



County of Monterey

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

Board Report

File #: A 18-044, Version: 1

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 5 to the agreement (A-11012) with GE Healthcare for biomedical equipment services to extend the term of the agreement for one (1) additional year (March 1, 2018 through February 28, 2019) for a revised full agreement term of September 1, 2007 through February 28, 2019, and to increase the Agreement by an additional \$745,728 for a revised total Agreement amount not to exceed \$3,718,234.

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. 5 to the agreement (A-11012) with GE Healthcare for biomedical equipment services to extend the term of the agreement for one (1) additional year (March 1, 2018 through February 28, 2019) for a revised full agreement term of September 1, 2007 through February 28, 2019, and to increase the Agreement by an additional \$745,728 for a revised total Agreement amount not to exceed \$3,718,234.

SUMMARY/DISCUSSION:

Natividad Medical Center (NMC) has had an agreement with GE Healthcare (GE) for biomedical engineering services since 2007. The services include preventive equipment maintenance on biomedical equipment, sterilizer and laboratory equipment as well as contracted personnel to manage and maintain the inventory. The Joint Commission requires that hospitals have an Equipment Management Plan that details the hospital's biomedical equipment inventory with a plan on how it will be maintained based on the manufacturer's recommendation. GE performs all of the functions to keep the hospital compliant with the Joint Commission requirement.

The current agreement was recently amended in December 2017 to extend briefly through February 28, 2018 to allow time to conclude negotiation of a mutually agreed upon pricing structure going forward in tandem with a recent inventory true-up of all biomedical equipment on site at NMC. This Amendment No. 5 has the current inventory equipment list attached. The Annual Normal Fixed Charges for maintenance services for these inventoried items is \$507,408 annually (billed at \$42,284 per mo). This amendment No. 5 also includes an Additional Services Allotment to cover the costs for maintenance and repair on items that are not included in the current inventory list at a not to exceed amount of \$238,320 annually.

NMC intends to release a Request for Proposal (RFP) for preventive equipment maintenance on biomedical equipment in 2018.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment No. 5 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 5 has also been reviewed and approved by NMC's Finance Committee on January 25, 2018 and by its Board of Trustees on February 2, 2018.

FINANCING:

The cost for this amendment No. 5 is \$745,728, of which \$302,051 is included in the Fiscal Year 2017-18 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.

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: Jeffery Cleek, Director of Engineering and Safety, 783-2614

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

Attachments:

- Amendment No. 5 to GE Healthcare Agreement (Biomed)
- Amendment No. 4 to GE Healthcare Agreement (Biomed)
- Amendment No. 3 to GE Healthcare Agreement (Biomed)
- Amendment No. 2 to GE Healthcare Agreement (Biomed)
- Renewal & Amendment No. 1 to GE Healthcare Agreement (Biomed)
- Agreement with GE Healthcare (Biomed)

Attachments on file with the Clerk of the Board