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File #:	A 13-179	Name:	Quest Diagnostics Renewl & Amendment #7
Type:	BoS Agreement	Status:	Consent Agenda
File created:	7/8/2013	In control:	Board of Supervisors
On agenda:	7/30/2013	Final action:	
Title:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 7 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2014 (no change to the previously approved amount) for a total Agreement amount not to exceed \$4,390,000 in the aggregate.		
Sponsors:	Sid Cato		
Attachments:	1. Quest Renewal & Amendment #7 , 2. Quest Diagnostics Spend Sheet , 3. Completed Board Order		

[History \(0\)](#)
 [Text](#)

Title

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 7 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2014 (no change to the previously approved amount) for a total Agreement amount not to exceed \$4,390,000 in the aggregate.

Report

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 7 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2014 (no change to the previously approved amount) for a total Agreement amount not to exceed \$4,390,000 in the aggregate.

SUMMARY/DISCUSSION:

This agreement is necessary to pay for reference laboratory testing provided for our patient population. Physicians at NMC or clinics that send laboratory work to NMC may order tests that the NMC Laboratory cannot perform on-site. Therefore, these specific tests must be sent to a reference laboratory. Quest Diagnostics, a multibillion dollar company, is NMC Laboratory's primary reference laboratory. Quest Diagnostics is the leading provider of diagnostic testing in the nation, and serves approximately 140 million patients each year. As laboratory technology improves, more and more esoteric tests are available but the NMC laboratory cannot justify bringing in instruments or additional staff for the low volume of each individual test. These esoteric tests are used for the diagnosis of disease or monitoring of disease processes and are critical for patient care. The laboratory monitors test utilization to look for opportunities to in source any test that has high volume and methodology that can be incorporated into the Natividad Laboratory.

The laboratory has an interface with Quest diagnostics which allows results to be transferred directly from the testing laboratory to the patient medical record at Natividad Medical Center. A Natividad clinical laboratory scientist verifies the validity of the results before they are finalized in the medical record.

Commercial General Liability Exception

Commercial General Liability Insurance Additional Insured Endorsement requirements are waived for this vendor under

this Agreement.

The Vendor is Self Insured for Commercial General Liability Insurance.

Business Automobile Insurance Exemption

Business Automobile Liability Insurance Additional Insured Endorsement requirements are waived for this vendor under this Agreement. There is no risk or exposure regarding vehicles.

Contractor does not travel onto County property with vehicles.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Renewal and Amendment No. 7 as to legal form and risk provisions.

Auditor-Controller has reviewed and approved this Renewal and Amendment No. 7 as to fiscal provisions. The Renewal and Amendment No. 7 has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

As a result of Amendment No. 6, the Board of Supervisors approved a \$565,000 increase for Fiscal Year 2012-2013 in the maximum liability for the Agreement (for a total Agreement amount not to exceed \$4,390,000 in the aggregate). As a result of this Renewal and Amendment No. 7, no additional dollars will be added. Remaining funds from the previous year's purchase orders (approximately \$1,091,000) will be rolled over for Fiscal Year 2013/2014. There is no impact to the General Fund.

Prepared by: Heidi Riggenbach, Lab Manager, 772-7660

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Renewal and Amendment No. 7, Original Agreement, Amendments 1, 2, 3, 4, 5 and 6 and Spend Sheet.

Attachments on file with the Clerk to the Boards Office



Monterey County

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

Board Order

Agreement No.: A-10493

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

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 7 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2014 (no change to the previously approved amount) for a total Agreement amount not to exceed \$4,390,000 in the aggregate.

PASSED AND ADOPTED on this 30th day of July 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 76 for the meeting on July 30, 2013.

Dated: July 30, 2013
File Number: A 13-179

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

By 
Deputy

**RENEWAL & AMENDMENT NO. 7
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN Quest Diagnostics Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Reference Laboratory Testing Services**

This Renewal & Amendment No. 7 to Professional Services Agreement ("Agreement"), dated July 1, 2005, is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Quest Diagnostics Inc. (Contractor), with respect to the following:

RECITALS

WHEREAS, the County and Contractor amended the Agreement previously on July 1, 2007 via Renewal Amendment No. 1, on July 1, 2008 via Renewal Amendment No. 2, on July 1, 2009 via Renewal Amendment No. 3, on July 1, 2010 via Renewal Amendment No. 4, on July 1, 2011 via Renewal Amendment No. 5, and on July 1, 2012 via Amendment No.6; and

WHEREAS, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue; and

WHEREAS, the County and Contractor wish to amend the Agreement because of the term extension.

AGREEMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. Contractor will continue to provide NMC with the same scope of services as stated in the original Agreement (No. MYA589).
2. Section 3, "TERM OF AGREEMENT" shall be amended by removing, "*The term of this Agreement is from July 1, 2005 to June 30, 2007 unless sooner terminated pursuant to this Agreement*" and replacing it with "*The term of this Agreement is July 1, 2005 to June 30, 2014 unless sooner terminated pursuant to this Agreement*".
3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment Nos. 1, 2, 3, 4, 5, and 6 are unchanged and unaffected by this Renewal & Amendment No. 7 and shall continue in full force and effect as set forth in the Agreement.
4. A copy of this Renewal & Amendment No. 7 and all previous amendments shall be attached to the original Agreement (No. MYA589).
5. The effective date of this Amendment is July 1, 2013.

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

Natividad Medical Center

By: [Signature]
Sid Cato, NMC Contracts Manager

Date: 4-1-13

By: [Signature]
Harry Weis, NMC Chief Executive Officer

Date: 6/11/13

APPROVED AS TO LEGAL PROVISIONS

By: [Signature]
Anne Brauer
Monterey County, Deputy County Counsel

Date: June 28, 2013

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]
Gary Giboney
Monterey County Auditor/Controller's Office

Date: 2-13

Contractor

Unitab Corporation d/b/a Quest Diagnostics
Contractor's Business Name*** (see instructions)

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

Jean-Marc Halbout, Regional VP, Commercial
Name and Title

Date: 6-3-13

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

Mark Hayes, Finance Director
Name and Title

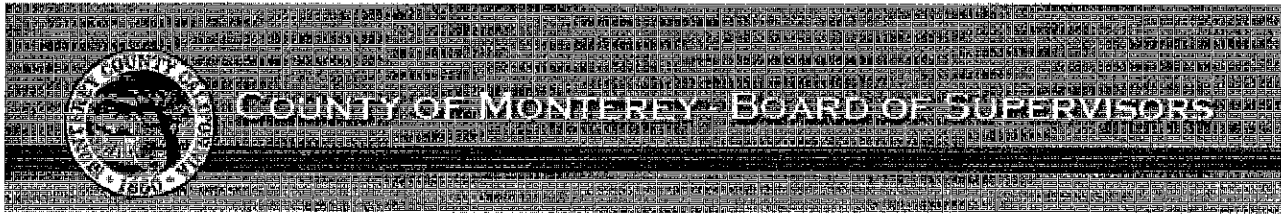
Date: 6-3-13

***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 an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required)



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File #:	A 12-098	Version: 1	Name:	Quest Diagnostics Amendment #6
Type:	BoS Agreement		Status:	Consent Agenda
File created:	5/16/2012		In control:	Board of Supervisors
On agenda:	6/12/2012		Final action:	

Title: Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2013 and adding \$565,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$4,390,000 in the aggregate.

