS) AND ACTUAL**YEAR ENDED SEPTEMBER 30, 2025**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL GAAP BASIS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Opioid Settlement	--	540,319	540,319
Investment Income	--	112,506	112,506
Total Revenues	--	652,825	652,825
Other Financing Uses -			
Transfers Out	--	--	--
Total Other Financing Uses	--	--	--
Net Change in Fund Balance	--	652,825	652,825
Fund Balance, Beginning of Year		2,285,688	
FUND BALANCE, END OF YEAR		2,938,513	

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	HEALTH BENEFIT PLAN AND TRUST FUND
ASSETS	
Cash and Cash Equivalents (Note 4)	16,901
Accrued Interest	80
Total Assets	16,981
LIABILITIES	
Due to General Fund	1,596
NET POSITION	
Held in Trust for Employee Health Benefits	15,385

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2025

	<u>HEALTH BENEFIT PLAN AND TRUST FUND</u>
ADDITIONS	
Interest	1,312
DEDUCTIONS	
Administration and General	1,466
Employee Benefits	13,971
Total Deductions	<u>15,437</u>
Net Decrease	(14,125)
Net Position, Beginning of Year	<u>29,510</u>
NET POSITION, END OF YEAR	<u><u>15,385</u></u>

The notes to the financial statements are an integral part of this statement.

NUECES COUNTY HOSPITAL DISTRICT
(A COMPONENT UNIT OF NUECES COUNTY, TEXAS)

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Note 1 – REPORTING ENTITY

Nueces County Hospital District (the “District”), a discretely presented component unit of Nueces County, Texas (the “County”), was made available by an Act of the Legislature of the State of Texas and subsequently approved by the voters of the County. The District is legally separate from the County; however, members of the District’s board of managers (the “Board”) are appointed by the County Commissioners’ Court, with the Board retaining financial and operational responsibility for the District’s functions.

The District has no component units as defined by Governmental Accounting Standards Board. Although the District appoints three of the members of the Board of Trustees of CHRISTUS Spohn Health System Corporation (“Spohn”) as part of the Spohn Membership Agreement between the two parties, Spohn does not qualify as a component unit. The District does not approve the budget of Spohn, nor have any rights to surpluses of Spohn. However, Spohn shares certain revenues with the District pursuant to the terms of the Agreement.

Additionally, the District funds intergovernmental transfers (“IGTs”) for certain healthcare providers under provisions of the Texas Health and Human Services Commission’s (“HHSC”) Medicaid Payment Programs. This allows Spohn and certain other healthcare providers to participate in supplemental and directed Medicaid Payment Programs.

The District is also the custodian of a state-authorized Local Provider Participation Fund Program (“LPPF”), which is renewable on an annual basis and collects mandatory payments assessed by the District on hospitals operating in the County. Use of the LPPF funds is statutorily restricted to funding intergovernmental transfers to the State in support of the Medicaid Payment Programs and paying the associated administrative expenses of the District.

Formation and Background

The District is a tax-supported governmental entity authorized by the Constitution of the State of Texas, the creation of which was approved by the voters of Nueces County in 1967. Pursuant to Chapter 281 of the Texas Health and Safety Code, the District assumed full responsibility for furnishing medical and hospital care for indigent and needy persons residing in the County beginning on the date on which taxes were collected for the District. In addition, Chapter 61 of the Code prescribes the types and scope of health care services that the District is required to provide to eligible indigent residents. The Commissioner’s Court is authorized to levy hospital district taxes on property located within the District’s boundaries, which are coterminous with the County. Chapter 281 notably authorizes the District’s Board, with Commissioners Court approval, to use non-tax levy funds of the District to support a broad range of health care services, including public health services, mental health care services, intellectual disability services, emergency medical services, jail health services and for other health related purposes. Chapter 281 also permits the District’s Board to use funds from any source for indigent health care and intergovernmental transfers to support Medicaid supplemental and waiver programs, and expressly prohibits the use of those transferred or federal funds to expand Medicaid eligibility under the Affordable Care Act.

Note 1 – REPORTING ENTITY – (Continuation)

The Commissioners Court is required to approve the District’s annual budget, major contracts, real property transactions, certain uses of non-tax funds, retirement programs, and the issuance of debt, and is responsible for appointing the District’s Board. The Commissioners Court also has the authority to levy on all property subject to District taxation a tax not to exceed seventy-five cents (\$0.75) on each \$100 valuation of all taxable property within the boundaries of the District.

1996 Transaction

Historically, the District owned and operated Memorial Medical Center (“Memorial”). Memorial served as the safety-net hospital in Nueces County providing indigent care services to the needy, consistent with the District’s role as a Chapter 281 hospital district. In 1996, through a series of agreements (the “1996 Transaction”) which include a Master Agreement, Lease Agreement, and Indigent Care Agreement, (collectively, the “1996 Transaction Agreements”), the District leased Memorial to Spohn and Spohn assumed the responsibility to operate Memorial in Nueces County, with obligations for Spohn to provide indigent care and for the District to utilize its ad valorem tax revenues to fund the provision of indigent care by Spohn in Nueces County.

Renegotiation of 1996 Transaction

During the 2011 – 2012 timeframe, Spohn started facing significant capital costs due to the deteriorating condition of its hospital facilities in Corpus Christi, particularly the Memorial Hospital facility. Spohn’s options to address these capital needs were somewhat limited by the 1996 Transaction Agreements, through which Spohn assumed a 30-year responsibility for the maintenance and operations of the Memorial facility. In addition to the lease rate for the Memorial facility and the District’s other assets and Spohn’s obligation to maintain the facilities in a commercially reasonable manner, Spohn had also agreed to invest at least \$6 million per year in capital improvements and equipment at the Memorial campus, the neighborhood clinics, and the physician office buildings. In 2011, Spohn began the process of evaluating a transformative capital project in the Nueces County market, with the goal to shift the delivery of care towards a focus on more appropriate outpatient care venues and better coordination across the care continuum, rather than simply retrofitting the existing hospital inpatient infrastructure. In order for the parties to make significant changes to the infrastructure, Spohn desired more flexibility than what was available under the 1996 Transaction documents; in particular, it desired to align the interests of the District and Spohn more closely and to relax or remove its contractual commitment to maintain the existing facilities, including the Memorial facility owned by the District. CHRISTUS Health, Spohn’s parent organization, ultimately approved a \$325 million capital investment in 2013 in the Corpus Christi market, after Spohn’s transition to the co-membership/ownership role with the District discussed below.

Recognizing the constraints placed on their strategic planning efforts due to the historical structure, the parties invoked the process outlined in the 1996 Transaction that allowed the District and Spohn to renegotiate the agreements between the parties in the event there was a substantial reduction in government program funding for Spohn. On invoking this process to assess the risk of adverse material change in government reimbursement to Spohn, the parties also identified opportunities to improve the delivery of care in the Coastal Bend communities.

Note 1 – REPORTING ENTITY – (Continuation)

2012 Spohn Membership Agreement

The parties structured the Spohn Membership Agreement (“2012 Membership Agreement”) in 2012 to further support their efforts to more closely and comprehensively collaborate and align the operations of the District and Spohn as a governmental and public provider. Effective September 30, 2012, the parties entered into a Memorandum of Understanding (“MOU”) to effectuate termination of the 1996 Transaction Agreements.

Pursuant to the terms of the MOU, the parties agreed to terminate the 1996 Transaction Agreements. The MOU also outlined the reinstatement of the 1996 Transaction Agreements, which would take effect upon the termination of the 2012 Membership Agreement, subject to certain amendments, including amendments to the Lease Agreement, as outlined in the MOU.

At the same time, the parties entered into the 2012 Membership Agreement, effective October 1, 2012, pursuant to which the District became a co-member in Spohn along with CHRISTUS Health, with the rights, privileges, obligations, and duties attendant to such role. The parties intended for Spohn to continue to serve as the public safety-net hospital in Corpus Christi. In order to reflect the District as a co-member in Spohn, the parties revised Spohn’s corporate documents, and submitted the appropriate enrollment change documents to the Medicare fiscal intermediary and the State related to its Medicare and Medicaid provider agreements.

The District also provided Spohn the right to continue to use and operate the Memorial facilities and granted Spohn the right to make material alterations to the Memorial facilities upon reasonable review of the District. Spohn continued to have the right to use the Memorial campus and other facilities without rental obligation. Spohn retained the right to use the Memorial hospital facility until its demolition was completed on August 8, 2023. The Agreement carries over most of the other duties and responsibilities from the Lease. The District also agreed to reduce Spohn’s obligation to make \$6 million in capital expenditures per year for Memorial and the District’s other facilities in the event such material alterations were made.

The parties agreed that each co-member of Spohn was entitled to an allocated portion of the funds as part of their co-membership/ownership role, commensurate with their liability for Spohn’s operating losses. Specifically, under the 2012 Membership Agreement, the co-members agreed to remit to Spohn their pro rata share of any operating loss deficits within a specified timeframe. Upon implementation of the 2012 Membership Agreement, CHRISTUS Health and the District were co-members in the Spohn corporate entity. CHRISTUS Health continued to receive its management fees and other revenue from Spohn’s operations in return for the support services it furnished to Spohn. In exchange for the District’s support of Spohn and its assumption of economic risk and the various tangible and intangible economic and other benefits the District granted to Spohn, the District was entitled to an allocated portion of the funds Spohn had available for distribution to its co-members—i.e., a share of the Spohn nonfederal net patient revenue negotiated annually based on Spohn’s operating budget and projected operating margin for the upcoming year.

Note 1 – REPORTING ENTITY – (Continuation)

2015 Transaction

In September 2012, Spohn issued a Notice of Material Alteration to the District in accordance with the Membership Agreement requesting to, among other things, demolish the Memorial hospital building, construct a 40,000 square foot outpatient clinic on the Memorial campus to be known as the Dr. Hector P. Garcia—Memorial Family Health Center (“Family Health Center”), and relocate Memorial’s inpatient beds and trauma services to Spohn’s Shoreline hospital following the redesign of Shoreline. The parties then entered into a binding Letter of Intent. Under the Letter of Intent, the District approved Spohn’s material alteration plans as described in the Notice.

The parties also agreed to amend and restate the Membership Agreement and MOU to make the following changes:

- Authorize Spohn to construct the Family Health Center on the Memorial Hospital campus, transition Memorial Hospital inpatient beds, emergency room and trauma services to Spohn’s Shoreline hospital, and subsequently demolish the Memorial Hospital facility.
- Require Spohn to continue to (1) provide inpatient and outpatient indigent care services to Nueces Aid enrollees at the same levels as during prior periods through 2036; (2) make certain outpatient services available to Nueces Aid enrollees at the Family Health Center; (3) ensure appropriate availability of inpatient and outpatient psychiatric and behavioral health services to indigents at a location in Corpus Christi, Texas and analyze the most appropriate facility for such services in conjunction with House Bill 3793, 83rd Legislature, Regular Session, 2013 Plan for the Appropriate and Timely Provision of Mental Health Services; (4) ensure the community has constant access to an emergency department equipped to provide Level II trauma services at Shoreline prior to the demolition of the MMC hospital facility; (5) maintain at least two graduate medical education programs with comprehensive resident training available in both programs; and (6) make adequate and appropriately furnished and equipped space available at the Family Health Center for the District’s enrollment officers and receptionist.
- Require Spohn to renovate Spohn’s Shoreline hospital to enable it to have a sufficient number of inpatient beds, achieve Level II Trauma Center designation, and address emergency department capacity issues prior to the demolition of the MMC hospital facility.
- Following the termination of the Membership Agreement, (1) obligate Spohn to provide lease payments to the District in the amount of \$6,253,865 until September 30, 2026 and to pay \$1 million per year in lease payments from October 1, 2026 through September 30, 2036 and (2) reduce the District’s payments to Spohn for providing indigent care services to Nueces Aid enrollees with no inflator.
- Gradually reset Spohn’s obligations to make capital expenditures related to the MMC campus but requires Spohn to place in escrow the difference between the amounts it would have been obligated to make for capital expenditures and the reduced capital expenditure obligations until Spohn completes various of its obligations under the Letter of Intent.

Following the parties’ entry into the Letter of Intent, the District’s Board of Managers issued a resolution formally authorizing the closure and demolition of the MMC hospital facility.

Note 1 – REPORTING ENTITY – (Continuation)

Effective November 2015, the Parties entered into an Amended and Restated Membership Agreement and Amended and Restated MOU (which include amendments to the suspended Master Agreement, Lease, and Revised and Restated Indigent Care Agreement) to memorialize the parties' various agreements under the Letter of Intent. The parties also entered into an Escrow Agreement initially with Bank of America and then with Argent Institutional Trust Company (formerly TMI Trust Co.) serving as the escrow agent to maintain the funds Spohn was required to deposit into escrow to secure its commitments under the Amended and Restated Membership Agreement and Amended and Restated MOU.

The initial 10-year term of the Amended and Restated Membership expired September 30, 2022 but the term was automatically renewed until September 30, 2027. The Amended and Restated Membership Agreement may be terminated by either party without cause by providing 30 days advance written notice to the other party.

Memorial Campus

Governmental Accounting Standards Board No. 42 *Accounting and Financial Reporting for Impairment of Capital Assets* requires that assets no longer used by the government be reported at lower of carrying value or fair value. The Memorial Hospital building was utilized to provide psychiatric services and office spaces for Spohn until it was vacated on September 15, 2022. Spohn began demolition of the building in late 2022 and certified completion of the demolition on August 8, 2023. Because the building was no longer in use and demolished, management wrote off the remaining net book value of \$224,513 as of the year ended September 30, 2022.

The District is considering various health care related options for future use of the Memorial campus following demolition. Although the Memorial Hospital building was demolished and written off, a portion of the Memorial campus is still in use and continues to support health care services provided by Spohn.

Escrow Agreement and Completion of Spohn's Commitments

Spohn's final commitments under the Amended and Restated Membership Agreement were met and the remaining escrow funds were disbursed by the escrow agent to Spohn in December 2024, and the escrow account was closed in January 2025.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

The District is a special purpose government engaged in a single governmental program. As such, GASB allows the District to combine the required fund financial statements and government-wide statements.

A. Basic Financial Statements

The Basic financial statements include combined government-wide (based on the District as a whole) and fund financial statements.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

The Government-wide statements are included in the combined statements of Exhibit 1 and 3 as the Statement of Net Position and Statement of Activities Column. The government-wide statements focus more on the substantiality of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements emphasize the major funds of the District which are the General Fund and the Indigent Care Fund. The Tobacco Settlement Fund and the Opioid Settlement Fund are reported as nonmajor governmental funds.

The governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (1) demonstrate legal and covenant compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the District's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented in Exhibit 2 and 4 which briefly explains the adjustment necessary to transform the fund based financial statements columns into the government-wide presentation called the statement of net position and statement of activities column.

The District's fiduciary fund is presented in the basic financial statement as separate statements. Since by definition these assets are being held for the benefit of a third party (employees and former employees) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements.

B. Basis of Presentation

The financial transactions of the District are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Although all governmental funds are presented individually in the governmental fund financial statements, the statements emphasize the major funds of the District. The criteria used to determine whether a governmental fund is reported as a major fund are as follows: the total assets, liabilities, revenues or expenditures of that governmental fund are at least 10 percent of the corresponding element total for all governmental funds and at least 5 percent of the total for all governmental funds.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund.

Indigent Care Fund – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally or contractually committed to expenditures for specific purposes. They also are used to account for funds that are committed by the Board to be spent for specific purposes.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

The District also reports the following nonmajor governmental funds, which are presented individually in the fund financial statements:

Tobacco Settlement Fund – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or contractually committed to expenditures for specific purposes.

Opioid Settlement Fund – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or contractually committed to expenditures for specific purposes.

Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for individuals, private organizations, other governments or funds. These assets are held under the terms of a formal trust agreement. The District has the following fiduciary fund type:

Expendable Trust Fund – An expendable trust fund is used to account for the Health Benefit Plan and Trust. Funds are used to offset employee health insurance premiums, employee reimbursements for out-of-pocket health care costs. The District is not under an obligation to maintain the trust principal.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of measurements made, regardless of the measurement focus applied. The government-wide financial statements and the fiduciary fund statements are presented on an accrual basis of accounting. The governmental funds in the funds financial statements are presented on a modified accrual basis.

Accrual

Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The District considers property tax revenues available if they are collected within sixty days after year-end. Penalties, interest, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until received. Spohn corporate membership revenue and interest income are accrued when their receipt occurs soon enough after the end of the accounting period to be both measurable and available.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, except interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to accumulated unpaid paid time off benefits which are recognized when paid.

D. Budgets and Budgetary Accounting

The Board adopts an annual budget for all funds. The annual budget and revisions must be approved by the Board of Managers and the County Commissioners Court.

E. Cash and Cash Equivalents

Cash and Cash Equivalents include currency on hand, demand deposits with banks and amounts included in pooled cash or liquid investments with a maturity of three months or less when purchased.

F. Investments

Statutes give the District the authority to invest its funds in obligations of the United States; direct obligations of the state of Texas; other obligations guaranteed or insured by the State of Texas or the United States; obligations of states, agencies, counties, or cities of any state that have been rated not less than one or its equivalent by a nationally recognized investment firm; certificates of deposit guaranteed insured or secured by approved obligations; certain commercial paper; fully collateralized repurchase agreements, and Securities & Exchange Commission-registered, no-load money market mutual funds whose assets consist exclusively of approved obligations. Investments are recorded at fair value, except for investments pools which are reported at amortized costs and included in cash and cash equivalents. See Note 5 for discussion on fair value measurement.

G. Receivables and Payables

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide statement of net assets column of the combined financial statements. Tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 3% of the annual tax levy. IGTs are not accrued because they cannot be reasonably estimated and are not legal obligations of the District.

H. Capital Assets

All fixed assets are valued at historical cost if purchased or constructed. Donated fixed assets are valued at their estimated fair value on the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>ASSETS</u>	<u>LIFE IN YEARS</u>
Buildings and Improvements	20-40
Furniture and Equipment	10
Computer Equipment	5

I. Compensated Absences

District employees earn paid time off and sick leave. Paid time off accumulates from year to year up to a maximum of two years accrual. Semi-annually, employees can elect to be paid in lieu of utilizing paid time off and sick leave at a rate of 80% of time earned. Sick leave accumulates up to a maximum of 1,440 hours. Upon termination of employment, employees may receive pay for their unused paid time off. The cost of paid time off and sick leave is recognized when earned by employees.

In the current fiscal year, the District adopted GASB Statement No. 101, *Compensated Absences*, which modifies the recognition, measurement and disclosure of compensated absences. The implementation of this standard did not have a significant impact on the financial statements of the District.

J. Leases

Nueces County Hospital District is a lessee for a non-cancellable lease of a building. The District recognizes a lease liability and an intangible right-to-use asset in the financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term and the lease liability is reduced by the principal portion of lease payments when made. The intangible right-to-use asset is initially measured at the initial amount of the lease liability and is amortized on a straight-line basis over its useful life.

The key estimates and judgements related to leases include how the District determines the discount rate used to discount the expected lease payments to present value, lease term, and lease payments. The District uses its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the non-cancellable period of the lease and lease payments included in the measurement of the lease liability are comprised of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the intangible right-to-use asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES – (Continuation)

K. Employee Benefit Plans

The District has a 403(b) tax sheltered annuity retirement plan and a deferred compensation plan as described in Note 14. The assets, liabilities, fund equity and operations of this plan are not presented on the District's financial statements as both plans are independently administrated.

L. Fund Balance Classifications

The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. For the District, resources not in spendable form include prepaid items.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by a formal vote of the Board of Managers no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

The *assigned* fund balance includes amounts that are constrained by the District's intent to use funds for specific purposes but are neither restricted nor committed. Such intent should be expressed by the Board of Managers to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Board action. The residual fund balance that is not committed in governmental funds; except the General Fund, is assigned.

The *unassigned* fund balance represents the spendable net resources that have not been restricted, committed, or assigned to specific purposes.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

M. Codification of Accounting and Financial Reporting Guidance

The District complies with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which incorporates into GASB's authoritative literature certain accounting and financial reporting guidance issued by the Financial Accounting Standards Board and the American Institute of Certified Public Accountants on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

Note 3 – SPOHN MEMBERSHIP AGREEMENT

The District and Spohn entered into a Spohn Membership Agreement to establish a structure for the joint membership of Spohn with the District effective October 1, 2012, as stated in Note 1. The Agreement includes (1) provisions stipulating the parameters for the healthcare services that Spohn will continue to provide to Nueces County indigent residents during the term of the Agreement, without payment by the District to Spohn for such services, (2) operative provisions and parameters for Spohn's continued use of the District's Memorial Medical Center (MMC) facilities and satellite clinics during the term of the Agreement in a manner consistent with the substantive and maintenance provisions in the former Lease Agreement, without payment of rent by Spohn to the District for such use, and (3) a Spohn net patient revenue allocation and sharing arrangement between Spohn and the District, the amount of which is determined each year prior to October 1.

