



through the GPO. The GPO then pays Natividad a 30% “Shareback” of the Administrative Fees per the Agreement.

As a participant in the Vizient GPO there is a contractual purchase obligation to spend \$19,436,000 annually which Natividad is confident it is able to meet as last year supply costs alone totaled over \$26,000,000.

Natividad has been negotiating this agreement with Vizient since early April. Negotiating terms took a bit longer than anticipated but because of the benefits and values associated with this group purchasing program Natividad is requesting this agreement be retroactive to July 1, 2019 so that purchases made since that time honor the discounts and shareback terms.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this agreement as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The agreement has also been reviewed and approved by NMC’s Finance Committee on April 25, 2019 and by its Board of Trustees on May 3, 2019.

**FINANCING:**

Natividad 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.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

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.

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

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

Attachments:

Vizient Master Services Agreement

Attachments on File with the Clerk to the Boards Office