

Questions and Answers for RFP #13039

1. Who is the current vendor performing the laboratory services for the City of Memphis, TN?
Advance Toxicology Network
2. Who is responsible for collecting the specimens?
The City utilizes several local vendors for collections of specimens
3. Approximately, how many Drug Screens were performed in 2012?
Refer to Pg. 2
4. How many positive drug screens were there in 2012?
70
5. What is the expected number of positive tests?
Unknown
6. Who are you testing?
City of Memphis employees
7. What are the drugs to be tested for, and what are the cut-off levels for each of them?
See DOT Rule 49 CFR Part 40 Section 40.85
8. Approximately, on average how many blind samples were performed in 2012?
40.103 Does not apply to the City of Memphis
9. On Page10, Under **I. Transportation**, The Laboratory will also: 1. Provide a courier or Federal Express Account to transport specimens to Laboratory. Will City of Memphis, TN accept another form of transporting the specimens to the laboratory by way of UPS United Parcel Services?
YES
10. On Page10, Under **I. Transportation**, The Laboratory will also: 2. Provide daily pickup of specimens at all City of Memphis Testing Sites/locations and deliver to laboratory. How many current collection sites or locations does City of Memphis have?
7
11. What are the addresses of those sites/locations for City of Memphis? **See below**

True Testing Collection
3355 Poplar Ave Suite 104
Memphis, TN 38111

Mobile Health Screening
275 Walnut Bend South, Suite 101
Cordova, TN 38018

Mid-South Drug Testing
3294 Poplar Ave # 440
Memphis, TN 38111

Career Pro Drug Testing
3828 Hickory Hill Suite 29
Memphis, TN 38115

Concentra Medical Center
2831 Airways, Building A Suite 102
Memphis, TN 38132

Concentra Medical Center
1005 Harbor Ave
Memphis, TN 38113

Concentra Medical Center
3965 Mendenhall Suite #6
Memphis, TN 38115

12. How many locations will the necessary supplies for collections, shipping materials to shipped to?

See response to No. 10

13. What is your turn-around time for all positive samples?

Refer to Pages 4 and 5

Do you have a time frame to retain all negative samples, otherwise we dispose of them after 1 week?

All negative specimens can be disposed of after 1 week

14. The only validity testing you are looking for is Creatinine, Specific Gravity, and pH correct?

Refer to page 4

15. Could you please provide us all with the current pricing sheet from the current contract, this will eliminate me asking every question about pricing?

See attached ATN contract

16. Where in the Proposal does it state how many Copies of the Proposal need to be submitted?

Please provide an original and 8 Copies

SERVICE AGREEMENT BETWEEN THE CITY OF MEMPHIS
AND ADVANCED TOXICOLOGY NETWORK
FOR DRUG SCREENING LABORATORY SERVICES

Contract Number: 28879

**SERVICE AGREEMENT BETWEEN THE CITY OF MEMPHIS AND
ADVANCED TOXICOLOGY NETWORK
FOR DRUG SCREENING LABORATORY SERVICES**

THIS AGREEMENT is made as of July 1, 2007 by and between the City of Memphis (hereafter "City") and Advanced Toxicology Network (hereafter "Company" or "ATN").

WHEREAS, City desires to engage Company to provide specific laboratory services for the City of Memphis drug testing program; and

WHEREAS, Company desires to accept such engagement according to the terms and conditions hereafter stated and as set forth in the Request for Proposal ("RFP") attached hereto as Exhibit A and incorporated herein by reference as if stated verbatim;

NOW, THEREFORE, in consideration of the premises and mutual promises contained herein, and for other good and valuable consideration, the parties hereby agree as follows:

I. SERVICES

A. City hereby engages Company to provide drug screening laboratory services in connection with its substance abuse screening program which shall include the services set forth in Company's response to City's RFP, as set forth in Exhibit B attached hereto and the following:

- (1) management and billing for specimen collection at collection facility sites utilized by City;
- (2) performing SAMSHA certified drug screening and GC/MS confirmation of urine samples;
- (3) review of all drug test results by a Medical Review Officer;
- (4) providing each collection facility with the necessary supplies for specimen collection and transportation to Company; and
- (5) maintaining and reporting statistical data required by the Department of Transportation ("DOT").

