

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

May 23, 2023

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Agreement with Steris Corporation for Preventative Maintenance and Repair of Sterile Processing Equipment

RECOMMENDATION(S)

Approve **Agreement No. 23-438** with Steris Corporation, including non-standard terms, for preventative maintenance and repair of sterile processing equipment, in the amount of \$84,592, for the term of July 1, 2023 through June 30, 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 \$84,592 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 will be included in the Arrowhead Regional Medical Center (ARMC) 2023-24 recommended budget.

BACKGROUND INFORMATION

The recommended Agreement with Steris Corporation (Steris) will allow ARMC to receive preventative maintenance and service repairs on Steris sterile processing equipment, which is used for the liquid chemical sterilization of cleaned, immersible, and reusable heat-sensitive semi-critical medical devices and their accessories. Preventative maintenance of Steris equipment extends its useful life and minimizes equipment breakdown.

Maintenance of the equipment involves regularly scheduled servicing, including Original Equipment Manufacturer (OEM) and regulatory standards validation, parts, labor, technical and customer care support, service portal, and travel costs. Preventative maintenance helps to improve performance and minimize down time for critical equipment that is utilized 24 hours a day, seven days a week in the hospital's Sterile Processing Department. The sterilization of medical grade instruments is essential for medical staff at ARMC to provide safe and efficient patient care.

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The Agreement is Steris' standard commercial agreement, negotiated by the parties, which includes the following non-standard contract terms:

1. There is no termination for convenience without penalty.
 - Under the standard County contract, the County has the right to terminate the contract for any reason with 30 days written notice.
 - Potential Impact: The County's ability to terminate the Agreement is limited to instances of Steris' breach of the Agreement or where it becomes insolvent. Any other termination by the County will result in a penalty equal to the difference between the total fees paid by the County and the value of services provided by Steris at its then-current time and material rates as of the effective date of the termination.
2. Payment terms are Net 45 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 within 45 days of invoice will result in a material breach of the Agreement, which would allow Steris to terminate the agreement and seek other legal remedies, which could exceed the total Agreement amount.
3. Steris' indemnity obligation is limited to claims for personal injuries or property damage to the extent caused by the willful acts or negligence of Steris.
 - The standard County 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: The indemnity obligation in this Agreement is narrower than the County standard indemnity provision. If a claim arises that falls outside the scope of the limited indemnity obligation, the County may become solely liable for the costs of defense and damages, which could exceed the total Agreement amount.

ARMC recommends approval of the agreement, including the non-standard terms, to provide for the health and safety of County residents through the continued ability to sterilize medical equipment.

PROCUREMENT

The Purchasing Department supports this non-competitive procurement as Steris is the sole factory-authorized supplier for the equipment and parts being serviced through this Agreement for ARMC's Sterile Processing Department.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on April 21, 2023; Risk Management (Victor Tordesillas, Director, 386-8623) on April 26, 2023; Purchasing (Ariel Gill, Buyer III, 777-0722) on April 24, 2023; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on May 1, 2023; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 3, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on May 4, 2023.

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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 23, 2023



cc: ARMC - Gilbert w/agree
Contractor - C/O ARMC w/agree
File - w/agree
CCM 05/25/2023