

428

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



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
April 23, 2014

**SUBJECT:** Purchase of surgical instruments, implants, and supplies without securing competitive bids for a five (5) year term, for Riverside County Regional Medical Center Operating Room as part of a Huron initiative [All Districts; \$121,221,120]; Hospital Enterprise Funds.

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

1. Authorize the County Purchasing Agent to approve the agreements with the attached vendors, without seeking competitive bids;
2. Authorize the County Purchasing Agent to exercise the option to renew agreements annually for up to four (4) additional years, in one-year increments, providing the unit/supplies do not exceed the Consumer Price Index (CPI) or to enter into long-term agreements (up to five years) when an option to terminate without cause with a 30 or 60 day written notice is present;
3. Authorize the County Purchasing Agent, in accordance with Ordinance No. 459 to increase or decrease the agreements listed in Attachment A, while staying within the approved aggregate amount of \$121,221,120 based upon the availability of funding, and to sign amendments which do not change the substantive terms of the agreement through June 30, 2019;

*Lowell Johnson*  
Mr. Lowell Johnson, Interim CEO

Departmental Concurrence

*Mark Seiler*  
Purchasing: Mark Seiler, Assistant Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 4,040,704	\$ 24,244,224.00	\$ 121,221,120	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
<b>SOURCE OF FUNDS:</b> Hospital Enterprise Funds				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> FY13/14	

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

APPROVE

County Executive Office Signature

BY: *Debra Cournoyer*  
Debra Cournoyer

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley  
 Nays: None  
 Absent: None  
 Date: May 6, 2014  
 xc: RCRMC, Purchasing

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

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

Prev. Agn. Ref.: See Page 2

District: 5/5

Agenda Number:

3-18

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Purchase of surgical instruments, implants, and supplies without securing competitive bids  
for a five (5) year term, for Riverside County Regional Medical Center Operating Room as part of a  
Huron initiative [All Districts; \$121,221,120]; Hospital Enterprise Funds  
DATE: April 23, 2014  
PAGE: 2 of 2**

**PREVIOUS AGENDA REFERENCE:**

02/24/04; 3.30, 07/11/06; 3.52, 06/26/07; 3.51 and 3.52

**BACKGROUND:**

**Summary**

On February 24, 2004, the Board of Supervisors approved Agenda Item 3.30 for the purchase of surgical instruments, supplies, and implants from various vendors to allow the Hospital an opportunity to compile purchase history, evaluate, and to further verify the need to continue with proprietary contracts. The Board subsequently approved a list of all vendors on July 11, 2006, Agenda Item 3.52, and on June 26, 2007, Agenda Items 3.51 and 3.52.

This request would bring our vendor list current while working with Huron on various initiatives to secure the lowest overall cost for proprietary contracts. The attached spreadsheet lists new and previously approved vendors, annual expenditures for each vendor, commodities, and net cost to the County.

**Impact on Residents and Businesses**

Purchasing from proprietary contracts will allow our Physicians to cost-effectively treat patients residing in Riverside County who receive care from Riverside County Regional Medical Center.

**Contract History and Price Reasonableness**

The vendors listed in "Attachment A" certify that the prices being offered to RCRMC are the lowest offered to any comparable customer. Prices offered are Federal, State, or Local Government Pricing. RCRMC currently receives a maximum discount for purchases as a member of the Group Purchasing Organizations (GPO). The County receives discounts equal to comparable customers while continuing to utilize the GPO's for purchases. Detailed analysis has been conducted by Purchasing and the Value Analysis Committee which have deemed these prices to be competitive.

**ATTACHMENTS:**

**A. VENDOR LIST**

Date: April 23, 2014  
From: Mr. Lowell Johnson, Interim CEO Department/Agency: RCRMC  
To: Board of Supervisors/Purchasing Agent  
Via: Purchasing Agent  
Subject: Sole Source Procurement; Request for surgical instruments, implants, and supplies

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:** To purchase surgical instruments, implants and supplies without securing competitive bids for a five (5) year term, for RCRMC as part of a Huron initiative.
2. **Supplier being requested:** Various; See "Attachment A"
3. **Alternative suppliers that can or might be able to provide supply/service:** None. The vendors listed the "Attachment A" are the sole Manufacturer and Distributor of their own product(s).
4. **Extent of market search conducted:** Internet/ Market Research/ Personal Contact with further review with Huron.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Each of these vendors have unique items in regards to their respective commodity "See Attachment A". These unique items permit our Physicians to treat patients with a variety of means to allow procedures to be less invasive and to further broaden our ability to treat patients with superior care in a timely manner.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:**
  - a. By having access to purchase from various vendors, the County's risk of an item being on back-order significantly decreases.
  - b. Physicians are able to operate on patients using instruments which they are well educated and experienced with using.
  - c. Purchasing will have the ability to streamline orders for trauma patients without having to stop and secure bids.
7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** The vendors in "Attachment A" are providing the following to RCRMC:
  - a. Extension of discounted pricing which is equal to pricing being currently offered to other Government Hospitals in the State of California.
  - b. GPO pricing; Novation or MedAssets.
  - c. Option to terminate without cause with a 30 or 60 day written notice.
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).** Yes. To further grant the Purchasing Agent the authority to renew these supply contracts as detailed in "Attachment A" for up to four (4) additional years in 12-month increments, not to exceed the CPI.

