

COUNCIL ACTION FORM

SUBJECT: AGREEMENT WITH PRIMARY HEALTH CARE TO PURCHASE DENTAL EQUIPMENT FOR THE NEW DENTAL CLINIC

BACKGROUND:

Primary Health Care (PHC) is in the process of building out a dental clinic at their medical facility location in Ames. This is in response to the closure of MICA's dental clinic last spring and the two agencies working together on a transition plan. Upon the MICA dental clinic closure, the City ASSET funding that had been allocated to MICA for dental services in the amount of \$95,000 was withheld from the FY 2020-21 MICA contract.

Primary Health Care submitted a request to Council for these funds to help pay for dental clinic equipment, supplies, and dental services. **Council approved the request at the November 10, 2020 Council meeting and directed staff to draft an agreement (Attachment A).** The agreement was drafted by the City Attorney's Office and reviewed by the Finance Department and outlines the utilization of the \$95,000 towards the purchase of equipment for the PHC dental clinic. However, if PHC obtains alternate funding for the equipment, any remaining ASSET funds may be used to provide dental services to low- and moderate-income residents of the City. The agreement also contains a clawback clause requiring PHC to return funds disbursed to the City if there's failure to provide the services or if PHC ceases from providing the services before July 31, 2026.

ALTERNATIVES:

1. Approve the agreement with PHC in the amount of \$95,000 to purchase dental equipment, supplies, and client services for the new dental clinic effective November 24, 2020 – June 30, 2021.
2. Direct staff to modify the agreement.
3. Do not approve the agreement.

CITY MANAGER'S RECOMMENDED ACTION:

By providing funds to help purchase equipment needed to open the new dental clinic, dental services for low- and moderate-income residents will be reinstated in the Ames community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the agreement with PHC for the purchase of equipment for the new dental clinic in the amount of \$95,000 for FY 2020/21.

FUNDING AGREEMENT FOR DENTAL OPERATORY EQUIPMENT

THIS AGREEMENT, made and entered into the **24th day of November, 2020**, by and between the **CITY OF AMES, IOWA**, a municipal corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter sometimes called "City") and Primary Health Care, Inc., a nonprofit corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter called "Provider");

WITNESSETH THAT:

WHEREAS, the City of Ames has, by its City Council acting in open and regular session, determined that certain services and facilities to be provided to the City of Ames and its citizens by Provider, such services and facilities being hereinafter described and set out, should be funded in accordance with the terms of a written agreement as hereinafter set out, in accordance with all applicable Federal, State, and Local laws or regulations, and

WHEREAS, the funding of these services and facilities constitutes a public purpose by funding the purchase of equipment for six (6) dental operatories for a facility where dental services will be provided to low- and moderate-income residents of the City;

NOW, THEREFORE, the parties hereto have agreed and do agree as follows:

I PURPOSE

The purpose of this Agreement is to procure for the City of Ames and its citizens certain services and facilities as hereinafter described and set out; to establish the methods, procedures, terms and conditions governing payment by the City of Ames for such services; and, to establish other duties, responsibilities, terms and conditions mutually undertaken and agreed to by the parties hereto in consideration of the services to be performed and monies paid.

II SCOPE OF FUNDING AGREEMENT

Provider shall provide the services and facilities to the City of Ames and its citizens as set out in the Provider's September 29, 2020 request to City Council. Attached to and made a part of this Agreement is a copy of Provider's September 29, 2020 request, which shall be incorporated as Exhibit 'A' to this Agreement.

ASSET funds provided by the City shall be used to purchase dental operatory equipment, instruments and supplies for the Provider's dental clinic located at 3510 Lincoln Way, Ames, Iowa. The dental operatory equipment to be purchased under this Agreement is as follows:

Description	Unit Price	Quantity	Total Price
311 Dental Chair	\$6,850.54	2	\$13,701.08
575 L Wall Mount LED Light	\$3,704.39	2	\$7408.78
Schick 33 SZ2 6' Starter Kit w/ Cable & RMT	\$8,165.25	2	\$16,330.50
Schick 33 SZ 1 Sensor w/6'	\$0.01	1	\$0.01
CDR Elite Remote Module	\$946.29	4	\$3,785.16
2M Remote HS Cable	\$51.60	4	\$205.20
332 Traditional Radius Delivery System	\$8,066.96	2	\$16,133.92
5580 Treatment Column	\$4,631.35	2	\$9,262.70
4635 12 O'clock Worksurface & Intru	\$1,683.00	2	\$3,366.00
5731 Upper Storage Unit	\$1,557.57	6	\$9,345.42
Storage Tank, SL Pressure	\$395.00	1	\$395.00
Preva DC X-Ray 76', Double Stud	\$4,429.46	3	\$13,288.38
Biosonic UC 300 Ultrasonic Cleaning System	\$1,825.09	1	\$1,825.09
Total			\$95,047.24

Should Provider obtain alternate funding for the dental operatory equipment, any remaining ASSET funds may be used to provide dental services to low- and moderate-income residents of the City. The reasonableness of Provider's reimbursement rates for dental services will be determined by completing the ASSET budget forms to determine a unit cost.

III METHOD OF PAYMENT

A. All payments to be made by the City of Ames pursuant to this Agreement shall be made on a reimbursement basis for equipment costs and/or services provided in amounts not to exceed those outlined in Section II above.

B. The Provider shall requisition for funds and the City shall disburse funds on a monthly basis. If Provider wishes to request disbursement of funds on other than a monthly basis, the Provider must request in writing that an alternate disbursement period be adopted and approved by the Director of Finance for the City.

