

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

June 8, 2021

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Master Service Agreements with Stericycle, Inc. for Provision of Waste Disposal Services

RECOMMENDATION(S)

Approve Master Service Agreements with Stericycle, Inc. for the provision of the following waste disposal services, in a total aggregate amount not to exceed \$2,500,000, for the contract period of June 8, 2021 through June 7, 2026:

1. Pharmaceutical Waste Disposal; **Contract No. 21-412.**
2. Regulated Waste Disposal; **Contract No. 21-413** and
3. Hazardous Waste Disposal, **Contract No. 21-414.**

(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 these items with Stericycle, Inc. (Stericycle) will not result in the use of Discretionary General Funding (Net County Costs). The cumulative not to exceed cost of \$2,500,000 is funded by State Medi-Cal, Federal Medicare, private insurances and other departmental revenues. 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

Approval of the master service agreements with Stericycle will provide ARMC the ability to dispose regulated medical, pharmaceutical, and hazardous waste, in a safe and efficient manner. Regulated medical waste disposal is the removal of waste that may be contaminated by blood, body fluids, or other infectious materials. Pharmaceutical waste disposal entails the disposal of controlled substances in containers that are pre-loaded with deactivating agent-deterrents, which permanently alters the substance's chemical condition rendering the substance unavailable and unusable; including pills, patches, tablets and IV solutions. The deactivating agent also works as a precautionary measure deterring the improbable occurrence of someone attempting to ingest the liquid. Hazardous waste disposal services, provided by Stericycle, will ensure waste that is ignitable, reactive, corrosive, and toxic will be safely collected and removed.

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The proper disposal of these waste categories are essential for protecting public health and the environment, and ensures ARMC is compliant with Federal, State, and Local laws and regulations.

The master service agreements are based on the Vizient Agreement SC2425 and incorporate the terms and conditions from that agreement, but also include the following non-standard County terms:

Termination for Convenience

The County cannot terminate the agreements prior to the expiration of agreements without cause, or it will be required to pay Stericycle liquidated damages.

- The standard County contract permits either party to terminate the contract for any reason with 30 days advance written notice.
- **Potential Impact:** If the County terminates the agreements without cause prior to the expiration date, the County will be required to pay liquidated damages equal to (a) 50% if in the first 12 months of the agreements, (b) 45% if in months 12 through 24, or (c) 40% if past the initial 24 months of the agreement, of the County's average charge on a monthly basis based on the 12 months' billing prior to the cessation of collections (or based on any lesser period if the contract began less than 12 months earlier) times the number of months, including prorated partial months, remaining until the expiration date of the term.

PROCUREMENT

This is a competitive procurement based on the Vizient Agreement SV2425. ARMC utilizes Vizient as Group Purchasing Organization, an entity that conducts competitive procurements on behalf of ARMC. County Purchasing supports this competitive procurement.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5465) on May 26, 2021; Purchasing Department (Ariel Gill, Buyer, 777-0722) on May 26, 2021; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on May 17, 2021; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on May 17, 2021; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on May 23, 2021.

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

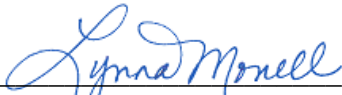
APPROVED (CONSENT CALENDAR)

Moved: Janice Rutherford Seconded: Joe Baca, Jr.

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

Lynna Monell, CLERK OF THE BOARD

BY


DATED: June 8, 2021



cc: ARMC - Gilbert w/agrees
Contractor - C/O ARMC w/agree
File - w/agree
CCM 06/14/2021