



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: September 1, 2015
Board Meeting Date: October 6, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, Chief, Health System
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

Subject: Agreement with Carestream Health, Inc. for support and maintenance

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Carestream Health, Inc. for support and maintenance of radiology equipment, for the term of November 1, 2015 through October 31, 2019, in an amount not to exceed \$535,200.

BACKGROUND:

In January 2014, SMMC's radiology unit teamed with the County's Information Services Department to assess digital imaging vendors contracted with the group purchasing organization MedAssets. Carestream Health (Carestream) was identified as the vendor best suited for SMMC because of the superior quality of its images, vendor systems support, and overall cost.

In November 2014, San Mateo Medical Center (SMMC) installed Carestream's new digital radiographic equipment to replace its outdated analog film technology. Digital images allows physicians and radiologists to see patient results electronically in a matter of minutes, once uploaded to the patient archiving communication system. Until now, analog film results have had to be transported physically between locations.

Carestream included a one-year support and maintenance warranty on its equipment, which expires on October 31, 2015.

DISCUSSION:

This agreement being brought to your Board will extend Carestream's support and maintenance warranty for an additional four years starting in November 2015. This agreement also contains a contingency fund of \$255,000 to cover the deductibles for the replacement cost of additional digital detectors, based on SMMC's past history and

Carestream's recommendation. Having this agreement in place will enable SMMC to swiftly replace detectors and other equipment when needed, as opposed to initiating a lengthy purchasing process. These contingency funds will allow annual replacement of up to 7 detectors, parts replacement for the processing systems, and telephone support.

SMMC is requesting a waiver of the Request for Proposals process with Carestream because Carestream is a sole source for the support and maintenance of its equipment and detectors.

The County's Contract Compliance Committee has approved a waiver of the three year term limit to four years.

The resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and resolution have been reviewed and approved by County Counsel as to form.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by maintaining SMMC's digital radiographic equipment in optimal condition and providing telephone and remote support 24 hours a day 7 days a week. It is anticipated that the vendor will dispatch a field engineer to SMMC within 4 hours of a service request 90% of the time.

PERFORMANCE MEASURE:

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Vendor will dispatch a field engineer to SMMC within 4 hours	N/A*	90%

*New Measure

FISCAL IMPACT:

The term of the agreement is November 1, 2015, through October 31, 2019, in an amount not to exceed \$535,200. Funds in the amount of \$89,200 are included in the SMMC FY 2015-16 Adopted Budget. Funds in the amount of \$133,800 will be included in the SMMC FY 2016-17 Recommended Budget. Similar arrangements will be made for future budget years.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.