



# County of Monterey

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

## Board Report

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**File #:** A 14-127, **Version:** 1

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- a. Authorize and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the Third Amendment to Professional Services Agreement (A 12049) with Cardio-Pulmonary Associates Medical Group, Inc. to provide pulmonary medicine services at NMC extending the term to June 30, 2016 and adding \$200,000 for a revised total Agreement amount not to exceed \$1,750,000 in the aggregate (for the period August 1, 2011 to June 30, 2016); and
- b. Authorize the Purchasing Manager for NMC 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 and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the Third Amendment to Professional Services Agreement (A 12049) with Cardio-Pulmonary Associates Medical Group, Inc. to provide pulmonary medicine services at NMC extending the term to June 30, 2016 and adding \$200,000 for a revised total Agreement amount not to exceed \$1,750,000 in the aggregate (for the period August 1, 2011 to June 30, 2016); and
- b) Authorize the Purchasing Manager for NMC 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 entered into an Agreement with Cardio-Pulmonary Associates (CPA) to provide inpatient pulmonary medicine services to patients on the medical surgical and intensive care unit (ICU) and outpatient cardiology and pulmonary services in the specialty clinic on August 1, 2011. The Agreement was amended March 1, 2012 to extend the term and include cardiology call coverage in the emergency department and on March 1, 2013 to extend the term to remove the minimum number of call and clinic services in order to utilize services on an as needed basis. Although the Second Amendment extended the term to June 30, 2014, the Board Report that went before the Board of Supervisors on February 26, 2013 mistakenly only asked for an extension to February 28, 2014.

NMC wishes to amend the Agreement to extend the term to June 30, 2016 and add \$200,000 to the amount payable due to the term extension.

CPA is paid according to the terms of this agreement for the actual number of call coverage and clinic services 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. 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 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 present continued expenditures, but it is considered good public policy, transparency and fiscal management. The Amendment has also been reviewed and approved by Natividad Medical Center's Finance Committee on May 22, 2014 and Board of Trustees on June 6, 2014.

**FINANCING:**

The cost of this Amendment is \$200,000. The total not to exceed amount for this Agreement is \$1,750,000. \$427,504 was disbursed in Fiscal Year 2011/2012; \$569,683 was disbursed in Fiscal Year 2012/2013; and \$300,000 is included in Fiscal Year 2013/2014 budget of which \$153,768 has been disbursed year to date (9 months). \$300,000 is included in the Fiscal Year 2014/2015 Recommended Budget and the remaining \$299,045 will be budgeted in subsequent fiscal years. 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: Jeanne-Ann Balza, Management Analyst, 783.2506

Approved by: Harry Weis, Chief Executive Officer, 783.2553

Attachments: Agreement; First-Third Amendments

Attachments on file at the Clerk of the Board