

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

September 26, 2023

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Price Quote and Amendment to Service Agreement with Fujifilm Healthcare Americas Corporation for Software and Maintenance of Ultrasound Machine

RECOMMENDATION(S)

1. Approve Price Quote with Fujifilm Healthcare Americas Corporation, governed by the Terms and Conditions of Product and Service Agreement No. 23-807 with Summit Imaging, Inc., for software to capture diagnostic images with the endoscopic and bronchoscopic devices, for a total cost of \$282,204, retroactively effective July 25, 2023 through July 24, 2028.
2. Approve **Amendment No. 1 to Service Agreement No. 23-804** with Fujifilm Healthcare Americas Corporation for ultrasound machine maintenance, increasing the contract amount by \$110,000, from \$621,592 to \$731,592, with no change to the term of 60 months beginning upon installation.

(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 Cost). The total cost of \$282,204 for software and an increase of \$110,000 for ultrasound machine maintenance, totaling \$392,204, are 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) 2023-24 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The quote with Fujifilm Healthcare Americas Corporation (Fujifilm) is governed by the Product and Service Agreement No. 23-807 (Agreement) with Summit Imaging, Inc. (Summit) and will allow ARMC to use software for advanced diagnostic capabilities with endoscopic and bronchoscopic devices (scopes), which are manufactured by Fujifilm. Summit provides software that interfaces with the ARMC's Picture Archiving Communication System (PACS) to capture and process video footage from the scopes for diagnostic services. Summit is a subcontractor of Fujifilm and the quote and payments for services are remitted from San Bernardino County (County) to Fujifilm, which will then issue payment to the subcontractor, Summit.

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Amendment No. 1 to Service Agreement No. 23-804 with Fujifilm allows for the maintenance of an ultrasound machine, which connects with the scopes in order to be utilized for diagnostic service; maintenance is required to ensure that the ultrasound machine remains in good, working condition for patient care.

On July 25, 2023 (Item No. 19), the Board of Supervisors (Board) approved two lease agreements with Leasing Associates of Barrington, Inc. in the amounts of \$1,593,900 (Agreement No. 23-803) and \$485,940 (Agreement No. 23-805), as well as applicable taxes, to lease high resolution Fujifilm endoscopic and bronchoscopic video imaging systems, for a 60-month term effective July 25, 2023 through July 24, 2028. The item also included approval of two agreements with Fujifilm, in the amounts of \$621,592 (Agreement No. 23-804) and \$241,000 (Agreement No. 23-806), for service of endoscopic and bronchoscopic video imaging systems, for a period of 60 months, commencing immediately upon installation. Lastly, the item included approval of the Agreement with Summit for software to capture diagnostic images with the Fujifilm endoscopic and bronchoscopic devices, effective July 25, 2023 through July 24, 2028.

The Agreement with Summit was presented as non-financial to the Board on July 25, 2023, but after the fully executed Agreement was submitted to the vendor, Fujifilm informed the County that the quote was inadvertently removed from the Agreement during the process of negotiations. There is cost associated with the Summit Imaging software that must be remitted to Fujifilm.

Recommendation No. 1 presents the quote with Fujifilm for approval of this cost by the Board. This is presented at the first available meeting after being informed by Fujifilm of this omission. This quote includes a one-year warranty that will cover the first year of the five-year agreement, and the cost will cover service for the remaining four years.

Furthermore, following the July 25, 2023 Board meeting, Fujifilm informed the County that they failed to submit the service agreement for the ultrasound machine to the County for consideration, which covers the ultrasound machine listed in the lease agreement with Leasing Associates of Barrington, Inc. Recommendation No. 2 presents the service agreement No. 23-804 with Fujifilm and associated cost for Board approval.

ARMC recommends approval of this item to provide for the health and safety of county residents through the provision of gastrointestinal and pulmonary diagnostic testing.

PROCUREMENT

The Board approved Vizient as the primary Group Purchasing Organization (GPO) on December 7, 2021 (Item No. 46), for five years, based on the Request for Proposals (RFP) No. AGENCY21-PURC-4090. Vizient offers competitive agreements based on RFPs evaluated using the American Bar Model Procurement Code, which is in compliance with County Procurement Policy. Vizient allows ARMC access to an extensive catalog of competitive, pre-negotiated agreements for various medical supplies and services.

After reviewing Vizient for vendors that provide endoscopic and bronchoscopic devices, Fujifilm was chosen based on availability of scopes that meet the functional specifications of the ARMC GI Lab and Pulmonary Labs and software that interfaces with ARMC's PACS to capture video footage to enhance diagnostic capabilities. The Purchasing Department continues to support

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this competitive procurement based on Vizient Agreement No. CE7347 with Fujifilm, effective December 1, 2020.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on August 25, 2023; Purchasing (Ariel Gill, Buyer III, 777-0722) on August 29, 2023; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on September 1, 2023; Finance (Jenny Yang, Administrative Analyst, 387-4884) on September 8, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on September 11, 2023.

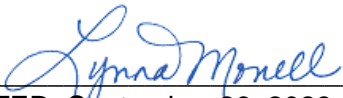
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 26, 2023



cc: ARMC - Gilbert w/agree
Contractor - c/o ARMC w/agree
File - w/agree
CCM 09/29/2023