

**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	\$	

<b>SOURCE OF FUNDS:</b> Hospital Enterprise Fund	<b>Budget Adjustment:</b> No
	<b>For Fiscal Year:</b> FY 13/14

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

**APPROVE**

BY: *Debra Courmoyer*  
Debra Courmoyer

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Stone, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: April 8, 2014  
xc: RCRMC, Purchasing

Kecia Harper-Ihem  
Clerk of the Board  
By: *Kecia Harper-Ihem*  
Deputy

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

**3-25**

Departmental Concurrence

Purchasing: *Mark Seiler*  
Mark Seiler, Assistant Director

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**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
<b>Total</b>	<b>\$217,027</b>	<b>\$854,717</b>	<b>\$637,689</b>	<b>\$605,577</b>