Attachments: [Quest Diagnostics Legistar, Completed Board Order Item 62](#)

[History \(0\)](#)
[Text](#)

Title

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2013 and adding \$565,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$4,390,000 in the aggregate.

Body

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2013 and adding \$565,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$4,390,000 in the aggregate.

SUMMARY/DISCUSSION:

This agreement is necessary to pay for reference laboratory testing provided for our patient population. Physicians at NMC or clinics that send laboratory work to NMC may order tests that the NMC Laboratory cannot perform on-site. Therefore, these specific tests must be sent to a reference laboratory. Quest Diagnostics, a multibillion dollar company, is NMC Laboratory's primary reference laboratory. Quest Diagnostics is the leading provider of diagnostic testing in the nation, and serves approximately 140 million patients each year. As laboratory technology improves, more and more esoteric tests are available but the NMC laboratory cannot justify bringing in instruments or additional staff for the low volume of each individual test. These esoteric tests are used for the diagnosis of disease or monitoring of disease processes and are critical for patient care. The laboratory monitors test utilization to look for opportunities to in source any test that has high volume and methodology that can be incorporated into the Natividad Laboratory.

The laboratory has an interface with Quest diagnostics which allows results to be transferred directly from the testing laboratory to the patient medical record at Natividad Medical Center. A Natividad clinical laboratory scientist verifies the validity of the results before they are finalized in the medical record.

Commercial General Liability Exception

Commercial General Liability Insurance Additional Insured Endorsement requirements are waived for this vendor under this Agreement.

The Vendor is Self Insured for Commercial General Liability Insurance.

Business Automobile Insurance Exemption

Business Automobile Liability Insurance Additional Insured Endorsement requirements are waived for this vendor under this Agreement. There is no risk or exposure regarding vehicles.

Contractor does not travel onto County property with vehicles.

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 cost for this Amendment is \$565,000 and is included in the Fiscal Year 2012/2013 Recommended Budget. There is no impact to the General Fund.

Prepared by: Heidi Riggenschach, Lab Manager, 772-7660

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Agreement, Amendments 1, 2, 3, 4, 5 and 6.



Monterey County

Board Order

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

Agreement No.: A-10493

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

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2013 and adding \$565,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$4,390,000 in the aggregate.

PASSED AND ADOPTED on this 12th day of June 2012, 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 76 for the meeting on June 12, 2012.

Dated: June 25, 2012
File Number: A 12-068

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

By _____
Deputy

Acc 53883

AMENDMENT NO. 6
FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN Quest Diagnostics Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Reference Laboratory Testing Services

The parties to Professional Services Agreement ("Agreement"), dated July 1, 2005 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Quest Diagnostics Inc. (Contractor), hereby agree to amend their Agreement (No. A-10493) on the following terms and conditions:

WHEREAS, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue.

WHEREAS, the County and Contractor wish to amend the Agreement to increase the amount of the Agreement because of the term extension.

WHEREAS, the County and Contractor amended the Agreement previously on July 1, 2007 via Amendment No. 1, on July 1, 2008 via Amendment No. 2, on July 1, 2009 via Amendment No.3, on July 1, 2010 via Amendment No. 4, and on July 1, 2011 via Amendment No. 5.

1. Contractor will continue to provide NMC with the same scope of services as stated in the original Agreement (No. A-10493).
2. Section 2. "PAYMENTS BY COUNTY" shall be amended by removing, "*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$1,400,000.*" and replacing it with "*The total amount payable by County to CONTRACTOR under Agreement No. (A-10493) shall not exceed the total sum of \$4,390,000 for the full term of the Agreement and \$565,000 for fiscal year 2013-13.*"
3. Section 3. "TERM OF AGREEMENT" shall be amended by removing, "*The term of this Agreement is from July 1, 2005 to June 30, 2007 unless sooner terminated pursuant to this Agreement*" and replacing it with "*The term of this Agreement is from July 1, 2005 to June 30, 2013 unless sooner terminated pursuant to this Agreement.*"
4. All other terms and conditions of the Agreement shall continue in full force and effect. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment Nos. 1, 2, 3, 4 and 5 are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.
5. A copy of this Amendment and all previous amendments shall be attached to the original Agreement (No. A-10493).
6. The effective date of this Amendment is July 1, 2012.

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

CONTRACTOR

Signature 1 [Signature]

Dated 4/6/12

Printed Name Clarissa Willett

Title Controller

Signature 2 _____

Dated _____

Printed Name _____

Title _____

*****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 and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.

NATIVIDAD MEDICAL CENTER

Signature [Signature]
Purchasing Manager

Dated 7-31-12

Signature [Signature]
NMC - CEO

Dated 5/2/12

Approved as to Legality and Legal Form:

Charles J. McKee, County Counsel

By [Signature]
Stacy Saetta, Deputy
Attorneys for County and NMC

Dated: 5/8, 2012

Reviewed as to fiscal provisions

[Signature]
Auditor/Controller
County of Monterey 596

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	June 14, 2011	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #5 to the Agreement (#A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC in an amount not to exceed \$3,825,000 in the aggregate and \$565,000 for the period July 1, 2011 to June 30, 2012.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #5 to the Agreement (#A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC in an amount not to exceed \$3,825,000 in the aggregate and \$565,000 for the period July 1, 2011 to June 30, 2012.

SUMMARY/DISCUSSION:

This agreement is necessary to pay for reference laboratory testing provided for our patient population. Physicians at NMC or clinics that send laboratory work to NMC may order tests that the NMC Laboratory cannot perform on-site. Therefore, these specific tests must be sent to a reference laboratory. Quest Diagnostics, a multibillion dollar company, is NMC Laboratory's primary reference laboratory. Quest Diagnostics is the leading provider of diagnostic testing in the nation, and serves approximately 140 million patients each year. As laboratory technology improves, more and more esoteric tests are available but the NMC laboratory cannot justify bringing in instruments or additional staff for the low volume of each individual test. These esoteric tests are used for the diagnosis of disease or monitoring of disease processes and are critical for patient care. The laboratory monitors test utilization to look for opportunities to in source any test that has high volume and methodology that can be incorporated into the Natividad Laboratory.


The laboratory has an interface with Quest diagnostics which allows results to be transferred directly from the testing laboratory to the patient medical record at Natividad Medical Center. A Natividad clinical laboratory scientist verifies the validity of the results before they are finalized in the medical record.

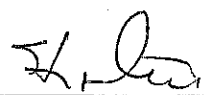
OTHER AGENCY INVOLVEMENT:

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 \$565,000 and is included in the 2011/2012 Fiscal Year Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by: 
Andrea Rosenberg, Administrator
755-6285
May 13, 2011



Harry Weis
Chief Executive Officer

Attachments: Amendments #1, 2, 3, 4, 5, Original Agreement, Board Order

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

Agreement No. A-10493

Authorize the Purchasing Manager for Natividad)
Medical Center (NMC) to execute Amendment No. 5)
to the Agreement with Quest Diagnostics Inc. for)
Reference Laboratory Testing Services at NMC in an)
amount not to exceed \$3,825,000 in the aggregate and)
\$565,000 for the period July 1, 2011 to June 30, 2012..)

Upon motion of Supervisor Salinas, 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. 5 to the Agreement A-10493 with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC in an amount not to exceed \$3,825,000 in the aggregate and \$565,000 for the period July 1, 2011 to June 30, 2012.

PASSED AND ADOPTED on this 14th day of June, 2011, 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 75 for the meeting on June 14, 2011.

