

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



552

**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
7/19/04

**SUBJECT: APPROVAL OF AGREEMENT WITH HEALTHCARE PURCHASING PARTNERS INTERNATIONAL (HPPI).**

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Pursuant to applicable California Code, approve the three (3) year independent contractor agreement listed below, and authorize the Chairman of the Board to execute the agreement on behalf of the County.
2. Authorize the Director of Purchasing to exercise the option to renew the contract annually for up to two (2) additional years.
3. Authorize the Director of Purchasing to enter into single and sole source agreements of a dollar value more than \$25,000.00, contracted by HPPI.

VENDOR	SERVICE	ANNUAL DOLLAR AMT.
Healthcare Purchasing Partners International	Group Purchasing	No Charge

**BACKGROUND: (Continued on Page 2)**

*Douglas H. Bagley*

Douglas Bagley, CEO  
Riverside County Regional Medical Center

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE**

**County Executive Office Signature** *Brona King*

Dept's Recomm.:  Policy  Policy  
 Per Exec. Ofc.:  Consent  Consent

**Prev. Agn. Ref.:** | **District:** *All* | **Agenda Number:**

**3.67**

**BOARD OF SUPERVISORS**

**FORM 11: APPROVAL OF AGREEMENT WITH HEALTHCARE PURCHASING PARTNERS INTERNATIONAL (HPPI).**

**PAGE 2**

**BACKGROUND:** RCRMC currently purchases hospital supplies in excess of \$14,000,000.00 annually. The bulk of these products are purchased through a prime vendor who is a distributor of highly discounted products. The balance of the products is purchased through competitive bidding, sole or single sourced negotiations. By entering into this agreement, the county will be able to take advantage of pricing based on combined usage at more than 400 hospitals, resulting in pricing lower than what the County obtains independently. Nothing in this agreement prohibits the County from buying product else where when advantageous to the County.

**PRICE REASONABLENESS:** In June of 2003, the Purchasing Department issued a formal Request for Proposal to solicit proposals for a Group Purchasing Organization. Notice of the bid was sent to five (5) vendors and advertised on the Internet. Three (3) proposals were received and one proposal was eliminated for being less responsive. The evaluation team composed of members from RCRMC and CHA used a weighted-factor based upon criteria outlined in the RFP.

The bids were evaluated based on overall responsiveness and general understanding to the requirements in the scope of services as detailed in the RFP, the ability to provide contracts and services that meet the specifications, overall cost to the County, and references with demonstrated success.

The remaining vendors, AmeriNet and HPPI were invited for a final interview. Based upon this final interview, RCRMC determined that HPPI would best meet their needs.

HPPI negotiates contracts on behalf of more than 400 hospitals, representing a high volume purchasing power. Based on its purchasing activity, the County will receive the highest discount offered equal to any other comparable customer. There will be no membership fee or access fee to the County for utilizing HPPI agreements.

HPPI establishes the majority of their contracts in a competitive bidding process. Other contracts are established through single and sole sourced negotiations. The prices are established according to current market value based on market research.

**REVIEW/APPROVAL:** The County Purchasing Agent reviewed and concurs with the proposed agreement.

COMMITTEE OF SUPERVISORS  
JUN 23 2003 10:01 AM  
COUNTY OF BIENVEJUNO  
EXHIBIT