



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 2, 2014
Board Meeting Date: June 3, 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 the agreement with CSS Consulting Group

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with CSS Consulting Group, extending the term through September 30, 2014, and increasing the amount by \$93,000 to an amount not to exceed \$613,700.

BACKGROUND:

On July 1, 2013, the Chief Executive Officer of San Mateo Medical Center (SMMC) approved an agreement with HFS Consultants – Support Services (HFS) to work with the Director of the Materials Management Department (Department) to assess the Department's needs and to help maximize efficiency in preparation for the Director's planned extended leave. This contract was for the term of July 1, 2013 through October 31, 2013, in an amount not to exceed \$100,000.

On October 22, 2013, your Board approved an amendment to the agreement to extend the term through June 30, 2014, and increase the maximum amount by \$420,700 to an amount not to exceed \$520,700.

The agreement was further amended on December 18, 2013, to assign the original agreement from HFS to CSS Consulting Group (CSS).

DISCUSSION:

In February 2014, the incumbent Director resigned. SMMC is requesting to further amend the agreement to allow CSS to continue to provide interim management services to the Department through September 30, 2014. This should permit SMMC to complete its recruitment for a permanent Director without interruption of services at SMMC. The vendor meets weekly with the Chief Executive Officer to present the results of their

improved purchasing practices and it is anticipated that they will meet their goal of a 3:1 return on investment for the fees paid by the county under this agreement.

The amendment and Resolution have been reviewed and approved by County Counsel as to form. The 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.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring SMMC will continue to improve its purchasing practices and maximize savings in providing quality health products to SMMC's patients. It is anticipated that as a result of the contractor's assessment and continuous improvement efforts, SMMC will achieve a 3:1 ROI over the term of the agreement.

PERFORMANCE MEASURE:

Measure	FY 2012-13 Actual	FY 2013-14 Projected
ROI over the term of the agreement	N/A*	3:1

* Because this is a new measure, no FY2012-2013 is available

FISCAL IMPACT:

The term of the agreement is July 1, 2013, through September 30, 2014, in an amount not to exceed \$613,700. Funds in the amount of \$93,000 are 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.