



San Bernardino County

Legislation Text

File #: 3025, Agenda Item #: 11

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

October 6, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Contract with ACCO Engineered Systems, Inc., for Preventative Maintenance and Unexpected Repairs of Heating, Ventilation, Air Conditioning and Refrigeration Systems

RECOMMENDATION(S)

Approve Contract with ACCO Engineered Systems, Inc., for preventative maintenance and unexpected repairs of the heating, ventilation, air conditioning and refrigeration systems at Arrowhead Regional Medical Center, for the contract period of October 7, 2020 through May 31, 2021, for a not to exceed amount of \$526,004. (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 the recommendations with ACCO Engineered Systems, Inc. (ACCO) will not result in the use of Discretionary General Funding (Net County Cost) as the not to exceed amount of \$526,004 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. Sufficient appropriation and revenue are included in the Arrowhead Regional Medical Center (ARMC) 2020-21 budget.

BACKGROUND INFORMATION

Approval of the recommendation will allow ARMC to continue to ensure proper maintenance and operations of the heating, ventilation, air conditioning and refrigeration (HVACR) systems at ARMC and its associated Family Health Centers. The HVACR systems provide for the required environment of care standards as it relates to infection control plans and procedures that are reviewed by Cal OSHA, Centers for Medicaid/Medicare Services and The Joint Commission annually, providing for the safety, health and social service needs of County residents. Although unexpected repairs are rare, they can be extremely costly. A contingency plan, which includes purchasing authority for emergency repair, is a State and Federal licensing requirement. A licensed third party contractor specializing in HVACR systems is required to provide legal and mandated scheduled monitoring and monthly maintenance of the ARMC HVACR systems, ensuring that regulatory compliance standards are met.

The HVACR systems are essential to ARMC life support systems as they provide positive, neutral and

negative pressures to procedure areas, operating rooms and intensive care units. HVACR systems assist with infection control through required indoor air exchanges, ambient temperatures, and humidity levels necessary to maintain operation licenses.

The contract with ACCO is its standard commercial contract, with terms negotiated by the parties that differ from the County's standard contract as follows:

Limitations of Liability

Neither party is liable to the other for any liquidated damages, loss of rent, consequential, interest expense, extended overhead or any other delay damages of any kind, nature or description.

- The standard County contract contains no limitations of a vendor's liability.
- Potential Impact: The County is waiving any right to recover the specified damages against ACCO, which could exceed the total contract amount, leaving the County financially liable for such damages.

Except as to indemnification claims, ACCO caps its liability to the greater of the cost of correcting any defects in its equipment or workmanship or the difference in value between the installation as installed and the cost of the original installation if installed strictly in conformity with the contract documents.

- The standard County contract contains no cap on a vendor's liability.
- Potential Impact: ACCO caps its liability on any claims (except indemnification claims) by the County. Claims could exceed the liability cap and the contract amount leaving the County financially liable for the excess.

PROCUREMENT

The purposed contract with ACCO is a non-competitive procurement based on current existing contracts with ACCO. The current contracts for preventative maintenance and unexpected repairs will expire on November 30, 2020. ARMC is currently conducting a Request of for Proposal (RFP) for these services. It is anticipated that contract(s) will not be finalized until mid-2021. The proposed contract will ensure these services are provided until a new contract is established, that will stem from a RFP award.

ARMC recommends approval of the contract, including the non-standard terms. County Purchasing approves the non-competitive procurement.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on September 22, 2020; Purchasing Department (Michelle Churchill, Supervising Buyer, 387-2070) on September 22, 2020; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on September 22, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on September 22, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on September 22, 2020.