

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

**February 27, 2024**

**FROM**

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

**SUBJECT**

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

**RECOMMENDATION(S)**

1. Approve an increase in funding allocation to Agreement No. 23-273 with Intuitive Surgical, Inc. in the amount of \$70,000 for taxes related to the lease of a Da Vinci Xi Dual Console Robotic Surgical System, increasing the total contract amount from \$634,000 to \$704,000, with no change to the contract term of June 12, 2023 through June 11, 2024.
2. Approve an increase in funding allocation to Agreement No. 23-274 with Intuitive Surgical, Inc. in the amount of \$484,000 for the purchase of instruments and accessories for use with the Da Vinci Xi Dual Console Robotic Surgical System, increasing the total contract amount from \$116,000 to \$600,000, with no change to the term of June 12, 2023 through June 11, 2024.

(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 cost of \$554,000 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) 2023-24 budget.

**BACKGROUND INFORMATION**

On April 11, 2023 (Item No. 11), the Board of Supervisors (Board) approved Agreement No. 23-273 (Lease Agreement) in the amount of \$634,000 with a term of 12-months, commencing the date the system was delivered and accepted. The Da Vinci Xi Dual Console Robotic Surgical System (Da Vinci) was delivered and accepted on June 12, 2023. The Board also approved Agreement No. 23-274 (Service Agreement) for use, license, and service of the Da Vinci and the purchase of related instruments and accessories, in the amount of \$116,000, with a term of 12-months, commencing the date the system was delivered and accepted.

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The increase in funding allocation will allow ARMC to pay for the taxes associated with the Lease Agreement of the Da Vinci and purchase additional related instruments and accessories for use with the system under the Service Agreement. The Da Vinci is used for minimally invasive, complex surgical procedures that improve quality of care and reduce the length of hospital stays. It is an alternative to traditional open surgery procedures that generally have longer recovery times and increased risk for infection.

When the Lease Agreement was originally approved by the Board, tax expenditures related to the lease of the Da Vinci were inadvertently omitted from the approval request. Accordingly, Recommendation No. 1 will authorize an increase in the funding allocation to the Lease Agreement to account for the property and sales taxes associated with the lease of the Da Vinci.

Since the introduction of the Da Vinci at ARMC on June 12, 2023, ARMC has been performing exponentially more procedures with the system than originally anticipated. More ARMC physicians have trained and regularly request to perform procedures with the Da Vinci due to the positive outcomes for patients. As a result, there has been an increased need for additional instruments and accessories beyond the \$116,000 that was initially projected when the Service Agreement was approved. Recommendation No. 2 will authorize the necessary increase in funding allocation to the Service Agreement to cover the supplies that have and will be purchased in excess of the original authorized amount of \$116,000, through the end of the term.

The approved Lease and Service Agreement amounts were entered in the County's fiscal system, SAP, as separate line items under the same contract, which combined the funding allocation for both the Lease and Service Agreements for a total of \$750,000. The overall funding allocation of \$750,000 with Intuitive Surgical was sufficient to cover both the lease and supplies, to-date. Therefore, with Purchasing approval, supplies were paid from that total allocation. The recommendations above ensure there are sufficient funds to cover expenses related to the lease and supplies through the end of both Agreement terms.

ARMC recommends approval of the increases in funding allocation as it will enable the hospital to provide 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 Da Vinci is the only robotic system that has received FDA approval to perform surgery in multiple specialty areas. Additionally, compatible instruments and accessories can only be purchased from Intuitive Surgical, Inc.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on January 12, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2198) on January 22, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on February 2, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on February 6, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on February 7, 2024.

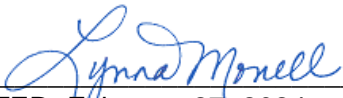
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: February 27, 2024



cc:     File - w/agree  
CCM   02/29/2024