



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: A 24-140**

April 16, 2024

**Introduced:** 3/22/2024

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute Renewal & Amendment No. 4 to the agreement with Renovo Solutions LLC (A-14229) per Request for Proposals (RFP) 9600-70 for preventative maintenance plus repairs on biomedical equipment, increasing the total agreement amount by an additional \$1,363,374 for a revised total agreement amount not to exceed \$7,076,451 and extending the term of the Agreement for an additional one (1) year period (March 1, 2024 through February 28, 2025) with a revised full agreement term of March 1, 2019 through February 28, 2025.

### **RECOMMENDATION:**

#### **It is recommended the Board of Supervisors:**

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute Renewal & Amendment No. 4 to the agreement with Renovo Solutions LLC (A-14229) per Request for Proposals (RFP) 9600-70 for preventative maintenance plus repairs on biomedical equipment, increasing the total agreement amount by an additional \$1,363,374 for a revised total agreement amount not to exceed \$7,076,451 and extending the term of the Agreement for an additional one (1) year period (March 1, 2024 through February 28, 2025) with a revised full agreement term of March 1, 2019 through February 28, 2025.

### **SUMMARY/DISCUSSION:**

In 2018 Natividad issued a Request for Proposals (RFP) #9600-70 for preventative maintenance plus repairs on biomedical equipment at the hospital. Four bids were received and after a detailed analysis and selection process Renovo Solutions was awarded the agreement which the Board of Supervisors approved on February 12, 2019. A flat fee structure was set based on inventory levels at the time the RFP was released.

The Board approved Amendment No. 1 to this Agreement in June of 2020 at which time diagnostic imaging (DI) equipment was added to the service contract with Renovo for maintenance and repair in addition to the biomedical equipment, with an associated \$752,284 increase associated with an inventory true-up and newly added DI services, plus unplanned services billed as time & materials. The Board also approved Amendment No. 2 in which an increase of \$921,000 was approved solely to cover unplanned services billed as time and materials which accumulated due to increased service needs associated with Covid, an increase in equipment inventory, and equipment falling off warranty.

The board approved Amendment No. 3, Natividad negotiated a new pricing structure with Renovo so as to minimize unplanned costs that are billed as time and materials. The inventory was updated and most of the inventory is now moving to full coverage status. Natividad also requested that Renovo assume some level of risk by agreeing to cover the first \$25,000 of time and materials costs that accumulate annually.

For Renewal and Amendment No. 4, Natividad is negotiating for new pricing that includes an updated inventory to assist in minimizing unplanned costs typically billed as time and materials. Natividad is proposing and removing the restriction to the five percent inventory adjustment to create a reserve pool. This would allow for any equipment, regardless of its purchase price to be added or removed from the agreement as necessary. Natividad has also requested that Renovo assume more risk in covering the first \$25,000 of time and materials for every year of the agreement. Furthermore, with regards to time and materials Natividad is negotiated that Renovo move their initial cap of \$500 to \$1250 for shared risk of accidental damage and or abuse yearly through the term of the agreement.

At this time, Natividad is requesting approval to accept the new pricing structure and also to extend the term of the Agreement for an additional one (1) year period.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this renewal & amendment No. 4 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The renewal & amendment No. 4 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on February 9, 2024.

**FINANCING:**

The cost for this Renewal & Amendment No. 4 is \$1,363,374 of which \$455,000 is included in the Fiscal Year 2023-24 Adopted Budget. Future costs will be included in those budgets as appropriate.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

This request ensures that NMC's biomedical equipment is properly maintained for compliance and safety purposes which contributes to the improved health and wellness for patients.

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Andrea Rosenberg, Hospital Assistant Administrator, 783-2562

Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:

- Renovo Solutions LLC Renewal and Amendment No. 4
- Renovo Solutions LLC Renewal and Amendment No. 3
- Renovo Solutions LLC Amendment No. 2
- Renovo Solutions LLC Amendment No. 1
- Renovo Solutions Agreement (awarded per RFP 9600-70)

Attachments on file with the Clerk of the Board

*Charles R. Harris*

Charles R. Harris, M.D., Chief Executive Officer

*3/26/2024*

Date