

NADE

NATIONAL ASSOCIATION OF DRUG-FREE EMPLOYEES
811 JERICHO TURNPIKE, SMITHTOWN, N Y • 11787
(516) 361-6287/FAX: (516) 361-8893

January 6, 1999

Ms. Tina Hamet
City of Glen Cove
City Hall, Bridge St.
Glen Cove, NY 11542

Subject: DOT Drug and Alcohol Testing

Dear Ms. Hamet:

Enclosed are executed copies of our contract for your(Glen Cove's) signature.
Please return one copy to NADE.

I will need the names and SS#'s of your CDL's. Also, I will need to know if you
have anyone who is currently receiving follow up tests. Assuming the follow ups
are on a monthly schedule, we could test them when we come on-site for the
random tests.

I will set up Lab Corp clinics in Great Neck and Mineola to act as a back up to the
on-site testing. They may be useful for infrequent tests such as pre-employment.

I suggest that we meet as soon as possible to review all major items of the testing
process, such as the designated bathroom that will be used for the on-site
testing.

Please let me know when you are available.

Very truly yours,



William A. Kerekes
President

WAK/rc

DRUG AND ALCOHOL TESTING
PROGRAM AGREEMENT (non-FAA)

Rev. 04/15/98

This Agreement is made by and between the National Association of Drug-Free Employees, Inc. of Smithtown, NY, hereafter called NADE, and City of Glen Cove, hereafter called CLIENT.

1. EFFECTIVE DATES

This Agreement shall be in effect beginning on January 1, 1999 and ending on December 31, 1999. After the end date, this Agreement will be extended by one year increments unless either party notifies the other to the contrary with sixty (60) days written notice.

2. SERVICES TO BE PERFORMED

- a. Database Management and Random Selection - NADE will enter CLIENT's covered employees' into NADE's consortium pool of employees. CLIENT employees will be randomly selected as part of the larger pool of employees. When an employee is selected, CLIENT will keep this information confidential from the selected employee until such time that the employee can be given no more than two (2) hours notice to report to the collection site.
- b. Collection Sites and Specimen Collection - NADE maintains a list of several hundred collections sites around the United States and its territories. NADE will provide urine and alcohol specimen collection services at any of these existing sites. NADE may also provide on-site collection services directly using NADE personnel. If CLIENT requests that NADE locate and qualify a unique collection site, NADE may request compensation for customized site training for the collection site staff. NADE will also provide for emergency collections for post accident tests in the unlikely event that the CLIENT needs this service.
- c. Collection Kits - NADE will provide urine specimen collection kits with bottles, Chain-of-Custody forms, bottle seals, and alcohol collection materials.
- d. Urinalysis by DHHS-Approved Laboratory - NADE will use a laboratory approved by the Substance Abuse and Mental Health Services Administration (SAMHSA) and certified by the U.S. Department of Health and Human Services (DHHS) to analyze the urine specimens in compliance with the U.S. Department of Transportation (DOT) Regulations.
- e. Alcohol Analysis - NADE and its designated collection sites will utilize alcohol equipment that meets the requirements of the U.S. DOT Conforming Products List (CPL). Tests will administered by a certified Breath Alcohol Technician (BAT).
- f. Medical Review Officer Services (MRO) - NADE will provide the services of an MRO to review drug test results in accordance with 49 CFR 40.
- g. Employee and Supervisor Training - NADE will provide CLIENT with one (1) copy of the Employee Training Manual and one (1) copy of the Supervisor Training Manual. CLIENT will copy and distribute these training manuals to its covered employees.

DRUG AND ALCOHOL TESTING
PROGRAM AGREEMENT (non-FAA)

Rev. 04/15/98

CLIENT will conduct training meetings using NADE's training manuals with its covered employees and their Supervisors. CLIENT will document such training through the Acknowledgment of Receipt of Training Form, and by an attendance sheet. NADE will provide the services of an Instructor to conduct on-site Supervisor training for travel expenses only.

- i. Expert Testimony - NADE will provide expert testimony if required by the CLIENT as appropriate. NADE will also coordinate any expert testimony requirements from our collection sites, laboratory, or MRO.
- j. Audit Support - In the event that the CLIENT is audited by a Federal agency, NADE will provide audit support to assist the CLIENT in audit preparation and will attend the audit if permitted.
- k. Annual Reports - NADE will prepare for CLIENT annual (January 1 to December 31) statistical reports.
- l. Blind Samples - NADE will submit blind proficiency, spiked and blank, urine samples to the laboratory.

3. **COMPENSATION FOR SERVICES**

NADE will provide the above services for the fees identified in the Pricing Schedule - Attachment A. NADE will invoice CLIENT and CLIENT will pay NADE on a monthly basis commencing the first month of this Agreement. CLIENT will pay NADE within thirty (30) days of the date of the invoice. CLIENT will pay NADE a late charge of 1.5% of the outstanding balance per month for overdue payments, which will automatically be calculated and added to CLIENT's next invoice. NADE will comply with Federal regulations applicable to anti-drug programs as of September 30, 1997. In the event the rules and regulations are changed after September 30, 1997, NADE will endeavor to incorporate the changes without changing the terms and conditions of this Agreement, unless the rule changes are substantive, in which case the terms of the Agreement will be revised.

4. **CONFIDENTIALITY**

CLIENT and NADE will maintain strict confidentiality with respect to employee information and drug test results, and will ensure that this information is not disclosed to any other party except as permitted under Federal law. This Agreement and its terms and conditions, including fees, shall not be disclosed, duplicated, or used on whole or in part to a third party beyond CLIENT's Board of Directors, Officers and legal representation.

