

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

929



FROM: Riverside County Regional Medical Center (RCRMC)

SUBMITTAL DATE:
March 28, 2014

SUBJECT: Approval of a multi-year Agreement containing annual value and dollar commitments with CareFusion Solutions, LLC, to provide Dedicated IV Administration Sets, Non-Dedicated IV tubing products and tubing as part of IV start kits to Riverside County Regional Medical Center. [\$3,188,445] Hospital Enterprise Fund. [District 5]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Purchasing Agent to execute the Sixty (60) Month Purchasing Agreement containing annual value and dollar commitments for \$2,200,000 aggregate, with CareFusion Solutions, LLC to provide Dedicated IV Administration Sets, Non-Dedicated IV tubing products and tubing as part of IV start kits, and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the agreement

BACKGROUND:

Summary

The approval of the Agreement with CareFusion will qualify RCRMC to access Novation GPO (Group Purchasing Organization) Tier 6 Disposables Pricing. The use of Tier 6 GPO pricing for the purchase of

Annette Greenwood
Annette Greenwood, Interim COO on behalf of
Lowell Johnson, Interim CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 854,717	\$ 637,689	\$ 3,188,445	\$	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 854,717	\$ 637,689	\$ 3,188,445	\$	
SOURCE OF FUNDS: Hospital Enterprise Fund				Budget Adjustment: No	
				For Fiscal Year: FY 13/14	

C.E.O. RECOMMENDATION:

APPROVE

BY: *Debra Cournoyer*
Debra Cournoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

☐ Positions Added
☐ Change Order

☐ A-30
☐ 4/5 Vote

Prev. Agn. Ref.:

District: 5

Agenda Number:

3-25

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

FORM 11: Approval of a Multi-Year Agreement containing annual value and dollar commitments with CareFusion Solutions, LLC, to provide Dedicated IV Administration Sets, Non-Dedicated IV tubing products and tubing as part of IV start kits to Riverside County Regional Medical Center. [\$3,188,445] Hospital Enterprise Fund [District 5]

DATE: April 1, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (Continued)

IV Administration Sets is expected to return annual total tubing savings of \$217,027 (savings of \$1,085,135 over 5 years). The Agreement with CareFusion requires RCRMC to commit to a Sixty (60) month obligation to purchase \$440,000 and/or 80,000 units of disposable product (Minor Kit Tray) per year from an approved Novation vendor. The attached analysis from Huron Consulting shows our expected IV Administration Sets spend of \$637,689 will easily exceed the commitment level sought

Impact on Citizens and Businesses

This product impacts patients of RCRMC many of whom reside in Riverside County.

Contract History and Price Reasonableness

RCRMC currently owns Cardinal (CareFusion compatible) IV pumps (capital purchased by the hospital) which require CareFusion disposable Dedicated IV Administration Sets. To encourage continued business with the Medical Center, CareFusion has offered improved Novation Tier pricing on future purchases for all IV tubing products (Dedicated, Non-Dedicated and tubing within IV start kits). This arrangement is advantageous to RCRMC as the Medical Center already purchases 100% of its Dedicated IV tubing from CareFusion. The approval of this multi-year agreement will allow RCRMC to save \$1,085,135 over 5 years for tubing it already exclusively purchases from CareFusion.

ATTACHMENTS (if needed, in this order):



RCRMC_IV Supplies
Annual Usage & Savir

IV Savings Summary

Purchase Order Data: 5/1/2012 - 4/30/2013

NOTE: Cardinal/Carefusion/Alaris from here out will only be referred to as "Cardinal"

Our IV savings are realized through the main points seen below. Detail can be found in the IV Savings Detail tab:

Section 1 - Primary pump tubing conversion from 3 port to 2/1 port

Section 2 - Cardinal to Cardinal improved tier pricing (new Tier 6 pricing)

Section 3 - Non-Cardinal to Cardinal product conversions (with better Tier 6 pricing)

Section 4 - New IV start kits from PHS (better pricing over old ICU Medical kit)

IV Savings Summary Table		Savings		Old Spend	New Spend	Contract Spend
Primary Pump Tubing		\$121,625		\$417,609	\$295,984	\$283,103
Cardinal to Cardinal - Other		\$45,788		\$95,569	\$49,781	\$47,614
Non-Cardinal to Cardinal		\$11,627		\$122,387	\$110,761	\$116,163
IV Start Kits		\$37,988		\$219,152	\$181,163	\$158,697
Total		\$217,027		\$854,717	\$637,689	\$605,577