



City of Grand Island

Tuesday, July 10, 2007

Council Session

Item G3

**#2007-140 - Approving Service Agreement with Medtronic for
Cardiac Monitors**

Staff Contact: Jim Rowell

Council Agenda Memo

From: Troy Shubert, EMS Division Chief

Meeting: July 10, 2007

Subject: Medtronic Technical Service Support Agreement

Item #'s: G-3

Presenter(s): Jim Rowell, Fire Chief
Troy Shubert, EMS Division Chief

Background

The Fire Department currently utilizes eight LifePak 12 cardiac monitors. In the past, the Fire Department has signed one year service agreements for \$7,900 per year. This contract includes updates in patient care treatments, calibration, free labor, free battery replacement, and free battery charger replacement. It also includes 10% discounts on accessories and electrodes as well as a 17% discount on upgrades.

Discussion

The Fire Department recommends a five year Technical Service Support Agreement for the eight cardiac monitors not under warranty. Without the extended agreement the cost is estimated to increase by a minimum of 5% (\$8,295) next year. Under the agreement, the annual cost would be "locked in" for five years at \$7,900.

This next fiscal year with the agreement we are estimating spending \$3,240 for accessory replacement. Without the service agreement, the cost for the same accessories and upgrades would be \$13,300. This agreement would save money for battery replacement at \$220 each; labor fees of \$275 per hour; travel reimbursement of \$400 per trip; and software upgrades of \$595 each unit and catastrophic failure of components.

The use of a third party for service and repair is not recommended because the parts and accessories are proprietary.

Current replacement cost of a new LifePak 12 monitor is \$25,000.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the service support agreement with Medtronic Emergency Response Systems.

Sample Motion

Motion to approve the service support agreement with Medtronic Emergency Response Systems.

TECHNICAL SERVICE SUPPORT AGREEMENT

Contract Number:

End User # 00558203
GRAND ISLAND FIRE DEPT
1720 N BROADWELL
GRAND ISLAND, NE 68803

Bill To # 00558202
GRAND ISLAND FIRE DEPARTMENT
PURCHASING DIVISION
P.O. BOX 1968
GRAND ISLAND, NE 68802

This Technical Service Support Agreement begins on 6/1/2007 and expires on 5/31/2012.

The designated Covered Equipment and/or Software is listed on Schedule A. This Technical Service Agreement is subject to the Terms and Conditions on the reverse side of this document and any Schedule B, if attached. If any Data Management Support and Upgrade Service is included on Schedule A then this Technical Service Support Agreement is also subject to Medtronic's Data Management Support and Upgrade Service Terms and Conditions, rev 7/99-1.

Price of coverage specified on Schedule A is \$36,700.00 per term, payable in Annual installments.

Special Terms

10% DISCOUNT ON ACCESSORIES
10% DISCOUNT ON ALL ELECTRODES
17% DISCOUNT ON LP12 UPGRADES

Accepted: MEDTRONIC Emergency Response Systems, Inc. Customer:

By:

By:

Title:

Print:

Date:

Title:

Date:

Purchase Order Number:

Territory Rep: WEMM59
Hallam, Kevin
Phone: 800-442-1142 x2470
FAX: 800-772-3340

Customer Contact:
Troy Schurbert
Phone: 308-379-9915
FAX: NA

MEDTRONIC EMERGENCY RESPONSE SYSTEMS, INC.
TECHNICAL SERVICE SUPPORT AGREEMENT TERMS AND CONDITIONS

RENEWAL TERMS

Medtronic Emergency Response Systems, Inc.'s ("Medtronic") acceptance of Customer's Technical Service Support Agreement is expressly conditioned on Customer's assent to the terms set forth in this document and its attachments. Medtronic agrees to furnish the services ordered by Customer only on these terms, and Customer's acceptance of any portion of the goods and services covered by this document shall confirm their acceptance by Customer. These terms constitute the complete agreement between the parties and they shall govern any conflicting or ambiguous terms on Customer's purchase order or on other documents submitted to Medtronic by Customer. These terms may not be revised in any manner without the prior written consent of an officer of Medtronic.

REPAIR SERVICES

If "Repair" services are designated, subject to the Exclusions identified below, they shall include, for the designated Covered Equipment, all repair parts and materials required, all required Medtronic service technician labor, and all related travel expenses. For offsite (ship-in) services, units will be returned to Customer by Medtronic freight prepaid.

