

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



ITEM
3.39
(ID # 7557)

MEETING DATE:

Tuesday, July 31, 2018

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Approval of the Sixth Amendment to the Professional Services Agreement with DVA Renal Healthcare, Inc. for Hemodialysis Treatment Services, All Districts [Total Cost \$466,667]

RECOMMENDED MOTION: That the Board of Supervisors:


1. Approve the Sixth Amendment to the Professional Services Agreement with DVA Renal Healthcare, Inc. for Hemodialysis Treatment Services to extend the contract term for ninety (90) days, August 1, 2018 through October 29, 2018, not to exceed \$466,647 and authorize the Chairman of the Board to sign the amendment on behalf of the County.

ACTION: Policy

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Perez
Nays: None
Absent: Ashley
Date: July 31, 2018
xc: RUHS-Medical Center

Kecia Harper-Ihem
Clerk of the Board

Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 466,667	\$ 0	\$ 466,667	\$0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$0
SOURCE OF FUNDS:			Budget Adjustment:	No
			For Fiscal Year:	18/19

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

RUHS requests the Board approve an extension to the Professional Services Agreement with DVA Renal Healthcare, Inc. for ninety (90) days to allow time for the vendor and RUHS to enter into a new agreement and allow ample time for contract negotiations.

RUHS has maintained a standing contract with several subsidiaries of DaVita, Inc., most recently DVA Healthcare, Inc. to provide dialysis services to RUHS patients since 2010. On August 10, 2010 Agenda Item #3.53, the Board approved the multi-year agreement with two of DaVita's subsidiaries, Renal Treatment Centers – California, Inc. and Patient Pathways, LLC to provide acute services and discharge planning services for the hospital.

DVA Renal Healthcare's Treatment Center is located on the RUHS's campus and provides trained staff and equipment for all the chronic and acute inpatient and outpatient dialysis treatments as required by the hospital, providing immediate response time and support for RUHS patients.

Impact on Residents and Businesses

A lapse in the contract could affect the patient and RUHS Medical Center negatively. The patient's condition could become adversely affected and RUHS Medical Center would no longer be able to provide Dialysis treatment to the community. Patients would be forced to go to another facility to receive their dialysis care.

Contract History and Price Reasonableness

On February 9, 2011 the Procurement Contract Specialist approved the First Amendment to the agreement with Renal Treatment Centers California, Inc. and patient Pathways, LLC to correct a drafting error in Exhibit B, Compensation. On July 31, 2012, Agenda Item 3.52, the Board approved the Second Amendment to the agreement with Renal Treatment Centers – California Inc. and Patient Pathways, LLC to increase the maximum compensation amount to \$1,400,000 annually. On August 20, 2013, Agenda Item 3.75, the Board approved the Third Amendment to the agreement with Renal Treatment Centers – California Inc. and Patient Pathways, LLC to extend the period of performance for five additional years effective September 1, 2013 through August 30, 2018. The Fourth Amendment executed on July 24, 2014 by a County Procurement

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Specialist, amended the language in section 3.1 TERM. On July 12, 2016, Agenda Item 3.42, the Board approved the Fifth Amendment to increase funds by \$100,000 from \$1,400,000 to \$1,500,000 annually effective July 26, 2016 through June 30, 2018. In addition, Patient Pathways, LLC, was removed as a party to the agreement.

DaVita certifies that the prices offered are the lowest or equal to those offered to customers in San Bernardino or Riverside Counties whose annual treatment volume is comparable to RUHS, and offered to Federal, State or Local Government Contracts. In addition, the rate offered through this extension will remain at the same rate as the current contract. The extension granted would allow additional time needed to enter into a new Agreement

ATTACHMENTS: SIXTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH DVA RENAL HEALTHCARE, INC.


Jennifer Cruikshank, Chief Executive Officer - Health System 7/19/2018

**SIXTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH
DVA RENAL HEALTHCARE, INC.**
(Hemodialysis Treatment Services)

THIS SIXTH AMENDMENT ("Sixth Amendment") is made and entered into by and between the County of Riverside, a political subdivision of the State of California, through its Medical Center, Riverside County Regional Medical Center ("Hospital") (collectively "**COUNTY**") and DVA Renal Healthcare, Inc., a subsidiary of DaVita, Inc. ("**CONTRACTOR**"). This Sixth Amendment shall be effective as of the date of final signature below.

WHEREAS, the parties hereto entered into that certain Professional Services Agreement for Acute Services and Discharge Planning Services ("Agreement"), approved August 10, 2010, Agenda Item 3.53, as amended by that certain first amendment executed February 9, 2011, second amendment approved July 31, 2012, Agenda Item 3.52, third amendment approved August 20, 2013, Agenda Item 3.75, fourth amendment executed July 24, 2014, and fifth amendment approved July 26, 2016, Agenda Item 3.42, pursuant to which COUNTY agreed to engage the services of CONTRACTOR to provide acute dialysis services at the Hospital; and,

WHEREAS, the parties wish to amend and modify certain provisions of the Agreement, as specifically provided for below;

NOW THEREFORE, for and in consideration of the premises, the parties do hereby agree as follows:

1. **Term.** Section 3.1, TERM, of Section 3.0 TERM AND TERMINATION, is hereby amended to extend the term as follows:

"This Sixth Amendment extends the term of the Agreement for ninety (90) days commencing on August 1, 2018 and continuing through October 29, 2018."
2. **Definition.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.
3. **Conflict.** In the event the terms of this Sixth Amendment conflict with the terms of the Agreement, the terms of the Agreement shall hold.
4. **Miscellaneous.** In all other respects, the parties do hereby ratify and reaffirm the provisions of the Agreement, which shall continue in full force and effect, except as amended hereby.
5. **Execution of Amendment.** This Sixth Amendment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

JUL 31 2018 3.39

IN WITNESS WHEREOF, the parties have executed this Sixth Amendment.

CONTRACTOR


DVA Renal Healthcare, Inc.,

subdivision of the state of California, through its

Riverside County Regional Medical Center

COUNTY

The County of Riverside, a political

By: 

Brian De Neve

Division Vice President

By: 

Chuck Washington

Chairman, Board of Supervisors

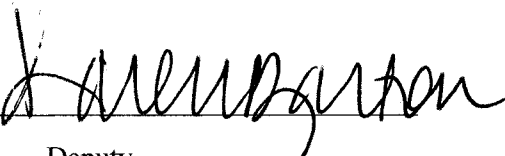
Date: 07 / 13 / 18

Date: JUL 31 2018

ATTEST:

Kecia Harper-Ihem

Clerk of the Board

By: 

Deputy

APPROVED TO FORM:

DaVita Inc.


By: _____
Thor Paulson
Group General Counsel

Date: _____

APPROVED AS TO FORM:

Gregory P. Priamos

County Counsel

By: 

Danielle Maland

Deputy County Counsel

Date: 7/18/18