

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

421



SUBMITTAL DATE:
June 23, 2011

FROM: Riverside County Regional Medical Center

SUBJECT: Approval of Lexi-Comp, Inc. as the Sole Source Vendor to provide drug information resource package.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the sole source procurement of LexiComp OnLine, FormuLink, Drug Plans, and LexiComp On-Hand for the first year total of \$28,633.00, without securing competitive bids, in accordance with Ordinance 459.4; and
2. Authorize the Purchasing Agent to renew the LexiComp OnLine, FormuLink, Drug Plans, and LexiComp On-Hand for up to four (4) additional one-year periods, for the annual rate of \$28,633.00 provided funds are available and cost increases do not exceed the CPI or 5%, which ever is least costly.

BACKGROUND:

Riverside County Regional Medical Center (RCRMC) has utilized Lexi-Comp on-line services since 2008. The initial cost was \$20,300.00 per year. RCRMC pharmacy has since required the addition of additional services causing the annual cost to be increased to \$28,633.00 per year.

(cont. on page 2)

Douglas D. Bagley

Douglas D. Bagley, Hospital Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 28,633.00	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	No
	Annual Net County Cost:	\$	For Fiscal Year:	11/12

SOURCE OF FUNDS: Enterprise Funds 100%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
APPROVE	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

County Executive Office Signature BY: *Debra Cournoyer*
Debra Cournoyer

Poli cy Poli cy
Consent Consent

FORM APPROVED COUNTY COUNSEL
DATE
BY: NEAL R. KIPNIS
Departmental Concurrence
Purchasing: Mark Seiler, Assistant Director

Prev. Agn. Ref.: District: 5 Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.60

BOARD OF SUPERVISORS

FORM 11: Approval of Lexi-Comp, Inc. as the Sole Source Vendor to provide drug information resource package.

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BACKGROUND "con't":

LexiComp OnLine drug database includes Harrison's Practice, a diagnosis and management tool for the most common medical conditions, offering key clinical information on over 700 diseases and disorders. FormuLink allows integration of RCRMC's formulary data within LexiComp OnLine. Drug Plans provides access to information on over 4,700 prescription drug plans from across the United States. Information includes formulary status, relative price, prior authorization, classifications, policies and more. OnHand allows these references to be imported into a clinician's handheld device (e.g. smart phones, etc.).

PRICE REASONABLENESS

This package builds upon a previous contract. Initial offer for this package was \$31,600 per year. Negotiations including a five-year term reduced the annual cost to \$28,633.00. After an inquiry of the local market, County Purchasing has determined Lexi-Comp, Inc. is providing pricing that is consistent with current market rates.

DB:rjm



Memorandum

June 23, 2011

To: Riverside County Board of Supervisors

From: Douglas D. Bagley, Chief Executive Officer
Riverside County Regional Medical Center

Via: Purchasing Agent

Subject: Sole Source Procurement; Request for drug information resource package from Lexi-Comp, Inc.

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

Supply/Service being requested: LexiComp OnLine, FormuLink, Drug Plans, LexiComp OnHand.

Supplier being requested: LexiComp Inc.

Alternative suppliers that can or might be able to provide supply/service: None. Thomson Reuters has nothing comparable to FormuLink or Drug Plans.

Extent of market search conducted: Considered capabilities offered from Thomson Reuters. Products comparable to FormuLink and Drug Plans are not offered as per the Thomson Reuters web site.

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide: LexiComp OnLine drug database includes Harrison's Practice, a diagnosis and management tool for the most common medical conditions, offering key clinical information on over 700 diseases and disorders.

FormuLink allows integration of RCRMC's formulary data within LexiComp OnLine.

Drug Plans provides access to information on over 4,700 prescription drug plans from across the United States. Information includes formulary status, relative price, prior authorization, classifications, policies and more.

OnHand allows these references to be imported into a clinician's handheld device (e.g. smart phones, etc.).

Reasons why my department requires these unique features and what benefit will accrue to the county: LexiComp's reference databases provides a necessary drug information resource, but also communicates to prescribers which medications are formulary, which patient's medication plans will cover those drugs as an outpatient, and any restriction(s) on the use of those medications established by the medical staff (first-line, second-line, etc.). The OnHand product extends access to this information from the office or workstation all the way to the point of care at the patient's bedside or exam room. A single search allows the clinician to review the formulary status of any drug and quickly access current clinical information within LexiComp's reference databases. This will facilitate prescribers to use the most cost-appropriate medications on the formulary. Formulary data may be maintained in real-time to adapt to any changes to RCRMC's formulary. Further, as insurance plans change, these can also be updated in real-time. Integration of formulary and insurance data alone is expected to significantly reduce phone calls between pharmacists, physicians, and nurses to change a prescription to a formulary alternative, thereby allowing more time for direct patient care. The online and perpetually updated information of the formulary and insurance plans would also obviate the need to annually reprint hundreds of copies of RCRMC's Formulary Book for the healthcare staff. In turn, this will save the County \$676.00.

Price Reasonableness: This package builds upon a previous contract. Initial offer for this package was \$31,600 per year. Negotiations including a five-year term reduced the annual cost to \$28,633.00.

Does moving forward on this product or service further obligate the county to future similar contractual arrangements? No. Contract may be renewed after one year term. If an alternate supplier with similar features at the time of renewal, they may be considered.

