

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

**May 7, 2024**

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Amendment to Product Supply Agreement with Linde Gas & Equipment Inc. for the Provision of Bulk Medical Gases, Medical Gas Cylinders, and Site Gas Services

**RECOMMENDATION(S)**

Approve **Amendment No. 4 to Product Supply Agreement No. 21-302** with Linde Gas & Equipment Inc., for the continued delivery of bulk medical gases, medical gas cylinders, and the provision of an onsite manager for site gas services, extending the term by 60 days, for a total term of August 22, 2017 through July 17, 2024, with no change to the total amount of \$2,953,000.

(Presenter: William L. Gilbert, Director, 580-6150)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Costs). There is no additional cost associated with this amendment. The total Product Supply Agreement (Agreement) cost of \$2,953,000 is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenues. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2023-24 budget and will be included in the 2024-25 recommended budgets.

**BACKGROUND INFORMATION**

The recommended amendment allows ARMC to continue to purchase all bulk medical gases and medical gas cylinders, and receive the services of an onsite manager from Linde Gas & Equipment Inc. (Linde) for an additional 60 days through July 17, 2024. Medical gas cylinders delivered by Linde are distributed throughout ARMC and the affiliated Family Health Centers and include oxygen tanks for patient transport and crash carts, compressed air utilized for oxygen at a patient's bedside, and various specialty gases for anesthesia and procedural use. Bulk supply systems provide all of the compressed air and oxygen lines that enter ARMC facilities and are made available at the patient's bedside for use as needed. The onsite manager is responsible for ensuring adequate supply of medical gases, delivering cylinders to all use points, retrieving all empty cylinders from ARMC and promptly returning to Linde, and serving as the single point of contact between ARMC and Linde.

**Amendment to Product Supply Agreement with Linde Gas & Equipment Inc. for the Provision of Bulk Medical Gases, Medical Gas Cylinders, and Site Gas Services  
May 7, 2024**

The Agreement is being amended to add a 60-day extension to allow both parties to finalize negotiations of a new five-year agreement. ARMC has utilized medical gases and associated services from Linde, formerly known as Praxair Distribution Inc. (Praxair), since 1999.

On August 22, 2017 (Item No. 7), the Board of Supervisors (Board) authorized the Purchasing Agent to issue Master Blanket Purchase Order No. 183463 with Praxair for the delivery of bulk medical gases, medical gas cylinders and site gas services to ARMC in the total amount of \$1,180,000 for the term of August 22, 2017, through August 21, 2022. Master Blanket Purchase Order No. 183463 was subsequently converted to Contract No. 4400005501.

On May 4, 2021 (Item No. 7), the Board approved Amendment No. 1 to Product Supply Agreement No. 21-302 (previously Contract No. 4400005501) with Praxair, increasing the not-to-exceed amount by \$750,000, from \$1,180,000 to \$1,930,000, with no changes to the term through August 21, 2022, for the delivery of bulk medical gases, medical gas cylinders and site gas services to ARMC.

On May 18, 2021 (Item No. 8), the Board approved a Rider, as Amendment No. 2, to Product Supply Agreement No. 21-302 with Praxair for the provision of INO therapy services, extending the term through May 17, 2024, for a total term of August 22, 2017 through May 17, 2024, with no change to the total amount of \$1,930,000.

On October 4, 2021, Praxair changed its name to Linde. On August 23, 2022 (Item No. 10), the Board approved Amendment No. 3 to Product Supply Agreement No. 21-302, increasing the amount by \$1,023,000, from \$1,930,000 to \$2,953,000, and changing the name of Praxair to Linde, without any change to the term of August 22, 2017 through May 17, 2024.

**PROCUREMENT**

This is a non-competitive procurement based on an existing agreement, and Linde's specialized credentials, training, and expertise. Linde owns all the underground storage containers, gas delivery systems, and piping throughout ARMC. Linde is the only authorized vendor to utilize its equipment for the distribution of gasses. The Purchasing Department continues to support this non-competitive procurement.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on May 2, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464) on May 2, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on May 2, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on April 22, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on April 22, 2024.

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Equipment Inc. for the Provision of Bulk Medical Gases, Medical Gas  
Cylinders, and Site Gas Services  
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Curt Hagman  
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.  
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: May 7, 2024



cc: ARMC - Gilbert w/agree  
Contractor - c/o ARMC w/agree  
File - w/agree  
CCM 05/8/2024