

FORM APPROVED COUNTY COUNSEL  
 BY: GREGORY P. PRIAMOS DATE: 6/29/16

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

140



**FROM:** Purchasing and Fleet Services Department

**SUBMITTAL DATE:**  
 June 27, 2016

**SUBJECT:** Approval of Resolution 2016-157, Authorize the Purchasing Agent to Initialize and Implement Public Contract Code Section 20131, subsection (c), for Procurements not to Exceed \$750,000 per Vendor Per Twelve Month Period into County Procurement Policies and Procedures Relating to County Hospital Procurement Procedures and Activities and Direction to Riverside University Health System-Medical Center to Report Quarterly to the Board of Supervisors Regarding all Purchases Conducted Under this Resolution, District 5, [\$0], 100% Riverside University Health System-Medical Center

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

1. Approve Resolution 2016-157, Authorize the Purchasing Agent to initialize and implement Public Contract Code Section 20131, subsection (c), into County Procurement Policies Relating to County Hospital Procurement Procedures and Activities, and;
2. Direct Riverside University Health System-Medical Center to report quarterly to the Board of Supervisors on all purchases conducted under this resolution.

**BACKGROUND:**

Summary

(Continued on Page 2)

*Lisa Brandl*

Lisa Brandl, Director  
 Purchasing & Fleet Services Dept.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
<b>SOURCE OF FUNDS:</b> Medical Center Enterprise Fund 40050				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> 16/17	

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

**APPROVE**

BY: *Ivan M. Chand*  
 Ivan M. Chand 7/5/2016

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Washington, Benoit and Ashley  
 Nays: None  
 Absent: Tavaglione  
 Date: July 12, 2016  
 xc: Purchasing, RUHS

Kecia Harper-Ihem  
 Clerk of the Board

By: *Kecia Harper-Ihem*

Prev. Agn. Ref.: 3-62 07/21/15

District: 5

Agenda Number:

3-29

*Jennifer Cruikshank*  
 Jennifer Cruikshank  
 Chief Operating Officer, RUHS

Departmental Concurrence

- 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 Resolution 2016-157, Authorize the Purchasing Agent to Initialize and  
Implement Public Contract Code Section 20131, subsection (c), for Procurements not to Exceed  
\$750,000 per Vendor Per Twelve Month Period into County Procurement Policies and  
Direction to Riverside University Health System-Medical Center to Report Quarterly to the Board of  
Supervisors Regarding all Purchases Conducted Under this Resolution, District 5, [\$0], 100%  
Riverside University Health System-Medical Center**

**DATE: June 27, 2016**

**PAGE: 2 of 3**

**BACKGROUND:**

**Summary**

On July 21, 2015, via Minute Order 3-62, the Board of Supervisors authorized the Purchasing Agent to initialize and implement Public Contract Code Section 20131 for the Riverside County Regional Medical Center (now Riverside University Health System-Medical Center) for procurements not to exceed \$750,000 per vendor per twelve month period. This streamlined the procurement process for RUHS-Medical Center and allowed them to efficiently conduct patient care in today's competitive health care environment. A twelve month period was approved to evaluate the process and determine its effectiveness. RUHS-Medical Center is desirous to implement the purchasing authority again for another twelve month period with some modifications.

The annual amount for physician services was increased from \$250,000 to \$450,000 annually per physician, which accommodates specialized physician services, such as neurosurgery services. Additionally, organization-wide collaborative memberships which are necessary for patient care, would be permissible up to a maximum of \$100,000 annually for each membership.

Regarding purchasing authority, the Board of Supervisors delegates its authority to the Purchasing Agent (the Purchasing Director), which is set forth in Government Code Sections 25500 et seq. Other applicable guidelines and authority can be found in Ordinance No 459, Board Policies A-5 and A-18. Through these documents, delegation to the Purchasing Agent is very specific in order to preserve a level of review that ensures policy decisions are carried out consistent with the Board's direction and approval. There are very few exceptions to this delegation through other Board actions, such as delegation to the Building Official, General Manager of the Flood Control District, etc. Generally, all county departments follow County purchasing policies and procedures, including Riverside University Health System-Medical Center. Most purchases require a competitive bid process, either informally or formally, which requires obtaining three quotes.