Period of Performance:
Five (5) years, renewable in one year increments.


Provide a defined period of performance. Please note multi-year terms require Board approval, unless renewable in one year increments and the Purchasing Agent approves the terms.



Department Head Signature 6/27/11
Date

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove



Purchasing Agent 6-29-3c



IMPROVING POINT-OF-CARE DECISIONS

November 24th, 2010

Jeffrey Rosenblatt
Chair, Section of Academic Programs
26520 Cactus Avenue
Moreno Valley CA 92555

Re: Amendment to the Lexi-Comp Knowledge Solution™ Site License Agreement

Dear Jeffrey:

Through this letter, Lexi-Comp offers you the opportunity to enter into an Amendment (the "Amendment") to your existing Lexi-Comp Knowledge Solution™ Site License Agreement. This Amendment will become effective on the 30th day of November, 2010, (the "Amendment Date").

Background:

1. The parties to the Agreement are Lexi-Comp, located at Inc, 1100 Terex Rd, Hudson, OH 44236, ("Lexi-Comp"), and Riverside County Medical Center, located at 26520 Cactus Avenue, Moreno Valley, CA 92555 ("Customer").
2. Customer and Lexi-Comp entered into the Agreement titled "Lexi-Comp Knowledge Solution™ Site License Agreement" (the "Agreement") on November 1st, 2008;
3. Customer and Lexi-comp now wish to extend the Initial Term of the Agreement.

Accordingly, the parties agree to the following terms of the Agreement as authorized by Section 16 (General) of the Agreement:

1. *Section 11 (Term) is amended as follows:*

The Initial Term of the Agreement will extend from the Amendment Date for an additional period of either three (3) or five (5) years as specified in Section 5 of this Amendment under the heading "Subscription Term Selected". All other terms and provisions of Section 11 will remain in full force and effect.

2. *Section 12 (Termination) is amended as follows:*

At any time during the Agreement, either party may immediately terminate this Agreement following written notice to the other for the following reasons only: (a) the non-terminating party commits a material breach of any obligation under this Agreement which is not cured within sixty (60) days of receipt of notice thereof by that party; or (b) the non-terminating party becomes insolvent or makes a general assignment for the benefit of creditors, or (c) a receiver is appointed for it, and it does not return to solvency within ninety (90) days of receipt of notice thereof by that party. Any and all provisions in Section 12 of the Agreement dealing in those Sections and Exhibits which survive termination of the Agreement shall remain in full force and effect.

Lexi-Comp, Inc.
1100 Terex Road
Hudson OH 44236
330-650-6506
330-656-4307 Fax
www.lexi.com



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3. Exhibit A shall now include the following selected add-on components, if checked, in addition to those products and components of the Knowledge Solution already selected in the Agreement:

Lexi-Comp ONLINE Components:

- FormuLink (includes ON-HAND hospital formulary only if at least one ON-HAND Component is selected below)
 - Formulary database maintained by Customer
 - Formulary database maintained by Lexi-Comp
- Lexi-Drug Plans™
- Harrison's Practice™
- Martindale: The Complete Drug Reference

Lexi-Comp ON-HAND Components:

- Lexi-SELECT™
- Lexi-Drugs® and Lexi-Interact™
- Lexi-Clinical Suite

Lexi-Comp content INTEGRATION Tools:

- Integrated Reference
Special API calls that allow hospital information systems to directly access Lexi-Comp ONLINE
- Lexi-Data™ (Requires execution of a separate contract)
A database system that allows integration clinical decision data into hospital information systems

All other terms and provisions of this Exhibit A shall remain in full force and effect. For the purpose of clarity, either party's failure to check any of the above items shall not act to remove such items from Exhibit A.

4. The portion of Exhibit B dealing in the Subscription Term and yearly fees shall now read:

Subscription Term Selected:

- Three Years
- Five Years

**Lexi-Comp Knowledge Solution™
Site License Fees:**

3 Year Subscription

5 Year Subscription

All pricing is presented in U.S Dollars and does not include any GST or VAT exchange taxes.

\$28,633.00 - per year

\$28,633.00 - per year

Customer acknowledges and agrees that, unless Customer furnishes Lexi-Comp with a certificate of tax exemption, Customer shall be responsible for any and all applicable sales taxes related to its license of the Knowledge Solution, which shall be charged to Customer in addition to the fees presented in above.

All other terms and provisions of this Exhibit B shall remain in full force and effect.

5. **General.** This Amendment amends only Section 11, Section 12, Exhibit A, and Exhibit B of the Agreement. That in the event of any conflict or ambiguity by and between the terms and provisions of this Amendment to the Agreement, the Amendment shall control to the extent of any such conflict or ambiguity. Each party warrants and affirms that the person signing this Amendment on behalf of that party is duly authorized and empowered by that party to do so, and that such person has the right and the authority to bind that party to this Amendment. This Amendment shall take effect on the Amendment Date, and any and all provisions of the Agreement not expressly amended herein shall remain in full force and effect.

AGREED TO AND ACCEPTED BY:

Customer

Lexi-Comp, Inc

By: _____

By: 

Michael Metz, Chief Financial Officer

Date:

Date: 5/20/11

FORM APPROVED COUNTY COUNSEL

BY: 
NEAL R. KIPNIS

DATE 5/16/11