

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



ITEM
3.42
(ID # 4639)

MEETING DATE:

Tuesday, July 11, 2017

FROM : PURCHASING:

SUBJECT: PURCHASING: Approval of Resolution 2017-128, Authorizing the Purchasing Agent to Initialize and Implement Public Contract Code Section 20131, subsection (c), for Procurements not to Exceed \$750,000 per Vendor per Twenty-Four Month Period into County Procurement Policies and Procedures Relating to County Hospital Procurement Procedures and Activities Until June 30, 2019; and Direction to Riverside University Health System-Medical Center to Report Quarterly to the Board of Supervisors Regarding all Purchases Conducted Under Resolution 2017-128, District 5, [\$0], 100% Riverside University Health System-Medical Center

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Resolution 2017-128, Authorize the Purchasing Agent to Make Procurements Not to Exceed \$750,000 Per Vendor Pursuant to Public Contract Code Section 20131, Subsection (c), and Implement Such Authority Into County Procurement Policies and Procedures Relating to County Hospital Procurement Procedures and Activities until June 30, 2019 and;
2. Direct Riverside University Health System-Medical Center to report quarterly to the Board of Supervisors on all procurements conducted under Resolution No. 2017-128.

ACTION:




Lisa Brandl, Director of Purchasing and Fleet Services 6/26/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: July 11, 2017
xc: Purchasing, RUHS

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Medical Center Enterprise Fund 40050			Budget Adjustment:	No
			For Fiscal Year:	17/18-18/19

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

On July 12, 2016, via Minute Order 3-29, 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 a 24-month period with some modifications. If approved, this would be the third year of approval from the Board and differs from previous requests in that this authority period is for 24 months.

The annual amount for physician services is \$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:

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“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.

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 2017-128. 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 Resolution 2017-128. 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 Resolution 2017-128. 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

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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 twenty-four (24) 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.


Lisa Brandl, Director of Purchasing and Fleet Services 6/27/2017

2 RESOLUTION NO. 2017-128

3 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
4 AUTHORIZING THE PURCHASING AGENT TO MAKE PROCUREMENTS NOT TO EXCEED
5 \$750,000 PER VENDOR PURSUANT TO PUBLIC CONTRACT CODE SECTION 20131,
6 SUBSECTION (C), AND IMPLEMENT SUCH AUTHORITY INTO COUNTY PROCUREMENT
7 POLICIES AND PROCEDURES RELATING TO COUNTY HOSPITAL PROCUREMENT
8 PROCEDURES AND ACTIVITIES

9 WHEREAS, the Board of Supervisors has delegated their purchasing authority to the Purchasing
10 Agent, also known as the Purchasing Director, as promulgated through Ordinance 459;

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

14 "Counties which employ purchasing agents may:

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

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

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

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

26 WHEREAS, the Board of Supervisors recognizes the implementation of the Affordable Care Act
27 requires the Riverside University System-Medical Center must compete with other providers of care in the
28 region;

WHEREAS, the Public Contract Code allows for procurement of these items without obtaining
competitive bids;

FORM APPROVED COUNTY COUNSEL
BY: *Martha Ann Knutson* 6/27/17
DATE
MARTHA ANN KNUTSON

1 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board Of
2 Supervisors of the County of Riverside, in regular session assembled on 7/11/17, in the meeting
3 room of the Board of Supervisors of the District located on the 1st floor of the County Administrative
4 Center, 4080 Lemon Street, Riverside, California, that this Board:

5 **Section 1. Recitals.** Finds that the Recitals set forth above are true and correct and are incorporated
6 in this Resolution by this reference.

7 **Section 2. Direction and Authority to the Purchasing Agent.** Authorizes the Purchasing Agent
8 to purchase or contract for medical or surgical equipment or supplies, or for professional services, for
9 Riverside University Health System-Medical Center without competitive bidding, so long as an
10 appropriation for the costs of those purchases or contracts is included in the county budget up to the limits
11 specified herein this Resolution under the Public Contract Code section 20131, subsection (c), and to
12 implement this authority into County purchasing policies and procedures pertaining to hospital
13 procurement.

14 **Section 3. Determination of Amount.** Authorizes the Purchasing Agent to award items without
15 seeking competition to items and services listed within **Schedule A** of this Resolution up to \$750,000, per
16 vendor, per 12 (twelve) month period.

17 **Section 4. Determination of Items and Services Authorized.** Determines that the items covered
18 under this Resolution will be:

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

27 **Section 5. Further Determination of Items and Services Not Authorized.** Further determines
28 that purchases and contracts for items, equipment and professional services outside this general scope and

1 authority granted herein this Resolution will remain subject to standard purchasing procedures.

2 **Section 6. Authorization for Riverside University Health System - Medical Center Only.**

3 Authorizes this Resolution for the Riverside University Health System-Medical Center and no other County
4 department, agency, authority or other public or non-profit entity under its authority.

5 **Section 7. Effective Date.** Orders, that upon approval by the Board of Supervisors, this action is
6 immediate and will go into full force and effect for a period of 24 months and expires on June 30, 2019.

7 **Section 8. Rescission.** This Resolution may be rescinded at any time prior to the expiration date
8 through Board action.

9
10
11 ROLL CALL:

12
13 Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
14 Nays: None
15 Absent: None

16 The foregoing is certified to be a true copy of a resolution duly
17 adopted by said Board of Supervisors on the date therein set forth.

18 KECIA HARBER-IHEM, Clerk of said Board

19 By 

20 Deputy

1 RESOLUTION NO. 2017-128

2 SCHEDULE A

3 The following list of items and services may be obtained without seeking competitive bids:

4 **Professional Services**

5 Physician Services (up to \$450,000 annually per physician/Locum tenens)

6 Nursing Services

7 Medical/Pharmacy Consultants

8 Medical Records Management Services

9 Case Management Services

10 Medical Product Distribution Services

11 Medical Advisory/Research

12 Patient Transport

13 Pharmaceuticals

14 Medical/Pharmaceutical Computer Systems

15 Laboratory Services

16 Attorney Services

17 Medical Equipment Rental

18 Compliance Related Consulting Services

19 Organization-wide Memberships/Collaborative necessary for patient care delivery (up to \$100,000 per
20 membership)

21 Chaplain Services

22 Hearing Officer Services (Inpatient Treatment Facility)

23 **Commodities**

24 All commodities associated with the medical care of patients
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