



Monterey County

Board Order

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

Agreement No.: A-12420

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 Amendment No. 1 to the Agreement (DO3266) with Novia Strategies Inc. for Professional Services at NMC, adding \$100,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$200,000 in the aggregate.

PASSED AND ADOPTED on this 26th day of February 2013, by the following vote, to wit:

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

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 February 26, 2013.

Dated: March 12, 2013
File Number: A 13-003

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

By Denise Hancock
Deputy

**AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN Novia Strategies Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Consulting Services**

This Amendment No. 1 to Professional Services Agreement ("Agreement"), dated July 5, 2012, is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Novia Strategies Inc. (Contractor), with respect to the following:

RECITALS

WHEREAS, the County and Contractor wish to amend the Agreement to increase the amount of the Agreement because of an increase in the amount payable for services rendered.

AGREEMENT

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

1. Contractor will continue to provide NMC with the same general scope of services as stated in the original Agreement (No.1), although the amount of service shall be modified as set forth in Amendment 1 to Exhibit A, described below.
2. Exhibit A to the Agreement is replaced with Amendment-1 to Exhibit A, attached to this Amendment. All references in the Agreement to Exhibit A shall be construed to refer to Amendment No. 1 to Exhibit A.
3. The last line of Section 1. "PAYMENTS BY NMC" shall be amended by removing, "*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$100,000.*" and replacing it with "*The total amount payable by County to CONTRACTOR under Agreement No. (DO3266) shall not exceed the total sum of \$200,000 for the full term of the Agreement.*"
4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 1 and shall continue in full force and effect as set forth in the Agreement.
5. A copy of this Amendment shall be attached to the original Agreement (No. DO3266).
6. The effective date of this Amendment is February 15, 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.

CONTRACTOR

Signature 1 
(Signature of Chair, President, or Vice-President)***

Dated 1-11-13

Printed Name Nancy Lakier

Title CEO + Managing Principal

Signature 2 _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer) ***

Dated _____

Printed Name _____

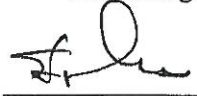
Title _____

***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

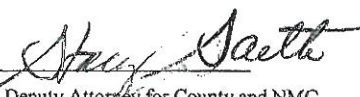
Signature _____
Purchasing Manager

Dated _____

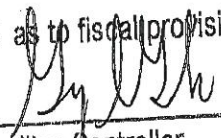
Signature 
NMC - CEO

Dated 1/31/13

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

By 
Deputy Attorney for County and NMC

Dated: 2/2, 2013

Reviewed as to fiscal provisions

Auditor-Controller
County of Monterey
2-4-13

**AMENDMENT NO. 1 TO
EXHIBIT A TO AGREEMENT WITH NOVIA STRATEGIES, INC.**

Novia Strategies, Inc.
July 5, 2012 through June 30, 2013

I. CONTACT INFORMATION

CONTRACTOR;

Nancy Lakier
CEO and Managing Partner
Novia Strategies, Inc.
13029 Danielson Street, Suite 200
Poway, CA 92064
(858) 486-6030

Theresa Brandon
Vice President and Director
Novia Strategies, Inc.
13029 Danielson Street, Suite 200
Poway, CA 92064
(858) 486-6030

COUNTY:

Harry Weis
Chief Executive Officer
Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA 93906
(831) 783-2563

Janine Ray-Bouyea
Human Resources Director
Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA 93906
(831) 783-2701

II. SCOPE OF WORK

A. Project Description

The Board of Supervisors and the NMC Board of Trustees shall each establish an Ad-Hoc Compensation Committee (collectively, "Committees") to assist NMC in the

development of a comprehensive strategy regarding job classification and compensation at NMC for both management and non-management positions.