B. In connection with such services, Company agrees to be accessible as needed by City and to designate a local Account Representative to assist City with any program troubleshooting.

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- C. In addition to the services enumerated in this Section, Company shall:**
- (1) Distribute and furnish urinalysis supplies for specimen collection and transportation to each collection facility utilized by City.**

 - (2) Supply sampling containers to each designated collection vendor. Containers shall have a temperature strip capable of registering temperatures between 32-38°C/90-100°F, hold a minimum of 60 ml of urine, be shatterproof, and have a tightly-fitting, non-leaking cap. Company shall also supply labels and tamper-proof seals for the containers.**

 - (3) Supply packaging for containers to assure the security of the samples. Packaging shall be adequate to ensure protection against damage from improper handling, inclement weather, water, excessive heat or cold. Packaging shall be such as to ensure acceptance by common carrier for safe arrival at its destination and shall consist of either specimen boxes or padded mailers that can be securely sealed.**

 - (4) Supply customized chain-of-custody forms and maintain a strict chain-of-custody procedure. The chain-of-custody forms provided by Company shall be subject to City's approval.**

 - (5) Supply sets of pre-printed labels (or bar coding if available) for each specimen container, a tamper-proof bottle seal and a box custody seal. Each label or seal shall be pre-printed with a specimen identification number for use by collection personnel.**

 - (6) The risk of loss or damage to specimens in shipment shall remain with Company. Any specimen damaged or lost in shipment shall be recollected with the associated cost of such recollection to be paid by Company.**

 - (7) Assure that the laboratory maintain required certifications and personnel.**

 - (8) Assure that equipment is calibrated and maintained, that staff is trained, and that quality control is conducted.**

 - (9) Assure that the laboratory meets required security specifications.**

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(10) Maintain documents in accordance with the Privacy Act, 5 USC §552 and any other local, state or federal law that governs the confidentiality of drug laboratory screenings.

(11) Compile and report statistical data required by the Department of Transportation.

(12) Maintain complete and accurate records.

(13) Provide urinalyses in accordance with technical protocols and administrative

controls. Screening is to be by immunoassay test. Confirmation tests are to be by quantitative gas chromatography/mass spectrometry (GC/MS) methods. Drugs to be tested for are:

- amphetamines
- cannabinoids--marijuana
- cocaine
- opiates
- phencyclidine

Company agrees to confirm such test results in accordance with the cutoff values specified in the DHHS Guidelines.

(14) Provide cost estimates and proposals for analysis of other illegal drugs and prescription drugs, as requested by City.

(15) Provide the advice of a trained forensic toxicologist as needed and make available expert testimony and chain-of custody testimony for administrative and court hearings as needed by City.

(16) Provide access for inspections as needed.

(17) Maintain existing status of SAMHSA (DOT) certification.

(18) Provide for delivery of specimens via overnight service from each collection site to Company's laboratory which shall include:

- A. Responsibility for all costs involved and arranging for the transportation of samples from the collection sites to Company's laboratory.

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B. Providing a delivery system subject to the approval of City which shall protect the chain-of-custody, maintain sample security, and be sufficiently expeditious so as to allow samples to complete processing (including the sending of the notice of the results to the Medical Review Officer (MRO) within three (3) calendar days of receipt and no more than seven (7) calendar days after collection.

C. Responsibility for all signing costs, delivery costs, and mailing costs for transmitting supplies, documents, samples and results.

II. PERSONNEL QUALIFICATION

A. Laboratory Director - The laboratory director shall assume professional, organizational and administrative responsibility for Company's laboratory's drug testing facility. This individual shall have documented scientific qualifications in analytic forensic toxicology and at a minimum shall:

- (1) Be certified by the State of Tennessee, and be certified as a laboratory director in forensic and/or toxicological analysis; or
- (2) Shall hold a Ph.D. in one of the natural sciences with an adequate undergraduate and graduate education in pharmacology, toxicology, biology or chemistry; or
- (3) Should have training and experience comparable to a Ph.D. in one of the natural sciences, such as medical or scientific degree with additional training and laboratory/research experience in biology, chemistry, and pharmacology or toxicology.

