



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 12-217, **Version:** 1

- a. Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to the Professional Services Agreement (A-12154) with Precision Orthopedics to provide orthopedic services at NMC, extending the Agreement from January 1, 2013 to December 31, 2013 and adding \$820,000 for a revised total Agreement amount not to exceed \$2,020,000 in the aggregate (for the period January 1, 2012 to December 31, 2013); and
- b. Authorize the Purchasing Manager for NMC to execute to sign up to three (3) additional amendments to this agreement where the total amendments do not exceed ten percent (10%) of the original contract amount, and do not significantly change the scope of work.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a) Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to the Professional Services Agreement (A-12154) with Precision Orthopedics to provide orthopedic services at NMC, extending the Agreement from January 1, 2013 to December 31, 2013 and adding \$820,000 for a revised total Agreement amount not to exceed \$2,020,000 in the aggregate (for the period January 1, 2012 to December 31, 2013); and
- b) Authorize the Purchasing Manager for NMC to execute to sign up to three (3) additional amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

NMC has an agreement with Precision Orthopedics to provide professional services in the Specialty Clinic; inpatient/outpatient surgery and orthopedic call coverage in the emergency department for the period January 1, 2012 to December 31, 2012. NMC wishes to amend the agreement with Precision Orthopedics to continue the same orthopedic services without interruption; to add the provision for Director Services, at NMC's discretion, to the scope of services and to extend the term of the Agreement for an additional twelve (12) months for the period January 1, 2013 to December 31, 2013.

The maximum liability of this agreement is \$2,020,000 which includes \$860,000 for the first contract year and no more than \$1,160,000 for the second contract year. Precision is paid according to the terms of this agreement for the actual number of call, clinic and professional services provided. The quantity of services may increase due to patient volume and the need for coverage, but does not increase the rate of pay and will exceed the aggregate maximum liability amount. NMC has obtained an independent opinion of fair market value supporting the payment terms of this Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment/Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment/Agreement as to fiscal provisions. The Amendment/Agreement has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The total cost for this Amendment/Agreement \$2,020,000 for the period (January 1, 2012 to December 31, 2013). \$407,446 was disbursed in Fiscal Year 2011/2012; \$792,554 is included in the Fiscal Year 2012/2013 Adopted Budget; and the remaining \$820,000 will be budgeted for Fiscal Year 2013/14. There is no impact to the General Fund.

Prepared by: Jeanne-Ann Balza, Management Analyst, 783.2506

Approved by: Harry Weis, Chief Executive Officer, 783.2553

Attachments:

First Amendment, Second Amendment, Agreement

Attachments on File with the Clerk of the Board