

821

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



FROM: Purchasing and Fleet Services Dept.

SUBMITTAL DATE:
November 20, 2003

**SUBJECT: PROFESSIONAL SERVICE AGREEMENT WITH RX AMERICA FOR OUTPATIENT
PHARMACY SERVICES**

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the two (2) year independent contractor agreement with RxAmerica, pursuant to the applicable California Code;
2. Authorize the Purchasing Agent to exercise the option to renew for up to two (2) additional two (2) year periods;
3. Approve and direct the Auditor-Controller to make the budget adjustments attached on Schedule A.

BACKGROUND: The United States 9th Circuit Court of Appeals, in "Wakefield vs. Thompson," filed May 27, 1999, set forth that the State has a responsibility under the Eighth Amendment to provide outgoing prisoners under medical treatment with sufficient supply of medication to cover their transition to the outside world.

(Continued on Page 2)


 ROBERT J. HOWDYSHELL, Director
 Purchasing and Fleet Services

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 280,000	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ 280,000	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 280,000	For Fiscal Year:	03/04

SOURCE OF FUNDS: DOMH \$180,000; RCRMC-DHS \$100,000	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature



Policy Policy

Consent Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3.35

Ad J. Kubota
12-4-03
Douglas Bagley 12/17
Departmental Conference
BY *Sue Ware* Deputy
12/22/03

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller

03 DEC 25 11:11
 RECEIVED DIRECTOR'S OFFICE
 3007 104 S1 10:20

Board of Supervisors

**Form 11: PROFESSIONAL SERVICE AGREEMENT WITH RX AMERICA FOR
OUTPATIENT PHARMACY SERVICES**

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BACKGROUND (Continued)

In accordance with the Wakefield decision, the Department of Mental Health's Detention Services division, in collaboration with the Riverside County Regional Medical Center Detention Health Services division, provides inmates released from county detention facilities who received medication while incarcerated, prescriptions for those medications to ensure they have sufficient supply of medication available to cover the period of time reasonably necessary to permit them to consult a doctor and obtain a new supply.

County Purchasing issued Request for Proposal (RFP) #PUARC008 on July 11, 2002, to provide outpatient pharmacy services. Based on the evaluation criteria set forth in the RFP, the evaluation committee determined that the proposals submitted were non-responsive, and recommended a revised RFP with more stringent proposal requirements be sent to qualified vendors. County Purchasing issued RFP #PUARC108 on January 7, 2003, and posted it on the Internet. The RFP included a cost proposal sheet that required bidders to utilize the Average Wholesale Price (AWP) Blue Book pricing as a basis for their bid. Nine potential bidders and interested persons attended the non-mandatory pre-bid conference held on January 22, 2003.

Purchasing received four proposals which were evaluated by the evaluation committee based on the criteria listed in the RFP, including overall cost to the County and the ability to meet the specifications, conditions, and other requirements described within the RFP's scope of services. Utilizing predetermined scoring factors, the proposals from Rite Aid and RxAmerica scored significantly higher than the proposals from Kustner's Pharmacy and Network Pharmaceuticals, causing those two companies to advance to the next stage of the evaluation process.

On February 27, 2003, Rite Aid and RxAmerica were invited to participate in a best and final round of negotiations. As a result, the evaluation committee found RxAmerica to be the lowest responsible and responsive bidder. Consequently, Purchasing recommends a contract be awarded to RxAmerica to provide outpatient pharmacy services to Mental Health Detention Services (MHDS), and the Riverside County Regional Medical Center, Detention Health Services (DHS). Under the proposed agreement with RxAmerica, MHDS will pay for psychotropic medications prescribed by the department's psychiatrists and other doctors as designated by the MHDS jail facility supervisor, and DHS will pay for the "Essential Medications" listed in the agreement and as ordered by their department's doctors.

The first contract was drafted in April. Since that date, numerous legal and budgetary concerns were raised and subsequently resolved. In addition, the need for review by five county departments and an out of state vendor, has further delayed the review process.

DHS requests that the Board of Supervisors increase their Pharmaceutical's appropriation by \$100,000 to fund this new service. This adjustment is part of the \$5.5 million dollar budget shortfall projected at the proposed budget and in the first quarter budget report. The Executive Office has set aside \$6 million in the contribution to other funds for health over runs such as this. As reported in the first quarter report, DHS will continue to evaluate expenditures and will report back at mid-year with refined estimates and a request for other budget adjustments.

PRICE REASONABLENESS:

The lowest responsible and responsive bidder was selected based on vendor qualifications and the competitiveness of the bids.

Appropriation Adjustment
FY 2003-04

<u>Fund-Dept ID-Account</u>	<u>Object Name</u>	<u>Amount</u>
Increase Appropriations:		
10000-4300300000-522890	Pharmaceuticals	\$100,000
Decrease Appropriations:		
10000-1101000000-551100	Contribution to Other Funds	\$100,000