

COUNTY OF SAN MATEO
Departmental Correspondence

DATE: JUN 13 2001
HEARING DATE: JUN 26 2001

TO: Honorable Board of Supervisors
FROM: Timothy B. McMurdo, Director, Hospital & Clinics Division
SUBJECT: Agreement with Golden State Services

RECOMMENDATION

Adopt a resolution authorizing the President of the Board to execute an agreement with Golden State Services.

Background

In 1993, San Mateo County General Hospital (SMCGH) staff determined that outsourcing linen services would result in savings. San Mateo County has been contracting with Tartan Textile Services (previously Westar Linen Services, Inc.) since 1991. The term of the current contract with Tartan Textile Services, Inc. is August 1, 2000 through July 31, 2001. The maximum amount of the contract is \$397,527.

Discussion

In August 2000 a work group was created to develop an invitation to bid. Members of the group consisted of management staff from Infection Control, Materials Management, Environmental Services, Safety, and Purchasing. Four vendors, Lohmar, Tartan, Golden State Services, and Campus Life Laundry Services responded to the invitation to bid. Site visits, including staff interviews, were conducted at each facility to determine logistics, physical condition of each plant, the vendors' processing capacity and overall distribution process. A pre-bidders meeting was held and a walk-through of SMCGH was conducted to orient bidders to SMCGH.

Two vendors, Golden State Services and Tartan Textile Services, submitted bids. Golden State Services proposed the lowest bid. Due to the difference in the rates of the two vendors, SMCGH will realize a savings of \$57,000 the first year, \$40,000 the second year, and \$22,150 the third year. A maximum savings of \$119, 150 will be realized for the three-year term of the agreement.

As part of our commitment to the cost initiatives identified by the County Manager's financial work-group, SMCGH is exercising the 30-day termination clause to end the Tartan contract one month early to enable the hospital to realize savings at the start of the new fiscal year 2001-2002.

Risk Management and County Counsel have approved this agreement.

Term and Fiscal Impact

The term of this agreement is July 1, 2001 through June 30, 2004. The previous agreement with Tartan was for \$397,522 for one year. The maximum amount of the agreement with Golden State Services is \$1,071,850 for the three-year term. The first year will cost \$340,000, the second year, \$357,000 and the third year, \$374,850. The second and third year include a 5% increase. Funds to pay for this service are included in the Hospital and Clinics 2001-02 recommended budget and will be included in future year budget requests.

RECOMMENDED


HEALTH SERVICES

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT
WITH GOLDEN STATE SERVICES

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that;

WHEREAS, there has been presented to this Board of Supervisors for its consideration and acceptance an Agreement, reference to which is hereby made for further particulars, whereby Golden State Services shall provide laundry and linen services to San Mateo County Hospital and Clinics; and

WHEREAS, this Board has been presented with a form of the Agreement and has examined and approved it as to both form and content and desires to enter into the Agreement:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board hereby authorizes the President of this Board of Supervisors to execute said Agreement for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto.

AGREEMENT WITH GOLDEN STATE SERVICES
FOR LAUNDRY AND LINEN SERVICES

THIS AGREEMENT, entered into this _____ day of _____, 2001, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and GOLDEN STATE SERVICES, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for the Health Services Agency, Hospital and Clinics Division; and

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Health Services, or her designee, with respect to the product or result of Contractor's services, shall provide laundry and linen services as described in Schedule A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner.

2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE MILLION SEVENTY-ONE THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$1,071,850) for the contract term.

B. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Director of Health Services or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that the maximum County obligation shall exceed the total specified in paragraph 2A above. Each payment shall be conditioned on the performance of the services described in Schedule A to the full satisfaction of the Director of Health Services or her designee.

C. Time Limit for Submitting Invoices. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3. Relationship of Parties

It is expressly understood that this is an agreement between two (2) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Service Rules.

4. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings

under this Agreement, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

5. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the Director of Health Services. Contractor shall furnish the Health Services Agency with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Health Services Agency of any pending change in the limits of liability or of any cancellation or modification of the policy.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

A. Workers' Compensation and Employer Liability Insurance. Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this Agreement, County makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

B. Liability Insurance. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

- 1) Comprehensive General Liability \$2,000,000
- 2) Motor Vehicle Liability Insurance \$1,000,000
- 3) Professional Liability \$ -0-

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving sixty (60) days' notice to Contractor.