Note 3 – SPOHN MEMBERSHIP AGREEMENT – (Continuation)

The Spohn Membership Agreement serves multiple purposes including to (1) facilitate inpatient and outpatient indigent care services to Nueces Aid enrollees at the same levels as during prior periods through 2036, (2) make certain outpatient services available to Nueces Aid enrollees at the Dr. Hector P. Garcia Family Health Center for the continued provision of indigent health care services in Nueces County, (3) ensure availability of inpatient and outpatient psychiatric and behavioral health services to indigents at a location in Corpus Christi, Texas, (4) ensure the community has constant access to an emergency department equipped to provide Level II trauma services (5) maintain at least two graduate medical education programs with comprehensive resident training available in both programs, and (6) make adequate and appropriately furnished and equipped space available at the Dr. Hector P. Garcia Family Health Center for the District's enrollment officer and receptionist.

The Spohn Membership Agreement was amended and restated effective November 18, 2015 ("Amended and Restated Membership Agreement") permitting Spohn to renovate and transform the MMC campus and improve facilities at its Christus Spohn Hospital Shoreline campus. Spohn has constructed a new Family Health Center on an unoccupied portion of the MMC campus, expanded its Shoreline campus Emergency Department, relocated the MMC trauma center to the Shoreline campus, and added in-patient bed capacity to that campus. With the addition, relocation, and expansions completed, the community has access to the health care services previously available at MMC and Spohn was allowed to cease operation of and demolish MMC, which was completed in 2023. Neither party exercised its right to terminate the Amended and Restated Membership Agreement by providing written notice to the other party within 60 days of the expiration of the initial term on September 30, 2022, and therefore the amended and restated Membership Agreement was automatically renewed until September 30, 2027, subject to the 60 day written notice requirement.

Annual Member Revenue Allocation

Each year under the Spohn Membership Agreement, Spohn and the District confer regarding the support necessary for the operations of Spohn over the ensuing fiscal year starting October 1. Spohn prepares a budget that contemplates any modifications or additions in cost to provide healthcare services at the leased facilities. Upon review of the Spohn budget, economic resources of Spohn and the Members and other factors, Spohn and the District agree on a "Specified Annual Percentage", (as defined in the agreement), of Spohn's net patient revenue that the District will receive during the ensuing fiscal year. Based on this year's estimate the District budgeted \$122,980,000 and received \$147,131,719 in member revenues for the year ended September 30, 2025.

According to management, estimating the Specified Annual Percentage for membership revenue sharing is challenging due to the numerous and evolving factors within the health care system that affect both costs and revenues. Accordingly, management intends to review and adjust the Specified Annual Percentage annually in accordance with the Spohn Membership Agreement.

Note 4 – CASH AND INVESTMENTS

The District’s investment policies and types of investments are governed by the Texas Public Funds Investment Act (“PFIA”). The District’s management believes that it has complied with the requirements of the PFIA and the District’s investment policies.

At September 30, 2025, the District segmented time distribution analysis of the portfolio by market sector is as follows, including the Health Benefit Trust:

	<u>TOTAL</u>	<u>INVESTMENT MATURITIES IN YEARS</u>	
		<u>LESS THAN ONE YEAR</u>	<u>ONE TO THREE YEARS</u>
Cash and Equivalents:			
Collateralized Bank Accounts	189,118	189,118	--
Money Market Mutual Funds -			
Fiduciary Funds	16,901	16,901	--
Petty Cash	300	300	--
AAA-Rate Local Government			
Investment Pools:			
Texpool	94,907,879	94,907,879	--
Logic	26,451,802	26,451,802	--
TexStar	13,089,637	13,089,637	--
Total Cash and Equivalents	134,655,637	134,655,637	--
Investments At Fair Value:			
Commercial Paper	11,872,965	11,872,965	--
Federal Farm Credit Banks	2,997,000	--	2,997,000
United States Treasury Bills	6,048,398	--	6,048,398
Municipal Bond	6,444,628	4,076,903	2,367,725
Total Investments	27,362,991	15,949,868	11,413,123
TOTAL VALUE	162,018,628	150,605,505	11,413,123
% of Total Portfolio	100%	92.96%	7.04%

The District’s policy is to report money market investments and investment pools at amortized cost. U.S. Government Agency Securities are reported at fair value based on quoted market values. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act (PFIA), chapter 2256.016 of the Texas Government Code.

Note 4 – CASH AND INVESTMENTS – (Continuation)

In addition to others provision of the PFIA designed to promote liquidity and safety of principal, the PFIA requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

All investments pools funds held by the District are rated AAAM by Standard & Poor's and comply with the PFIA. Investment pools are included in Cash and Cash Equivalents. A more detailed description of investment pools held by the District at September 30, 2025 is as follows:

TexPool Investment Fund

Texas Local government Investment Pool ("TexPool") operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure.

LOGIC Investment Pool

Local Government Investment Cooperative (LOGIC) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 79, of the Texas Government Code and the PFIA. The pool was created in April 1994 through a contract among its participating governmental units and is governed by a board of directors (the board) to provide for the joint investments of participant's public funds and funds under their control. J.P. Morgan Investment Management Inc. (JPMIM) has served as the investment adviser. JPMIM is an SEC registered investment adviser and an affiliate of J.P. Morgan Asset Management (JPMAM). Hilltop Securities Inc. (Hilltop) and JPMIN serve as co-administrators to LOGIC, and Hilltop provides administrative, participant support and marketing services. Hilltop Securities is a registered broker dealer, member of FINRA/SIPC, which provides financial advisory and investment banking services to governmental entities. JPMorgan Chase Bank N.A. provides custodial services.

LOGIC's policy seeks to invest pooled assets in a manner that will provide for safety of principal, liquidity in accordance with the operating requirements of the participants, and a competitive rate of return by utilizing economies of scale and professional investment expertise. S&P Global monitors pertinent pool information on a weekly basis to ensure the pool's compliance with its rating requirements.

Note 4 – CASH AND INVESTMENTS – (Continuation)

TexSTAR Investment Pool

Texas Short Term Assets Reserve Program (“TexSTAR”) is administered by First Southwest Company and JP Morgan Chase. TexSTAR is overseen by a five-member governing board comprised of three participants and one of each of the program’s professional administrators. The responsibility of the board includes the ability to influence operations, designation of management and accountability for fiscal matters.

In addition, TexSTAR has a Participant Advisory Board which provides input and feedback on the operations and direction of the program and Standard and Poor’s reviews the pool on a weekly basis to ensure the pool’s compliance with its rating requirements. TexSTAR’s investment policy stipulates that it must invest in accordance with the Texas PFIA.

Credit Risk

The primary stated objectives of the District’s adopted Investment Policy are the safety of principal, liquidity, diversification and yield. Credit risk within the District's portfolio among the authorized investments approved by the District's adopted Investment Policy is present only in time and demand deposits, U.S. government agency bonds, repurchase agreements, commercial paper, municipal obligations and money market mutual funds. All investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities. State law and the District's adopted Investment Policy require inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating. State law and the District’s adopted Investment Policy also require a procedure to verify continued FDIC insurance weekly.

State law and the District's adopted Investment Policy restrict both time and demand deposits, including certificates of deposit (CD), to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these depositories (banks and savings banks). Depository certificates of deposit are limited to a stated maturity of three years. Collateral, with a 102% margin, is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities. Independent safekeeping is required outside the pledging bank's holding company with monthly reporting. Securities are priced at market on a daily basis as a contractual responsibility of the bank.

By policy and state law, commercial paper must be rated not less than A1/P1 or equivalent by at least two national recognized statistical rating organizations (NRSRO) or by one NRSRO if fully secured by an irrevocable letter of credit issued by a bank organized and existing under U. S. law or the law of a state of the U.S. Commercial paper is restricted to a stated maturity of 365 days or less.

The District's adopted Investment Policy restricts investment in money market mutual funds to those rated AAA and registered with the SEC. Each fund must strive to maintain a \$1 net asset value. Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating agency. The Policy further restricts investments to AAA-rated local government investment pools which strive to maintain a \$1 net asset value.

Note 4 – CASH AND INVESTMENTS – (Continuation)

As of September 30, 2025, the cash and investments contained:

- FDIC insured or fully collateralized bank deposits representing 0.12% of the total portfolio;
- Investment in three local government investment pools representing 82.98% of the total portfolio;
- AAA-rated money market funds striving to maintain a \$1 net asset value represented 0.01% of the total portfolio;
- US Government agency securities representing 5.58% of the total portfolio;
- Municipal Bonds representing 3.98% of the total portfolio; and
- Commercial Paper representing 7.33% of the total portfolio.

Concentration of Credit Risk

The District recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The District's adopted Investment Policy establishes diversification as a major objective of the investment program and at least 33% of the District's investments are designed to be in obligations of the US Government. As of September 30, 2025 the portfolio met its diversification requirements.

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum stated maturity date of three years and at least 33% of the District's investments shall be obligations of the U.S. Government. To ensure liquidity, a minimum of 10% shall be liquid. The maximum weighted average maturity (WAM) is two years. At the time any investment is placed, the overall compliance with the Investment Policy is verified. A segmented time distribution analysis of the portfolio is shown on page 45. As of September 30, 2025, holdings in the portfolio with stated maturity dates beyond one year represent 7.04% of the total portfolio, all of which were US agencies and municipal bonds.

Custodial Credit Risk

To control custody and safekeeping risk, State law and the District's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements. All pledged securities are to be transferred delivery versus payment and held by an independent party approved by the District and held in the District's name by an independent custodian. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% of market value and collateral terms to be detailed in executed written agreements. Depository agreements are executed under the terms of U.S. Financial Institutions Resource and Recovery Enforcement Act (FIRREA). The counterparty of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2025, the portfolio contained no certificates of deposit and no repurchase agreements. The portfolio contained 0.12% in fully insured and collateralized demand deposit accounts. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

Note 4 – CASH AND INVESTMENTS – (Continuation)

Restricted Cash

At September 30, 2025, the District held \$36,037,687 in cash, for the benefit of the LPPF. See Note 16 for a description of the program.

Note 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with GASB 72, *Fair Value Measurement and Application*, financial instruments are categorized into three levels of fair value hierarchy, based on the type of inputs used in the valuation:

- *Level 1*: Quoted prices in active markets for identical assets or liabilities accessible at the measurement date.
- *Level 2*: Inputs other than quoted prices included within the Level 1 that are observable, either directly or indirectly, for the asset or liability.
- *Level 3*: Unobservable inputs for the asset or liability.

Because the District's investments are restricted by Policy and state law to active secondary market, the market approach is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The fair market prices used for these valuations are classified as Level 2, since they rely on observable market data from secondary market transactions involving U.S. Government Agency Bonds, Commercial Paper and Municipal Bonds.

Note 6 – PROPERTY TAXES

The Commissioners' Court of Nueces County levies on behalf of the District an ad valorem tax as provided under state law on properties within the District. These taxes are collected by the Nueces County Tax Assessor-Collector and are remitted to the District when received. The Nueces County Appraisal District establishes appraised values.

Property taxes are considered available when collected within the current year. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid before February 1 of the year following the October 1 levy date. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges as well as attorney costs. The assessed value of the roll-on January 1, 2024 upon which the levy for the 2025 fiscal year was based was \$47,539,309,429.

The tax rate assessed for the year ended September 30, 2025 to finance general fund operations and the limited tax refunding bonds was \$0.08924 per \$100 valuation. Current tax collections for the year ended September 30, 2025 were 95% of the year-end adjusted tax.

Note 7 – DELINQUENT TAXES RECEIVABLE

The following table shows a schedule of delinquent taxes receivable and the allowance for uncollectible taxes for the District.

	BALANCE OCTOBER 1, 2024	CURRENT YEAR LEVY	TOTAL COLLECTIONS	ADJUSTMENTS	BALANCE SEPTEMBER 30, 2025
Delinquent Taxes					
Receivable	2,477,878	42,464,917	40,993,258	(1,042,397)	2,907,140
Allowance for Uncollectible Taxes	(1,237,417)	--	--	(36,531)	(1,273,948)
NET DELINQUENT TAXES RECEIVABLE	1,240,461	42,464,917	40,993,258	(1,078,927)	1,633,193

Note 8 – CAPITAL ASSETS AND RIGHT-TO-USE BUILDING

A summary of changes in the capital assets and leases follows:

	BALANCE OCTOBER 1, 2024	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2025
Capital Assets, Not Being Depreciated-				
Land	3,076,926	--	--	3,076,926
Capital Assets and Leases, Being Depreciated/ Amortized:				
Equipment	1,328,705	60,884	--	1,389,589
Buildings	9,768,451	--	--	9,768,451
Right-of-Use Building	459,524	--	--	459,524
Total Capital Assets and Leases Being Depreciated and Amortized	11,556,680	60,884	--	11,617,564
Less Accumulated Depreciation/Amortization for				
Equipment	1,275,939	84,923	--	1,360,862
Buildings	7,318,405	176,511	--	7,494,916
Right-of-Use Building	122,540	91,905	--	214,445
Total Accumulated Depreciation and Amortization	8,716,884	353,339	--	9,070,223
Total Capital Assets and Leases, Being Depreciated and Amortized, Net	2,839,796	(292,455)	--	2,547,341
TOTAL CAPITAL ASSETS AND LEASES, NET	5,916,722	(292,455)	--	5,624,267

Note 9 – RIGHT-OF-USE BUILDING AND LEASES

On May 31, 2023, the District entered into a 36-month lease for its administrative offices with a renewal period through May 31, 2028. Under the terms of the lease the base rent, including parking is \$9,137 per month for 6,166 square feet at \$16.75 per square foot and will increase by \$0.25 per square foot annually.

The District records the lease under GASB Statement No. 87, which establishes a single model for lease accounting based on the principle that leases are utilized to finance the right to use an underlying asset. Accordingly, the standard requires the lessee to record a lease liability and related right-to-use asset. The lease liability is calculated at the present value of the remaining lease payments expected to be paid over the term of the lease. Generally, the lease asset will be equal to the lease liability with a few exceptions, such as prepaid or deferred lease payments.

As of September 30, 2025, the value of the lease liability is \$272,970. The lease has an interest rate of 8.25%, which was the incremental borrowing rate for the District as of the lease inception date. The value of the right-of-use asset as of September 30, 2025 is \$459,524 net of accumulated amortization of \$214,445.

Future minimum lease payments for the next three year are as follows:

Year Ended September 30,	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2026	94,213	19,024	113,237
2027	103,887	10,892	114,779
2028	74,870	2,335	77,205
TOTAL	<u>272,970</u>	<u>32,251</u>	<u>305,221</u>

Note 10 – UNEARNED REVENUES

Unearned Revenue balances at September 30, 2025 consist of property taxes of \$1,633,193.

Note 11 – LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the District for the year ended September 30, 2025:

	<u>BALANCE OCTOBER 1, 2024</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2025</u>
Other Liabilities-				
Accrued Paid Time Off	39,952	167,259	161,889	45,322
TOTAL	<u>39,952</u>	<u>167,259</u>	<u>161,889</u>	<u>45,322</u>

Note 12 – INTERGOVERNMENTAL TRANSFERS (IGTs)

The District participates in state-sponsored Medicaid payment programs and provides discretionary intergovernmental transfers (“IGTs”) for Medicaid supplemental and directed payment programs that benefit certain local and regional healthcare providers. The District budgets IGTs based on participating providers’ cost estimates, while the Health and Human Services Commission (“HHSC”) determines the amount of state funding available under the various Medicaid payment programs. After completing its statewide calculations, HHSC determines the amount of IGT required for each provider and establishes the timing of payments. As a result, although the District budgeted \$153,092,697 for IGTs, it made actual IGT payments totaling \$164,279,998 during the current fiscal year.

In addition, IGTs are not accrued as liabilities in the District’s government-wide financial statements because 1) the District is not legally obligated to remit IGTs to HHSC and (2) the amount of any future payments cannot be reasonably estimated.

Note 13 – COMMITTED FUND BALANCE

As shown in the fund financial statements, the Board of Managers committed an amount not to exceed \$34,296,362 in the District's general fund balance to anticipated additional expenditures for IGTs during the subsequent fiscal year.

Funds included in the Indigent Care Fund of \$63,249,198 are committed to be used for indigent health care.

Funds included in the Opioid Settlement Fund of \$2,938,513 are committed to reducing the impact of opioid addiction.

Note 14 – INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers during the year ended September 30, 2025 were as follows:

	TRANSFERS OUT		TOTAL
	GENERAL FUND	TOBACCO SETTLEMENT FUND	
<u>TRANSFERS IN</u>			
General Fund	856,000	(856,000)	--
TOTAL	856,000	(856,000)	--

Note 15 – EMPLOYEE BENEFIT PLANS

Retirement Plan

The District maintains a single-employer defined contribution retirement plan available to all employees. The Plan is a tax-qualified plan pursuant to section 403(b) of the Internal Revenue Code. All full-time employees are eligible for participation in the plan. As of September 30, 2025, sixteen employees were enrolled in the plan.

Note 15 – EMPLOYEE BENEFIT PLANS – (Continuation)

The Plan is administrated by the District. Employees can contribute a percentage of their compensation as permitted by the Internal Revenue Code Section 403(b). The District can make a discretionary matching contribution ranging from 5% to 7% of the employee’s earnings, based on tenure. The vesting schedule provides for employees to be 100% vested in their contributions. The District’s contributions are vested at a rate of 20% per year of employment. The plan permits employees to borrow from the plan and the related administration cost thereof shall be borne by the employee participant. The normal retirement age has been designated as 65 years of age. During the year ended September 30, 2025, the District had retirement plan expense of \$102,126.

Deferred Compensation Plan

The District has a deferred compensation agreement with a key employee which allows the employee to defer a percentage of his annual compensation to future periods as permitted by the Internal Revenue Code. The Plan is administrated by the District.

Note 16 – LOCAL PROVIDER PARTICIPATION FUND

In 2020, the District established a Local Provider Participation Fund (“LPPF”) pursuant to authorization by the Texas Legislature in 2019 under Texas Health and Safety Code, Chapter 298C. The District is authorized under the statute to assess and collect mandatory payments from hospitals operating in Nueces County based on net patient revenue. These payments are used to fund IGTs necessary to support the non-federal share of supplemental and directed Medicaid payment programs.

For the fiscal year ended September 30, 2025, the District collected \$66,935,688 in mandatory payments from participant hospitals and made IGTs totaling \$76,190,361. As of September 30, 2025, the District held \$36,037,687 in mandatory payments designated for future eligible supplemental and directed Medicaid payment programs.

The District administers the LPPF and is authorized to receive compensation for related administrative expenses. For the year ended September 30, 2025 the District received \$150,000 for these services.

Note 17 – EMERGENCY MEDICINE RESIDENCY PROGRAM

In 2023, the District entered into an Emergency Medicine Support Letter Agreement with Spohn to provide financial support for an emergency medicine residency program for Academic Years 2024-2025 through Academic Years 2029-2030, with total funding not to exceed \$21,250,000 as reflected in the table below. For purposes of the letter agreement, an “Academic Year” is defined as the period from July 1 through June 30. For each Academic Year during the term, the District is obligated to pay the lesser of the amount specified in the table below or Spohn’s Actual Costs. “Actual Costs” are defined as Spohn’s direct expenses, applicable overhead allocations calculated in accordance with generally accepted Medicare reimbursement principles and indirect medical education (“IME” expenses equal to fifty percent (50%) of Spohn’s IME reimbursement.

<u>ACADEMIC YEAR</u>	<u>AMOUNT</u>
2024-2025	\$ 1,402,500
2025-2026	2,847,500
2026-2027	4,250,000
2027-2028	4,250,000
2028-2029	4,250,000
2029-2030	4,250,000

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

February 24, 2026

The Board of Managers
Nueces County Hospital District
Corpus Christi, Texas

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the governmental activities and each major fund of the Nueces County Hospital District (the “District”), a component unit of Nueces County, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents and have issued our report thereon dated February 24, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Nueces County Hospital District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nueces County Hospital District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Nueces County Hospital District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nueces County Hospital District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adamson & Company, LLC

Exhibit # 5

RFP NO. 3315-25

JAIL MEDICAL SERVICES

JULY 31, 2025 – 2:00 PM



Connie Scott, Nueces County Judge

Commissioner Pct. 1 – Mike Pusley

Commissioner Pct. 2 – Joe A. Gonzalez

Commissioner Pct. 3 – John Marez

Commissioner Pct. 4 – Brent Chesney

Michael Robinson

Nueces County Purchasing Agent

901 Leopard St., Room 106

Corpus Christi, TX 78401

Email: michael.robinson1@nuecescountytexas.gov

Phone: 361-888-0426

Fax: 361-888-0458

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JAIL MEDICAL SERVICES
JULY 31, 2025 – 2:00 PM**

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PROPOSAL SUBMISSION PACKET

ATTACHMENTS

Attachment A – Online Bid Submission Guide

Attachment B – Scope of Work & Continuity of Services

Instructions to Proposers

1. Nature of Project

The Commissioners Court of Nueces County (hereinafter called the “County”) will accept sealed competitive proposals (“Proposals” or “RFP”) for the selection of a firm (“Proposer”) for **Jail Medical Services** in accordance with the Specifications and other Contract Documents prepared by the County. Medical services are to be provided at the Nueces County Jail Facilities (“Facilities”).

