



County of Monterey

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

Board Report

File #: A 13-109, **Version:** 1

a. Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Third Amendment to Professional Services Agreement with Mohammad Shahid Khan M.D. to provide hospitalist services at NMC extending the term of the agreement to June 30, 2015 and adding an additional \$100,000 for revised total Agreement amount not to exceed \$200,000 in the aggregate for the period July 1, 2011 to June 30, 2015; and
b. 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 Third Amendment to Professional Services Agreement with Mohammad Shahid Khan M.D. to provide hospitalist services at NMC extending the term of the agreement to June 30, 2015 and adding an additional \$100,000 for revised total Agreement amount not to exceed \$200,000 in the aggregate for the period July 1, 2011 to June 30, 2015; and
- b) 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:

NMC operates two medical surgical units (35 beds) and one intensive care unit (10 beds) that provide 24 hours, 7 days a week direct patient care to acutely ill hospitalized patients. In order to efficiently staff these units and 24/7 patient care, it requires a total of six full time equivalent (FTE) hospitalists and critical care providers made up of full-time employee and part-time independent contractor physicians.

On July 1, 2011, NMC entered into an agreement with Mohammad Shahid Khan M.D. to provide hospitalist services on the medical surgical unit. NMC wishes to enter into a Third Amendment to extend the term an additional twenty four (24) months in order to continue utilize his services without interruption.

The amount of the agreement for the period July 1, 2011 to June 30, 2015 is \$200,000 which is equal to the projected amount of services provided times the rate of pay. The quantity of services may increase due to patient care and need for coverage, but will not increase the rate of pay or exceed the maximum liability of this agreement. 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 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The total cost for this Agreement is \$200,000. \$50,000 was disbursed in Fiscal Year 2011/2012; \$50,000 was disbursed in Fiscal Year 2012/2013; and \$50,000 is included in the Fiscal Year 2013/2014 recommended budget. The remaining \$50,000 will be budgeted in subsequent years. There is no impact to the General Fund.

Prepared by: Jeanne-Ann Balza, Management Analyst, 783.2506

Approved by: Harry Weis, Chief Executive Officer, 783.2553

Attachments: Agreement; First, Second, Third Amendment

Originals on File at the Clerk of the Board