

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	June 28, 2011	AGENDA NO.:	20
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #5 to the Agreement (A-11277) with Marblehead Group LLC for continued Consultative Services at NMC in an amount not to exceed \$1,330,500 (an increase of \$100,000) for the period July 1, 2011 to June 30, 2012.		
DEPARTMENT:	Natividad Medical Center		

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #5 to the Agreement (A-11277) with Marblehead Group LLC for continued Consultative Services at NMC in an amount not to exceed \$1,330,500 (an increase of \$100,000) for the period July 1, 2011 to June 30, 2012.

SUMMARY/DISCUSSION:

The Marblehead Group, LLC will continue to provide assistance to the Natividad Medical Center (NMC) Senior Management Team by continuing to develop, implement, and manage the expansion of physician services and physician business management capabilities at Natividad Medical Center. NMC's needs in all areas of physician business management continue to evolve and expand following the successful financial turnaround and subsequent profitable performances. In addition, community providers (physicians, medical groups and hospitals in and outside of Monterey County are seeking to partner with NMC in ventures not anticipated or experienced by NMC in the past. Subsequently, the CMO's office is continuing to handle an ever increasing number and complexity of physician and hospital business opportunities.

Due to the local market dynamics, the continued fiscal difficulties facing Monterey County healthcare providers (physicians and hospitals) and the unanticipated expedient passage of health care reform, the size and complexity of physician business matters are beyond what NMC forecasted 12-18 months ago. Healthcare reform, on its own and as NMC is currently experiencing, is beginning to have a huge impact on delivery of healthcare services in Monterey County. The task is daunting - to define and implement the optimal physician/hospital delivery model within the next 12 - 24 months. Because of all these needs NMC continues to require unique physician business management skills and resources to be able to address NMC's (and the County's) complex and rapidly changing needs.

NMC is committed to finding a permanent (in-house) solution to be able to obtain the requisite physician services skill set as soon it can be practically implemented, and in a fiscally sound manner.

Lisa Soroka of the Marblehead Group, LLC will continue to help ensure that NMC can successfully (and in a fiscally and politically sound manner) achieve its physician business initiatives by:

- Continuing to enhance professional services billing processes and accounts receivable (AR) management to optimize collection and third party payor reimbursement
- Continuing to refine and implement a productivity based physician compensation plan to track and manage program growth

- Continuing to manage new contracts/placements with locums tenens (temporary) companies to better manage use and fiscal impact
- Continuing to evaluate, model and implement strategic business opportunities and joint efforts among NMC, the Department of Health and other community partners
- Continuing to assist in development of physician/hospital delivery model
- Continuing to develop and implement new physician services and programs at NMC including but not limited to:
 - a. Catheterization Laboratory (for cardiology and interventional radiology procedures)
 - b. Hematology – Oncology including clinic, inpatient and infusion services and:

continuing to improve existing business models for physician services including but not limited to: Cardiology; Orthopedics; Plastic Surgery; Nephrology; Neurology, Pediatric Gastroenterology, Pediatric Urology and Gyn/Oncology.

OTHER AGENCY INVOLVEMENT:

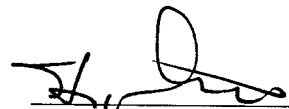
The Amendment has been reviewed and approved by County Counsel, the Auditor/Controller's office, and the Natividad Medical Center Board of Trustees' Finance Committee.

FINANCING:

The cost for this Amendment is \$100,000 and is included in the Fiscal Year 2011/2012 Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by:
Gary Gray, 755-4305
Chief Medical Officer
May 27, 2011

Attachments: Amendment 1, 2, 3, 4, 5, Agreement, Board Order



Harry Weis
Chief Executive Officer

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	June 29, 2010	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #4 to the Agreement with The Marblehead Group LLC for continued Consultative Services at NMC in an amount not to exceed \$1,230,500 (an increase of \$340,000) for the period July 1, 2010 to June 30, 2011.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #4 to the Agreement with The Marblehead Group LLC for continued Consultative Services at NMC in an amount not to exceed \$1,230,500 (an increase of \$340,000) for the period July 1, 2010 to June 30, 2011.

SUMMARY/DISCUSSION:

The Marblehead Group, LLC will continue to provide assistance to the Natividad Medical Center (NMC) Senior Management Team by continuing to coordinate, and manage the expansion of physician services and physician business management capabilities at Natividad Medical Center. NMC's needs in all areas of physician business management continue to evolve and expand following the successful financial turnaround. Subsequently, the CMO's office is handling an ever increasing number and complexity of physician business opportunities.

