

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

104



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
February 9, 2010

**SUBJECT:** Approval of Pacific Medical Imaging Inc. as the Sole Source Vendor to provide Two (2) Nuclear Medicine Cameras on a Two (2) Month Rental Agreement

**RECOMMENDED MOTION:** Move that the Board of Supervisors:

Approve and authorize the Sole Source rental of two (2) nuclear medicine cameras on a two (2) month rental agreement from Pacific Medical Imaging Inc. for a total amount of \$36,000.00, without securing competitive bids, in accordance with Ordinance 459.4.

**BACKGROUND:** The Radiology Department performs approximately 90 exams per month. Existing equipment is obsolete and currently being replaced with new equipment. The rental cameras will be used during the installation period. Research by the Purchasing Department confirmed that Pacific Medical Imaging Inc. is the sole source for the rental of the required equipment.

The rental of the two nuclear medicine cameras will allow the Radiology Department to continue to provide scan of patients.

**PRICE REASONABLENESS:** The County will receive discounts equal to other comparable customers.

Douglas D. Bagley, Hospital Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 36,000.00	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	No
	Annual Net County Cost:	\$	For Fiscal Year:	09/10

**SOURCE OF FUNDS:** Enterprise Funds

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

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

APPROVE  
BY:   
Debra Cournoyer

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Benoit, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: Euster  
Date: March 2, 2010  
xc: RCRMC, Purchasing

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

**Prev. Agn. Ref.:**

**District:**

**Agenda Number:**

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.19

FORM APPROVED COUNTY COUNSEL  
BY:   
NEAL R. KIPNIS  
DATE: 2/10/10  
Purchasing:   
Mark Seiler, Assistant Director  
Departmental Consultation

Dept't Recomm.: ☐ Consent ☐  
Per Exec. Ofc.: ☒ Policy ☒





## Memorandum

February 9, 2010

**To:** Riverside County Board of Supervisors  
**From:** Douglas D. Bagley, Hospital Director  
**Via:** Riverside County Purchasing Agent  
**Subject:** **Sole Source Procurement: Request for Rental of Two Nuclear Medicine Cameras**

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The below information is provided in support of my Department requesting approval for a sole source. Please note that outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

**Supply/Service being requested:** 60 day rental of two (2) Nuclear Medicine Cameras.

**Supplier being requested:** Pacific Medical Imaging Inc.

**Alternative suppliers that can or might be able to provide supply/service:** Unable to locate another vendor that supplies a cardiac camera and a general exam camera.

**Extent of market search conducted:** Investigated the Internet on a national level.

**Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** These cameras can be brought in-house to scan patients. This eliminates risking patient safety by not using a mobile system which would require the transport of patients outside of the hospital.

**Reasons why my department requires these unique features and what benefit will accrue to the county:** By utilizing the in-house cameras, we are able to maintain our level of service.

**Price Reasonableness:** \$9,000.00/camera/month for two months.

**Does moving forward on this product or service further obligate the county to future similar contractual arrangements?** No



Request for Sole Source Procurement

February 9, 2010

Page 2



Department Head Signature



Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove



Purchasing Agent



Date

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CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

## RENTAL AGREEMENT

This Rental Agreement (the "Agreement") is made and entered into on January 13<sup>th</sup>, 2010 between **Riverside County Regional Medical Center**, (hereinafter called "FACILITY"), and **PACIFIC MEDICAL IMAGING, INC.**, (hereinafter called "COMPANY"), a California Corporation.

### RECITALS

WHEREAS, COMPANY has, from time to time, Mobile Nuclear Medicine Gamma Cameras ("Gamma Camera") available for rent, and;

WHEREAS, FACILITY desires to have the temporary use of a Gamma Camera in order to provide Nuclear Medicine imaging services to its patients.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, COMPANY and FACILITY hereby agree as follows:

### AGREEMENT

#### 1. USE OF GAMMA CAMERA

- a. COMPANY shall make available to FACILITY as provided herein one (1) Gamma Camera, as more specifically described in Schedule A. COMPANY shall make its best reasonable efforts to make the Gamma Camera available to FACILITY on the Requested Delivery Date as shown on Schedule A of this Agreement, or a mutually agreed alternative date.
- b. The Gamma Camera is and shall at all times be and remain the sole exclusive property of COMPANY and at all times be and remain personal property notwithstanding that it or any part thereof may be, or hereafter become in any manner affixed or attached to real property or any building thereon. FACILITY agrees that it will furnish and record all such owner's, mortgagee's landlord's, or other disclaimers, waivers, or consents as may be necessary or reasonably requested by COMPANY in order to give full effect to the intent of the provisions of this subsection 1(b). FACILITY agrees that the Gamma Camera will not be moved for any reason, unless mutually agreed to by both parties, and if so mutually agreed, will only be moved by COMPANY's personnel.

