

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



821

FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
April 9, 2015

SUBJECT: First Amendment to the Professional Service Agreement with Morrison Management Specialist, Inc. [All District; \$19,182,956, Hospital Enterprise Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman of the Board to execute the First Amendment to the Agreement with Morrison Management Specialist, Inc. effective May 1, 2015 to add an additional \$500,000 to the total amount from \$18,682,956 to \$19,182,956; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise annual renewal options, based on the availability of fiscal funding, to sign amendments that do not change the substantive terms of the agreement, and to allow the Purchasing Agent to increase the compensation amount not more than ten percent should the need for products and services exceed the estimated volume, as approved by County Counsel.

BACKGROUND:

Summary

To maintain competency level, the Food and Nutrition Department at Riverside County Regional Medical Center (RCRMC) continue to meet the demands and regulations of state requirements.

Zareh H. Sarrafian, Hospital CEO

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year	Total Cost	Ongoing Cost	POLICY/CONSENT (per.Exec. Office)
COST	\$ 4,196,589	\$ 4,246,592	\$ 19,182,956	\$ 4,246,592	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Hospital Enterprise Fund 100%
Budget Adjustment: No
For Fiscal Year: 14/15-18/19

C.E.O. RECOMMENDATION: APPROVE

BY:
Debra Cournoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: May 12, 2015
xc: RCRMC, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: 05/06/14; 3-19 | **District:** ALL | **Agenda Number:**

3-28

PURCHASING & FLEET SERVICES
Lisa Brandl, Director
FORM APPROVED COUNTY COUNSEL
DATE 4/23/15
BY: GREGORY P. PRIAMOS
Departmental Concurrence

A-30
 4/5 Vote
 Positions Added
 Change Order

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: First Amendment to the Professional Service Agreement with Morrison Management Specialist, Inc. [All District; \$19,182,956, Hospital Enterprise Funds]

DATE: April 9, 2015

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

This service provides a strategic long-term vendor partnership with Morrison Management Specialist, Inc., by ensuring compliance with state and federal regulations, increasing patient and employee satisfaction, maximizing efficiency of production system, obtaining accurate and clear cost accounting and billing, establishing department benchmarks and initiating periodic reviews by providing leadership within the Food and Nutrition department.

With limited full-time staff in the Food and Nutrition department, there is a critical need to obtain contracted staff to assist in the provision of kitchen services. Morrison will provide additional staffing coverage as requested. Additional coverage may be needed because of fluctuations in census, unanticipated or prolonged staff absences/turnover. Recently RCRMC added 9 FTE in Food and Nutrition, subsequently hiring several of the temporary staff through HR, which resulted in the decrease of availability of temporary staff available to respond to ongoing staffing needs. Once RCRMC and HR fill the permanent full-time positions and replenish the temporary candidate pool, it will alleviate the need for contracted staff to provide this needed service.

Impact on Citizens and Businesses

This service impacts the patients residing in Riverside County receiving care from the hospital and the patients' visitors such as family and friends.

Contract History and Price Reasonableness

On May 6, 2014, agenda item number 3-19, the Board of Supervisors approved the agreement with Morrison Management Specialist, Inc. for a three year term with the option to renew for two additional one-year periods. The total aggregate amount approved for the five years is \$18,682,957.

This amendment would add an additional \$500,000 to cover temporary staffing the Food and Nutrition department requires. This amount represents an average of approximately six additional staff per day based on blended rates (i.e., regular, over-time, and holiday compensation). The amendment would also remove some of the tangibles from Morrison's contract to decrease costs. The hospital will procure some of the product and supplies through the Group Purchasing Organization (GPO) or through County's established awards (i.e., ordering and purchasing uniforms, printing, and chemicals), which will enable the hospital to incur a savings of approximately \$120,000 annually.

ZHS:ns

FIRST AMENDMENT TO THE AGREEMENT

WITH

MORRISON MANAGEMENT SPECIALIST, INC.
(Comprehensive Food and Nutrition Management Services)

That certain Agreement with an effective date of May 6, 2014 between County of Riverside (“COUNTY”) and **Morrison Management Specialist, Inc.**, (“CONTRACTOR”), approved by the Board of Supervisors on May 6, 2014, Agenda Item Number 3-19, is hereby amended as follows. This amendment will be effective upon Board approval.

1. Amend the language in **Article 1 – Services, Section 1.2 Personnel**, to include **subsection (e)** to read as follows:

“(e) Morrison will make available approximately 10 – 20 Morrison employees so that temporary staff can be available from time to time to provide Services on-site assisting with various duties within the Food and Nutrition department. The specific number of Morrison employees to be furnished by Morrison will be mutually agreed upon by the parties. Morrison will pay the temporary staff and be responsible for all associated payroll costs related to the temporary staff, including all payroll taxes, insurance and fringe benefits. The cost of the temporary staff provided by Morrison is not included in Morrison’s Monthly Charge. With respect to temporary, cooks, Morrison will charge the Hospital \$22.00 per hour for each labor hour of temporary staff regular time used by Morrison (or time and a half (\$33.00 per hour) for overtime or holiday time). With respect to all other temporary staff, Morrison will charge the Hospital \$20.00 per hour for each labor hour of temporary staff regular time used by Morrison (or time and a half (\$30.00) per hour for overtime or holiday time). Both parties will meet annually at the anniversary of the Contract Year to negotiate hourly rate adjustments.”

2. Amend the diagram illustrated in **Article 1 – Services, Section 1.3 Purchasing**, and replace the following *Items* with the appropriate *Responsible party*:

ITEM	Morrison (included in Monthly Charge)	Morrison (not Included in Monthly Charge, Charged to Hospital)	Hospital
Uniforms			H
Menu Paper/Printing			H
Chemicals/Supplies			H

3. Amend the language in **Article 2 – Compensation, Section 2.1 Billing**, and replace with the following:

"(a) The Hospital will pay Morrison for the Services done in accordance with the invoices submitted by Morrison, which will also reflect amounts due and adjustments from prior billings. Payments are due within forty five (45) days of the date of receipt of the invoice and shall be paid by electronic transfer of funds to a bank account designated by Morrison in Morrison's name; any sums unpaid thereafter shall bear interest at the lesser of one percent (1%) per month or the highest rate permitted under Applicable Law, accruing from the date when payment is due."

4. All other terms and conditions of the Agreement are to remain unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment.

CONTRACTOR
Morrison Management Specialist, Inc.

By: *Ed Clark*

EQ Clark
Type or Print Name

BUY
Type or Print Title

Date: 4-20-2015

COUNTY OF RIVERSIDE

By: *Marion Ashley*

MARION ASHLEY
Type or Print Name

CHAIRMAN, BOARD OF SUPERVISORS
Type or Print Title

Date: MAY 12 2015

ATTEST: MAY 12 2015
KECIA HARPER-IHEM, Clerk
By: *[Signature]*
DEPUTY

FORM APPROVED COUNTY COUNSEL
BY: *Neal R. Kipnis*
NEAL R. KIPNIS DATE 4/22/15