



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5068

Board Report

Legistar File Number: A 15-170

June 16, 2015

Introduced: 5/29/2015

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 5 to the Agreement (A-12438) with B.E. Smith, Inc. for Interim Employee Services at NMC, extending the Agreement to June 30, 2016 and adding \$887,648 for a revised total Agreement amount not to exceed \$3,019,148.
- b. Authorize the Deputy Purchasing Agent for NMC to execute up to three (3) future Amendments to the Agreement which do not significantly alter the scope of work and do not cause an increase to the total Agreement amount.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 5 to the Agreement (A-12438) with B.E. Smith, Inc. for Interim Employee Services at NMC, extending the Agreement to June 30, 2016 and adding \$887,648 for a revised total Agreement amount not to exceed \$3,019,148.
- b. Authorize the Deputy Purchasing Agent for NMC to execute up to three (3) future Amendments to the Agreement which do not significantly alter the scope of work and do not cause an increase to the total Agreement amount.

SUMMARY/DISCUSSION:

NMC entered into an agreement with B.E. Smith in January 2013, for \$100,000 to provide NMC with a Chief Nursing Officer for a six month term. On April 16, 2013, the Board of Supervisors approved Amendment No. 1 which extended the Agreement term for an additional 6 month period and increased the total Agreement to \$676, 200 to continue employment services for Chief Nursing officer and to bring on a Nursing Services Division Director at Natividad Medical Center. On February 11, 2014 the Board of Supervisors approved Renewal & Amendment No. 2 which extended the term an additional 6 months and increased the Agreement to \$859,200 for continued services as needed. On July 1, 2014 the Board of Supervisors approved Amendment No. 3 which included an additional Engineering Director position, extended the term another 6 months through December 31, 2014 and increased the total Agreement amount to \$1,498,500. On September 30, 2014 the Board of Supervisors approved Amendment No. 4 which included an additional Engineering Director position, extended the term another 6 months through June, 2015 and increased the total Agreement amount to \$2,131,500.

Despite aggressive and consistent recruitment efforts by NMC through June 2014, the hospital

was not able to fill the Chief Nursing Officer and the Director of Surgical Services position. NMC is currently recruiting a Chief Executive Officer therefore NMC has determined that it is best to keep the current interim staff in place until June 2016 or a permanent CEO is hired and new recruitments are opened and individuals are selected for the above mentioned positions. This will provide consistency within the Nursing Division during this transition. As a result, NMC is requesting that the Board approve Amendment No. 4 to allow for these necessary services to continue for an additional 12 month period via interim employees through the B.E. Smith Agreement until such time as NMC is able to fill these positions permanently.

B.E. Smith is a nationally recognized expert in hospital interim management and has delivered services reliably to NMC thereby allowing NMC to provide quality patient care to the constituents of Monterey County.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No.5 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment No.5 as to fiscal provisions. The Amendment No. 5 has also been reviewed and approved by Natividad Medical Center's Finance Committee on 4/23/15 and by its Board of Trustees on 5/1/15.

FINANCING:

The cost for this Amendment No. 5 is \$887,648, all of which was included in the Fiscal year 15-16 Recommended Budget. There is no impact to the General Fund.

Prepared by: Janine Bouyca, Human Resources Director, 783-2701

Approved by: Gary R. Gray, DO, Interim Chief Executive Officer, 783-2504

Attachments:

Amendment No. 5

Amendment No. 4

Amendment No. 3


Renewal & Amendment No. 2

Amendment No. 1

B.E. Smith Original Agreement

Spend Sheet

Attachments on file with the Clerk of the Board



Gary Gray DO, Interim Chief Executive Officer



Date



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No.: A-12438

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

- a. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 5 to the Agreement (A-12438) with B.E. Smith, Inc. for Interim Employee Services at NMC, extending the Agreement to June 30, 2016 and adding \$887,648 for a revised total Agreement amount not to exceed \$3,019,148; and
- b. Authorized the Deputy Purchasing Agent for NMC to execute up to three (3) future Amendments to the Agreement which do not significantly alter the scope of work and do not cause an increase to the total Agreement amount.

PASSED AND ADOPTED on this 16th day of June 2015, by the following vote, to wit:

AYES: Supervisors Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: Supervisor Armenta

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 78 for the meeting on June 16, 2015.

Dated: June 23, 2015
File ID: A 15-170

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

By Denise Hancock
Deputy

**AMENDMENT NO. 5
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
NATIVIDAD MEDICAL CENTER
FOR
INTERIM EMPLOYEE SERVICES AT NMC**

This Amendment No. 5 to the Services Agreement ("Agreement"), dated January 1, 2013 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and B.E. Smith, Inc., (hereinafter "CONTRACTOR"), with respect to the following:

RECITALS

WHEREAS, the original Agreement scope of services for Interim Employees had a 6 month term and included one interim Medical-Surgical Leader/Nursing Services Division Director and one interim Senior Leader/Chief Nursing Officer; and

WHEREAS, NMC and CONTRACTOR amended the Agreement previously via Amendment No. 1 to extend the term of the Agreement for an additional 6 months as both interim positions were still needed and to increase the total Agreement amount by \$576,200 so as to pay for the continued services as needed; and

WHEREAS, NMC and CONTRACTOR amended the Agreement previously via Renewal & Amendment No. 2 to extend the term of the Agreement for an additional 6 months and to increase the total Agreement amount by \$283,000 so as to pay for the continued services as needed; and

WHEREAS, NMC and CONTRACTOR amended the Agreement previously via Amendment No. 3 to extend the term of the Agreement for an additional 6 months, to add to the scope of services an Engineering Director position, and to increase the total Agreement amount by \$639,300 so as to pay for the continued services as needed; and

WHEREAS, NMC and CONTRACTOR amended the Agreement via Amendment No. 4 to extend the term for an additional 6 months and to increase the total Agreement amount by \$633,000 so as to pay for continued services as needed.

