



County of Monterey

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

Board Report

File #: A 13-306, **Version:** 1

Approve and authorize additional funding of \$260,208, to increase the not to exceed contract amount of the Agreement (No.A-12525) with McKesson Inc. for Horizon Cardiology Picture Archiving and Communication System (CPACS) Services, at Natividad Medical Center (NMC) from \$694,461 to \$954,669 for the period August 1, 2013 through June 30, 2019.

RECOMMENDATION:

It is recommended the Board of Supervisors approve and authorized additional funding of \$260,208, to increase the not to exceed contract amount of the Agreement (No.A-12525) with McKesson Inc. for Horizon Cardiology Picture Archiving and Communication System (CPACS) Services, at Natividad Medical Center (NMC) from \$694,461 to \$954,669 for the period August 1, 2013 through June 30, 2019.

SUMMARY/DISCUSSION:

On July 30, 2013, the Board of Supervisors approved Agreement (No.A-12525) for a total maximum liability of \$694,461, for the period August 1, 2013 to June 30, 2019. It has come to the hospital's attention that \$260,208 in project costs were omitted from both the Title and Recommendations sections of the July 30, 2013 Board Report, which resulted in an incorrect recommendation to the Board to approve the Agreement with a total maximum liability of \$694,461 while the total project costs were \$954,669. NMC did fully itemize these costs in the originally attached Exhibit A to the Agreement, and these costs were mentioned in the original Summary/Discussion section of the Board Report submitted with that Agreement.

NMC seeks to correct its error by requesting the Board to approve the additional funding of \$260,208.

For a full Cost breakdown for this Agreement see Attachment 1.

The previously approved board report and order for the Agreement (No. A-12525) is attached as Attachment 2 for reference purposes.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Agreement as to fiscal provisions. The Agreement has also been reviewed and approved by Natividad Medical Center's Board of Trustees. 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.

FINANCING:

The cost for this Agreement is \$954,669 plus 10% of the previously approved amount (\$694,461) for up to three future Amendments not to exceed \$69,446 for a total of \$1,024,115. \$181,763 is included in the Fiscal Year 2013/2014 Adopted Budget. Amounts for remaining years of the Agreement will be included in those budgets as appropriate. 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: Jim Fenstermaker, Senior IT Strategist, 783-2559

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

Attachments: Previously approved Agreement, Full Cost Breakdown Spread Sheet (Attachment 1), July 30, 2013 Board Report and Order (Attachment 2).

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