The Committees shall hold joint meetings to assist NMC in addressing various Human Resource issues at NMC, including, but not limited to the following:

- Development of a new compensation strategy based on market practices of all major components of compensation and applied to positions at NMC (including setting of compensation, identification and selection of salary surveys representative of NMC's hiring market, frequency of review of compensation, and eligibility of NMC employees for incentive bonuses)
- Sustainability of proposed compensation strategy currently and in the future
- Development of Incentive Compensation Plan, which will meet the needs of a multi-level NMC Executive Leadership Team

COUNTY would like to engage Novia Strategies ("Novia" or "CONTRACTOR") to support the Committees' work in addressing the various Human Resources issues at NMC ("Project").

NMC anticipates the Committees shall accomplish its tasks over the next several months through bi-weekly joint meetings.

B. Services

CONTRACTOR shall provide the following services ("Services"):

1. Act as independent facilitator of joint meetings of the Committees:
 - Attend approximately sixteen bi-weekly joint meetings. Attendance at additional meetings shall require an increase in the scope of work and maximum liability under the Agreement pursuant to an amendment to this Agreement, subject to approval by the Board of Supervisors.
 - Prepare and provide a project implementation plan and meeting agendas to ensure meeting times are used effectively
 - Facilitate discussions, including establishing ground rules, to ensure the joint meetings are conducted in a productive environment with open, relevant discussion where all participants have an opportunity and are encouraged to express ideas or concerns
 - Ensure exchange of appropriate information necessary for meeting participants to make informed recommendations
 - Manage the process to the requested outcomes, as specified above, to assist the Committees in meeting timelines set by the Committees

2. Review for accuracy draft notes and minutes of joint Committee meetings, which will be recorded by NMC staff providing clerical support at joint Committee meetings, and distribute drafts for final approval
3. Provide materials that, in Novia's sole discretion and professional judgment, educate and inform the Committees on industry practices. However, Novia is not bound under this agreement to provide any materials or analytics to the Committees.
4. Maintain records of discussion, questions, and outcomes

C. Project Approach

During the Project, joint Committee meetings are anticipated to be held on alternate weeks at a pre-determined location and on a pre-established schedule, agreed to by Committee members with input from NMC and CONTRACTOR. Committee members will attend in person. The CONTRACTOR project consultant will be in attendance at these meetings, unless CONTRACTOR determines that the topics to be discussed can effectively be facilitated by the use of video conferencing. With a desire to minimize travel expenses, the decision to facilitate in person or via teleconference will be at the discretion of CONTRACTOR.

D. Project Staffing

Theresa Brandon, CPA - Theresa is the Human Resources Practice Lead for Novia Strategies. She has extensive experience in compensation and benefit plan design both within and without the healthcare industry. Her financial background lends itself to ensuring financial and strategic goals of the organization are properly incorporated into compensation strategies. Her projects have included redesign of benefit and compensation plans in both standalone hospitals and facilities included as part of larger systems. Success of the projects has been enhanced by her ability to engage stakeholders in objectively reviewing past practices and building consensus on new strategies. Theresa is currently involved as the Novia project lead for pay practices redesign, for a 17 hospital system, with a \$1 billion dollar payroll. Strategizing with senior leadership across the system, she and her team are facilitating alignment of the practices, while addressing both organizational goals and marketplace dynamics. Theresa holds a degree in Accounting from the University of Tulsa, as well as the designation of S.P.H.R.

Theresa will provide Project oversight to ensure the Project deliverables are met.

Kathy Frederick, MBA, BS – Kathy is a senior Human Resource professional with over 25 years of Healthcare experience ranging from a small city-owned hospital to a large not-for-profit health care system ranked as one of the top 100 employers by Fortune Magazine. Kathy has worked in both private sector hospitals serving in a variety of roles including Assistant Administrator at a multi-campus safety net teaching hospital in

southern California and as HR Director and Employment Manager at two separate hospital districts. Her experience includes the areas of labor and employee relations, recruiting/executive search, regulatory compliance and standardization, strategic planning, change management, compensation, and training. She has been a key player in the development of strategic plans with long and short-term goals, served on compensation committees to draft total reward philosophies and implementation plans, and created business plans with measureable ROI goals. Kathy has also conducted job studies to evaluate selection criteria and appropriate compensation packages. She has also collaborated in the design of non-management base and merit pay programs, incentives and executive compensation programs. Kathy received her Master's (MBA) and Bachelor's in Business Administration (BS) from San Diego State University.

