



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



ITEM: 18.2
(ID # 29442)

MEETING DATE:
Tuesday, April 14, 2026

FROM : RUHS-MEDICAL CENTER

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM- MEDICAL CENTER: Approve the Preferred Supplier Provider Pricing Agreement with Arthrex, Inc. for the purchase of surgical instruments, implants, and supplies for twenty four months effective upon signature, All Districts. [Total Cost \$1,536,954; up to \$153,695 in additional cost] 100% Hospital Enterprise Fund - 40050

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Preferred Supplier Provider Pricing Agreement with Arthrex, Inc. for the purchase of surgical instruments, implants, and supplies for a total aggregate amount not to exceed \$1,536,954 for twenty four months, and authorize the Chair of the Board to sign the Agreement on behalf of the County;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 and based on the availability of fiscal funding and as approved as to form by County Counsel: (a) to sign amendments including modifications of the statement of work that stay within the intent of the Agreement, and (b) to sign amendments to the compensation provisions that do not exceed the total sum of ten percent (10%) of the total cost of the Agreement; and
3. Authorize the Purchasing Agent to issue Purchase Order(s) for the services provided not to exceed the approved amounts.

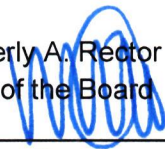
ACTION:Policy

Jennifer Cruikshank
Jennifer Cruikshank, Chief Executive Officer - Health System 3/25/2026

MINUTES OF THE GOVERNING BOARD

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

Ayes: Medina, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: April 14, 2026
xc: RUHS-MC

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:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$768,477	\$768,477	\$1,536,954	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund - 40050			Budget Adjustment: No	
			For Fiscal Year: 25/26-27/28	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Preferred Supplier–Provider Pricing Agreement with Arthrex, Inc. establishes two-year pricing and rebate terms for orthopedic surgical implants and related devices utilized throughout RUHS-MC operating rooms. The Agreement continues the direct-from-manufacturer relationship between RUHS-MC and Arthrex to ensure stable supply channels and rebate-based cost savings on core orthopedic inventory.

Under this Agreement, Arthrex will extend preferred pricing and rebate eligibility based on annual volume thresholds estimated at a two-year aggregate spend of \$1,536,954. Included with this agreement are potential rebates of up to \$50,000 annually based on qualifying spend levels. This supports RUHS-MC perioperative services with consistent pricing and manufacturer support for implant procedures.

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.

Contract History and Price Reasonableness

The Arthrex agreement replaces the previous Preferred Supplier–Provider Rebate Agreement that expired April 30, 2023. Pricing for Fiscal Years 25/26 through 27/28 is based on a projected annual spend of \$768,477, for a total aggregate cost of \$1,536,954 over the two-year term. This projection is based on anticipated utilization and historical spend amounts within the operating room. Pricing remains consistent with current regional market rates for orthopedic implants and manufacturer-direct supply agreements.

The proposed Agreement requires Board approval as the compensation provisions exceed the Purchasing Agent’s authority and the \$750,000 threshold for contracting with a single vendor for medical or surgical equipment or supplies per Resolution 2024-127.

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SYSTEM MEDICAL CENTER GOVERNING BOARD OF DIRECTORS
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ATTACHMENTS:

Attachment A: Arthrex Preferred Supplier-Provider Rebate Agreement

Melissa Curtis 3/30/2026 *Jacqueline Ruiz* 4/8/2026
Melissa Curtis, Deputy Director of Purchasing and Fleet Jacqueline Ruiz, Principal Analyst

Gregg Gu 3/31/2026
Gregg Gu, Chief of Deputy County Counsel



Preferred Supplier-Provider Pricing Agreement

This Preferred Supplier-Provider Pricing Agreement (the "Agreement") is entered into by and between Riverside University Health System (1000008589) located at 26520 Cactus Ave., Moreno Valley, CA 92555 (hereinafter referred to as the "Provider") and Arthrex, Inc., located at 1370 Creekside Boulevard, Naples, Florida 34108, (hereinafter referred to as the "Supplier").