The awarded Proposer(s) will provide medical, dental, mental health and nursing services to inmates at Nueces County Jail Facilities (“Facilities”). The County reserves the right to award for medical service at the Facilities.

The purpose of this RFP is to solicit proposals for the provision of ambulatory and infirmary medical services at the Nueces County Jail and ambulatory medical services at the McKenzie Annex using existing Medical Units. This RFP does not include the provision of inpatient or outpatient healthcare services that cannot be reasonably provided within the Facilities. Such services are covered under a separate indigent healthcare agreement maintained by the Nueces County Hospital District (a separate governmental entity from Nueces County). The Proposer will be responsible for maintaining a liaison with and coordinating external inmate healthcare services with the Hospital District’s indigent health care contractor.

The contract will be awarded to the proposer offering the most advantageous proposal based on service quality, price, and other RFP criteria, per Texas Local Government Code.

The term of this contract is for three (3) years, effective December 1, 2025. The Proposer may request to renew or not to renew the original contract as amended by from time to time, at the same terms, conditions, and pricing by giving a six (6) months written notice of its intent before the term ends. Each renewal, if any, will be in one (1) year increments, not to exceed two (2) additional years past the initial term. The contract may be terminated by either party for any reason by giving six (6) months written notice of intent to terminate. The County reserves the right to change any or all timeframes.

In the event the contract expires before another contract is awarded, the Proposer shall extend the contract on a month-to-month basis by mutual agreement.

2. **Objectives / Goals of the Contract**

To result in a contract between the successful Proposer (unless all proposals are rejected) and County that will provide:

- a. Quality and cost-effective medical services;
- b. An Agreement that caps the County's cost exposure, with no costs exceeding the contract amount;
- c. An annual health services budget determined by the this RFP.
- d. Development and implementation of a health care plan with clear objectives, policies procedures, and with a process of documenting ongoing achievement of contract compliance;
- e. Operation of a 24/7 delivery system for medical, dental, mental health, and nursing services at the Facilities, fully staffed with licensed and certified professionals;
- f. Administrative leadership that provides for both cost accountability and responsiveness to the contract administrator;
- g. Assurance that required federal, state and local requirements and standards of care;
- h. Continuing education for staff;
- i. A medical care delivery system respectful of inmates' basic health care rights;
- j. Compliance with standards from the National Commission on Correctional Health Care, American Correctional Association, Texas Commission on Jail Standards (Internet URL is: www.tcjs.state.tx.us/), and other applicable laws or court orders. Proposers should review Texas jail standards, including Texas Administrative Code, Title 37, Part 9, Chapter 273 (TCJS website and Texas Administrative Code) (Internet URL is: [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=4&ti=37&pt=9&ch=273&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=37&pt=9&ch=273&rl=Y)). Inspections By TCJS are random; no local jail regulations apply.

3. Pre-Proposal Conference

A pre-proposal conference will be held at 10:00 AM on July 17, 2025 at Nueces County 901 Leopard St., Corpus Christi, TX 78401, followed by a tour of the Nueces County Jail and McKinzie Annex.



[Pre-Proposal Registration - Jail Medical](#)

Please confirm attendance via link or QR code by 2:00 PM, July 15, 2025. Arrive on time.

- The conference will clarify RFP specifications; it does not amend unclear or defective invitations.
- Attendance is encouraged but not required. Submit written questions in advance for discussion.
- The Purchasing Agent will ensure all proposers receive the same information. Others may attend.
- Only written addenda can change the RFP terms; conference remarks do not alter them.

4. Proposals Due Date/Time:

Proposals will be received until **2:00 PM, July 31, 2025**. See specifications and submit proposal at www.PublicPirachse.com or deliver sealed bid to Nueces County Purchasing Agent, Michael Robinson, 901 Leopard Street, Rm. 106, Corpus Christi, TX 78401. Performance and payment bonds required. County will pay by check method.

*SCHEDULE OF EVENTS	
RFP Notice Date:	July 10, 2025
Last Day for Questions:	July 22, 2025 by 12:00 PM
Answers to Questions:	July 24, 2025 by 5:00 PM
Proposal Due/Opening Date:	July 31, 2025 at 2:00 PM
Estimated Conditional Selection Date:	August 20, 2025

*Dates are subject to change.

5. **Delivery of Proposal**

All forms in Proposal Packet and all requirements in Statement of Qualifications are to be completed, signed, dated and returned by the Due Date/Time shown above.

Online Bid Submissions (preferred):

One (1) signed electronic copy of proposal response form and all required documents shall be submitted online via PublicPurchase.com.

***For PublicPurchase.com Online Bid Submission:**

Refer to Attachment A- Online Bid Submission Guide

1. Log into Public Purchase.
2. Click Link "Home".
3. Click the "Select Region", select "Texas".
4. "Select Agency" and select "Nueces County".
5. "Open Bids" located on left side of the screen.
6. Click on the correct bid.
7. You will see all the information related to bid, select "Respond to Bid" to upload the file.
8. To receive a copy of the submission, click on "Print Submitted Information" located on the right side of the screen down below to the "Respond".

Physical Bids Submissions (if unable to submit online):

Completed proposals, **one (1) original signed copy and two (2) hard copies of proposals and one (1) electronic copy of proposal in .PDF format on a USB Flash drive** shall be enclosed in a sealed envelope plainly marked showing the RFP Number and Project Name for which the proposals are intended, and the name and address of the Proposer.

Proposals are to be addressed and delivered to:

Nueces County Purchasing
Attn: Michael Robinson, Purchasing Agent
Nueces County Courthouse
901 Leopard Street, Room 106
Corpus Christi, Texas 78401

6. EVALUATION CRITERIA

Proposals, including those from subcontractors, will be evaluated based on specified criteria. The highest-ranked proposer will be recommended to the Nueces County Commissioners Court for selection.

<u>Criteria</u>	<u>Maximum Points</u>
Qualifications/References	35
Staffing	30
Initial Plan Implementation	10
Reasonable Price	25
<hr/>	
Total	100

7. **Proposal Submission Requirements**

The proposals must follow all formats and address all portions of the RFP set forth herein.

Proposal Format:

Cover Page

Cover Letter

Tab 1 – Table of Contents

Tab 2 – General Information

Tab 3 – Statement of Qualifications

Tab 4 – Management of Project

Tab 5 – Submission Packet

Tab 6 – Pricing Information

Proposal Format and Content Instructions:

Cover Page – Include the Proposal's name, address, phone number, website, contact person's name and email, and the RFP title. Each set must be clearly labeled as "ORIGINAL" or "COPY."

Cover Letter – Must summarize relevant experience and qualifications, be signed by an authorized representative (with title), and certify the accuracy of the Statement of Qualifications.

Include written assurance of no financial interest by the proposer, agents, subcontractors, or affiliated officials in related contracts.

Tab 1 – Table of Contents – Identify each major section tab, all pages are to be numbered.

Tab 2 – General Information (limit to 3-5 pages plus financial statement information)

- A. Include the name of Proposer and current legal status (i.e. firm, corporation, partnership, sole proprietor, joint venture, etc.), mailing address, phone number, web address, name of contact person with their phone number and email address.
- B. Indicate how many years has the organization been in business under its present name and indicate all other names by which your organization has been known and length of time known by each name.
- C. Provide the location from where this project will be managed.
- D. Provide a list of current customers in the area.
- E. Provide audited financial statements for your organization's operation. If the Proposer is a Joint Venture, a copy of the Joint Venture agreement must be submitted for each party.

Tab 3 – Proposer Background (limit to 3-5 pages)

- A. Provide organization profile, legal structure, key officers, and organizational chart
- B. Distinguish experience of proposer from any parent, predecessor, or subsidiary
- C. State project management location
- D. Indicate years in business under current name and list previous names with durations
- E. Include organizational profile, website, or other relevant materials
- F. Provide detailed history of experience in Medical Services
- G. Describe firm's qualifications and past/recent experience in Medical Services

Tab 4 – Statement of Qualifications (limit to 10 pages)

Qualifications/References:

Provide length of time offering medical services in jail/correctional and residential settings.

Outline experience with clients of similar size and/or in the same region/state as this County.

- A. Submit the two most recent audited financial statements (balance sheet, income statement, and other relevant documents).
 1. If newly formed corporation, also provide:
 - a. Capital pledged or paid-in financial statement.
 - b. List of stockholders with ownership percentages.
 - c. Personal financial statements of stockholders.
 - d. Personal and business references of stockholders.
 2. References information must include client name, address, contact person, title, phone, email, and years served for each.
 - a. At least three correctional institutions served medically within the last 7 years.
 - b. Up to three correctional institutions where services were voluntarily terminated.
 - c. Up to three correctional institutions where services were terminated by the client.
 - d. Up to three correctional institutions where the proposer lost a re-bid.

Tab 5 – Initial Plan Implementation (limit to 5-7 pages)

Outline the approach for launching and fully implementing a medical service program for Jail Facilities, divided into the following sections.

1. Provide detail information of how the scope of work for the Jail Facilities (Article IV) will be met. Information is to detail a complete pharmaceutical system, inclusive of all formulary and non-formulary medications.
2. Provide an organizational chart of all direct functions required to support Nueces County's account, including names and resumes of key personnel.
3. Provide a statement certifying HIPAA compliance and copy of your HIPAA business agreement.

Tab 6 – Staffing (limit to 3-5pages)

Staffing: Proposed a staffing pattern or plan for the Facilities to include staffing levels (e.g., physicians, mid-level providers, RNs and LPNs, dentists, dental assistants and hygienists, in-house specialists, psychiatrists, psychologists, mental health staff, and proposed coverage-taking into account the preceding and the pattern of coverage (number at each level, and days, hours, nights, weekends, full or part time, etc.).

1. Provide FTEs and schedules by Jail facility
2. Detail staffing plan by role, competency, full-/part-time status, shift, and holidays
3. Define Medical Director's role in training, quality assurance, recruitment, and time allocation
4. State qualifications and responsibilities of the Health Services Administrator
5. Include job descriptions and protocols for all staff

Tab 7 –Bid Submission Documents

Each Proposer shall submit the following documents with proposal

1. Proposal Response Form
2. Certificate as to Corporate Principal
3. Non-Collusion Affidavit
4. Conflict of Interest Questionnaire (CIQ Form);
5. Statement of Credentials
6. Debarment Statement
7. Certificate of Interested Parties (Form 1295)
8. Residency Certification
9. E-Verify Company Profile Page and executed MOU document – www.e-verify.gov
10. Payment Bond
11. Performance Bond
12. Addendum(s) signed and dated, if applicable

Additional Information

By submission of a proposal, each Proposer certifies, that in connection with this procurement:

- A. The prices in this proposal were determined independently, without consultation, communication, or agreement with any other Proposers, competitors; or County personnel, to ensure fair competition.
- B. The proposer has not and will not disclose the quoted prices to any other proposer or competitor before the award, unless legally required.
- C. The proposer affirms that no efforts have been or will be made to influence others to submit or withhold proposals to limit competition.

8. Insurance and Liability

The Proposer, at their own expense, shall maintain insurance with limits not less than indicated below for the duration of this contract.

Nueces County and Hospital District shall be named as additional insureds in all policies, except for Workers' Compensation, and all policies shall include a waiver of subrogation and provided to the County and hospital District. Policies shall not exclude coverages for explosion, collapse, or underground hazards. Certificate of Liability must reference the project number and name.

The Awarded Proposer/Contractor shall not commence work until insurance policies or certificates, confirming required coverage and stating the insurer will provide the County with thirty (30) days written notice prior to cancellation, material revision or intention not to renew, have been filed with the County.

If the Insurer fails to notify the County as required, the Awarded Proposer/Contractor must immediately inform the County in writing, and suspend all work until insurance is reinstated and acceptable proof is provided.

A. Commercial General Liability shall protect the Proposer against claims for bodily injury, including wrongful death and property damage, which may arise from operations under this contract, whether by the Proposer or their subcontractors. The minimum required liability limits for this insurance are as follows:

<u>Bodily Injury / Property Damage</u>	
Each Occurrence	\$1,000,000
Annual Aggregate	\$3,000,000

B. Professional Liability Insurance shall protect the Proposer against claims for damages resulting from medical incidents which may arise from operations under this contract, whether such operations be by the Proposer, or the Proposers staff. The minimum acceptable limits of liability to be provided by such professional liability insurance shall be as follows:

- \$ 1,000,000 per medical incident
- \$ 3,000,000 per annual aggregate per physician/dentist or other contractor insured
- \$ 5,000,000 per annual aggregate for corporate ancillary personnel

C. Automobile Liability Covering:

Owned Automobiles, Non-owned Automobiles, including Hired Automobiles and those of independent contractors. All must be marked on certificate of liability form

<u>Bodily Injury / Property Damage</u>	
Per Occurrence:	\$1,000,000

D. Umbrella (excess liability policy) or additional limits on foregoing risks \$1,000,000.

E. Workers Compensation Insurance Certificate

Employer's Liability Coverage Limit: \$1,000,000.

All insurance must be written by insurance companies which are rated in the A.M. Best Rating Guide - Property & Casualty with a policyholder's rating of A, and a financial size category of Class VII.

7. ADDITIONAL REQUIREMENTS

Americans with Disabilities Act

Contractor shall comply with all applicable provisions of the Americans with Disabilities Act of 1990 (Public Law 101-136) and implementing regulations thereunder.

Civil Rights Act of 1964

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Conflict of Interest Questionnaire

Chapter 176 of the Texas Local Government Code requires a vendor who enters or seeks to enter into a contract for the sale or purchase of real property, goods, or services with a local governmental entity or local government officer thereof to file a conflict-of-interest questionnaire with the governmental entity prescribed.

A Conflict-of-Interest Questionnaire Form (CIQ) must be submitted not later than the seventh (7th) business day after the date the vendor begins discussion, negotiation, applies or response to a request for proposal or bids, or correspondence in writing related to a potential contract with the local governmental entity.

Drug Free Workplace Act

Contractor shall comply with all applicable requirements of the Drug-Free Workplace Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. § 8102, et seq.) and implementing regulations thereunder.

Equal Employment Opportunity

During the performance of this Contract, the Contractor agrees as follows:

- A. The Contractor will not discriminate against any employee or applicant for employment because of race, creed, sex, color, disability or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, sex, color, handicap or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, setting forth the provisions of this non-discrimination clause.
- B. The Contractor will, in all solicitation or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, disability or national origin.
- C. The Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

- D. The Contractor will send to each labor union or representative of workers with whom he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order Number 11246, as amended in 3 CFR 169 (1974), and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- E. The Contractor will comply with all provisions of Executive Order Number 11246, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- F. The Contractor will furnish all information and reports required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain complaints with such rules, regulations, and orders.
- G. In the event of the Contractor's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order Number 11426, as amended or by rules, regulations, or orders of the Secretary of Labor, or as otherwise provided by law.
- H. The Contractor will include provisions (a). Through (g). in every subcontract or purchase order, unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order Number 11426, as amended, so that such provisions will be binding upon each subcontractor or purchase order, as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance; provided however, that in the event the contractor becomes involved in or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

Immigration Laws and Use of E-Verify

Contractor agrees to comply with all requirements of the U.S. Immigration Reform and Control Act of 1986, as amended, and any implementing regulations thereto. Contractor further agrees to utilize the E-Verify system through the Department of Homeland Security on its employees. Contractor shall not employ unauthorized aliens and shall not assign services to be performed to any supplier or subcontractor who are unauthorized aliens. If any personnel performing any services hereunder are discovered to be an unauthorized alien, then Contractor will immediately remove such personnel from performing services hereunder and shall replace such personnel with personnel who are not unauthorized alien(s).

OSHA Regulations

Contractor agrees to maintain and to display any applicable materials for its employees in accordance with OSHA regulations.

Workers Compensation Certification

Proposer shall certify in writing that he provides Workers Compensation Insurance for all employees of the Proposer. The Proposer shall require all subcontractors to provide a similar certificate to the Proposer and the Proposer shall furnish such certificates to Nueces County.

A Proposer shall:

- (1) Provide coverage for its employees providing services on a project, for the duration of the project based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements;
- (2) Provide a certificate of coverage showing workers' compensation coverage to the governmental entity prior to beginning work on the project;
- (3) Provide the governmental entity, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the Proposer's current certificate of coverage ends during the duration of the project;
- (4) Obtain from each person providing services on a project, and provide the governmental entity:
 - a) a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and
 - b) no later than seven (7) days after receipt by the Proposer, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
- (5) Retain all required certificates of coverage on file for the duration of the project and for one year thereafter;
- (6) Notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the Proposer knows or should have known, of any change that materially affects the provisions of coverage of any person providing services on the project;
- (7) Post a notice on each project site informing all persons providing services on the project that they are required to be covered, and stating how a person might verify current coverage and report failure to provide coverage. This notice does not satisfy other posting requirements imposed by the Act or other commission rules. This notice must be printed with a title in at least 30-point bold type and text in at least 19-point normal type, and shall be in both English and Spanish and any other language common to the worker population. The text for the notices shall be the following text in Figure 2: 28 TAC 110.110(d) (7) of this section, provided by the commission on the sample notice without any additional words or changes; and
- (8) Contractually require each person with whom it contracts to provide services on a project to:
 - a) Provide coverage based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements for all employees providing services on the project, for the duration of the project;
 - b) Provide a certificate of coverage to the contractor prior to beginning work on the project;
 - c) Include in all contracts to provide services on the project the language in subsection below;

“By signing this contract or providing or causing to be provided a certificate of coverage, the person signing this contract is representing to the governmental entity that all employees of the person signing this contract who will provide services on the project will be covered by workers’ compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of self-insured, with the commission’s Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.”

This rule is applicable for building or construction contracts advertised for bid by a government entity on or after September 1, 1994. This rule is also applicable for those building or construction contracts entered into on or after September 1, 1994, which are not required by law to be advertised for bid.

- d) Provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
- e) Obtain from each other person with whom it contracts, and provide to the contractor:
 - i. a certificate of coverage, prior to the other person beginning work on the project; and
 - ii. prior to the end of the coverage period, a new certificate of coverage showing extension of coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project; and
- f) Retain all required certificates of coverage on file for the duration of the project and for one (1) year thereafter;
- g) Notify the governmental entity in writing by certified mail or personal delivery, within thirty (30) days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and
- h) Contractually require each other person with whom it contracts, to perform as required by subparagraphs (a) – (h) of this paragraph, with the certificate of coverage to be provided to the person for whom they are providing services.

NUECES COUNTY

GENERAL REQUIREMENTS

It is understood that the Commissioners Court of Nueces County, Texas reserves the right to accept or reject in part or in whole any proposal submitted and to waive informalities for the best interest of the County. The award of this contract shall be made to the Proposer who provides the lowest and best evaluated offer resulting from negotiations in accordance with the laws of the State of Texas.

Nueces County is aware of the time and effort you expend in preparing and submitting proposals to the County. Please let us know of any proposal requirements that are causing you difficulty in responding to our request for proposals. We want to make the process as easy as possible so that all responsible Proposers can compete for the County's business.

Nueces County will not be liable for any costs incurred by any Proposer in preparing a response to this RFP. Proposers submit proposals at their own risk and expense. Nueces County makes no guarantee that any services will be purchased as a result of this RFP and reserves the right to reject any and all proposals. All proposals and their accompanying documentation will become the property of Nueces County.

Proposers shall thoroughly examine the specifications, schedule, instructions, and all other contract documents. Proposers shall make all investigations necessary to thoroughly inform themselves regarding facilities for delivery of materials and equipment as required by this solicitation. No plea of ignorance by the Proposer of conditions that exist or that may thereafter exist as a result of failure to fulfill in every detail the requirements of the contract document will be accepted as a basis for varying the requirements of the County or the compensations to the Proposer.

Oral explanations and oral instructions given during the pre-proposal process are not binding. Only requirements included in the proposal and associated specifications and plans in subsequent County-issued written addenda are binding.

