



# County of Monterey

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

## Board Report

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**File #:** A 14-075, **Version:** 1

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Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement No. (A-12242/MYA503) with Nixon Peabody LLP for Legal Services at NMC, extending the term of the Agreement to June 30, 2015 in an amount not to exceed \$300,000 (no increase from the previously approved amount) in the aggregate.

### **RECOMMENDATION:**

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement No. (A-12242/MYA503) with Nixon Peabody LLP for Legal Services at NMC, extending the term of the Agreement to June 30, 2017 in an amount not to exceed \$300,000 (no increase from the previously approved amount) in the aggregate.

### **SUMMARY:**

Nixon Peabody LLP is a Global 100 law firm that has represented the County with respect to public finance matters. On October 10, 2011, the County entered into an agreement for up to \$100,000 to provide legal assistance and advice on various financing matters, including issues regarding changes in hospital structure and governance with respect to Natividad Medical Center. The County continued to require the Nixon firm's counsel with respect to the performance of due diligence regarding a potential affiliation with Salinas Valley Memorial Healthcare System affiliation and financing issues related to the structure and governance of Natividad Medical Center and, accordingly, the Board of Supervisors extended its agreement to increase the scope of services and to increase the maximum liability by \$200,000 for a total contract amount of \$300,000 and to extend the term to June 30, 2013. In light of continued need for Nixon's advice and consultation concerning the impact of health care reform, NMC seeks to amend the agreement with Nixon for an additional (3) years to June 30, 2015 with no increase to the current maximum liability of \$300,000.

### **OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Amendment No. 3 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment No. 3 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 prevent continued expenditures and is not a legal requirement, 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 4.24.14 and Board of Trustees 5.2.14.

### **FINANCING:**

There is no cost for this Amendment No. 3. As a result of Amendment No. 1, the Board of Supervisors approved a \$200,000 increase for Fiscal Year 2012-2013 in the maximum liability for the Agreement (for a total Agreement

amount not to exceed \$300,000 in the aggregate). \$100,000 is included in the Fiscal Year 2014/2015 Adopted Budget. Remaining funds from the previous year's purchase orders will be rolled over to succeeding Fiscal Years 2014/2015. 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: Daniel Leon, Chief Financial Officer, 783-2561

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

Attachments: Amendment Nos. 3 and 1, Renewal and Amendment No. 2, Original Agreement, and Spend Sheet

Attachments on file with the Clerk to the Board's Office