

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



ITEM: 3.32
(ID # 25094)

MEETING DATE:

Tuesday, June 11, 2024

FROM : PURCHASING AND FLEET SERVICES

SUBJECT: PURCHASING AND FLEET SERVICES: Adoption of Resolution 2024-127, Authorize the Purchasing Agent to Initiate and Implement Public Contract Code Section 20131, subsection (c), for Procurements not to Exceed \$750,000 per Vendor per Year through June 30, 2027; and Direct Riverside University Health System-Medical Center to Report Quarterly to the Board of Supervisors Regarding all Purchases Conducted Under Resolution 2024-127, All Districts. [Total Cost \$0, 100% Department Funds: Hospital Enterprise Fund 40050, Community Health Center Enterprise Fund 40090, Behavioral Health General Fund 10000, Correctional Health General Fund 10000 and Public Health General Fund 10000]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2024-127, Authorize the Purchasing Agent to Make Procurements Not to Exceed \$750,000 Per Vendor Per Fiscal Year 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, 2027; and
2. Direct Riverside University Health System-Medical Center, Community Health Centers Behavioral Health, Correctional Health and Public Health to report quarterly to the Board of Supervisors on all procurements conducted under Resolution No. 2024-127.

ACTION:Policy

Kim Saruwatari *Matthew Chang*
Kim Saruwatari, Director of Public Health 5/29/2024 Matthew Chang, Director 5/29/2024

Kimberly A. Rector *Meghan Hahn*
Kimberly A. Rector, Chief Executive Officer - Health System 5/30/2024 Meghan Hahn, Director of Procurement 5/30/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Gutierrez
Nays: None
Absent: Perez
Date: June 11, 2024
xc: Purchasing, RUHS-MC/BH/CH/PH

Kimberly A. Rector
Clerk of the Board

By: *Nancy Li*
Deputy

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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: Hospital Enterprise Fund 40050, Community Health Center Enterprise Fund 40090, Behavioral Health General Fund 10000, Correctional Health General Fund 10000 and Public Health General Fund 10000			Budget Adjustment: No	
			For Fiscal Year: 24/25 - 27/28	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

This Board Action requests the approval of Resolution 2024-127 for Hospital Procurement Procedures and Activities on behalf of Riverside University Health System (RUHS), Community Health Centers, Behavioral Health, Correctional Health, and Public Health, for a three-year period from July 1, 2024 through June 30, 2027. Collectively, these departments represent an integrated health system for the delivery of patient care for inpatient and outpatient communities.

Since its inception, the Patient Care Resolution has allowed for the Purchasing Agent to meet urgent supply chain requests for goods and services for direct patient care use. The resolution affords the hospital with a compliant procurement tool to respond to voluminous procurement needs that often are critical to hospital operations and direct patient care.

The resolution impacts many critical care areas in the delivery of care including physician provider contracts, laboratory equipment, pharmaceuticals, dialysis, and language translation services. As a result of the resolution's implementation, many procurement efficiencies have resulted including improved cycle time for processing provider contracts, increased vendor discounts for good and services and most importantly, the overall contribution to improving the quality of healthcare delivery at RUHS Enterprise.

Renewal of the authorization continues the Purchasing Agent's authority, on behalf of the hospital, 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 bids up to \$750,000 annually, per vendor, per fiscal year. Purchases above \$750,000 will continue to require direct approval by Board of Supervisors via Minute Order (MO). RUHS will not be required to obtain a Sole Source Justification prior to the MO submission for approval.

The resolution includes non-substantive updates and a re-alignment of items listed in Schedule A for better clarity.

