



SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH  
SYSTEM MEDICAL CENTER GOVERNING BOARD  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 15.2  
(ID # 13691)

**MEETING DATE:**

Tuesday, October 27, 2020

**FROM:** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Approval of the Ninth Amendment to the Professional Services Agreement with DVA Renal Healthcare, Inc. for Hemodialysis Treatment Services without seeking competitive bids for 3 months, effective October 30, 2020 through January 31, 2021; All Districts. [Total Cost Increase \$615,000, up to \$61,500 in additional compensation, 100% Hospital Enterprise Fund - 40050]

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

1. Approve the Ninth Amendment to the Professional Services Agreement with DVA Renal Healthcare, Inc. for Hemodialysis Treatment Services without seeking competitive bids to extend the term for three months, effective October 30, 2020 through January 31, 2021, and increase the aggregate maximum compensation amount by \$615,000, from \$17,200,000 to \$17,815,000; authorize the Chairman of the Board to sign the amendment on behalf of the County.
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved by County Counsel to: sign amendments that make modifications to the statement of work that stay within the intent of the Agreement; and sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the total cost of the amendment.

**ACTION:** Policy

  
Jennifer Cruikshank, Chief Executive Officer - Health System 10/13/2020


  
Teresa Summers, Director of Purchasing 10/15/2020

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**MINUTES OF THE GOVERNING BOARD**

On motion of Supervisor Jeffries, seconded by Supervisor Washington 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: October 27, 2020  
xc: RUHS-MC

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy



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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 615,000	\$ 0	\$ 615,000	\$ 0
<b>NET COUNTY COST</b>	\$ 615,000	\$ 0	\$ 615,000	\$ 0
<b>SOURCE OF FUNDS: 100% Hospital Enterprise Fund 40050</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	20/21

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

**BACKGROUND:**

**Summary**

Riverside University Health System-Medical Center (RUHS-MC) requests that the Board of Supervisors approve the Ninth Amendment to the Professional Services Agreement with DVA Renal HealthCare, Inc. (DVA) to continue to provide acute inpatient dialysis services to RUHS-MC patients. The amendment will extend the term for three months, effective October 30, 2020 through January 31, 2021, and increase the aggregate maximum compensation amount by \$615,000, from \$17,200,000 to \$17,815,000.

RUHS Medical Center requires an outside vendor to administer dialysis treatment as this is not a service currently provided by the hospital. Significant capital expenditure would be required for the purchase of hemodialysis (HD) and continuous renal replacement therapy (CRRT) dialysis units as well as hiring dialysis trained registered nurse (RN) staff, service technicians, a clinical coordinator, and services for monitoring water quality and other metrics in order to replace the services provided by an outside vendor. DVA dialysis is accredited by the Joint Commission and provides the equipment and services as mentioned above.

RUHS-MC desires to continue the long-standing relationship with DVA Renal HealthCare, Inc., a subsidiary of DaVita, Inc. A new County template agreement is currently in negotiations to ensure continuous compliance with County current terms and provisions and will supersede the Ninth Amendment when negotiations are finalized.

DVA's tenured knowledge of RUHS-MC operations and the County's policies has been an asset to RUHS-MC. The long-standing relationship has resulted in zero regulatory findings and improved services for intensive care unit (ICU) patients receiving CRRT treatment.

DVA's robust and experienced staff provides DVA the ability to respond to STAT emergency orders within two hours' notice and respond to calls on weekends and holidays when needed. The partnership between RUHS-MC's clinical staff, and DVA's clinical staff have allowed the parties to continue to strategize and collaborate for improvement on



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outcomes of patient quality of care, develop and strengthen safety protocols and provide benchmarks through the Joint Operations Committee Meeting on a quarterly basis.

**Impact on Residents and Businesses**

A lapse in contract would adversely affect the patients in the community and RUHS-MC. RUHS-MC would not be able to provide renal care and the patients would be forced to travel elsewhere to seek care.

**Contract History and Price Reasonableness**

On August 10, 2010, Agenda Item 3.53, the Board approved the Professional Services Agreement with Renal Treatment Centers – California, Inc. and Patient Pathways, LLC, effective for three years, August 1, 2010 through July 31, 2013, in an amount not to exceed \$1,200,000 annually. On February 9, 2011, under Purchasing Agent authority, a First Amendment to the agreement with Renal Treatment Centers – California, Inc. and Patient Pathways, LLC was executed 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 through July 31, 2018. The Fourth Amendment executed on July 24, 2014 by the Purchasing Agent, amended the language in section 3.1 TERM.

On July 26, 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. Subsequently, the agreement was assigned to DVA Renal Healthcare, Inc. On July 31, 2018, the Board approved Agenda Item 3.39, the Sixth Amendment to extend the contract term for ninety (90) days, August 1, 2018 through October 29, 2018. On October 23, 2018, Agenda Item 17.1, the Board approved the Seventh Amendment with DVA Renal Healthcare, Inc. to extend the period of performance for one year, October 30, 2018 through October 29, 2019. On October 22, 2019, Agenda Item 15.2, the Board approved the Eighth Amendment with DVA Renal Healthcare, Inc. to extend the period of performance for one year, October 30, 2019 through October 29, 2020 and increase the aggregate maximum compensation amount by \$4,700,000 from \$12,500,000 to \$17,200,000.

