

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

June 23, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Software Maintenance and Support Services Agreement with Vital Images, Inc. for Vitrea 3D Workstations and 3D Renderings

RECOMMENDATION(S)

Approve **Amendment No. 3 to Contract No. 20-463** 4400006111 for Software Maintenance and Support Services Agreement with Vital Images, Inc. to update and maintain the Vitrea 3D workstation for imaging software for interventional radiology/neurology, increasing the contract amount by \$274,067, from \$208,851 to \$482,918, for the total contract period of April 1, 2014, through June 23, 2023.

(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 additional cost of \$274,067 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) 2019-20 budget and will be included in future recommended budgets.

Cost Type	(6/24/20 – 6/23/21)	(6/24/21 – 6/23/22)	(6/24/22 – 6/23/23)	Total
Upgrade Costs: Updated hardware, software, education, and reinstallation	\$110,150	\$0	\$0	\$110,150
Annual Costs: Upgraded software maintenance and support	\$54,639	\$54,639	\$54,639	\$163,917
Total Cost	\$164,789	\$54,639	\$54,639	\$274,067

BACKGROUND INFORMATION

Approval of the Software License and Service Agreement Amendment will allow ARMC to maintain the Vitrea 3D workstation in computed tomography (CT) that is used by the ARMC

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medical imaging department. This system receives data from the CT scanner, and produces a three-dimensional rendering of the anatomy that is vital to both diagnosis and proper billing.

In 2014, ARMC entered into a non-competitive agreement with Vital Imaging as they were the sole company able to upgrade and support 3D imaging software for interventional radiology/neurology, including brain perfusion for strokes, and cardiac studies. Vital Imaging does not authorize third parties to provide maintenance and support services of its proprietary software products. Approval of this contract will provide for the safety, health and social service needs of county residents by ensuring the hospital CT scanners have the necessary software maintenance and upgrades to assist physicians and technicians with patient care.

PROCUREMENT

Purchasing has approved the non-competitive justification for procurement based on the proprietary nature of this software, licensing and maintenance. This procurement includes upgrade costs of \$110,150 which includes updated hardware, software, installation and education for the Vitrea 3D workstation. Additionally, it includes ongoing costs of \$54,639 annually of software maintenance and support for a three-year period, beginning June 24, 2020, through June 23, 2023.

On April 1, 2014, the purchasing agent authorized Contract No. 4400006111 with Vital Images, Inc. (Toshiba Medical Systems Group Company) that later became Vital Images, Inc. (Canon Group), for software maintenance and support for a three-year term at a cost of \$32,778 annually.

On August 8, 2017, Purchasing approved Amendment No. 1 for the extension of the agreement from April 1, 2017, through March 31, 2019, in the amount of \$36,839 annually. On March 31, 2019, Purchasing approved Amendment No. 2, also referenced as, Quote 11564 for a one-year extension of the agreement in the amount of \$36,839, for a term of April 1, 2019, through March 31, 2020. Both extensions were for continued software maintenance and support services.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, County Counsel, 387-5487) on May 06, 2020; Purchasing Department (Jackie Ambrose, Buyer III, 387-2463) on May 6, 2020; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on June 2, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on June 03, 2020; and County Finance (Matthew Erickson, County Chief Financial Officer, 387-5423) on June 07, 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 23, 2020



cc: ARMC- Gilbert w/agree
Contractor- C/O ARMC w/agree
File- w/agree
la 06/24/2020