



Monterey County

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Board Report

Legistar File Number: A 17-047

March 14, 2017

Introduced: 2/15/2017

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 3 to the agreement (A-11012) with G.E. Healthcare, Inc. for biomedical services, adding \$450,000 for a revised total agreement amount not to exceed \$2,972,506 with no change to the agreement term of December 15, 2010 through December 14, 2017.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 3 to the agreement (A-11012) with G.E. Healthcare, Inc. for biomedical services, adding \$450,000 for a revised total agreement amount not to exceed \$2,972,506 with no change to the agreement term of December 15, 2010 through December 14, 2017.

SUMMARY/DISCUSSION:

The original Bio Medical Agreement with GE Healthcare was approved by the Board of Supervisors in July 2007, services included equipment maintenance for biomedical, diagnostic imaging, sterilizer, and laboratory equipment. The cost of the Agreement was based on a then current snapshot of inventory and service levels for the equipment. Additionally, the cost of the original Agreement can fluctuate depending on the items listed on the inventory. Items not listed on the inventory are considered "billables". GE Healthcare will not add certain equipment onto the inventory list and requires they be "billables".

The original Agreement was approved for the term of September 1, 2007- August 31, 2012 in the amount of \$4,355,000 which included funds for the inventoried items (nonbillable) as well as additional funding for the "billable" items. This original agreement included authorization for a fiscal year purchase order in the amount of \$676,300 to cover the time frame of September 1, 2007 through June 30, 2008. The original Agreement also included the "billables" which provided for additional repairs and maintenance for equipment outside the standard coverage, i.e. physical damage and accessories (parts) that are not included as a specific line item in the Agreement.

In March 2009 NMC entered into Renewal Amendment #1, which did not increase the total dollar amount of the Agreement, but increased the annual Purchase Order amount to \$1,000,000 (a \$323,700 increase from the original approved amount).

In December 2010, the Board of Supervisors approved Amendment No. 2 that extended the

term of the Agreement until December 14, 2017 and included a 30 day without cause provision into the Agreement. The revised not to exceed amount for the agreement was reduced from \$4,355,000 to \$2,522,506. After a review and reconciliation of the agreement, NMC identified a previous error resulting in the need of additional funding in the amount of \$450,000 in order for services to continue with no change to the term end date of December 14, 2017. This amendment no. 3 will correct that funding issue.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment no. 3 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment no. 3 has also been reviewed and approved by NMC's Finance Committee on January 26, 2017 and by its Board of Trustees on February 3, 2017.

FINANCING:

The cost for this amendment no. 3 is \$450,000 of which \$225,000 is included in the Fiscal Year 2016-17 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

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

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

G.E. Healthcare, Inc. Amendment No. 3
G.E. Healthcare, Inc. Amendment No. 2
G.E. Healthcare, Inc. Renewal & Amendment No. 1
G.E. Healthcare, Inc. Agreement
G.E. Healthcare, Inc. Spend Sheet

Attachments on file with the Clerk of the Board



Dr. Gary R. Gray, Chief Executive Officer



Date