



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



ITEM: 15.1
(ID # 23527)

MEETING DATE:

Tuesday, December 05, 2023

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER: Approval of The Lease Agreement and Use License and Service Agreement with Intuitive for one da Vinci Surgical Robot and associated equipment without seeking competitive bids for four years, All Districts. [Total Cost \$2,842,700, 100% -Hospital Enterprise Fund - 40050]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Lease Agreement and Use license and Service Agreement with Intuitive for one da Vinci Surgical Robot and associated equipment to increase the total Agreement amount by \$2,842,700 from \$90,000 to \$2,932,700, extend the contract term for four years through November 28, 2027, and authorize the Chairman of the Board to sign the Agreement on behalf of the County.
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based upon the availability of funding and as approved as to form by County Counsel to sign amendments that exercise the options of the agreement including modifications of 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 agreement.

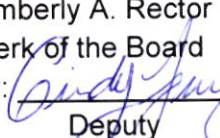
ACTION:Policy


 Jennifer Cruikshank, Chief Executive Officer – Health System 11/15/2023

MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
 Nays: None
 Absent: None
 Date: December 5, 2023
 xc: RUHS-Medical Center

Kimberly A. Rector
 Clerk of the Board
 By: 
 Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 800,675	\$ 2,932,700	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund 40050			Budget Adjustment: No
			For Fiscal Year: 24/25 – 27/28

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On May 2, 2023, RUHS- Medical Center (RUHS-MC) Operating Room (O.R.) entered into a short-term rental agreement with Intuitive Inc. to trial an additional da Vinci robot. The purpose of an additional robot was to increase availability and allow RUHS-MC physicians and O.R. staff members further training time. During the initial six-month trial period that this robot was in use, RUHS-MC O.R. successfully trained more staff and expanded the pool of clinicians proficient in using the robotic equipment. As a result of having newly trained clinicians, RUHS-MC has seen a growth in the demand for use of the da Vinci Robot.

Acquisition of this da Vinci robot will ensure that more patients at RUHS-MC can be treated with the latest technology and benefit from minimally invasive surgery. Having access to such equipment results in less bleeding, reduced post operative pain, and quicker recovery times for patients—when compared to traditional surgery approaches. Accessibility of an additional robot for the residents of the County of Riverside will ensure that RUHS-MC stays true to the mission of improving the health and wellbeing of patients and community through dedication to exceptional and compassionate care, education, and research.

Impact on Residents and Businesses

These services are a component of RUHS's system of care aimed at improving the health and safety of its patients and the community.

Additional Fiscal Information

There are sufficient funds in the Department's budget for FY 24/25 budget and no additional County funds are required.

Contract History and Price Reasonableness

On May 2, 2023, the Board of Supervisors approved agenda Item number 15.1 to lease one da Vinci robot and to rent an additional robot.

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

ATTACHMENTS:

Attachment A. 24-128 MCARC Intuitive Sole Source Justification

Attachment B. Amendment to the Lease Agreement

Meghan Hahn
Meghan Hahn, Director of Procurement 11/16/2023

Jacqueline Ruiz
Jacqueline Ruiz, Sr. Management Analyst 11/28/2023

Gregg Gu
Gregg Gu, Chief Deputy County Counsel 11/17/2023

Amendment to the Lease Agreement

This Amendment ("Amendment") is dated **December 05, 2023** and is made and entered into between **Intuitive Surgical, Inc.**, a Delaware corporation, located at 1020 Kifer Road, Sunnyvale, California 94086 ("**Lessor**" or "**Intuitive**"); and

Lessee: County of Riverside, a political subdivision of the state of California, on behalf of Riverside University Health System Medical Center

Registered Address: 26520 Cactus Ave, Moreno Valley, California, 92555

WHEREAS, Intuitive and Lessee entered into a Lease Agreement dated March 25, 2023 (reference 42003568) ("Lease Agreement") and its associated Use, License & Service Agreement ("ULSA") for a da Vinci® Xi® Dual Console System, serial number SK6674 ("System") and associated equipment (collectively, "Equipment") more particularly described in the table below; and

WHEREAS, the parties wish to amend the Lease Agreement under the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants hereinafter expressed, and for other valuable consideration, the receipt and adequacy of which the parties hereby acknowledge, the parties agree to amend the Lease Agreement as follows:

- The Leased Equipment Description and pricing table, Lease Conditions, and Special Conditions in the Lease Agreement are hereby replaced as follows:

Qty	Included in Periodical Lease Payment	Equipment Description	Price
1	Yes	da Vinci Xi® Dual Console System, SN SK6674	\$2,305,700.00
1	Yes	E-100 Generator	\$0.00
1	Yes	Da Vinci Xi Table Motion Upgrade	\$0.00
1	Yes	INTUITIVE HUB	\$0.00
1	Yes	SYSTEM FREIGHT - WEST	\$0.00

Years	Included in Periodical Lease Payment	Service Description	Annual Service Fee
1	Yes	da Vinci Xi-Dual Console-Human Use (Systems)-SERVICE PLAN : DVCOMPLETE CARE-Warranty (Included)	\$0.00
3	No	da Vinci Xi-Dual Console-Human Use (Systems)-SERVICE PLAN : DVCOMPLETE CARE-After Warranty Service (Annual)	\$179,000.00

*Intuitive will credit Lessee a pro-rata amount of the annual Service fee Lessee has paid to Intuitive for the leased System based on the number of months remaining in the current Service year from the date the leased System is de-installed. The credit will be applied to Lessee's account with Intuitive within thirty (30) days from the date the leased System is de-installed. The Service price indicated above will be valid for a period of five (5) years from the effective date of this Lease Agreement.

Lease Conditions			
Lease Period	48 Months. The Lease Period may be extended in accordance with the Lease Agreement.		
Commencement Date	This Lease Agreement will commence on the date of Acceptance specified in the Acceptance Document.		
Interest Rate	4.75%		
Periodical Lease Payments	Lessee agrees and acknowledges payments due herein shall not be excused by any contingencies including, but not limited to, Lessee's internal practices, policies, or any state approvals.	No. of Periodical Lease Payments (Subject to extension of Lease Period) 48	<input checked="" type="checkbox"/> Monthly
	<input checked="" type="checkbox"/> The first Periodical Lease Payment is due on Commencement Date. Thereafter, each subsequent Periodical Lease Payment is due on the corresponding day of each month, as applicable, of the Lease Period (payments in advance).		
Deposit	\$00.00	The Deposit, if any, is due on the Commencement Date	
Balloon Payment	\$00.00	The Balloon Payment, if any, is due on the last day of the Lease Period.	
End of Lease Options	<input checked="" type="checkbox"/> End of Lease option B applies (see 11.2 of Standard Terms and Conditions)		
	<input checked="" type="checkbox"/> See Special Conditions below		
Funding Amount	Original Equipment Cost (OEC):	Down-Payment from Lessee to Lessor: \$00.00	Funding Amount:
	\$2,305,700.00		\$2,305,700.00

Periodical Lease Payments		
From Period	To Period	Total Payment Amount
1	48	\$46,307.10

Special Conditions*
<p>If Lessee is not in default, on each anniversary date of Acceptance, Lessee will have the option to upgrade the Equipment at a price to be mutually agreed to between the parties. Lessee must provide Lessor written notice sixty (60) days prior to the anniversary date of Acceptance with regards to intent. If the Lessee exercises its upgrade option, service shall be purchased on the upgraded Equipment. If Lessor does not receive notice as to Lessee's intent, Lessee will be deemed to continue the Lease as outlined above.</p> <p>Provided the Lessee is not in default, the Fair Market Value shall not exceed \$345,855.00 (plus applicable taxes).</p>

2. Lessee remains responsible for any open invoices issued pursuant to the Lease Agreement for amounts accrued thereunder and this Amendment is contingent upon Intuitive receiving Lessee's payment for those open invoices.
3. Except as set forth above, all other terms and conditions of the Lease Agreement and ULSA remain the same.

BOTH PARTIES HAVE READ, UNDERSTOOD, AND AGREED TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT AND EXECUTE THIS AGREEMENT AS OF THE EFFECTIVE DATE.

IF THIS AGREEMENT IS NOT SIGNED BY BOTH PARTIES AND RETURNED TO INTUITIVE ON OR BEFORE DECEMBER 31, 2023 THE TERMS WILL BE SUBJECT TO CHANGE.

ACCEPTED BY:

Intuitive Surgical, Inc.