Additional purchasing authority can be found in the Public Contract Code. Within the Public Contract Code, there is a specific provision (section 20131, subsection (c)), which exempts county hospitals from the competitive bid process. The section reads as follows:

“Counties which employ purchasing agents may:

(c) Authorize the agent to purchase or contract for medical or surgical equipment or supplies, or for professional services, for a county hospital without competitive bidding, so long as an appropriation for the costs of those purchases or contracts is included in the county budget.

As used in this subdivision, ‘medical or surgical equipment or supplies’ means only equipment or supplies commonly, necessarily, and directly used by or under the direction of a physician and surgeon in caring for or treating a patient in a hospital.”

With the implementation of the Affordable Care Act, RUHS-Medical Center competes with regional providers for inpatient care and treatment.

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Implement Public Contract Code Section 20131, subsection (c), for Procurements not to Exceed  
\$750,000 per Vendor Per Twelve Month Period into County Procurement Policies and  
Direction to Riverside University Health System-Medical Center to Report Quarterly to the Board of  
Supervisors Regarding all Purchases Conducted Under this Resolution, District 5, [\$0], 100%  
Riverside University Health System-Medical Center**

**DATE: June 27, 2016**

**PAGE: 3 of 3**

**Background (continued):**

Pertaining to hospital procurement activities, the Purchasing Department, in consultation with County Counsel, the Executive Office, and RUHS-Medical Center, recommends approval of resolution 2016-157. This resolution authorizes the Purchasing Agent to procure medical equipment and supplies, and professional services relating to the care of a patient and under the care of a physician or surgeon without obtaining competitive bidding up to \$750,000 annually, per vendor, per twelve-month period. Anything above \$750,000 requires approval by the Board of Supervisors. The types of items and services that can be procured without obtaining competitive bids are listed within Schedule A of the resolution. Anything not listed within the resolution must follow the standard county purchasing policies and procedures.

Approval of the resolution allows the Purchasing Agent to initialize and implement Public Contract Code section 20131, subsection (c) into county policies and procedures. The resolution determines that: 1) The equipment or supplies are used for treating patients in the hospital, whether in the regular "medical" care, surgery, diagnosis, treatment, and related patient services; 2) They are directly used by or under the direction of a physician or surgeon; 3) The equipment or supplies must be included in the approved County budget; 4) The professional services are directly related to hospital services that require an expertise in the delivery of such services, including but not limited to physicians, attorneys, and other professions with a health care specialty or expertise; and 5) Any purchases and contracts for professional services outside this general scope would be subject to standard purchasing procedures.

The authorization pertains specifically only to hospital procurement items listed within the resolution. As the subject matter experts, the hospital continues to revise their protocol for review, their internal hospital approval authority, and administrative responsibilities pertaining to this resolution. Prior to award of any item or service, the Purchasing Department will work with the hospital ensuring the best value and quality are obtained and confirm that an internal level of vetting and analysis by hospital executive management is performed. The Purchasing Department has two Procurement Contract Specialists embedded within the hospital relating to all procurement activity.

As determined within Ordinance 459, the Purchasing Agent does not ascertain if adequate budgeting is available for procurement of any item or service; this is the responsibility of the department head. RUHS-Medical Center has reported quarterly their purchasing activity conducted under this resolution to the Board of Supervisors.

Upon approval by the Board, this action is immediate and will go into full force and effect for a period of twelve months. During this time period, RUHS-Medical Center will report quarterly to the Board procurements performed under the resolution. This resolution may be rescinded at any time through Board action.

