

County of Santa Clara

Office of the County Executive

Procurement Department



CE04 102009

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Procurement Manager

Reviewed by: Roslyn Fuller
Assistant Director of Procurement

DATE: October 20, 2009

TO: Board of Supervisors

FROM:

A handwritten signature in black ink, appearing to read "Jenti Vandertuig".

Jenti Vandertuig
Director of Procurement

SUBJECT: Acquisition of Patient Monitoring Equipment

RECOMMENDED ACTION

Approve delegation of authority to Director of Procurement, or designee, to continue with the solicitation process relating to providing patient monitoring equipment for a five-year period with an option to extend for two additional one-year extensions. Delegation of authority shall expire on January 31, 2010.

FISCAL IMPLICATIONS

There is no fiscal impact on the General Fund as a result of this action. Santa Clara Valley Health and Hospital System (SCVHHS) will utilize funds from their approved budget for these purchases.

REASONS FOR RECOMMENDATION

In February 2009, the Board of Supervisors approved delegation to the Director of Procurement, or designee, to initiate a solicitation process to establish a master contract for the purchase of patient monitoring equipment for a five-year period with an option for two additional years. Delegation of authority was set to expire on September 30, 2009. The Procurement Department had worked with SCVHHS customers regarding their technical and service requirements and

the Request for Proposal (RFP) was issued on August 13, 2009.

Additional time is required to complete this process and bring forth a recommendation to the Board to award and execute a new agreement for the County. The anticipated timeline to finish the solicitation and submit the contract to the Board is January 2010. The resulting agreement based on the new solicitation is projected to have a not to exceed amount exceeding the \$2,000,000 signature authority of the Director of Procurement. Therefore, delegation of authority to the Director of Procurement, or designee, to continue the solicitation process through January 31, 2010 is recommended.

BACKGROUND

At present, the existing fleet of patient monitoring equipment at Santa Clara Valley Health & Hospital System (SCVHHS) has reached its end of life and is failing. Approximately ninety percent of the fleet is at or beyond the expected useful life for this type of equipment and must be replaced. The existing fleet consists of two hundred and ninety-eight bedside monitors, sixty-eight telemetry monitors, less than ten transport monitors, and twenty-five central stations. SCVHHS has two existing vendors, Philips Medical Systems ("Philips") and Spacelabs Healthcare, for patient monitoring equipment, with Philips monitors installed in all but two of the units in the hospital.

The scope of the RFP project includes the purchases for the new Bed Building 1. The new Bed Building 1 is projected for completion in four to five years, requiring additional patient monitoring equipment for 156 beds, including 32 intensive-care beds. It is estimated that SCVHHS would spend approximately \$5,500,000 to replace the entire existing fleet in the coming years and approximately \$3,000,000 to build the fleet for the new construction project.

SCVHHS and the Procurement Department believe that it is cost effective to take a strategic procurement approach and issue one comprehensive RFP for patient monitoring equipment. SCVHHS intends to standardize and identify one or two long-term providers of patient monitoring equipment. In developing partnerships with one or two suppliers and standardizing on the bedside monitor fleet, SCVHHS and the Procurement Department believe the County can achieve savings in the form of lower prices, improve efficiency in product acquisition, improve user training and education, as well as improve the level of care provided to patients.

CONSEQUENCES OF NEGATIVE ACTION

Benefits of a long-term contract, including potential for savings, may be delayed and SCVHHS will not have the benefit of provision for patient monitoring equipment.