



Board Report

File #: A 14-138, **Version:** 1

- a. Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Sixth Amendment to the Professional Services Agreement (A-11430) with Staff Care Inc. to provide locum tenens services at NMC extending the term to June 30, 2015. This Amendment does not increase the total Agreement amount not to exceed \$1,000,000 in the aggregate (for the period February 1, 2009 to June 30, 2015); and
- b. Authorize the Purchasing Manager for NMC to execute to sign up to three (3) 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.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a) Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Sixth Amendment to the Professional Services Agreement (A-11430) with Staff Care Inc. to provide locum tenens services at NMC extending the term to June 30, 2015. This Amendment does not increase the total Agreement amount not to exceed \$1,000,000 in the aggregate (for the period February 1, 2009 to June 30, 2015); and
- b) Authorize the Purchasing Manager for NMC to execute to sign up to three (3) 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 entered into an agreement with Staff Care Inc. on February 1, 2009; as amended July 1, 2010; July 1, 2011; July 1, 2012; and July 1, 2013 to provide locum tenens services. Locum tenens (temporary) physicians are utilized during periods when its employed/contracted physicians are not available (e.g., vacation; illness; continuing medical education; etc.) to provide health care services vital to NMC's continued operation.

In order to find highly qualified temporary physicians that match the position we are trying to fill/cover and are available on sometimes a very short notice, it is necessary that NMC contract with multiple locum tenens companies with a combined annual maximum liability of \$1,000,000. The actual cost of each contract is contingent upon the need to cover services, which is unpredictable by nature. NMC is reviewing its use of locum tenens companies to determine if it is appropriate to solicit proposals from qualified organizations for locum tenens referral services through an RFP/RFQ process in Fiscal Year 2015/2016.

NMC wishes to amend the Agreement with Staff Care Inc. to extend the term an additional twelve months in order to continue to utilize locum tenens physicians in these patient care areas. The maximum liability of this Agreement has not been reached therefore no additional funds are being added with this Amendment. NMC negotiated new rates for some specialties, no more than 3%. Most rates remain the same for services provided by locum tenens physicians, which vary by specialty and are all-inclusive of travel, lodging and associated expenses.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The CAO-Budget and Analysis Division has advised to inform the BOS the spending authority (appropriations) associated with NMC's FY 2014 Adopted Budget has been exceeded and approval and authorization for modification of NMC's appropriation budget should be presented to the BOS. Since NMC is an Enterprise Fund, this does not present continued expenditures, but it is considered good public policy, transparency and fiscal management. The Amendment has also been reviewed and approved by Natividad Medical Center's Finance Committee on May 22, 2014 and Board of Trustees on June 6, 2014.

FINANCING:

There is no cost to this Amendment. The maximum not to exceed amount of this Agreement is \$1,000,000 for the period February 1, 2009 to June 30, 2015. \$73,200 was disbursed in Fiscal Year 2009/2010; \$156,175 was disbursed in Fiscal Year 2010/2011; \$150,902 was disbursed in Fiscal Year 2011/2012 and \$248,590 was disbursed in Fiscal Year 2012/2013. \$250,000 is included in the Fiscal Year 2013/2014 Adopted Budget of which \$55,115.63 has been disbursed. There is \$316,019 remaining and \$250,000 is included in the Fiscal Year 2014/2015 Recommended Budget. NMC is confirming its appropriations position and if its spending authority has been exceeded will return to the Board. 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:

Agreement; First-Sixth Amendment

Attachments on file at the Clerk of the Board