



County of Monterey

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

Board Report

File #: A 22-359, **Version:** 1

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Peninsula Histopathology Laboratory, Inc. for histopathology laboratory services at NMC for an amount not to exceed \$900,000 with a retroactive agreement term April 18, 2022 through April 17, 2025.
- b. Authorize the Chief Executive Officer for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) (\$90,000) of the original cost of the agreement.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Peninsula Histopathology Laboratory, Inc. for histopathology laboratory services at NMC for an amount not to exceed \$900,000 with a retroactive agreement term April 18, 2022 through April 17, 2025.
- b. Authorize the Chief Executive Officer for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) (\$90,000) of the original cost of the agreement.

SUMMARY/DISCUSSION:

Peninsula Laboratory (PenLab) will provide tissue processing and staining services for Natividad Medical Center in order to meet histology processing needs. Natividad Pathology will provide fresh tissues fixed in formalin. The tissue block processing and slide preparation will be performed at PenLab's facility.

One H&E slide will be produced from each paraffin block received unless otherwise specified on the submitted order sheet. Additional H&E stained sections, special stained sections, or immunohistochemical stained sections from previously processed blocks may also be requested. The slides shall be returned with the next scheduled delivery. Samples are expected to be processed by PenLab with a 24 hour turn around time to Natividad pathologists for microscopic interpretation.

All per slide rates are inclusive of sales tax, and courier services provided by PenLab:

DESCRIPTION	UNIT PRICE in USD \$
H&E	9.50
Recuts/Levels	7.15
Special Stains (non-antigen-based)	25.50
Special Stains (antigen-based)	28.50
Immunohistochemical Stains	55.00
Unstained Slides	7.15
Cytology Specimens	31.50

By purchasing these services, Natividad saves by taking advantage of the aggregated volume of testing by PenLab and therefore lower cost per test. Natividad also benefits in mitigating recruitment of highly specialized, licensed histology employees, the purchase of highly technical equipment and reagents, and the associated costs in appropriate disposal thereafter.

Natividad requested a retroactive start date after a trial run with PenLabs. The result of the no-cost trial were satisfactory courier services, higher quality work, and a significant cost savings of 40% when compared to the current vendor.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel reviewed and approved this agreement as to form, and the Auditor-Controller reviewed and approved as to payment provisions. The agreement was reviewed and approved by NMC's Finance Committee and by its Board of Trustees on June 10, 2022.

FINANCING:

The cost for this agreement is \$900,000 of which \$65,000 is included in the Fiscal Year 2021-22 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The laboratory support services provided by PenLab is part of the health and human services strategic initiative. The histology processing provided by Peninsula Laboratory provides the necessary support that Natividad would otherwise struggle to provide. Histology processing by PenLab allows Natividad to provide Anatomic Pathology service to patients.

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

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Approved by: Charles R. Harris, Chief Executive Officer, 783-2504

Attachments:

Peninsula Histopathology Laboratory, Inc. Agreement

Attachments on file with the Clerk of the Board