



# San Bernardino County

## Legislation Text

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**File #: 2246, Agenda Item #: 8**

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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 to Agreement with Diagnostica Stago, Inc. for Patient Coagulation Testing

**RECOMMENDATION(S)**

Approve Amendment No. 2 to Service Agreement No. 15-317 with Diagnostica Stago for patient coagulation testing, increasing the contract amount by \$258,927, from \$792,031 to \$1,050,958, and extending the contract term through November 30, 2022.

(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 \$258,927 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.

The Board of Supervisors (Board) approved the original agreement on June 16, 2015. However, Diagnostica Stago recognizes the original contract term as December 1, 2015, through November 30, 2020. Based on the contract, the term begins when installation and training are complete, therefore, the incremental costs will be paid according to the following schedule:

<b>Year</b>	<b>Cost</b>
Year 1 (6/30/20 to 11/30/21)	\$162,466.25
Year 2 (12/1/21 to 11/30/22)	\$96,460.75
<b>Total</b>	<b>\$258,927.00</b>

**BACKGROUND INFORMATION**

Approval of this recommendation will allow for the continued use of coagulation analyzers to assist clinicians in the diagnosis and treatment of ARMC patients. The coagulation analyzers are utilized for routine and specialized patient coagulation (blood clotting) testing that provides clinicians with critical information to monitor a patient's ability to form blood clots. This information is used in screening for surgical procedures, diagnosis of bleeding and clotting disorders, and to monitor anticoagulant medications. Additionally, extension of the agreement avoids redundant interface costs that would be incurred if a new analyzer was brought in before ARMC's change from Meditech to EPIC, the hospital's new electronic health record (EHR) system.

ARMC recommends approval of the second contract amendment with Diagnostica Stago as approval will enable ARMC to perform essential testing for San Bernardino County residents receiving treatment at the hospital.

**PROCUREMENT**

This is a non-competitive procurement approved by Purchasing based on an existing agreement. The County released a RFP on January 23, 2015, for coagulative testing services. On June 16, 2015 (Item 15), the Board approved Agreement No. 15-317 with Diagnostica Stago, Inc., in the amount of \$542,031 for the period of July 1, 2015, through June 30, 2020. However, based on the contract, the term begins when installation and training are complete, thus, Diagnostica Stago recognizes the term of the agreement as December 1, 2015, through November 30, 2020. A RFP for new coagulation testing equipment will be timed to coincide with the completion of the hospital's EHR transition from Meditech to EPIC.

On December 4, 2018 (Item 14), the Board approved Amendment No. 1 to Agreement No. 15-317 with Diagnostica Stago, Inc. increasing the total amount by \$250,000 from \$542,031 to \$792,031 through the remainder of the total period of July 1, 2015, through June 30, 2020, to replace discontinued reagent and supplies and increase the contract amount to cover a rise in test volume for patients at ARMC.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, County Counsel, 387-5455) on April 30, 2020; Purchasing Department (Jacqueline Ambrose, Lead Buyer, 777-0722) on May 7, 2020; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on May 6, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on May 15, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on May 18, 2020.