

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

**June 10, 2025**

**FROM**

**ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center**

**SUBJECT**

Amendment to the Agreement with CapsuleTech, Inc., to Assign the Agreement to Philips North America LLC

**RECOMMENDATION(S)**

Approve **Amendment No. 2 to Agreement No. 21-178** with Philips North America LLC assigning the Agreement from CapsuleTech, Inc., and to upgrade the surveillance software to integrate and connect to the electronic health system, and to increase the contract amount by \$36,252 from \$952,865, to \$989,117 with no change to the contract period of March 9, 2021, through March 8, 2026.

(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 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 this item will not result in the use of Discretionary General Funding (Net County Cost). The cost of \$36,252 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 have been included in the Arrowhead Regional Medical Center (ARMC) 2024-25 budget and will be included in the 2025-26 recommended budget.

**BACKGROUND INFORMATION**

Approval of Amendment No. 2 will assign the CapsuleTech, Inc. (CapsuleTech) Agreement No. 21-178 (Agreement) to Philips North America, LLC and upgrade the surveillance software to integrate and connect to the electronic health system.

On July 16, 2024, Philips notified the County that effective as of August 5, 2024, the activities of CapsuleTech under the Agreement were being transferred to Philips North America, LLC (Philips) and Philips would assume the rights and obligations of CapsuleTech.

CapsuleTech was the provider of a Medical Device Information Platform that facilitates interfacing between medical devices and hospital information systems. The CapsuleTech surveillance elements allow ARMC to closely monitor medical devices for critical or life-threatening conditions in adult intensive care, burn units, and patients on mechanical ventilation devices.

**Amendment to the Agreement with CapsuleTech, Inc., to Assign the  
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On March 9, 2021 (Item No. 5), as the result of a non-competitive procurement, the Board approved the Agreement with CapsuleTech to purchase hardware and accessories that interface between patient medical devices and hospital information systems and software services at ARMC, in the amount of \$936,875, for the period of March 9, 2021 through March 8, 2026.

On July 23, 2024 (Item No. 10), the Board of Supervisors (Board) approved Amendment No. 1 (Amendment) to the Agreement with CapsuleTech for the upgrade of surveillance software to integrate and connect to the Epic Rover Solution, increasing the contract amount by \$15,990, from \$936,875 to a new total amount of \$952,865, with no change to the contract period of March 9, 2021, through March 8, 2026.

ARMC recommends approval of the Amendment, as the surveillance upgrade will provide for the safety and health needs of the County residents. In addition, this will allow a better integration between ARMC's Ventilator Monitoring System, Epic, and staff alerts.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on May 6, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on May 7, 2025; ARMC Finance (Chen Wu, Budget and Finance Officer, 580-3165) on May 16, 2025; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 20, 2025; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 20, 2025.

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: June 10, 2025



cc: ARMC - Goldfrach w/agree  
Contractor - c/o ARMC w/agree  
File - w/agree  
MBA 06/23/2025