

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

May 7, 2024

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendments to Agreements with Intuitive Surgical, Inc. for Da Vinci Xi Dual Console Robotic Surgical System and Related Instruments and Accessories

RECOMMENDATION(S)

1. Approve **Amendment No. 1 to Agreement No. 23-273** with Intuitive Surgical, Inc. for the continued lease and service of a Da Vinci Xi Dual Console Robotic Surgical System, increasing the amount by \$2,547,651, from \$704,000 to \$3,251,651 plus applicable taxes, and extending by three years for a total term of June 12, 2023 through June 11, 2027.
2. Approve **Amendment No. 1 to Agreement No. 23-274** with Intuitive Surgical, Inc. for the continued purchase of instruments and accessories for use with the Da Vinci Xi Dual Console Robotic Surgical System, increasing the amount by \$3,000,000, from \$600,000 to \$3,600,000, and extending by three years for a total term of June 12, 2023 through June 11, 2027.

(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 additional cost of \$5,547,651 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) 2023-24 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of the amendments with Intuitive Surgical, Inc. (Intuitive) will allow ARMC to continue to lease and receive service for one Da Vinci Xi Dual Console Robotic Surgical System (System) and purchase related instruments and accessories, such as scopes, surgical arms, and surgical trays, for use with the System. The System is used for minimally invasive, complex surgical procedures that improve quality of care and reduce the length of hospital stays. Procedures that have been performed thus far using the System include, but are not limited to, cholecystectomy (gallbladder removal), hernias, hysterectomy, nephrectomy (full or partial kidney removal), appendectomy (appendix removal), and whipples (procedure on the

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pancreas). It is an alternative to traditional open surgery procedures that generally have longer recovery times and increased risk for infection. From completion of initial training on the System in August 2023 through April 2024, ARMC has performed approximately 140 robotic surgical procedures. The number of procedures performed with this System has continued to increase monthly since last year.

On April 11, 2023 (Item No. 11), the Board of Supervisors (Board) approved Agreement No. 23-273 with Intuitive in the amount of \$634,000 for a 12-month lease of the System, commencing on the date the System was delivered and accepted. The System was delivered and accepted on June 12, 2023. On April 11, 2023 (Item No. 11), the Board also approved Agreement No. 23-274 for the purchase of related instruments and accessories for use with the System, in the amount of \$116,000 with a term concurrent with Agreement No. 23-273.

On February 27, 2024 (Item No. 15), the Board approved an increase of funding allocation to Agreement No. 23-273 in the amount of \$70,000 for taxes related to the lease of the System, increasing the total amount from \$634,000 to \$704,000. The Board also approved an increase in funding allocation to Agreement No. 23-274 with Intuitive in the amount of \$484,000 for the purchase of instruments and accessories for use with the System, increasing the total from \$116,000 to \$600,000. In addition to covering property and sales tax, the increase in funding allocation was needed to purchase additional instruments and accessories, as ARMC has consistently been performing significantly more procedures with the System than originally anticipated. As a result, the original allocation was not sufficient to cover these purchases.

Operations with the System are now taking place on a weekly, and sometimes daily, basis as more ARMC physicians have trained and regularly request to perform procedures with the System due to the positive outcomes for patients. The System helps ARMC to achieve the goal of being a world-class health care provider in the Inland Empire.

ARMC recommends approval of the amendments to support the hospital in providing for the safety, health and social services needs of County residents through access to minimally invasive robotic surgeries for complex procedures.

PROCUREMENT

The Purchasing Department continues to support this non-competitive procurement based on functional specifications as the Robotic Surgical System is the only robotic system that has received Food and Drug Administration (FDA) approval to perform surgery in multiple specialty areas. Additionally, compatible instruments and accessories can only be purchased from Intuitive.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on April 9, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464) on April 10, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on April 15, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on April 16, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on April 18, 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: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 7, 2024



cc: ARMC - Gilbert w/agree
Contractor - c/o ARMC w/agree
File - w/agree
CCM 05/8/2024