C. Requisitions for disbursement shall be made in such form and in accordance with such procedures as the Director of Finance for the City shall prescribe. Said form shall include but not be limited to an itemization of the equipment purchased and must be filled out completely. Should services be provided under this Agreement, said form shall include but not be limited to an itemization of the nature and amount of services provided and must be filled out completely.

D. The maximum total amount payable by the City of Ames under this Agreement is **\$95,000** as detailed in the SCOPE OF FUNDING AGREEMENT (Section II of this contract), and no greater amount shall be paid.

E. Should any funds be used to provide dental services, Provider shall have up to 90 days from the date that services are provided to request payment from the City. Any request made by Provider in excess of 90 days after services are provided shall be deemed a waiver by the Provider and the City shall have no obligation to pay for said untimely requests for payment. Failure to request reimbursement in a timely manner shall be grounds for termination of this Agreement by the City.

IV FINANCIAL ACCOUNTING AND ADMINISTRATION

A. All monies disbursed under this Agreement shall be accounted for by the accrual method of accounting or other generally accepted comprehensive basis.

B. All dental operatory equipment for which payment is claimed shall be supported by documentation evidencing in proper detail the nature and propriety of the charges. Documentation shall include, but not be limited to, copies of invoices for Provider's dental operatory equipment that are funded by this Agreement and proof of payment of said invoices.

C. All dental services for which payment is claimed shall be supported by documentation evidencing in proper detail the nature and propriety of the charges. The City-provided claim form shall be completed and include the service name, the unit cost claimed for each service, and the client code where required. A client code shall be required for any service in which the individual has entered the program through a third-party referral, intake process, personal application, or emergency response. Exceptions shall include one-time educational sessions, confidential telephone counseling, or where the identity and residency of a person cannot be reasonably determined. The Provider may assign whatever client code it deems appropriate, as long as it can be used to verify the client's Ames or Story County residency and participation in City-subsidized programs of service and/or sliding fee scale.

D. All checks or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified as such and readily accessible for examination and audit by the City or its authorized representative.

E. All records shall be maintained in accordance with procedures and requirements established by the City Finance Director, and the City Finance Director may, prior to any disbursement under this Agreement, conduct a pre-audit of record keeping and financial accounting procedures of the Provider for the purpose of determining changes and modifications necessary with respect to accounting for funds made available hereunder. All records and documents required by this Agreement shall be maintained for a period of three (3) years following final disbursement by the City.

F. At such time and in such form as the City may require, there shall be furnished to the City such statements, records, reports, data, and information as the City may require with respect to the use made of monies disbursed hereunder.

G. At any time during normal business hours, and as often as the City may deem necessary, there shall be made available to the City for examination all records with respect to all matters covered by this Agreement and Provider will permit the City to audit, examine, and make excerpts or transcripts from such records.

H. Monies provided under this Agreement shall not be used as matching funds for a grant to fund activities in any county other than Story County.

I. If Provider's annual budget is over \$100,000, within six months of the end of the Provider's fiscal year the Provider shall submit to the City an annual financial audit prepared by an independent certified public accounting firm and a copy of IRS Form 990. If Provider's annual budget is \$100,000 or less, within six months of the end of the Provider's fiscal year the Provider shall submit to the City a copy of IRS Form 990 and a balance sheet prepared externally and independently. Failure to submit documentation in accordance with this section shall result in withholding payments under this contract. If withheld, payments may resume when required documentation is delivered to the City and City staff has had a reasonable period to review it.

J. The Provider agrees to participate in the Clear Impact Scorecard outcomes measurement system, or an equivalent outcomes measurement system identified by the City. The Provider shall identify a minimum of one (1) performance measure acceptable to the City, and shall regularly update the outcomes measurement system with the Provider's progress and achievements in relation to such outcome(s). The Provider shall not be entitled to payment from the City under this Agreement if the Provider has not provided updated progress and achievement reports to the City's satisfaction.

V CLAWBACK

Should Provider fail to provide dental services to low- and moderate-income residents of the City in the manner described in Provider's September 29, 2020 request to City Council or should Provider cease providing dental services to low- and moderate-income residents of the City before July 31, 2026, any and all funds disbursed under this Agreement shall be returned to the City.

VI SALE, TRANSFER OR DISPOSAL OF EQUIPMENT

Provider may not sell, transfer to location outside Ames or, otherwise dispose of any equipment purchased with funds provided under this Agreement without the written consent of the City of Ames for a period of five (5) years after the expiration or termination of this Agreement.

VII INSURANCE

The Provider will provide proof that any equipment purchased under this Agreement is insured during the term of this Agreement and the five (5) years following the expiration or termination of the Agreement, so long as the equipment is in the Provider's possession.

VIII DURATION

This Agreement shall be in full force and effect from and after **November 24, 2020, until June 30, 2021**. The City Council may terminate this Agreement by giving written notice to the Provider at least sixty (60) days before the effective date of such termination. From and after the effective date of termination the City shall have no obligation to pay Provider for any services provided under this Agreement. The clawback provision in section V of this Agreement shall survive the expiration or termination of this Agreement.

XI
DISCRIMINATION PROHIBITED

In accordance with Chapter 14 of the Municipal Code, no person shall, on the grounds of age, race, color, creed, religion, national origin, disability, sexual orientation, sex, or gender identity be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Agreement.

IN WITNESS WHEREOF the parties hereto have, by their authorized representatives, set their hand and seal as of the date first above written.

CITY OF AMES, IOWA

ATTEST:

BY _____

John A. Haila, Mayor

Diane Voss, City Clerk

Primary Health Care, Inc.

Organization Address (*please print*):

BY _____

Kelly Huntsman
Authorized Representative

1200 University Ave., Suite 200

Des Moines, Iowa 50314-2355

Print Name:

Phone Number:

Kelly Huntsman

(515) 248-1447