2. **TERM.** The Term of this Agreement shall be as specified in Schedule A. This Term shall commence on the date the Gamma Camera is made available to FACILITY. In the event of termination, FACILITY shall be responsible for making the Gamma Camera available to COMPANY for transport from FACILITY's address on and after the date of termination. FACILITY may not and will not move the Gamma Camera.

3. **RENT PAYMENT.** The rent payment(s) terms shall be made in advance and as described in Schedule "A" of this Agreement.

#### 4. PERSONNEL.

- a. FACILITY shall provide the technical staff necessary to provide scanning services. FACILITY agrees that any and all such staff will be properly trained in the safe and proper operation of the Gamma Camera prior to using or operating the GAMMA CAMERA.
- b. COMPANY shall have no obligation to provide personnel or services other than as explicitly provided in this Agreement.

## 5. MAINTENANCE AND OTHER EXPENSES

- a. MAINTENANCE. All costs of Gamma Camera service, repair and maintenance, related to normal wear and tear, during COMPANY's normal working hours, are included in the Rent Payments. COMPANY is not responsible or liable in way for any equipment failure, or any loss or damage suffered by FACILITY as a result of any equipment failure. FACILITY shall be responsible for and shall promptly pay COMPANY upon receipt of any invoice for any service, repair or maintenance of the Gamma Camera and related accessories, if requested or ordered by FACILITY, that is performed outside of PMI's normal business hours, or which result from any negligent acts of FACILITY, its employees, or agents or as the result of failure by FACILITY, its employees or agents to operate the Gamma Camera in accordance with proper procedures and methods.
- b. OTHER OPERATING EXPENSES. All costs of operating expenses other than those described in Section 5(a) above, including by way of example and not by way of limitation, staffing (direct costs and indirect and overhead expenses), truck or tractor expenses (whether related to ownership, lease/rental, or operating expenses), film, linens, administrative or medical supplies, sales and marketing, general and administrative, shall be borne exclusively by FACILITY.

## 6. INSURANCE. For the Term of this Agreement, FACILITY shall:

a) At its sole costs and expense FACILITY shall maintain, and require that each physician who interprets and reports on the Nuclear Medicine test results, and each other person who performs other medical services on patients referred to the GAMMA CAMERA for tests shall maintain professional liability insurance in the amount of \$1,000,000 per occurrence and \$3,000,000 aggregate from a carrier acceptable by COMPANY. Upon request by COMPANY, FACILITY shall furnish COMPANY evidence of such insurance attained by such persons. The insurance requirements described herein may be met with a program of self-insurance or a combination of insurance and self-insurance.

7. TAXES, LICENSES, ETC. Any and all rent and other payments made by FACILITY to COMPANY related to this AGREEMENT, are exclusive of taxes, duties, license or other fees, etc. If the rental, use, possession or transportation of the Gamma Camera by FACILITY, or the providing of any other product or service pursuant to this Agreement results in the Imposition of any taxes, duties, license or other fees, such taxes, duties or fees shall be borne and paid by FACILITY. Any sales, use, rental or similar tax computed on the basis of the Rent Payments shall be paid with the related Rent Payment by FACILITY or directly to the appropriate authority, or if paid by COMPANY on behalf of FACILITY, FACILITY shall reimburse COMPANY within ten (10) days of receipt of COMPANY'S invoice thereof.
8. All costs of transporting the Gamma Camera to and from FACILITY are included in the first rental payment.
9. GAMMA CAMERA CONDITION UPON RETURN. FACILITY shall return the Gamma Camera to COMPANY at the termination of this Agreement in the same or better condition as when delivered to FACILITY, normal wear and tear excepted. The costs of any repairs or maintenance required to give full effect to the intent of the provisions of this Section 9 shall be borne by FACILITY and all such repair or maintenance completed prior to return of the Gamma Camera to COMPANY. If FACILITY fails to complete such required repairs or maintenance prior to return of the Gamma Camera, FACILITY authorizes COMPANY to perform or obtain such services and agrees to reimburse COMPANY for the costs of such repairs or maintenance, plus a service fee of twenty-five percent (25%) of all such costs, plus additional Rent Payments for the duration of such repairs and maintenance. COMPANY may deduct any amounts related to any such repairs and maintenance cost from any deposit amount received by COMPANY from FACILITY.