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RESOLUTION NO. 2016-157

**A RESOLUTION OF THE BOARD OF SUPERVISORS FOR THE COUNTY OF RIVERSIDE  
AUTHORIZING THE PURCHASING AGENT TO INITIALIZE AND IMPLEMENT PUBLIC  
CONTRACT CODE SECTION 20131, SUBSECTION (C), FOR PROCUREMENTS NOT TO  
EXCEED \$750,000 PER VENDOR INTO COUNTY PROCUREMENT POLICIES AND  
PROCEDURES RELATING TO COUNTY HOSPITAL PROCUREMENT PROCEDURES AND  
ACTIVITIES**

**Whereas,** The Board of Supervisors has delegated their purchasing authority to the Purchasing Agent, also known as the Purchasing Director, as promulgated through Ordinance 459;

**Whereas,** The Public Contract Code, section 20131, subsection (c), makes certain allowances for hospital purchases in recognition of the nature of such operations, and provides in pertinent part, as follows:

“Counties which employ purchasing agents may:

(c) Authorize the agent to purchase or contract for medical or surgical equipment or supplies, or for professional services, for a county hospital without competitive bidding, so long as an appropriation for the costs of those purchases or contracts is included in the county budget.

As used in this subdivision, ‘medical or surgical equipment or supplies’ means only equipment or supplies commonly, necessarily, and directly used by or under the direction of a physician and surgeon in caring for or treating a patient in a hospital.”;

**Whereas,** The Board of Supervisors defines hospital as the Riverside University Health System-Medical Center, which provides medical, surgical, or psychiatric care for the sick or injured;

**Whereas,** The Board of Supervisors recognizes the need for the Riverside University Health System-Medical Center to procure items expeditiously relating to the care for its patients;

**Whereas,** The Board of Supervisors recognizes the implementation of the Affordable Care Act requires the Riverside University System-Medical Center must compete with other providers of care in the region;

**Whereas,** The Public Contract Code allows for procurement of these items without obtaining competitive bids;

**NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE  
DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Recitals.** The Recitals set forth above are true and correct and are incorporated in this Resolution by this reference.

1           **Section 2. Direction and Approval to the Purchasing Agent.** The Board of  
2 Supervisors authorizes the Purchasing Agent to initialize and implement the Public Contract  
3 Code section 20131, subsection (c), into county purchasing policies and procedures pertaining  
4 to hospital procurement;

5           **Section 3. Determination of Amount.** The Board of Supervisors authorizes the  
6 Purchasing Agent to award items without seeking competition to items and services listed within  
7 Schedule A of this Resolution up to \$750,000, per vendor, per 12 (twelve) month period;

8           **Section 4. Determination of Items and Services Authorized.** The Board of  
9 Supervisors determines that the items covered under this resolution will be:

- 10 a) Equipment or supplies used for treating patients in the hospital, whether in the regular  
11 medical care, surgery, diagnosis, treatment and related patient services;
- 12 b) Directly used by or under the direction of a physician or surgeon;
- 13 c) Professional services directly related to hospital services that require an expertise in the  
14 delivery of such services, including but not limited to physicians, attorneys and other  
15 professions with a health care specialty or expertise; and
- 16 d) Are specifically listed within Schedule A of this Resolution and applies to no other item,  
17 equipment or service not listed.

18           **Section 5. Further Determination of Items and Services Not Authorized.** The Board  
19 of Supervisors further determines that purchases and contracts for items, equipment and  
20 professional services outside this general scope would be subject to standard purchasing  
21 procedures;

22           **Section 6. Authorization for Riverside University Health System - Medical Center**  
23 **Only.** The Board of Supervisors authorizes this resolution for the Riverside University Health  
24 System-Medical Center and no other County department, agency, authority or other public or  
25 non-profit entity under its authority;

26           **Section 7. Effective Date.** Upon approval by the Board of Supervisors, this action is  
27 immediate and will go into full force and effect for a period of twelve months; and,

28           **Section 8. Ending Date.** This resolution may be rescinded at any time through Board  
29 action.

30 **PASSED AND ADOPTED** by the Board of Supervisors of the County of Riverside at a regular  
31 meeting held on this 12 day of July 2016, by the following vote:

32 ROLL CALL:

33 Ayes: Jeffries, Washington, Benoit and Ashley  
34 Nays: None  
35 Absent: Tavaglione

36 The foregoing is certified to be a true copy of a  
37 resolution duly adopted by said Board of Super-  
38 visors on the date therein set forth.

39 KECIA HARPER-INEM Clerk of said Board  
40 By [Signature] Deputy

FORM APPROVED COUNTY COUNSEL  
BY: [Signature] DATE: 6-29-16  
ANGELA WILLIAMS