Introduction

WHEREAS, Supplier agrees to provide the "Products" set forth in Exhibit 1 to the Provider.

NOW, THEREFORE, the parties hereby agree as follows:

- 1. Term.** The initial term of this Agreement shall be for a period of twenty-four (24) months ("Initial Term"), commencing on the first (1st) day of the month following the date of Provider signature, or the first (1st) day of the month if Provider signature occurs on the first (1st) day of the month (the "Effective Date") and ending on the last day of the Initial Term. Provider or Supplier shall have the right to terminate this Agreement without cause upon thirty (30) days written notice during the Term. This Agreement shall terminate upon Supplier's discovery of Provider's purchase of Products included herein, from any third party not approved, in writing, by Supplier. This Agreement, and its associated pricing, will terminate upon the issuance by Provider of any RFI or RFP to Supplier except for a rigid endoscopy RFP.
- 2. Products and Pricing.** Pricing for the Products is contained in Exhibit 1. Agreement extensions may incur a five percent (5%) price increase, per annum, for Agreements extended beyond two (2) years of the Initial Term. If Supplier's Local Service Price changes for any Product, Provider will be offered the Product at the same discount rate, as determined in Exhibit 1. The "Contracted Price" contained in Exhibit 1 is predicated on Provider purchasing routinely used, defined as three (3) uses per month, Products from Supplier (not delivered by Supplier's local authorized representative ("Agency") and shelving said Products. Any Products supplied by local Agency are subject to the "Supplier's Local Service Price" on Exhibit 1, if said Products are routinely delivered by local Agency in lieu of shelving. Supplier will make every reasonable effort to assist Provider in acquiring and controlling a reasonable par level of inventory. Stocking levels of Supplier's Products, by Provider, will be evaluated not less than thirty (30) days prior to the end of any agreement year. The Contracted Price may be adjusted upward if a stocking level of eighty-five percent (85%) of routinely used items is not maintained. For the Provider's purposes only, this Contracted Price requirements is estimated to be total aggregate amount of one million five hundred thirty six thousand nine hundred fifty four dollars (\$1,536,954) for the Initial Term of the Agreement in Product purchases. For the avoidance of doubt, Provider is not obligated under this Agreement to purchase any Products in excess of the Contracted Price requirements but any purchases above the estimated dollar amount are subject to the terms of this Agreement. Unless otherwise specifically stated in this Agreement, Provider shall not be responsible for payment of any of Arthrex's expenses related to this Agreement.
- 3. Relationship.** Supplier and Provider acknowledge they are in a mutually beneficial relationship under this agreement. Within five (5) business days of final signature of this Agreement, Provider and Supplier representatives shall meet and craft an appropriate notification outlining this Agreement. Provider shall send out this notice to surgeons and Provider's staff, along with a copy to Supplier, informing surgeons and Provider's staff, impacted by this Agreement, of the scope of Products covered and Provider's approval of Products for use. Supplier and Provider shall conduct business reviews, quarterly, to discuss progress under this Agreement.
- 4. Supplier's Service Commitment.** Supplier commits to representation in sixty percent (60%) or more, if requested by Provider, of Provider's surgeries utilizing Products herein in exchange for the Contracted Price, agreed upon stocking levels, non-competitive commitment to Supplier's Products, and acknowledges a higher Contract Price will be sought if Provider attempts to replace Supplier's Products.
- 5. Charges to Supplier.** If Supplier representatives are required by Provider to wear scrubs while at Provider's facility, Provider agrees to furnish Supplier representatives scrubs while on site at no cost to Supplier representatives or Supplier. Supplier (to include Supplier representatives) will not incur any charges or fees related to tracking of loaned instrumentation or equipment. Excluding industry standard individual representative credentialing or any other terms in this Agreement, Provider is responsible for costs related to due diligence or restricted party screening ("Due Diligence or Screening Costs") that Provider or a third party acting on its direction performs on Supplier. Supplier shall not pay for any Due Diligence or Screening Costs to Provider or a third party acting at the direction of Provider, outside of Provider's preferred vendor credentialing platforms. If applicable, Supplier shall cooperate with such due diligence and screening by providing any relevant information that is reasonably requested by Provider directly to Provider.
- 6. Confidentiality.** The parties acknowledge that all confidential information stipulated under this Agreement, including but not limited to, technical, pricing, commercial and financial data ("Confidential Information") shall not be disclosed to any third party, except for a party's employees, attorneys, or accountants ("Third Party") on a need-to-know basis to perform the services under this Agreement, if the Third Party is under a written obligation of confidentiality.



