



County of Monterey

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

Board Report

File #: A 13-047, **Version:** 1

- a. Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Professional Services Agreement with Salinas Valley Radiologist Inc. to provide radiology services at NMC for an amount not to exceed \$687,000 for the period May 1, 2013 to April 30, 2016. The term of this Agreement is thirty six (36) months with an option that either party may terminate without cause with one hundred twenty (120) days written notice after the first twenty four (24) months of the Agreement.
- 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 Professional Services Agreement with Salinas Valley Radiologist Inc. to provide radiology services at NMC for an amount not to exceed \$687,000 for the period May 1, 2013 to April 30, 2016. The term of this Agreement is thirty six (36) months with an option that either party may terminate without cause with one hundred twenty (120) days written notice after the first twenty four (24) months of the Agreement.
- 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 has an agreement with Salinas Valley Radiologists, Inc. to provide 24/7 radiology call coverage, diagnostic imaging services, interventional radiology and a radiology physician to serve as service director of NMC's Radiology Department for the period June 1, 2009 to June 30, 2012 with one year extension to May 31, 2013. The current agreement is in its one year extension period. NMC would like to enter into a new agreement on the same compensation terms and conditions to comply with state and federal laws and to continue to provide radiology services to patients without interruption. The term of the new agreement is May 1, 2013 to June 30, 2016.

The expenditure of the original agreement by fiscal year is as follows:

Fiscal Year 2009-10	\$287,000
Fiscal Year 2010-11	\$280,000
Fiscal Year 2011-12	\$199,000
Fiscal Year 2012-13 (year to date)	\$149,250

The total amount of this agreement is \$687,000 and includes the maximum compensation for professional services and the maximum allowable incentive compensation for the thirty six (36) month period. NMC has obtained an independent opinion of fair market value supporting the payment terms of this Agreement.

During negotiation of this Agreement, Salinas Valley Radiologists sought a deviation from the indemnification provision approved by the County Risk Manager and County Counsel. Given the time constraints related to

approval of this Agreement and other factors, the County Risk Manager and County Counsel approved the alternative indemnification provision incorporated in the Agreement solely for the purpose of this agreement for the agreed upon term

OTHER AGENCY INVOLVEMENT:

The County Risk Manager and County Counsel recently approved an indemnification provision for inclusion in NMC's standard physician services agreement templates. At a subsequent Board of Supervisors meeting, Natividad Medical Center will seek approval of the templates containing the indemnification provision approved by the County Risk Manager and County Counsel.

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

FINANCING:

The total cost for this Agreement \$687,000 for the 36 month period (May 1, 2013 to April 30, 2016). \$36,000 is included in the Fiscal Year 2012/2013 Adopted Budget; \$229,000 is included in the Fiscal Year 2013/2014 Recommended Budget and the remaining \$424,000 will be budgeted in subsequent Fiscal 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

Original on file at the Clerk of the Board