If a Proposer is in doubt as to the meaning of any part of the Specifications or other Contract Documents, or if they discover what they consider to be a discrepancy, omission or conflict in such Contract Documents, they shall immediately contact **Nueces County Purchasing Agent** via email: michael.robinson1@nuecescountytexas.gov or submit question via website hosting proposal information; and advise of such by written notice or request for an interpretation of same. If such written notice or request is delivered to **Nueces County Purchasing Department c/o Michael Robinson, Purchasing Agent, Nueces County Courthouse, 901 Leopard Street, Room 106, Corpus Christi, Texas 78401** prior to five (5) calendar days before the time set for opening proposals, the **Nueces County Purchasing Agent** shall issue a written addenda, forwarded to all persons who, to the knowledge of County, are prospective Proposers, setting out any corrections to such Contract Document or County's interpretation thereof, as the case may be.

ADDENDA: Any interpretations, corrections or changes to this Request for Proposal and specifications will be made by addenda. Addenda's will be emailed or mailed to all that are known to have received a copy of this Request for Proposal and posted on websites where the RFP is posted. **Proposers must acknowledge receipt of all addenda by including a signed and dated copy in their Proposal Response packet.**

FUNDING: Funds for payment have been provided through Nueces County budget approved by the Nueces County Commissioners Court for the fiscal year only. State of Texas prohibits the obligation and expenditure of public funds beyond the fiscal year for which the budget has been approved. Therefore, anticipated orders or other obligations that may arise past the end of the current fiscal year shall be subject to budget approval. The Fiscal Year for Nueces County extends from October 1st of each calendar year to September 30th of the next calendar year.

DELIVERY OF PROPOSALS: No proposal or modification to a proposal or inclusion of addendum to response proposal shall be made orally or by email, telephone, or fax.

When submitting by mail, place the envelope in another sealed envelope and address (including the proposal number) as indicated in the official advertisement. Proposals that do not arrive in the hands of the Letting Official at the location described in the official advertisement, on or before the time and date set for the opening, will not be accepted, and will be considered a late proposal.

LATE PROPOSALS: Nueces County is not responsible for lateness or non-delivery of mail by carrier, etc. Proposers planning to hand deliver proposals are advised that a security screening station operates in the Courthouse and delays may be anticipated in reaching the Purchasing Office. Nueces County cannot accept a proposal after the closing hour advertised. Proposals received in the Purchasing Office after submission deadline will be considered non-responsive. Late proposals will not be opened until a contract is approved, and one copy of the proposal will be filed with the permanent file. Nueces County will not be responsible for unmarked/improperly marked proposals or for proposals delivered to the wrong location.

REVISING PROPOSALS: Revisions to Proposals will be handled as follows:

- A. **Before Submission and prior to Proposal Opening.** In ink, make desired changes, including interlineations, alterations, or erasures, and initial the changes to guarantee authenticity.
- B. **After Submission and prior to Proposal Opening.** Withdraw the proposal in accordance with "Withdrawing Proposals" below. In ink, make desired changes and initial the changes. Resubmit to the letting official in accordance with "Delivery of Proposal" instructions. The County will not make revisions to a Proposal on behalf of a Proposer.
- C. **After Proposal Opening.** Proposal revisions are not allowed after the time of proposal opening.

WITHDRAWAL OF PROPOSALS: A Proposal may be withdrawn by written fax, email, or mailed request received by Purchasing Agent prior to the time fixed for proposal opening.

PROPRIETARY MATERIAL: All **PROPRIETARY** information must be clearly marked and identified as such. Failure to mark it as proprietary information may result in the information being released to the public. The County does not take any responsibility for determining whether information is proprietary. All other information submitted is subject to be released under the Texas Public Information Act or other applicable law.

CONFIDENTIAL MATERIAL: All material that is to be considered confidential in nature must be clearly identified as such and will be treated as confidential by Nueces County to the extent allowable in the Texas Public Information Act.

PROPOSAL PROCESS: Proposals will be opened to avoid disclosure of contents to competing Proposers and will be kept secret during the process of negotiations. All proposals submitted will be opened for public inspection after the contract has been awarded, **except for trade secrets and confidential information contained in the proposal and clearly identified as such.** Discussions may be had with responsible Proposers who submit proposals determined reasonably susceptible of being selected for award. Proposers will be accorded fair treatment with respect to an opportunity for discussion and revision of proposals. Revisions may be permitted after submission and before award for the purpose of obtaining the best and final offer.

NON-RESPONSIVE PROPOSALS: A proposal that has one or more of the deficiencies listed below is non-responsive and will not be considered.

- A. The proposal is not signed by the person or persons authorized to bind the contract.
- B. The proposal does not contain the requirements requested in Proposal Submission Requirements.
- C. The proposal was not in the hands of the letting official as per the time and location specified in the advertisement.
- D. The Proposer submits more than one proposal, under the same or different name, for a specific proposed contract. (A Proposer may submit a proposal and participate as a material supplier, **subcontractor**, or both to any or all Proposers contemplating submitting a proposal for this work).

TIE PROPOSALS: If two responsible Proposers submit the lowest and best proposal, the Commissioners Court shall decide between the two by drawing lots in a manner prescribed by the County Judge.

AWARD OF CONTRACT: The County reserves the right to reject any or all proposals, to accept the proposal or proposals it considers most advantageous, to waive irregularities or formalities in proposing, and to hold all proposals for thirty (30) days after the date scheduled for opening such proposals.

The award of this contract shall be made to the responsible Proposer, whose proposal is determined to be the best evaluated offer resulting from negotiation, taking into consideration the relative importance of evaluation factors set forth in the RFP.

The Proposer whose proposal is accepted by County under the RFP shall within ten (10) days after receipt of notice that his proposal has been accepted, execute a Contract with County.

PROTESTS: Protests before award must be submitted in writing to the Purchasing Agent not later than six (6) calendar days after proposal opening, and protests after award must be submitted within ten (10) calendar days after award by Commissioners Court.

The protests must include, at a minimum, the name of protester, RFP number and description of goods or services, and a statement of grounds for protests. Protest received in writing will be forwarded to the County Judge's Office for processing. A response will be provided in writing to the protest.

CONTRACT: The proposal, accompanying documents, and any negotiated terms, when properly executed and signed by Nueces County, shall constitute a contract equally binding between the successful Proposer and Nueces County.

CONTRACT CHANGES: No oral statements of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing and approved by the Nueces County Commissioners Court.

ASSIGNMENT OF CONTRACT: The services to be performed by the Proposer shall not be sold, assigned, sublet, or transferred nor shall the Proposer assign any monies due or to become due to him/her under any contract entered, in whole or in part, without the written consent of the County pursuant to these specifications.

TERMINATION FOR DEFAULT: Nueces County reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of Nueces County in the event of breach or default of this contract. Nueces County reserves the right to terminate the contract immediately in the event the successful Proposer fails to perform in accordance with the accepted proposal. Breach of contract or default authorizes the County to award to another Proposer, retain services elsewhere and charge the full increase in cost to the defaulting Proposer.

EXCEPTIONS AND SUBSTITUTIONS: All proposals meeting the intent of this request for proposal will be considered for negotiations. Proposers taking exception to the specifications or offering substitutions shall state these exceptions by attachment as part of the proposal. The absence of such a list shall indicate that the Proposer shall be responsible for performing in strict accordance with the specifications of the Request for Proposals. Nueces County Commissioners' Court reserves the right to accept any and all or none of the exceptions and/or substitutions deemed to be in the best interest of the County.

SILENCE OF SPECIFICATIONS: The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

ETHICS: The Proposer shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, elected or appointed official or agent of Nueces County.

GRATUITIES: Do not offer County employees benefits, gifts, or favors. Failure to honor this policy may result in the termination of the Contract. Termination of the Contract will be in accordance with the General Conditions.

No Public Official shall have interest in this contract except in accordance with Vernon's Texas Codes Annotated, Local Government Code Title 5, Subtitle C, Chapter 171.

APPLICABLE LAWS AND VENUE: The successful firm agrees, during the performance of the work, to comply with all applicable codes and ordinances of the appropriate city, county or state of Texas as they may apply, as these laws may now read or as they may hereafter be changed or amended. The parties herein agree that this contract shall be enforceable in Nueces County Texas.

HOLD HARMLESS AGREEMENT: Successful Proposer shall defend, indemnify and save harmless Nueces County and all its officers, agents and employees from all suits, actions or other claims of any character, and description brought for or on account of any injuries or damages received or sustained by any person or property on account of any negligent act or fault of the successful Proposer, or of any agent, employee, subcontractor or supplier in the execution of, or performance under any contract which may result from proposal award. Successful Proposer shall pay any judgement with cost that may be obtained against Nueces County growing out of such injuries.

LAWS, REGULATIONS AND PERMITS: The Proposer's attention is directed to the fact that all applicable State laws, municipal ordinances, and the rules and regulations of all authorities having jurisdiction over construction of the Project shall apply to the Contract throughout, and they will be deemed to be included in the Contract the same as though herein written out in full.

Proposal Submission Packet

Bid Submission Packet:

- ❖ Proposal Response Form
- ❖ Certificate as to Corporate Principal
- ❖ Non-Collusion Affidavit
- ❖ Conflict of Interest Questionnaire (CIQ Form)
- ❖ Statement of Credentials
- ❖ Debarment Statement
- ❖ Certificate of Interested Parties (Form 1295)
- ❖ Residency Certification
- ❖ E-Verify
- ❖ Payment Bond
- ❖ Performance Bond

RFP NO. 3315-25

MEDICAL SERVICES FOR THE NUECES COUNTY JAIL AND MCKENZIE ANNEX

OPEN DATE: JULY 31, 2025 – 2:00 PM

PROPOSAL RESPONSE FORM

The undersigned agrees, if this proposal is accepted, to furnish any and all items/services upon which reasonable prices are offered, at the reasonable price(s) and upon the terms and conditions contained in these specifications. All proposals submitted are to be valid for a minimum of one hundred twenty (120) days after the date scheduled for opening such proposals.

The undersigned affirms that they are duly authorized to execute this contract, that this proposal has not been prepared in collusion with any other Offeror, and that the contents of this proposal have not been communicated to any other Offeror prior to the official opening of this proposal.

The undersigned affirms that they have read and do understand the specifications, insurance requirements, and any attachments contained in this proposal package.

All labor, materials, services and equipment necessary for the completion of the work described in this RFP and as proposed by the offeror will be completed for the lump sum reasonable price amount of:

INITIAL PROPOSAL:

For all services at the Facilities (Jail):

Total Cost of the initial three years contract term \$ _____

Total cost of fourth year contract \$ _____

Total cost of fifth year contract \$ _____

Per Diem Rate \$ _____. Per Diem Rate is used to adjust the monthly cost on those occasions when the monthly average inmate population exceeds/falls below the aggregate population of 960 inmates (e.g. If monthly Avg. pop is 1000; 40 inmates x per diem rate x # days in month)

For all services at the Facilities (Annex):

Total Cost of the initial three years contract term \$ _____

Total cost of fourth year contract \$ _____

Total cost of fifth year contract \$ _____

Per Diem Rate \$_____. Per Diem Rate is used to adjust the monthly cost on those occasions when the monthly average inmate population exceeds/falls below the aggregate population of 960 inmates (e.g. If monthly Avg. pop is 1000; 40 inmates x per diem rate x # days in month)

Provide explanation of the formula for inflationary increase for the two subsequent year renewals, if any.

Provide a breakdown of the lump sum reasonable price for a 3-year term by line-item descriptions and amounts (e.g., staffing including each doctor, consulting/specialty care, pharmaceuticals, physical therapy, hospital emergency care costs, supplies, misc. expenses, general administrative and operating costs, etc.) The total for the line items should be the same as the stated lump sum reasonable price.

SAMPLE

ALTERNATE PROPOSAL:

For all services at the Facilities (Jail/Annex):

Total Cost of the initial three years contract term \$ _____

Total cost of fourth year contract \$ _____

Total cost of fifth year contract \$ _____

Per Diem Rate \$ _____. Per Diem Rate is used to adjust the monthly cost on those occasions when the monthly average inmate population exceeds/falls below the aggregate population of 960 inmates (e.g. If monthly Avg. pop is 1000; 40 inmates x per diem rate x # days in month)

Provide explanation of the formula for inflationary increase for the two subsequent year renewals, if any.

Provide a breakdown of the alternate lump sum reasonable price for a 3-year term by line-item descriptions, amounts and detail description/explanation of any options proposed (e.g., staffing including each doctor, consulting/specialty care, pharmaceuticals, physical therapy, hospital emergency care costs, supplies, misc. expenses, general administrative and operating costs, any additional or alternate items/services, etc.). The breakdown and detail description/explanation should be attached to this form. The total for the line items should be the same as the stated alternate lump sum reasonable price.

_____	_____	_____
Company Name	Street Address	City, State Zip
_____	_____	_____
Authorized Signature	Mailing Address	City, State Zip
_____	_____	_____
Print or type name	Office Number	
_____	_____	
Title	Direct Number	
_____	_____	
E-Mail Address	Date	

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the **Secretary** of the Corporation named as Principal in the attached _____ (Performance, Payment) Bond; that who signed the said Bond on behalf of the Principal was then the _____ of said Corporation; that I know his signature and his signature thereto is genuine; and that said Bond was duly signed, sealed and attested for and in behalf of said Corporation by authority of the governing body.

(Signed)

Title: _____

Date: _____

(Affix Corporate Seal)

NON-COLLUSION AFFIDAVIT OF PROPOSER

State of _____ §

County of _____ §

_____, being duly sworn, deposes and says that:

1. He/She is _____ of _____, the offeror submitting the attached Proposal;
2. He/She is full informed respecting the preparation and contents of the attached proposal and any and all appurtenances thereof;
3. Such proposal is genuine and is not a collusive proposal;
4. Neither the said offeror nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with another Proposer, firm or person to submit a collusive proposal in connection with the Contract for which the attached Proposal has been submitted or to refrain from proposing in connection with such contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Proposer, firm or person to fix the price or prices in the attached proposal or of any other Proposer, or to fix an overhead, profit or cost element of the proposal price or the proposal price of any other Proposer, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the County or any other person interested in the proposed contract; and
5. The price or prices quoted in the attached proposal are fair and proper and are not tainted by any, conspiracy, connivance or unlawful agreement on the part of the Proposer or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

(Name)

(Title)

(Date)

Subscribed and sworn to me this _____ day of _____, 20__.

By: _____

Notary Public in and for _____ County, Texas

My commission expires _____

SAMPLE

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

STATEMENT OF CREDENTIALS

1. GENERAL: In order to assist the Owner in determining the ability of each Proposer to properly fulfill the requirements of this proposed contract, the Proposer will complete the following items. All questions must be answered and the data given must be clear and comprehensive. **This statement must be notarized.** If necessary, questions may be answered on separate attached sheets. The Proposer may submit any additional information he desires.

Name of Proposer: _____

Address: _____

Email Address: _____

Date Organized: _____ Date Incorporated: _____

Office Number: _____ Fax Number: _____

Number of years in business under present name: _____

Type of work performed by your company: _____

Have you ever failed to complete any work awarded to you? _____

Have you ever defaulted on a contract? _____

Attach resumes for the principal members of your organization, including the officers as well as the proposed superintendent for the project.

Credit available: \$ _____

Bank reference (Name): _____

2. EXPERIENCE: The Proposer will give below a list of similar projects which he has completed within the last seven (7) years.

1. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

2. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

3. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

4. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

5. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

6. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

7. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

8. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

9. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

10. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____ Total Cost: _____

3. CONTRACTS ON HAND: The Proposer shall provide below a list of any contracts/projects he currently has on hand:

4. EQUIPMENT AVAILABLE FOR THIS CONTRACT/PROJECT ON HAND (if applicable): The Proposer shall provide below a list of equipment available for use on this contract/project:

5. SUBCONTRACTORS: The Proposer shall provide below a tentative list of subcontractors proposed to work on this contract/project, and the portion of work to be performed by each.

The undersigned hereby authorizes and requests any person, firm, or corporation to furnish any information requested by the owner in verification of the recitals comprising this Statement of Credentials.

Executed this _____ day of _____, 20__.

By _____
Title _____

Subscribed and sworn to me this _____ day of _____, 20__.

By: _____

Notary Public in and for _____ County, Texas

My commission expires _____

DEBARMENT STATEMENT:

I certify that the applicant firm is not currently debarred or otherwise declared ineligible by any public agency from bidding to furnish materials, supplies or services. I further certify that no principal, officer or director of the applicant firm has been employed by or associated with any firm which is currently debarred or otherwise declared ineligible by any public agency from bidding for furnishing materials, supplies or services.

I certify that the applicant firm has never been debarred, or otherwise declared ineligible by any public agency from bidding or furnishing materials, supplies or services. I further certify that no principal, officer or director of the applicant firm has ever been employed by or associated with any firm which has ever been debarred or otherwise declared ineligible by any public agency from bidding for furnishing materials, supplies or services.

BY: _____ (Signature)

_____ Date

CERTIFICATE OF INTERESTED PARTIES – FORM 1295

(To be submitted with bid)

Bidder is to click on the link: [Form 1295](#) to access the website to complete and submit with bid.

*NOTE: Publicly Traded business entities do not require a Form 1295

SAMPLE

Residency Certification

In accordance with Texas Government Code Chapter 2252, Subchapter A, Sections 2252.001 through 2252.004 (relating to bids by nonresident contractors), the pertinent portions of which have been extracted and provide as follows:

1. "Nonresident bidder" refers to a person who is not a resident.
2. "Resident bidder" refers to a person whose principal place of business is in this state, including a contractor whose ultimate parent company or majority owner has its principal place of business in this state.

A governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in:

1. the state in which the nonresident's principal place of business is located; or
2. a state in which the nonresident is a resident manufacturer.

I certify that _____ (Company Name) is a

Resident bidder of Texas as defined in Section 2252.001(4), Texas Government Code,

OR

Nonresident bidder as defined in Section 2252.001(3), Texas Government Code, and our principal place of business or state in which we operate as a resident manufacturer is _____ (City and State).

Note: If the Respondent is an out-of-state company, a Certificate of Authority from the Secretary of State to do business in Texas must be provided.

SIGNATURE	
NAME OF AUTHORIZED AGENT	
TITLE OF AUTHORIZED AGENT	
DATE	

E-VERIFY

(To be submitted with bid)

Bidder is to click on the link: www.E-Verify.gov to provide proof of Registration & executed MOU (all pages) and submit with bid.

SAMPLE

PAYMENT BOND

State of Texas §

KNOW ALL MEN BY THESE PRESENTS

County of Nueces §

That we _____, Contractor, as Principal, and _____, as Surety, are hereby held and firmly bound unto Nueces County (hereafter called "COUNTY") in the full and just sum of _____, (\$ _____) for payment of which the said Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that: WHEREAS the Principal entered into a certain Contract, which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein, with the Owner dated _____, 2015, for the construction of;

**RFP NO. 3315-25
JAIL MEDICAL SERVICES**

In accordance with the Specifications and other Contract Documents thereto, prepared by Nueces County.

NOW, THEREFORE, if the Principal shall promptly make payment to all claimants as defined in Paragraph C of Article 5160 Revised Civil Statutes of Texas, 1925, as amended by House Bill 344, Acts of the 56th Legislature, Regular Session, 1959, supplying labor and materials in the prosecution of the work provided for in said Contract, as well as any changes, extensions, deletions or modifications thereof which may be made by COUNTY, with or without notice to Surety, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

PROVIDED that any additions, deletion, alterations or changes which may be made in the terms of the Contract or in the Specification or other Contract Documents, or in the work to be done thereunder, or the making by the COUNTY of any payment or pre-payment under Contract, or the giving by the COUNTY of an extension of time for the performance of the Contract, or the granting of any other forbearance on the part of either the COUNTY or the Principal to the other

PERFORMANCE BOND

State of Texas §
County of Nueces §

KNOW ALL MEN BY THESE PRESENTS

That we, _____ Contractor, as Principal, and _____
_____, as Surety, are hereby held and firmly
bound unto **NUECES COUNTY**, hereinafter referred to as "COUNTY", in the full and just
sum of _____ (\$_____) for the
payment of which the said Principal and Surety bind themselves, their heirs, executors,
administrators, successors and assigns, jointly and severally, firmly by these presents.
The conditions of this obligation are such that: **WHEREAS, the Principal** entered into a
certain, which Contract is hereby referred to and made a part hereof as fully and to the
same extent as if copied at length herein, with the COUNTY, dated the ____ this day of _
_____, 2015, for the construction of:

**RFP NO. 3315-25
JAIL MEDICAL SERVICES**

In accordance with the Specifications and other Contract Documents thereto, prepared
by Nueces County

NOW, THEREFORE, if the Principal shall promptly make payment to all claimants as
defined in Paragraph C of Article 5160 Revised Civil Statutes of Texas, 1925, as amended
by House Bill 344, Acts of the 56th Legislature, Regular Session, 1959, supplying labor and
materials in the prosecution of the work provided for in said Contract, as well as any
changes, extensions, deletions or modifications thereof which may be made by COUNTY,
with or without notice to Surety, then this obligation shall be null and void, otherwise it shall
remain in full force and effect.