INSPECTION SERVICES

If "Inspection" services are designated, subject to the Exclusions identified below, they shall include, for the designated Covered Equipment, verification of proper instrument calibration, verification that instrument mechanical operations and output measurements are consistent with applicable product specifications, performance of an electrical safety check in accordance with National Fire and Protection Guidelines, all required Medtronic service technician labor and all related travel expenses. For offsite (ship-in) services, units will be returned to Customer by Medtronic freight prepaid.

DOCUMENTATION

Following each Repair and/or Inspection, Medtronic will provide Customer with a written report of actions taken or recommended and identification of any materials replaced or recommended for replacement.

LOANERS

If a Medtronic product is designated as a unit of Covered Equipment for Repair Services and needs to be removed from service to complete repairs, an appropriate Loaner unit will be provided, if available, until the removed unit is returned. Customer assumes complete responsibility for the Loaner and shall return the Loaner to Medtronic in the same condition as received, at Customer's expense, upon the earlier of the return of the removed unit or Medtronic's request.

EXCLUSIONS

This Technical Service Support Agreement does not include: supply or repair of accessories or disposables (e.g., patient cables, recorder paper, etc.); repair of damage caused by misuse, abuse, abnormal operating conditions, operator errors, and/or acts of God; repairs to return an instrument to normal operating equipment at the time of initial service by Medtronic under this Technical Service Support Agreement; case changes; repair or replacement of items not originally distributed or installed by Medtronic; and exclusions on Schedule B to this Technical Service Support Agreement, if any, which apply to Covered Equipment.

SCHEDULE SERVICES

Designated Repair and Inspections Services will be performed at the designated service frequency and during designated service hours except where service technicians are rendered unavailable due to mandatory training commitments, in which case Medtronic will provide alternate coverage. Customer is to ensure Covered Equipment is available for Repair and/or Inspection at scheduled times. If Covered Equipment is not available as scheduled and Customer requests additional services to be performed or if Medtronic is requested to perform Repair or Inspection services not designated in this Technical Service Support Agreement (due to the nature of services selected, instruments involved not being Covered Equipment, request being outside of designated service frequency or hours, or application of the Exclusions); Customer shall reimburse Medtronic at Medtronic's standard labor rates less 10% (including overtime, if appropriate), plus standard list prices for related parts and materials less 15%, plus actual travel costs incurred.

PAYMENT

The cost of services performed by Medtronic shall be payable by Customer within thirty (30) days of Customer's receipt of Medtronic's Invoice (or such other terms as Medtronic confirms to Customer in writing). In addition to the cost of services performed, Customer shall pay or reimburse Medtronic for any taxes assessed Medtronic. If the number or configuration of Covered Equipment is altered during the Term of this Technical Service Support Agreement, the price of Services shall be adjusted accordingly.

WARRANTY

Medtronic warrants Services performed under this Technical Service Support Agreement and replacement parts provided in performing such Services against defects in material and workmanship for ninety (90) days from the date a Service was performed or a part was provided. Customer's sole remedy shall be reservicing the affected unit and/or replacement of any part determined to be defective, without any additional Customer charge, provided Customer notifies Medtronic of any allegedly defective condition within ten (10) calendar days of its discovery by Customer. Medtronic makes no other warranties, express or implied, including,

without limitation, NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND IN NO EVENT SHALL MEDTRONIC BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR OTHER DAMAGES.

Medtronic warrants Services performed under this Technical Service Support Agreement and replacement parts provided in performing such Services against defects in material and workmanship for ninety (90) days from the date a Service was performed or a part was provided. Customer shall be entitled to re-service of the affected unit and/or replacement of any part determined to be defective, without any additional Customer charge, provided Customer notifies Medtronic of any allegedly defective condition discovered.

Medtronic agrees to indemnify and save harmless the City against any and all loss and expense, including attorneys' fees and other legal expenses, by reason of liability imposed or claimed to be imposed by law upon the City for property damage, bodily injuries, or wrongful death arising out of the performance of the terms of this Agreement, providing such bodily injuries, death or damage to property arise or are claimed to have arisen in whole or in part from the negligence of Medtronic or under liability imposed by Federal or State law upon Medtronic. However, this hold harmless and indemnification agreement by the Medtronic does not extend to instances and consequences in which City employees, in the course of supervision, maintenance, or use of Medtronic serviced equipment, engage in intentional torts or any intentional misconduct not covered by Medtronic's liability insurance policy.

