

FORM APPROVED COUNTY COUNSEL  
 BY: *Robert M. Zippner, Jr.*  
 DATE: \_\_\_\_\_

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

235



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
 November 1, 2007

**SUBJECT: Approve the Purchasing Agreement between Nellcor Puritan Bennett Incorporated and Riverside County Regional Medical Center**

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

1. Approve the Customer Optimization Plus Program (CO-OP+) agreement between Nellcor Puritan Bennett Incorporated and Riverside County Regional Medical Center.
2. Authorize the Purchasing Agent to execute the agreement.
3. Authorize the Purchasing Agent to exercise the option to renew annually for up to (4) years in one-year increments, providing the unit process increase does not exceed the Consumer Price Index.
4. Direct the Clerk of the Board to retain one original and return two (2) original copies of the agreement to the RCRMC Value Analysis Program office.

**BACKGROUND:**

Riverside County Regional Medical Center (RCRMC) provides fingertip blood oxygen level assessments (pulse oximetry) to meet community standards of patient care. Pulse oximetry allows healthcare practitioners to assess the level of oxygen within a patient's bloodstream and is considered to be one of the six standard measures used to monitor vital signs.

(continued page 2)

*Douglas D. Bagley*  
 \_\_\_\_\_  
 Douglas D. Bagley, Hospital Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$352,640.00	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	NO
	Annual Net County Cost:	\$	For Fiscal Year:	07/08

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

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

BY: *Debra Cournoyer*  
 Debra Cournoyer

**County Executive Office Signature**

Dep't Recomm.:  Consent  Policy

Per Exec. Ofc.:  Consent  Policy

3.24

Departmental Concurrence

Purchasing: *Mark Sailer*  
 Mark Sailer, Assistant Director

**SUBJECT: Approve the Purchasing Agreement between Nellcor Puritan Bennett Incorporated and Riverside County Regional Medical Center Page 2**

**BACKGROUND (Continued)**

The hospital has standardized all of its bedside monitors to Nellcor Puritan Bennett Incorporated (Nellcor) technology to promote and maintain staff competency and patient safety. RCRMC currently receives significant discounts from Nellcor, through a Novation agreement, for the supplies and equipment required to perform pulse oximetry. Nellcor has offered RCRMC, through this CO-OP+ agreement, an additional discount in the form of Award Credits equal to 8.9% of the annual cost of sensors purchased annually. RCRMC purchases approximately \$352,000 of sensors each year earning \$31,328 in credits per year. Nellcor is also offering the hospital the ability to access the next five years of Award Credits (\$156,640) during the first year of the agreement. These credits will be used to purchase enough new equipment to replace all older pulse oximeter units throughout the hospital. The agreement will also allow RCRMC to upgrade all existing pulse oximeter units to the latest Nellcor technology.

**PRICE REASONABLENESS:**

The County receives a discount for purchases from Nellcor through Novation by being a member of University HealthSystem Consortium. Novation is a hospital group purchasing organization (GPO) that contracts with hospital supply and capital equipment manufacturers on behalf of more than 1400 hospitals. The County receives discounts equal to or better than comparable customers. This agreement provides for an additional discount in the form of Award Credits equal to 8.9% of our annual Sensor purchases for the next five years or \$156,640.

**FINANCIAL IMPACT:**

All costs for purchases will be provided from RCRMC Enterprise Funds.

The total cost for four additional years is one million four-hundred eight thousand, (\$1,408,000.00) dollars.

**CONCUR/REVIEW:** County Purchasing