In addition, the Director shall have:

- (1) Appropriate experience in analytical forensic toxicology including experience with the analysis of biological materials for drugs of abuse, and
- (2) Should have appropriate training and/or experience in forensic applications of analytical toxicology, e.g., publications, court testimony, research concerning analytical toxicology of drugs of abuse, or other factors which qualify the individual as an expert witness in forensic toxicology.
- (3) The Laboratory Director shall be engaged in and responsible for the day-to-day management of Company's drug testing laboratory, even if another individual has overall responsibility for an entire multi-specialty laboratory. The Laboratory Director shall be responsible for ensuring that there are enough personnel with adequate training and experience to supervise and conduct the work of the drug testing laboratory. The Laboratory Director shall assure the continued competency of

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laboratory personnel by documenting their in service training, reviewing their work performance, and verifying their skills.

The Laboratory Director shall be responsible for ensuring that the laboratory's procedure manual is complete, up-to-date, and available to personnel performing the tests.

The Lab Director shall also be responsible for ensuring that the procedure manual is followed by all personnel. The procedure manual shall be reviewed, signed, and dated by this Laboratory Director whenever procedures are first placed into use or changed, or when a new individual assumes responsibility for management of the drug testing laboratory. Copies of both past and present policies and procedures and dates on which they went into effect shall be maintained and be available for inspection by the Drug Testing Supervisor and/or his/her representatives. The Lab Director shall also be responsible for maintaining a quality assurance program to assure the proper performance and reporting of all test results; for all controls and standards; for maintaining quality control testing; and for assuring and documenting the validity, reliability, accuracy, precision, and performance characteristics of each test and test system.

The Lab Director shall be responsible for taking all remedial actions necessary to maintain satisfactory operation and performance of the laboratory in response to quality control systems not being within performance specifications, errors in result reporting or in analysis of performance testing results. The Lab Director shall ensure that sample results are not reported until all necessary corrective actions have been taken and until the Lab Director can assure that the tests results provided are accurate and reliable.

B. Forensic Toxicologist/Expert - The laboratory's Forensic Toxicologist shall possess appropriate education and training, which is equivalent to at least a Bachelor's degree in chemical or biological science or medical technology or its equivalent. This individual shall also possess advanced specialty training in the field of toxicology, and experience in analytic forensic toxicology. This individual's credentials shall also establish them as an expert in the field possessing knowledge beyond that of a journeyman practitioner and whose views are accepted as authoritative by the courts and other professionals. Expertise can be demonstrated by advanced course work, professional certification, and a record of qualifying as an expert witness before the courts.

C. Test Validator - Company's urine drug testing facility shall have a qualified individual(s) who reviews all pertinent data and quality control results in order to attest to the validity of

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the laboratory's test reports. This individual shall, at a minimum, hold a bachelor's degree in chemical or biological science or medical technology or its equivalent. Company shall demonstrate that this individual has had training and experience with the specified theory, methods of testing and procedures used, and a thorough understanding of quality control practices and procedures, the review and interpretation and reporting of test results, the maintenance of chain-of-custody, and the proper remedial action to be taken in response to test systems being out of control limits or to the detecting of aberrant test of quality control results.

Periodic verification of skills must be documented. Company may designate more than one person to perform this function. This individual(s) may be any employee who is qualified to be responsible for day-to-day management or operation of the drug testing laboratory.

Company further warrants that all personnel authorized to handle specimens shall be trained in the forensic chain-of-custody handling of all specimens tested.

III. LICENSURE.

Company warrants and represents that it is federally certified and licensed by the Substance Abuse and Mental Health Services Administration ("SAMSHA") and the Department of Health and Human Services ("DHHS"). Company further warrants that it is inspected twice a year by DHHS and once a year by the State of Tennessee, and that it meets the requirements of the City of Memphis Drug Testing Policy and Procedures (PM-74-03) and Substance Abuse Policy (PM 78-03).

IV. QUALITY CONTROL

A. Protocols. Company agrees to maintain an internal quality control program in accordance with the protocols set forth in Exhibit A attached hereto and incorporated herein by reference.

