



Monterey County

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

Board Report

Legistar File Number: A 16-171

June 21, 2016

Introduced: 6/1/2016

Current Status: Consent Agenda

Version: 1

Matter Type: BoS Agreement

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 10 to the Agreement (A-10493) with Quest Diagnostics, Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement an additional one (1) year period for a revised full term of July 5, 2005 through June 30, 2017 and adding \$1,000,000 for a revised total Agreement amount not to exceed \$6,240,000.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 10 to the Agreement (A-10493) with Quest Diagnostics, Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement an additional one (1) year period for a revised full term of July 5, 2005 through June 30, 2017 and adding \$1,000,000 for a revised total Agreement amount not to exceed \$6,240,000.

SUMMARY/DISCUSSION:

Quest Diagnostics is the leading provider of diagnostic testing in the nation, and serves approximately 140 million patients each year. Quest Diagnostics is NMC Laboratory's primary reference laboratory, although NMC will use Salinas Valley Memorial Hospital as a reference laboratory on occasion as well. Physicians at NMC and local clinics which send laboratory work to NMC may order such specific types of tests which the NMC Laboratory cannot perform on-site. Therefore, these specific tests must be sent to a reference laboratory. As laboratory technology advances, more and more esoteric tests become available for Physicians and clinics to order, however the NMC laboratory cannot justify bringing in instruments or additional staff for the low volume of every type individual test available. These esoteric tests are used for the diagnosis of disease or monitoring of disease processes and are critical for patient care.

NMC's laboratory has an established interface with Quest diagnostics which allows results to be transferred securely and 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.

NMC's laboratory staff currently does monitor and shall continue to monitor test utilization to look for opportunities to in-source any test that has high volume and methodology which could be incorporated into the Natividad Laboratory.

Commercial General Liability Insurance Exception

Commercial General Liability Insurance Additional Insured Endorsement requirements were previously waived for this vendor under this Agreement and continue to be waived because

Quest Diagnostics is Self-Insured for Commercial General Liability Insurance.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 10 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved Amendment No. 10 as to payment provisions. The Amendment No. 10 was reviewed and approved by NMC's Finance Committee on 5/26/16 and by its Board of Trustees on 6/3/16.

FINANCING:

The cost for this Amendment No 10 is \$1,000,000 all of which has been included in the Fiscal Year 2016-17 Recommended Budget. There is no impact to the General Fund.

Prepared by: Heidi Riggerbach, Clinical Lab Manager, 772-7660

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

Attachments:

Quest Diagnostics Amendment No. 10

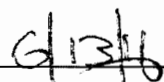
Quest Diagnostics Agreement plus Amendments 1 through 9

Spend Sheet for Quest Diagnostics Agreement

Attachments on file with the Clerk of the Board



Dr. Gary R. Gray, Chief Executive Officer



Date



Monterey County Board of Supervisors

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

Board Order

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 Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 10 to the Agreement (A-10493) with Quest Diagnostics, Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement an additional one (1) year period for a revised full term of July 5, 2005 through June 30, 2017 and adding \$1,000,000 for a revised total Agreement amount not to exceed \$6,240,000.

PASSED AND ADOPTED on this 21st day of June 2016, by the following vote, to wit:

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

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 79 for the meeting on June 21, 2016.

Dated: June 23, 2016
File ID: A 16-171

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

By Denise Hancock
Deputy

**AMENDMENT No. 10
TO SERVICES AGREEMENT
BETWEEN QUEST DIAGNOSTICS, INC., AND
NATIVIDAD MEDICAL CENTER
FOR
Reference Laboratory Testing Services**

This Renewal and Amendment No. 10 to the Services Agreement ("Agreement"), dated July 1, 2005 is entered into by and between the County of Monterey, on behalf of **Natividad Medical Center** (hereinafter "NMC"), and **Quest Diagnostics Inc.** (hereinafter "CONTRACTOR"), with respect to the following:

RECITALS

WHEREAS, the Agreement was executed for Reference Laboratory Testing Services with a two year term and a total Agreement amount not to exceed \$1,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2007 via Renewal Amendment No. 1, to extend the term for an additional one year period through June 30, 2008 and added an additional \$450,000, thereby increasing the total agreement amount to \$1,850,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2008 via Renewal Amendment No. 2, to extend the term for an additional one year period through June 30, 2009 and added an additional \$300,000, thereby increasing the total agreement amount to \$2,150,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2009 via Renewal Amendment No. 3, to extend the term for an additional one year period through June 30, 2010 and added an additional \$575,000, thereby increasing the total agreement amount to \$2,725,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2010 via Renewal Amendment No. 4, to extend the term for an additional one year period through June 30, 2011 and added an additional \$535,000, thereby increasing the total agreement amount to \$3,260,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2011 via Renewal Amendment No. 5, to extend the term for an additional one year period through June 30, 2012 and added an additional \$565,000, thereby increasing the total agreement amount to \$3,825,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2012 via Amendment No. 6, to extend the term for an additional one year period through June 30, 2013 and added an additional \$565,000, thereby increasing the total agreement amount to \$4,390,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2013 via Renewal Amendment No. 7, to extend the term for an additional one year period through June 30, 2014 with no increase to the total agreement amount of \$4,390,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2014 via Amendment No. 8, to extend the term for an additional one year period through June 30, 2015 with no increase to the total agreement amount of \$4,390,000; and

WHEREAS, NMC and CONTRACTOR renewed and amended the Agreement on October 27, 2015 via Renewal and Amendment No. 9, to extend the term for an additional one year period through June 30, 2016 and added an additional \$850,000, thereby increasing the total amount to \$5,240,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement extend the term for an additional year through July 1, 2016 under the same terms and conditions and to add an additional \$1,000,000, thereby increasing the total agreement amount to \$6,240,000.

AGREEMENT

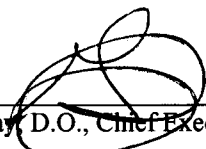
NOW, THEREFORE, the parties agree to renew and amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in Original Agreement, Renewal Amendment No.1, Renewal Amendment No. 2, Renewal Amendment No. 3, Renewal Amendment No. 4, and Renewal Amendment No. 5, Amendment No. 6, Renewal Amendment No. 7, Amendment No. 8 and Renewal and Amendment No. 9 incorporated herein by this reference, except as specifically set forth below.

1. Section 2, Paragraph titled "PAYMENTS BY COUNTY" shall be amended to the following; *"NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A and Exhibit B. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$6,240,000 for the full term of the Agreement"*.
2. Section 3, Paragraph titled "TERM OF AGREEMENT" shall be amended to the following; *"The term of this Agreement is July 1, 2005 to June 30, 2017 unless sooner terminated pursuant to this Agreement"*
3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No.10 and shall continue in full force and effect as set forth in the Agreement, Renewal Amendment No. 1, Renewal Amendment No. 2, Renewal Amendment No. 3, Renewal Amendment No. 4, Renewal Amendment No. 5, Amendment No. 6, Renewal Amendment No. 7, Amendment No. 8 and Renewal and Amendment No. 9.
4. A copy of this Renewal and Amendment No. 10 shall be attached to the Original Agreement.
5. The effective date of this Amendment No. 10 is July 1, 2016.


IN WITNESS WHEREOF, the parties hereto are in agreement with this Renewal and Amendment No. 9 on the basis set forth in this document and have executed this Renewal and Amendment No. 9 on the day and year set forth herein.

Natividad Medical Center

By: 
Gary R. Gray, D.O., Chief Executive Officer


Date: 6/24/16

APPROVED AS TO LEGAL PROVISIONS

By: 
Deputy County Counsel

Date: June 1, 2016

APPROVED AS TO FISCAL PROVISIONS

By: 
Chief Deputy Auditor/Controller

Date: 6/24/16

Signature of Chair, President, or Vice-President

Name and Title

Date: _____

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

Name and Title

Date: _____

*****Instructions**

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

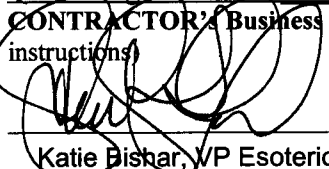
If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

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

CONTRACTOR

Quest Diagnostics, Inc.

CONTRACTOR's Business Name*** (see instructions)


Katie Fisher, VP Esoteric Operations