



Board Report

File #: A 22-148, Version: 1

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute Renewal & Amendment No. 3 to the agreement with Renovo Solutions LLC (A-14229) per Request for Proposals (RFP) 9600-70 for preventative maintenance plus repairs on biomedical equipment, increasing the total agreement amount by an additional \$2,439,793 for a revised total agreement amount not to exceed \$5,713,077, and extending the term of the Agreement for an additional two (2) year period (March 1, 2022 through February 28, 2024) with a revised full agreement term of March 1, 2019 through February 28, 2024.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute Renewal & Amendment No. 3 to the agreement with Renovo Solutions LLC (A-14229) per Request for Proposals (RFP) 9600-70 for preventative maintenance plus repairs on biomedical equipment, increasing the total agreement amount by an additional \$2,439,793 for a revised total agreement amount not to exceed \$5,713,077, and extending the term of the Agreement for an additional two (2) year period (March 1, 2022 through February 28, 2024) with a revised full agreement term of March 1, 2019 through February 28, 2024.

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. A flat fee structure was set based on inventory levels at the time the RFP was released.

The Board approved Amendment No. 1 to this Agreement in June of 2020 at which time diagnostic imaging (DI) equipment was added to the service contract with Renovo for maintenance and repair in addition to the biomedical equipment, with an associated \$752,284 increase associated with an inventory true-up and newly added DI services, plus unplanned services billed as time & materials. The Board also approved Amendment No. 2 in which an increase of \$921,000 was approved solely to cover unplanned services billed as time and materials which accumulated due to increased service needs associated with Covid, an increase in equipment inventory, and equipment falling off warranty.

For Renewal and Amendment No. 3, Natividad negotiated a new pricing structure with Renovo so as to minimize unplanned costs that are billed as time and materials. The inventory was updated and most of the inventory is now moving to full coverage status. This in and of itself reduces time and materials costs for equipment that may have had minimal coverage previous (such as maintenance only, but not repair). Natividad also requested that Renovo assume some level of risk by agreeing to cover the first \$25,000 of time and materials costs that accumulate annually. By adjusting the inventory service levels to full coverage, and with the first \$25,000 of time and materials costs annually covered by Renovo, Natividad believes there will be a significant reduction in the amount of unplanned costs billed as time and materials.

At this time Natividad is requesting approval to accept the new pricing structure and also to extend the term of the Agreement for an additional two (2) year period.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this renewal & amendment No. 3 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The renewal & amendment No. 3 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on February 11, 2022.

FINANCING:

The cost for this renewal & amendment is \$2,439,793, of which \$399,639 is included in the Fiscal Year 2021-22 Adopted Budget. Future costs 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

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Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:

Renovo Solutions LLC Renewal and Amendment No. 3
Renovo Solutions LLC Amendment No. 2
Renovo Solutions LLC Amendment No. 1
Renovo Solutions Agreement (awarded per RFP 9600-70)

Attachments on file with the Clerk of the Board