9. **Period of Performance:** For 12 months upon approval of sole source request: May 6, 2014 – May 5, 2015. Total aggregate amount for supplies for one-year is \$24,244,224.00. Total aggregate amount for five-years is \$121,221,120.

*Lewell Johnson* 24 April 2014  
Department Head Signature Date

Purchasing Department Comments:

Approve       Approve with Condition/s       Disapprove  
Not to exceed: \$ 24,244,224       One time       Annual Amount through 5-5-2019

*[Signature]* 4-24-14 14-483  
Purchasing Agent Date Approval Number  
(Reference on Purchasing Documents)

**Cournoyer, Debbie**

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**From:** mcadwell@huronconsultinggroup.com  
**Sent:** Friday, April 25, 2014 11:36 AM  
**To:** Cournoyer, Debbie  
**Cc:** rnamerow@huronconsultinggroup.com; jolsen@huronconsultinggroup.com; ashanedling@huronconsultinggroup.com  
**Subject:** FW: Form 11 - OR  
**Attachments:** AR-M550N\_20140424\_161741.pdf

Debbie -

Huron verifies the accuracy of this submission.

Signed,

Michael G. Cadwell

Managing Director  
HuronHealthcare  
550 West Van Buren Street | Chicago, Illinois 60607  
M: (505) 400-3406 H: (801) 938-9227 F: (866) 310-7736 [mcadwell@huronconsultinggroup.com](mailto:mcadwell@huronconsultinggroup.com)  
[www.huronconsultinggroup.com](http://www.huronconsultinggroup.com)

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VENDOR	ANNUAL EXPENDITURE	ITEM DESCRIPTION	SOLE SOURCE & MULTIPLE SOURCES	JUSTIFICATION (Sole Source)	PRICE REASONABLENESS (Sole Source)	NET COUNTY COST	FUND SOURCE	IN CURRENT YEAR BUDGET
Abbot Laboratories Inc.	\$75,722.00	Vascular disposables	New Proprietary	5,6	7,8	\$0.00	40050	Yes
Acra Cut Inc.	\$5,000.00	Neuro clips/implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Acumed LLC	\$102,136.00	Ortho plates, screws, pins, guidewires, drills	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Acuramet Cut	\$5,000.00	Neuro cups	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Adept Medical	\$5,000.00	Viscera retainer	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Alcon Laboratories Inc.	\$388,531.00	Infraocular lens and accessories	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Allergan	\$321,549.00	Breast Implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Arthrex Inc.	\$109,258.00	ACL shoulder procedure instrumentation and accessories	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Arthrosurface Inc.	\$22,999.00	Joint resurfacing	New Proprietary	5,6	7,8	\$0.00	40050	Yes
Aesculap	\$5,000.00	Vascular instrument	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Atrium	\$25,000.00	Vascular grafts	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Bausch & Lomb	\$5,323.00	Instruments special lens	New Proprietary	5,6	7,8	\$0.00	40050	Yes
Baxter Healthcare	\$129,124.00	Fibrin Tisseel Sealant & Surgical Supplies	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Biomet Depuy	\$12,917.00	Orthopedic knee implants/accessories	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Biomet Inc.	\$379,000.00	Orthopedic mesh cathode, plates, fixation pins	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes

UPDATED APPROVED VENDOR LIST 2014

ATTACHMENT A

Biomet Microfixation Inc.	\$108,134.00	Cranial & Maxillofacial implants & instruments	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Boston Scientific Corp	\$378,453.00	Specialized catheters, IntraCardiacDefibrillator (ICD)	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Cook	\$268,168.00	Vascular / GI implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Cooper Surgical Inc	\$117,523.00	Electrodes, Dilators for Tubal Ligations	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Covidien	\$1,189,350.00	Sutures, Trocars	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
CR Bard	\$161,767.00	Vascular Gen Surg. Urology Implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Eco Lab	\$38,560.00	CPD Cleaning Detergent	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Ethicon	\$445,032.00	Ortho Inst., Bipolar cords, Cranioplastic kits, Suture HVT	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Exactech	\$64,417.00	Shoulder Implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Genzyme	\$33,000.00	Septrafilm	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Hologic	\$25,000.00	Uterine Ablation	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Howmedica Osteonics Corp	\$601,524.00	Ortho implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Inland Spine Products LLC	\$35,000.00	Total joints hips/knees	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Integra Neurocare LLC	\$10,000.00	Neurogen & Duragen Implants, Ventricular Kits	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Integra/Seaspine	\$2,158,847.00	Spine Implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Integra Life	\$446,819.00	Neuro Supplies	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes

UPDATED APPROVED VENDOR LIST 2014

ATTACHMENT A

Integra/Seaspine	\$2,500,000.00	Spinal fusion system, cage back implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Johnson & Johnson	\$203,849.00	Surgical Supplies	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Kand Medical	\$25,000.00	Vascular Grafts	New Proprietary	5,6	7,8	\$0.00	40050	Yes
Lifecell Corp	\$158,648.00	Regenerative human tissue matrix	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
LeMaitre Vascular	\$9,089.00	Anastoclip	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Medtronic sofamor danek	\$363,581.00	Orthopedic valves, rods & spinal implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Medtronic USA Inc.	\$73,820.00	Hear monitor implant device & accessories	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Merz Aesthetics, Inc.	\$9,200.00	ENT voice box	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Microtec	\$20,000.00	Surgical Supplies	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Mizuho	\$4,113.00	Neuro Supplies	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Mizuho OSI	\$15,368.00	Table	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Musculoskeletal Transplant Foundation	\$323,243.00	Skeletal tissue grafts	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
New World	\$33,693.00	Pressure stabilizing eye implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Olympus America Inc.	\$150,000.00	Surgical Supplies	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
OrthoPediatrics	\$9,467.00	Peds ortho implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Osteomed	\$55,000.00	Oral maxillofacial implants & instruments	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes



UPDATED APPROVED VENDOR LIST 2014

ATTACHMENT A

PHS	\$4,989,624.00	Surgical Supplies Total joints, Ortho plates, screws, nails, & instruments	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Smith & Nephew	\$427,000.00		Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Renovis	\$50,000.00	Total Joints	New Proprietary	5,6	7,8	\$0.00	40050	Yes
St. Jude Medical	\$449,623.00	Pacemakers, Intra cardiac defib - ICD	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Sterilmed	\$50,000.00	Reprocessing	New Proprietary	5,6	7,8	\$0.00	40050	Yes
Stryker	\$713,000.00	Neuro plate joints, pins, shoulders	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Stryker Craniomaxillofacial	\$83,052.00	Neuro plated, screws, pins	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Stryker Sales Corp	\$556,647.00	Implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Surgical West/ Mizuho	\$12,056.00	Neuro implants, inst, equipment	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Synergetics Inc. Synovis Micro companies Alliance Inc.	\$15,000.00	Surgical instruments, plastics	New Proprietary	5,6	7,8	\$0.00	40050	Yes
Synthes Spine	\$3,325.00	Vascular couplers	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Synthes USA	\$2,715,118.00	Implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
T.B.I. Tissue Bank	\$1,577,166.00	Ortho implants, plates, screws	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Teleflex	\$32,000.00	Whole Cornea Implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
The Anspach Effort	\$48,823.00	Small surgical equip/ instruments	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
	\$20,000.00	Surgical instruments for orthopedic implants	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes

WL Gore	\$236,047.00	Vascular grafts/mesh	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Wright Medical Technology Inc.	\$388,515.00	Reconstructive implants for knees, hips, & other joints	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes
Zimmer Inc.	\$250,004.00	Orthopedic & neuro implants/equip	Renewal Proprietary	5,6	7,8	\$0.00	40050	Yes

Aggregate for 1 year **\$24,244,224.00**

Total for 5-years **\$121,221,120.00**

For Justification and Price Reasonableness reference the Sole Source Numbers for key grid as noted below:

**5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Each of these vendors have unique items in regards to their respective commodity "See Attachment A". These unique items permit our Physicians to treat patients with a variety of means to allow procedures to be less invasive and to further broaden our ability to treat patients with superior care in a timely manner

**6. Reasons why my department requires these unique features and what benefit will accrue to the county a.** By having access to purchase from various vendors, the County's risk of an item being on back-order significantly decreases. b. Physicians are able to operate on patients using instruments which they are well educated and experienced with using. c. Purchasing will have the ability to streamline orders for trauma patients without having to stop and secure bids.

**7. Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** The vendors in "Attachment A" are providing the following to RCRMC: a. Extension of discounted pricing which is equal to pricing being currently offered to other Government Hospitals in the State of California. b. GPO pricing; Novation or MedAssets. c. Option to terminate without cause with a 30 or 60 day written notice.

**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):** Yes. To further grant the Purchasing Agent the authority to renew these supply contracts as detailed in "Attachment A" for up to four (4) additional years in 12-month increments, not to exceed the CPI