

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

September 9, 2025

FROM

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

SUBJECT

Agreement with Philips Image Guided Therapy Corporation for the Purchase of Specialized Disposal Catheter Products

RECOMMENDATION(S)

Approve **Agreement No. 25-680** with Philips Image Guided Therapy Corporation, including non-standard terms, for the purchase of specialized disposable catheter products, in an amount not-to-exceed \$800,000, for a contract term of two years from the date of execution. (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 \$800,000 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) 2025-26 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The Philips IntraSight Intravascular Ultrasound (IVUS) imaging system is a digital system that combines imaging and physiology application for both coronary and peripheral vascular procedures. It allows physicians to visualize the inside of blood vessels, assess plaque, guide interventions, and optimize treatments results. It provides high-resolution, cross-sectional images of blood vessels, allowing for detailed assessment of plaque morphology, vessel size and lesion length.

The associated IVUS catheters used with the system are for single use only and cannot be re-sterilized or re-used. After use, the catheters may be a potential biohazard and should be handled and disposal of in accordance with accepted medical practices and applicable local, state and federal laws and regulations.

The agreement is Philips Image Guided Therapy Corporation (Philips) standard commercial agreement (Agreement), negotiated by the parties, which deviates from the standard County contract as follows:

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1. Payment terms are Net 45 days.
 - County standard payment terms are Net 60 days with no interest or late payment penalties.
 - Potential Impact: County standard processing time is 60 days or more. Failing to pay Net 45 days may result in a material breach of the Agreement, which could allow Philips to terminate the Agreement and seek other legal remedies.
2. Philips' general indemnity obligation is limited to claims of bodily injury and property damage due to Philips' negligent acts or omissions or willful misconduct or a defect in the products, and will not extend to claims due to the County's sole negligence or willful misconduct, products that are expired, repaired, altered, modified, reprocessed, or not used in accordance with their instructions for use, or any third-party products.
 - 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: Philips' 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 Philips' limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.
3. Philips' indemnity obligations are conditioned on the County providing Philips with notice of a claim within 30 days of being made aware of it.
 - The standard County contract does not impose a time limitation for the County to provide the contractor notice of an indemnifiable claim.
 - Potential Impact: The County will need to be mindful of this notice period as failing to provide notice within the 30 days could result in the County waiving Philips' indemnity obligations.
4. Except for claims based on indemnification, bodily injury/death or property damage due to Philips' negligence or a proven product defect, gross negligence, violations of law, and willful misconduct, Philips limits its liability to the greater of \$1 million or the price paid for the disposable products under the Agreement.
 - The County standard contract does not include a limitation of liability.
 - Potential Impact: Claims could exceed the liability cap and the Agreement amount leaving the County financially liable for the excess.
5. The County must notify Philips prior to the disclosure of any Philips confidential information.
 - The County standard contract does not require notice.
 - Potential Impact: The County will need to be aware of its obligation to notify Philips prior to any disclosure, including in response to a Public Records Act request.
6. Venue is in the state or federal courts of California.
 - County Policy 11-05 requires venue for disputes in Superior Court of California, County of San Bernardino, San Bernardino District.
 - Potential Impact: Having a venue in another county may result in additional expenses that the County might not have incurred if the dispute is brought in the San Bernardino County Superior Court.

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ARMC recommends approval of the agreement with Philips, including the non-standard terms, to enable ARMC to purchase specialized disposable products to be used with the IVUS system as it will enable the hospital to provide for the safety, health and social services needs of County residents and operate in a fiscally-responsible and business-like manner.

PROCUREMENT

Purchasing supports this non-competitive procurement based on equipment/system compatibility. These disposal products are specific to the IVUS system ARMC currently uses. These are propriety products unique to this company and are not available on the open market.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on August 8, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on August 13, 2025; Risk Management (Stephanie Pacheco, Staff Analyst II, 386-9039) on August 13, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on August 15, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on August 19, 2025.

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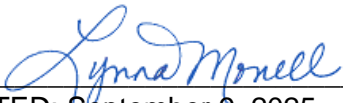
Record of Action of the Board of Supervisors
San Bernardino County

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: September 9, 2025



cc: ARMC - Goldfrach w/agree
Contractor - c/o ARMC w/agree
File - w/agree

CCM 09/11/2025