



# County of Monterey

Item No.

## Board Report

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

Legistar File Number: A 26-019

February 10, 2026

**Introduced:** 1/13/2026

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute a Nonstandard Master Agreement with Data Innovations LLC for laboratory middleware software SD2 maintenance and support services at NMC for a maximum County obligation of \$120,570 for the term effective on date last executed through January 13, 2029.
- b. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard confidentiality, insurance, and limitations on liability provisions within the agreement.
- c. Approve the NMC's Chief Executive Officer's recommendation to accept and execute a non-standard Business Associate Agreement associated with the Master Agreement, attached as an exhibit to the Agreement.
- d. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute up to three (3) future amendments that do not exceed 10% (\$12,057) of the original agreement, do not significantly change the scope of services, and do not increase the total not to exceed amount over \$132,627.

### **RECOMMENDATION:**

#### **It is recommended the Board of Supervisors:**

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute a Nonstandard Master Agreement with Data Innovations LLC for laboratory middleware software SD2 maintenance and support services at NMC for a maximum County obligation of \$120,570 for the term effective on date last executed through January 13, 2029.
- b. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard confidentiality, insurance, and limitations on liability provisions within the agreement.
- c. Approve the NMC's Chief Executive Officer's recommendation to accept and execute a non-standard Business Associate Agreement associated with the Master Agreement, attached as an exhibit to the Agreement.
- d. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute up to three (3) future amendments that do not exceed 10% (\$12,057) of the original agreement, do not significantly change the scope of services, and do not increase the total not to exceed amount over \$132,627.

### **SUMMARY:**

Natividad Medical Center (NMC) seeks to enter into a master agreement for software maintenance

and support services with Data Innovations to ensure that support is available to its SD2 middleware software which has been in use since 2018 in Natividad's laboratory. NMC's lab processes over 1.5 million lab tests annually. A licensed Clinical Laboratory Scientist reviews every test prior to sending a validated result to a provider. This process includes the use of this SD2 intelligence software. The SD2 software receives all laboratory data from various instrumentation at use by NMC's lab which the scientist then accesses to approve or reject a result. The software is customizable to create laboratory rules to auto verify results that are normal results.

**DISCUSSION:**

NMC originally purchased the SD2 software from another vendor, McKesson Medical-Surgical (McKesson), via an agreement that was approved by the Board of Supervisors on February 27, 2018. That agreement expired in January of 2022, however, in 2021, prior to the agreement expiration, McKesson stopped supporting the SD2 software and transferred the ownership of the SD2 software licenses to its customers. In 2022 the Board of Supervisors approved the Transfer Letter of Agreement between NMC and Data Innovations to acknowledge the transfer of ownership of the SD2 software from McKesson to Natividad.

Use of this software does 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 scientists have improved efficiencies to be able to get the critical results to the providers faster.

**OTHER AGENCY INVOLVEMENT:**

The Office of County Counsel has reviewed and approved this master agreement as to form, 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 and by its Board of Trustees on November 7, 2025.

**FINANCING:**

The cost for this agreement is \$120,570 of which \$54,270 was included in the FY 2025-26 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 with this action.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

Use of the SD2 middleware software enables more efficient data analysis for lab scientists during lab tests which ultimately improve the quality of patients at NMC.

- Well-Being and Quality of Life
- Sustainable Infrastructure for Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy

\_\_\_ Administrative

Prepared by: Arthur Tiongson, Laboratory Clinical Manager, 772-7660

Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:

Board Report

Data Innovations, LLC Master Agreement

Attachments on file with the Clerk of the Board