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

March 11, 2025

FROM

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

SUBJECT

Amendment to Agreement with Howmedica Osteonics Corp. for Orthopedic Implants for Surgical Patients

RECOMMENDATION(S)

Approve **Amendment No. 2 to SAP Agreement No. 25-148** (4400025651) with Howmedica Osteonics Corp., for the provision of orthopedic implants for surgical patients to increase the contract amount by \$600,000, from a not-to-exceed amount of \$650,000 to a total not-to-exceed amount of \$1,250,000, with no change to the contract term of January 5, 2024 through January 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 \$600,000 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) 2024-25 budget and will be included in the future recommended budgets.

BACKGROUND INFORMATION

Amendment No. 2 to SAP Agreement No. 4400025651 (Agreement) with Howmedica Osteonics Corp. (Howmedica) will allow ARMC to continue to purchase orthopedic implants (trauma, foot and ankle and biologics implants) for surgical patients at ARMC. The products are specialty orthopedic surgical products which have a specific application and function that other products lack.

On January 5, 2024, as the result of a non-competitive procurement, the Purchasing Department (Purchasing) approved the Agreement with Howmedica for the provision of orthopedic implants, in the amount not to exceed \$250,000 for the period of January 5, 2024 through January 4, 2029.

Many of the specialty products were previously purchased through a separate vendor, which was acquired by Howmedica. As a result, on June 20, 2024, Purchasing approved Amendment

Amendment to Agreement with Howmedica Osteonics Corp. for Orthopedic Implants for Surgical Patients March 11, 2025

No. 1 to the Agreement with Howmedica to include the additional orthopedic products and increase the not-to-exceed contract amount by \$400,000, from \$250,000 to an amount not-to-exceed \$650,000, with no change to the contract term of January 5, 2024 through January 4, 2029.

As a result of increased demand for the products in order to improve patient outcomes, ARMC requires additional surgical implants from Howmedica in excess of Purchasing's approval authority. Amendment No. 2 to the Agreement will enable ARMC to continue to purchase the implants up to an amount not-to-exceed \$1,250,000.

ARMC recommends approval of the Amendment with Howmedica to provide for the safety, health and social services needs of county residents by allowing ARMC to maintain access to multiple specialty orthopedic implants for orthopedic surgical patients at ARMC for more efficient patient care and safety.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on February 10, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) February 11, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on February 14, 2025; Finance (Jenny Yang, Administrative Analyst, 387-4884) on February 18, 2025; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on February 21, 2025.

Amendment to Agreement with Howmedica Osteonics Corp. for Orthopedic Implants for Surgical Patients March 11, 2025

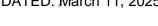
Record of Action of the Board of Supervisors San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

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- cc: ARMC Goldfrach w/agree Contractor - c/o ARMC w/agree File - w/agree
- CCM 03/12/2025