PROVIDED that any additions, deletion, alterations or changes which may be made
in the terms of the Contract or in the Specification or other Contract Documents, or in the
work to be done thereunder, or the making by the COUNTY of any payment or pre-payment
under Contract, or the giving by the County of an extension of time for the performance of
the Contract, or the granting of any other forbearance on the part of either the COUNTY or
the Principal to the other shall not in any way release the Principal or the Surety, or either
of them, their heirs, executors, administrators, successors or assigns, from their liability or
the liability of any of them hereunder, notice to the Surety of any such addition, deletion,
alteration, change, payment, pre-payment, extension or forbearance being hereby
expressly waived.

PROVIDED FURTHER, that this bond is executed solely for the protection of the COUNTY pursuant to the provisions of Article 5160, Vernon's Civil Statutes of Texas, as amended, and all liabilities on this bond are to be determined in accordance with the provisions thereof.

EXECUTED on _____, 2015

PRINCIPAL (CONTRACTOR)

SURETY (Corporate Name)

By: _____

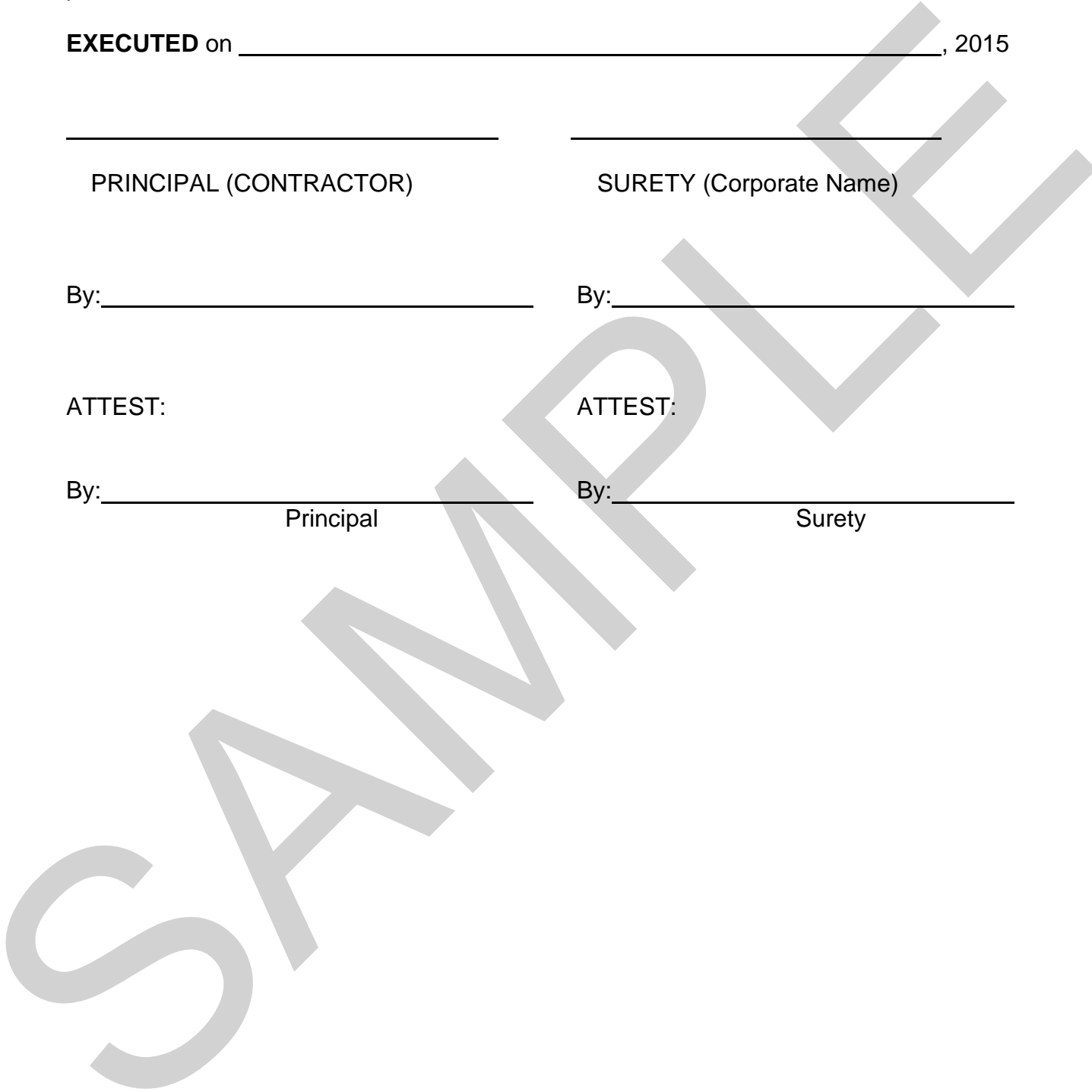
By: _____

ATTEST:

ATTEST:

By: _____
Principal

By: _____
Surety



Attachments

Attachment A - Guide for Vendors to Submit Proposals

[Click here to Login](#)

Username:

Password:

Did you forget your password?
Get help with your password here.

Not a member yet?
Register as a new Vendor.

Watch out for Phishing Sites! Always check the address bar before you login to Public Purchase. The page should be secure (https) and should always say in green "The Public Group LLC" as the example below shows.

<https://www.publicpurchase.com/igems/login/login?bid=>

Customer Support: vendorsupport@publicpurchase.com | Copyright 1999-2015 © | The Public Group, LLC

Below is the home screen after logging in

Looking for more business? Click on [Free Market Analysis](#) to see how Bid Syndication can target business for your company. Register for Bid Syndication today and start living the results!
[Bid Syndication Service]

Bids Invited To

Bid	Agency	Start Date	End Date	Timeleft	Addendums
RFP #0255-Z - Youth in Workforce Initiatives	State of Wyoming	Feb 5, 2015 8:30:12 AM MST	Mar 5, 2015 2:00:00 PM MST	7 days 4 hours	No Addendums
RFP #0259-Z - Youth Initiatives (exploring career opportunities)	State of Wyoming	Feb 9, 2015 10:01:03 AM MST	Mar 24, 2015 2:00:00 PM MDT	26 days 3 hours	No Addendums

Bids Responding To

Bid	Agency	Start Date	End Date	Timeleft	Addendums
Invitation For Bid #0253-Z - Road and Structure Maintenance Project at Guernsey State Park	State of Wyoming	Jan 30, 2015 8:30:59 AM MST	Feb 20, 2015 2:00:00 PM MST	CLOSED	Jan 30, 2015 Feb 12, 2015
Invitation For Bid #0239-Z - Picnic Tables & Grills	State of Wyoming	Jan 29, 2015 2:31:01 PM MST	Feb 25, 2015 2:00:00 PM MST	CLOSED	No Addendums
Invitation For Bid #0273-Z - Custom Lapel Pins for the 2015 Wyoming State Fair and Expo	State of Wyoming	Feb 12, 2015 11:29:27 AM MST	Mar 4, 2015 2:00:00 PM MST	6 days 4 hours	No Addendums
RFP #0266-Z - USDA Processed Foods - National School Lunch & Summer Food Service Programs	State of Wyoming	Feb 9, 2015 7:59:08 AM MST	Mar 9, 2015 2:00:00 PM MST	11 days 3 hours	No Addendums
Invitation For Bid #0275-Z - Gravel Road Maintenance Project at Guernsey State Park	State of Wyoming	Feb 18, 2015 8:01:00 AM MST	Mar 11, 2015 2:00:00 PM MDT	13 days 3 hours	Feb 23, 2015
Invitation For Bid #0285-Z - 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle	State of Wyoming	Feb 20, 2015 2:03:35 PM MST	Mar 16, 2015 2:00:00 PM MDT	18 days 3 hours	No Addendums
RFP #0246-Z - Dept. of Health - Rate Analysis and Reimbursement Assistance	State of Wyoming	Feb 11, 2015 10:01:01 AM MST	Mar 23, 2015 2:00:00 PM MDT	25 days 3 hours	No Addendums

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3. Find the bid you would like to submit a proposal. The bids can be located under "Bids Invited to" or "Bids Responding to". Click on the bid you would like to submit a proposal to.

Chat Help Logout Home Search Browse My Stuff Tools

Bid Invitation For Bid #0285-Z - 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle

Bid Type Invitation For Bid
Bid Number 0285-Z
Title 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle
Start Date Feb 20, 2015 2:03:35 PM MST
End Date Mar 16, 2015 2:00:00 PM MDT
Agency Nueces County
Bid Contact: Michael Robinson
 (361) 888-0426
 Michael.Robinson1@nuecescountytexas.gov
 901 Leopard Street, Rm 106
 Corpus Christi, TX 78401

Questions
 0 Questions
[View/Ask Questions](#)

Respond [?]
[Respond to bid](#)
[Indicate NO Response to bid](#)

Description
 Please see attached documentation.
 All questions must be submitted on the Public Purchase online bidding system no later than noon on Friday, February 27, 2015, to be considered. The Agency and Procurement office have up to one week after the deadline to answer the question(s). Any question submitted after this deadline will not be considered.
 Your proposal must be uploaded to the Public Purchase website for submission. Paper copies will be rejected and mailed back to you sealed.

Documents

Name	Acceptance Required	Acceptance Status	
Bidding Conditions & Instructions.pdf	Yes	[Must Accept]	[Download]
0285-Z.doc	No		[Download]

[Respond](#) [?]

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To submit a proposal to the bid, you will need to select on "Respond to bid"

If the buyer who created the bid has made part of the bid mandatory to accept (i.e. Bidding Conditions), then you will need to accept or accept with exceptions or decline the requirement.

Chat Help Logout Home Search Browse My Stuff Tools

Response to Bid Invitation For Bid #0285-Z - 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle

Bid Document Requiring Acceptance
 In order to respond to the bid, the agency requests that you review and accept the following document.

Name	Acceptance Required	Acceptance Status	download
Bidding Conditions & Instructions.pdf	Must Accept		[download]

Do you accept the terms and conditions set forth in this document?

Yes
 Yes with exceptions
 No

Confirmation

Username: mandygershmel
 Password:

[Save](#) [Cancel](#)

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To respond to the acceptance of each document, please select "Yes", "Yes with Exception" or "No", put in your password and select "Save".

If the buyer has put in two or more documents for acceptance, it will take you the next document. The screen will remain the same, but the Name of the document will change to indicate you are on a new document to accept.

Once you have accepted any or all documents, it is not time to submit a proposal. Make sure your document(s) is in PDF, Word, Excel, or PowerPoint file. PDF is the preferred method of submission.

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Response to Bid Invitation For Bid #0285-Z - 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle

General Attachments

No attachments uploaded.

[Upload File](#)

General Comments for the Agency

[Save Comment](#)

How is my bid response submitted?
When you upload a document or save your comments above, your response is *immediately* submitted. However, you are the only one who will have access to your information until the bid closes. This means you can come back any time before the bid closes and edit your response information.

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Annotations:
- A yellow box on the left contains the text: "Select 'Upload File' and the upload box will appear. Find the document you wish to upload and select Open. The upload may take several minutes to finish uploading". An arrow points from this box to the "Upload File" button.
- A yellow box on the right contains the text: "This box is for any comments you wish for the Agency or Procurement to appear.". An arrow points from this box to the comment text area.
- An arrow points from the "Print Submitted Information" button to the bottom yellow box.

Please take a minute to read "How is my bid response submitted?" Your document is automatically saved and submitted when it is done uploading. There is no need to do anything further. If you wish to confirm your document has uploaded, select "Print Submitted Information".

On the screen below, you will find the documents has been uploaded and the comments have been entered.

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Response to Bid Invitation For Bid #0285-Z - 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle

General Attachments

TEST TEST TEST.docx [download]

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General Comments for the Agency

TEST TEST TEST |

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Response Details Report Bid Invitation For Bid #0285-Z - 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle

Report Generated on : Feb 26, 2015 9:04:29 AM MST Print

Bid: Invitation For Bid #0285-Z - 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle Start Date: Feb 20, 2015 2:03:35 PM MST
 End Date: Mar 16, 2015 2:00:00 PM MDT

Quality Assurance Vendor - State of Wyoming

Terms and Conditions
 Bidding Conditions & Instructions.pdf

General Notes
 TEST TEST TEST

Close

When you select close from the Print Report, your Bid Details Screen will appear again. From here you will notice on the right hand of the Screen, the language has changed from the first time you entered into the bid.

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Bid Invitation For Bid #0285-Z - 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle

Bid Type: Invitation For Bid
 Bid Number: 0285-Z
 Title: 2- 2015 Can-Am Outlander 6 x 6 XT All-Terrain Vehicle
 Start Date: Feb 20, 2015 2:03:35 PM MST
 End Date: Mar 16, 2015 2:00:00 PM MDT
 Agency: State of Wyoming
 Bid Contact: Mandy Gershmel (307) 777-6718, mandy.gershmel1@wyo.gov, 700 West 21st Street, Cheyenne, WY 82002

Questions
 0 Questions [View/Ask Questions]

Respond [?] [Edit Response to bid]

Print Response [Print Submitted Information]

Description
 Please see attached documentation.
 All questions must be submitted on the Public Purchase online bidding system no later than noon on Friday, February 27, 2015, to be considered. The Agency and Procurement office have up to one week after the deadline to answer the question(s). Any question submitted after this deadline will not be considered.
 Your proposal must be uploaded to the Public Purchase website for submission. Paper copies will be rejected and mailed back to you sealed.

Name	Acceptance Required	Acceptance Status	
Bidding Conditions & Instructions.pdf	Yes	✓	[Download]
0285-Z.doc	No		[Download]

Edit Response [?]

It now reads: Edit Response to Bid and You have the ability to print your submitted information again.

The agency and Procurement are unable to open your bid until the time and date specified on each bid. You have until this time to change your proposal if you choose to do so. Select Home along the top bars off to the left to return to your home page.

Attachment B - Scope of Work and Continuity of Services

Scope of Work for the Facilities (Jail and McKinzie Jail Annex)

The Facilities are comprised of two jail locations:

- ❖ **Nueces County Jail** (“Jail”) is located at 901 Leopard Street, Corpus Christi, Texas. The Main Jail opened in 1976 with a design capacity of 266 beds. Since that time, we have increased the rated capacity to 656 beds. The Main Jail is best described as a linear and direct supervision facility.
- ❖ **McKinzie Annex** (“Annex”) is located at 745 North Padre Island Drive, Corpus Christi, Texas and opened in 1987. It can best be described as a Direct Supervision facility with a capacity of 508 prisoners. The Annex is best described as Direct Supervision and dorm facility.

A. Responsibilities

1. Proposer shall be the sole supplier and/or coordinator of the system that delivers inmate medical services at the Facilities.
2. Proposer shall be responsible for provision of ambulatory and infirmary medical services at the Jail and ambulatory medical services at the Annex using the Existing Medical Units.
3. Proposer shall be responsible for all medical care of all inmates incarcerated at Facilities, including Work Release inmates.
4. The Proposer’s responsibility for inmate health care delivery commences with the commitment of the inmate to the custody of the Facilities and ends with the release of the inmate. When the prisoner arrives at the facility, they are official booked, responsibility and expense start at the time of arrival.
5. The Proposer is not responsible for inpatient or outpatient inmate healthcare services that cannot be reasonably provided within the Facilities. Financially responsibility for medical care when a prisoner is taken directly to the hospital, prior to booking, is primarily the responsibility of the inmate and then Indigent Care if inmate does not have insurance. Work release inmates are not covered by Workers Compensation.
6. The Proposer will be responsible for maintaining a liaison with and coordinating offsite inmate healthcare services with the Hospital District’s indigent health care contractor.

The term “medical services” in the above paragraph means the provision of twenty-four (24) hours a day, seven (7) days a week of inmate medical, dental, mental health, and nursing services, including but not limited to (i) intake health assessments, health care services for chronic, infirmary, and sick call care, , including health assessments; and acute and emergency care; (ii) laboratory, radiology, pharmacy, , and other supporting ancillary services and supplies; and (iii) other related non-ancillary support services.

B. Minimum Requirements

1. The Proposer must be organized for the sole purpose of providing correctional health care services and have previous experience with proven effectiveness in administering jail correctional health care programs.

2. The Proposer must have at least five (5) continuous years of corporate experience in providing health care services at correctional facilities and have at least three (3) current contracts with separate agencies with correctional facilities of similar size or layout to the Facilities. Emphasis will be placed on those referenced correctional facilities in the State of Texas.
3. The Proposer must operate in accordance with National Commission on Correctional Health Care (NCCHC) standards, American Correctional Association (ACA) standards and Texas Commission on Jail Standards.
4. The Proposer must be able to provide a medical care delivery system specifically for the Facilities. It must demonstrate that it has the ability for a sixty (60)-day start-up, that it has a proven system of recruiting staff, and that it has an adequate support staff in its central office capable of competently supervising and monitoring its operations in the County.
5. Proposer must demonstrate that all medical professionals are licensed in the State of Texas.

C. Specifications and Program Requirements

1. Administrative Requirements:
 - a. A singular designated Texas-licensed physician (M.D. or D.O.) Medical Director with responsibility for assuring the quality, appropriateness, timeliness, and adequacy of inmate health care services. If the Medical Director provides direct health care services, he/she shall maintain active medical staff membership with delineated clinical privileges at Christus Spohn Health System hospitals located in Nueces County, Texas and be a resident of Nueces County.
 - b. A full-time on-site Health Services Administrator shall be provided who shall have the general responsibility for the successful delivery of health care pursuant to this solicitation and final contract.
 - c. The Proposer shall, upon request, provide to the County proof of Texas licenses and/or certificates for all professional staff. In addition, malpractice insurance must be on file for all physicians, psychiatrists, dentists, mental health practitioners, Nurse Practitioners, Physician Assistants, and other employees, if applicable.
 - d. Copies of staffing schedules encompassing all health care staff are to be submitted to the Health Services Administrator on the fifteenth of each month for the upcoming month. Daily Updates should be supplied if there are changes.
 - e. Monthly and daily statistics will be required as follows:
 - I. A statistical report with narrative on noteworthy accomplishments or events will be due on the fifth calendar day of each month to the Contract Administrator that includes, but is not limited to, the following:
 - Inmates seen at sick call
 - Inmates seen by physician
 - Inmates seen by dentist
 - Inmates seen by psychiatrist
 - Medical specialty consultation referrals
 - Off-site hospital admissions

- Emergency Room visits
- Infirmary admissions, patient days, average length of stay
- Intake medical screening
- Fourteen (14) day physicals
- Lab Work
- MHMR active care list

II. A report of the previous twenty-four (24) hours that captures but is not limited to, the following data. This report shall be submitted to the Contract Administrator on a daily basis:

- Transfers to off-site hospital emergency departments
- Communicable disease reporting
- Suicide data (i.e. attempts and precautions taken)
- Report of status of inmates in local hospitals
- Report of status of inmates in jail infirmary
- Submit completed medical incident report copies

f. Grievances shall be monitored to detect areas of concern. Inmate grievances shall be documented on a log and a response shall be prepared within three working days of receipt. Completed responses will be returned to the inmate through the Chief Jail Administrator or his designee.

g. The establishment of a comprehensive quality improvement activity that will monitor the health/medical services provided.

h. The establishment of an infection control activity that monitors the incidence of infectious and communicable diseases, seeks to prevent their incidence and spread, and provides for the care and treatment of inmates so infected.

i. Proposer is to arrange ambulance service from the local providers.

j. The Proposer shall, in times of emergency, disaster, or threat thereof, whether accidental, natural or man-made, provide medical assistance to the County Sheriff's Office to the extent or degree required by County Sheriff's Office policies and procedures. Awarded Proposer/Contractor will be responsible for care and treatment during exigent circumstances. The awarded proposer/contractor shall be prepared to operate without assistance for at least five (5) days during the hurricane season. All of the awarded proposer/contractor personnel will be considered as essential personnel. The awarded proposer/contractor shall be prepared with a schedule that will provide medical care 24/7 or until the incident/hurricane is over. If the Sheriff institutes a recall during emergency situations (i.e. hurricane) all medical contractor personnel shall report to the jail as soon as possible after receiving notification

2. Personnel requirements:

a. Adequate health care personnel required to provide those services listed in this RFP must be provided for twenty-four (24) hours, seven (7) days per week inmate health services at the Facilities. No more than 10% of Nursing Staff may be outsourced by Proposer.

