

This Renewal and Amendment No. 1 is effective from November 1, 2012 through June 30, 2014. The cost of this agreement was based on a forecast of surgical cases that would require this specialized histology processing. NMC experienced an increase in test volume during the contract term (compared to the original forecast), and therefore, had insufficient funds to pay SVMH. The reason for the delay in bringing the renewal agreement forward to the Board was there was a discrepancy between NMC's accounting of the outstanding balance owed and SVMH's accounting of its accounts receivable. This reconciliation took several months to rectify, and as a result of the in depth review of the contract, SVMH credited the discrepancy to NMC. NMC has continued this required service with SVMH while discussions to rectify the discrepancy occurred. Therefore, NMC is requesting \$95,429.36 to pay outstanding invoices from May 2012 through February 2013 and \$165,570.64 for March 2013 through June 30, 2014. The total amount requested is \$260,000.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Renewal and Amendment No. 1 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Renewal and Amendment No. 1 as to fiscal provisions. The Renewal and Amendment No. 1 has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Renewal and Amendment No. 1 is \$260,000. \$130,000 is included in the Fiscal Year 2012/2013 Adopted Budget. Amounts for remaining years of the Agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

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Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Agreement, Renewal and Amendment No. 1