7. **Discounts and Disclosure Obligation.** This Agreement provides Provider with rebates, discounts, payments and/or credits as defined in the federal Anti-Kickback Statute at 42 U.S.C. § 1320a-7b(b)(3) (the Anti-Kickback Statute discount provision) and other applicable laws and regulations. Provider hereby acknowledges its legal obligations to report the discounts, rebates, payments, and/or credits that it receives fully and accurately from Supplier under this Agreement pursuant to 42 C.F.R. § 1001.952(h) (the Anti-Kickback Statute discount safe harbor), other federal or state laws or regulations, or agreements with third-party payers. Provider should retain documentation of discounts, rebates, or other price reductions and make such information available to federal or state health care programs upon request.
8. **Assignment.** Neither party may assign any of its rights under this Agreement without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the permitted assignees of the parties. Nothing expressed or referred to in this Agreement will be construed to give any person, other than the parties to this Agreement, any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. Any change in control of parties resulting from a merger, consolidation, stock transfer or asset sale shall be deemed an assignment or transfer for purposes of this Agreement that requires prior written consent of the other parties.
9. **Payment and Freight Terms.** Payment for invoices from Supplier for Products supplied hereunder shall be due thirty (30) days net and shall be paid via check or ACH only. If Provider chooses to engage a third party to manage the payment process, Supplier is not obligated to pay the third party for the processing or payment of any invoices. All freight and shipping charges shall be FOB origin. Title of Products shall pass from Supplier to Provider at the point and time of origin. However, Supplier shall be liable for Product during transit. Provider assures it will issue timely Purchase Orders, with correct 1) Quantity, 2) Item Number, 3) Description, and 4) Price for representative delivered Products no less than five (5) business days after receipt of a delivered order form with correct 1) Quantity, 2) Item Number, 3) Description, and 4) Price from Supplier. Purchase Orders delivered beyond five (5) business days will incur a One Hundred Fifty Dollars (\$150) surcharge, up to Three Hundred Dollars (\$300), if more than ten (10) business days delinquent.
10. **Reprocessing.** Reprocessing of any disposable Products purchased from Supplier or Agency is unauthorized and any warranties on such Products that have been reprocessed are expressly disclaimed.
11. **New Products/Technological Advancements.** All Supplier new Product additions or technological advancements will be added and approved for use under the terms and conditions of this Agreement if they meet with clinical acceptability and financial objectives of the Provider. All new Products will be approved for addition to Agreement if Supplier offers additions at a Contracted Price of the same discount off Supplier's Local Service Price at the time of addition if Products routinely used are shelved. Exhibit 1 shall be amended to include the added Product. If Value Analysis is required, Provider commits to timely review and subsequent notification to Supplier, of Product within thirty (30) days of Supplier's submitted request for Product additions.
12. **Governing Law.** This Agreement shall be construed and interpreted in accordance with the internal local laws of the state of Florida (without regard to its conflict of laws principles).
13. **Access to Records.** Until the expiration of four (4) years after the furnishing of such services pursuant to this Agreement, Supplier shall make available, upon written request to the Secretary of HHS, or upon request to the Comptroller General of the U.S., or any of their fully authorized representatives, this Agreement, and books, documents, and records of Supplier that are necessary to certify the nature and extent of such costs, and if Supplier carries out any of the duties of this Agreement through a subcontractor, with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs.
14. **Return Policy.** Supplier's Products may be returned for credit within thirty (30) days of purchase in accordance with Supplier's Return Policy set forth in Exhibit 2, except those Products that are damaged, or custom made.
15. **Taxes.** Unless Provider provides Supplier with a valid tax exemption certificate, Supplier's invoice shall include all taxes for the purchases made under this Agreement.
16. **Warranties.** Unless otherwise set forth on Arthrex's website available at www.Arthrex.com, Arthrex, Inc. warrants its Products to the original purchaser who purchases Product through an Arthrex expressly authorized distribution channel against breakage or failure due to defects in materials or workmanship for a period of one year from receipt of the Product by the original purchaser. If a Product breaks, or fails to function in normal surgical use, due to defects in materials or workmanship, Arthrex will, at its sole option and after examination by Arthrex's Quality Management Department, repair or replace the Product at no charge. The warranty does not cover damage caused by misuse or mistreatment of the Product. This warranty is void if the Product has been modified or altered in any manner, or if the Product has been repaired, or attempted to be repaired, by anyone other than Arthrex. THIS WARRANTY DOES NOT EXTEND TO ANYONE OTHER THAN THE ORIGINAL PURCHASER WHO PURCHASES PRODUCT THROUGH AN ARTHREX EXPRESSLY AUTHORIZED DISTRIBUTION CHANNEL IS NONTRANSFERABLE AND STATES YOUR EXCLUSIVE REMEDY. THERE ARE NO WARRANTIES OTHER THAN THOSE DESCRIBED ABOVE. THERE ARE NO IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF



MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ARTHREX SHALL NOT BE LIABLE FOR LOSS OF REVENUE OR PROFITS, FAILURE TO REALIZE SAVINGS OR OTHER BENEFITS, OR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES CAUSED BY THE USE, MISUSE, OR INABILITY TO USE THE PRODUCT, REGARDLESS OF THE LEGAL THEORY ON WHICH THE CLAIM IS BASED, AND EVEN IF ARTHREX HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NO RECOVERY OF ANY KIND AGAINST ARTHREX FOR BREACH OF PRODUCT WARRANTY SHALL BE GREATER IN AMOUNT THAN THE PURCHASE PRICE OF THE PRODUCT. Some states do not allow limitations on the duration of an implied warranty, so all the above limitations may not apply to you.

17. **Indemnification.** Supplier agrees to indemnify and hold harmless Provider, and its directors, officers, employees or agents against third party claims, actions, losses, suits, judgments, awards, and reasonable out of pocket expenses associated thereto (hereinafter "Claims") for bodily injury or death to the extent said Claims are due to (i) the negligence or willful misconduct of Supplier or any of its employees, affiliates, agents, contractors or subcontractors; or (ii) a defect in the design or manufacture of the Product; provided, however, Supplier shall have no obligation hereunder to the extent arising out of Provider or any of its employees, affiliates, agents, third party service providers, contractors or subcontractors (a) failure to use the Product in accordance with its Directions for Use, Product labeling or other written instructions provided by Supplier; (b) purchasing or having the Product serviced by a third party not previously authorized by Supplier in writing; (c) failure to update or install new releases of any software related to the use of the Products; (d) modifications or changes to the Arthrex system requirements where PHI is maintained without written approval from Supplier; (e) failure to implement and maintain security measures to protect its own systems, environments and/or networks, including but not limited to, virus protection or firewall software; or (f) negligence or willful misconduct under this Agreement.

Provider agrees to indemnify and hold harmless Supplier, and its directors, officers, employees, or agents against any Claims arising out of the negligence or willful misconduct of Provider or any of its employees, agents, contractors, or subcontractors.

