



# County of Monterey

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

## Board Report

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**File #:** A 12-098, **Version:** 1

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Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2013 and adding \$565,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$4,390,000 in the aggregate.

### **RECOMMENDATION:**

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-10493) with Quest Diagnostics Inc. for Reference Laboratory Testing Services at NMC, extending the Agreement to June 30, 2013 and adding \$565,000 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$4,390,000 in the aggregate.

### **SUMMARY/DISCUSSION:**

This agreement is necessary to pay for reference laboratory testing provided for our patient population. Physicians at NMC or clinics that send laboratory work to NMC may order tests that the NMC Laboratory cannot perform on-site. Therefore, these specific tests must be sent to a reference laboratory. Quest Diagnostics, a multibillion dollar company, is NMC Laboratory's primary reference laboratory. Quest Diagnostics is the leading provider of diagnostic testing in the nation, and serves approximately 140 million patients each year. As laboratory technology improves, more and more esoteric tests are available but the NMC laboratory cannot justify bringing in instruments or additional staff for the low volume of each individual test. These esoteric tests are used for the diagnosis of disease or monitoring of disease processes and are critical for patient care. The laboratory monitors test utilization to look for opportunities to in source any test that has high volume and methodology that can be incorporated into the Natividad Laboratory.

The laboratory has an interface with Quest diagnostics which allows results to be transferred directly from the testing laboratory to the patient medical record at Natividad Medical Center. A Natividad clinical laboratory scientist verifies the validity of the results before they are finalized in the medical record.

### **Commercial General Liability Exception**

Commercial General Liability Insurance Additional Insured Endorsement requirements are waived for this vendor under this Agreement.

The Vendor is Self Insured for Commercial General Liability Insurance.

### **Business Automobile Insurance Exemption**

Business Automobile Liability Insurance Additional Insured Endorsement requirements are waived for this vendor under this Agreement. There is no risk or exposure regarding vehicles.

Contractor does not travel onto County property with vehicles.

### **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 cost for this Amendment is \$565,000 and is included in the Fiscal Year 2012/2013 Recommended Budget. There is no impact to the General Fund.

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Prepared by: Heidi Riggerbach, Lab Manager, 772-7660

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

Attachments: Agreement, Amendments 1, 2, 3, 4, 5 and 6.