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only. Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment II (and III).

6. Non-Discrimination

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- i. examine Contractor's employment records with respect to compliance with this paragraph;
- ii. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges

are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

7. Assignments and Subcontracts

A. Without the written consent of the Director of Health Services or her designee, this Agreement is not assignable in whole or in part. Any assignment by Contractor without the written consent of the Director of Health Services or her designee is a breach of this Agreement and shall automatically terminate this Agreement.

B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this contract without the written consent of the Director of Health Services or her designee.

C. All assignees, subcontractors, or consultants approved by the Director of Health Services or her designee shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.

D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County.

8. Amendment of Agreement

This Agreement is complete and contains all the terms and conditions agreed upon by the parties. No amendment shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

9. Records

A. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B. Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

10. Compliance with Applicable Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11. Interpretation and Enforcement

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

1) In the case of County, to:

San Mateo County
Division of Hospital and Clinics
222 39th Avenue
San Mateo, CA 94403

or to such person or address as County may, from time to time furnish to Contractor.

2) In the case of Contractor, to:

Golden State Services
8360 Belvedere
Sacramento, CA 95826
Attn: Jay Crozier

B. Controlling Law. The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12. Term of the Agreement

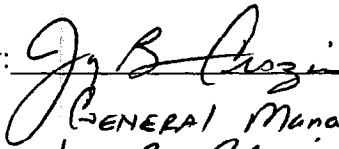
Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2001 through June 30, 2004. This Agreement may be terminated by Contractor, Director of Health Services or her designee at any time upon thirty (30) days' written notice to the other party.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

GOLDEN STATE SERVICES

By: _____
Michael D. Nevin, President
Board of Supervisors, San Mateo County

By:  _____
GENERAL MANAGER
JAY B. CROZIER

Date: _____

Date: 6/1/2001

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE C

Contract between County of San Mateo and Golden State Services, hereinafter called Contractor."

- a. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement.
- b. Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract. Contractor's personnel policies shall be made available to County upon request.
- c. Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance. Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.

Attachment I

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. employs fewer than 15 persons.
- b. employs 15 or more persons and, pursuant to Section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Tony Evanson Dir of Customer Service / Safety Officer
Name of 504 Person - Type or Print

Golden State Laundry
Name of Contractor(s) - Type or Print

P.O. Box 321226
Street Address or PO Box

Los Gatos
City

CA 95032
State Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

6.01.2001
Date

Jy B Cruzin
Signature and Title of Authorized Official

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

SCHEDULE A

In consideration of the payments described in Schedule B, Contractor shall provide the following:

I. Laundry Services

1. Complete laundry services, including but not limited to, laundering, drying, ironing, folding, presswork, garment processing, and inventory control.
2. Pick-up and Delivery Services: Linen pick-up and delivery will occur between the hours of 3:00 a.m. and 6:00 a.m., seven days per week, on Monday through Sunday. Clean linen delivery and soiled pick-up shall occur simultaneously. The schedule may, from time to time, be changed to accommodate Contractor's routing requirements, but no changes shall be made without the prior approval of San Mateo County General Hospital (SMCGH) materials manager. Contractor will not be responsible for any shipping delay that may be caused by conditions or circumstances beyond Contractor's control, such as delays caused by, but not limited to, road closures or traffic accidents. Delivery Location is San Mateo County General Hospital, 222 West 39th Avenue, San Mateo, CA 94403.

Contractor will provide a contingency plan for the delivery of linen to SMCGH in case of a catastrophic event. The plan will be Exhibit I of this agreement.