Dated: June 17, 2011

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

By Christ A. Mend
Deputy

**RENEWAL AMENDMENT NO. 5
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Quest Diagnostics Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Reference Laboratory Testing Services**

The parties to Professional Service Agreement, dated May 1, 2009 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Quest Diagnostics Inc. (Contractor), hereby agree to renew their Agreement No. (A-10493) on the following terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10493).
2. This Amendment shall become effective on July 1, 2011 and shall continue in full force until June 30, 2012.
3. The total amount payable by County to Contractor under Agreement No. (A-10493) shall not exceed the total sum of \$3,825,000 for the full term of the Agreement and \$565,000 for fiscal year 2011-2012.
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-10493).

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 [Signature] Dated 4/22/11
 Printed Name Francisco Velasco Title Managing Director
 Signature 2 [Signature] Dated 4/19/11
 Printed Name M. Ali Qureshi Title CONTROLLER

****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 and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.*

NATIVIDAD MEDICAL CENTER

Signature [Signature] Dated 7-18-11
 Purchasing Manager
 Signature [Signature] Dated 5/13/11
 NMC -- CEO

Approved as to Legal Form:

Charles J. McKee, County Counsel

By [Signature]
Stacy Saetta, Deputy
Attorneys for County and NMC

Reviewed as to fiscal provisions
[Signature]
 Auditor-Controller
 County of Monterey
5/9, 2011

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	June 8, 2010	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the contract renewal amendments for the continuation of various existing services with multiple vendors (outlined in the Board Order) at NMC in FY 2010-11.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the contract renewal amendments for the continuation of various existing services with multiple vendors (outlined in the Board Order) at NMC in FY 2010-11.

SUMMARY/DISCUSSION:

At the end of each fiscal year Natividad Medical Center must renew expiring service contracts with various vendors in order to maintain a current purchase order. This ensures timely payment of invoices and avoids any disruption in services. Attachment A to this report is a list of current vendor service contracts requiring renewal for Fiscal Year 2010-2011. All of the contracts are Amendments to previous established contracts with no changes in the scope of service. NMC will do separate reports for all amended contracts that include a change to the scope of service.

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

The cost of the Contract Amendments is \$813,500 and is included in the FY 2010-11 Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by:
Sid Cato, Management Analyst
April 29, 2010
Attachments: Attachment A

Harry Weis
Chief Executive Officer

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

**Agreement No: A - 11715; A - 11716; A - 10493; A - 11717; A - 11718; A - 11719;
A - 11720; A - 11721**

Authorize the Purchasing Manager for Natividad Medical Center (NMC))
to execute the contract renewal amendments for the continuation of)
various existing services with multiple vendors (outlined in the Board)
Order) at NMC in Fiscal Year (FY) 2010-11.)

Upon motion of Supervisor Parker, seconded by Supervisor Potter, and carried by those members present, effective July 1, 2010, the Board hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute the contract renewal amendments for the continuation of various existing services with multiple vendors at NMC in Fiscal Year 2010-11 with the following multiple vendors:

Vendor Name	Service	Amendment	Current Contract Term Dates	F/Y 11 AMOUNT
Mediscan Staffing Services (A-11715)	Temporary Staffing Services	#2	1-15-09 thru 6-30-11	\$10,000.00
Development Dimensions International Inc (DDI) (A-11716)	Leadership Development Services	#4	11-15-07 thru 6-30-11	\$25,000.00
Quest Diagnostics (A-10493)	Reference Lab Testing	#4	5-1-09 thru 6-30-11	\$535,000.00
Automatic Door Systems (A-11717)	Maintenance & Repairs of all Automatic Doors at NMC	#5	7-1-06 thru 6-30-11	\$25,000.00
Barrera Landscaping (A-11718)	Landscaping Services	#1	7-1-09 thru 6-30-11	\$87,000.00
Biomedical Systems (A-11719)	Cardiac Monitoring Services	#4	11-27-06 thru 6-30-11	\$21,500.00
Full Steam Marketing & Design (A-11720)	Advertising & Public Relations	#4	7-1-05 thru 6-30-11	\$30,000.00
PRI Medical Technologies Amendment #1 (A-11721)	Laser, Guided Imagery, Lithotripsy & Cryotherapy	#1	4-15-09 thru 6-30-11	\$80,000.00

PASSED AND ADOPTED this 15th day of June, 2010, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, Potter

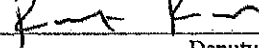
NOES: None

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 75 for the meeting on June 15, 2010.

Dated: June 17, 2010

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

By  Deputy

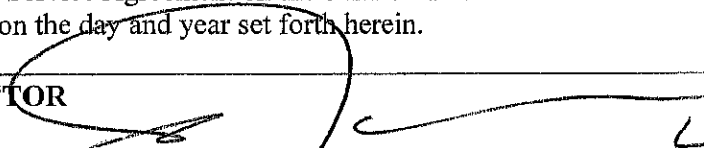
**RENEWAL AMENDMENT NO. 4
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Quest Diagnostics Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Reference Laboratory Testing Services**

The parties to Professional Service Agreement, dated May 1, 2009 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Quest Diagnostics Inc. (Contractor), hereby agree to renew their Agreement No. (A-10493) on the following amended terms and conditions:

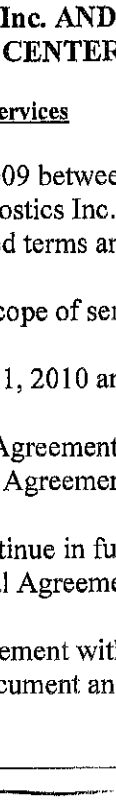
1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10493).
2. This Renewal Amendment shall become effective on July 1, 2010 and shall continue in full force and extending the term date until June 30, 2011.
3. The total amount payable by County to Contractor under Agreement No. (A-10493) shall not exceed the total sum of \$3,260,000 for the full term of the Agreement and \$535,000 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-10493).

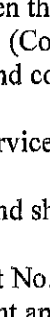
IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature  Dated 4/2/10
 Printed Name E. Velázquez, M.D. Title _____
 Managing Director
 Quest Diagnostics Nichols Institute

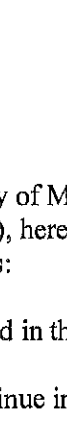
NATIVIDAD MEDICAL CENTER

Signature  Dated 4/27/10
 Purchasing Manager

Signature  Dated 4/15/10
 NMC - CEO

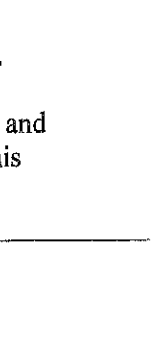
Approved as to Legal Form:

Charles J. McKee, County Counsel

By 
 Stacy Saetta, Deputy
 Attorneys for County and NMC

Dated: 4/16, 2010

Reviewed as to fiscal provisions


 Auditor-Controller
 County of Monterey 4-16-10

Vendor Name	Service	Current Contract Term Dates	# MOS.	Current Accumulative Contract Amt.	FY 09 AMOUNT	FY 10 AMOUNT	DOLLAR VARIANCE	% VARIANCE	COMMENTS
3M	Coding Software License Agreement	1-26-98 thru 8-8-10	150	NA	\$95,000.00	\$95,000.00	\$0.00	0.0%	
3M	Transcription Software License Agreement	8-6-07 thru 8-5-10	36	\$138,300.00	\$68,000.00	\$68,000.00	\$0.00	0.0%	
Advocate RX Solutions	Interim Management Services	1-21-08 thru 6-30-10	30	\$600,000.00	\$400,000.00	\$200,000.00	-\$200,000.00	-50.0%	
Allen Kadner MD	Internal Medicine & Infectious Disease Services	6-1-06 thru 6-30-10	49	\$347,000.00	\$87,000.00	\$87,000.00	\$0.00	0.0%	
Anthony Galicia MD Inc	Rehab and Occ Med Services	3-1-04 thru 6-30-10	64	\$1,002,200.00	\$170,000.00	\$175,000.00	\$5,000.00	2.9%	
Armanasco Public Relations Inc	Media Training/Relations & Strategic Counsel Services	11-1-08 thru 6-30-10	20	\$155,000.00	\$55,000.00	\$90,000.00	\$25,000.00	38.5%	Added time to original Agreement
Arthur A Schwarz MD	General Surgical Services	9-11-07 thru 6-30-10	34	\$309,000.00	\$150,000.00	\$89,900.00	-\$31,000.00	-25.8%	
Aureus Radiology LLC	Ancillary Registry Services	11-9-05 thru 6-30-10	56	\$1,348,800.00	\$375,400.00	\$200,000.00	-\$175,400.00	-13.0%	
Automatic Door Systems Inc	Maintenance & Repair	7-1-06 thru 6-30-10	36	\$120,000.00	\$25,000.00	\$25,000.00	\$0.00	0.0%	
Beacon Partners ORM Services	Ptici ORM System Implementation	1-1-09 thru 1-31-10	18	\$165,600.00	\$165,600.00	\$165,600.00	\$0.00	0.0%	
Calif St-Health Services Dep/DBS Accounting	Newborn Screening Tests	State fee paid yearly no contract	NA	\$742,000.00	\$282,051.00	\$210,000.00	-\$72,051.00	-25.5%	
California Emergency Physicians Community Hospital of the Monterey Peninsula	ER Physician Services	11-1-05 thru 6-30-11	80	\$5,054,000.00	\$950,000.00	\$1,074,000.00	\$124,000.00	13.1%	Increased services in 2010 and 2011
Coyote Creek Consulting	Histology Processing & Referral Lab Testing Services	9-17-07 thru 6-30-10	34	\$137,000.00	\$43,500.00	\$50,000.00	\$6,500.00	14.9%	Expected increase in utilization
Credit Consulting Services	Consulting Services	7-1-08 thru 6-30-10	24	\$96,000.00	\$216,000.00	\$120,000.00	-\$96,000.00	-44.4%	Added Services
Danny Tan DDS	Bad Debt Collection Services	8-1-07 thru 6-30-10	35	\$2,700,000.00	\$930,550.00	\$700,000.00	-\$230,550.00	-24.8%	
Development Dimensions International Inc	Dental Services	6-3-08 thru 6-30-10	25	\$130,000.00	\$65,000.00	\$65,000.00	\$0.00	0.00%	
Don Gintoy MD	Leadership Development Services	11-15-07 thru 6-30-10	20	\$125,000.00	\$50,000.00	\$25,000.00	-\$25,000.00	-50.00%	
Don J Williams MD	Psychiatric Services	2-1-08 thru 6-30-10	17	\$107,500.00	\$47,500.00	\$47,500.00	\$0.00	0.00%	
Donald Potman MD	Orthopedic Services	3-1-04 thru 6-30-10	63	\$293,100.00	\$84,000.00	\$65,100.00	-\$18,900.00	-22.50%	
First Alarm	Orthopedic Services	5-31-09 thru 5-31-10	12	NA	NA	\$120,000.00	\$0.00	0.00%	
Full Steam Marketing	Maintenance & Repair of Alarm, Fire, Closed-Circuit TV Systems	County Master Agreement	NA	\$120,000.00	\$60,000.00	\$60,000.00	\$0.00	0.00%	
Headport Technologies LLC	Marketing & PR Services	7-1-05 thru 6-30-10	60	\$675,000.00	\$100,000.00	\$75,000.00	-\$25,000.00	-25.00%	
HPS Consultants	On-Site Management & Operation Services in Medical Records	7-1-09 thru 6-30-10	12	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	0.00%	New Agreement
Jennifer D'Avulfo	Med Record Scanning, Coding Abstracting and OSHPD Correction	7-1-05 thru 6-30-10	60	\$3,020,000.00	\$604,000.00	\$604,000.00	\$0.00	0.00%	
Joel Weinstein MD	Speech Therapy Services	7-1-06 thru 6-30-10	48	\$456,000.00	\$141,500.00	\$175,000.00	\$25,000.00	17.67%	Increased services in 2009
John Sahatz, MD	General Surgical Services	7-1-06 thru 6-30-10	48	\$976,672.00	\$287,672.00	\$264,000.00	-\$23,672.00	-8.23%	
Johnson Controls	Cardiology Services	3-1-06 thru 6-30-10	39	\$767,800.00	\$220,000.00	\$220,000.00	\$0.00	0.00%	
Jose Felix Herrera-Ibarra	Engineering Repair & Maintenance Internal Medicine & Hospitalist Services	7-1-06 thru 6-30-10	48	\$260,000.00	\$70,000.00	\$70,000.00	\$0.00	0.00%	
Juan Calzeta, MD	Vascular Surgery Services	2-24-06 thru 6-30-10	48	\$690,531.00	\$173,000.00	\$173,000.00	\$0.00	0.00%	
Kenneth Ishize MD	Orthopedic Surgery Services	7-1-06 thru 6-30-10	48	\$568,400.00	\$158,000.00	\$158,000.00	\$0.00	0.00%	
Maxim Healthcare Services	Orthopedic & Skilled Nursing Services	5-31-09 thru 5-31-10	12	NA	NA	\$120,000.00	\$0.00	0.00%	
Medical Information Technology Metro Republic	Medical & Skilled Nursing Services	3-1-08 thru 6-30-10	16	\$300,000.00	\$125,000.00	\$100,000.00	-\$25,000.00	-20.00%	
	Medical Support Services	7-19-04 thru 6-30-10	62	\$638,530.00	\$230,530.00	\$150,000.00	-\$80,530.00	-34.93%	
	Bad Debt Collection Services	8-1-07 thru 6-30-10	35	\$2,700,000.00	\$1,000,000.00	\$700,000.00	-\$300,000.00	-30.00%	