- b. Physician services must be available to provide for the following:
 - I. Must be sufficient to provide the required needs of the inmates and assure medical evaluation/follow up within twenty-four (24) hours of post nursing triage referral (including weekends and holidays).
 - II. In addition, twenty-four (24) hour physician on-call services with the availability for consultation and the ability to meet the on-site needs are required.
 - III. Communication conducted via cell phone.
 - IV. The physician providing such services shall maintain active medical staff membership with delineated clinical privileges at Christus Spohn Health System hospitals located in Nueces County, Texas and be a resident of Nueces County.
- c. Nursing services must be available to provide for the following:
 - I. Medical unit coverage at all times, including sick call and medication administration periods at the Facilities;
 - II. 24-hour intake screening, including medical histories and tuberculosis testing on all inmates at the time of admission at the Jail, busiest day is Wednesday;
 - III. HIV testing as directed by court order. It is mandated for certain penal code offenses through direction of the court;
 - IV. Health Assessments on all inmates within fourteen (14) days after booking at the Facilities;
 - V. Distribution of medications as prescribed at the Facilities;
 - VI. Sick call triage and follow-up on a daily basis to include weekends and holidays at the Facilities;
 - VII. Appropriate and timely response to inmate medical needs and emergencies at the Facilities;
 - VIII. Physician, nurse practitioner, and physician assistant support services at the Facilities;
 - IX. 24-hour infirmary care at the Jail as needed; and
 - X. 24-hour application and removal of stiches/suture as needed.
- d. The Proposer shall provide sufficient clerical staff to support the medical contract.
- e. Telemedicine is an option.
- f. The County Sheriff or his designee may request replacement of any Proposer's personnel or contractors he believes whose actions are against the law or contrary to the security, safety or health of others or does not comply with the Facilities' policies and procedures. The County Sheriff or his designee shall approve all appointments to the position of the Medical Director and Health Services Administrator. Proposer must staff position these two positions at all times. County will not waive the positions.

- g. Written job description and protocols to define specific duties and responsibilities for all assignments must be provided to the County Sheriff or his designee.

3. Pharmaceutical Services:

- a. Pharmaceutical services to assure the availability of prescribed medications within eight (8) hours of the order of issue being written for all formulary approved medications and twenty-four (24) hours for all non-formulary medications except where such medications are not readily available in the local community.
- b. Pharmaceutical services shall be consistent with State and Federal regulations and must be monitored by a qualified and Texas-licensed pharmacist.
- c. A copy of the formulary to be used in this contract shall be provided to the Sheriff or his designee.
- d. Service shall provide for the purchasing, dispensing, administering and storage of all pharmaceuticals by qualified personnel and for the proper storage of psychotropic medications as prescribed to inmates. Medications are to be administered by nurses at the Facilities. Some medications are administered within the Medical Units and others are administered within the jail pods.
- e. The County is not aware that pharmacy technicians can administer medications in Texas. However, the Proposer has the final responsibility for determining whether pharmacy technicians can legally administer medications in Texas.
- f. Standard medication passes are conducted at 8:00am and 8:00pm, with additional passes of special needs medication as ordered by physician.
- g. Provide for the recording of the administration of medications in a manner and on a form approved by the Medical Director to include documentation of the fact that inmates are receiving and ingesting their prescribed medications. Documentation will also be required when an inmate's ordered medication was not administered, and the reason given. There is to be no self-administration or "keep-on-person" medication system

4. Dental Services:

The Proposer shall provide routine and emergency dental care for each inmate under the direct supervision of a licensed dentist and shall establish a defined scope of available dental services including emergency dental care which includes the following:

- a. A dental screening conducted within 14 days of admission, unless completed within the last six months, conducted on initial intake with instructions on dental hygiene.
- b. A dental examination by a dentist within 12 months of admission, supported by diagnostic x-rays, if necessary.
- c. A treatment plan with x-rays for those inmates who request care with more than 12 months detention.
- d. A defined charting system that identifies the oral health condition and specifies the priorities for treatment by category.

- e. Development of an individualized treatment plan for each inmate receiving dental care.
- f. Consultation and referral to dental specialist, including oral surgery, when necessary.

5. Care and Treatment Requirements:

- a. The Proposer shall provide for twenty-four (24) hour a day, seven (7) days per week emergency health care services to include on-site emergencies with one physician or more health care providers. On call services are required 24/7. However, the County expects that the physician will come on-site if the inmate's medical condition(s) warrant it.
- b. In addition to twenty-four (24) hour a day, seven (7) days per week emergency services coverage, the hours for routine nurse sick call shall be at levels which allow for all inmates needing medical services to be seen within twenty-four (24) hours from the time of the request for such services. The inmates shall be triaged by an RN within 24 hours and seen by an MD or PA/NP at next clinic. However, if the inmate's medical condition warrants, the inmate shall be seen by an MD or PA/NP prior to the next clinic. Sick call occurs in the medical unit. Sick calls are made daily by staff or medical observation along with inmate communication forms.
- c. A written manual of standardized policies and defined procedures, approved by the Medical Director and the County Sheriff, must be reviewed at least annually and revised as necessary under the direction of the Medical Director and with the approval of the County Sheriff.
- d. The Proposer shall provide for necessary laboratory and x-ray services (take and read) 24 hours 7 days a week. All abnormal laboratory and x-ray results are to be reviewed and signed by a Medical Provider with a follow up plan of care outlined as needed.
- e. The Proposer shall provide for mental health services which shall include as a minimum:
 - I. Screening for mental health problems on intake as provided in NCCHC, ACA standards, and Texas Commission on Jail Standards.
 - II. On-site evaluation by the Proposer's psychiatrist for the detection, diagnosis, and treatment of mental illness. There are 12 caged units within the jail pods that are utilized for inmates suffering mental disabilities and those on mental health watch.
 - III. Crisis intervention and management of acute psychiatric episodes.
 - IV. Stabilization of the mentally ill and the prevention of psychiatric deterioration in the correctional setting.
 - V. Assist in the referral and admission to licensed mental health facilities for inmates whose psychiatric needs exceed the treatment capability of the Facilities.
 - VI. Obtaining and documenting informed consent.
 - VII. Allow for Nueces Center for Mental Health and Intellectual Disabilities "NCMNID" to review care of its clients while in the facilities.
 - VIII. The Proposer ensures inmates referred for mental health treatment receive a comprehensive evaluation by a licensed mental health professional. The evaluation shall be completed within 14 days of the referral request date.

- IX. Not responsible for conducting psychological evaluations for parole or probation.
- f. The Proposer shall provide a program for meeting the special needs of the female population; e.g., pregnancy.
- g. The Proposer shall provide documented inmate health screening with history forms immediately upon arrival at the Facilities based on structured inquiry and observation and performed by qualified health care personnel, twenty-four (24) hours a day, seven (7) days a week. This will ensure that anyone taken into custody receives the necessary medical attention prior to admission into our system. At a minimum, the screening must include inquiry into:
 - I. Current illness and health problems including medical, dental, and communicable diseases.
 - II. Medications taken and special health requirements.
 - III. Use of alcohol and drugs, including the types, methods, amounts, frequency, and date/time of last use and history of problems related to withdrawal.
 - IV. For females, a gynecological history, including pregnancies.
 - V. Observations of behavior, including the state of consciousness, mental status, appearance, conduct, tremors and sweating.
 - VI. Notations of body deformities, trauma markings, ease of movement, bruises and jaundice.
 - VII. Condition of skin and body orifices, including rashes and infestations, needle marks or other indications of drug abuse.
- h. The Proposer contacts EMS for emergency transportation the County provides all other transportation relating to the provision of health services.
- i. The Proposer shall provide a total pharmaceutical system for the Facilities beginning with the Physician's prescribing, the administration of medication, and the necessary record keeping. The system shall include prescription medications and over-the-counter medications. All prescription medications shall be prescribed by the responsible physician or psychiatrist and shall be administered and dispensed by a licensed nurse. The Proposer shall be responsible for the costs of all drugs administered. The County will accept alternative proposals for pharmaceutical costs including risk sharing arrangement; the Proposer must provide a detailed explanation for alternative proposals.
- j. Over the counter (OTC) drugs may be available in the commissary from time to time. However, all medications, OTC or otherwise, that are ordered by the physician shall be provided by the Proposer.
- k. Insulin treatment is provided by nursing staff in the housing units.
- l. All controlled substances, syringes, needles and surgical instruments will be stored under security conditions acceptable to the Facilities.
- m. Inmates will not be used to provide any health care services, including record keeping.

6. Medical Records Requirements:

- a. A medical record consistent with state regulations and community standards of practice shall be maintained on each inmate held beyond the first appearance in court. These records shall be kept separate from the jail confinement records of the inmate.
- b. Individual inmate health care records, including relevant records of outpatient visits, will be initiated and maintained for every inmate regarding medical, dental, or mental health services received as a result of the inmate screening process and for services rendered following the inmate's assignment to a housing area.
- c. In any case where medical care is at issue, or where the physical or mental condition of an inmate is at issue, the Proposer shall make all records accessible to the Sheriff, County's Chief of Jail Administration, District Attorney, or County Attorney. The Proposer additionally acknowledges compliance with and understanding of all applicable provisions of the federal Health Insurance Portability and Accountability Act (HIPAA). If in the future Proposer terminates the Agreement or does not intend to extend the Agreement with the County, Proposer understands and shall make available medical records of inmates to any new correctional health provider.
- d. Included in the inmate population are inmates incarcerated on behalf of the Texas Department of Criminal Justice, U.S. Marshals Service, U.S. Immigration and Customs Enforcement, various agencies, counties, and municipalities. The Proposer shall promptly notify the County's Sheriff or designee of the need for other than routine medical care for such inmates and shall provide documentation of required treatment to the Department of Criminal Justice or U.S. Marshal, or the applicable municipality, as requested.
- e. The Proposer shall submit monthly detailed inmate-specific statements to the Nueces County Hospital District to support the Hospital District in securing reimbursement for all medical care costs provided by Proposer to inmates who are not residents of Nueces County, Texas. The Proposer shall submit to the Hospital District related inmate administrative information including, but not limited to intake, demographic, residency, and health insurance information. Additionally, the Proposer shall execute a HIPAA-related Business Associate Agreement with the Hospital District.
- f. The Proposer shall prepare health summaries to be sent with inmates transferred to the Texas Department of Criminal Justice. The Proposer will ensure that inmates and health summaries are appropriately prepared for transfer within 24 hours of receiving the list of inmates being transferred, or as necessary.
- g. The Proposer will examine and provide medical clearance for all inmate workers, as requested by the County's Sheriff or his designee. The medical clearance process will be completed within 24 hours of receiving the list of inmates to be cleared unless laboratory testing necessarily increases the time required to be cleared.
- h. If an inmate medical record cannot be located within twenty-four (24) hours of a discovered loss, the County's Sheriff or his designee shall be immediately notified.

- i. Inactive medical records will be maintained in accordance with the laws of the State of Texas and the American Medical Association.
- j. Proposer shall ensure that inmate health information is available to meet the needs of continued patient care, legal requirements, research, education, and other legitimate uses.

7. Supplies, Office and Medical Equipment

- a. The Proposer should provide whatever stock supplies are required to perform under the contract. Proposer will also supply at its expense, all other supplies required to carry out its performance. Said supplies will include, but not be limited to, forms, books, manuals, medical record folders, alpha indexes and forms, pharmaceuticals, laboratory fees, prosthetics, hand instruments, needles and sharps, special medical items, testing devices, containers and clinical waste receptacles, inmate information brochures, individual and group materials, gloves and coverings, and disinfectants.
- b. The Proposer is responsible for assessing the office and medical equipment needs. All equipment purchased under the contract shall be the property of the County and shall remain on site at the termination of the contract. All supplies purchased for use in the performance of the contract, shall be the property of the County and shall remain on site at the termination of the contract.
- c. Medical equipment identified in Article VII Paragraph D.1 below will be provided by the Nueces County Hospital District for use by the Proposer. The Proposer shall be responsible for ongoing repair and maintenance of all medical and office equipment provided and owned by the County or the District for use by the Proposer. Should such equipment become non-serviceable due to routine use, then the County or District will be responsible for its replacement. Non-serviceable medical and office equipment shall be returned to the County or District as appropriate.
- d. Nueces County provides phone land lines or two-way radios. Contractor can provide cell phones to their staff at their own expense.
- e. County does not provide a photo copier.
- f. County does provide internet services at no cost to the awarded proposer.

8. Services to Staff

- a. Emergency services including first aid, assessment, stabilization and the coordination of transport of employees or visitors who become ill or injured in the Facilities and provide appropriate incident report.
- b. The Proposer shall provide health education for security staff not to exceed fifty (50) hours of instruction per year in such areas as: airborne pathogens, blood borne pathogens, recognizing and responding to medical emergencies, recognizing and responding to suicide, recognizing and responding to mental health concerns emergency procedures.
- c. The Proposer shall provide tuberculosis screen for all Facilities' staff. County will bear the cost of the vaccine.

9. Proposer employees will be required to attend training on Basic Jail Orientation, radio procedures, interpersonal communication skills and other security topics made available several times each year by the Sheriff's Office at no cost to the Proposer. The total classroom time for these subjects is approximately ten hours per FTE and the Proposer shall be responsible for employee wages and/or overtime necessary to fulfill this requirement. Training hours are considered part of contract hours.
10. Proposer personnel should be aware that they might, from time to time, be subpoenaed to testify in court regarding medical treatment. Overtime associated with this obligation will be the responsibility of the Proposer.
11. Proposer will be required to comply with all Sheriff's Office policies, procedures, protocols and post orders.

D. General Information

1. The County shall have the right to require Proposer to remove any person(s) employed by or engaged by Proposer, when it deems such action to be in the best interest of the County because of illegal actions, or is contrary to security, health and safety of others or in violation of the County Sheriff's Policies and Procedures. It is further noted that the right of entrance by any person to the Facilities is under the sole jurisdiction of the County Sheriff's Office.
2. All Proposer's personnel, including personnel of its subcontractor(s) and agents, will be subject to security background checks and clearances by the Sheriff's Office prior to being granted admittance to the Facilities. In each instance, the Proposer and its subcontractor(s), agent(s) and its personnel, will provide such cooperation as may be reasonably required to complete the security check. The County Sheriff agrees to perform such security checks in a timely manner and not unduly delay such checks. Depending on the number of people to be run and the Crime Data Section workload the length of time should be no more than 24 hours for the criminal check.
3. Provision shall be made for meetings between the Proposer's staff and Facilities' administration, including their documentation, to facilitate good communications and good rapport between security and health services.
4. All permits and licenses required by federal, state or local laws, rules and regulations necessary for the implementation of the work undertaken by the Proposer pursuant to the contract shall be secured and paid for by the Proposer. This shall include fees associated with National Commission on Correctional Health Care (NCCHC) accreditation and periodic accreditation reviews.
5. The Proposer shall be responsible for contracting for the disposal of all general waste, including infectious or hazardous waste. The material must be removed from the Facilities and disposed of as regulated by federal, state and local laws. All costs related to the removal and disposal shall be at the expense of the Proposer.
6. The Proposer shall propose a provision of a complete pharmaceutical system for inmates housed at the Facilities.
7. The County shall have the unfettered right to monitor the Proposer's work in every respect as the contract administrator. Contract Administrator is Nueces County Sheriff's Office designee;

therefore, cost should not be included in Proposal Response. In this regard, the Proposer shall provide its full cooperation, and ensure the cooperation of its employees, agents, and subcontractors. Further, the Proposer shall make available for inspection and/or copying when requested, original time sheets, invoices, charge slips, credentialing statements, continuing education and training records, and any other data, records and accounts relating to the Proposer's work and performance under the contract. In the event the Proposer does not hold such material in its original form, a true copy shall be provided.

E. Existing Medical Units

1. Medical Unit at Jail:

The existing Medical Unit contains 10 inmate cells with beds and sink and toilet, 1 of which is a 3-bed ward, and 4 of which are equipped as reverse air flow cells. The most inmates housed in the medical unit at one time are 10. The remaining space is allocated as follows:

Provided by County:

- ❖ 1- Health Services Administrator Office / Secretarial Office / with restroom
- ❖ Pharmacy
- ❖ X-Ray Rooms
- ❖ Exam Rooms
- ❖ Dental Room
- ❖ Nurses Station with restroom
- ❖ Nurses Lounge
- ❖ Negative Air Pressure Rooms
- ❖ ADA Showers
- ❖ Ward
- ❖ Single Rooms
- ❖ Outdoor Recreation Area
- ❖ Storage Areas
- ❖ Inmate Holding Area
- ❖ Kitchen Area

Provided by Nueces County Hospital

District:

- ❖ Pulse Oximeter
- ❖ Xmamsi Radiographic System
- ❖ Bed (10)
- ❖ 5 AEDs
- ❖ Brother Fax
- ❖ Radiographic unit dental
- ❖ Lead Aprons X2
- ❖ Sml. Skirt
- ❖ Film Lightbox #15758
- ❖ General purpose Radiographic unit serial # AB521

2. Medical Unit at Annex:

(1) Nurses Workstation, (1) exam room, and (1) storage room. The space is shared with (1) counselor during the hours of 8:00 am to 5:00 pm weekdays.

F. Statistical Data

The following is an overview of statistical data for primary medical services for the period June 01, 2024 through May 31, 2025. This data is provided for informational purposes only and in no way is intended to limit, project, or predict the number of patient encounters to be provided by the Proposer during the period of the contract. The information in this RFP package has been taken from data available and is believed to be reasonably accurate.

	Jail	Annex
Average Daily Population (ADP)	636	391
Male ADP	636	391
Female ADP	162	0
Bookings	13,232	
Average Length of Stay at the facility (days)	6	6
Inmates on the work release program	NA	

Primary Medical Service	Total Delivered
Inmates seen by Physician	4230
Inmates seen by NP/PA	4598
Inmates seen by Dentist	1368
Nurse sick call (Requests)	5292
Inmates seen by Psychiatrist	1440
Inmates seen by Psych NP/PA	2222
Inmates seen by QMHP	8702
Inmates seen by Social Worker	Do not have Social Worker
Intake Screens/Medical Histories	35000
Flight for Life	0
X-rays	1420
Lab work	2500

G. Facility's Security

The County Jail and Jail Annex are secured facilities. Necessary arrangements to enter must be made with the Jail staff. Awarded Proposer and its personnel shall be subject to and shall comply with all County Sheriff's Office jail security policies and procedures. Violations of policies and procedures may result in denied access to the Jail and Annex. In this event, the Awarded Proposer shall provide alternate personnel to supply services described herein subject to the County's approval. The County shall not be held responsible for any injury to or loss of property of any Proposer employees.

Each person who is an employee or agent of the Awarded Proposer or a subcontractor of Awarded Proposer shall display his or her company ID badges at all times while on County premises. Each such employee or agent upon requests of County personnel shall provide additional photo identification.

1. Any person who is an employee or agent of the Awarded Proposer or Awarded Proposer's subcontractor and who enters the premises of a facility under the contractual obligation may be searched, fingerprinted (for the purpose of a criminal history background check), photographed, and required to wear an identification card issued by the County. Weapons, drugs, tobacco, alcohol and other contraband are prohibited on the grounds of the facilities. All persons entering any of the facilities are subject to be searched.
2. The Awarded Proposer shall submit all additional information that may be requested in connection with the background checks. During the times that the Awarded Proposer's employees are at the facilities, they shall be subject to the rules and procedures governing the facilities, including searches and items considered contraband. The Awarded Proposer shall take immediate corrective action upon notice that an employee has violated rules or regulations, or that an employee's actions may adversely affect the facilities or the safety of staff, inmates or public.
3. Failure of any of the Awarded Proposer's, subcontractors, employees, or agents to comply with any provision of the Contract that results from award of this RFP is sufficient grounds for the County to immediately terminate the contract for default.
4. Upon both entering and leaving the facilities, Nueces County Sheriff staff may search Awarded Proposer's personnel and vehicle(s). Vehicle(s) is subject to screening by drug detection dogs while on County property.
5. At all times at both facilities, the Awarded Proposer's personnel shall ensure cooperation with County facility requirements which include: 1) being prepared to be escorted at all times, and 2) providing information for ID badge purposes and wearing the ID badge on their person in a visual location at all times. 3) Vehicle(s) shall never be left with the motor running, unlocked or with keys in the vehicle(s) at any time that the vehicle(s) is unattended by driver.
6. All tools, equipment and vehicle(s) brought into the facilities shall be secured at all times. Vehicle(s) will be kept locked when not being occupied. In the case of the Awarded Proposer using pick-up trucks, there shall be nothing left unsecured in the bed. All side doors, side toolboxes, bed toolboxes, bed caps and utility boxes will be made secure by using locking devices approved by each facility. All tools, parts, equipment and other paraphernalia used by the Awarded Proposer shall remain in direct control and possession of Awarded Proposer at all times. Failure to adhere to these requirements will be considered a breach of security and will result in actions deemed necessary by the administration of the Sheriff's Office.
7. Smoking or use of tobacco products is prohibited on County property. Tobacco products or associated materials (matches, lighters, cigarette papers, etc.) are prohibited from entering the facilities.
8. Prosper administrative staff and providers will be allowed cell phones with the approval of Jail Administration. Failure to comply shall be grounds for termination or default.

