



Board Report

File #: A 20-422, **Version:** 1

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Philips Healthcare for routine maintenance of ultrasound equipment for an amount not to exceed \$1,547,178 with an agreement term of October 27, 2020 through October 26, 2024.
- b. Authorize the Chief Executive Officer for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) (\$154,718) of the original cost of the agreement.
- c. Approve the NMC Chief Executive Officer's recommendation to accept non-standard insurance, limitations on liability, and limitations on damages provisions within the agreement.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Philips Healthcare for routine maintenance of ultrasound equipment for an amount not to exceed \$1,547,178 with an agreement term of October 27, 2020 through October 26, 2024.
- b. Authorize the Chief Executive Officer for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) (\$154,718) of the original cost of the agreement.
- c. Approve the NMC Chief Executive Officer's recommendation to accept non-standard insurance, limitations on liability, and limitations on damages provisions within the agreement.

SUMMARY/DISCUSSION:

Joint Commission requires all imaging equipment to be maintained per manufacture guidelines. This requirement ensures the overall quality of the equipment.

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 stipulate hours of coverage and parts that are included. The service hours are Monday through Friday 8-5 pm excluding holidays. NMC has elected to purchase the Value program for the ultra sound and echo machines. NMC elects to purchase the Primary Plan for the specialized TEE transducer. The Value Program includes 1-2 planned service and inspections.

This service agreement covers five ultrasound machines; four are located in the main Radiology department and one is located in the Specialty Clinic. In additional, the contract will provide service for echo cardiology ultrasound machine and a specialized transducer. Each unit had a one year warranty initially. Four of the ultrasound machines, the echo cardiology ultrasound machine and the transducer were purchased in previous years and are off of warranty. The ultra sound machine in the Specialty Clinic is the most recent purchase.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved the agreement as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The agreement was reviewed and approved by the NMC Finance Committee and by the NMC Board of Trustees on July 10, 2020.

FINANCING:

The cost for this agreement is \$1,547,178, of which \$88,887 has been included in the FY20-21 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 agreement will support the County strategic initiative for Health and Human Services by offering sonography services to the residents of Monterey County without minimal delay to services should equipment fail. While maintaining high standards with the original equipment manufacturer and their preventative maintenance. These contract will ensure that services are minimally interrupted or prevented.

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

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

Attachments:

Philips Healthcare Agreement

Attachments on file with the Clerk of the Board