Vendor Name	Service	Current Contract Term Dates	# MOS.	Current Accumulative Contract Amt.	FY 09 AMOUNT	FY 10 AMOUNT	DOLLAR VARIANCE	% VARIANCE	COMMENTS
Mohammad Khan MD	Internal Medicine/Hospitalist Services	2-9-09 thru 6-30-10	17	\$165,800.00	\$80,000.00	\$85,800.00	\$5,800.00	7.25%	Added time to original Agreement
Monterey County Eye Associates	Ophthalmology & Call Services	5-1-06 thru 6-30-10	50	\$441,200.00	\$168,000.00	\$173,000.00	\$5,000.00	2.98%	
Morehead Associates Inc	Employee Survey Services	8-17-04 thru 6-30-10	35	\$127,000.00	\$60,000.00	\$30,000.00	-\$30,000.00	-50.00%	Reduced services
Murritz G Tabbaa MD	Gastroenterology Services	7-1-05 thru 6-30-10	60	\$750,000.00	\$150,000.00	\$150,000.00	\$0.00	0.00%	
Natividad Medical Foundation	Pharmathropic Services	1-15-08 thru 12-31-09	24	\$1,245,000.00	\$655,000.00	\$835,000.00	\$200,000.00	30.53%	Increased Services
Nail Richman MD	Orthopedic Services	5-31-09 thru 5-31-10	12	NA	NA	\$120,000.00	\$0.00	0.00%	
NMC Auxiliary	Management Services	9-15-05 thru 6-30-10	58	\$388,375.00	\$80,675.00	\$80,675.00	\$0.00	0.00%	
Pharmidius Services LLC	Compounding Pharmaceutical Services	1-31-06 thru 6-30-10	42	\$240,000.00	\$60,000.00	\$60,000.00	\$0.00	0.00%	
Picis Inc	Software, Maintenance & Professional Services	12-15-08 thru 12-14-10	24	\$414,958.00	\$352,418.00	\$157,530.00	-\$194,888.00	-55.30%	Decrease scope of services
Professional Research Consultants	Survey Services	7-1-05 thru 6-30-10	60	\$199,937.50	\$26,000.00	\$27,500.00	\$1,500.00	5.77%	
Quest Diagnostics	Reference Lab Testing Services	6-27-04 thru 6-30-10	48	\$2,725,000.00	\$300,000.00	\$575,000.00	\$275,000.00	91.67%	Increased Services
R Brackley Sweet MD's	Urology Clinic & Call Services	3-1-05 thru 6-30-10	63	\$1,350,000.00	\$270,000.00	\$270,000.00	\$0.00	0.00%	
Roderick Pagsolangan DPM	Podiatric Clinic Services	12-1-05 thru 6-30-10	55	\$191,000.00	\$45,000.00	\$35,800.00	-\$9,200.00	-20.44%	
Ronald Garren MD	Professional Internal Medicine Services	1-1-09 thru 6-30-10	18	\$260,000.00	\$100,000.00	\$160,000.00	\$60,000.00	60.00%	Added time to original Agreement
Salinas Valley Plastic Surgery Assoc.	Plastic Surgery Services	1-1-2008 thru 6-30-10	30	\$195,200.00	\$100,000.00	\$95,200.00	-\$4,800.00	-4.80%	
Schnipper Design LLC	Marketing & Graphic Design	11-1-08 thru 6-30-10	20	\$175,000.00	\$75,000.00	\$100,000.00	\$25,000.00	33.33%	Added time to original Agreement
Sonotemps Inc	Auxiliary Registry Services	10-4-05 thru 6-30-10	57	\$112,500.00	\$24,000.00	\$30,000.00	\$6,000.00	25.00%	Expected increase in utilization
Spin Recruitment Advertising	Recruitment Services	10-1-06 thru 6-30-10	47	\$800,000.00	\$200,000.00	\$200,000.00	\$0.00	0.00%	
Supplemental Health Care Services (SCH)	Ancillary Registry Services	10-4-05 thru 6-30-10	57	\$382,400.00	\$60,000.00	\$125,000.00	\$65,000.00	108.33%	Expected increase in utilization
The Marblehead Group LLC	Consultative Services (Med Staff)	6-1-08 thru 9-30-09	16	\$359,000.00	\$340,000.00	\$119,000.00	-\$221,000.00	-65.00%	Decreased Services
Thyssenkrupp Elevator Corp	Repair and Maintenance Elevator Services	7-1-06 thru 6-30-10	48	\$182,000.00	\$47,000.00	\$47,000.00	\$0.00	0.00%	
Total Repair Express Inc	Endoscopes Repair & Maintenance	4-5-05 thru 6-30-10	63	\$680,000.00	\$150,000.00	\$150,000.00	\$0.00	0.00%	
Toyon Associates Inc	Medical Eligible Days Recovery	9-8-03 thru 6-30-10	72	\$345,000.00	\$90,000.00	\$90,000.00	\$0.00	0.00%	
Toyon Associates Inc	Medicare Appeal Services	9-9-03 thru 6-30-11	70	\$1,000,000.00	\$90,000.00	\$400,000.00	\$310,000.00	344.44%	appeal will be resolved in Dec 2009 - worth \$400K
Wayne Shen MD	Neurology Services	3-1-04 thru 6-30-10	75	\$184,000.00	\$34,000.00	\$34,000.00	\$0.00	11.76%	

**RENEWAL AMENDMENT NO. 3
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Quest Diagnostics AND
THE NATIVIDAD MEDICAL CENTER
FOR
Reference Laboratory Testing SERVICES**

The parties to Professional Service Agreement, dated June 27, 2004 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Quest Diagnostics (Contractor), hereby agree to renew their Agreement No. (A-10493) 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-10493).
2. This Renewal Amendment shall become effective on July 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-10493) shall not exceed the total sum of \$2,725,000 for the full term of the Agreement and \$575,000 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-10493).


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  Dated 4/13/09
Printed Name Jon Nakamoto, MD, PhD Title Managing Director
Managing Director

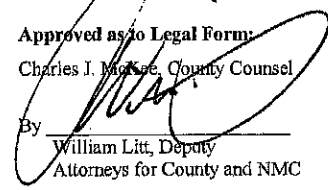
NATIVIDAD MEDICAL CENTER

Signature  Dated 5/28/09
Purchasing Manager


Signature  Dated 4/21/09
NMC - CEO

Approved as to Legal Form:

Charles J. McKee, County Counsel

By 
William Litt, Deputy
Attorneys for County and NMC

Dated: 5/2, 2009

Reviewed as to fiscal provisions

Auditor-Controller
County of Monterey
5/6/09

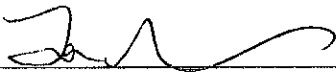
**RENEWAL AMENDMENT NO. 2
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN QUEST DIAGNOSTICS AND
THE COUNTY OF MONTEREY
FOR
REFERENCE LABORATORY TESTING SERVICES**

The parties to Professional Service Agreement, dated June 27, 2006 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Quest Diagnostics (Contractor), hereby agree to renew their Agreement No. (A-10493) on the following amended terms and conditions:

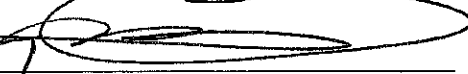
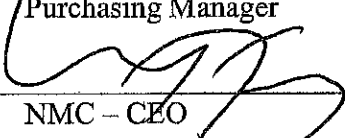
1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10493).
2. This Renewal Amendment shall become effective on July 1, 2008 and shall continue in full force and extending the term date until June 30, 2009.
3. The total amount payable by County to Contractor under Agreement No. (A-10493) shall not exceed the total sum of \$~~1~~¹150,000 for the full term of the Agreement and \$300,000 for fiscal year 2008-2009. *in 8/08*
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-10493).

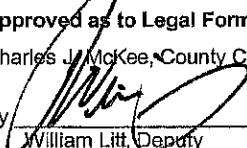
IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature  Dated 4/15/08
 Printed Name Jen NAKAMOTO MD, PhD Title Managing Director

COUNTY OF MONTEREY

Signature  Dated 7.15.08
 Purchasing Manager
 Signature  Dated 5/15/08
 NMC - CEO

Approved as to Legal Form:
 Charles J. McKee, County Counsel
 By 
 William Litt, Deputy
 Attorneys for County and NMC

Dated: 5/11, 2008

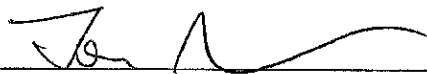
RENEWAL AMENDMENT NO. 1
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN QUEST DIAGNOSTICS AND
THE COUNTY OF MONTEREY
FOR
REFERENCE LABORATORY TESTING SERVICES

The parties to Professional Service Agreement, dated June 27, 2006 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Quest Diagnostics (Contractor), hereby agree to renew their Agreement No. (A-10493) 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-10493)
2. This Renewal Amendment shall become effective on July 1, 2007 and shall continue in full force and extending the term date until June 30, 2008.
4. The total amount payable by County to Contractor under Agreement No. (A-10493) shall not exceed the total sum of \$1,850,000 for the full term of the Agreement; and \$450,000 for fiscal year 2007-2008.
5. All other terms and conditions of the Agreement shall continue in full force and effect.
6. A copy of this Amendment shall be attached to the original Agreement No. (A-10493).