B. Storage and Maintenance of Specimens. Company agrees to maintain all positive specimens in a frozen state (minus twenty (20°C) degrees Celsius, or less) for at least one year or longer if requested by the City or if the specimen is subject to legal challenge. Negative specimens may be disposed of; however, any positive specimens still in the contractor's possession when the contract expires shall be transferred to the new contractor, or destroyed as directed by City within ten (10) days following the expiration, termination, or transferring of the contract. In addition, packaging shall be such as to maintain the samples in a frozen state. Positive specimens shall be made available to City for further testing at other facilities, if requested.

C. False Positives and Retesting. One confirmed false positive shall require that Company retest all positive samples back to the time period following the occurrence to the point in time when the error was located and corrected using the confirmation test.

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Retesting may be limited to one analyte where this is warranted by the nature of the error, where the laboratory can document that the error was a non-systematic clerical or administrative one, to the Department's satisfaction, retests will not be required. Company will bear all costs associated with retesting. Further, City reserves the right to require that Company implement corrective actions to avoid similar errors in the future. Such testing shall take into account sample deterioration in redetermining cut-off levels. Company shall provide City immediate written notice regarding all retesting required to be performed under this provision. Such notice must be dated and signed by both the responsible supervisor and the laboratory director. The City reserves the right to terminate this Agreement in accordance with Section XIV hereof, in the event that the retests are unsatisfactory, or if two false positives occur.

D. Contamination of Specimens. Company shall generate, implement and document procedures to assure that carryover between quality control samples and/or positive specimens does not contaminate specimens being tested.

E. Personnel Training. Company shall establish a formal program for training all personnel in the use of laboratory equipment. Each person utilizing a piece of equipment shall be formally trained in its operation and given appropriate annual follow-up training. A formal maintenance program shall be established for equipment, consistent with manufacturer's guidelines. Records on training and maintenance shall be kept current and subject to inspection by City or its representative.

F. Security Requirements. Company shall assure that all long term refrigerated and frozen storage facilities shall be equipped with high security locks, doors, walls, ceilings, and floors. Emergency power equipment shall be available to maintain temperatures in these facilities during prolonged power failures. All portions of the laboratory where specimens will be received, stored or tested shall be secure. Aliquoting and temporary storage shall be done in the accessions area. Samples shall normally not leave this area until analysis is completed. Said buildings and portions of buildings shall be resistant to unauthorized entry, tampering and compromise. Keyed locks shall be "tamper-proof" and all cipher locks shall be subject to periodic combination changes.

All such areas shall have limited access and this access shall be limited to persons who have work related reasons for being in such areas. The construction and physical security of such areas shall be designed to prevent or detect attempted or forced entry. City Memphis shall receive immediate written notice of such breach and further notice regarding any corrective actions taken.

Company shall establish and maintain a secure filing system, subject to approval by City for all data and records established under this contract. These records shall be segregated from other records kept by the contractor and shall be kept either in fireproof file cabinets or in rooms protected by a Halon type fire protection system.

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Company shall assure that access to the premises is controlled and that no unauthorized personnel handle specimens or gain access to the laboratory or to areas where records are stored. Access to secure areas will be limited to "authorized" personnel and inspection personnel mentioned in this contract. Visitors, service and maintenance personnel must be escorted at all times and documentation must be maintained on individuals accessing these areas to include: name, area, date, time, and purpose of entry.

All records relating to individual samples shall be treated as confidential and shall be protected against unauthorized disclosure.

V. MAINTENANCE OF RECORDS AND CONFIDENTIALITY.

A. Company further agrees to maintain complete records of all quality control operations

rendered on behalf of City for three years or longer if requested by City and shall make such records available for auditing purposes if necessary. These records shall include the applicable date, the name of the technologist performing the analysis, substances found, and the known and reported findings. Each test result shall be made available for scrutiny by City and/or inspectors designated by DHHS. Further maintenance of such records shall be undertaken in accordance with Exhibit A attached hereto.

B. Company shall take all reasonable steps to prevent unauthorized access to files maintained by Company on behalf of City. The release of all documents to any person or entity not a party to the contract pertaining to individual specimens is controlled by the Privacy Act, codified at 5 USC Section 552 and other laws and regulations governing confidentiality. None of these documents shall be released to any person or entity not a party to the contract without the approval of the designated officials unless such release is specifically provided for herein.