Notwithstanding any other term of this Agreement, except for a party's breach of its confidentiality or indemnification obligations under this agreement, in no event shall any party, or such party's director, officers employees, agents or affiliates, be liable to the other party hereto for any consequential, incidental, indirect, special, punitive or exemplary damages, costs or expenses (including without limitation, lost profits, lost revenues and /or lost savings), whether based upon a claim or action of contract, warranty, negligence, strict liability or otherwise, arising from a breach or alleged breach of this Agreement or the use of any Product supplied to the Participating Facilities hereunder, regardless of any notice of the possibility of such damages.

A party seeking indemnification hereunder (an "Indemnified Party") shall give the party from whom indemnification is sought (the "Indemnifying Party"): (i) prompt notice of the relevant claim; provided, however, that failure to provide such noticed shall not relieve the Indemnifying Party from its liability or obligation hereunder; (ii) reasonable cooperation, at the Indemnifying Party's expense, in the defense of such claim; and (iii) the right to control the defense and settlement of any such claim; provided however, that the Indemnifying Party shall not, without the prior written approval of the Indemnified Party, settle or dispose of any claims in any manner that affects or impact the Indemnified Party's rights or interest hereunder. The Indemnified Party shall have the right to participate in the defense at its own expense.

18. **Insurance.** During the Term of the Agreement, Supplier agrees to purchase and maintain, at its own expense, Commercial General Liability \$1,000,000 each occurrence and \$2,000,000 in general aggregate; automobile liability, including any auto, \$1,000,000 combined single limits each accident; product liability \$1,000,000 per claim; and statutory worker's compensation insurance. Supplier shall provide a Certificate of Insurance evidencing such coverage upon request.

19. **Federal Program Exclusion.** Supplier represents and warrants that (1) it is not excluded from participation in any federal health care program for the provision of items or services for which payment may be made under such federal health care program; (2) it is not the target of any investigation which is reasonably certain to result in exclusion from any federal health care program; and (3) it has not arranged or contracted (by employment or otherwise) with any employee or agent that Supplier actually knows or reasonably should know are excluded from participation in any federal health care program. During the term of this Agreement, Supplier will timely notify Provider in writing of any change in these representations. Supplier acknowledges and agrees that any exclusion from participation in any federal health care program may serve as the basis of termination of this Agreement by Provider.

20. **En Masse Invoice Audits.** Provider shall have the right to audit Supplier invoices. Audits of Supplier's invoices en masse, by Provider or a designated third party performing an audit on Provider's behalf, will be limited to a per annum basis.

21. **Entire Agreement.** This Agreement, together with the Exhibits and schedules hereto, constitutes the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements or understandings, or conditions, express or implied, written, or oral. No other Provider terms and conditions shall apply, including any purchase order from Provider containing any different terms and conditions.



IN TESTIMONY WHEREOF witnesses the signatures of Provider and Supplier by their duly authorized signatories below.

Provider: COUNTY OF RIVERSIDE, a political subdivision of the State of California

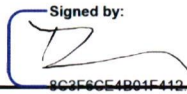
By: Karen S. Spiegel

Name: Karen Spiegel

Title: Chair, Board of Supervisors

Date: APR 14 2026

Supplier: Arthrex, Inc.

Signed by: 
By: 8C3F6CE4801F443...

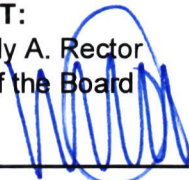
Name: Daron Cooper

Title: Area Manager - Client Optimization

Date: March 6, 2026

ATTEST:

Kimberly A. Rector
Clerk of the Board

By: 

Title: Deputy

APPROVED AS TO FORM:

Minh C. Tran
County Counsel

By: 

Name: Esen Sainz

Title: Deputy County Counsel

Date: 10/03/2026