Due to the local market dynamics and the unanticipated expedient passage of health care reform, the size and complexity of physician business matters are beyond what NMC forecasted 12-18 months ago. Healthcare reform, on its own, will have a huge impact on delivery of healthcare services in Monterey County. The task is daunting - to define and implement the optimal physician/hospital delivery model within the next 12-36 months. Because of all these needs NMC requires unique physician business management skills and resources to be able to address NMC's (and the County's) complex and rapidly changing needs.

NMC is committed to finding a permanent (in-house) solution to be able to obtain the requisite physician services skill set as soon it can be practically implemented, and in a fiscally sound manner. Lisa Soroka of the Marblehead Group LLC will dedicate approximately twenty hours per week to help ensure that NMC meets the following strategic goals:

- Enhance professional services billing processes and accounts receivable (AR) management to optimize collection and third party payor reimbursement
- Refine and implement a productivity based physician compensation plan to track and manage program growth
- Negotiate and manage new contracts/placements with locums tenens (temporary) companies to better manage use and fiscal impact
- Evaluate, model and implement strategic business opportunities and joint efforts among NMC, the Department of Health and other community partners
- Assist in development of physician/hospital delivery model
- Develop new and improve existing business models for physician services including but not limited to Cardiology; Orthopedics; Plastic Surgery; Nephrology; IP/Hospitalist; Anesthesia; Oncology and Gyn/Oncology.

OTHER AGENCY INVOLVEMENT:

The Amendment has been reviewed and approved by County Counsel, the Auditor/Controller's office, and the Natividad Medical Center Board of Trustees.

FINANCING:

The cost for this Amendment is \$340,000 and is included in the Fiscal Year 2010/11 Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by:

Gary R. Gray, DO

Chief Medical Officer

May 10, 2010

Attachments: Agreement, Amendments, Board Order

Harry Weis

Chief Executive Officer

Before the Board of Supervisors in and for the
County of Monterey, State of California

Agreement No: A – 11277

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute)
Amendment No. 4 to the Agreement with The Marblehead Group LLC for continued)
Consultative Services at NMC in an amount not to exceed \$1,230,500 (an increase)
of \$340,000) for the period July 1, 2010 to June 30, 2011.)

Upon motion of Supervisor Parker, seconded by Supervisor Armenta, and carried by those members present, the Board hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 4 to the Agreement with The Marblehead Group LLC for continued Consultative Services at NMC in an amount not to exceed \$1,230,500 (an increase of \$340,000) for the period July 1, 2010 to June 30, 2011.

PASSED AND ADOPTED this 29th day of June, 2010, by the following vote, to wit:

- AYES: Supervisors Armenta, Calcagno, Salinas, Parker
- NOES: None
- ABSENT: Supervisor Potter

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 75 for the meeting on June 29, 2010.

Dated: July 1, 2010

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By *R-T-R*
Deputy

**RENEWAL AMENDMENT NO. 4
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN The Marblehead Group LLC AND
THE NATIVIDAD MEDICAL CENTER
FOR
Consulting SERVICES**

The parties to Professional Service Agreement, dated June 1, 2008 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and The Marblehead Group LLC (Contractor), hereby agree to renew their Agreement No. (A-11277) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-11277).
2. This Renewal Amendment shall become effective on July 1, 2010 and shall continue in full force and extending the term date until June 30, 2011.
3. The total amount payable by County to Contractor under Agreement No. (A-11277) shall not exceed the total sum of \$1,230,500 for the full term of the Agreement and \$340,000 for fiscal year 2010-2011.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-11277).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature Jason H. Soroka Dated 5/11/10
 Printed Name Lisa H. Soroka Title Principal

NATIVIDAD MEDICAL CENTER

Signature Jim Tran For Jim Tran Dated 6-2-10
 Purchasing Manager
 Signature [Signature] Dated 5/11/10
 NMC - CEO

Approved as to Legal Form:

Charles J. McKee, County Counsel

By Stacy Saetta
 Stacy Saetta, Deputy
 Attorneys for County and NMC

Dated: 5/13, 2010

Reviewed As to fiscal provisions
[Signature]
 Auditor/Controller
 County of Monterey 5-13-10

