



Monterey County

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Board Report

Legistar File Number: A 15-375

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Introduced: 11/6/2015

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Authorize payment to C&A Industries for a collection of invoices billed to Natividad Medical Center totaling \$238,133 for ancillary registry services outstanding from Fiscal Year 2014-15.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize payment to C&A Industries for a collection of invoices billed to Natividad Medical Center totaling \$238,133 for ancillary registry services outstanding from Fiscal Year 2014-15.

SUMMARY/DISCUSSION:

On February 7, 2012, Natividad Medical Center (NMC) issued a Request for Proposals (RFP #9600-22) to initiate a fair and competitive process to establish Agreements for Ancillary Registry services at NMC. On July 24, 2012, the Board of Supervisors (BOS) approved Master Agreements (A-12281) which included an aggregate spending limit not to exceed \$3,600,000 (or \$1,200,000 per Fiscal Year) to be distributed across all Agreements as needed over a three year period ending June 30, 2015, with an option to extend for two additional one year periods.

Three additional contractors responded to the RFP in FY 2014-15 and were added to NMC's list of awarded vendors for providing ancillary services. On June 23, 2015, the BOS approved the additional three Agreements and also approved an additional \$400,000 increase to the FY 2014-15 total aggregate spending limit, which increased the limit from \$1,200,000 to \$1,600,000 for FY 2014-15. The increased amount was requested due to a greater need for ancillary services for Radiology and Physical Therapy; a direct result of the implementation of NMC's Level Two Trauma Center in January 2015.

As NMC entered into FY 2015-16, invoices were received from C&A Industries for ancillary registry services rendered in FY 2014-15, which NMC is unable to pay because NMC had already expended \$1,565,247 of the \$1,600,000, and the opportunity to accrue the FY 2014-15 expenditures has past. Therefore, NMC request authorization to pay C&A Industries' outstanding FY 2014-15 invoices, in the total amount of \$238,133 using FY 2015-16 funds.

The reason the spending limit for FY 2014-15 exceeded the projected amount of \$1,600,000 was due to need for ancillary staff as a result of vacancies, leave of absences, as well as the need for additional staff due to increased census and outpatient volumes.

These temporary ancillary positions are essential in order for NMC to meet clinical service needs, and comply with regulations established by The Joint Commission; a regulatory agency

that sets standards of care for hospitals and ancillary clinical services for the entire U.S.

OTHER AGENCY INVOLVEMENT:

This request was reviewed and approved by the NMC Finance Committee on October 22, 2015 and by the NMC Board of Trustees on November 6, 2015.

FINANCING:

The total cost for this request is \$238,133 and will be absorbed in the FY 2015-16 Adopted Budget. There is no impact to the General Fund.


Prepared by: Janine Bouyea, Human Resources Administrator, 783-2701

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

Attachments:

1. Previous Board Order for approval of Amendment No. 1 to Ancillary Agreements showing revised aggregate spending limits
2. Board Order for approval of original Ancillary Agreements showing original aggregate spending limit
3. Ancillary Registry Spend Sheet (all Agreements)

Attachments 1, 2 and 3 on file with the Clerk of the Board



Dr. Gary R. Gray, Chief Executive Officer

1/19/16
Date