C. Without regard to the media in which such records or files are stored, or whether such records are marked confidential, "Confidential Information" shall mean all records, reports and information compiled and maintained by Company on behalf of City.

D. Company further agrees to limit access and disclosure of City's Confidential Information only to its employees, agents, and contractors who have a "need to know," and who agree to maintain confidentiality in accordance with this Section.

Company shall be entitled, without violating this Section and without the prior consent of City, to

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retain administration information and to forward such administration information to government agencies to the extent required by law for the proper performance of the services set forth herein.

VI. CHAIN OF CUSTODY

Company agrees to maintain a strict chain of custody by tracking specimens by bar code or specimen identification number at every stage of the process from receipt through testing, reporting, storage, and final disposition. Each chain-of-custody form shall document the date and purpose of each transfer each time a specimen or aliquot is handled and identify every individual in the chain.

Company shall designate a records custodian to maintain laboratory records on all testing and chain of custody documents. When a specimen tests positive, the custodian shall, within 24 hours, mail to the MRO, via overnight mail, a copy of the report and all custody records on the specimen with a dated certification signed by both the custodian and either the laboratory director or the test validator including the following acknowledgments:

1. He or she is the designated custodian of City's urinalysis records.
2. The documents are true and accurate and are copies of documents in his possession.
3. The documents were prepared in the normal course of laboratory business.
4. The documents state the results of the analysis performed on the item(s) listed
5. The specimen(s) was maintained in secure facilities and that the custody records list every person handling said specimens from the point of pick-up at the collection site to the completion of analysis.

If any specimen is lost, misplaced, appears to have been tampered with or is improperly delivered, the City of Memphis' Drug Testing Coordinator should be notified via facsimile immediately. Any damage to the specimens, to wrappings or possible tampering shall be noted on the custody form. The City of Memphis' Drug Testing Supervisor or Coordinator shall be notified via facsimile with a report stating the date received, specimen number, social security number, collection date and collection discrepancy within 24 hours of receipt.

VII. TESTING REQUIREMENTS

Company agrees to perform each urine analysis in accordance with Exhibit A and Exhibit B attached hereto. In the event of a conflict, such urine analysis shall be performed in

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accordance with the following:

- A. **Accelerated response time.** Company shall analyze each specimen on a STAT basis which shall mean within twenty-four (24) hours of receipt of a specimen.
- B. **Initial Screening.** Company shall perform an initial screening for the following drugs or metabolites at the following cutoff levels:
- amphetamines 1000 ng/ml
 - cocaine metabolite 300 ng/ml
 - marijuana metabolite 50 ng/ml
 - opiates 300 ng/ml
 - phencyclidine 25 ng/ml

Each screening shall be accomplished by radio immunoassay method. Other method(s) meeting the DHHS requirements will be considered. Any use of another method must be discussed in advance of its use with City, regardless of whether such method has been approved by DHHS. Test levels and types of tests utilized are subject to change when it is determined by DHHS that advances in technology warrant such changes.

Any sample screening positive at or above the set cutoff levels shall be subject to confirmation testing. Confirmation procedures shall utilize quantitative GC/MS assay techniques. The following cutoff values shall be utilized for confirmation testing (cutoff values and the tests themselves shall be subject to change should the DHHS determine that changes are warranted):

- amphetamine/methamphetamine 500 ng/ml
- cocaine metabolite 150 ng/ml
- marijuana metabolite 15 ng/ml
- Opiate (morphine/codeine) 300 ng/ml
- phencyclidine 25 ng/ml
- Benzoylcegonine
- Delta-9-Tetrahydrocannabinol-9- carboxylic acid

Where confirmation is performed in the selected ion mode, a minimum of three (3) separate ion masses shall be monitored for confirmation.

- C. **Tampering or Substitution.** Company shall test the specific gravity and ph of each sample and examine each for evidence of tampering or substitution, informing the City of Memphis of any abnormal findings.
- D. **Dilution of Samples.** Company shall have the capability to test samples for

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creatinine so as to ascertain whether samples have been diluted and shall be capable of performing 6-0 monoacetylmorphine tests on opiate positives. These tests shall be performed as requested by the Medical Review Officer and/or City.

