



Board Report

File #: A 15-228, Version: 1

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Agreement #1-14JSFY8 with Philips Healthcare Services, including an Addendum to Service Terms and Conditions attached to the Agreement, for annual maintenance of existing radiology equipment located within the hospital's primary radiology department (sites 58677470, 58677367, 58677413 and 58577468), with a total Agreement amount not to exceed \$722,400 for the period July 1, 2015 through June 30, 2019.
- b. Authorize the Deputy Purchasing Agent for NMC to execute an Addendum dated June 1, 2015 to Agreement #1-14JSFY8 with Philips Healthcare Services for a battery protection plan for the radiology equipment (sites 58677367 and 58677413) in the amount of \$13,440 for the period July 15, 2015 through July 14, 2019.
- c. Authorize the Deputy Purchasing Agent for NMC to execute Agreement #1-18XCRBT with Philips Healthcare Services, including an Addendum to Service Terms and Conditions attached to the Agreement, for annual maintenance effective after the current warranty expires, for a total Agreement amount not to exceed \$364,416 and with individual maintenance terms for each portable unit as follows:
Portable Unit #1:64900259, maintenance term 5/8/16-5/7/20
Portable Unit #2: 64900260, maintenance term 5/14/16-5/13/20
Portable Unit #3:64900261, maintenance term 4/15/16-4/14/20
Portable Unit #4:64900262, maintenance term 5/13/16-5/12/20.

RECOMMENDATION:

It is recommended the Board of Supervisors:

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- b. Authorize the Deputy Purchasing Agent for NMC to execute an Addendum dated June 1, 2015 to Agreement #1-14JSFY8 with Philips Healthcare Services for a battery protection plan for the radiology equipment (sites 58677367 and 58677413) in the amount of \$13,440 for the period July 15, 2015 through July 14, 2019.
- c. Authorize the Deputy Purchasing Agent for NMC to execute Agreement #1-18XCRBT with Philips Healthcare Services, including an Addendum to Service Terms and Conditions attached to the Agreement, for annual maintenance effective after the current warranty expires, for a total Agreement amount not to exceed \$364,416 and with individual maintenance terms for each portable unit as follows:
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Portable Unit #2: 64900260, maintenance term 5/14/16-5/13/20
Portable Unit #3:64900261, maintenance term 4/15/16-4/14/20
Portable Unit #4:64900262, maintenance term 5/13/16-5/12/20.

SUMMARY/DISCUSSION:

In 2013 NMC Diagnostic Imaging Department replaced aging, end of life X-Ray equipment with new digitally enhanced radiographic equipment. After much research NMC decided to purchase Philips X-Ray equipment (3 digital X-Ray machines and 1 digital Radiology with Fluoroscopy machine). NMC desires to enter into a four year service agreement with Philips Healthcare services to maintain the equipment by performing preventive maintenance on the equipment and to make any necessary repairs on the equipment when the equipment malfunctions. The service agreements account for parts and labor with clearly stipulated hours of coverage and

parts that are included. The service hours have been extended until 9 pm Monday through Friday. The agreements guarantee a 98% uptime.

Additionally, in spring 2015 the NMC Diagnostic Imaging Department purchased four digital portable X-Ray units from Philips. The units were delivered on different dates as follows: April 8, 2015, April 28, 2015, May 6, 2015, and May 13, 2015. Each portable unit has a one year warranty; therefore, the maintenance service agreement will start one year after delivery. By entering into an Agreement now for future maintenance NMC is assured a locked in low price from Philips. Philips will not invoice NMC until 60 days prior to the start date of the maintenance for these portable units. The service agreements account for parts and labor with clearly stipulated service hours and parts that are included. The service hours are 8 am until 5 pm Monday through Friday.

The battery for the detector panels are parts that are excluded from the standard contract. NMC elected to purchase the additional detector battery coverage because NMC has identified that the batteries have a one year life expectancy.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved the agreements plus associated addenda as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved the agreements plus associated addenda as to payment provisions. The agreement plus associated addenda were inadvertently omitted from the NMC Finance Committee agenda on 6/25/15 but were reviewed and approved by the NMC Board of Trustees on 7/10/15.

FINANCING:

The cost for Agreement #1-14JSFY8 is \$722,400 of which \$180,600 has been included in the FY15-16 Recommended Budget. The cost for the Addendum to Agreement #1-14JSFY8 for the battery protection plan is \$13,440 of which \$3,360 has been included in the FY15-16 Recommended Budget. The cost for the Agreement #1-18XCRBT (portable units) is \$364,416 of which \$91,104 has been included in the FY15-16 Recommended 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, Interim Chief Executive Officer, 783-2504

Attachments:

Philips Agreement 1-14JSFY8 for maintenance of fixed radiology equipment including Addendum to terms and conditions

Addendum to Agreement 1-14JSFY8 for battery protection

Philips Agreement 1-18XCRBT for maintenance of portable radiology equipment including Addendum to terms and conditions

Attachments on file with the Clerk of the Board