



## Board Report

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**File #: A 18-021, Version: 1**

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- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an agreement with McKesson Medical-Surgical for Laboratory middleware software services at NMC for an amount not to exceed \$217,560 with an agreement term that is retroactive January 9, 2017 and continues through January 8, 2022;
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) (\$21,756) of the original cost of the agreement per each amendment; and
- c. Approve the NMC Chief Executive Officer's recommendation to accept non-standard indemnification, insurance, limitations on liability, and limitations on damages provisions within the agreement.

### RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an agreement with McKesson Medical-Surgical for Laboratory middleware software services at NMC for an amount not to exceed \$217,560 with an agreement term that is retroactive January 9, 2017 and continues through January 8, 2022
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) (\$21,756) of the original cost of the agreement per each amendment.
- c. Approve the NMC Chief Executive Officer's recommendation to accept non-standard indemnification, insurance, limitations on liability, and limitations on damages provisions within the agreement.

### SUMMARY/DISCUSSION:

Natividad Medical Center Laboratory processes approximately 1,250,000 tests annually. A licensed Clinical Laboratory Scientist reviews every test prior to sending a validated result to a provider. NMC laboratory is asking for approval to contract with McKesson for the installation and ongoing maintenance of SD2 Laboratory Intelligence Software Solution.

THE SD2 intelligence software solution is a laboratory intelligence software that receives all laboratory data from various instrumentation for the scientist to approve or reject a result. The software is customizable to create laboratory rules to auto verify results that are normal results. This will improve efficiency and safety to patients by allowing the clinical laboratory scientist to focus on results that are abnormal or problematic. By turning the attention to critical results away from normal results, the scientist will have improved efficiencies to be able to get the critical results to the providers faster.

This agreement includes a one-time start fee of \$111,720 and ongoing maintenance and support for a five year period. The cost of the on-going maintenance and support is \$21,168 per year.

This agreement is retroactive in order to maintain the discount structure, but no services were performed prior to the effective date.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this agreement as to legal form and risk provisions, and the Auditor -Controller has reviewed and approved as to payment provisions. The agreement has also been reviewed and approved by NMC's Finance Committee on December 1, 2017 and Executive Session of Board of Trustees on December 5, 2017.

**FINANCING:**

The cost for this is \$ 217,560 of which \$ 111,720 was a onetime capital purchase and \$21,168 which is included in the Fiscal Year 2017-18 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

This agreement supports the county strategic initiative for Health and Human Services by increasing patient safety at Natividad Medical Center. The agreement will increase the efficiency of the laboratory which in turn will get critical results to providers faster. Providers will be able to make patient treatment plans sooner based on the results provided by the laboratory.

☐ Economic Development  
☐ Administration  
☒ Health and Human Services  
☐ Infrastructure  
☐ Public Safety

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Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:  
McKesson Medical-Surgical Agreement

Attachments on file with the Clerk of the Board