



Monterey County

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

Board Report

Legistar File Number: A 13-292

December 17, 2013

Introduced: 12/5/2013

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

- a. Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Ninth Amendment to the Professional Services Agreement (A-11427) with Medical Doctor Associates (MDA) to provide locum tenens services at NMC adding \$500,000, for a revised total Agreement amount not to exceed \$2,300,000 in the aggregate (for the period February 1, 2009 to June 30, 2014); and
- b. Authorize the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Ninth Amendment to the Professional Services Agreement (A-11427) with Medical Doctor Associates (MDA) to provide locum tenens services at NMC adding \$500,000, for a revised total Agreement amount not to exceed \$2,300,000 in the aggregate (for the period February 1, 2009 to June 30, 2014); and
- b. Authorize the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

NMC entered into an agreement with MDA on February 1, 2009; as amended March 1, 2010; July 1, 2010; March 1, 2011; July 1, 2011; December 1, 2011; July 1, 2012; May 1, 2013 and July 1, 2013 to provide locum tenens services. Locum tenens (temporary) physicians are utilized during periods when its employed/contracted physicians are not available (e.g., vacation; illness; continuing medical education; etc.) to provide health care services vital to NMC's continued operation.

In order to find highly qualified temporary physicians that match the position we are trying to fill/cover and are available on sometimes a very short notice, it is necessary that NMC contract with multiple locum tenens companies with a combined annual maximum liability of \$1,000,000. The actual cost of each contract is contingent upon the need to cover services, which is unpredictable by nature.

The liability added to the Agreement by the Eighth Amendment, \$300,000, has been reached during the first six months of Fiscal Year 2013/2014 due to the increased need for locum tenens physicians to cover a vacant position; a physician on leave of absence and the unanticipated departure of a physician in critical patient care units at NMC. NMC wishes to

amend the Agreement with MDA to increase the maximum liability of the Agreement to continue to utilize locum tenens physicians to cover the physician vacancies. Although the usage rate has increased, the Amendment does not change the rate of pay, which varies by specialty and is all-inclusive of travel, lodging and associated expenses.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The total cost for this Amendment is \$2,300,000 for the period February 1, 2009 to June 30, 2014. \$530,706.93 was disbursed in Fiscal Year 2009/2010; \$300,224.50 was disbursed in Fiscal Year 2010/2011; \$284,325.75 was disbursed in Fiscal Year 2011/2012 and \$384,742.82 was disbursed in Fiscal Year 2012/2013. \$800,000 is included in the Fiscal Year 2013/2014 Adopted Budget. There is no impact to the General Fund.

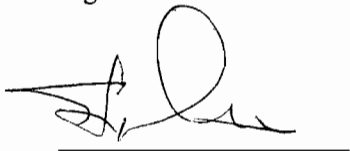
Prepared by: Jeanne-Ann Balza, Management Analyst, 783.2506

Approved by: Harry Weis, Chief Executive Officer, 783.2553

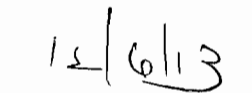
Attachments:

First-Ninth Amendment, Agreement

Originals on file at the Clerk of the Board



Harry Weis, CEO



Date



Monterey County

168 West Alisal Street,
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831.755.5066

Board Order

Agreement No. A-11427

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

- a. Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute the Ninth Amendment to the Professional Services Agreement (A-11427) with Medical Doctor Associates (MDA) to provide locum tenens services at NMC adding \$500,000, for a revised total Agreement amount not to exceed \$2,300,000 in the aggregate (for the period February 1, 2009 to June 30, 2014); and
- b. Authorized the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.


PASSED AND ADOPTED on this 17th day of December 2013, by the following vote, to wit:

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

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 77 for the meeting on December 17, 2013.

Dated: December 18, 2013
File Number: A 13-292

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

By  _____
Deputy

NINTH AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT

THIS NINTHAMENDMENT TO PROFESSIONAL SERVICE AGREEMENT (the “**Amendment**”) is made and entered into as of December 1, 2013, the Effective Date, by and between COUNTY OF MONTEREY (“**County**”) on behalf of NATIVIDAD MEDICAL CENTER (“**Hospital**”), and MEDICAL DOCTOR ASSOCIATES (“**Contractor**”) with respect to the following:

RECITALS

- A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California and various outpatient clinics under its acute care license.
- B. Contractor and Hospital have entered into that certain Professional Service Agreement dated February 1, 2009; as amended on March 1, 2010; July 1, 2010; March 1, 2011; July 1, 2011; December 1, 2011; July 1, 2012; May 1, 2013; and July 1, 2013 (collectively, the “**Agreement**”) pursuant to which Contractor provides referrals for locum tenens physician services.
- C. Hospital and Contractor desire to amend the Agreement to increase the amount payable by \$500,000 due to increased utilization of locum tenens provider services.

AGREEMENT

IN CONSIDERATION of the foregoing recitals and the mutual promises and covenants contained herein, Hospital and Contractor agree as follows:

1. **Defined Terms**. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
2. **Amended Section 2**. The last sentence of Section 2 of the Agreement is hereby deleted and replaced with the following: “During the period of February 1, 2009 and June 30, 2014, the maximum obligation of the County for services provided hereunder shall not exceed two million three hundred thousand dollars \$2,300,000.”
3. **Counterparts**. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
4. **Continuing Effect of Agreement**. Except as herein provided, all of the terms and conditions of the Agreement remain in full force and effect from the Effective Date of the Agreement.
5. **Reference**. After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

CONTRACTOR

MEDICAL DOCTOR ASSOCIATES

Date: OCTOBER 28, 2013

By: [Signature]
Its Vice President

By: [Signature]
Its President

Tax I.D. No. 26-2936432

NATIVIDAD MEDICAL CENTER

By: [Signature]
Contracts / Purchasing Manager

Purchase Order Number
Date: 12-18, 2013

By: [Signature]
Natividad Medical Center Representative

Date: 10/31, 2013

APPROVED AS TO LEGAL FORM:
CHARLES J. McKEE, County Counsel

[Signature]
Stacy Saetta, Deputy County Counsel

Date: 11/05, 2013

Reviewed as to fiscal provisions

[Signature]
Auditor/Controller
County of Monterey HS-15