



County of Monterey

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

Board Report

File #: A 18-385, Version: 1

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No.1 to the agreement (A-12966) with Salinas Valley Memorial Hospital (SVMH) for laboratory testing services, extending the agreement an additional thirty-six (36) month period (November 1, 2018 through October 31, 2021) for a revised full agreement term of July 1, 2015 through October 31, 2021, and adding \$500,000 for a revised total agreement amount not to exceed \$932,000.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No.1 to the agreement (A-12966) with Salinas Valley Memorial Hospital (SVMH) for laboratory testing services, extending the agreement an additional thirty-six (36) month period (November 1, 2018 through October 31, 2021) for a revised full agreement term of July 1, 2015 through October 31, 2021, and adding \$500,000 for a revised total agreement amount not to exceed \$932,000.

SUMMARY/DISCUSSION:

Salinas Valley Memorial Hospital has provided reference laboratory testing services for NMC since 2011. Physicians at Natividad Medical Center 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. Salinas Valley Memorial Hospital provides a reference laboratory testing facility that is located geographically close to Natividad Medical Center. There are times when testing is required to be completed within a prompt and exact time frame which mandates using another facility that is as geographically as close as possible. Salinas Valley Memorial Hospital is the closest facility which can provide these services promptly. This agreement is necessary for these situations in order to serve physician and patient needs.

Salinas Valley Memorial Hospital also provides histology processing, a special type of laboratory testing for Natividad Medical Center which is a modality in laboratory that Natividad Medical Center is currently unable to provide. Histology services for anatomical pathology are required for all tissues samples prior to a pathologist completing the final examination on the tissue. Histology requires certified employees and special testing equipment that Natividad currently cannot provide.

This amendment extends the current agreement by adding an additional three years. The cost of the total Agreement amount is based on a forecast of surgical cases that would require this specialized histology processing going forward combined with an analysis of historic histology specimens.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 1 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 1 has also been reviewed and approved by NMC's Finance Committee on 7/26/18 and by the NMC Board of Trustees on 8/3/18.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This amendment supports the strategic initiative, health and human services for Monterey County by providing specialized testing in histology and referral testing for specific clinical laboratory tests that Natividad is not able perform.

- ☐ 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:
Salinas Valley Memorial Hospital Amendment No. 1
Salinas Valley Memorial Hospital Agreement

Attachments on file with the Clerk of the Board