

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

569



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
May 15, 2012

SUBJECT: Approval of Sole Source Agreement with Alere North America Inc. for Riverside County Regional Medical Center

RECOMMENDED MOTION: Move that the Board of Supervisors :

- 1) Authorize the Chairman of the Board to approve the Sole Source Procurement of Reagent cartridges and Alere EPOC™ meters from Alere North America Inc.
- 2) Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the agreement for up to ten percent the maximum contract amount and renew the agreement annually through June 30, 2014.

(cont. on page 2)

Douglas D. Bagley

Douglas D. Bagley, Hospital Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 84,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost FY:	\$ 0	For Fiscal Year:	12/13
SOURCE OF FUNDS: Enterprise Funds			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

☐ Consent
☒ Policy Purchasing
☒ Policy

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

Prev. Agn. Ref.:

District: 5

Agenda Number:

3.34

Mark Seiler, Assistant Director, Hospital Concurrence

SUBJECT: Approval of Sole Source Agreement with Alere North America Inc. for Riverside County Regional Medical Center (RCRMC).

BACKGROUND:

Reagent cartridges and Alere EPOC™ meters are used for rapid Lactate testing of patients at risk for sepsis infection. Sepsis is a potentially deadly medical condition that is characterized by a whole-body inflammatory condition and the presence of a known or suspected infection. The body may develop this inflammatory response by the immune system to microbes in the blood, urine, lungs, skin, or other tissues. A lay term often used for sepsis is “blood poisoning”. RCRMC desires rapid result testing to ensure patients with sepsis are quickly diagnosed and have a treatment plan established. This results in reduced length of stay and corresponding reduced costs.

PRICE REASONABLENESS:

Alere North America Inc. certifies that the price offered of \$ 0.85 per test (\$6.80 per eight test) panel is the lowest or equal to those offered to any of its customers in California. Market research of a comparable test system, the Abbott I-Stat Lactate test was priced at \$ 1.33 per test, plus \$25,350 for three I-Stat analyzers and \$12,580 for Technology License costs associated with software and hardware maintenance.

The EPOC™ point of care blood analysis system is the only wireless bedside testing solution to use Smart Card technology that ties laboratory results to a hand-held mobile computer.

Cost of the Alere EPOC™ system based on annual projected test volume (5532 tests) = \$38,381.

Cost of five Alere EPOC meters and printers = \$ 38,081.25 (Grant funded)

Cost of Software= \$ 6,700 (Grant funded)

FINANCIAL IMPACT:

52% Grant Funded and 48% Hospital Enterprise Funds

REVIEW/APPROVAL:

County Purchasing

Date: May 15, 2012

From: Douglas D. Bagley, Hospital Director, Riverside County Regional Medical Center

To: Board of Supervisors

Via: Purchasing Agent

Subject: Sole Source Procurement; Request for Alere EPOC™ System used for lactate testing for Emergency Department and Critical Care Patients.

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.

- 1. Supply/Service being requested:** Reagent cartridges and Alere EPOC™ meters used for rapid Lactate testing of patients at risk for sepsis infection. Sepsis is a potentially deadly medical condition that is characterized by a whole-body inflammatory condition and the presence of a known or suspected infection. The body may develop this inflammatory response by the immune system to microbes in the blood, urine, lungs, skin, or other tissues. A lay term often used for sepsis is blood poisoning.
- 2. Supplier being requested:** Alere North America Inc. Vendor # 91243
- 3. Alternative suppliers that can or might be able to provide supply/service:** Alere North America Inc. is the sole proprietary manufacturer and domestic distributor of the Alere EPOC™ lactate testing system.
- 4. Extent of market search conducted:** Internet- The Alere EPOC™ System is a leading rapid diagnostic test system comprised of a meter and various test devices that improve a physician's ability to aid in the diagnosis of critical diseases and health conditions including sepsis. Alere EPOC™ brand rapid tests include quantitative lactate testing and are currently used in U.S. hospitals and are available in more than 50 international markets.
- 5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** The Alere EPOC™ test system is required to perform lactate testing to insure federally mandated compliance and rapid diagnosis for patient disposition decisions. The EPOC™ point of care blood analysis system is the only wireless bedside testing solution to use Smart Card technology that ties lab results to a hand-held mobile computer.
- 6. Reasons why my department requires these unique features and what benefit will accrue to the county:** The current standard of care for sepsis patients indicates that use of rapid lactate testing in the Emergency Department resulted in the following benefits.
 - Provides meaningful diagnostic information to identify lactate levels in the blood to differentiate sepsis in patients.
 - Has the potential to decrease Emergency Department Length of Stay (LOS) and turnaround time (TAT).

- Has the potential to decrease unnecessary admissions.
- Can improve clinical, economic and operational outcomes by reduction in sepsis associated costs.

7. Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier: Alere North America Inc. certifies that the price offered of \$ 0.85 per test (\$6.80 per eight test) panel is the lowest or equal to those offered to any of its customers in California. Market research of a comparable test system, the Abbott I-Stat Lactate test was priced at \$ 1.33 per test, plus \$25,350 for three I-Stat analyzers and \$12,580 for Technology License costs associated with software and hardware maintenance.

Cost of the Alere EPOC™ system based on annual projected test volume (5532 tests) = \$38,381.

Cost of four Alere EPOC meters and printers = \$ 31,845 (Grant funded)

Cost of Software= \$ 7,250 (Grant funded)

Annual Service expense (Software and Hardware) = \$ 3252 (Grant funded yr 2)

8. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain). The county is not obligated to future similar contractual arrangements. Future purchases are subject to annual renewal by an authorized county Purchasing Agent.


9. Period of Performance: July 1, 2012 – June 30, 2014 renewable in one year increments

 5/16/12
Department Head Signature **Date**

Purchasing Department Comments:

Approve ☐ Approve with Condition/s ☐ Disapprove

Not to exceed: \$77,000 ☐ One time ☒ Annual Amount through June 30, 2014

 5-31-12 12-559
Purchasing Agent **Date** **Approval Number**
 (Reference on Purchasing Documents)