**RENEWAL AMENDMENT NO. 3
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN The Marblehead Group LLC AND
THE NATIVIDAD MEDICAL CENTER
FOR
Continued Consultative SERVICES**

The parties to Professional Service Agreement, dated June 1, 2008 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and The Marblehead Group LLC (Contractor), hereby agree to renew their Agreement No. (A-11277) on the following amended terms and conditions:

1. Contractor will provide NMC with the scope of service as stated in the attached Exhibit A.
2. This Renewal Amendment shall become effective on October 1, 2009 and shall continue in full force and extending the term date until June 30, 2010.
3. The total amount payable by County to Contractor under Agreement No. (A-11277) shall not exceed the total sum of \$890,500 for the full term of the Agreement and \$450,500 for fiscal year 2009-2010.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-11277).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature *Lisa Soroka*

Dated 08.16.2009

Printed Name Lisa Soroka
The Marblehead Group LLC

Title Principal

NATIVIDAD MEDICAL CENTER

Signature *[Signature]*
Purchasing Manager

Dated 10/6/08

Signature *[Signature]*
NMC - CEO

Dated 10/2/09

Approved as to Legal Form:
Charles J. McKee, County Counsel

By *[Signature]*
William Litt, Deputy
Attorneys for County and NMC

Dated: 9/8, 2009

Approved as to Fiscal Terms
[Signature]
9-8-09

EXHIBIT A
SCOPE OF SERVICES
PAYMENT PROVISIONS

CONTRACTOR: The Marblehead Group, LLC

SCOPE OF SERVICES:

Provide assistance to the Natividad Medical Center Senior Management Team by continuing to design and implement improvement initiatives developed by the Wellspring Partners Physician Services Team. Improvement initiatives include:

- Implementing professional services billing function and A/R management
- Implementing and managing a productivity based physician compensation plan
- Installing and managing a physician recruiting and retention program
- Designing and managing an operational model and organizational structure for employed physicians
- Continuing to implement and manage an organization and management model for a physician group consistent with NMC's strategic plan
- Implementing and managing a new physician time reporting system
- Designing, implementing and managing eleven new physician business management processes and managing all activities related to physician business matters, within the CMO's office
- Finalizing the recruitment and training of the full time physician business management position within NMC's Chief Medical Officer's office to help ensure continued success with the implementation of improvement initiatives recommended by the Wellspring Physician Services Team.

PAYMENT PROVISIONS:

\$1700 per day

\$850 per half day

Days per week-Average 4 days per week

Minimum contract period-90 days

Travel costs-To be reimbursed in accordance with Monterey County Travel Policy
(Estimated travel costs @ \$1600/week)

Will invoice consultant fees on the 15th and 30th of each month.

**RENEWAL AMENDMENT NO. 2
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN The Marblehead Group LLC AND
THE NATIVIDAD MEDICAL CENTER
FOR
Continued Consultative SERVICES**

The parties to Professional Service Agreement, dated June 1, 2008 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and The Marblehead Group LLC (Contractor), hereby agree to renew their Agreement No. (A-11277) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-11277).
2. This Renewal Amendment shall become effective on July 1, 2009 and shall continue in full force and extending the term date until September 30, 2009.
3. The total amount payable by County to Contractor under Agreement No. (A-11277) shall not exceed the total sum of \$559,000 for the full term of the Agreement and \$119,000 for fiscal year 2009-2010.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-11277).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature *Lisa H Soroka*

Dated 4/22/09

Printed Name Lisa H Soroka

Title Principal

NATIVIDAD MEDICAL CENTER

Signature *[Signature]*
Purchasing Manager

Dated 5/28/09

Signature *[Signature]*
NMC - CEO

Dated 4/22/09

Approved as to Legal Form:
Charles J. McKee, County Counsel

By *[Signature]*
William Litt, Deputy
Attorney/s for County and NMC

Reviewed as to fiscal provisions
[Signature]
Auditor-Controller
County of Monterey

5-13-09

Dated: 5/12, 2009

(Original Agreement No. (B960872384))

RENEWAL AMENDMENT NO. 1
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN The Marblehead Group LLC AND
THE COUNTY OF MONTEREY
FOR
Consulting SERVICES

