

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

150



**FROM:** Riverside County Regional Center (RCRMC)

**SUBMITTAL DATE:**  
July 29, 2014

**SUBJECT:** Approve the selection of General Electric Healthcare via the competitive bid process as the turnkey vendor for the Radiology Suites Modification Project including the purchase, installation, training and maintenance of One (1) New CT Scanner with UPS System, One (1) New TeraRecon System and One (1) New Wide Bore 1.5 Tesla Magnetic Resonance Imaging (MRI) Scanner. District 5, [\$3,538,550 Hospital Enterprise Fund.]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the selection via the competitive bid process of General Electric Healthcare as the turnkey vendor for the Radiology Suites Modification Project for the purchase, installation, training and maintenance of One (1) New CT Scanner with UPS System, One (1) New TeraRecon System and One (1) New Wide Bore 1.5 T MRI Scanner.
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the project agreement(s), including amendments to compensation provisions that do not exceed ten (10) percent.

*Lowell Johnson*

Lowell Johnson  
Interim CEO

Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 275,000	\$ 500,000	\$ 3,538,550	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
<b>SOURCE OF FUNDS:</b> Hospital Enterprise Fund				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> FY 14/15	

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Debra Cournoyer*  
Debra Cournoyer

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- Purchasing: *Mark Seiler*  
Mark Seiler, Assistant Director
- A-30
  - Positions Added
  - 4/5 Vote
  - Change Order

Prev. Agn. Ref.:

District: 5

Agenda Number:

3-47

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Approve the selection of General Electric Healthcare via the competitive bid process as the turnkey vendor for the Radiology Suites Modification Project including the purchase, installation, training and maintenance of One (1) New CT Scanner with UPS System, One (1) New TeraRecon System and One (1) New Wide Bore 1.5 Tesla Magnetic Resonance Imaging (MRI) Scanner. District 5, [\$3,538,550 Hospital Enterprise Fund].

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**BACKGROUND:**

**Summary**

On June 26<sup>th</sup>, the Medical Center’s MRI scanner failed. In spite of numerous attempts and our best efforts to repair the unit it has been declare inoperable. As a result, Medical Center operations have been disrupted and patients are currently being diverted to other facilities. Consequential revenue loss is estimated at \$30,000 per day. In addition to the problems with our MRI, it is also known that RCRMC’s seventeen year old CT equipment is at “end-of-life” and could fail at any moment. End-of-life is a term used with respect to equipment which is in the end of its useful life (from the vendor's point of view), and a vendor intends to stop marketing, selling, or maintaining it. It is critical that the hospital obtain the equipment necessary for the replacement of both the MRI and CT in order to minimize further disruption to operations, patient safety and revenue flow. Simultaneous replacement of the MRI and CT is the most cost effective and efficient method to accomplish this. A “turnkey” proposal for the MRI, CT and TeraRecon equipment, the installation of the equipment, and the rental of mobile equipment during the construction is therefore the recommended course of action.

General Electric Healthcare provided the County with the lowest competitive bid for the project. Add GE’s solid experience with similar projects, their extensive working knowledge of California OSHPD, their superior technical capabilities, and the evaluation committee found GE Healthcare to be the most responsive and responsible bidder. Therefore, the evaluation committee recommends GE be awarded the contract as turnkey vendor for this project. The project will be financed on a seven-year term through the County’s line of credit with Banc of America. Project costs are as follows:

**RCRMC Radiology Suites Turnkey Modification Project Costs – See attached quotation**

Product	Quote Number	Amerinet Purchase Price	Construction cost including performance bond
Mobile service 12 mos		\$ 290,500	N/A
Mobile service 12 mos		\$ 218,500	N/A
Optima CT 660 32 sl	P4-C164044 v15	\$ 527,732	\$ 278,831
Optima MR450W 1.5T	P4-C157899 V19	\$ 1,303,081	\$ 591,489
Terra Recon	AQ31057	\$ 130,770	N/A
Sales Tax (8%)		\$ 197,646	
		<b>\$ 2,668,229.64</b>	<b>\$ 870,320.00</b>

**Impact on Residents and Businesses**

Diagnostic services are provided to RCRMC patients, many of whom reside in Riverside County.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

The Hospital’s Foundation is actively seeking donations to offset some of this project’s cost. There is the real possibility that 25 percent of the project cost could be donated, though commitments at this time are preliminary. With or without donations, the project is essential for the continued operation of the hospital.

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### **Contract History and Price Reasonableness**

Purchasing on behalf of RCRMC requested the solicitation of turnkey proposals for the replacement of the MRI and CT through RCRMC's Group Purchasing Organization (GPO), Amerinet. Amerinet subsequently sent solicitations to the four major diagnostic equipment manufacturers currently under contract with the GPO. Preliminary quotes were received and reviewed by Amerinet and forwarded to RCRMC for consideration. After several necessary specification changes, a Best and Final Offer was requested of all qualified bidders and three of the four qualified equipment manufacturers provided RCRMC with responsive Best and Final Offer proposals.

All proposals were reviewed by an evaluation team consisting of personnel from RCRMC, Huron Consulting and County Purchasing. The proposals were scored on the basis of overall turnkey costs, the bidder's overall responsiveness to the requirements of the scope of service, relevant experience and ability with similar projects and technical capabilities.

General Electric Healthcare presented RCRMC with the lowest competitive bid for the turnkey project. Purchasing has vigorously negotiated the final terms and conditions of the project and recommends its acceptance.