

**AMENDMENT NO. 1 TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
HFS CONSULTING SUPPORT-SERVICES**

THIS AMENDMENT TO THE AGREEMENT, entered into this _____ day of _____, 2013, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and HFS Consulting Support-Services, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement for Materials Management Consulting Services on July 1, 2013; and

WHEREAS, the parties wish to amend the Agreement to expand the scope of work to include Pharmacy Services audits and increase the amount by \$420,700 for an amount not to exceed \$520,700.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Section 2, Contract Term, of the Agreement is amended to read as follows:
 2. **Contract Term.** The term of this Agreement shall be from July 1, 2013, to June 30, 2014, unless terminated earlier by the County.
2. Section 3, Payments, of the Agreement is amended to read as follows:
 3. **Payments.** In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and any Exhibit(s) or attachment(s) attached hereto, County shall make payment to Contractor in the manner specified herein and in Exhibit "A". In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination. The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall total payment for services under this Agreement exceed FIVE HUNDRED TWENTY THOUSAND SEVEN HUNDRED DOLLARS (\$520,700).

3. Original Exhibit "A" and Exhibit "B" are replaced in their entirety with Revised Exhibit A (Revised 10/1/2013) and Revised Exhibit B (Revised 10/1/2013), a copy of each of which is attached to this Amendment and incorporated by this reference.
4. Section 19 is added to the Agreement to read as follows:

19. Compliance with County Employee Jury Service Ordinance

Contractor shall comply with Chapter 2.85 of the County's Ordinance Code, which states that a contractor shall have and adhere to a written policy providing that its employees, to the extent they live in San Mateo County, shall receive from the Contractor, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Contractor or that the Contractor may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Contractor certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Contractor has no employees in San Mateo County, it is sufficient for Contractor to provide the following written statement to County: "For purposes of San Mateo County's jury service ordinance, Contractor certifies that it has no employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Contractor shall adopt a policy that complies with Chapter 2.85 of the County's Ordinance Code."

5. All other terms and conditions of the agreement dated July 1, 2013, between the County and Contractor shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands:

COUNTY OF SAN MATEO

By: _____
President, Board of Supervisors, San Mateo
County

Date: _____

ATTEST:

By: _____

Clerk of Said Board

HFS Consultants Support-Services



Contractor's Signature

Date: 10/1/13

Revised Exhibit A (Revised 10/1/2013)

1. In consideration of the payments set forth in Revised Exhibit B, Contractor shall provide the following services:

Interim Materials Management support and consulting services during the absence of the Director of Materials Management and Contracting for the duration required by County.

The individual provided by Contractor will have the following skills and areas of experience:

- Warehouse and storeroom management
- Point of use inventory optimization
- Sterile Processing Department management: quality assurance, workflow, staffing supervision
- Group Purchasing Organization contract optimization, in concert with County of San Mateo Purchasing procedures
- Routine workflow for direct report staff, purchasing department, inventory/distribution and receiving.

In addition they will supply the following departmental reviews:

- Non-labor expense reduction (NLERP) Pharmacy
- Non-labor expense reduction Food and Nutrition
- Pharmacy Review

2. Non-recruitment =of Facility or Contractor Employees. County agrees that at no time during the term of this Agreement or for a period of one (1) year following the termination of this Agreement will County knowingly offer to employ any of the personnel of HFS Consultants – Support Services (Contractor, or HFS-SS) without written consent of HFS-SS, excluding any employee of HFS-SS that was previously an employee of the County. HFS-SS agrees that at no time during the term of this Agreement or for a period of one (1) year following the termination of this Agreement will HFS-SS knowingly offer to employ any of the personnel of County without written consent of County, excluding any employee of County that was previously an employee of HFS-SS. Remedies for breach of this clause by any party to this Agreement shall include liquidated damages in the amount of three month's services as provided herein.

Revised Exhibit B (Revised 10/1/2013)

In consideration of the services provided by Contractor in Revised Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

Services will be billed at an hourly rate in units of quarter hour (fifteen minute) increments as follows:

Consultant	\$125.00
Sr. Consultant	\$175.00
Manager	\$225.00
Principle	\$275.00

	Hourly Rate	Hours	Scheduled Hours 7/2013 thru 6/2014	Total
Materials Management Support			June-2014	\$346,000
Consultant	\$125	2112		\$264,000
Estimated Travel, Housing				\$82,000
Non Labor Expense Reduction Program			March-2014	\$137,500
Consultant	\$125	380		\$47,500
Sr. Consultant	\$175	164		\$28,700
Manager	\$225	0		\$0
Principal	\$275	172		\$47,300
Estimated Travel, Housing				\$14,000
Pharmacy Support			(one time)	\$22,700
Manager	\$225	92		\$20,700
Estimated Travel, Housing				\$2,000
Food & Nutrition			(one time)	\$14,500
Manager	\$225	60		\$13,500
Estimated Travel, Housing				\$1,000
Total		2980		\$520,700

Contractor guarantees that San Mateo Medical Center will experience a 3:1 return on investment for all fees paid by County under this Agreement, through the dates indicated above, comparing fees paid and savings or cost reduction produced when measured on an annualized basis. In the event it will be necessary to honor this guarantee, Contractor shall either refund the difference in fees paid to reach the 3:1 ratio or provide further work at no charge (other than out of pocket expenses) to meet the 3:1 ratio, as necessary.

Travel and Housing

The maximum reimbursement amount for the actual cost of lodging, meals, and incidental expenses ("LM&I Expenses") is limited to the then-current Continental United States ("CONUS") rate for the location of the work being done (i.e., San Mateo for work done at SMMC) as set forth in the Code of Federal Regulations and as listed by the website of the U.S. General Services Administration (available online at <http://www.gsa.gov/portal/content/104877> or by searching www.gsa.gov for the term 'CONUS'). CONUS rates are set by fiscal year and are effective October 1st through September 30th. LM&I Expenses are not payable for any employee of Contractor who lives in the San Francisco Bay Area.

The maximum reimbursement amount for the actual cost of airline and car rental travel expenses ("Air & Car Expenses") shall be a reasonable rate obtained through a cost-competitive travel service (e.g., a travel or car-rental website). Reimbursable air travel is restricted to coach fares (not first class, business class, "economy-plus," or other non-standard classes) and reimbursable car rental rates are restricted to the mid-level size range or below (i.e., full size, standard size, intermediate, compact, or subcompact). No specialty, luxury, premium, SUV, or similar category vehicles may be submitted for reimbursement. Other reasonable travel expenses ("Other Expenses") such as taxi fares, parking costs, train or subway costs, etc. shall be reimbursable on an actual-cost basis.

If in doubt about the propriety of LM&I Expenses, Air & Car Expenses, or Other Expenses, Contractor should err on the side of caution and not incur an expense at that level or obtain authorization from San Mateo Medical Center's Chief Financial Officer (which can be reached at 650-573-3423).