TERMINATION

Either party may terminate this Technical Service Support Agreement at any time upon sixty (60) days prior written notice to the other, except that Medtronic may terminate this Technical Service Support Agreement immediately upon Customer's failure to make timely payments for services rendered under this Technical Service Support Agreement. In the event of termination, Customer shall be obligated to reimburse Medtronic for that portion of the designated price which corresponds to that portion of the Term and the scope of Services provided prior to the effective date of termination.

DELAYS

Medtronic will not be liable for any loss or damage of any kind due to its failure to perform or delays in its performance resulting from any cause beyond its reasonable control, including, but not limited to, acts of God, labor disputes, labor shortages, the requirements of any governmental authority, war, civil unrest, delays in manufacture, obtaining any required license or permit, and Medtronic's inability to obtain goods from its usual sources. Any such delay shall not be considered a breach of Medtronic's obligations and the performance dates shall be extended for the length of such delay.

MISCELLANEOUS

- a) Customer agrees to not employ or offer employment to anyone performing Services on Medtronic's behalf during the Term of this Technical Service Support Agreement or for one (1) year following its expiration without Medtronic's prior written consent.
- b) This Technical Service Support Agreement, and any related obligation of other party, may not be assigned in whole or in part without the prior written consent of the other party.
- c) The rights and obligations of Medtronic and Customer under this Technical Service Support Agreement shall be governed by the laws of the State in which the service is provided. All costs and expenses incurred by the prevailing party related to the enforcement of its rights under this document, including reasonable attorney's fees, shall be reimbursed by the other party.

MEDTRONIC EMERGENCY RESPONSE SYSTEMS, INC.
TECHNICAL SERVICE SUPPORT AGREEMENT
SCHEDULE A

Contract Number:

Servicing Rep: Hallam, Kevin, WEMM59
District: MIDWEST
Phone: 800-442-1142 x2470
FAX: 800-772-3340

Equipment Location: GRAND ISLAND FIRE DEPT, 00558203
1720 N BROADWELL
GRAND ISLAND, NE 68803

Scope Of Service Ship In Repair - 1 On Site Inspection per year:M-F/8-5

Model	Part Number	Serial Number	Ref. Line	Effective Date	Expiration Date	Total Inspections
LIFEPAK® 12	VLP12-02-002936	14006685	1	6/1/2007	5/31/2012	5
LIFEPAK® 12	VLP12-02-002936	14307561	2	6/1/2007	5/31/2012	5
LIFEPAK® 12	VLP12-02-005956	33029188	3	6/1/2007	5/31/2012	5
LIFEPAK® 12	VLP12-02-005956	33029189	4	6/1/2007	5/31/2012	5
LIFEPAK® 12	VLP12-02-005956	33029191	5	6/1/2007	5/31/2012	5
LIFEPAK® 12	VLP12-02-005985	33029192	6	6/1/2007	5/31/2012	5
LIFEPAK® 12	VLP12-02-005985	33029622	7	6/1/2007	5/31/2012	5
LIFEPAK® 12	VLP12-02-005956	33029833	8	6/1/2007	5/31/2012	5

Scope Of Service Ship In Repair Only:M-F/8-5

Model	Part Number	Serial Number	Ref. Line	Effective Date	Expiration Date	Total Inspections
LIFEPAK® 12 AC/DC PA	VLP12-06-000076	024798	9	6/1/2007	5/31/2012	0
LIFEPAK® 12 AC/DC PA	VLP12-06-000102	053129	10	6/1/2007	5/31/2012	0
LIFEPAK® 12 AC/DC PA	VLP12-06-000102	053165	11	6/1/2007	5/31/2012	0
LIFEPAK® 12 AC/DC PA	VLP12-06-000102	053880	12	6/1/2007	5/31/2012	0

** Denotes an inventory line that has changed since the last contract revision or addendum.

Reference Number:
Printed: 6/20/2007

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MEDTRONIC EMERGENCY RESPONSE SYSTEMS, INC.
TECHNICAL SERVICE SUPPORT AGREEMENT
SCHEDULE B

