



# County of Monterey

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

## Board Report

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**File #:** A 14-018, **Version:** 1

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- a. Approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to Professional Medical Services Agreement with Monterey County Orthopedic Associates (A-12409) to provide orthopedic services at NMC extending the term of the Agreement from March 1, 2014 to February 28, 2015 and adding \$540,000 for a total revised amount not to exceed \$1,040,000 in the aggregate (for the period March 1, 2013 to February 28, 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. (REVISED REPORT SUBMITTED VIA SUPPLEMENTAL)

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to Professional Medical Services Agreement with Monterey County Orthopedic Associates (A-12409) to provide orthopedic services at NMC extending the term of the Agreement from March 1, 2014 to February 28, 2015 and adding \$540,000 for a total revised amount not to exceed \$1,040,000 in the aggregate (for the period March 1, 2013 to February 28, 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 currently has an Agreement with Monterey County Orthopedic Associates (MCOA) to provide orthopedic services in the specialty clinic, procedures in the operating room and call coverage in the emergency department. NMC wishes to amend the Agreement with MCOA upon the expiration of the existing agreement to comply with state and federal laws and to continue the same scope of services at NMC without interruption.

This Amendment does not change the rate of pay or the scope of services already being provided under the current Agreement. MCOA is paid according to the terms of the Agreement for the actual number of clinic services, procedures in the operating room and call coverage provided, which may increase due to patient volume and the need for coverage, but will not increase the rate of pay or exceed the aggregate maximum liability amount. The additional \$540,000 is to pay for the maximum number of services provided during the additional twelve months of the 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 Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment/Agreement as to fiscal provisions. The Agreement has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

### **FINANCING:**

The total cost for this Amendment/Agreement is \$1,040,000 for the period March 1, 2013 to February 28, 2015.

\$163,234 was disbursed in Fiscal Year 2012/13 (4 months); \$375,000 is included in the Fiscal Year 2013/14 Adopted Budget, of which \$323,918 has been disbursed (8 months). A total of \$487,152 has been disbursed for the first twelve months of the Agreement over two Fiscal Years. The remaining \$540,000 will be budgeted in subsequent fiscal years. NMC's FY2013-2014 appropriation obligations exceeded its budget for the period July 2013 through December 2013 (six months). NMC has received additional Disproportionate Share funding from the State and is forecasted to be back on budget. 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:**

First Amendment; Agreement

Attachments on file at the Clerk of the Board