



County of Monterey

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

Board Report

File #: A 14-213, **Version:** 1

Approve and authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 2 to the Agreement (BSC1851) with Salinas Valley Memorial Hospital for Laboratory Testing Services at NMC, extending the Agreement from November 1, 2011 through June 30, 2015 and adding \$144,000 for a revised total Agreement amount not to exceed \$504,000.

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 2 to the Agreement (BSC1851) with Salinas Valley Memorial Hospital for Laboratory Testing Services at NMC extending the Agreement from November 1, 2011 through June 30, 2015 and adding \$144,000 for a revised total Agreement amount not to exceed \$504,000.

SUMMARY/DISCUSSION:

Salinas Valley Memorial Hospital has provided reference laboratory testing services for NMC beginning November 1, 2011. This agreement is necessary to pay for reference laboratory testing provided for NMC's patient population. Physicians at Natividad Medical Center or clinics that send laboratory work to NMC may order tests that the NMC Laboratory cannot perform on-site. Therefore, these specific tests must be sent to a reference laboratory. Salinas Valley Memorial Hospital provides a reference laboratory testing facility that is located within a close proximate to Natividad Medical Center. There are times when testing requires to be completed within an exact time frame which mandates a facility that is close.

Salinas Valley Memorial Hospital provides histology processing, a special type of laboratory testing for Natividad Medical Center which is a modality in the laboratory that Natividad Medical Center is currently unable to provide. Histology services for anatomical pathology are required for all tissues samples prior to a pathologist completing the final examination on the tissue. Histology requires certified employees and special testing equipment that Natividad currently cannot provide.

This Renewal and Amendment No. 2 is effective July 1, 2014 through June 30, 2015. The cost of this agreement is based on a forecast of surgical cases that would require this specialized histology processing and a look back for the average monthly dollar spend since the beginning of the contract. Because this contract is dependent on patient type and complexity it is difficult to have an exact dollar spend per month, therefore, NMC has added dollars to account for variations in the monthly bill. Each month the monthly bill is reviewed for accuracy in billing to NMC from SVMH. Therefore, NMC is requesting \$144,000 for the agreement between NMC laboratory and SVMH for services providing during the term period July 1, 2014 and June 30, 2015 not to exceed a total aggregate amount of \$504,000.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Renewal and Amendment No. 2 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Renewal and Amendment No. 2 as to fiscal provisions. The Renewal and Amendment No. 2 has also been reviewed and approved by Natividad Medical Center's Finance Committee 5.22.14 and Board of Trustees 6.6.14.

FINANCING:

The cost for this Renewal and Amendment No. 2 is \$144,000 for a revised total Agreement amount not to exceed 504,000. \$504,000 is included in the Fiscal Year 2014/2015 Recommended budget. There is no impact to the General Fund.

Prepared by: Heidi Riggerbach, Lab Director, 772-7660

Approved by: Kelly O'Keefe, Interim Chief Executive Officer, 783-2553

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

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