

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

November 16, 2021

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Agreements for the Purchase of Vascular Equipment

RECOMMENDATION(S)

1. Approve the **Agreement No. 21-857** with Ziehm Imaging, Inc., for the purchase of an Imaging Vascular Arm, in the amount not-to-exceed \$550,000.
2. Approve (**Agreement No. 21-858**) the Quotation and Amendment with Philips North America LLC, for the purchase of an Ultrasound System, in the amount not-to-exceed \$150,000.

(Presenter: William L. Gilbert, Director, 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 the item will not result in the use of Discretionary General Funding (Net County Cost). The total costs not-to-exceed \$700,000 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) 2021-22 budget.

BACKGROUND INFORMATION

On September 21, 2021 (Item No. 7), the Board of Supervisors (Board) approved the purchase of a Ziehm Imaging Vascular Arm in the amount not to exceed \$550,000, and a Philips Ultrasound System in the amount not to exceed \$150,000. ARMC is now requesting the Board to execute both Agreements to complete the purchase of both fixed assets.

This equipment will allow ARMC to expand the vascular services provided and aid physicians in the diagnosis and treatment of vascular diseases. With the purchase of the equipment, ARMC will provide patients and their primary care physicians a unique one-stop location for these services. This will eliminate the need for multiple referrals and test locations, the team clinic physicians will work together to design the best treatment plan for each patient.

This equipment will help care for the vascular health of County residents who were formally referred to other surrounding hospitals. Services offered at ARMC that will be expanded as a result of the requested purchases include:

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Non-Invasive Vascular Lab

The Non-Invasive Vascular Lab, sometimes referred to as the peripheral vascular lab, performs a wide range of ultrasound studies to detect blockages in the arteries and veins of the arms and legs as well as the arteries that supply blood flow to the brain.

Surgical Bypass

This is the highest level of treatment options that are offered by ARMC surgeons who perform bypass operations to restore blood flow in the legs and arms, as well the blood flow to the brain. These procedures can allow full recovery of blood flow to affected areas and can prevent serious health outcomes such as stroke or amputation.

The Ziehm Agreement mirrors the standard terms and conditions of the County's purchase order.

The Philips quotation is primarily based on the terms of the Vizient Group Purchasing Organization supplier agreement with Philips, but it also contains some deviations, which necessitated the parties to negotiate an amendment to the quote that contain more favorable terms than the original quote.

The Philips quotation, as amended, includes the following non-standard contract terms:

1. Excepts for claims based on bodily injury (including death) and property damage caused by Philips' negligence or proven product defect, and Philips' indemnification obligations, Philips limits its liability to the County at the price paid for the product giving rise to liability.
 - The County standard contract does not include a limitation of liability.
 - Potential Impact: Philips caps its liability to the County at purchase price paid for the product giving rise to liability, except for those claims that fall into the exceptions discussed above. Claims could exceed the liability cap and the contract amount leaving the County financially liable for the excess. In addition, the County's liability is not similarly limited.
2. Philips disclaims liability for any indirect, punitive, incidental, consequential, exemplary or special damages, except for those that are payable as an indemnification obligation under the Vizient agreement.
 - The County standard contract does not limit a contractor's damages.
 - Potential Impact: By agreeing to this provision, the County is waiving the right to recover the specified damages against Philips, unless provided for under the Vizient agreement. If the County sustains any such damages, it will be unable to recover such damages from Philips, potentially leaving the County financially liable. In addition, the County's liability is not similarly limited.

ARMC recommends approval of the Ziehm agreement and Philips quotation and amendment as the acquisitions of the imaging vascular arm and ultrasound system will support the operations of the vascular care program at ARMC improving the safety, health and social service needs of County residents.

PROCUREMENT

This is a non-competitive procurement based on functional specification, as ARMC's systems, the current and future Electronic Health Record Systems and the Picture Archiving and

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Communication System are only compatible with the listed equipment. County Purchasing supports this non-competitive procurement.

REVIEW BY OTHERS

This item has been reviewed by This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on October 6, 2021; Purchasing Department (Ariel Gill, Buyer, 777-0722) on October 29, 2021; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on October 21, 2021; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on October 27, 2021; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-5423) on October 28, 2021.

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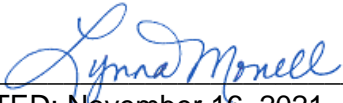
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Dawn Rowe

Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: November 16, 2021



cc: ARMC- Gilbert w/agree
Contractor- C/O ARMC w/agree
File- w/agree
LA 11/18/2021