

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



ITEM
3.20
(ID # 10102)

MEETING DATE:

Tuesday, June 18, 2019

FROM : PURCHASING AND FLEET SERVICES:

SUBJECT: PURCHASING AND FLEET SERVICES: Adoption of Resolution 2019-147, 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 Year through June 30, 2021; and Direct Riverside University Health System-Medical Center to Report Quarterly to the Board of Supervisors Regarding all Purchases Conducted Under Resolution 2019-147, District 5, [\$0], 100% Riverside University Health System-Medical Center Enterprise Fund and Riverside University Health System-Community Health Centers Enterprise Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2019-147, 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, 2021 and;
2. Direct Riverside University Health System-Medical Center and the Riverside University Health System-Community Health Centers to report quarterly to the Board of Supervisors on all procurements conducted under Resolution No. 2019-147.


ACTION: Policy


Teresa Summers, Director of Purchasing 6/6/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: June 18, 2019
xc: Purchasing, RUHS-Medical Center
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Kecia Harper
Clerk of the Board
By: 
Deputy
3.20

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
SOURCE OF FUNDS: Medical Center and Community Health Centers Enterprise Funds			Budget Adjustment: No	
			For Fiscal Year: 19/20-20/21	

C.E.O. RECOMMENDATION: Approve

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. The Board renewed the authority on July 12, 2016 for another twelve month period and then on July 11, 2017 the authority was renewed for a two-year period ending June 30, 2019. The request before the Board today is to seek approval for renewal of the authorization for another two-year period through June 30, 2021.

Renewal of the authorization continues the Purchasing Agent's authority, on behalf of the medical center, to procure medical equipment and supplies, and professional services relating to treatment of patients under the care of a physician or surgeon without obtaining competitive bidding up to \$750,000 annually, per vendor, per twelve-month period. Purchases above \$750,000 will continue to require approval by the Board of Supervisors.

Additionally, the department seeks approval to include purchases for the direct treatment of patients at other RUHS locations, including the federally qualified health center clinics. As these clinics and the new medical office building are alternative sites for the care of patients within a coordinated, integrated continuum of care, the Purchasing Department, in consultation with County Counsel, the Executive Office, and RUHS-Medical Center, recommends approval of this resolution to allow for both inpatient and outpatient patient care procurements under the authority of this resolution.

The Board of Supervisors delegates its authority to the Purchasing Agent (the Purchasing Director), which is set forth in Government Code Sections 25500 and Ordinance No 459 which is approved by the Board and sets forth policy and guidelines. Delegation to the Purchasing Agent is very specific in order to preserve a level of review that ensures policy decisions are carried out consistently and the county secures the most cost effective competitive price. There

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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., for specific circumstances. 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.

Additional purchasing authority is also provide for in the Public Contract Code 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.”

The approval of this authority has streamlined procurement processes and allows RUHS to efficiently conduct patient care in today’s competitive health care environment. The types of items and services that can be procured without obtaining competitive bids are listed within Schedule A of Resolution 2019-147. Anything not listed within the resolution must follow the standard county purchasing policies and procedures.

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 and the RUHS CHCs will report quarterly to the Board on procurements performed under the resolution. This resolution may be rescinded at any time through Board action.

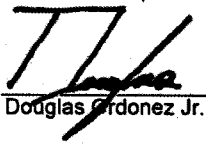
Additional Fiscal Information

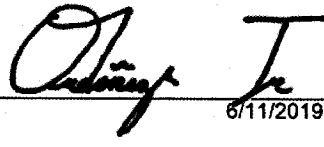
As determined within Ordinance 459, the Purchasing Agent does not ascertain if adequate budgeting is available for procurement of any item or service; this is the responsibility of the department head to ensure there are sufficient funds in the budget. RUHS-Medical Center and RUHS-Community Health Centers will continue to report quarterly all purchasing activity conducted under this resolution to the Board of Supervisors.