3. Contractor shall provide a quality control program which defines the level of quality and service to be provided to County. County shall have complete review and approval rights over the initial program, and throughout the term of this agreement the parties hereto shall mutually agree to any changes, amendments, or modifications to the program that they deem appropriate to keep pace with changes in the County's service needs.
4. Contractor shall provide a representative who shall report on the performance of Contractor as a function of the quality control program. County agrees to meet no less than quarterly with Contractor's representative for the purpose of reviewing the effectiveness of the program, and amending it, as applicable. Any variances from the performance and quality standards set forth in the program shall be dealt with according to the provisions of the program.
5. Delivered linen shall conform, at a minimum, to the generally accepted standards of quality for cleanliness, finish, and appearance. All work performed shall be done under sanitary conditions. Linen shall be free from soil and stains, bacteria, fungi, and other microorganisms, including pathogens, to the extent required by state, county, and city codes and regulatory agencies. Contractor shall at all times comply with the applicable sections of requirements and regulations established by the Joint Commission on Accreditation of Health care Organizations and California's Title 22.
6. Annual inspections will be made by a team provided by the materials manager (i.e. Infection Control, Materials Manager, Safety Office, County Purchasing, and other appropriate staff)

II. Management Services Provided by Golden State Services

1. Count, stock, and distribute linen seven (7) days per week.
2. Train and supervise linen room personnel.
3. Collect data daily and enter this information into a linen tracking program which shall be provided by Contractor.
4. Monitor linen utilization with a goal of ensuring adequate supplies for County.
5. Monitor linen inventory and communicate County requirements to suppliers, generally in accordance with budget or reasonable directions from County.
6. Weigh linen being picked up from and linen being delivered to SMCGH. This weight will be logged.
7. Provide weekly invoices. Daily deliveries should be accompanied by a packing slip.
8. Provide the Materials Manager with linen inventory levels to ensure linen par levels are maintained to avoid shortages.
9. Perform an annual inventory.
10. Provide the Materials Manager with the formula for wet to dry weight.
11. Provide the following monthly reports: weight report, linen replacement report, and discarded linen report.

SCHEDULE B

I. In consideration of the services described in Schedule A, Contractor shall be reimbursed as follows:

1. Fees

- Bulk Processing Services \$.3195 per dry weight pound processed.
- Sewing, Mending, and Repairing \$16.50 each
- Laundry of Cubicle Curtains \$2.65 each
- Garments Pressed \$1.29 each
- Garments Steamed \$1.29 each
- Stained Garments \$.55 each
- Surgical Towel Packs \$1.95/pack of 6

2. Linen Room Management Services: Contractor shall present an invoice for Management Services to County each month for services provided to County during the previous month at the rate of \$9,966.66 per month

3. Customer Own Goods (COG): San Mateo County General Hospital (SMCGH) reserves the right to purchase its own linen, patient apparel, reusable surgical gowns, and surgical linen from those manufacturers currently under contract to SMCGH.

4. Cost Adjustments: The laundry and linen room management fees may be adjusted upward each year by an amount equal to the lesser of five percent (5%) or the percentage change, if any, in the most recent published "Consumer Price Index" – All Urban Consumers" for the San Francisco-Oakland-San Jose area published by the United States Department of Labor, Bureau of Labor Statistics (hereinafter "Index"). In the event the Index is no longer published, the adjustment calculation will be based on what ever measure of changes in the labor rates that is then published on a regular basis and is generally accepted as the replacement for the Index. In no event will any fees be less than the fees for the preceding year during the term of this agreement.

In the event that utility charges increase at any time during the term of the agreement by greater than 15% over the published rates as of the start date of this agreement, then the cost per pound charge to County shall be increased by a percentage equal to the percentage increase in Contractor's production costs attributable to the increase in utility charges.

5. Total payment for services under this agreement will not exceed ONE MILLION SEVENTY-ONE THOUSAND EIGHT HUNDRED FIFTY (\$1,071,850) for the term July 1, 2001 through June 30, 2004. (\$340,000 for the period July 1, 2001 through June 30, 2002, \$357,000 for the period July 1, 2002 through June 30, 2003, and \$374,850 for the period July 1, 2003 through June 30, 2004).