The parties to Professional Service Agreement, dated June 1, 2008 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and The Marblehead Group LLC (Contractor), hereby agree to renew their Agreement No. (B960872384) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (B960872384).
2. This Renewal Amendment shall become effective on September 1, 2008 and shall continue in full force and extending the term date until June 30, 2009
3. The total amount payable by County to Contractor under Agreement No. (B960872384) shall not exceed the total sum of \$440,000 for the full term of the Agreement; and \$340,000 for fiscal year 2008-2009.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (B960872384).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature Lisa H. Soroka Dated 8/22/08
 Printed Name Lisa H. Soroka Title Principal

COUNTY OF MONTEREY

Signature [Signature] Dated OCT 06 2008
 Purchasing Manager

Signature [Signature] Dated 8/27/08
 NMC - CEO

Approved as to Legal Form:
 Charles J. McKee, County Counsel

By [Signature]
 William L. Deputy
 Attorneys for County and NMC

Reviewed as to fiscal provisions
[Signature]
 Auditor-Controller
 County of Monterey
 9-30-08

Dated: 8/27 2008

**COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES
(NOT TO EXCEED \$100,000)**

This Professional Services Agreement (hereinafter "Agreement") is made by and between Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County of Monterey, which is a political subdivision of the State of California and THE MARBLEHEAD GROUP, LLC, (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in Exhibit A in conformity with the terms of this Agreement. The services are generally described as follows: Provide

ASSISTANCE TO NATIVIDAD MEDICAL CENTER (NMC) INTERIM SENIOR MANAGEMENT TEAM BY FACILITATING KNOWLEDGE TRANSFER OF IMPROVEMENT INITIATIVES DEVELOPED BY WELLSPRING PARTNERS PHYSICIAN SERVICES TEAM TO NMC.

2. **PAYMENTS BY NMC.** NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$ 100,000.

3. **TERM OF AGREEMENT.** The term of this Agreement is from JUNE 1, 2008 to JUNE 30, 2009, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last, and CONTRACTOR may not commence work before NMC signs this Agreement.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions
Exhibit B INS. JUSTIFICATION

5. PERFORMANCE STANDARDS.

5.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.

5.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use NMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to NMC. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as NMC may require. The Contract Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.02. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

7. TERMINATION.

7.01. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to CONTRACTOR, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. **INDEMNIFICATION.** Contractor shall indemnify, defend, and hold harmless NMC and the County of Monterey (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by NMC. It is the intent of the parties to this Agreement to provide the broadest possible coverage for NMC. The Contractor shall reimburse NMC for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless NMC and the County under this Agreement.

9. INSURANCE.

9.01. Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements

executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to NMC's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and NMC has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by NMC's Contracts/Purchasing Director.

9.03 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g. those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

9.04. Other Insurance Requirements:

All insurance required by this Agreement shall be with a company acceptable to NMC and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional-Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by NMC, annual certificates to NMC's Contracts/Purchasing Department. If the certificate is not received by the expiration date, NMC shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles NMC, at its sole discretion, to terminate this Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

10.01. Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or

information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02. NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.

10.03. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations, related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04. Access to and Audit of Records. NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05. Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.

11. NON-DISCRIMINATION. During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT. If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of CONTRACTOR's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class postage pre-paid mail to NMC and CONTRACTOR'S contract administrators at the addresses listed below:

FOR NATIVIDAD MEDICAL CENTER:	FOR CONTRACTOR:
Name and Title	LISA H. SOROKA MEMBER
Address 1441 Constitution Blvd., Salinas, CA 93906	Address 701 SOUTH BROADWAY, REDONDO BEACH, CA 94277
Phone 831.755.4111	Phone 310.503.5510

15. **MISCELLANEOUS PROVISIONS:**

15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by NMC and the CONTRACTOR.

15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.

15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.

15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both NMC and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

15.13 Construction of Agreement. NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.15 Authority. Any individual executing this Agreement on behalf of NMC or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between NMC and the CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.

15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

NATIVIDAD MEDICAL CENTER

CONTRACTOR

By: [Signature]
Contracts/Purchasing Director

Date: 6-27-08

By: [Signature]
Department Head, (if applicable)

Date: JUN 03 2008

Approved as to Form

By: [Signature]
NMC County Counsel

WILLIAM M. LITT
Date: 6/19/08

Approved as to Fiscal Provisions¹

By: _____
Auditor/Controller

Date: _____

RISK MANAGEMENT COUNTY OF MONTEREY

Approved as to Liability Provisions
APPROVED AS TO INDEMNITY/
INSURANCE LANGUAGE

By: _____
Risk Management

Date: By: [Signature]
Date: 6-26-08

THE MAINTENANCE GROUP, LLC
Contractor's Business Name*

By: [Signature]
(Signature of Chair, President, or Vice-President)*

LISA H. SOROKA Member
Name and Title

Date: 5-28-08

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)*

SINGLE MEMBER
Name and Title

Date: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by Auditor/Controller is necessary only if changes are made in paragraph 6 or if changes are made in paragraph 2 by amendment.

²Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9

**EXHIBIT A
SCOPE OF SERVICES
PAYMENT PROVISIONS**

CONTRACTOR: The Marblehead Group, LLC

SCOPE OF SERVICES:

Provide assistance to Natividad Medical Center (NMC) interim senior management team, ((Chief Medical Officer (CMO), Chief Executive Officer (CEO), and Chief Financial Officer (CFO)) by facilitating knowledge transfer of improvement initiatives developed by the Wellspring Partners Physician Services Team to NMC.

PAYMENT PROVISIONS:

\$1700 per day

\$850 per half day

Days per week – Average 3 days per week

Minimum contract period – 90 days

Travel costs – To be reimbursed in accordance with Monterey County Travel Policy
(Estimated travel costs @ \$1600/week)

Will invoice consultant fees on the 15th and 30th of each month.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE
03-11-2010

PRODUCER
BUSINESS OWNER'S INS AGENCY/PHS
165793 P: (866)467-8730 F: (877)905-0457
PO BOX 33015
SAN ANTONIO TX 78265

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 POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
THE MARBLEHEAD GROUP LLC
701 S BROADWAY
REDONDO BEACH CA 90277

INSURER A: Hartford Casualty Ins Co
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	72 SBA TU5747	05/22/10	05/22/11	EACH OCCURRENCE	\$1,000,000
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$300,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$10,000
	<input checked="" type="checkbox"/> General Liab				PERSONAL & ADV INJURY	\$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	\$2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG	\$2,000,000
A	AUTOMOBILE LIABILITY	72 SBA TU5747	05/22/10	05/22/11	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE (Per accident)	\$
<input checked="" type="checkbox"/> NON-OWNED AUTOS						
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	\$
					AGG	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
	<input type="checkbox"/> DEDUCTIBLE					\$
	<input type="checkbox"/> RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS	OTH-ER
					E.L. EACH ACCIDENT	\$
					E.L. DISEASE - EA EMPLOYEE	\$
					E.L. DISEASE - POLICY LIMIT	\$
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Those usual to the Insured's Operations. Certificate holder is an Additional Insured per the Business Liability Coverage Form SS0008, attached to this

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER: A

CANCELLATION

County of Monterey, Its Officers,
Agents, & Employees
1441 CONSTITUTION BLVD
SALINAS, CA, 93906

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE (10 DAYS FOR NON-PAYMENT) TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Joe Taillon

POLICY NUMBER: 72 SBA TU5747



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - PERSON-ORGANIZATION

COUNTY OF MONTEREY, ITS OFFICERS, AGENTS, & EMPLOYEES
1441 CONSTITUTION BLVD.
SALINAS, CA 93906

THE COUNTY OF MONTEREY, ITS AGENTS, OFFICERS, AND EMPLOYEES AS WITH
RESPECT ARISING OUT OF THE CONTRACTOR'S WORK INCLUDING ONGOING AND
COMPLETED OPERATIONS
855 E LAUREL DRIVE, BLDG C
SALINAS, CA 93905

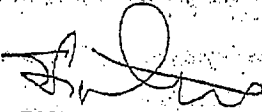
IT IS UNDERSTOOD AND AGREED THAT THIS INSURANCE IS PRIMARY AND ANY
INSURANCE MAINTAINED BY THE ADDITIONAL INSURED SHALL BE EXCESS ONLY,
NOT CONTRIBUTORY WITH THIS INSURANCE.

Exhibit B
Business Justification/Modification
For Lisa Soroka DBA The Marblehead Group LLC

Workers' Compensation Insurance Requirements

Business Justification:

The vendor is a single member LLC (see attached W-9) and has no employees at this time. However, in the event the vendor hires an employee(s), vendor agrees to obtain Workers' Compensation Insurance coverage pursuant to this Agreement.



Harry Weis
Chief Financial Officer



for William Foley
Chief Executive Officer