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.

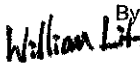
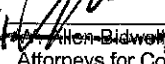
CONTRACTOR

Signature  Dated 4/5/07
 Printed Name Jon Nakamoto M.D., PhD Title Sr. Managing Director

COUNTY OF MONTEREY

Signature  Dated 7.17.07
 Purchasing Manager
 Signature  Dated _____
 NMC - CEO

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

By   Deputy
Attorneys for County and NMC

Dated: 5/24, 2007

CARE360 LAB ORDERS AND RESULTS AND QUERY TOOL SERVICE AGREEMENT

This agreement ("Agreement") is between Quest Diagnostics Incorporated, its affiliates and subsidiaries ("We," "Us" or "Our") and the individual, group medical practice, or entity executing this Agreement ("You" or "Your"). It states the parties' rights and obligations regarding Your use of the Care360 Lab Orders and Results system, including the Query Tool application and the related documentation and software (the "System"), a graphical user interface designed by Quest Diagnostics to enable You to order laboratory tests and to view and print laboratory test result reports.

1. Services. We will provide You access to the System. If You access the System via the Internet using Your own system, Your system must meet certain minimum requirements that We establish and that We may modify from time to time. Your Quest Diagnostics Sales Representative can tell you about those requirements, or You can find them at www.questdiagnostics.com. If You access the System using equipment We provide, the attached Appendix A outlines the terms and conditions of Your use of this equipment. If You are using the System's automatic printing feature, the printing of results constitutes delivery of laboratory test results to You. In the event that You do not use the System's automatic printing feature, or the printer is disabled for any reason, Our posting of the results to the System constitutes delivery of the test results to You. When You are not receiving results by the automatic printing feature, You understand that it is Your responsibility to regularly access the System to retrieve laboratory result reports for Your patients. If You elect to discontinue using the System, please notify us, immediately, so that We can provide laboratory result reports to You by another delivery method.

2. Query Tool. We will provide You access to Query Tool, the Quest Diagnostics web based application accessible through the System that is designed to enable You to look up patient and test information on the Quest Diagnostics Laboratory Information System. You will be provided a users' manual and instructions as to how to connect to the Query Tool, as well as a user name and password.

3. Term and Termination. This Agreement shall remain in effect until terminated. Either party may terminate this Agreement at any time, with or without cause, upon five business days' written notice to the other party. Upon termination, You shall promptly return to Us any software, equipment, and/or related written materials that We provided to You and we will deactivate Your account.

4. Error Reporting/Data Correction/Virus Reporting. You shall immediately report to Us the discovery of any discrepancies, anomalies, or errors detected in result reports obtained through the System. You agree that We may make corrections to demographic and insurance data within the System based upon information provided to Us (i.e., by patients and insurance companies). If you are using Our hardware, You shall immediately report to Us the discovery of any virus or other system corruption (whether it be on Our system or on Your system if it is connected with Ours).

5. Proprietary Information. You agree that the System embodies substantial creative rights, confidential and proprietary information, copyrights, trademarks and trade secrets, all of which are and shall remain Our exclusive property. You may not copy, reproduce, modify, reverse engineer or decompile any portion of the System and you may use it only for internal purposes, as provided in this Agreement.

6. Confidentiality/Patient Data. The clinical records of patients and other information transmitted through the System, relating to the ordering of laboratory tests and/or result reporting ("Patient Data") is confidential information and constitutes Protected Health Information under HIPAA. As Covered Entities, the parties agree to use Patient Data consistent with permitted and required uses under HIPAA and in accordance with other Applicable Laws.

This Agreement is confidential and may not be disclosed to third parties without our consent, except when required by law. The provisions of this paragraph will survive termination of this Agreement.

7. Access to Results Reporting. Access to the System limited to You and other approved users in Your office ("Users"). You shall provide Us with a list of all Users so that We can provide each User with a User-specific password. Neither You nor Your Users will share Your or their respective passwords with others or enable others to access the System. You agree to notify Us, immediately, if a User leaves your employ, or otherwise loses User privileges, so that We may remove that User's username and password from the System. You agree to report to Us any possible or actual violation of data security that comes to Your attention.

8. Diagnosis Information Provided By You. You agree that, when We submit a claim for payment, for any order by You, We may associate any diagnosis information that you provide with a test order to any individual test within the order. An "order" may contain requests for one or more individual tests.

9. Disclaimer/Exclusions of Warranties. We may alter the System and its functionality at any time. We provide THE SYSTEM TO YOU "AS IS." WE MAKE NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND, WITH RESPECT TO THE SYSTEM. WE SPECIFICALLY DISCLAIM THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. We cannot guarantee that Your access to the System will be uninterrupted or error-free.

10. Exclusion of Damages. WE SHALL NOT BE LIABLE TO YOU, UNDER ANY CIRCUMSTANCE, FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, CONSEQUENTIAL DAMAGES OR ANY DAMAGES WHATSOEVER, INCLUDING DAMAGES FOR LOSS OF USE, DATA OR PROFITS ARISING OUT OF OR IN ANY WAY RELATED TO YOUR USE OF THE SYSTEM, EVEN IF WE HAVE BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES. This limitation of liability does not apply to claims for laboratory testing errors resulting from Our negligence.

11. Compliance with Laws. Both parties agree to comply with all applicable laws rules or regulations ("Applicable Laws"). Applicable Laws include, but are not limited to, federal and state physician self-referral laws and regulations, federal and state anti-kickback laws and regulations, and the Health Insurance Portability and Accountability Act ("HIPAA") regulations.

12. Miscellaneous. This Agreement constitutes the entire understanding of the parties regarding the subject matter of this Agreement. It may not be amended or modified except by a writing signed by the parties. You may not assign or otherwise transfer this Agreement or any other rights to any other person or entity. This Agreement shall be governed by California law, without regard to conflict of laws principals. All communications hereunder shall be in writing and shall be sent by either email or registered or certified mail, return receipt requested. All notices to Us shall be addressed to Care360 Administrator Quest Diagnostics Incorporated, 400 Egypt Road, WN 2050, Norristown, PA 19403, Care360Admin@questdiagnostics.com.

By signing below, You acknowledge that You have read this Agreement, You understand and agree to its terms and conditions, and are authorized to bind the group, practice, or entity listed below.

Quest Diagnostics Incorporated
By: _____
Print Name: _____
Title: _____
Date: _____

Reviewed as to fiscal provisions
[Signature]
Auditor-Controller
County of Monterey
42401

Natividad Medical Center
(Your Full Legal Entity Name)
By: *[Signature]*
Print Name: James B. Tatum
Title: Director of Purchasing
Date: 10/1/09

Account #: 53883 Nichols
APPROVED AS TO FORM
WILLIAM M. LITT
DEPUTY COUNTY COUNSEL
COUNTY OF MONTEREY
9/29/09

APPENDIX A

We agree to install and maintain, at Our expense, the equipment described below, for You to use in Your facility.