10. INDEMNITY.

A) FACILITY shall and does indemnify and hold harmless the COMPANY, its officers, employees, and agents from and against all claims for injury or death to persons or damage to property, including all costs and reasonable attorney's fees incurred in defending any claim resulting from the acts or omissions of the FACILITY, its officers, employees, or agents.

B) COMPANY shall and does indemnify and hold harmless the FACILITY, its officers, employees, and agents from and against all claims for injury or death to persons or damage to property, including all costs and reasonable attorney's fee incurred in defending any claim resulting from the acts or omissions of the COMPANY, its officers, employees, or agents.

11. COMPLIANCE WITH LAW. FACILITY shall do all acts necessary to comply with any and all federal, state, and local laws and regulations applicable to FACILITY relating to the use and operation of the Gamma Camera.
12. ASSIGNMENT. Except with COMPANY's prior written consent, FACILITY may not assign or otherwise transfer or pledge all or any part of its rights or obligations hereunder and any attempted assignment or other transfer or pledge shall be void.
13. NOTICES. Service of all notices under this Agreement shall be sufficient if Mailed to the party involved at its respective address set forth herein, by certified or registered mail, return receipt requested. Notice shall be effective when deposited in the United States mail, postage prepaid, addressed to the appropriate party as follows:

COMPANY: PACIFIC MEDICAL IMAGING, INC.  
9915 Bell Ranch Drive  
Santa Fe Springs, CA 90670  
Attention: Allen Pock, President

FACILITY: Riverside County Regional Medical Center  
56520 Cactus Avenue  
Moreno Valley, CA 92555  
Attention: Administration

14. APPLICABLE LAW. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California.
15. ENTIRE AGREEMENT, AMENDMENTS. This Agreement, including schedules hereto signed by authorized individuals of each party, constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes any and all prior proposals or agreements, oral or written, and all other communications, oral or written. This agreement shall not be amended, altered, or modified except by written agreement signed by authorized individuals of both parties.
16. This Agreement may not be terminated by either party before or during the Term, except as provided in Sections 17 or 18 below.
17. DEFAULTS AND REMEDIES
- a. Events of Default: The occurrence of any of the following shall constitute an event of default hereunder ("Event of Default") :

- i) Default in Payments. If the FACILITY shall fail to pay all or any portion of any Rent Payment, when and as the same shall come due and payable, whether at the due date thereof or by acceleration, or shall fail to make any other payment due to COMPANY; or
- ii) Default. If the FACILITY shall breach or shall be in default under any of the terms and conditions of this Agreement and such breach or default shall not be cured within a reasonable amount of time after receipt of notice thereto from Company; or
- iii) Bankruptcy, Insolvency, etc. If FACILITY is subjected to any proceeding under the Bankruptcy Act or is insolvent or if any substantial part of FACILITY's property is subjected to any levy, seizure, assignment, application, or sale for or by any creditor or government agency; or
- iv) Licenses. If any license or other required government approval of FACILITY is at any time suspended, terminated, revoked, or limited in any manner which has material adverse effect on the use of the Gamma Camera by FACILITY.

b. Remedies If any Event of Default shall occur COMPANY may, at its option, exercise any one or more of the following rights and remedies:

- i) Terminate this Agreement; or
- ii) Accelerate and declare to be immediately payable the entire balance of all Rent

Payments and all other amounts due and owing under the Agreement plus the sum of all Rent Payments and other amounts to become payable during the balance of the term of this Agreement; or

- iii) Directly or by its agent, and without notice or liability or legal process, enter upon any premises where the Gamma Camera may be located, take possession of and remove the Gamma Camera (any damages occasioned by such taking of possession and removal being waived by FACILITY); or
- iv) Take any action at law or in equity to collect any or all amounts then due and thereafter to become due under this Agreement, or to enforce performance and observance of any obligation, agreement or covenant of FACILITY under this Agreement.