COUNTY OF SAN MATEO

HEALTH SERVICES ADMINISTRATION

MEMORANDUM

Date: May 30, 2001
To: Priscilla Morse, Risk Management/ Pony # EPS 163 Fax # 363-4864
From: Tere Larcina, Hospital and Clinics/Pony # HOS316/Fax # 2267
Subject: Contract Insurance Approval

CONTRACTOR: Golden State Laundry

DO THEY TRAVEL:

PERCENT OF TRAVEL TIME:

NUMBER OF EMPLOYEES: More than one.

DUTIES (SPECIFIC): Contractor shall provide laundry and linen services as described in Schedule A.

COVERAGE:

Comprehensive Liability:
Motor Vehicle Liability:
Professional Liability:
Worker's Compensation:

Table with 4 columns: Amount, Approve, Waive, Modify. Rows include Comprehensive Liability (\$2m), Motor Vehicle Liability (\$1m), Professional Liability, and Worker's Compensation (Statutory).

Handwritten notes: 2m GENERAL LIABILITY Verbal: 10m. Cybers LIABILITY / Prac. M. 65-c

REMARKS/COMMENTS:

Signature of Priscilla Morse
SIGNATURE

ACORD. CERTIFICATE OF INSURANCE

DATE: MM/DD/YY.

PRODUCER

WILLIAM S WEBB CO INC
377 OAK ST CS601
GARDEN CITY NY 11530

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY A ST PAUL COMPANIES
- COMPANY B FIREMANS FUND INS CO
- COMPANY C
- COMPANY D

INSURED

UNITED LINEN SERV INC
GOLDEN STATE SERV
8360 BELVEDERE AVE
SACRAMENTO CA 95826

COVERAGES

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	CK06503545	11/14/00	11/14/01	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 1,000,000 MED EXP (Any one person) \$ 10,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	CK06503545	11/14/00	11/14/01	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ EACH ACCIDENT \$ AGGREGATE \$
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	XYZ84367044	11/14/00	11/14/01	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				STATUTORY LIMITS \$ EACH ACCIDENT \$ DISEASE - POLICY LIMIT \$ DISEASE - EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

ALL OPERATIONS BY THE INSURED FOR THE CERTIFICATE HOLDER.
 CERTIFICATE HOLDER IS ADDED AS ADDITIONAL INSURED.
 NEW YORK'S STATE WORKERS COMPENSATION CERTIFICATE TO FOLLOW.

CERTIFICATE HOLDER

SAN MATEO COUNTY HEALTH CENTER
HOSPITAL & CLINICS DIVISION
222 W 39TH AVENUE
SAN MATEO CA 94403

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*10 DAYS ONLY FOR NON-PAYMENT

**STATE
COMPENSATION
INSURANCE
FUND**

P.O. BOX 420807, SAN FRANCISCO, CA 94142-0807

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

JUNE 1, 2001

POLICY NUMBER: 1604281 - 00
CERTIFICATE EXPIRES: 6-25-01

SAN MATEO COUNTY HEALTH CENTER
HOSPITAL & CLINICS DIVISION
222 W. 39TH
SAN MATEO CA 94403

This is to certify that we have issued a valid Workers' Compensation Insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon ³⁰ten days' advance written notice to the employer.

We will also give you ³⁰ten days' advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Tom Hansen
AUTHORIZED REPRESENTATIVE

K. Bollier
PRESIDENT

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

ENDORSEMENT #2065 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 11/14/00 IS ATTACHED TO AND FORMS A PART OF THIS POLICY.

EMPLOYER

UNITED LINEN SERVICES, INC.
101 EAST 5TH STREET, #1115
ST. PAUL MN 55101

STATE
 COMPENSATION
 INSURANCE
FUND

HOME OFFICE SAN FRANCISCO POLICY DECLARATIONS

CALIFORNIA WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY POLICY
 THESE DECLARATIONS ARE A PART OF THE WORKERS' COMPENSATION POLICY INDICATED HEREON.

