



County of Monterey

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

Board Report

File #: A 20-178, **Version:** 1

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 to the agreement (A-14229) with Renovo Solutions LLC per Request for Proposals (RFP) 9600-70 for preventative maintenance plus repairs on biomedical equipment, increasing the total agreement amount by an additional \$752,284 for a revised total agreement amount not to exceed \$2,352,284 with no change to the agreement term of March 1, 2019 through February 28, 2022.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 to the agreement (A-14229) with Renovo Solutions LLC per Request for Proposals (RFP) 9600-70 for preventative maintenance plus repairs on biomedical equipment, increasing the total agreement amount by an additional \$752,284 for a revised total agreement amount not to exceed \$2,352,284 with no change to the agreement term of March 1, 2019 through February 28, 2022.

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.

The Renovo agreement awarded after the RFP included an inventory list of items to be routinely serviced which essentially consists of all biomed equipment (patient-related equipment), plus sterilizers, probes, and some laboratory equipment. This inventory list was pulled over from the previous biomed agreement with GE. One of Renovo's first tasks was to perform an inventory true-up to confirm the accuracy of the inventory listed as well to identify any potentially missing items. Renovo completed their inventory true-up comparing the existing inventory list to a physical inventory count performed on the floor. Renovo identified items on the floor that were not on the inventory list for preventative maintenance that Natividad deemed should be. In the past contract as well as in the current contract, any item that is not included on the inventory list is billed on a time and materials basis should repairs be needed. By performing routine maintenance, the need for repairs decreases significantly for most equipment thereby reducing the amount spent on a time and materials basis. The overall cost for biomed maintenance does increase due to the true-up but having all equipment maintained ensures NMC is fully compliant.

At this time Natividad has also identified a cost savings opportunity by having Renovo provide preventative maintenance and repairs on diagnostic imaging (DI) equipment. These services were previously provided by GE, however, the GE agreement for DI equipment recently expired. Instead of extending the GE agreement, Natividad requested a quote from Renovo for the DI equipment. GE was charging Natividad \$20,761 per month for DI preventative maintenance and repair services. Renovo agreed to provide the same services for \$13,885 per month (a difference of \$6,876 per month). Natividad determined this to be a significant cost savings and

with this amendment is requesting to move the DI maintenance to the existing Biomed contract with Renovo.

The total amount of the increase requested in this amendment, \$752,284, is due to the true-up and the addition of Biomed services. The total agreement amount will go from \$1,600,000 to \$2,352,284 through February 28, 2022.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment No. 1 as to legal form. The Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 1 has also been reviewed and approved by NMC's Finance Committee on February 27, 2020 and by its Board of Trustees on March 13, 2020.

FINANCING:

The cost for this amendment is \$752,284, all of which is included in the Fiscal Year 2019-20 Adopted Budget to cover biomed and DI maintenance and repair services. Amounts for remaining years of the agreement 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: Gary R. Gray, DO, Chief Executive Officer, 783-2553

Attachments:

Renovo Solutions LLC Amendment No. 1

Renovo Solutions Agreement (awarded per RFP 9600-70)

Attachments on file with the Clerk of the Board