- E. **Storage of Samples.** During processing, specimens shall be stored in a secure, refrigerated unit wherein temperatures shall not exceed six (6°C) degrees celsius. A generator shall be available to assure that temperatures are maintained during prolonged power outages. Company shall retain all confirmed positive samples for a period of 365 days or longer if requested by the City or if the specimen is subject to litigation. Upon expiration of this Agreement, any remaining stored samples shall be returned to City unless otherwise directed by City. Following testing, confirmed positive samples shall be stored in a frozen state in twenty (20°C) degrees celsius or below for at least one year or longer if requested by City.

A generator shall be available to assure that samples are maintained in this condition during prolonged power outages. Said samples, or portions thereof, shall be released to the MRO upon request of City for further testing at other facilities if deemed appropriate.

- F. **Security and Chain of Custody.** All testing shall be performed under secure conditions with strict chain-of-custody procedures followed at all times, as previously set forth in Section VI herein.
- G. **Split Specimens.** Lab will be able to provide Split Specimens for any employee that may want or need a re-test. Collectors will split specimens into A and B vials. All positive tests should be frozen and kept frozen up to a year.

VIII. NOTIFICATION OF RESULTS

Company shall notify the designated MRO of all test results within 5 working days of the laboratory receipt of the sample. Before any test result is reported (including results of initial tests, confirmatory tests or quality control data tests), such results shall be reviewed and the test certified as accurate by the responsible individual.

IX. EXPERT TESTIMONY

- A. Company shall provide expert witnesses, as needed, to testify in administrative and judicial proceedings and hearings at no additional cost to City. Such experts shall be expected to testify as to the validity and reliability of the tests used and shall prove that chain-of-custody procedures were strictly followed.

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- B. Expert witnesses shall be made available as needed, beyond the termination/expiration of this agreement, on a time and materials reimbursement basis, subject to approval by the City in advance of any such charges being incurred, to testify with regard to processing procedures utilized during the term of the agreement.**
- C. Litigation Support packages on any specimen shall be prepared within five working days of the City's request and furnished to the City via overnight delivery service at no charge.**
- D. All experts shall be highly qualified in their field and, preferably shall have experience in previous judicial hearings as expert witnesses. The resumes of proposed expert witness shall be supplied to the City along with each offeror's technical proposal. Said experts shall agree to a name and fingerprint check by the City to determine whether their credibility is subject to impeachment.**

X. TERM

The initial term ("Initial Term") of this Agreement shall be for three (3) years from the date first above written. City will have the right to extend the Initial Term for two (2) consecutive one (1) year periods (the "Option periods").

Unless City gives Company written notice of City's intention not to exercise an option period at least 30 days prior to the expiration of the then current period, the option will be automatically exercised, and the applicable Option Period will commence immediately upon conclusion of the preceding Initial Term or Option Period (as applicable). The Initial Term and the exercised Option periods are collectively referred to hereinafter as the "Term."

XI. COMPENSATION

Upon commencement of this Agreement, City agrees to pay Company \$35 per test. This fee shall be paid in monthly installments and shall include all services provided under this agreement including, but not limited to, supplies except as otherwise specified in this Agreement. City reserves the right to review all fees billed and incurred on a monthly basis.

XII. INSURANCE and BOND COVERAGE

Company shall not commence any work under this contract until it has obtained and caused its subcontractors to procure and keep in force all insurance required. Company shall furnish City's Risk Manager a Certificate of Insurance and/or policies attested by a

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duly authorized representative of Company's insurance carrier evidencing that the insurance required hereunder is in effect. All insurance companies must be acceptable to the City of Memphis and licensed in the state of Tennessee.

In the event that any of the Insurance Requirements are non-renewed at the expiration dates, payment to Company may be withheld until those requirements have been met, or at City may pay such renewal premiums at its option and withhold such payments from any monies due to Company.