PLEASE PUT A CHECK BESIDE THE EQUIPMENT THAT IS BEING REQUESTED

- | | |
|---|---|
| <input checked="" type="checkbox"/> Appliance (includes monitor, CPU and modem) | <input type="checkbox"/> Dedicated Data Transmission Line |
| <input checked="" type="checkbox"/> Specimen Label Printer | <input type="checkbox"/> Broadband Internet Connection |
| <input checked="" type="checkbox"/> Laser Printer | <input type="checkbox"/> Router |
| | <input type="checkbox"/> _____ |

The equipment listed above, including all hardware, software, and related documents and materials, hereafter referred to as the "Equipment" or "System," shall be installed and used at Your facility located at:

**Natividad Medical Center -Lab
1441 Constitution Blvd
Salinas, CA 93906**

A. Equipment

1. The Equipment is and shall remain Our property. The Equipment may not be removed from Your facility without Our prior written consent. You are responsible for maintaining the Equipment in a secure location. If either party terminates this Agreement, the Equipment will be returned to Us.

2. Both parties will comply with all laws relating in any way to the use, operation, or maintenance of the Equipment. You shall at all time keep affixed to the Equipment all labels that We may require to show that We own the Equipment. You grant Us (or Our designee) the right to inspect, maintain, or repair the Equipment at any reasonable time.

3. You shall not make any alterations, additions, or improvements to the Equipment and You shall not misuse or abuse the Equipment. We agree to pay all costs associated with repairing and servicing the Equipment during the term of this Agreement. If the Equipment is stolen or damaged due to any abuse, misuse,

alteration, modification, or unauthorized use of the Equipment by You or your Users, You shall bear all costs associated with replacing and/or restoring the Equipment to its original condition. You agree to promptly notify Us in writing if the Equipment malfunctions, is damaged or stolen.

B. Equipment and Data Use Restrictions

You are being provided with Equipment supplied by Us and access to the System for generating requisitions and receiving, storing, and recalling laboratory test results. The Equipment is being installed in your facility *solely* for accessing Our laboratory systems. No other use of the Equipment is permitted.

C. Data Line

We will bear monthly data line service charges applicable only to the use of the Equipment in accordance with the purpose and intentions set forth in this Agreement.

53883

COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES
(MORE THAN \$25,000)

This Professional Services Agreement ("Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and QUEST DIAGNOSTICS INC. MONTEREY (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.** The County 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 Provide Reference Lab Testing

2. **PAYMENTS BY COUNTY.** County 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 County to CONTRACTOR under this Agreement shall not exceed the sum of \$ 1,400,000.00.

3. **TERM OF AGREEMENT.** The term of this Agreement is from 7/1/05 to 10/30/07, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County 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 ~~(To be provided at a later date)~~
(Client Fee Schedule)
Insurance 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.

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 County 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 County. 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 the County 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 the County 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, CONTRACTOR or the County may terminate the Agreement for any reason by giving written notice of termination to the other party 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. Either party may cancel and terminate this Agreement for good cause effective immediately upon written notice to the other party. "Good cause" includes the failure of a party to perform the required services at the time and in the manner provided under this Agreement. If either party terminates this Agreement for good cause, that party may be relieved of its performance under this Agreement, and the County may proceed with the work in any manner which County deems proper.

8. **INDEMNIFICATION.** The County and the CONTRACTOR shall each indemnify, defend, and hold harmless the other party, its officers, employees, and agents, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the indemnifying party's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the other party. Either party's performance" includes its action or inaction and the action or inaction of that party's officers, employees, agents and subcontractors.

9. INSURANCE.

9.01. 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, Broadform 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 \$1,000,000 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, 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).

9.02. Other Insurance Requirements: All insurance required by this Agreement shall be with a company acceptable to the County 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 the County 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 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.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, 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 County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County 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 County, 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 the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County 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. County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County 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. The County 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 the County or as part of any audit of the County, 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. County 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 County.

11. NON-DISCRIMINATION. During the performance of this Agreement, CONTRACTOR shall not unlawfully discriminate against any person because of race, color, religion, sex, national origin, ancestry, physical disability, medical condition, marital status, age (over 40), or sexual preference, 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 the County pursuant to a contract with the state or federal government in which the County 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, County 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 the County. No offer or obligation of permanent employment with the County 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 County 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 County harmless from any and all liability which County 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 the County's and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Natividad Medical Center	Vickie Almont
Name and Title	Director, Revenue Services
1441 Constitution Blvd.	Quest Diagnostics
Salinas, CA 93906	Nichols Institute
Address	33609 Ortega Highway, Km 211
831-755-4194 / fax	San Juan Capistrano, CA 92675
755-4138	949-728-4626
Phone	Phone

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 the County and the CONTRACTOR.

15.03. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County 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 the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. 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 the County 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 County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

15.13. Construction of Agreement. The County 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 the County 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 the County 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 the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County 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.

COUNTY OF MONTEREY

By: [Signature]
Contracts/Purchasing Manager

Date: 6/29/06

By: [Signature]
Department Head (if applicable)

Date: 5/25/05

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form
By: W. Allen Bidwell

Date: 05-13-05
County Counsel

Approved as to Fiscal Provisions
By: [Signature]

Date: 5/1/05
Auditor/Controller

Approved as to Liability Provisions¹
By: _____

Date: _____
Risk Management

County Board of Supervisors' Agreement Number: _____

*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.

CONTRACTOR

Quest Diagnostic, Inc
Nichols Institute
Contractor's Business Name*

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

Jon Nakamoto, Sr. Managing Director
Name and Title

Date: 5/5/05

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

David Engelberg, Controller
Name and Title

Date: 5/5/05

**REQUEST TO WAIVE COUNTY OF MONTEREY STANDARD
CONTRACT INSURANCE REQUIREMENTS**

NMC requests the NMC Board of Trustees and the County of Monterey Board of Supervisors to hereby approve/ratify:

- Waiver
- Modification
- Recession

General Liability Insurance Requirements

- Certificate of Liability Insurance (Accord Form)
- ISO Endorsement Forms
- Additional Insured Endorsement
- Primary Insurance Endorsement
- Non-Contributory Endorsement
- Completed Operations Endorsement
- Coverage Limits
- California Admitted
- "A" Rated Insurance Company

Business Justification:

Based on the Scope of Services provided herein, Commercial General Liability Insurance is not applicable and therefore is not required. The hospital does not foresee any potential liability risks associated with this justification.

Professional Liability Insurance Requirements

- Certificate of Liability Insurance (Accord Form)
- Coverage Limits
- Tail Coverage

Business Justification:

Professional liability insurance is not required.

Automobile Liability Insurance Requirements

- Certificate of Liability Insurance (Accord Form)
- ISO Endorsement Forms
- Additional Insured Endorsement
- Primary Insurance Endorsement
- Non-Contributory Endorsement
- Coverage Limits
- California Admitted
- "A" Rated Insurance Company

Business Justification:

Business Automobile Liability Insurance is not required. The use of an automobile is not included in or necessary to the performance of the scope of services required by this Agreement. Therefore, the hospital does not foresee any potential liability risks associated with this justification.

