

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

August 19, 2025

FROM

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

SUBJECT

Agreement with Covidien Sales LLC for the Purchase of Surgical Products

RECOMMENDATION(S)

Approve **Agreement No. 25-643** with Covidien Sales LLC, including non-standard terms, for the purchase of surgical products in the not-to-exceed amount of \$2,100,000, for the agreement term of September 1, 2025 through August 31, 2028.

(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 total cost of \$2,100,000 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 Agreement with Covidien Sales LLC (Covidien), a Medtronic company, will enable ARMC to purchase surgical products used for minimally invasive procedures at prices lower than the Vizient Inc. (Vizient) Group Purchasing Organization (GPO). Covidien provides endomechanical, trocar, electrosurgery, vessel sealing/advanced bipolar and smoke evacuation products that are used for laparoscopic, thoracoscopic, and robotic surgeries.

On February 1, 2023, Covidien and Vizient entered into an electrosurgical and smoke evacuation product agreement under which Covidien agreed to provide surgical products to members of Vizient, including ARMC, based on the terms and conditions set forth in the agreement.

On April 1, 2025, Covidien and Vizient entered into an endomechanical and trocar product agreement under which Covidien agreed to provide surgical products to members of Vizient, including ARMC, based on the terms and conditions set forth in the agreement.

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ARMC currently purchases these surgical products from Covidien through the previously mentioned Vizient agreements. ARMC now wishes to consolidate its purchases of these products into one agreement utilizing the terms from the Covidien and Vizient agreements. However, Covidien has agreed to lower pricing than what is included in those agreements with Vizient. The new pricing in the recommended agreement will be the result of a commitment to increase purchase volume of these products through Covidien.

The Agreement is Covidien's standard commercial agreement, negotiated by the parties, which include the following non-standard contract terms:

1. 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 outside of San Bernardino County may result in additional expenses that exceed the amount of the Agreement
2. Covidien's indemnity obligation is based on the indemnity requirement under the Vizient GPO, which limits Covidien to indemnifying the County only for bodily injury or damage to personal property caused by a defect in its products and Covidien's violation of law, willful misconduct, or negligence.
 - 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: Covidien's 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 Covidien's limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.
3. Except claims based on indemnity, gross negligence, violations of law, or willful misconduct, Covidien disclaims liability for lost profits, loss of use, or incidental, special, or consequential damages.
 - The County standard contract does not include a limitation of liability.
 - Potential Impact: In the event that the County sustains any lost profits, loss of use, or incidental, special or consequential damages as a result of Covidien's conduct, the County may be solely responsible for such losses and will be unable to recover such losses from Covidien, unless based on indemnity, gross negligence, violations of law, or the willful misconduct of Covidien.
4. Payment terms are Net 30 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 30 days may result in a material breach of the Agreement, which could allow Covidien to terminate the Agreement and seek other legal remedies.

ARMC recommends approval of this Agreement, including the non-standard terms, as the Covidien surgical products will provide for the safety and health needs of the County residents by providing tools to improve patient care for cardiovascular treatment.

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PROCUREMENT

The Board of Supervisors approved Vizient as the primary GPO on December 7, 2021 (Item No. 46), for five years, based on the Request for Proposals (RFP) No. AGENCY21-PURC-4090. Vizient negotiates competitive agreements by leveraging the collective buying power of their client base to secure lower pricing than individual entities could achieve alone. Awards are 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. CE7646 and CE7652 with Covidien, effective February 1, 2023, and MS1375 with Covidien, effective April 1, 2025.

REVIEW BY OTHERS

This item has been reviewed by (Charles Phan, Supervising Deputy County Counsel, 387-5455) on July 24, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on July 25, 2025; Risk Management (Stephanie Pacheco, Staff Analyst, 386-9008) on July 25, 2025; ARMC Finance (Chen Wu, Budget and Finance Officer, 580-3165) on July 28, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on July 30, 2025.

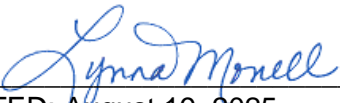
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Record of Action of the Board of Supervisors
San Bernardino County

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: August 19, 2025



cc: ARMC - Goldfrach w/agree
Contractor - c/o ARMC w/agree
File - w/agree
CCM 08/20/2025