

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

May 21, 2024

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Amendments to Lease Agreements for Endoscopic and Bronchoscopic Devices

**RECOMMENDATION(S)**

1. Approve **Amendment No. 1 to Lease Agreement No. 23-803** with Leasing Associates of Barrington, Inc., to lease a high-resolution endoscopic video imaging system, increasing the contract amount by \$37,740, from \$1,593,900 to \$1,631,640 plus applicable taxes, and changing the effective date from July 25, 2023 to December 1, 2023 for the 60-month term of December 1, 2023 through November 30, 2028.
2. Approve **Amendment No. 1 to Lease Agreement No. 23-805** with Leasing Associates of Barrington, Inc., to lease a high resolution bronchoscopic video imaging system, increasing the contract amount by \$11,700, from \$485,940 to \$497,640 plus applicable taxes, and changing the effective date from July 25, 2023 to December 1, 2023 for the 60-month term of December 1, 2023 through November 30, 2028.

(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 amended increase in cost of \$49,440 and applicable taxes 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**

Approval of the Amendments to the Agreements with Leasing Associates of Barrington, Inc. (LA Barrington) will increase funding allocations and correct the term of the Agreements to allow ARMC to continue to provide more advanced endoscopic and bronchoscopic diagnostic testing for patients at ARMC's Gastrointestinal (GI) Lab and Pulmonary Lab. The endoscopic and bronchoscopic devices are used in certain ultrasound procedures for gastroenterology and pulmonology performed at ARMC. The scopes are paired with software for advanced diagnostic

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capabilities. The equipment is provided by Fujifilm, but Fujifilm is using LA Barrington to finance the equipment leases.

On July 25, 2023 (Item No. 19), the Board of Supervisors (Board) approved Lease Agreement No. 23-803 with LA Barrington, including non-standard terms, in the total contract amount of \$1,593,900 and applicable taxes, to lease a high-resolution endoscopic video imaging system, for a 60-month term, effective July 25, 2023 through July 24, 2028. The Board also approved Lease Agreement No. 23-805 with LA Barrington, including non-standard terms, in the total amount of \$485,940 and applicable taxes, to lease a high resolution bronchoscopic video imaging system, for a 60-month term, effective July 25, 2023 through July 24, 2028.

Both Lease Agreements No. 23-803 and Lease Agreement No. 23-805 (Lease Agreements) stated that the effective date for each of the Lease Agreements began when fully executed, which was July 25, 2023. However, the Lease Agreements also indicated that the initial term of the lease and the County's lease obligations would not begin until the equipment was installed and accepted by the County (Commencement Date). The installation and County's acceptance of the equipment was not completed until December 1, 2023. As a result, LA Barrington recognizes the Commencement Date for both Lease Agreements as December 1, 2023. Approval of Recommendations No. 1 and No. 2 will correct the County's record of the Lease Agreements contract terms to align with the vendor's record of a 60-month term, beginning December 1, 2023 through November 30, 2028.

Additionally, the Lease Agreements indicate that the originally quoted monthly rental amount is based on a Five Year Treasury Yield Index of 3.25%, and that LA Barrington reserves the right to a one-time adjustment of the monthly rent to reflect any increase in that financial indicator that may occur between execution of the Lease Agreements and the Commencement Date. The increases to the total contract amounts in Recommendations Nos. 1 and 2 reflect the adjustments to the monthly rent amount, as reserved by LA Barrington under the Lease Agreements.

ARMC recommends approval of the Amendments to provide for the health and safety of County residents through the provision of GI and Pulmonary diagnostic testing and enable ARMC to operate in a fiscally-responsible and business-like manner through the financing of critical diagnostic devices.

**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 because they offer scopes that meet the functional specifications of the ARMC GI Lab and Pulmonary Labs and offer software that interfaces with ARMC's Picture Archiving and Communication System (PACS) to capture video footage to enhance diagnostic capabilities. The Purchasing Department continues to support this competitive procurement based on Vizient Agreement No. CE7347 with Fujifilm, effective December 1, 2020.

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**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on April 23, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464) on April 24, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on April 29, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on April 30, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 1, 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: May 21, 2024



cc:    ARMC - Gilbert w/agrees  
      Contractor - c/o ARMC w/agree  
      File - w/agree  
CCM  05/23/2024