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Additionally, the resolution includes Behavioral Health, Correctional Health, and Public Health as many of these patients are overlapping and seek treatment from multiple departments. There is a necessary integration of these patients reflected in 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 to preserving a level of review that ensures policy decisions are carried out consistently and the County secures the most cost-effective competitive price. 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., 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 provided for in the Public Contract Code section 20131, subsection (c), which exempts certain procurements for county hospitals from the competitive bid process. The section reads as follows:

“Counties which employ purchasing agent 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 allowed RUHS to efficiently conduct patient care in today’s competitive health care environment. The types of services that can be procured without obtaining competitive bids are listed within Schedule A of Resolution 2024-127. Anything not described or listed within the resolution must follow standard county purchasing policies and procedures.

Upon approval by the Board, this action is immediate and will go into full force and effect for the period of thirty-six (36) months through June 30, 2027. During this time, RUHS-Medical Center, the CHCs, Behavioral Health, Correctional Health and Public Health will report quarterly to the Board and the Purchasing Agent on procurements performed under the resolution. This resolution may be rescinded at any time through Board action.

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Purchasing, RUHS and County Counsel worked collaboratively on the updates to this resolution. County Counsel has approved the resolution as to form.

Impact on Residents and Businesses

The goods and professional services procured under Resolution 2024-127 support the delivery of care and treatment for citizens throughout the County, fulfilling our commitment to serving all patient communities.

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, Community Health Centers Behavioral Health, Correctional Health, and Public Health will continue to report quarterly all purchasing activity conducted under this resolution to the Board of Supervisors and the Purchasing Agent.

Contract History and Price Reasonableness

On July 21, 2015, Agenda Item 3-62, the Board of Supervisors approved Resolution 2015-171 to authorize the Purchasing Agent to initialize and implement Public Contract Code Section 20131, subsection (c) 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.

Resolution 2016-157 was approved by the Board of Supervisors on July 12, 2016, Agenda Item 3-29 for one (1) fiscal year period through June 30, 2017. On July 11, 2017, Agenda Item 3.42, the Board approved Resolution 2017-128 for a two-year period ending June 30, 2019, to authorize the Purchasing Agent to implement Public Contract Code Section 20131, subsection (c) for procurements not to exceed \$750,000 per vendor per fiscal year, defined as July 1 through June 30 of the respective calendar year(s).

On June 18, 2019, Agenda Item 3.20, the Board approved Resolution 2019-147 for a two-year period ending June 30, 2021, to authorize the Purchasing Agent to implement Public Contract Code Section 20131, subsection (c) for procurements not to exceed \$750,000 per vendor per fiscal year, defined as July 1 through June 30 of the respective calendar year(s).

On June 15, 2021, Agenda Item 3.22, the Board approved Resolution 2021-116 for a three-year period ending June 30, 2024, to authorize the Purchasing Agent to implement Public Contract Code Section 20131, subsection (c) for procurements not to exceed \$750,000 per vendor per fiscal year, defined as July 1 through June 30 of the respective calendar year(s).

The requested Board action seeks approval of Resolution 2024-127 for a three-year period through June 30, 2027.

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ATTACHMENTS:

RESOLUTION 2024-127

Melissa Curtis
Melissa Curtis, Deputy Director of Purchasing and Fleet 5/30/2024

Veronica Santillan
Veronica Santillan, Principal Management Analyst 6/6/2024

Gregg Gu
Gregg Gu, Chief Deputy County Counsel 5/30/2024

3 RESOLUTION NO. 2024-127

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

10 **WHEREAS**, the Board of Supervisors has delegated their purchasing authority to the
11 Purchasing Agent, also known as the Director of Purchasing and Fleet Services, as promulgated through
12 Ordinance 459:

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

16 "Counties which employ purchasing agents may:

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

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

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

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

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* DATE: 6-10-24
GREGG M. GU

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

3 **WHEREAS**, the Board of Supervisors recognizes the Riverside University Health System
4 as a designated teaching hospital with affiliated resident physicians and academic programs supporting the
5 training and education of physicians;

6 **WHEREAS**, the Board of Supervisors recognizes the implementation of the Affordable
7 Care Act requires the Riverside University Health System to compete with other providers of care in the
8 regions;

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

11 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the
12 Board of Supervisors of the County of Riverside, in regular session assembled on June 11, 2024, in the
13 meeting room of the Board of Supervisors of the District located on the 1st floor of the County Administrative
14 Center, 4080 Lemon Street, Riverside, California, that this Board:

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

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

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

27 Requires Board of Supervisor approval of award without seeking competition for all items and services
28 listed within **Schedule A** of this Resolution **over** \$750,000, per vendor, per 12 (twelve) month period.