CONTINUITY OF SERVICES

- A. The Proposer recognizes that the services under this contract are vital to Nueces County and must be continued without interruption and that, upon contract expiration, another Proposer may continue them. The Proposer agrees to (a) furnish phase-in training and (b) exercise its best efforts and cooperation to affect an orderly and efficient transition to a successor.
- B. The Proposer shall, upon termination notice, negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a date for work described in the plan and shall be subject to the applicable Jail Administrator's approval. The Proposer shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this contract are maintained at the required level of proficiency.
- C. The Proposer shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this contract. The Proposer also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with those employees. If selected employees are agreeable to the change, the Proposer shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

Exhibit # 6

**HEALTH SERVICES AGREEMENT
NUECES COUNTY CORRECTIONAL FACILITIES**

THIS AGREEMENT by and between NUECES COUNTY, a political subdivision of the State of Texas (hereinafter referred to as the "County"), the NUECES COUNTY HOSPITAL DISTRICT, a political subdivision of the State of Texas (hereinafter referred to as "Hospital District") and WEXFORD HEALTH SOURCES, INC. (hereinafter referred to as "WHS"), is entered into and effective as of the 1st day of December, 2025 and shall continue for a period of three (3) years until November 30, 2028 with two (2) potential one (1)-year extensions, in accordance with Article 7.1 herein.

WHEREAS, the County owns and operates Nueces County Jail Facilities (hereinafter referred to as "Facilities") comprised of the County Jail (hereinafter referred to as "Jail") located at 901 Leopard Street and the McKenzie Annex Jail (hereinafter referred to as "Annex") located at 745 North Padre Island Drive, both units situated in Corpus Christi, Nueces County, Texas (Facilities does not include the Nueces County Juvenile Justice Center); and

WHEREAS, the County and the Nueces County Sheriff (hereinafter referred to as "County Sheriff") have the obligation to provide for the health, safety, and welfare of all inmates incarcerated at the Facilities; and

WHEREAS, the Hospital District has certain obligations to provide medical and hospital care to eligible indigent Nueces County residents and those eligible Nueces County indigents who are incarcerated at the Facilities; and

WHEREAS, the objective of the County and the Hospital District is to provide for the delivery of quality health care to all inmates at the Facilities in accordance with applicable law; and

WHEREAS, the County issued a Request for Proposals styled "RFP No. 3315-25 Jail Medical Services" which solicited proposals for the provision of inmate medical services at the Facilities (hereinafter referred to as "RFP"); WHS submitted a responsible proposal in response to the RFP;

WHEREAS, County with the concurrence of the Hospital District selected WHS's proposal for award of this Agreement; and

WHEREAS, WHS is in the business of providing correctional health care services and desires to provide such services for the County under the terms and conditions hereof.

NOW, THEREFORE, in consideration of the covenants and promises hereinafter made, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the above Recitals, which are hereby incorporated as part of this contract, the parties hereto agree as follows:

ARTICLE 1: HEALTH CARE SERVICES

1.1. General Engagement. The County hereby contracts with WHS to provide for the delivery of reasonable and necessary medical, mental health, nursing, dental care, and related supporting services covered under the terms of this Agreement to all inmates at the Facilities, including Work Release Inmates, in the custody of the County Sheriff, even if under the jurisdiction of other authority, such

as U.S. Marshals Service, U.S. Immigration and Customs Enforcement, Texas Department of Criminal Justice or other agencies, counties and municipalities, and to provide for the medical and mental screening of all persons brought to the Facilities for booking.

1.2. Scope of General Services. The responsibility of WHS to deliver reasonably necessary health care services to an inmate commences with the commitment of an inmate into custody of the Facilities, which is considered the official booking. WHS shall provide health care services for all inmates, incarcerated at the Facilities, including Work Release Inmates. WHS shall provide twenty-four (24) hours per day, seven (7) days per week, at full staffing, all professional medical, dental, mental health, and nursing, in accordance with **Appendix A, Staffing Matrix**. WHS's services shall include but are not limited to (i) intake medical and mental health assessments, health care services for chronic, infirmity, and sick call care, routine and preventive care, including health assessments, and acute and emergency care; (ii) laboratory, radiology, pharmacy, , and other supporting ancillary services and supplies; (iii) other related non-ancillary support services for all inmates under the custody and control of the County Sheriff at the Facilities, as set out in County's Request to Proposers No. 3315-25 (herein "RFP No. 3315-25").

WHS shall provide the services specified herein, which shall constitute reasonable health care services in accordance with the standards and/or requirements promulgated by (i) the National Commission on Correctional Health Care relating to health services in jails (hereinafter referred to as the "NCCHC"); (ii) the American Correctional Association relating to health services (hereinafter referred to as the "ACA"), and (iii) Texas Administrative Code Title 37, Part 9, Chapter 273, (the Texas Commission on Jail Standards related to health services) and any other applicable state and federal statutes, including any other applicable Order of a Court.

Except as otherwise agreed herein, the services to be provided by WHS under the terms of this Agreement shall be those (i) required under Attachment B - Scope of Work and Continuity of Services of RFP No. 3315-25, which is attached hereto as **Appendix B, Scope of Work** and hereby is incorporated herein by reference as if set out word for word herein.

1.3. WHS Staffing. WHS shall provide weekly staffing, twenty -four (24) hours, seven (7) days per week at the Facilities in accordance with the staffing matrix attached hereto as **Appendix A, Staffing Matrix**. No more than 10% of Nursing Staff may be outsourced by WHS.

1.4. Responsibility for Offsite Medical Care. Offsite specialty clinics, ambulance transportation (including emergency ambulance transportation), offsite radiology services, emergency room visits, hospitalization (including physician charges) and any other services provided by licensed medical professionals (hereinafter referred to as "Offsite Medical Care") which are not provided onsite at the Facilities shall be arranged for by WHS but not paid for by WHS unless otherwise indicated. Except for emergency ambulance transportation, WHS shall arrange all other Offsite Medical Care with the Hospital District's indigent health care contractor, CHRISTUS Spohn Health System Corporation. Financial responsibility for all other Offsite Medical Care shall be governed by the terms of the Hospital District's indigent care agreement with CHRISTUS Spohn Health System Corporation but shall not be the financial responsibility of WHS. The Hospital District will designate a CHRISTUS Spohn Healthcare Corporation liaison to WHS for WHS to coordinate and arrange Offsite Medical Care. Any Offsite Medical care not arranged with CHRISTUS Spohn Health System Corporation shall be the sole financial responsibility of WHS.

1.5. Responsibility for Onsite Medical Care. The particular onsite services to be provided by WHS under terms of this Agreement shall be those services described in RFP-3315-25. WHS shall provide the onsite medical, mental health, and dental care and treatment services in the quantity, type, manner, and if applicable using the methods described in RFP 3315-25 WHS'S staffing matrix **Appendix A, Staffing Matrix attached hereto**. Onsite medical care to be provided by WHS under terms of this Agreement shall also include medically necessary overnight infirmary care provided within the Facilities' health care units. Onsite medical, mental health, and dental services and related technical and support personnel shall be the financial responsibility of WHS. WHS shall maintain a liaison, coordinate, and arrange any related offsite inmate health care services with the Hospital District's indigent health care provider, CHRISTUS Spohn Health System Corporation. Any related offsite inmate health care services not arranged with CHRISTUS Spohn Health System Corporation shall be the sole financial responsibility of WHS.

WHS agrees to administer tuberculosis (TB), human immunodeficiency virus (HIV), Hepatitis C (HCV), and COVID-19 screening tests to County Sheriffs staff as determined by the County Sheriff or his designee. WHS shall purchase the medical supplies and other items, including the TB serum, necessary to perform such screenings, but such costs shall pass through to the County and/or Hospital District so that the County and/or Hospital District will reimburse WHS for all such costs on a monthly basis. At the end of each calendar quarter, WHS shall submit to the County an invoice for all medical supplies and items, including the TB serum, purchased for the TB, HIV, HCV, COVID-19 screenings. The County and/or Hospital District shall pay such invoice within thirty (30) days of the invoice date. If the County Sheriff determines that payment for specific services is disputed, the undisputed portion of the invoice shall be approved for payment. The parties shall attempt to resolve the disputed portions of the invoice within ten (10) calendar days.

For any onsite health care services not described above, WHS, in conjunction with the County and Hospital District, shall determine and then specify which additional onsite health care services is/are appropriate.

1.6. Pharmaceutical Services. WHS shall provide onsite pharmaceutical and related services within the Facilities in accordance with RFP 3315-25. Pursuant to the requirements of the RFP, WHS shall (i) provide a copy of the formulary to be used within the Facilities under this agreement to the Sheriff or his designee as well as to the Hospital District, (ii) obtain human immunodeficiency virus (hereinafter referred to as "HIV") and Hepatitis C (hereinafter referred to as "HCV") medications for inmates in the Facilities through available Texas Department of State Health Services programs, including the Texas HIV Medication Program and the Texas HIV State Pharmacy Assistance Program (collectively hereinafter referred to as "THMP") or other public sources, other than the County and the Hospital District, or through patient assistance programs offered through pharmaceutical companies ("Patient Assistance Programs"); and (iii) coordinate and pursue applications for THMP and other public source assistance or Patient Assistance Programs for inmates of the Facilities. In the event inmate HIV and/or HCV medications are not available through Patient Assistance Programs, the THMP, or other public sources other than the County and Hospital District, WHS will acquire the applicable medication and the Hospital District will reimburse WHS's purchase cost pursuant to its monthly invoices. WHS will charge the Hospital District for these medications as part of its monthly invoices submitted under Article 8.1. WHS will provide as back up to the monthly invoices its

medications purchase invoices, as well as written notice indicating non-availability or denial of the medications from THMP, Patient Assistance Programs, or other public sources.

1.7. Exceptions to Treatment. WHS will not be responsible for any medical testing or obtaining samples which are forensic in nature, except as required by local, state, or federal statute or regulation or by Court Order. Revisions of applicable statute or regulation pertaining to medical testing or obtaining samples, which are forensic in nature, which occur during the term of this Agreement, and if determined by all Parties to be a further obligation of WHS; and result in increased cost to WHS, the County and/or Hospital District shall reimburse WHS for those increased costs. WHS agrees to provide the County and/or Hospital District prior written information sufficient to evaluate the scope and necessity of any forensic medical testing and obtaining samples and the associated cost.

WHS will not be responsible for costs associated with the transportation or security of inmates for offsite non-emergency health care treatment. WHS will provide qualified emergency ambulance transportation services when medically necessary in connection with offsite emergency medical treatment. WHS will not be financially responsible for costs associated with transplants and experimental procedures. WHS will not be financially responsible for costs associated with factor 8 blood products, and medications that cost more than \$2,000.00 per month per application. WHS will charge the Hospital District for these medications, at cost, as part of its monthly invoices submitted under Article 8.1. WHS will not be financially responsible for any costs incurred after an inmate is released from the County's custody. WHS will not be responsible for the provision of elective medical care to inmates. For purposes of this Agreement, "elective medical care" means medical care which, if not provided, would not in the opinion of WHS's Medical Director cause the inmate's health to deteriorate or cause definite harm to the inmate's well-being and specifically includes sex or gender reassignment surgeries.

1.8. Changes in Standards of Care or Scope of Services. The price in Article 8, below, reflects the scope of services required by RFP3315-25 and agreed upon by the parties to this Agreement. Should any new treatments, community standards of care, drug classes or diagnostic tests be mandated by community health care standards, or should County and/or Hospital District request a change in the scope of services, and such changes result in an increase in cost to WHS, the parties agree to review the necessity of implementing the changes and the coverage of costs related to such changes not covered in this Agreement to negotiate the price of any increased cost. Prior to such negotiation, WHS agrees to provide the County and Hospital District information sufficient to evaluate the scope and necessity of and any increase in cost.

ARTICLE 2: PERSONNEL

2.1. Incorporation of WHS Proposal. The personnel to be provided by WHS under the terms of this Agreement shall be those described in RFP 3315-25. All personnel and related personnel licensure, certification and registration required to be provided under the terms of this Agreement by WHS shall be delivered in accordance with the RFP Notwithstanding the foregoing, WHS may change personnel at any time without the consent of the County so long as all persons performing services under this Agreement are licensed, certified or registered in accordance with applicable law and the requirements of RFP 3315-25.

2.2. Provision of Personnel. WHS shall provide medical, dental, mental health, nursing, technical and support personnel as necessary for the rendering of health care services to inmates at the Facilities as required in RFP 3315-25.

- A. This staffing pattern as described in **Appendix A, Staffing Matrix** shall be required under this Agreement. Should the County add new locations or services which WHS considers are new and not covered in RFP 3315-25, WHS shall provide written notice to County and Hospital District of the matter and any impact to WHS's operation, which result in staffing cost increases to WHS. WHS may negotiate for additional compensation from the County and/or the Hospital District.

2.3. Licensure, Certification and Registration of Personnel. WHS will ensure that all personnel provided or made available by WHS to render services hereunder shall be licensed, certified or registered in the State of Texas, as appropriate, in their respective areas of expertise as required by applicable law. If requested by the County and/or the Hospital District, WHS shall provide to the appropriate, designated officer or department a copy of the license, certificate or registration of personnel employed by WHS.

2.4 WHS will provide continuing education for all WHS' staff providing services under this agreement at County's Facilities. WHS will provide ongoing continuing education and training which will assist their staff in the delivery of services under this agreement. WHS shall maintain comprehensive records of all continuing education and training offered and completed by WHS personnel. Upon request by County and/or Hospital District, WHS shall make records of continuing education sessions offered and the reception of the staff to the sessions and staff participation. Failure to comply with the continuing education requirement of the RFP NO. 3315-25 shall constitute a material breach of this Agreement and may result termination for cause.

2.5 County's Satisfaction with Health Care Personnel. If County should become dissatisfied with any health care personnel provided by WHS, County will give written notice to WHS and Hospital District of its reasons for dissatisfaction, except as noted in Article 2.4(A), below. WHS agrees to cooperate with the County Sheriff and respond to inquiries or complaints about its personnel, including lack thereof, or contractors in a timely manner, should the County Sheriff have security or other concerns about WHS's employees and/or contractors' fitness or ability to perform at the Facilities. WHS will exercise its best efforts to resolve the problem or other concerns, including lack of personnel. And, if the problem involving fitness or ability is not resolved, WHS will remove the individual according to WHS's personnel policy or independent contractor agreement.

- A. All WHS personnel, subcontractors, and agents shall meet minimum standards as determined by the County prior to receiving a security clearance to enter the Facilities. If, at any time during the course of their employment or contract engagement, any WHS employee or subcontractor engages in conduct (either on or off duty) which threatens the security of the Facilities or would otherwise render that person ineligible for a security clearance, notwithstanding any other provision of this Agreement, County reserves the right to withdraw that person's security clearance and shall immediately notify WHS and Hospital District.

B. WHS shall consult with the County regarding initial and continued assignment of staff and subcontractors. All persons employed by WHS or its subcontractors shall not be deemed to be the employees of County or Hospital District by reason of any provision of this Agreement.

C. WHS shall continuously maintain personnel files (or copies thereof) of all employees assigned to the Facilities.

2.6 Use of Inmates in the Provision of Health Care Services. Inmates will not be employed or otherwise engaged in the direct rendering of any health care services.

2.7 Discrimination.

2.7.1 During the performance of this Agreement, WHS, their employees, agents, subcontractors, and assignees agree as follows:

a) WHS will not discriminate against any employee or applicant for employment because of race, creed, sex, religion, color, disability or national origin, WHS will take affirmative action to ensure that applicants are employees, and that employees are treated during employments, without regard to their race, creed, sex, color, handicap or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment, or recruitment advertising, layoff, or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. WHS agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b) WHS will, in all solicitations or advertisements for employees placed by or on behalf of WHS, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, disability or national origin.

c) WHS will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontract for standard commercial supplies or raw materials.

d) WHS will send to each labor union or representative of workers with whom WHS' has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of WHS' commitments under Section 202 of Executive Order Number 11246, as amended in 3 CFR 169 (1974), and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

e) WHS will comply with all provisions of Executive Order Number 11246, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

f) WHS will furnish all information and reports required by Executive Order Number 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to WHS' books, records, and accounts by the contracting

agency and the Secretary of Labor for purposes of investigation to ascertain complaints with such rules, regulations, and orders.

g) In the event of WHS' non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, and orders, this contract may be cancelled, terminated, or suspended in whole or in part and WHS may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order Number 11426, as amended or by rules, regulations, or orders of the Secretary of Labor, or as otherwise provided by law.

2.7.2 WHS will include provisions (a) through (g) in every subcontract or purchase order, unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order Number 11426, as amended, so that such provisions will be binding upon each subcontractor or purchase order, as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance; provided however, that in the event the contractor becomes involved in or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

3 ACCREDITATION

3.1 Use of Accreditation Standards. WHS agrees to operate and maintain compliance with the National Commission on Correctional Health Care, American Correctional Association, Texas Commission on Jail Standards, and other applicable laws or court orders.

3.2 NCCHC Accreditation. WHS agrees to cooperate with the County in the event the County seeks NCCHC accreditation at the Facilities, and WHS shall bear the costs and expenses of obtaining and maintaining the NCCHC accreditation, if any, during the remainder of the term of this Agreement and any extensions thereof.

3.3 ACA Accreditation. In the event the County pursues ACA accreditation of the Facilities, WHS agrees to affirmatively support and actively participate in the County's pursuit of such accreditation with respect to the ACA medical services standards. However, WHS shall in no way be responsible for any costs or expenses related to ACA accreditation.

4 REPORTS AND RECORDS

4.1 Medical Records. WHS shall maintain complete and accurate medical records for each Facilities inmate who receives health care services from WHS. Each medical record will be maintained in accordance with applicable laws, Texas Commission on Jail Standards related to health services, NCCHC standards, and ACA standards.

The medical records shall be property of the County, and WHS shall be custodian of all County inmate medical records during the term of this Agreement. Notwithstanding the ownership of the medical records by County, WHS is responsible for all health care services required under RFP 3315-25 and as set out in this Agreement and neither County and/or Hospital District nor the County Sheriff will interfere as further described in paragraph 5.2 herein.

Further, no County personnel shall make any medical decisions or perform any health care services based upon ownership of the records. The medical records shall be kept separate from the inmate's confinement records. A complete legible electronic copy or paper copy of the applicable medical record shall be available at all times. Medical records shall be kept confidential in accordance with applicable law.

During the term of this Agreement, WHS shall assist the County in responding to any information request concerning the medical records, including gathering information for requests and preparing responses when disclosure would not be permissible under law, regardless of whether such request is pursuant to HIPAA, FOIA, the Texas Public Information Act, or any similar law.

At the termination or expiration of this Agreement, such electronic medical records and any paper copies in existence at the termination or expiration of this Agreement shall be delivered to the County, and WHS shall cooperate with the County's new inmate health care services provider at the Facilities in the transfer of such medical records, in electronic format and paper copies. However, the County or the County's designee provider shall, within the limits of applicable law, provide WHS with reasonable ongoing access to all medical records, including for a reasonable amount of time after the termination of this Agreement, for the purposes of defending claims and litigation subject to payment of actual costs.

- 4.2 HIPAA and HITECH Compliance. The parties shall comply with all requirements of the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Health Information and Technology for Economic and Clinical Health Act (HITECH Act) as applicable, which relate to the parties' responsibilities under this Agreement. WHS will require subcontractors to comply with requirements of HIPAA and HITECH Act. WHS, County and Hospital District agree to the Business Associate Agreement as set forth in **Appendix C, Business Associate Agreement** attached hereto, which is incorporated in its entirety. WHS agrees to assist County in any HIPAA and HITECH compliance requirements.
- 4.3 Regular Reports by WHS to the County and Hospital District. WHS shall provide County and Hospital District, on a date and in a form mutually acceptable to WHS and County and Hospital District, monthly and annual reports regarding the care and services rendered under this Agreement. Such reports shall be submitted on a regular, periodic, or on an as-requested basis, to be determined by the mutual agreement of WHS, County, and the Hospital District.
- 4.4 Inmate Information. Subject to the applicable federal and state laws, in order to assist WHS in providing the best possible health care services to inmates, County will provide WHS with information pertaining to inmates that WHS and County mutually identify as reasonable and necessary for WHS to adequately perform its obligations hereunder, which shall include allowing WHS access to the Facilities' inmate information management system as it relates to pertinent information that may assist WHS in rendering necessary medical, mental health and/or dental care to inmates housed within the Facilities. The County will cooperate with WHS to the extent permitted under applicable federal and state law to provide inmate information to WHS for a reasonable time after termination of this Agreement when requested by WHS in connection with the investigation of, or defense of, any claim by a third party related to WHS's conduct as

jail medical provider. WHS shall reimburse the County for actual costs incurred in the provision of information.