Each certificate or policy shall require and state in writing the following clauses:

"Thirty (30) days prior to cancellation or material change in the policy, notice thereof shall be given to the City of Memphis Risk Manager" by registered mail, return receipt requested to the following address:

City of Memphis
Attn: Risk Management
100 North Main Street, Suite 2028
Memphis, TN 38103

"The City of Memphis, its officials, agents, employees and representatives shall be named as additional insured on all liability policies." The additional insured endorsements shall be attached to the Certificate of Insurance.

Company shall maintain the following coverage:

WORKERS COMPENSATION:

Company shall maintain in force Workers' Compensation coverage in accordance with the Statutory Requirements and Limits of the State of Tennessee and shall require all subcontractors to do likewise.

Employer's Liability \$100,000 Each Accident

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**\$500,000 Disease – Policy Limit
\$100,000 Disease – Each Employee**

AUTOMOBILE LIABILITY:

Covering owned, hired and non-owned coverage with LIMITS OF:
\$1,000,000 Each Occurrence – Combined Single Limits

COMMERCIAL GENERAL LIABILITY:

Comprehensive General Liability Insurance, including Premises and Operations, Contractual Liability, Independent Contractor's Liability, and Broad Form Property Damage Liability coverage.

\$1,000,000	General Aggregate
\$1,000,000	Products – Completed Operations
\$1,000,000	Personal and Advertising Injury
\$1,000,000	Each Occurrence(Bodily Injury and Property Damage)
\$ 50,000	Fire Damage any one fire
\$ 5,000	Medical Expense any one person

PROPERTY INSURANCE:

Company shall be responsible for maintaining any and all property insurance on its own equipment and shall require all sub-contractors to do likewise. Company shall require all sub-contractors to carry insurance as outlined above in the event they are not protected by the policies carried by Company.

Company is required to provide copies of all such insurance policies upon request.

In addition to the foregoing, Company agrees that:

- A. Company shall maintain sufficient bond coverage at Company's expense to indemnify City against all loss, damages, and expenses with respect to Company's employees' or agents' dishonest, fraudulent, or criminal acts arising out of the provisions of services under this Agreement;
- B. Each certificate or policy shall require and state in writing that "should any of the policies herein be canceled or materially changed, notice thereof shall be given to the City of Memphis by registered mail, return receipt requested."
- C. City reserves the right to reasonably request increases in coverage limits if same becomes necessary.

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XIII. TERMINATION

- A. This Agreement may be terminated at the end of the applicable contract period subject to the terms of Section IX.
- B. This Agreement may be terminated if Company fails to provide those services required by City as set forth in Section I above or to follow any of the requisite procedures set forth herein.
- C. This Agreement may not be terminated by reason of either party's breach of this Agreement unless the party alleging such breach has notified the other party in writing concerning the nature of the breach and the alleged breaching party has failed to cure such breach within sixty (60) business days of receipt of such written notice.
- D. Upon termination of this Agreement, Company shall deliver within 30 days, at City's sole cost, all hard copy and electronic file Company has maintained for laboratory services performed on behalf of City.
- E. Upon request by City, Company shall continue to provide the services enumerated under Section I set forth above for a reasonable period of time not to exceed thirty (30) days from the date of termination of this Agreement to enable City to make arrangements for a successor laboratory service, provided, however; that Company and City mutually agree upon the payment to be received by Company for the continuation of services provided.

XIV. AUDITS

City reserves the express right to audit the records of Company that pertain to Company's fulfillment of its obligations under the terms of this Agreement, provided that such audit does not interfere with Company's normal business affairs. Such records may be inspected, verified, audited, or copied by City, at City's expense, at the location at which they are kept during regular business hours by the official designated by City upon reasonable written notice to Company. Company shall keep such records and books of accounts for a period of two (2) years after the completion of the contractual obligations or final payment tendered under this Agreement, whichever is later.

All records established as a result of this Agreement shall be released to City within ten (10) days of the completion or termination of this Agreement or upon request by City. Delivery shall be such as to protect the confidentiality of the records. The method of delivery shall be discussed in advance with the City and shall be subject to City's approval.

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XV. INDEMNIFICATION

Subject to the limitations hereinafter set forth, and insofar as the City of Memphis is legally able to do so, the City hereby agrees to hold and save harmless Company, its officers, agents and employees from any liability of any nature or kind. In no event shall City be liable herein if a claim is one for which the City has no liability under the Tennessee Government Tort Liability Act. Any indemnity paid hereunder shall not exceed the damage limits set forth under Tennessee Code Annotated 29-20-101, et seq.