Signature: 
Marc Giuffrida (Nov 6, 2023 09:58 PST)

Email: marc.giuffrida@intusurg.com

Title: Sr. Director, Contract Administration

Company: Intuitive Surgical, Inc

Date: _____


NS

ACCEPTED BY:

County of Riverside, a political subdivision The State of California

By: 

Kevin Jefferies, Chairperson
Board of Supervisors

Date: 12/5/2023

ATTEST:

KIMBERLY A. RECTOR

Clerk of the Board


By: 

Deputy

APPROVED AS TO FORM:

Minh C. Tran

County Counsel

By: 

Gregg Gu

Deputy County Counsel

DEC 5 2023 15.1






Riverside County - SK6674 EAP Conversion Lease Amend 11_8_23

Final Audit Report

2023-11-08

Created:	2023-11-08
By:	israel gomez (israel.gomez1987@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAEI2bkFv5ZLBYgG5-W8BLf9Rxn4q8P7Kq

"Riverside County - SK6674 EAP Conversion Lease Amend 11_8_23" History

-  Document created by israel gomez (israel.gomez1987@gmail.com)
2023-11-08 - 4:00:57 PM GMT
-  Document emailed to Gregg Gu (ggu@rivco.org) for signature
2023-11-08 - 4:01:33 PM GMT
-  Email viewed by Gregg Gu (ggu@rivco.org)
2023-11-08 - 5:27:57 PM GMT
-  Document e-signed by Gregg Gu (ggu@rivco.org)
Signature Date: 2023-11-08 - 5:29:05 PM GMT - Time Source: server
-  Agreement completed.
2023-11-08 - 5:29:05 PM GMT



Date: 11/06/23

From: RUHS – Medical Center Operating Room

To: Board of Supervisors/Purchasing Agent

Via: Israel Gomez, Procurement Contract Specialist

Subject: Sole Source Procurement; Request for a Lease Agreement, Use license and Service Agreement with Intuitive Medical Inc for one da Vinci Surgical Robot (equipment)

The below information is provided in support of my department requesting approval for a single source.

1. **Supplier being requested:** Intuitive Medical, Inc.
2. **Vendor ID:** 0000200566
3. **Single Source** **Sole Source**
4. **Have you previously requested and received approval for a sole or single source request for this vendor for your department?** *(If yes, please provide the approved sole or single source number).*

 Yes **No**
 SSJ# 23-171
- 4a. **Was the request approved for a different project?**

 Yes **No**
5. **Supply/Service being requested:**
One da Vinci Surgical Robot, associated equipment, and maintenance
6. **Unique features of the supply/service being requested from this supplier.**



greater range of motion and precision. The assistance from the Robot's arms and cameras allows surgeons to reach areas not normally possible through a traditional laparoscopic or open method. The advanced technology that is integrated in to the da Vinci Robot results in less bleeding and post operative pain, leading to a quicker recovery time.

7. Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:

Acquisition of this da Vinci robot will ensure that more patients at RUHS-MC can be treated with the latest technology and benefit from minimally invasive surgery. Having access to such equipment results in less bleeding, less post operative pain, and quicker recover times for patients—when compared to traditional surgery approaches. Accessibility of an additional robot for the residents of the County of Riverside will ensure that RUHS-MC stays true to their Mission of improving the health and wellbeing of their patients and community through dedication to exceptional and compassionate care, education and research.

8. Period of Performance: From: FY24/25 to FY27/28

Is this an annually renewable contract? No Yes
 Is this a fixed-term agreement: No Yes

9. Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. You do not need to include previous fiscal year amounts. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained.

Total contract amount for this request, a Lease Agreement, Use license and Service Agreement with Intuitive Medical Inc for one da Vinci Surgical Robot (equipment) and associated maintenance is \$2,932,700 per breakdown below.

FINANCIAL DATA	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total Cost
COST	\$800,675	\$710,675	\$710,675	\$710,675	\$2,932,700

10. Price Reasonableness:

Intuitive surgical is the only manufacturer of this product. The terms being offered to the County are comparable to those offered to the other regional medical centers.



Board approval of this Agreement is required as the compensation provisions exceeds the Purchasing Agent's authority for contracting with a single vendor, per Ordinance 459 section six (6), without seeking competitive bids.

11. Projected Board of Supervisor Date (if applicable): 12/05/23
(Draft Form 11s, service agreement and or quotes must accompany the sole source request for Purchasing Agent approval.)

<i>Jennifer Cruikshank</i>	Jennifer Cruikshank	Nov 15, 2023
Department Head Signature (or designee)	Print Name	Date

The section below is to be completed by the Purchasing Agent or designee.

Purchasing Department Comments:

Approve	Approve with Condition/s	Disapprove
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Condition/s:

Not to exceed:

One-time \$ _____

Annual Amount \$ _____ / per fiscal year through _____ (date)
(If Annual Amount Varies each FY)
FY 24/25 : \$ 800,675



FY 25/26 : \$ 710,675
FY 26/27 : \$ 710,675
FY 27/28 : \$ 710,675
FY _____ : \$ _____

Meghan Hahn

11/21/23

24-128

Purchasing Agent

Date

Approval Number
(Reference on Purchasing Documents)