THIS INSURANCE IS EFFECTIVE FROM
 01 A.M., PACIFIC STANDARD TIME
 11-14-00 TO 6-25-01 AND SHALL
 AUTOMATICALLY RENEW EACH 6-25
 UNTIL CANCELLED

CONTINUOUS POLICY 1604281-00

UNITED LINEN SERVICES, INC.	DEPOSIT PREMIUM	\$37,504.0
101 EAST 5TH ST, #1115 ST. PAUL MN 55101	MINIMUM PREMIUM PREMIUM ADJUSTMENT PERIOD REP	\$650.0 MONTHLY N N

NAME OF EMPLOYER- UNITED LINEN SERVICES, INC.
 (A CORPORATION)

LOCATIONS- 8360 BELVEDERE AVE., SACRAMENTO 95826
 1428 WEST LINWOOD AVE., TURLOCK 95380

1. WORKERS' COMPENSATION INSURANCE - PART ONE OF THIS POLICY APPLIES TO THE WORKERS' COMPENSATION LAWS OF THE STATE OF CALIFORNIA.
2. EMPLOYER'S LIABILITY INSURANCE - PART TWO OF THIS POLICY APPLIES TO LIABILITY UNDER THE LAWS OF THE STATE OF CALIFORNIA. THE LIMIT OF OUR LIABILITY INCLUDING DEFENSE COSTS UNDER PART TWO IS,

\$1,000,000

CODE NO. ---PRINCIPAL WORK AND RATES EFFECTIVE FROM 11-14-00 TO 06-25-01

		BASE RATE	INTERIM BILLING RATE*
8742	SALESPERSONS--OUTSIDE.	1.37	.71
8810	CLERICAL OFFICE EMPLOYEES--N.O.C.	1.16	.60
2585	LAUNDRIES--N.O.C.--ALL EMPLOYEES-- INCLUDING CASH AND CARRY DEPARTMENTS ON PLANT PREMISES.	10.08	5.20

EXPERIENCE MODIFICATION
 11-14-00 TO 06-25-01 142 %

*****BUREAU NOTE INFORMATION*****

PHILLIP C. FOUSSARD PRES 00.00%

TOTAL ESTIMATED ANNUAL PREMIUM ██████████



INSURER: STATE COMPENSATION INSURANCE FUND
POLICY NO. 1604281-00
DATE: JANUARY 17, 2001

CALIFORNIA WORKERS' COMPENSATION INSURANCE
POLICYHOLDER DIVIDEND DISCLOSURE STATEMENT

UNITED LINEN SERVICES, INC.
101 EAST 5TH ST, #1115
ST. PAUL MN 55101

EMPLOYER/INSURED: UNITED LINEN SERVICES, INC.

EFFECTIVE DATE: NOVEMBER 14, 2000

ESTIMATED ANNUAL PREMIUM: [REDACTED]

ESTIMATED DIVIDEND PLAN PREMIUM: \$ [REDACTED]

TERM OF DIVIDEND PLAN: ONE YEAR

Workers' compensation insurers are authorized to issue participating policies. A dividend (refund) under such a policy can only be paid from surplus accumulated from premiums on workers' compensation policies issued pursuant to the laws of California.

Under California law it is unlawful for an insurer to promise the future payment of dividends under an unexpired workers' compensation policy or to misrepresent the conditions for dividend payment. Dividends are payable only pursuant to conditions determined by the Board of Directors of the State Compensation Insurance Fund following policy expiration.

It is a misdemeanor for any insurer or officer or agent thereof, or any insurance broker or solicitor, to promise the payment of future workers' compensation dividends. Past dividend performance is no guarantee of an insurer's future dividend performance.

PART I: HISTORICAL DISCLOSURE

THIS DIVIDEND STATEMENT IS BASED ON THE MOST RECENT DIVIDEND DECLARATION BY OUR BOARD OF DIRECTORS FOR POLICYHOLDERS WITH CHARACTERISTICS SIMILAR TO YOURS AND A DIVIDEND PLAN PREMIUM OF \$ [REDACTED]. THIS DECLARATION APPLIED TO POLICIES WHOSE TERM OF COVERAGE BEGAN DURING THE PERIOD OCTOBER 1, 1998 TO DECEMBER 31, 1998 AND WHOSE TERM OF COVERAGE ENDED DURING THE PERIOD OCTOBER 1, 1999 TO DECEMBER 31, 1999.

The dividend formula was:
Dividend = Premium - [(Losses x Loss Conversion Factor) + Retention]