- c. Interest shall accrue at the rate of 1% per month or the highest amount allowed by law, whichever is lower, on all rental payments and other amounts including late fees, not received by COMPANY from FACILITY when due. In addition to interest charges, a late fee of five (5) percent will be assessed on any past due amounts not received by COMPANY within five (5) days of the due date. Also, in the event of any litigation related to this Agreement, the substantially prevailing party shall be reimbursed by the other party for all reasonable attorney fees, court costs, and other related expenses.

18. **FORCE MAJEURE.** Neither party shall be required to perform any obligation hereunder if such performance is prevented by Act of God, war, civil disobedience, strike, work stoppage, transportation conditions, laws, regulations, ordinances or acts of any governmental agency or any other cause which is beyond the reasonable control of such party.

19. **WAIVER.** A Waiver by either party of a breach or failure to perform under this Agreement shall not constitute a waiver of any subsequent breach or failure.

IN WITNESS WHEREOF, intended to be fully bound by the terms and conditions hereof, the parties hereto have caused this Agreement to be executed on the date first written above.

FACILITY: Riverside County Regional Medical Center

COMPANY: Pacific Medical Imaging, Inc.

BY *Marion Ashley*  
NAME MARION ASHLEY  
TITLE CHAIRMAN, BOARD OF SUPERVISORS  
DATE MAR 02 2010

BY \_\_\_\_\_  
NAME: Allen Pock  
TITLE: President  
DATE \_\_\_\_\_

ATTEST:

KECIA HARPER-IHEM, Clerk

By *N. Williams*  
DEPUTY

FORM APPROVED COUNTY COUNSEL

BY: *Neal R. Kipnis* 2/17/10  
NEAL R. KIPNIS DATE

WHEN DOCUMENT IS FULLY EXECUTED RETURN

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

## SCHEDULE "A"

**TERM:** The term of this Agreement shall begin on January 13<sup>th</sup>, 2010 at approximately 9:00 A.M., and end at 5:00 P.M. on March 12<sup>th</sup>, 2010, (2 month minimum term) or until any mutually agreeable rental extension period has ended. FACILITY will allow COMPANY and its subcontractors and/or agents access to the GAMMA CAMERA at all times.

Rental of the Gamma Camera beyond the dates described above is subject to availability.

**Training:** Company will provide applications training for one (1) day for up to eight (8) hours.

**Rental Amount(s):** The minimum rental amount for the term described above is \$18,000.00 and is to be paid in monthly rental payments of \$9,000.00 in advance. Additional rental time beyond the term described above will be billed at a flat minimum rate of \$2,800.00 per week, due and payable in advance, and is subject to availability.

**Payment Terms:** A non-refundable deposit in the amount of \$9,000.00 will be due and payable from FACILITY to COMPANY upon return to COMPANY of this signed Agreement in order to hold the unit. Upon delivery and commencement of the rental period, \$9,000.00 of the deposit will be credited toward the first months rent.

**Gamma Camera Description:** Company will provide one portable Digirad Single Head 2020TC SPECT Gamma Camera, with Nuclear Cardiology acquisition and processing capabilities.

**Imaging Media:** COMPANY will charge FACILITY COMPANY's standard rates for imaging media, subject to availability. FACILITY may at its option supply its own imaging media.

**Delivery & Pick-up Fees:** \$0.00 to be paid prior to or upon delivery.

**Delivery and Rental location:**

The mobile unit and Gamma Camera will be delivered to FACILITY's address located at:  
Riverside County regional Medical Center, 56520 Cactus Avenue, Moreno Valley, CA 92555

The Gamma Camera and mobile unit may and will only be used at this location.

FACILITY agrees not to move or attempt to move the Gamma Camera, or move or drive the mobile coach, either within or outside the FACILITY's building. Moving the Gamma Camera or the mobile coach by personnel other than COMPANY's personnel, can cause serious damage to the unit and can result in serious injury to personnel, patients, or other persons.

**WARNING: DANGER! DO NOT ATTEMPT TO MOVE THE GAMMA CAMERA OR DRIVE THE MOBILE COACH!!!** FACILITY'S PERSONNEL OR AGENTS ARE NOT AUTHORIZED TO MOVE THE GAMMA CAMERA, OR DRIVE THE MOBILE COACH. SERIOUS INJURY TO PERSONS CAN OCCUR! CUSTOMER MUST CALL PMI IF GAMMA CAMERA AND/OR MOBILE COACH IS TO BE MOVED AT 562-777-1010. ADDITIONAL CHARGES WILL APPLY.