



San Bernardino County

Legislation Text

File #: 4571, Agenda Item #: 9

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

July 27, 2021

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with Zimmer US, Inc. dba Zimmer Biomet to Procure Total Joint Implants for Patients

RECOMMENDATION(S)

Approve Amendment No. 1 to Agreement No. 20-579 with Zimmer US, Inc. dba Zimmer Biomet, for the purchase of Total Joint Implants for surgical patients, increasing the contract amount by \$500,000, from \$400,000 to \$900,000, with no change to the term of July 14, 2020 through July 13, 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 increased cost of \$500,000 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) 2021-22 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of the recommended agreement amendment with Zimmer US, Inc. dba Zimmer Biomet (Zimmer Biomet) will allow ARMC to continue to purchase hip, knee, and shoulder implants (collectively known as "Total Joint Implants") for certain surgical patients at the hospital. ARMC conducts elective and non-elective surgeries. Now that these surgeries are taking place again with the decline of the novel coronavirus, demand for procedures that require Total Joint Implants has increased beyond what the hospital originally anticipated. Therefore, ARMC is requesting additional funds for the Zimmer Biomet agreement to ensure sufficient supply of products.

The Statement of Economic Interest, Form 700, filed by physicians who use Zimmer Biomet products have been reviewed by the ARMC Compliance Department and no conflicts of interest were noted.

In 2017, the County, on behalf of ARMC, conducted a Request for Proposals (RFP) for Total Joint Implant

products. Zimmer Biomet was one of four vendors who were awarded contracts to provide implants. Zimmer Biomet is utilized as they maintain multiple implant systems that give ARMC a variety of products to choose from for surgical operations. The first agreement with Zimmer Biomet was executed by the Purchasing Agent in an amount not to exceed \$600,000 for the contract period of July 1, 2017 through June 30, 2020.

On July 14, 2020 (Item No. 17), the Board of Supervisors (Board) approved Agreement No. 20-579 with Zimmer Biomet for the purchase of Total Joint Implants for surgical patients, in the amount not to exceed \$400,000, for the two-year period of July 14, 2020 through July 13, 2022. The agreement with Zimmer Biomet was presented to the Board for approval due to non-standard contract terms.

ARMC recommends approval of this agreement amendment to ensure the hospital will continue to have sufficient supply of Total Joint Implants to conduct surgical procedures that meet the healthcare needs of County residents.

PROCUREMENT

Purchasing approves of the recommended agreement amendment based on the competitive procurement that was completed through RFP (ePro Bid No. ARMC117-ARMC-2518) in 2017. Per County policy, agreements can carry a term of up to five years. Therefore, the 2017 RFP remains valid for the current Zimmer Biomet agreement that terminates July 13, 2022.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on June 17, 2021; Purchasing (Ariel Gill, Buyer III, 777-0722) on July 7, 2021; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on June 18, 2021; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on July 7, 2021; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on July 11, 2021.