

RESOLUTION NUMBER R- 287873

ADOPTED ON SEP 30 1996

WHEREAS, in October 1989, The City of San Diego and Sharp Health Care entered into an Agreement which is on file in the office of the City Clerk as Document No. RR-270498, to provide health care services to City employees in lieu of cash payment of monies owed to the City as compensation for the purchase of Sharp Cabrillo Hospital; and

WHEREAS, during the term of the contract Sharp Health Care proved unable to provide the full range of services required by the City; and

WHEREAS, in September 1995, the Agreement was extended for purposes of negotiating a mutually agreeable resolution to the contract by which the City would receive the balance of the monies or services owed by Sharp Health Care; and

WHEREAS, as a result of negotiations, the City will receive monies in lieu of the previously negotiated services and Sharp Health Care will purchase all the remaining phases of the Agreement for a reduced cost of \$600,000; and

WHEREAS, the City is agreeable to the offer and will accept the reduced cost in exchange for cash payments; NOW, THEREFORE,

BE IT RESOLVED, that The City of San Diego accept the funds from Sharp Health Care and that the City Manager designate the funds be set aside to continue the services to City employees previously provided by Sharp Health Care.

APPROVED: JOHN W. WITT, City Attorney

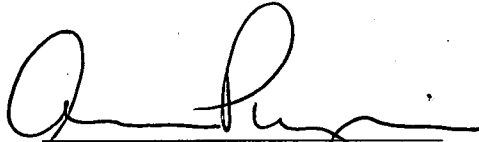
By Sharon A. Marshall
Sharon A. Marshall
Deputy City Attorney

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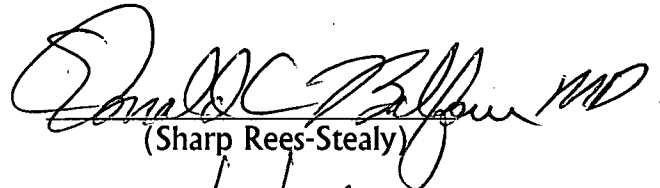
MEMORANDUM OF UNDERSTANDING

The signatures below indicate that both Sharp Health Care (SHC) and the City of San Diego (City) agree to the following:

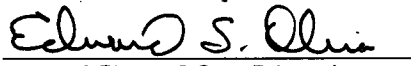
- 1) SHC will pay the City a total of \$600,000, less any charges incurred after June 16, 1996, to "buy-out" the existing defeasance contract.
- 2) SHC will make six (6) payments of \$100,000 each month for six (6) months. Any charges incurred by the City under the defeasance contract after June 16, 1996 will be deducted from the sixth (final) payment.
- 3) The City will agree at this time to extend the current industrial medical contract with Sharp Rees-Stealy for one year (March 7, 1997 - March 6, 1998) at renewal time, per the option to renew clause in the existing contract. The current pricing structure and other components of the existing industrial medical contract will remain enforce through March 6, 1998.


(Sharp Health Care)


8/7/96
(Date)


(Sharp Rees-Stealy)

8/19/96
(Date)


(City of San Diego)

8/21/96
(Date)

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