

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

622



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

**SUBMITTAL DATE:**  
February 28, 2014

**SUBJECT:** Approval of the purchase of Medtronic Fusion ENT Navigation System via the competitive bidding process, with only one responsive/responsible bid received. District 5; [\$183,176]; RCRMC Enterprise Fund

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

1. Approve the purchase of the Fusion ENT Navigation System with Medtronic Navigation for \$121,176, which includes a credit of \$14,000 for the trade in of existing equipment, and;
2. Authorize the Purchasing Agent in accordance to Ordinance No. 459.4 to exercise the four year Service Agreement Option at a cost of \$15,500 per year, based upon availability of funds, effective one year after the purchase date/warranty period.

**BACKGROUND:**

**Summary**

RCRMC's Peri Operative Services Department has requested the purchase of a new ENT Navigation unit as the current image guided system is no longer serviceable and is out of warranty. RCRMC currently utilizes the Medtronic Element Navigation System and desires to upgrade to the equivalent or better Medtronic Fusion ENT Navigation System. The availability of the system is essential to patient care.

*Lowell Johnson*

Lowell Johnson  
Interim CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
<b>COST</b>	\$ 121,176	\$ 15,500	\$ 183,176	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>NET COUNTY COST</b>	\$	\$	\$	\$	

<b>SOURCE OF FUNDS:</b> Hospital Enterprise Funds	<b>Budget Adjustment:</b>
	For Fiscal Year: 13/14

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

BY: *Debra Cournoyer*  
Debra Cournoyer

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Stone, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: March 18, 2014  
xc: RCRMC, Purchasing

Kecia Harper-Ihem  
Clerk of the Board  
By: *Opil S. Ihem*  
Deputy

Prev. Agn. Ref.:

District: 5/5

Agenda Number:

3-32

Departmental Concurrence

Purchasing: *Mark Seiler*  
Mark Seiler, Assistant Director

- A-30
- Positions Added
- 4/5 Vote
- Change Order

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Approval of the purchase of Medtronic Fusion ENT Navigation System via the  
competitive bidding process, with only one responsive/responsible bid received. District 5;  
[\$183,176]; RCRMC Enterprise Fund**

**DATE: February 28, 2014**

**PAGE: 2 of 2**

**BACKGROUND:**

**Summary (continued)**

The Fusion ENT Navigation System is the only intraoperative navigation system available with electromagnetic-enabled tracking technology. The Fusion ENT Navigation is the only Electromagnetic (EM) ENT surgical navigation system approved for sale and distribution in the United States at this time.

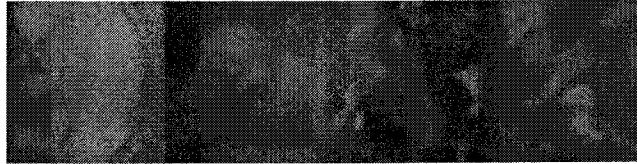
**Impact on Citizens and Businesses**

RCRMC serves the citizens of Riverside County.

**Contract History and Price Reasonableness**

Purchasing issued a formal Request for Quotation on behalf of RCRMC's Peri Operative Services for the upgrade/trade of Medtronic Element to Fusion ENT Navigation System with Instrument Set. RFQ# MRARC - 222 was posted on the County Purchasing Website and PublicPurchase.com. Additionally, invitations to bid were sent to several vendors via email. Medtronic submitted the sole responsive bid. Subsequent inquiries verified that Medtronic, Inc. is the exclusive equipment manufacturer, distributor, and servicer of Fusion ENT Navigation Systems, including all hardware components, licensed software applications and surgical instruments. Pricing was vigorously negotiated by Purchasing. Medtronic has verified that pricing is at or below any comparable pricing offered to similar Medical Centers. The final negotiated price and trade-in value are believed to be fair and reasonable.





Medtronic Navigation  
 826 Coal Creek Circle  
 Louisville, CO 80027 USA  
 www.medtronic.com  
 toll free 1-888-580-8860