5. **MUTUAL INDEMNIFICATION**

NADE will indemnify and hold harmless, from any loss, damage or claim brought by the third parties of whatever nature, allegedly arising out of or resulting from any willful act or any negligent act or omission on the part of NADE, its agents, or employees, in relation to this

DRUG AND ALCOHOL TESTING
PROGRAM AGREEMENT (non-FAA)

Rev. 04/15/98

Agreement, whether or not the party bringing the claims actually prevails. NADE is an independent contractor and CLIENT shall not be deemed to be engaged either directly or indirectly in the business of NADE or deemed to be an agent of NADE. NADE does not have any control of CLIENT's policy or personnel and CLIENT does not have any control of NADE, its employees or the actions of NADE.

6. MUTUAL LIMITATION OF LIABILITY

The total cumulative liability of NADE to CLIENT or CLIENT to NADE under any circumstances shall not exceed five hundred thousand dollars (\$500,000.00).

7. FORCE MAJEURE

In no event shall NADE have any responsibility or liability to CLIENT whatsoever for any failure or delay in performance by NADE which is not otherwise excused and which results from or is due, directly or indirectly and in whole or in part, any cause or circumstances beyond the reasonable control of NADE. Such cause or circumstance shall include (but shall not be limited to) acts of God, acts of CLIENT, acts, rules or regulation or orders of any governmental authority or agency thereof (whether civil, military, executive, legislative, judicial, or otherwise), strikes or other concerted acts of workers, lockouts, or other labor disputes or difficulties, fires, storms, floods, earthquakes, epidemics, or other natural disasters, accidents, wars, riots, rebellion, sabotage, insurrection or civil disturbance, difficulties or delays in private or public transportation or postal delivery services, inability to obtain or use from NADE's usual sources sufficient services, supplies, materials, energy, labor, machinery, facilities, equipment or transportation or any other cause beyond NADE's reasonable control.

8. MISCELLANEOUS

This Agreement contains the only and entire understanding and agreement between CLIENT and NADE, oral or written. This Agreement can only be changed by mutual written consent and signed by both parties. Such a Change becomes an inseparable part of this Agreement for the remaining term of the Agreement. This Agreement shall extend to and be binding upon both parties, their legal representatives, heirs, successors and assignees. The provisions of this Agreement relating to indemnification and liability shall survive any expiration or termination of this Agreement. Notices pertaining to this Agreement shall be given in writing by U.S. First Class registered mail and return receipt, or equivalent, addressed to each party's address of record. The captions and headings contained in this Agreement are for reference purposes only, and shall not affect the construction or interpretation of this Agreement. The non-enforceability, invalidity or illegality of any part of this Agreement shall not render unenforceable, invalid or illegal the remainder of this Agreement.

DRUG AND ALCOHOL TESTING
PROGRAM AGREEMENT (non-FAA)

9. ACCEPTANCES

By signing below, I understand, accept and approve the terms and conditions of this Agreement on behalf of my Company.

ACCEPTED FOR NADE

Will A. Kerekes
Signature

William A. Kerekes

Name

President

Title

1/6/99
Date

ACCEPTED FOR CLIENT

Thomas R. Suozzi
Signature

Thomas R. Suozzi

Name

Mayor

Title (Corporate Officer)

1/20/99
Date

**NEW YORK MUNICIPALITIES
 DRUG AND ALCOHOL TESTING SERVICES
 PRICING SCHEDULE**

- | | Lab Corp. Sites | Other Sites | On-Site* |
|--|-----------------|-------------|----------|
| A. DRUG TESTING | | | |
| ● Collection/Laboratory Services | | | |
| ● Administration (ie random selection) | | | |

Cost Per Test	<u>\$ 29.00</u>	<u>\$ 44.00</u>	<u>\$49.00</u>
---------------	-----------------	-----------------	----------------

B. ALCOHOL TESTING

- Breath Analysis Testing

Cost Per Test (includes confirmation)	<u>\$ 29.00</u>	<u>\$ 33.00</u>	<u>\$35.00</u>
---------------------------------------	-----------------	-----------------	----------------

C. EXPERT TESTIMONY

- Medical \$250.00 per hour
- Technical \$100.00 per hour

D. TRAINING SERVICES

~~\$150.00 per session~~ no cost

Training sessions (Supervisor/employee) would be billed at the rates shown. ~~Travel expenses, would be billed at cost.~~

WAK 1/6/99
WAK 1/6/99

E. EMERGENCY/OFF HOUR DRUG OR ALCOHOL TESTING- ON-SITE

Cost Per Test (Drug, Alcohol or both)	<u>\$250.00</u>
---------------------------------------	-----------------

F. AUDIT SUPPORT

In the event the client is audited by a Federal agency, NADE will provide audit support to assist the client in audit preparation and will attend the audit if permitted. ~~for travel expenses only. Travel expenses will be billed at cost.~~

WAK 1/6/99

G. DATA ENTRY FEE

~~NADE will charge a one-time data entry fee of two dollars (\$2.00) to add each employee to the database subsequent to the establishment of the program.~~ *WAK 1/6/99*

H. MANAGEMENT FEE

NADE will charge a monthly management fee of \$.75 per CDL per month to manage the program to meet DOT/FHWA requirements

* On-site testing prerequisites - one week notice, at least two donors to test, waiting time \$20.00/hr (delays), mileage \$.30 per mile if greater than 40 miles round-trip.