4.5 WHS Records Available to the County with Limitations on Disclosure. Subject to Article 4.1, 4.2 and applicable law, WHS shall make available to County, at County's request and at no cost, all records, documents and other papers relating to the direct delivery of health care services to inmates hereunder. County understands that many of the systems, methods, procedures, written materials, computer programs and other controls employed by WHS in the performance of its obligations hereunder are proprietary in nature and will remain the property of WHS. During the term of this Agreement and after its termination, information and/or documentation concerning this proprietary material may not be used, distributed, copied, or otherwise utilized by the County except as required by law, including but not limited to the Texas Public Information Act.

4.6 County's Records Available to WHS with Limitations on Disclosure. During the term of this Agreement, and for a reasonable time thereafter, County will provide WHS, at WHS's request, County's records relating to the provision of health care services to Facilities' inmates as may be reasonably requested by WHS or as are pertinent to the investigation or defense of any claim related to WHS's conduct and performance. Consistent with applicable law, County will make available to WHS such records as are maintained by the County, hospitals and other outside health care providers involved in the care or treatment of inmates, to the extent the County has any control over those records, as WHS may reasonably request. Any such information provided by the County to WHS that County considers confidential shall be kept confidential by WHS and shall not, except as may be required by law, be distributed to any third party without the prior written approval of the County.

5 SECURITY

5.1 General. WHS and the County and Hospital District understand the importance of security services to the safety of the agents, employees and subcontractors of WHS as well as for the security of inmates and the County's staff, consistent with the correctional setting. Accordingly, both County and/or Hospital District and WHS will cooperate with each other in addressing security issues. County will use reasonable efforts to provide sufficient security to enable WHS and its personnel to safely and adequately provide the health care services required by RFP3315-25 and described in this Agreement, however, nothing herein shall be construed to make County, its deputies or employees a guarantor of the safety of WHS's employees, agents or subcontractors, including their employees.

5.2 Security Override for Offsite Medical Services. In the event that WHS recommends health care services for any inmate or WHS recommends that an inmate be sent offsite for medical services, County and/or the County Sheriff will not interfere or override WHS's health care recommendations.

5.3 Security During Transportation for Offsite Medical Services. County will provide security in connection with the transportation of any inmate between the Facilities and any other location for offsite medical services.

6 OFFICE SPACE, EQUIPMENT, INVENTORY AND SUPPLIES

- 6.1 General.** County agrees to provide WHS with office space, facilities, equipment (to the extent specified in RFP 3315-25), and utilities at the Facilities sufficient to enable WHS to perform its obligations pursuant to this Agreement. County shall be responsible for providing substitute space, if reasonably available and necessary, should WHS recommend that the designated facilities are inadequate for the purposes hereof or that the designated medical facilities become unsafe for any reason.
- 6.2 Delivery of Possession.** County will provide to WHS, beginning on the date of commencement of this Agreement, possession and control of all supplies, medical equipment, and office equipment in place at the Facilities health care unit(s) which items are the County's or Hospital District's property or in the possession of the County or Hospital District. At the termination of this Agreement, WHS will return to the County or Hospital District possession and control of all medical equipment and office equipment, in working order, reasonable wear and tear excepted, which were in place at the Facilities' health care unit(s) prior to the commencement of services under this Agreement. Any equipment purchased under the Agreement shall be the property of the party who purchased the equipment, and equipment owned by the County or the Hospital District shall remain onsite at the termination of the Agreement, and any equipment or other property purchased or owned by WHS may be removed by WHS upon termination of the Agreement (including any policies and procedures) subject to County and/or Hospital District's right to purchase from WHS as described below. All supplies purchased for the performance of the Agreement shall be the property of the County and/or Hospital District and shall remain onsite at the termination of the Agreement.
- 6.3 Equipment.** WHS will be responsible for ongoing repair and maintenance of all existing medical and office equipment provided and owned by the County or the Hospital District for use by WHS under this Agreement
- 6.4 Right to Purchase.** Ninety (90) days prior to expiration/termination of the Agreement, WHS will provide County and Hospital District a list of all WHS-owned equipment at the Facilities. County and/or Hospital District will have the right, but not obligation, to purchase such equipment from WHS at its fair market value.
- 6.5 General Maintenance Services.** County will provide for each inmate receiving health care services the same services and facilities provided by County for all inmates at the Facilities including, but not limited to, daily housekeeping services, dietary services, building maintenance services, personal hygiene supplies and services, and linen supplies.
- 6.6 Damaged Equipment.** WHS shall not be liable for loss of or damage to equipment and supplies if such loss or damage was caused by the sole negligence of County or Hospital District employees, and WHS shall not have to pay for the repair or replacement of the same.

7 TERM AND TERMINATION OF AGREEMENT

- 7.1 Term.** This Agreement shall commence at 12:00 A.M. on December 1, 2025 ("Effective Date"). The initial term of this Agreement shall be for three (3) years, ending at 11:59 P.M. on November

30, 2028 (the "Initial Term"), with an option for two (2) additional one (1)-year terms ("Renewal Term(s)"), which may only be exercised upon mutual agreement of the parties.

7.2 Termination. Notwithstanding the provisions of Article 7.1, this Agreement may be sooner terminated on the first to occur of the following:

A. Termination for Default. County and/or the Hospital District elect to give notice to WHS that WHS has materially defaulted in the performance of any of its obligations hereunder and if such default shall not have been cured within sixty (60) days following the giving of such notice in writing, the party giving notice shall have the right to immediately terminate this Agreement.

B. Termination Without Cause. Any party may terminate this Agreement without cause by providing not less than six (6) months one hundred eighty days (180) days prior written notice of their intent to terminate to each of the other parties. Notice hereunder shall be provided pursuant to Article 10.3 of this Agreement.

7.3 Responsibility for Inmate Health Care. Upon termination or expiration of this Agreement, all responsibilities of WHS hereunder shall immediately cease and become null and void, except for those that by their nature or as are otherwise required to continue herein, would continue beyond termination or expiration of this Agreement.

7.4 Continuity of Services.

7.4.1 Upon termination of this Agreement, WHS agrees to (a) furnish phase-in training upon request and (b) exercise its best efforts and cooperation to affect an orderly and efficient transition to a successor inmate health care services provider at the Facilities.

7.4.2 WHS shall, upon termination notice, negotiate in good faith a plan with a successor inmate health care services provider at the Facilities to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a date for work described in the plan and shall be subject to the applicable Hospital District and Jail Administrator's approval. WHS shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services under this Agreement are maintained at the required level of proficiency.

7.4.3 WHS agrees to extend this Agreement on a month-to-month basis until phase in/phase out is completed ("Extended Month-to-Month Period") for up to six (6) months and the Parties shall negotiate compensation for the Extended Month-to-Month Period at such time, as necessary to reflect any increase in medical cost, but not greater than 8% of what is currently being paid.

7.4.4 Nothing herein shall be construed as to require WHS to indemnify, defend, or hold harmless the successor inmate health care services provider at the Facilities for any training, transition matters, or the acts or omissions of WHS, its officers, employees, or personnel.

7.5 Payment for Services Performed. In the event that this Agreement is terminated for any reason, the Hospital District agrees to pay WHS for services actually performed through the date of termination.

8 COMPENSATION

8.1 **Compensation.** The Hospital District shall pay WHS the following for services rendered under this Agreement as indicated below, subject to acknowledgement by the County Sheriff that monthly services have been rendered:

- **Initial Three-Year Agreement Term for three (3) years beginning December 1, 2025 through November 30, 2028):** \$22,345,703.04 to be paid in equal monthly installments of \$620,713.97
- **Optional Year Four Term for one (1) year beginning December 1, 2028 and ending November 30, 2029):** \$7,970,565.28 to be paid in equal monthly installments of \$664,213.77
- **Optional Year Five Term for one (1) year beginning December 1, 2029 and ending November 30, 2030):** \$8,236,074.16 to be paid in equal monthly installments of \$686,339.51

In addition to the compensation set out above, a monthly per diem charge ("Per Diem") will be applied as set out herein. If the ADP falls below 990 a Per Diem credit of \$4.66 per inmate below 990 will be applied. If the ADP goes above 990, WHS will bill the \$4.66 Per Diem per inmate above 990 in the succeeding month's invoice.

By the fifth day of each month or first business day thereafter during the Term of this Agreement (including any Renewal term), WHS shall submit a written invoice via mail or email, to the County Sheriff or his designee for approval of payment. The County Sheriff or his designee shall review the invoice against the services required and provided under this Agreement and forward the approved invoice to the Hospital District for approval and payment within thirty-five (35) calendar days of the invoice date. The Hospital District shall pay WHS within sixty (60) calendar days of the invoice date with payment sent via the United States Postal Service to the address provided by WHS on the invoice. Any Per Diem charges shall be clearly identified and billed in subsequent invoices. In the event this Agreement should terminate or be amended on a date other than the end of any calendar month, compensation to WHS will be prorated accordingly based on the fractional portion of the month during which WHS actually provided services. If the County Sheriff or Hospital District determines that payments for specific services are disputed, the undisputed portion of the invoice shall be approved for payment. The parties shall attempt to resolve the disputed portions of the invoice within ten (10) calendar days.

8.1.1 In the event that the County and/or Hospital District fails to make any undisputed payment to WHS hereunder within ten (10) calendar days following WHS's written notice to the County and Hospital District of non-payment pursuant to Article 10.3 of this Agreement, WHS may seek recovery of said funds pursuant to any available remedy at law or in equity, including termination of this Agreement.

8.1.2 In the event that WHS terminates this Agreement due to the County and/or Hospital District's non-payment as described in Article 8.1, the County and/or Hospital District will be responsible for the pro-rated monthly payment of any services actually provided up to and including the date of termination.

8.2 Changes in the Law. If any statute is passed, , or any statute adopted or interpretation made, or additional facilities opened, that materially changes the scope of services or increases the cost to WHS of providing health care services hereunder, WHS, County and Hospital District agree to discuss whether additional compensation will be paid to WHS as a result of such changes. Prior to any discussion, WHS agrees to provide County and Hospital District information sufficient to evaluate the scope and necessity of, and any increase in cost. If the parties are unable to agree on appropriate compensation, pursuant to 7.2B any party may provide six (6) months prior notice of their intent to terminate this Agreement by written notice to the other parties.

9 LIABILITY AND RISK MANAGEMENT

9.1 Insurance. WHS shall purchase and maintain in force at all times during the term of this Agreement, insurance with limits not less than indicated below. The County and the Hospital District are to be named as an additional insured in all policies, except for workers' compensation coverage, and all policies shall include a waiver of subrogation along with primary and non-contributory wording and shall be provided to the County and Hospital District for all policies. Policies shall not exclude coverages for explosion, collapse, or underground hazards. Certificates of Liability must reference the project number and name.

Certificates of the coverage outlined below shall be available to County or Hospital District upon request.

9.1.1 Commercial General Liability Insurance: The minimum required limits of liability insurance to be provided by such general liability insurance shall be as follows:

- Bodily Injury/Property Damage Insurance
- Limits for each occurrence \$1,000,000

Annual Aggregate \$3,000,000

9.1.2 Professional Liability/ Medical Malpractice Insurance: The minimum acceptable limits of liability to be provided by such professional liability insurance shall be as follows:

- \$1,000,000 per medical incident
- \$3,000,000 per annual aggregate per physician/dentist or other insured contractor
- \$5,000,000 per annual aggregate for corporate ancillary personnel

9.1.3 Automobile Liability Insurance covering Owned, Non-Owned and Hired automobiles and those of Independent Contractors:

- Bodily Injury/Property Damage
- Per Occurrence: \$1,000,000

9.1.4 Umbrella (excess liability policy) or additional limits on foregoing risks:

- \$1,000,000

9.1.5 Workers Compensation Insurance Certificate:

- Employer's Liability Coverage Limit: \$1,000,000

- The provisions of the “Workers Compensation Certification” sub-section of Section 7. ADDITIONAL REQUIREMENTS of RFP No. 3315-25 are attached hereto as **Appendix D, Workers Compensation Certification from RFP 3315-25** and is hereby incorporated by reference as if each word were included herein.

All insurance must be written by insurance companies which are rated in the A.M. Best Rating Guide-Property & Casualty with a policyholder’s rating of A and a financial size category of Class VII.

9.2 Performance Bond. WHS shall maintain and continue to provide the County with a performance bond in the amount of \$2,250,000.00. New bonds will be required for each renewal (if any) in one (1) year increments, not to exceed two (2) additional years past the initial term. Such performance bond must be written by a Texas Licensed company, or companies.

9.3 County Indemnity. WHS agrees to indemnify, defend and hold harmless the County, the Hospital District, and their agents, officers and employees, from and against all suits, actions or other claims of any character and description, including but not limited to reasonable attorney fees, brought for or on account of any injuries, bodily injury, including death, and property loss or damages received or sustained arising solely out of any wrongful act, negligence, or omission of WHS, its agents, employees or subcontractors, regardless of whether such suit, action or claim is instituted by a third party or an employee, agent or subcontractor or supplier of WHS in the execution of, or performance under this Agreement . WHS shall pay any judgement with cost that may be obtained against County and/or Hospital District growing out of such injuries. WHS's obligations pursuant to this provision will not apply to any claim, liability, cost or expense to the extent caused by the acts or omissions of any of the County or Hospital District's officers, agents, or employees which prevent an inmate from receiving medical care as directed by WHS. County or Hospital District shall promptly notify WHS of any incident, accident, claim or lawsuit of which County or Hospital District becomes aware that does or may potentially involve WHS, and shall fully cooperate in the defense of such claim. This provision shall survive the termination or expiration of this agreement.

10 ADDITIONAL REQUIREMENTS/MISCELLANEOUS

10.1: Americans with Disabilities Act. WHS shall comply with all applicable provisions of the Americans with Disabilities Act of 1990 (Public Law 101-136) and implementing regulations thereunder.

10.2: Civil Rights Act of 1964. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

10.3 Conflict of Interest Questionnaire. Chapter 176 of the Texas Local Government Code requires a vendor who enters or seeks to enter into a contract for the sale or purchase of real property, goods, or services with a local governmental entity or local government officer thereof to file a conflict-of-interest questionnaire with the governmental entity prescribed.

A Conflict-of-Interest Questionnaire Form (CIQ) must be submitted not later than the seventh (7th) business day after the date the vendor begins discussion, negotiation, applies or responds to a request

County: Connie Scott
Nueces County Judge
901 Leopard Street
Room 303
Corpus Christi, Texas 78401

With copies to: Sheriff John Hooper
Nueces County Sheriff's Office
901 Leopard Street
Corpus Christi, Texas 78401

Nueces County Attorney
901 Leopard Street, Room 207
Corpus Christi, Texas 78401

Hospital District: Jonny F. Hipp
Administrator/Chief Executive Officer
Nueces County Hospital District
555 N. Carancahua Street
Suite 950
Corpus Christi, Texas 78401

Notices shall be effective upon receipt.

10.11 Governing Law and Venue. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Texas. Venue for any and all disputes that may arise hereunder shall lie exclusively in a court of competent jurisdiction in Nueces County, Texas.

10.12 Amendment. This Agreement may be amended or revised if approved by authorized parties, only in writing, and signed by all parties to this Agreement.

10.13 Waiver of Breach. The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

10.14 Other Contracts and Third-Party Beneficiaries. The parties agree that they have not entered into this Agreement for the benefit of any third person or persons, and it is their express intention that the Agreement is intended to be for their respective benefit only and not for the benefit of any non-party who might otherwise claim to be deemed to constitute a third-party beneficiary hereof.

10.15 Severability. In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of the Agreement, which shall remain in full force and effect.

10.16 Force Majeure. Neither party shall be held responsible for any delay or failure in performance, other than payment obligations and provision of medical, mental health, dental, and nursing services, to the extent that such delay or failure is caused by fire, riot, flood, explosion, war, strike, embargo, government regulation, civil or military authority, or act of God. All parties

understand and agree that there are such occurrences, both beyond the control and within the control of the parties, may result in health care expenses which are outside the scope of the normal operation of a correctional facility and, therefore, outside the contemplated scope of services under this Agreement. While all parties will act in good faith and endeavor to reduce the possibility of such occurrences in the unlikely event of an occurrence such as an Act of God, riot, explosion, fire, food poisoning, epidemic illness outbreak or any other catastrophic event, or an event caused by the negligent, reckless, or intentional actions or omissions of the County or their employees, agents or contractors, having catastrophic results and resulting in medical care for the inmates, County staff, visitors, or contractors, WHS shall not be responsible for costs attributable to such catastrophic event.

10.17 Inconsistency with Request for Proposal. If there is any conflict, inconsistency, or ambiguity between the provisions of this Agreement (including any attachments or exhibits) and those of the Request for Proposals ("RFP NO. 3315-25")(including any attachments, exhibits or addenda), the provisions of the RFP shall take precedence and control over the provisions of this Agreement.

10.18 Effect of This Agreement. This Agreement, including any attachments, addenda, is issued, instructions to proposers, general requirements of the RFP No. 3315-25, WHS Proposal Response, signed copy of the proposal response form, evidence of insurance, payment bond if applicable, performance bond, advertisement for proposal, including the scope of work as detailed in the RFP and documents previously incorporated herein as the RFP, the WHS Proposal, and Appendixes, together with said documents are fully a part of this Agreement as if hereto attached or herein repeated, and all said documents together form and constitute the contract and the complete understanding between the parties with respect to the terms and conditions set forth herein and supersede all previous written or oral agreements and representations. This Agreement may be modified only in a writing that expressly references this Agreement and is executed by all of the parties hereto.

10.19 Survival. The provisions of this Agreement pertaining to the obligation to pay for services rendered pursuant to this Agreement shall survive the termination of this Agreement with respect to services rendered prior to termination and still owing.

10.20 Discharge Medications. WHS will provide the service which allows discharged inmates access to a 30-day supply of medications upon release. The prescription may be filled at any pharmacy. WHS will provide a prescription card for all inmates in need of discharge medications, including those in need of psychotropic medications. When the prescription is filled, WHS will absorb the costs. This shall be WHS's sole responsibility with respect to discharge medications.

10.21 Enforcement. In the event any party incurs legal expenses or costs to enforce the terms of this Agreement, each party shall be responsible for its own costs.

10.22 Compliance with Laws. The parties hereto expressly acknowledge that it has been, and continues to be, their intent to comply fully with all federal, state and local laws, Court Orders, rules, and regulations. In the event of any legislative or regulatory change or determination, whether federal or state, that has or would have a significant adverse impact on any party thereto in connection with the performance of its obligations, or should any party be deemed for any reason to be in violation of any statute or regulation arising from this Agreement, this Agreement shall be renegotiated to comply with the applicable provisions of the-current law.

10.23 Gratuities. WHS shall not offer County employees benefits, gifts, or favors. Failure to honor this policy may result in the termination of this Agreement. Termination of the Agreement will be in accordance with the General Conditions.

No Public Official shall have interest in this contract except in accordance with Vernon's Texas Codes Annotated, Local Government Code Title 5, Subtitle C, Chapter 171.

10.24 Confidentiality. It is understood that in the course of the engagement established under this Agreement, each party may learn of or obtain copies of confidential or proprietary software, systems, manuals, documents, protocols, procedures, or other materials developed by or belonging to the other party, and not generally available to the public (hereinafter referred to as "Confidential Information"). All Confidential Information shall be and remain the property of the party originally having ownership thereof. A party will not, without the express written consent of the other parties, use the Confidential Information of a party, except as expressly contemplated by this Agreement, and the receiving party/parties shall cease all use of the other party's Confidential Information upon the termination or expiration of this Agreement. Except as required by law or legal process, each party shall maintain the confidentiality of the Confidential Information provided hereunder and shall not disclose such information to third parties. This provision shall survive the termination or expiration of this Agreement.

10.25 Limitation of Hospital District's Role and Lack of Control. The parties acknowledge and agree that the Nueces County Hospital District's sole interest under this Agreement is limited to the payment or reimbursement of healthcare services provided to inmates as specified herein. The Hospital District does not employ, supervise, or control, and shall not be deemed to employ, supervise, or control, the County, the Sheriff, WHS, or any of their respective officers, employees, agents, or contractors.

Nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or employment relationship between the Hospital District and any other party. The Hospital District shall have no authority to direct or control the manner, means, or method by which the County, the Sheriff, or WHS performs services under this Agreement.

This provision is intended to ensure that the Hospital District's role is strictly limited to its statutory purpose of financing or arranging payment for healthcare services under Texas Health and Safety Code Chapter 281 and applicable interlocal cooperation provisions of Texas Government Code Chapter 791.

IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

WEXFORD HEALTH SOURCES, INC.

By: John M. Froehlich

Its: Senior VP & CFO


Date: 10/20/25

NUECES COUNTY

By: Connie Scott

Its: County Judge


Date: 11/5/2025

NUECES COUNTY HOSPITAL DISTRICT

By: Jonny F. Hipp

Its: Administrator/Chief Executive Officer

Jonny F. Hipp

Date: _____

11/7/25

ATTEST:

Kara Sands, Nueces County Clerk

Kara Sands

Date: _____

11-5-25

