



## Board Report

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**File #:** A 12-215, **Version:** 1

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- a. Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Acknowledgement and Consent of the Assignment and Assumption Agreement between John Schatz M. D., an individual and John Schatz M.D., a Medical Corporation effective January 1, 2013; and
- b. Authorize the Purchasing Manager for NMC to execute the Second Amendment to the Professional Services Agreement (A-11862) with John Schatz M.D., a Medical Corporation (formerly John Schatz M.D., an individual) to provide cardiology services at NMC, extending the Agreement to June 30, 2014 and adding \$258,000 for a revised total Agreement amount not to exceed \$794,600 in the aggregate (for the period October 1, 2011 to June 30, 2014); and
- c. 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 Acknowledgement and Consent of the Assignment and Assumption Agreement between John Schatz M. D., an individual and John Schatz M.D., a Medical Corporation effective January 1, 2013; and
- b) Authorize the Purchasing Manager for NMC to execute the execute the Second Amendment to the Professional Services Agreement (A-11862) with John Schatz M.D., a Medical Corporation (formerly John Schatz M.D., an individual) to provide cardiology services at NMC, extending the Agreement to June 30, 2014 and adding \$258,000 for a revised total Agreement amount not to exceed \$794,600 in the aggregate (for the period October 1, 2011 to June 30, 2014); and
- c) 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:

On October 1, 2011, NMC entered into an agreement with John Schatz M.D., an individual to provide cardiology call coverage, as well as EKG interpretation and Medical Director Services. Dr. Schatz wishes to assign the agreement to John Schatz M.D., a Medical Corporation. Dr. Schatz has signed an Assignment and Assumption Agreement per Section 6.2 of the Agreement "Except for assignment by Hospital to an entity owned, controlled by, or under common control with Hospital, neither Party may assign any interest or obligation under this Agreement without the other Party's prior written consent."

NMC wishes to execute the Acknowledgement and Consent of the Assignment and Assumption Agreement between John Schatz M.D., an individual and John Schatz M.D., a Medical Corporation. This Assignment and Assumption Agreement does not change the terms of Professional Services Agreement.

Additionally, NMC wishes to amend the agreement to allow for additional cardiology coverage as necessary

and to extend the term to June 30, 2014.

The maximum liability of this agreement is \$794,600 and is equal to compensation times the maximum projected number call coverage, professional services during the thirty three (33) month period (October 1, 2011 to June 30, 2014). 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 \$794,000 for the period October 1, 2011 to June 30, 2014. \$161,580 was disbursed in Fiscal Year 2011/2012; \$362,000 included in the Fiscal Year 2012/2013 Adopted Budget; the remaining \$271,020 will be included in subsequent Fiscal Years. There is no impact to the General Fund.

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Approved by: Harry Weis, Chief Executive Officer, 783.2553

Attachments:

Second Amendment; Assignment and Assumption Agreement; First Amendment; Agreement Attachments on File with the Clerk of the Board