



County of Monterey

Item No.39

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 25-457

December 09, 2025

Introduced: 11/12/2025

Current Status: Natividad Medical Center -
Consent

Version: 1

Matter Type: BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute renewal and amendment No. 2 to the master services agreement (A-14455) with Vizient, Inc. for participation in its no cost group purchasing program, extending the agreement an additional one (1) year period (July 1, 2025 through June 30, 2026) for a revised full agreement term of July 1, 2019 through June 30, 2026.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute renewal and amendment No. 2 to the master services agreement (A-14455) with Vizient, Inc. for participation in its no cost group purchasing program, extending the agreement an additional one (1) year period (July 1, 2025 through June 30, 2026) for a revised full agreement term of July 1, 2019 through June 30, 2026.

SUMMARY:

GPO stands for Group Purchasing Organization and Vizient is one of the leading GPOs in the healthcare industry. Vizient issues Requests for Proposals (RFPs) for a wide variety of healthcare supplies and services and awards Supplier Contracts to selected bidders. Volume discounts are offered to hospitals and other healthcare facilities that are members of the GPO. Utilization by Natividad Medical Center of these Vizient Supplier Contracts is free of charge but requires a committed spend volume annually. For Fiscal Year 2025-26 that spend commitment is \$26,886,000. Based on historic spend, Natividad Medical Center is able to meet this commitment. Vizient does retain an "Administrative Fee" from each supplier contract it establishes that healthcare organizations are able to utilize through the GPO. The GPO then pays Natividad Medical Center a 30% "Shareback" of the Administrative Fees per the Agreement.

In addition to lower pricing for supplies from GPO, Vizient also provides Spend Analytics and Item Master Services at no charge for Natividad Medical Center.

DISCUSSION:

The current agreement with Vizient expired on June 30, 2025. This extension of the contract term allows for continued participation in this GPO which provides cost savings to the hospital and county.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this renewal and amendment No. 2 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The renewal and amendment No. 2 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on November 7, 2025.

FINANCING:

Natividad Medical Center does not pay Vizient directly to participate in this GPO. Supplies will be purchased directly from GPO Suppliers and payments are made directly to those Suppliers; therefore, there is no cost to this agreement specifically. There is no impact on the General Fund with this action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS SECTION:

Participation in a GPO with Vizient allows Natividad to procure services and supplies in a very cost competitive manner as supplier contracts are bid out and offer volume discounts.

- ☐ Well-Being and Quality of Life
- ☐ Sustainable Infrastructure for Present and Future
- ☒ Safe and Resilient Communities
- ☐ Diverse and Thriving Economy
- ☐ Administrative

Prepared by: Kristen Aldrich, Hospital Purchasing & Materials Support Director, 783-2627

Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachment(s):

Board Report

Vizient Renewal and Amendment No. 2

Vizient Amendment No. 1

Vizient Master Services Agreement

Attachments on file with the Clerk of the Board