Company agrees to indemnify, hold harmless, and defend City against any and all losses, damages (consequential or otherwise), costs, expenses, or fees (including reasonable attorneys' fees) incurred by City, its elected or appointed officials, members, employees, and agents from and against any and all liabilities, loss or damage that they may suffer as a result of any claim, demand, cost or judgment against them arising out of the negligence or willful misconduct of Company in connection with Company's performance under this Agreement. City reserves the right to appoint its own counsel regarding any matter defended hereunder.

XVI. ASSIGNMENTS

This Agreement may not be assigned or transferred by Company without the prior written consent of City.

XVII. ENTIRE AGREEMENT

This Agreement represents the full and final understanding of the parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both parties.

XVIII. SUCCESSORS

This Agreement shall be binding upon and enure to the benefit of Company's permitted assigns and successors in interest.

XIX. RELATIONSHIP OF PARTIES

This Agreement does not and shall not be construed to create a partnership or joint venture between the parties hereto. Company is performing its obligations hereunder as an independent contractor and not as City's agent or employees. Company will not hold itself out contrary to the terms of this

**SERVICE AGREEMENT BETWEEN THE CITY OF MEMPHIS
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paragraph and City will not become liable for any representation, act, or omission of Company contrary to the provisions hereof.

XX. NOTICES

Any notices to be given to City under this Agreement shall be addressed to City of Memphis, Drug Testing Office, 100 North Main Street, Suite 2028, Memphis, TN 38103 and copied to the City Attorney, 125 North Main Street, Room 336, Memphis, TN, 38103. Any notices to be given to Company shall be addressed to Annette Pannell, Advanced Technology Network, 3560 Air Center Cove, Suite 101, Memphis, TN 38118.

XXI. CHOICE OF LAW

THE TERMS AND CONDITIONS OF THIS AGREEMENT ARE GOVERNED BY THE LAWS OF THE STATE OF TENNESSEE. ITS VALIDITY, CONSTRUCTION, INTERPRETATION AND LEGAL EFFECT WILL BE GOVERNED BY THE LAWS OF THE STATE OF TENNESSEE APPLICABLE TO CONTRACTS ENTERED INTO AND PERFORMED ENTIRELY WITHIN THE STATE OF TENNESSEE WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

IN THE EVENT ANY PROVISION OF THIS AGREEMENT IS DETERMINED TO BE ILLEGAL OR UNENFORCEABLE, THE SAME WILL NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF THE REMAINING PROVISIONS OF THIS AGREEMENT.

IN ACCORDANCE HEREWITH, THE PARTIES TO THIS CONTRACT SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF TENNESSEE, LOCATED IN SHELBY COUNTY, TENNESSEE.

XXII. HEADINGS

The article headings herein are solely for the purpose of convenience and will be disregarded completely in the interpretation of this Agreement or any of its terms.

XXIII. LIVING WAGE REQUIREMENTS

Company hereby acknowledges that in accordance with Ordinance No. 5185, commonly referenced as the Living Wage Ordinance, Company must pay a living wage to each of its employees in the amount of \$10 per hour with health benefits for employees and their dependents or \$12 per hour for employees without health benefits. Proof of such compensation must be evidenced by payroll reports and additional information as required by City.

SERVICE AGREEMENT BETWEEN THE CITY OF MEMPHIS
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IN WITNESS WHEREOF, the parties hereto, by and through their duly authorized representatives, have executed this SERVICE AGREEMENT BETWEEN THE CITY OF MEMPHIS AND ADVANCED TOXICOLOGY NETWORK FOR DRUG SCREENING LABORATORY SERVICES on the day and date first above written.

CITY OF MEMPHIS, TENNESSEE

APPROVED:

[Signature]
City Attorney *9/21/07*

ATTEST:

[Signature]
City Comptroller / Deputy

[Signature]
Dr. Willie W. Herenton, Mayor

ADVANCED TOXICOLOGY NETWORK

By: *[Signature]*
Its: *National Sales Inc.*