

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

November 5, 2024

FROM

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

SUBJECT

Equipment Sale Agreement with Siemens Healthcare Diagnostics Inc. for Blood Gas Analyzers

RECOMMENDATION(S)

Approve Equipment Sale **Agreement No. 24-1041**, including non-standard terms, with Siemens Healthcare Diagnostics Inc., for the purchase of two blood gas analyzers, in the amount of \$13,200 plus applicable taxes.

(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 \$13,200 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 have been included in the Arrowhead Regional Medical Center (ARMC) 2024-25 budget.

BACKGROUND INFORMATION

The Equipment Sale Agreement (Agreement) with Siemens Healthcare Diagnostics Inc. (Siemens) will allow ARMC to purchase two portable hand-held blood gas analyzers (Analyzers). The ARMC Respiratory Care Service Department utilizes these Analyzers to measure combinations of pH levels, blood gas, electrolytes and metabolites parameters from patient blood samples to determine treatment. The new Analyzers will be utilized in cases of emergency when results are needed quickly and as a back-up to existing analyzers.

The Agreement includes complementary maintenance of the Analyzers for one year, at no additional cost.

The Agreement is based on the terms of the Vizient Group Purchasing Organization supplier agreement with Siemens. However, Siemens also requires that the County enter into the Agreement that includes terms that deviate from the standard County contract terms as follows:

1. The payment terms are Net 30 days with late payment interest of 1.5% per month.
 - The County standard payment terms are Net 60 days with no interest or late payment penalties.

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- Potential Impact: County standard processing time is 60 days or more. Failing to pay in 30 days will result in a material breach of the contract, which would allow Siemens to terminate the Agreement and seek other legal remedies, including charging the County interest at a rate of 1.5% per month, which would exceed the Agreement amount.
2. Except for personal injury, negligence, product defect, and intentional misbehavior, Siemens limits its liability to the County up to the purchase price paid to Siemens.
 - The County standard contract does not include a limitation of liability.
 - Potential Impact: Aside from the exceptions discussed above, Siemens caps its liability to the County at the purchase price paid by the County for all claims arising under the Agreement. Claims could exceed the liability cap and the Agreement amount leaving the County financially liable for the excess. In addition, the County's liability under the Agreement is not similarly limited.
 3. The County is required to defend and indemnify Siemens against third-party claims that arise out of the County's negligent or wrongful acts or omission.
 - The County standard contract does not include any indemnification or defense by the County of a contractor.
 - Potential Impact: By agreeing to indemnify Siemens, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited, or expense limited could be brought against Siemens without such limitations and the County would be responsible to defend and reimburse Siemens for costs, expenses, and damages, which could exceed the total Agreement amount. Siemens is similarly obligated to defend and indemnify the County for its negligent/wrongful acts or omissions.

ARMC recommends approval of the Agreement, including the non-standard terms, as it will support the operations of the respiratory care services at ARMC, providing for the safety, health and social service needs of county residents.

PROCUREMENT

The Board of Supervisors 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.

The Purchasing Department supports this competitive procurement based on Vizient Agreement No. LB0982 with Siemens, effective July 1, 2022.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on October 4, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464) on October 10, 2024; Risk Management (Mattie Henderson-Mack, Administrative Supervisor I, 386-9038) on October 17, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on October 10, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on October 17, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on October 21, 2024.

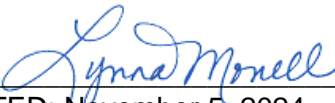
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Record of Action of the Board of Supervisors
San Bernardino County

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: November 5, 2024



cc: ARMC - Goldfrach w/agree
Contractor - c/o ARMC w/agree
File - w/agree
CCM 11/6/2024