

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

July 23, 2024

FROM

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

SUBJECT

Agreement with Johnson Controls, Inc., for Preventative Maintenance, Testing, and Non-Routine/Unforeseen Repair Services for Building Automation System

RECOMMENDATION(S)

Approve **Agreement No. 24-649**, including non-standard terms, with Johnson Controls, Inc., for preventative maintenance, testing, and non-routine/unforeseen repair services of the building automation system, in the not-to-exceed amount of \$1,110,735, for the period of August 5, 2024, through August 4, 2029.

(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 \$1,110,735, plus applicable taxes 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 Arrowhead Regional Medical Center's (ARMC) 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The agreement with Johnson Controls, Inc. (JC) will allow ARMC to obtain preventative maintenance, testing, and non-routine/unforeseen repair services for the building automation system managed by the Facilities Management Department at ARMC. JC's building automation services for the Metasys® Building Automation System is a world-class technology system, which provides modern building energy management efficiency, connecting Heating, Ventilation, and Air Conditioning (HVAC), lighting, security and protection systems with communication on a single platform. The agreement will cover all quarterly and annual testing in accordance with the safety requirements of the California Division of Occupational Safety and Health, also known as Cal/OSHA.

Planned and proactive maintenance provides ARMC with the capability to stay on top of the health of the equipment and address minor issues before they become catastrophic failures. JC provides service options, from regularly scheduled service visits to emergency and on-call non-routine/unforeseen repair services.

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On November 4, 2019, an agreement between ARMC and JC was approved by the Purchasing Agent for monthly preventative maintenance, quarterly communication system maintenance and adjustments, and 24-hour customer support, including all required labor, parts, documentation and reporting for these services for the not-to-exceed amount of \$60,000 annually (\$300,000 total) for the term of August 5, 2019, through August 4, 2024.

On November 21, 2019, an agreement between ARMC and JC was approved by the Purchasing Agent for Building Automation System Services, including non-routine/unforeseen repair services for the not-to-exceed amount of \$90,000 annually (\$450,000 total) from August 5, 2019 through August 4, 2024. On November 19, 2021, Amendment No. 1, was approved by the Purchasing Manager to increase the total contract amount by \$180,000, from \$450,000 to \$630,000, with no change to the contract term of August 5, 2019 to August 4, 2024.

This agreement will combine two service contracts and adds an additional semi-annual and annual vibration analysis of ARMC equipment, a preventative measure to allow the Facilities Management Department with the ability to implement a proactive maintenance strategy.

This agreement was negotiated by the parties to include the following non-standard contract terms:

1. JC limits its indemnity obligations to claims resulting from personal injury, including death, or tangible property damage, but only to the extent such damages are caused by the negligent acts, omissions, or willful misconduct of JC, its employees, and agents.
 - The County standard contract general indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors or omissions of any person.
 - Potential Impact: JC's indemnity obligation is more limited compared to the standard County general indemnity obligation. In the event a claim arises that falls outside the scope of the JC's limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.

2. Except for claims based on its indemnification obligations under the agreement, gross negligence, willful misconduct, or fines or penalties imposed due to a violation of law, JC limits its liability to the greater of \$1 million or the total amounts paid under the agreement.
 - The standard County contract contains no limitations of liability.
 - Potential Impact: Except for certain claims as discussed above, JC caps its liability to the higher of \$1 million or the total amounts paid by the County under the Agreement. Claims could exceed the liability cap and the contract amount leaving the County financially liable for the excess.

ARMC recommends approval of the agreement with JC, including the non-standard terms, for the preventative maintenance and non-routine/unforeseen repair services for ARMC's building automation system to ensure the ongoing performance of these systems to assure that ARMC's staff and patients are protected.

PROCUREMENT

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Purchasing supports this non-competitive procurement based on specialized credentials, expertise, and training. JC has access to all special functions of the system, replacement parts, and specialist knowledge.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on June 28, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464) on June 28, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on July 1, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on July 2, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on July 3, 2024.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: July 23, 2024



cc: ARMC - Goldfrach w/agree
 Contractor c/o ARMC w/agree
 File w/agree
MBA 07/24/2024