Contract History and Price Reasonableness

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Although the resolution allows RUHS to make purchases without competitive bidding, so long as costs of the purchases are included in the county's budget, the department utilizes the Board approved Group Purchasing Organization (GPO) contract with Vizient (formerly Novation) for the majority of all medical supplies and many equipment purchases. GPOs help healthcare providers realize savings and efficiencies by aggregating purchasing volume and use that leverage to negotiate discounts with manufacturers, distributors and other vendors. Additionally, RUHS utilizes an internal Value Analysis division to compare clinically equivalent items to ensure they are achieving the most cost effective price without compromising quality.


Douglas Ordóñez Jr.


6/11/2019


Gregory F. Priamos, Director County Counsel 6/10/2019

2 RESOLUTION NO. 2019-147

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 acknowledges changes in the delivery of medical care that
23 support the definition of a "hospital" as an integrated system of inpatient and outpatient care that provides
24 care in appropriate settings that may be geographically separated but administratively coordinated;

25 **WHEREAS**, the Board of Supervisors defines Riverside's "county hospital" as an integrated
26 system of inpatient and outpatient locations known as the Riverside University Health System, including
27 but not limited to the County's federally qualified health centers, all providing medical, surgical, or
28 psychiatric care for the sick or injured;

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

FORM APPROVED COUNTY COUNSEL
BY:  DATE: 6/4/2019
MARTHA ANN KNUTSON

1 **WHEREAS**, the Board of Supervisors recognizes the implementation of the Affordable Care Act
2 requires the Riverside University Health System to compete with other providers of care in the region;

3 **WHEREAS**, the Public Contract Code allows for procurement of medical or surgical equipment or
4 supplies, or for professional services without obtaining competitive bids;

5 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board Of
6 Supervisors of the County of Riverside, in regular session assembled on June 18, 2019, in the meeting
7 room of the Board of Supervisors of the District located on the 1st floor of the County Administrative
8 Center, 4080 Lemon Street, Riverside, California, that this Board:

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

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

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

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

- 22 a) Equipment or supplies used for treating patients in the "county hospital", as defined herein, whether
23 in the regular medical care, surgery, diagnosis, treatment and related patient services;
- 24 b) Directly used by or under the direction of a physician or surgeon;
- 25 c) Professional services directly related to services that require an expertise in the delivery of such
26 services, including but not limited to physicians, attorneys and other professions with a health care
27 specialty or expertise; and
- 28

1 d) Are specifically listed within Schedule A of this Resolution and applies to no other item, equipment
2 or service not listed.

3 **Section 5. Acknowledgement of Other Requirements for Procurement of certain items.**

4 Determines that the source of funding for certain parts of the county hospital's operations such as grant
5 funding made available through the federal Health Resources and Services Administration contain separate
6 competition requirements in procurement that will not be eliminated by this Resolution.

7 **Section 6. Further Determination of Items and Services Not Authorized.** Further

8 determines that purchases and contracts for items, equipment and professional services outside this general
9 scope and authority granted herein this Resolution will remain subject to standard purchasing procedures.

10 **Section 7. Authorization for Riverside University Health System Only.** Authorizes this

11 Resolution for the Riverside University Health System and no other County department, agency, authority
12 or other public or non-profit entity under its authority.

13 **Section 8. Effective Date.** Orders, that upon approval by the Board of Supervisors, this action is

14 immediate and will go into full force and effect for a period of 24 months and expires on June 30, 2021.

15 **Section 9. Rescission.** This Resolution may be rescinded at any time prior to the expiration date

16 through Board action.

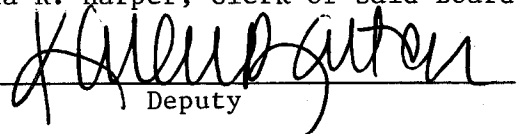
17
18 ROLL CALL:

19 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
20 Nays: None
21 Absent: None

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

24 Kecia R. Harper, Clerk of said Board

25 By


Deputy