WHEREAS, NMC and CONTRACTOR wish to amend the Agreement to extend the term for one additional 12 month period, to add a Director of Perioperative Services position, and to add an additional \$887,648 for a revised total Agreement amount not to exceed \$3,019,148.

AGREEMENT

NOW, THEREFORE, the NMC and CONTRACTOR agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in Original Agreement Amendment No 1, Renewal & Amendment No. 2, Amendment No. 3, and Amendment No. 4 incorporated herein by this reference, except as specifically set forth below.

1. Section 2, "PAYMENTS BY NMC" shall be amended to the following; *"NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in EXHIBIT A of the original Agreement, Amendment 3 to Exhibit A, plus Amendment 5 to Exhibit A attached hereto. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$3,019,148"*.

2. The first sentence of Section 3 "TERM OF AGREEMENT" shall be amended to the following; *"The term of this Agreement is January 1, 2013 to June 30, 2016 unless sooner terminated pursuant to this Agreement"*.
3. Section 4, "ADDITIONAL PROVISIONS/EXHIBITS" shall be amended to the following:
"The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
Exhibit A: Scope of Services/Payment Provisions attached per Agreement
Amendment 3 to Exhibit A: Revised Scope of Services/Payment Provisions per Amendment No. 3
Amendment 5 to Exhibit A: Revised Scope of Services/Payment provisions per Amendment No. 5".
4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 4 and shall continue in full force and effect as set forth in the Agreement, Amendment No. 1, Renewal & Amendment No. 2, Amendment No. 3 and in Amendment No. 4.
5. A copy of this Amendment No. 5 shall be attached to the Original Agreement.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment No. 5 on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

Signature page to follow

Natividad Medical Center

By: [Signature]
Gary R. Gray, DO, Interim CEO

Date: 6/22/15

APPROVED AS TO LEGAL PROVISIONS

By: [Signature]
Monterey County Deputy County Counsel

Date: May 20, 2015

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]
Monterey County Deputy Auditor/Controller

Date: 5/22/15

CONTRACTOR

B. E. Smith, Inc.
CONTRACTOR's Business Name*** (see instructions)

[Signature]
Signature of Chair, President, or Vice-President

Bryan J. Christensen, Vice President
Name and Title

Date: 5/8/15

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Cody Burch, CFO
Name and Title

Date: 5/11/15

***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 (two signatures required).

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 (two signatures required).

If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required)



B . E . S M I T H

AMENDMENT-5 TO EXHIBIT A

INTERIM SERVICES SCOPE OF WORK

1. B.E. Smith Interim Services, Inc. ("Smith") Smith agrees to provide Natividad Medical Center, 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 ("Client") interim leadership professionals for the following positions (**Positions**):

- **Interim Patient Care Senior Leader**
- **Interim Director – Perioperative Services**

If not previously completed for Positions, Smith agrees to:

- (a) Smith will interview Client to determine Client's requirements for Professional's leadership, managerial, operational, and/or clinical background.
- (b) Smith will present to Client a Professional Smith believes meets Client's requirements for Position.
- (c) Upon acceptance of Professional by Client, Professional will be paid by Smith as an employee of Smith, and Smith assumes responsibility for such payment.
- (d) Professional will not be considered an employee of Client. Client will direct Professional only as to the ultimate outcome of the work to be performed.
- (e) If Professional does not meet the Client's requirements for the position once the Professional is working for Client, Smith will replace the Professional with a different candidate at no additional expense to the Client.

2. Smith. Smith agrees to pay for lodging, airfare, and rental car for Professional during the entire term of this agreement.

3. Smith. Smith agrees to provide a Project Leader who will visit the job site two times during the engagement. Any additional visits shall be negotiated between the Client and Smith, and must be agreed upon in advance in a writing signed by the parties to this contract if they result in any additional cost to Client, including by not limited to expense reimbursement.

4. Client. Client agrees to pay to Smith five thousand dollars after the Professional completes a trial of ten days working for the Client.

Client also agrees, upon acceptance of Professional:

- (a) To allow Professional to travel home twice per month. When Professional travels home twice per month, they will leave the hospital no earlier than 1700 on Thursday returning to work on the following Tuesday no later than 0800.

- (b) To pay to Smith for each week or any part thereof after the first week for services rendered by Smith. Weekly fees for the Positions consist of:
- **Interim Patient Care Senior Leader: \$8,694**
 - **Interim Director – Perioperative Services: \$8,280**

Total amount payable by Client to Smith not to exceed \$882,648 for the full term of Agreement. Payment will be in accordance with section 6.01 of Natividad Medical Center/County of Monterey agreement for Professional Services.

(i) The first week's fee will be prorated based on the number of weekdays worked or traveled by the Professional during the first week.

(ii) If Client delays Professional's start date by five calendar days or more from date of acceptance, Client's first week prorated fee will begin with the sixth day following the day of the presentation call.

- (c) To reimburse Smith for all of Smith's Project Leader travel expenses for two site visits, including air travel, lodging, meals and car rental, in accordance with the County of Monterey Travel Policy.
- (e) In the event Professional or any candidate presented by Smith is subsequently hired, retained, contracted or otherwise engaged by Client within twenty four months after the later of (i) the presentation by Smith or (ii) the termination of this Agreement, Client will pay to Smith a placement fee of one hundred and fifty thousand dollars. This placement fee is due in full to Smith when the Professional or candidate is hired, retained, or contracted by Client other than under the auspices of Smith.