Kathy will facilitate the joint Committee meetings and interface with members of the Committees to ensure they are provided with the level of support necessary for them to participate effectively.

III. COUNTY'S OBLIGATIONS

This section lists COUNTY's responsibilities important to enabling the success of the Project:

1. COUNTY shall commit the necessary resources and management involvement as described herein to support CONTRACTOR's Services.
2. COUNTY shall provide clerical assistance during the meetings, by recording and preparing Committee meeting notes and minutes
3. COUNTY shall provide all materials to be presented or reviewed by the Committee, by providing all such materials to Novia for timely distribution to all parties, by agreed upon deadlines, to ensure appropriate review by Committee members prior to the scheduled meetings
4. The overall definition and scope of the work to be performed, and its adequacy in addressing COUNTY's needs, is COUNTY's responsibility. COUNTY shall perform all management functions and make all management decisions in connection with the Services, and shall assign a competent individual to oversee the Services. COUNTY is also responsible for the implementation of actions identified in the course of this engagement and results achieved from using any CONTRACTOR service or deliverables. Any timing or fee estimate COUNTY has provided for this engagement takes into account the agreed-upon level of assistance from COUNTY and commitment of the COUNTY's resources.

III. PAYMENT PROVISIONS

1. COUNTY shall pay CONTRACTOR according to Section 5, PAYMENT CONDITIONS, of this agreement.

2. CONTRACTOR shall bill the COUNTY for professional services at a billing rate of \$3,225 per day (billed at a minimum of four hours) and includes all travel and expenses.
3. While CONTRACTOR has extensive experience in analytics involving the structuring of Human Resources alternatives, the scope of this project, at the request of NMC, does not encompass any fees for research or analytics. Should the Committees desire such additional services, pricing will be provided for those items as requested and submitted to NMC for approval prior to any such work commencing.
4. CONTRACTOR shall submit an invoice to the COUNTY no later than the 10th of the month following the month of service. Invoices shall be submitted to:

Janine Ray-Bouyea
Human Resources Director
Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA 93906
(831) 783-2563

IV. ADDITIONAL PROVISIONS

- A. Maximum Liability. The maximum amount to be paid by COUNTY to CONTRACTOR under this agreement shall not exceed Two hundred thousand dollars (\$200,000.00). This amount may be amended by written agreement between the parties, subject to approval by the Board of Supervisors. CONTRACTOR shall notify the Human Resources Director in writing when fifty percent (50%) and seventy-five percent (75%) of the maximum liability has been spent. CONTRACTOR agrees it shall not exceed the \$200,000 estimate without COUNTY's express prior approval.
- B. Reimbursement for Expenses. COUNTY will not reimburse CONTRACTOR for any non-attorney staff time or overtime for secretarial, clerical, or word processing costs connected with preparing required status reports, time spent to provide information for a fee audit, or for work not authorized by COUNTY.
- C. Reporting Requirements. CONTRACTOR shall provide COUNTY with such reports as may be requested by COUNTY in connection with the performance of services hereunder.
- D. Section 6.1 is deleted in its entirety and replaced with the following:

“Termination Upon Written Notice. CONTRACTOR and COUNTY agree that COUNTY may terminate the services of CONTRACTOR effective immediately for

any reason by giving written notice to CONTRACTOR, and that CONTRACTOR may terminate the Agreement effective immediately for any reason by giving written notice to COUNTY. 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.”

E. Section 6.2 is deleted in its entirety and replaced with the following:

“NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. ‘Good cause’ includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC shall pay for services performed by Contractor pursuant to this Agreement up to and including the date of termination. NMC may proceed with the work in any manner which NMC deems proper.”

F. Section 7.0 is deleted in its entirety and replaced with the following:

“Mutual Indemnification.

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