PREPARED FOR:  
 Riverside County Regional Medical Center, Moreno Valley, CA

Quotation Number: 14217-0001109206-1-6

October 15, 2013

All Prices in \$USD

Item Number	Item Description	Qty	List Price	Ext. Net Price
<u>System</u> 9733560TD2	<b>FUSION™ ENT NAVIGATION EVOL/ELEMENT TRADE-IN W/INSTR. SET</b> <u>Includes Fusion™ ENT Navigation System</u> <ul style="list-style-type: none"> <li>• High Performance Workstation               <ul style="list-style-type: none"> <li>o 8 GB RAM</li> <li>o 1 TB Hard Drive</li> <li>o Intel 3.0 GHz Quad Core Processor</li> <li>o Nvidia GTS 250 Graphics Card</li> </ul> </li> <li>• AxiEM Electromagnetic Tracking Technology</li> <li>• 19" High Resolution Screen Display</li> <li>• Video In/Out Capabilities</li> <li>• High Speed DVD-RW Drive for Data Import and Export</li> <li>• Built-In Modem and LAN Capability provide for Diagnostics and Downloading</li> </ul> <u>Includes ENT System Software</u> <ul style="list-style-type: none"> <li>• Tracer™ Registration</li> <li>• Surgeon specific presets</li> <li>• User Defined Screen Views</li> <li>• Linear Measurement Tool</li> <li>• Variable Magnification</li> <li>• Screen Export as PC Compatible JPEG File on CD and USB</li> <li>• Upgradeable for latest Innovations</li> <li>• Scan import via CD, DICOM or USB</li> </ul> <u>Includes 9733908XOM Fusion™ ENT Instrument Set</u> <ul style="list-style-type: none"> <li>• ENT Registration Probe</li> <li>• Straight Probe</li> <li>• Straight Suction</li> <li>• Ostium Seeker</li> <li>• Head Tracker Kit</li> <li>• 70 Degree Curved Suction</li> <li>• 90 Degree Curved Suction</li> <li>• Sterilization Tray</li> <li>• Patient Trackers (10 each)</li> <li>• Instrument Trackers (10 each)</li> </ul> <u>Includes Miscellaneous</u> <ul style="list-style-type: none"> <li>• ENT System Manuals (2 each)</li> <li>• Quick Reference Guides (2 each)</li> <li>• Sterilization Protocol Reference Sheet</li> </ul>	1	\$135,200.00	\$126,200.00

Requested By Adam Holmes Area Sales Manager (909) 452-5317  
 Prepared By: Mikala Brees Principal Contract Analyst(720) 890-3251

Fax No: 720-890-3699

Quotation No: 14217-0001109206-1-6

Item Number	Item Description	Qty	List Price	Ext. Net Price
	• ENT IGS Scanning Protocol Reference Sheet			

Line Item Sub Total	\$126,200.00
Element to Fusion Upgrade Discount	(\$14,000.00)
Discounted Subtotal	\$112,200.00
<b>Grand Total</b>	<b>\$112,200.00</b>





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**EXECUTIVE SUMMARY**

**PREPARED FOR:**  
 Riverside County Regional Medical Center, Moreno Valley, CA

Quotation Number: 14217-0001109206-1-6

October 15, 2013

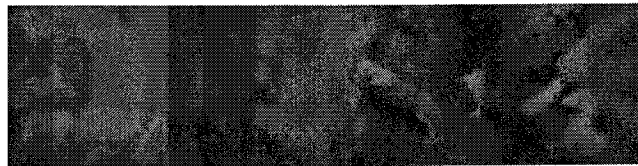
All Prices in \$USD

Item Number	Item Description	Qty	List Price	Ext. Net Price
9733560TD2	FUSION™ ENT NAVIGATION EVOL/ELEMENT TRADE-IN W/INSTR. SET	1	\$135,200.00	\$126,200.00
<b>Line Item Sub Total</b>				\$126,200.00
<b>Element to Fusion Upgrade Discount</b>				(\$14,000.00)
<b>Discounted Subtotal</b>				\$112,200.00
<b>Grand Total</b>				\$112,200.00

*Sales Tax @ 8%*

*\$8,976.00*

*\$121,176.00*



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**SALES AND SUPPORT PROPOSAL**  
**Purchase Orders and Signed Proposals can be faxed to:**

This is a Sales & Support Proposal ('Proposal') by and between Medtronic USA, Inc. for its ENT Products and Medtronic Navigation, Inc. (collectively, 'MEDTRONIC ST') located at 826 Coal Creek Circle, Louisville, Colorado 80027 and Riverside County Regional Medical Center ('CUSTOMER'), located in Moreno Valley, CA. The date of the proposal is the date on the first page of this Proposal ('Proposal Date').

Thank you for requesting this Proposal for the Fusion™ ENT Navigation System ('Product'). MEDTRONIC ST looks forward to partnering with you and the staff at Riverside County Regional Medical Center to provide for your treatment guidance needs.

**The pricing contained in this proposal is valid until 01/13/2014.**

**I. OFFER AND ACCEPTANCE**

This Proposal is an offer by MEDTRONIC ST to sell the Product described above to the Buyer on the terms of this Proposal and the Medtronic Master Terms and Conditions which are incorporated into this Proposal by reference in their entirety. Buyer accepts this Proposal and places an order for the Product described herein by signing the Proposal at the signature block by an individual authorized to bind the Buyer and returning the Proposal with an appropriate Purchase Order to MEDTRONIC ST. Upon receipt by MEDTRONIC ST of the appropriately signed Proposal and Purchase Order, an authorized representative of MEDTRONIC ST will sign the Proposal on behalf of MEDTRONIC ST whereupon the Proposal will become a binding Agreement between the parties ('Agreement').