DVA is accredited by the Joint Commissions Committee and has multiple locations nationally and internationally. There are no other dialysis providers that can provide the care on an inpatient level as DVA. The one possible competitor, Fresenius Medical Care, provides outpatient dialysis treatment only. Efforts to obtain competitive bids from Fresenius have been unsuccessful due to lack of interest in expansion to provide inpatient dialysis.



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The long-standing relationship developed with this vendor has afforded RUHS with a quick and seamless patient discharge. DVA can provide continuity of care at one of their vast outpatient dialysis locations located throughout the various counties. RUHS can quickly and seamlessly discharge the patient to an outpatient location that, in turn, frees up beds, decreases length-of-stay, improves patient throughput, and reduces admissions holding in the Emergency Department so that inpatient services can continue without interruption.

DVA certifies that they have provided lower than industry standard pricing to RUHS Medical Center.

**ATTACHMENTS:**

**ATTACHMENT A: NINTH AMENDMENT TO THE PROFESSIONAL SERVICES  
AGREEMENT WITH DVA RENAL HEALTHCARE, INC. FOR  
HEMODIALYSIS TREATMENT SERVICES**

**ATTACHMENT B: SOLE SOURCE JUSTIFICATION #21-043**

  
Brianna Lantajo, Management Analyst

10/20/2020

  
Gregory L. Priantos, Director County Counsel

10/16/2020

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

**THIS NINTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT** ("Ninth 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 University Health System-Medical Center ("Hospital") (collectively "**COUNTY**") and DVA Renal Healthcare, Inc., a subsidiary of DaVita, Inc. ("**CONTRACTOR**"). This Ninth Amendment shall be effective as of the date of final signature below.

**WHEREAS**, the parties hereto entered into that certain Professional Services Agreement ("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, fifth amendment approved July 26, 2016, Agenda Item 3.42, sixth amendment approved July 31, 2018, Agenda Item 3.39, seventh amendment approved October 23, 2018, Agenda Item 17.1, and eighth amendment approved October 22, 2019, Agenda Item 15.2, 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, to extend the term of the agreement, and increase the maximum compensation amount, as specifically provided for below;

**NOW THEREFORE**, in consideration of the mutual promises, covenants and conditions hereinafter contained, the parties hereto mutually agree as follows:

1. **Term.** Subsection 3.1, TERM, of Section 3.0 **TERM AND TERMINATION**, is hereby amended to extend the term for three months commencing on October 30, 2020 and continuing through January 31, 2021, as follows:

"This Agreement will begin on the Effective Date and will continue in effect through January 31, 2021, unless terminated as otherwise provided herein. Should the parties enter into a new agreement before the termination of the term provided herein, the new agreement shall supersede this Agreement."

2. **Compensation.** The first paragraph of Section 4.0, **COMPENSATION**, is hereby amended to increase the maximum compensation amount by six hundred fifteen thousand dollars (\$615,000.00), from seventeen million two hundred thousand dollars (\$17,200,000.00) to seventeen million eight hundred fifteen thousand dollars (\$17,815,000.00), as follows:

"The COUNTY shall pay the CONTRACTOR for Services performed and expenses incurred in accordance with the terms of **Exhibit B**, Fee Schedule. Maximum payments by COUNTY to CONTRACTOR shall not exceed seventeen million eight hundred fifteen thousand dollars (\$17,815,000.00), including all expenses in accordance with the terms of **Exhibit B**. In the event the COUNTY's obligation is likely to exceed such amount, COUNTY shall notify CONTRACTOR and if the COUNTY fails to increase funding for any Services ordered, CONTRACTOR may terminate the Agreement, effective upon thirty (30) days prior written notice. CONTRACTOR



shall not be obligated to provide any Services which would result in COUNTY owing an amount in excess of the above referenced amount.”

3. **Definition.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.
4. **Conflict.** In the event the terms of this Ninth Amendment conflict with the terms of the Agreement, the terms of the Agreement shall hold.
5. **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.
6. **Execution of Amendment.** This Ninth Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party to this Ninth Amendment agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Ninth Amendment. The parties further agree that the electronic signatures of the parties included in this Ninth Amendment are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

[Signature Page Follows]

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

**CONTRACTOR**  
**DVA Renal Healthcare, Inc.**

DocuSigned by:  
Aaron Dolle  
By: Aaron Dolle  
Aaron Dolle  
Division Vice President

Date: October 1, 2020

**APPROVED TO FORM ONLY:**  
**DaVita Inc.**

DocuSigned by:  
Lane Greer  
By: Lane Greer  
Lane Greer  
Assistant General Counsel

Date: October 1, 2020

**COUNTY**  
**The County of Riverside, a political**  
subdivision of the state of California, through its  
medical center **Riverside University Health**  
**System-Medical Center**

By: V. Manuel Perez  
V. Manuel Perez  
Chairman, Board of Supervisors

Date: OCT 27 2020

**APPROVED AS TO FORM:**  
**Gregory P. Priamos**  
County Counsel

By: Danielle Maland  
Danielle Maland  
Deputy County Counsel

Date: 10/2/20

**ATTEST:**  
**KECIA R. HARPER, Clerk**  
By: KECIA R. HARPER  
DEPUTY