LIFEPAK® 12 DEFIBRILLATOR/MONITOR

- AC Power Adapter included when listed on equipment inventory (Schedule A).
- DC Power Adapter included when listed on equipment inventory (Schedule A).
- Defibrillator paddle repairs are included (excludes internal, sterilizable and pediatric paddles).
- Communications and Patient cables are excluded.
- PCMCIA Modems are excluded.
- Therapy cables are excluded.
- SpO2 Sensors are excluded.
- Case Changes are excluded.
- Discount of 17% from the field installed list price for any current and/or future available LIFEPAK®12 upgrade is included when installed by Medtronic Technical Services.
- Discounts may not be combined with any other special terms, discounts and/or promotions.

Medtronic Fastpak®, Fastpak 2, Lifepak SLA and Lifepak NiCd Battery

- Customer retains the responsibility to perform the battery maintenance and evaluation procedures outlined in the operating instruction manual and to replace batteries that do not pass the conditions outlined under "Discarding/ Recycling Batteries." Batteries failing to meet battery performance tests should be removed from service and properly discarded (recycled).
- If customer provides evidence that a Medtronic Battery Pak fails to meet the performance tests noted above and/or the Battery Pak age exceeds 2 years, Medtronic shall replace said Medtronic Battery Pak (like for like) i.e. FASTPAK for FASTPAK, FASTPAK2 for FASTPAK2, LIFEPAK SLA for LIFEPAK SLA, or LIFEPAK NiCd for LIFEPAK NiCd, up to a maximum of 4 Medtronic Battery Paks every two years (including prior Support Plan periods) per LIFEPAK® 12 defibrillator/monitor (listed on Schedule A). To assist in proper recycling and removal of low capacity batteries, replaced Battery Paks become the property of Medtronic and must be returned at the time of exchange.
- Only batteries manufactured by Medtronic are covered under this Service Agreement. Any batteries manufactured by other sources are expressly excluded from coverage under this Service Agreement. Medtronic cannot guarantee the operation, safety and/or performance of our product when operating with a non-Medtronic battery. Repairs and inspections performed under this Agreement meet original equipment manufacturer's product specifications only when operating with a Medtronic battery. Any repairs, as determined by a Medtronic Service Representative, resulting from the use of a non-Medtronic battery, will be billed at our standard list prices for parts and labor, including actual travel charges incurred.

Lifepak®12 Software Updates

- If combined Repair and Inspection services are designated on the Technical Service Support Agreement inventory for Lifepak 12 units, at the customer's request, a Medtronic Technical Services Representative will install Lifepak 12 software updates at no additional charge provided it is installed at the time of a regularly scheduled inspection. In addition during the term of this agreement, where an assembly such as a printed circuit board must be replaced in order to install the new software, these assemblies may be purchased by the customer at a 50% discount off the current list price of a new assembly. Software updates requested to be installed at a time other than the regularly scheduled inspection will be billed at \$205 per unit per software update. The cost of the software update will be billed on a separate invoice.
- If Repair-Only services are designated on the Service Order inventory for Lifepak 12 units, at the customer's request a Medtronic Technical Services Representative will install a Lifepak 12 software update at a discounted price of \$205 per unit per software update. In addition during the term of this agreement, where an assembly such as a printed circuit board must be replaced in order to install the new software, these assemblies may be purchased by the customer at a 50% discount off the current list price of a new assembly. The cost of the software update will be billed on a separate invoice.

RESOLUTION 2007-140

WHEREAS, the City of Grand Island Fire Department utilizes eight LifePak 12 cardiac monitors which are currently not covered by warranty; and

WHEREAS, the Fire Department has entered into one year service agreements in the past for updated patient care treatments at the cost of \$7,900 per year; and

WHEREAS, it would be in the best fiscal interest of the city to enter into a five year Technical Service Support Agreement with Medtronic Emergency Response Systems, thus eliminating annual budget increases for this item; and

WHEREAS, a proposed service support agreement between the City of Grand Island and Medtronic Emergency Response Systems for such purposes has been reviewed by the City Attorney's office.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the service support agreement by and between the City and Medtronic Emergency Response Systems to service the Fire Department cardiac monitors is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 10, 2007.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	<input type="checkbox"/>	_____
July 6, 2007	<input type="checkbox"/>	City Attorney