

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

June 9, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Agreement with Blood Bank of San Bernardino and Riverside Counties DBA LifeStream for the Provision of Blood, Blood Components, Therapeutic Apheresis Services, Immunohematology Services, and Clinical Consultations

RECOMMENDATION(S)

1. Approve **Agreement No. 20-362** with Blood Bank of San Bernardino and Riverside Counties DBA LifeStream (LifeStream), for the provision of blood, blood components, therapeutic apheresis services, immunohematology services, and clinical consultations, in the amount of not to exceed \$16,000,000, for the contract period of July 1, 2020, through June 30, 2025.
2. Direct the Clerk of the Board to maintain confidentiality of the Agreement pursuant to Health and Safety Code Section 1457(c)(1).
(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 this recommendation will not result in the use of Discretionary General Funding (Net County Cost). The total cost of not to exceed \$16,000,000 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) 2020-21 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The Agreement with LifeStream will allow for the provision of blood, blood components, therapeutic apheresis services, immunohematology service with clinical consultations to treat ARMC patients. Therapeutic apheresis is a clinical procedure performed to remove circulating antigen-antibody complexes from the bloodstream of patients with various blood disorders. Patients in trauma centers and hospitals frequently require blood transfusions and other forms of blood volume expanders. These highly regulated products are procured from LifeStream, which supplies these products to hospitals in both Riverside and San Bernardino County. Immunohematology services involve extensive testing of patient and blood products for compatibility. The agreement with LifeStream provides for the health and social services needs

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of County residents by ensuring timely provision of blood, blood components, therapeutic apheresis services, and immunohematology services for treatment of ARMC patients.

The Agreement with LifeStream is its standard commercial terms, negotiated by the County, which contain terms that differ from the standard County contract. The non-standard terms and their potential impact are as follows:

Exclusivity

This is an exclusive Agreement with LifeStream, meaning that LifeStream will be the only supplier of the products and services within the scope of the Agreement, unless one of the exceptions in the Agreement are met (e.g., there is an emergency circumstance, or LifeStream is unable to provide the products within a reasonable time).

- The County's standard contract are not exclusive to a vendor.
- Potential Impact: ARMC will be unable to procure the products and services within the scope of this Agreement from any other source during the term of this Agreement unless an exception applies.

Payment Terms

The Agreement provides that the County is to pay within 30 days of an invoice or after resolution of any billing disputes.

- The County's standard contract payment term is Net 60 days.
- Potential Impact: ARMC administration must be mindful of this provision and ensure payment is made in timely manner. Notably, there are no provisions providing for any interest or penalty payments if payment is not made within 30 days.

Termination

Neither party may terminate this Agreement without cause.

- The County's standard contract permits either party to terminate the contract for convenience with 30 days written notice.
- Potential Impact: The County is locked into this Agreement for five years, and is limited to terminating this Agreement only where there is a breach of the terms of the Agreement.

Indemnification

Although the Agreement contains the County's standard indemnification provision that protects the County, the Agreement also contains a provision that the County will indemnify LifeStream for all claims for damages caused by the negligence of ARMC and ARMC's employees and agents. This indemnification is contingent upon LifeStream providing ARMC with prompt, written notification of any and all occurrences which may result in a claim.

- The County's standard contract does not provide for the indemnification of the vendor for any reason.
- Potential Impact: To the extent a claim is made against LifeStream for damages proximately caused by ARMC or ARMC's employees and agents, the County would need to indemnify and become responsible for such damages.

Warranties

LifeStream makes no warranties, express or implied, regarding the blood and blood components that it provides, and disclaims any warranties.

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- The County standard contract provides that the vendor fully warrants its services and products.
- Potential Impact: LifeStream's potential liability is limited by this disclaimer of warranty, but the County may have other theories of tort liability available to it to the extent a claim is to be made against LifeStream.

Limitations of Liability

Under the Agreement, except in cases of intentional misconduct, no party will be liable to the other for any indirect, punitive, or consequential damages arising out of the Agreement.

- The County's standard contract does not include a limitation of liability provision.
- Potential Impact: If the County sustains any indirect or consequential damages arising out of LifeStream's conduct under the Agreement, those damages would not be recoverable.

PROCUREMENT

This is a non-competitive purchase based on firm schedule requirement, as LifeStream is the only vendor offering two routine deliveries daily, with excellent rush delivery times, due to their proximity to ARMC. The ability to receive products quickly is vital to ARMC maintaining trauma accreditation status. LifeStream also offers the opportunity to return products that are about to expire, providing credit for these products. There are also no annual minimum purchase requirements, though LifeStream will be the exclusive provider of such products unless an exception under the Agreement applies. County Purchasing supports the non-competitive purchase of blood, blood components, therapeutic apheresis services and immunohematology services from LifeStream for treatment of ARMC patients.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on May 13, 2020; Purchasing Department (Jackie Ambrose, Lead Buyer, 387-2060) on February 18, 2020 ; ARMC Finance (Chen Wu, Budget and Finance Officer, 909-580-3165) on May 14, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on May 20, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on May 25, 2020.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Josie Gonzales Seconded: Robert A. Lovingood
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 9, 2020



cc: ARMC- Gilbert w/agree
 Contractor- C/O ARMC w/agree
 File- BAI only
 File- Confidential w/agree
la 06/11/2020