1 **Section 4. Determination of Items and Services Authorized.** Determines that the items
2 covered under this Resolutions will be:

- 3 a) Equipment or supplies used for treating patients in the “county hospital”, as defined herein, whether
4 in the regular medical care, surgery, diagnosis, treatment and related patient services;
5 b) Directly used by or under the direction of a physician or surgeon;
6 c) Professional services directly related to services that require an expertise in the delivery of such
7 services, including but not listed to physicians, attorneys and other professions with a health care
8 specialty or expertise; and
9 d) Are specifically listed within **Schedule A** of this Resolution and applies to services as listed.

10 **Section 5. Acknowledgement of Other Requirements for Procurement of certain items.**
11 Determines that the source of funding for certain parts of the county hospital’s operations such as grant
12 funding made available through the federal Health Resources and Services Administration contain separate
13 competition requirements in procurement that will not be eliminated by this Resolution.

14 **Section 6. Further Determination of Items and Services Not Authorized.** Further
15 determines that purchases and contracts for items, equipment and professional services outside this general
16 scope and authority granted herein this Resolution will remain subject to standard purchasing procedures.

17 **Section 7. Authorization for Riverside University Health System Only.** Authorizes this
18 Resolution for the Riverside University Health System and no other County department, agency, authority
19 or other public or non-profit entity under its authority.

20 **Section 8. Effective Date.** Orders, that upon approval by the Board of Supervisors, this
21 action is immediate and will go into full force and effect for a period of 36 months and expires on June 30,
22 2027.

23 **Section 9. Rescission.** This Resolution may be rescinded at any time prior to expiration date
24 through Board action

1 RESOLUTION NO. 2024-127

2 SCHEDULE A

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

4 **Professional Services up to \$750,000 annually per vendor**

5 Physician Services (per physician/Locum tenens)

6 Nursing Services

7 Dialysis Services

8 Medical/Pharmacy Consultants

9 Medical Records Management Services

10 Case Management Services

11 Medical Product Distribution Services

12 Medical Advisory/Research

13 Patient Transport

14 Pharmaceuticals Services

15 Medical and/or Pharmaceutical Computer Systems

16 Laboratory Services

17 Attorney Services

18 Medical Equipment Rental

19 Healthcare Translation and Interpretation Services

20 Compliance Related Consulting Services

21 Chaplain Services

22 Hearing Officer Services (Inpatient Treatment Facility)

23 Maintenance and support services on medical equipment utilized for direct patient care

24 Peer Review Consultant Services

25 Psychological assessment, testing and/or training material for use in therapy

26

27

28

1 **Equipment or Supplies up to \$750,000 annually per vendor**

2 “Medical or surgical equipment or supplies” means only equipment or supplies commonly, necessarily, and
3 directly used by or under the direction of a physician and surgeon in caring for or treating a patient in a
4 hospital. (Per Public Contract Code section 20131)

5 **Other:**

6 Organization-wide Memberships/Collaborative Agreements necessary for patient care delivery (up to
7 \$100,000 per membership per fiscal year)

8
9
10
11
12 **ROLL CALL:**

13 Ayes: Jeffries, Washington, Spiegel, and Gutierrez

14 Nays: None

15 Absent: Perez

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

18
19 KIMBERLY A. RECTOR, Clerk of said Board

20 By: Naomy Li
Deputy