



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: February 20, 2014
Board Meeting Date: April 8, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

Subject: Amendment to agreement with Hardesty, LLC

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with Hardesty, LLC for interim management services extending the term through December 31, 2014, increasing the amount by \$547,200 to an amount not to exceed \$890,400.

BACKGROUND:

On September 19, 2013, the Chief Executive Officer of the San Mateo Medical Center (SMMC) approved an agreement in the amount of \$100,000 with Hardesty LLC (Hardesty) for an interim Controller due to the resignation of the SMMC Controller, as well as to temporarily fill vacancies in a number of financial positions.

On October 22, 2013, the agreement was amended to extend the agreement through August 31, 2014 and increase the amount by \$243,200 to an amount not to exceed \$343,200.

DISCUSSION:

SMMC's Finance Department has experienced a number of recent personnel events. Most notably, the Chief Financial Officer resigned from his position in February 2014. Additionally, the recent reassignment of the Accounting Manager has left the Accounts Payable unit without sufficient leadership.

Hardesty has been providing an interim Accounting Manager and interim Reimbursement Manager under the current agreement to temporarily fill SMMC's critical vacancies. SMMC is requesting the extension of the agreement term to enable Hardesty to continue providing highly technical staffing support to its Finance Department during the recruitment and hiring of the permanent financial positions.

SMMC is also requesting additional funding for placement fees for candidates that Hardesty recruits for SMMC's open and promotional positions.

The amendment and Resolution have been reviewed and approved by County Counsel as to form. Contractor meets insurance certification requirements.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing staffing support to the SMMC Finance Department until a permanent Controller and Accounting Manager can be recruited. It is anticipated that the professionals provided by Hardesty will train and coordinate the workloads of 100% of the staff assigned to them, in compliance with standard accounting practices.

PERFORMANCE MEASURE:

Measure	FY 2013-14 Actual	FY 2014-15 Projected
Train and coordinate the workloads of 100% of the staff, in compliance with standard accounting practices	N/A*	100%

*New Measure

FISCAL IMPACT:

The term of this agreement is September 1, 2013 through December 31, 2014, increasing the amount by \$547,200 to an amount not to exceed \$890,400. Funds in the amount of \$464,000 are included in the SMMC FY 2013-14 Adopted Budget and funds in the amount of \$426,400 will be included in the SMMC FY 2014-15 Recommended Budget.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.