

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

February 11, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Agreement with Avita Medical Americas, LLC. for Purchase of RECELL® Autologous Cell Harvesting Devices

RECOMMENDATION(S)

Approve the **Agreement No. 20-64** with Avita Medical Americas, LLC. for the purchase of RECELL Autologous Cell Harvesting Devices in an amount not to exceed \$330,000 for the one year period of February 11, 2020 to February 10, 2021, with the option to renew for four additional one-year periods.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

FINANCIAL IMPACT

Approval of the Agreement with Avita Medical America, LLC (Avita) will not result in the use of Discretionary General Funding (Net County Cost) as the \$330,000 for RECELL® Autologous Cell Harvesting Devices is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. 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 are included in the Arrowhead Regional Medical Center (ARMC) 2019-20 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of the Agreement with Avita will allow ARMC to provide treatment for acute thermal burn injuries using RECELL Autologous Cell Harvesting Devices. RECELL has significant cost savings in comparison to the standard of care, split-thickness skin grafts (STSG). STSG requires harvesting of cells from areas of the body that have not been burned (donor sites), and the procedure has an increased risk for infection and disease. RECELL is a device that is used to produce a suspension of Spray-On Skin™ cells using a small sample of a patient's own skin. This product then regenerates the outer layer of natural, healthy skin and is prepared and applied at the point-of-care. Unlike STSG, RECELL also requires smaller donor sites, which decreases the possibility of infection/disease and also decreases pain, scarring and length of stay at the hospital.

Avita's Agreement provides its standard commercial purchasing terms, as negotiated by the County, which contains terms that differ from the standard County contract. The non-standard terms include the following:

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- The liability of Avita Medical to Purchaser related to the Product or the Agreement shall not exceed the total amount of payments made to Avita Medical hereunder in the two-year period preceding the claim, excluding Avita's indemnity obligations, violations of law, gross negligence or willful misconduct.
 - The County standard contract does not include a limitation of liability.
 - Potential Impact: Claims could exceed the liability cap and the contract amount leaving the County financially liable for the excess. In addition, the County's liability under the contract is not similarly limited.

ARMC recommends approval of the Agreement that will allow the hospital to continue providing healthcare services to burn patients in San Bernardino County.

PROCUREMENT

The purchase of RECELL devices is non-competitive, as Avita is the sole FDA approved source for the enzymatic and mechanical processes of the RECELL devices.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, County Counsel, 387-5487) on January 17, 2020; Purchasing Department (Jackie Ambrose, Buyer III, 777-0722) on January 28, 2020; Finance (Amanda Trussell, Principal Administrative Analyst, 387-4773) on January 24, 2020; and County Finance (Matthew Erickson, County Chief Financial Officer, 387-5423) on January 27, 2020.

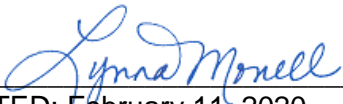
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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 11, 2020



cc: ARMC- Gilbert w/agree
Contractor- C/O ARMC w/agree
File- w/agree
la 02/13/2020