**II. PAYMENT TERMS**

- Payment to MEDTRONIC ST by Buyer on invoices from MEDTRONIC ST under this agreement shall be due within 30 days of the date of the invoice unless otherwise noted in the Additional Terms section.
- FOB Destination. Freight charges are prepaid by MEDTRONIC ST and added to the Customer Invoice.

**III. INSTALLATION AND IN-SERVICE**

The price of the Product includes: installation, complete on-site Product testing and run through. All site modifications and preparations are the Buyer's responsibility and are to be completed to the specifications given by MEDTRONIC ST, prior to the date of the installation. MEDTRONIC ST is committed to providing Buyer with ongoing technical service and software support on the Product for the Term of this Agreement. Details of MEDTRONIC ST's Customer Support Program are set out in the accompanying Terms and Conditions. However, highlights of this Program are: Software support and maintenance via modem, 24-hour telephone technical assistance, and Software enhancement upgrades to currently owned software packages. The cost of parts associated with the repair of equipment that is out of the stated warranty period will be billed to the Buyer.

**IV. TRAINING**

MEDTRONIC ST is committed to providing the necessary training for the staff on the Fusion™ ENT

Navigation System. All surgeons who will be utilizing the system must be trained by an authorized MEDTRONIC ST representative. This is in accordance with the clearance to market the system by the Food and Drug Administration. The price includes one training event as follows:

On-site training by qualified training personnel to include:

- Training for surgeons who will be actively utilizing the technology
- Training for support specialists
- In-Service of CT and MR technicians
- General overview presentation of the system
- Attendance at first surgical use of the system

**Medtronic ST reserves the right to charge its standard fee for any additional training requested by Customer, that falls outside of the installation training event.**

#### **V. LIMITED WARRANTY**

• The Product shall be subject to the MEDTRONIC ST Standard Limited Warranty, applicable to this Product as contained in the Terms and Conditions, for the Term of the Agreement. MEDTRONIC ST SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

#### **VI. SOFTWARE LICENSE**

MEDTRONIC ST hereby grants to Customer, and Customer hereby accepts, a non-transferable, non-exclusive license ("License") to use Licensed Materials in perpetuity if and for so long as CUSTOMER agrees to and abides by the terms and conditions of this Agreement. CUSTOMER may not copy, modify or transfer the Licensed Materials, in whole or in part, except as provided by MEDTRONIC ST. CUSTOMER may only use the Licensed Materials in connection with the operation of the Products.

#### **VII. TERM OF AGREEMENT**

This agreement shall become effective on the date of the last signature in the signature block below ('Execution Date') and shall have a term of one (1) calendar year from the Acceptance Date of the Product ('Term').

#### **VIII. CONFIDENTIALITY**

All portions of this Proposal are to be considered confidential and are not to be shared with anyone other than an employee or authorized agent of MEDTRONIC ST, or personnel of HOSPITAL or their representative, unless approved by MEDTRONIC ST.

#### **IX. DELIVERY AND TRANSFER OF OWNERSHIP**

• Transfer of ownership from MEDTRONIC ST to CUSTOMER of the Product shall take place immediately upon delivery. The warranty period will commence seven (7) business days following the delivery date, unless otherwise specified in the additional terms section. Installation and training will be scheduled at a mutually agreed upon date.

#### **X. ADDITIONAL TERMS**

- All prices are quoted in US Dollars.
- The pricing terms and conditions included in this quotation are contingent on CUSTOMER returning their existing Element ENT System to MEDTRONIC ST upon receipt of the new Fusion ENT System.
- Shipping, handling and installation included in quoted price and will not be added to Customer's invoice. Valued at \$1,200.00.



## **XI. COMPLETE AGREEMENT**

When executed as prescribed herein, this Sales and Support Proposal constitutes a legally binding agreement between the parties. It is the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, negotiations, representations or commitments between the parties, both written and oral. The terms of this Sales and Support Proposal may be amended only by a writing signed by both parties hereto and shall prevail in the event that there is a conflict or variance with the terms and conditions of any purchase order form or other document submitted by CUSTOMER or with any invoice or other document submitted by MEDTRONIC ST.



## ACCEPTANCE

This agreement sets forth the entire understanding between the parties and supersedes any prior or oral agreements with respect to the matters covered by this agreement. An authorized representative of Riverside County Regional Medical Center and MEDTRONIC ST have signed and executed the agreement below.

Riverside County Regional Medical Center

**Medtronic USA, Inc. and  
Medtronic Navigation, Inc.**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

