



# San Bernardino County

## Legislation Text

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**File #: 2245, Agenda Item #: 7**

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

**June 2, 2020**

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Amendment No. 1 to Agreement with Agiliti Imaging, Inc. for Preventive Maintenance of Nuclear Medicine Equipment

**RECOMMENDATION(S)**

Approve Amendment No. 1, effective July 1, 2020, to Service Agreement No. 20-99 with Agiliti Imaging, Inc. to add preventative maintenance service of nuclear medicine equipment, increasing the contract amount by \$189,000, from \$3,338,250 to \$3,527,250, with no change to the contract expiration date of April 30, 2025. (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 item will not result in the use of Discretionary General Funding (Net County Cost). The additional cost of \$189,000 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) 2019-20 budget and will be included in future recommended budgets.

Payment for maintenance service, parts and labor under the Service Agreement Amendment will be paid over a five-year period according to the following schedule:

| <b>Year</b> | <b>Cost</b> |
|-------------|-------------|
| Year 1      | \$37,800    |
| Year 2      | \$37,800    |
| Year 3      | \$37,800    |
| Year 4      | \$37,800    |
| Year 5      | \$37,800    |

|              |                  |
|--------------|------------------|
| <b>Total</b> | <b>\$189,000</b> |
|--------------|------------------|

**BACKGROUND INFORMATION**

Approval of this recommendation will allow ARMC to receive maintenance service and parts for its nuclear medicine equipment to ensure the equipment's continued functionality. Nuclear Medicine is a branch of medical imaging that helps physicians to identify, diagnose and treat certain conditions by using small amounts of radioactive material. Nuclear medicine particularly helps with identifying molecular activity, which allows physicians to determine the severity of a condition. The maintenance of the nuclear medicine equipment is currently performed by Med Engineering, Inc. Their contract expires on June 20, 2020.

**PROCUREMENT**

As the annual cost of this service is less than \$100,000, ARMC's Medical Imaging Department solicited quotes for nuclear medicine equipment maintenance services which is a competitive procurement approved by Purchasing. ARMC requested quotes from the three (3) following vendors to provide preventative maintenance services for nuclear medicine equipment:

| Company                             | Location      |
|-------------------------------------|---------------|
| Agiliti Imaging, Inc.               | San Diego, CA |
| Med Engineering, Inc.               | Irvine, CA    |
| Siemens Medical Solutions USA, Inc. | Malvern, PA   |

Of the vendors that received quote requests, all responded except Siemens Medical Solutions. Med Engineering, Inc. is the incumbent contractor that has provided maintenance service for ARMC's nuclear medicine equipment. However, the ARMC Medical Imaging Department has radiographic equipment from various manufacturers that are currently maintained by Agiliti Imaging, Inc. (Agiliti), and Agiliti has the capacity and training to service nuclear medicine equipment as well.

On March 10, 2020 (Item No. 9), the Board of Supervisors approved an agreement with Agiliti Imaging, Inc. for service of medical imaging equipment in the amount of \$3,338,250 for the term of May 1, 2020, through April 30, 2025.

ARMC recommends approval of the amendment to the Service Agreement with Agiliti Imaging, Inc. as it will enable ARMC to cost-effectively maintain and repair crucial nuclear medicine equipment that is utilized to treat patients in San Bernardino County. Furthermore, this comprehensive service package with Agiliti will allow ARMC to operate in a fiscally responsible and business-like manner as it will result in potential annual savings. Regular maintenance of medical imaging and nuclear medicine equipment ensures safe and efficient service to patients, providing for the health and social services needs of County residents.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on April 27, 2020; Purchasing Department (Jacqueline Ambrose, Lead Buyer, 777-0722) on April 30, 2020; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on May 6, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on May 11, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on May 17, 2020.