REQUEST TO WAIVE COUNTY OF MONTEREY STANDARD
CONTRACT INSURANCE REQUIREMENTS

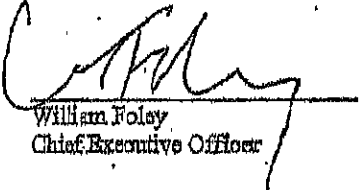
Workers' Compensation Insurance Requirements

- Certificate of Liability Insurance (Award Form)
- California Statutory Requirements
- Coverage Limits
- California Licensed Insurer

Business Justification:

Workers' Compensation Insurance is not required. The Contractor does not employ others in the performance of this Agreement. Therefore, the hospital does not foresee any potential liability risks associated with this justification.


Harry Weis
Chief Financial Officer


William Foley
Chief Executive Officer

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Name (as shown on your income tax return)
Quest Diagnostics Nichols Institute

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
 Individual/sole proprietor C Corporation S Corporation Partnership Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ Exempt payee

Other (see instructions) ▶

Address (number, street, and apt. or suite no.)
3924 Collection Center Drive

City, state, and ZIP code
Chicago, IL 60693

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

Employer identification number

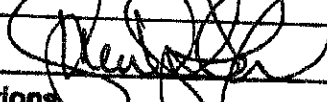
9	5		2	7	0	1	8	0	2
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Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number.

Certification

- Under penalties of perjury, I certify that:
- The information shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
 - I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
 - I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Signature of U.S. person ▶ 

Date ▶ **1/22/2013**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

2014 Withholding Exemption Certificate

590

The payee completes this form and submits it to the withholding agent.

Withholding Agent (Type or print)

Name

Payee

Name

Quest Diagnostics, Inc.

SSN or ITIN FEIN CA Corp no. CA SOS file no
95-2701802

Address (apt./ste., room, PO Box, or P.M.B. no.)

33608 Ortega Highway

City (If you have a foreign address, see instructions.)

San Juan Capistrano

State ZIP Code

CA 92690

Exemption Reason

Check only one reason box below that applies to the payee.

By checking the appropriate box below, the Payee certifies the reason for the exemption from the California income tax withholding requirements on payment(s) made to the entity or individual.

Individuals — Certification of Residency:

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.

Corporations:

The corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State (SOS) to do business in California. The corporation will file a California tax return. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.

Partnerships or limited liability companies (LLCs):

The partnership or LLC has a permanent place of business in California at the address shown above or is registered with the California SOS, and is subject to the laws of California. The partnership or LLC will file a California tax return. If the partnership or LLC ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a limited liability partnership (LLP) is treated like any other partnership.

Tax-Exempt Entities:

The entity is exempt from tax under California Revenue and Taxation Code (R&TC) Section 23701 _____ (insert letter) or Internal Revenue Code Section 501(c) _____ (insert number). If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. Individuals cannot be tax-exempt entities.

Insurance Companies, Individual Retirement Arrangements (IRAs), or Qualified Pension/Profit Sharing Plans:

The entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

California Trusts:

At least one trustee and one noncontingent beneficiary of the above-named trust is a California resident. The trust will file a California fiduciary tax return. If the trustee or noncontingent beneficiary becomes a nonresident at any time, I will promptly notify the withholding agent.

Estates — Certification of Residency of Deceased Person:

I am the executor of the above-named person's estate or trust. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return.

Nonmilitary Spouse of a Military Servicemember:

I am a nonmilitary spouse of a military servicemember and I meet the Military Spouse Residency Relief Act (MSRRA) requirements. See instructions for General Information E, MSRRA.

CERTIFICATE OF PAYEE: Payee must complete and sign below.

Under penalties of perjury, I hereby certify that the information provided in this document is, to the best of my knowledge, true and correct. If conditions change, I will promptly notify the withholding agent.

Payee's name and title (type or print)

~~Robert Moverley~~ Mark Hayes

Telephone

(916) 927-9900

Payee's signature

m a m

Date

4/24/14

NATIVIDAD MEDICAL CENTER
Annual Evaluation of Contracted Non- Patient Care Services

Cost Center: <u>7905</u>	Department: <u>CLINICAL LABORATORY</u>
Contractor /Vendor	<u>QUEST DIAGNOSTICS</u>
Service Provided	<u>Reference Laboratory Testing</u>
Review Period	<input type="checkbox"/> Initial <input checked="" type="checkbox"/> Annual
Date of Review	<u>12/2011</u>
EVALUATION CRITERIA	
	VERIFICATION COMPLETED
1. Contractor meets the needs of the organization.	<input checked="" type="radio"/> Yes <input type="radio"/> No
2. The written agreement between the contractor and Hospital defines the nature and scope of service to be provided by the contract service provider.	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA
3. A Monterey County Purchase Service Agreement (PSA) has been executed if required.	<input checked="" type="radio"/> Yes <input type="radio"/> No
4. Amount: <u>\$3,825,000</u> Date Range <u>JUNE 27, 2009</u> THRU <u>JUNE 30, 2012</u>	
5. A blanket purchase order with Monterey County has been established if appropriate. PO# <u>64076 757</u> Amount: <u>\$65,000</u>	<input checked="" type="radio"/> Yes <input type="radio"/> No
6. If contractor provides onsite services on an ongoing basis, the following Human Resource issues have been addressed: <ul style="list-style-type: none"> • Job description for each position • Annual competency assessment/performance appraisal for individuals • Verification of licensure and certification if applicable for individuals • Educational needs for individuals 	<input type="radio"/> Yes <input type="radio"/> No <u>(N/A)</u> <u>OFF-SITE</u>
7. Contractor meets the intent of all The Joint Commission standards related to the services provided.	<input checked="" type="radio"/> Yes <input type="radio"/> No
8. Contractor provides safe and quality services in accordance with the written agreement.	<input checked="" type="radio"/> Yes <input type="radio"/> No
Based on the evaluation criteria above, it is recommended that NMC Initiate/renew the agreement with contractor/service provider.	<input checked="" type="radio"/> Yes <input type="radio"/> No

Approvals:

Department Manager *Chloe...*

Date 2/5/11

Administrator *Amara Rosenberg*

Date 2/8/11

535,000

**NATIVIDAD MEDICAL CENTER
Annual Evaluation of Contracted Non- Patient Care Services**

Cost Center: 7505	Department: Laboratory – Referral Testing	
Contractor /Vendor	Quest Diagnostics	
Service Provided	Reference Lab Testing	
Review Period	<input type="checkbox"/> Initial <input checked="" type="checkbox"/> Annual	
Date of Review	March 30, 2010	
EVALUATION CRITERIA		VERIFICATION COMPLETED
1. Contractor meets the needs of the organization.		Yes
2. The written agreement between the contractor and Hospital defines the nature and scope of service to be provided by the contract service provider.		Yes
3. A Monterey County Purchase Service Agreement (PSA) has been executed if required. Amount: \$1,400,000 Date Range: 7/1/2005 – 6/30/2010		Yes
4. A blanket purchase order with Monterey County has been established if appropriate. PO# BPO 960 211 Amount: \$575,000		Yes
5. If contractor provides onsite services on an ongoing basis, the following Human Resource issues have been addressed: <ul style="list-style-type: none"> • Job description for each position • Annual competency assessment/performance appraisal for individuals • Verification of licensure and certification if applicable for individuals • Educational needs for individuals 		N/A
6. Contractor meets the intent of all JCAHO standards related to the services provided.		Yes
7. Contractor provides safe and quality services in accordance with the written agreement.		Yes
Based on the evaluation criteria above, it is recommended that NMC initiate/renew the agreement with contractor/service provider.		Yes

Approvals:

Department Manager Charles Thompson, MT(ASCP)

Date 3/30/10

Administrator 

Date 4/15/10

