



**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH SYSTEM MEDICAL CENTER GOVERNING BOARD  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 15.1  
(ID # 14747)

**MEETING DATE:**

Tuesday, April 13, 2021

**FROM:** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Approve a Third Amendment to the Group Purchasing Master Agreement with Vizient, Inc. for Group Purchasing Services effective July 1, 2021 through June 30, 2023; 2 years; All Districts. [Total Cost \$1,000,000; Annual Cost \$500,000; up to \$50,000 in Additional Compensation Annually; 100% Hospital Enterprise Fund 40050]

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

1. Approve a Third Amendment to the Group Purchasing Master Agreement with Vizient, Inc. for Group Purchasing Services effective July 1, 2021 through June 30, 2023 for an annual amount not to exceed \$500,000 and authorize the Chair of the Board to sign the Amendment on behalf of the County,
2. Authorize the Purchasing Agent to continue use of the Vizient Group Purchasing Organization (GPO) contract terms and pricing based on competition as fulfillment of the competitive bid requirements in Ordinance No. 459 and applicable statutes for all applicable County Departments, and
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 and based on the availability of funding and as approved by County Counsel, to sign amendments that make modifications to the scope of services that stay within the intent of the agreement and to sign amendments to the compensation provisions that do not exceed the total sum of ten percent (10%) of the contract amount.

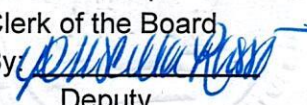
**ACTION: Policy**

  
Jennifer Cruikshank, Chief Executive Officer - Health System 3/11/2021

**MINUTES OF THE GOVERNING BOARD**

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Hewitt  
Nays: None  
Absent: None  
Date: April 13, 2021  
xc: RUHS-MC

Kecia R. Harper  
Clerk of the Board  
By   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 500,000	\$ 1,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: 100% Hospital Enterprise Fund - 40050</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 21/22-22/23</b>	

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

**BACKGROUND:**

**Summary**

Vizient, Inc. is the sole Group Purchasing Organization (GPO) currently under contract with Riverside University Health System-Medical Center (RUHS-MC). Approval of a Third Amendment to the Group Purchasing Master Agreement with Vizient, Inc. will allow RUHS-MC to continue to access discounts on medical supplies, equipment, pharmaceuticals, and services through the use of nationwide contracts that have been competitively bid with suppliers on behalf of all Vizient members. Most Vizient opportunities are competitively bid according to the American Bar Association (ABA) Model Procurement Code principles – creating a significant potential savings of effort in the County’s procurement processes when competitively bid GPO contracts are recognized as fulfilling the competitive bid requirements in Ordinance 459 and other statutes.

RUHS-MC and the County of Riverside have benefited in the past from participation in Vizient national member contracts. In addition to price discounts, the GPO contracts also offer competitive business terms related to payments, returns, warranties, etc.

The County’s Vizient membership also offers access to supply chain, pharmacy, and quality/performance improvement tools and services available from Vizient – some included with membership and some for additional fees. Additional fee services must separately meet and are processed according to the County’s procurement standards.

Vizient, Inc. is one of the largest member-driven GPOs in the country. More than fifty percent (50%) of the nation’s acute care providers, including ninety-five percent (95%) of the nation’s academic medical centers, are presently members. The GPO was founded in 2015 from the combination of other national GPOs that included VHA, Inc., a national health care network of not-for-profit hospitals; MedAssets and University Health System Consortium (UHC). Recently, Vizient announced that a process to purchase Intelere GPO from Intermountain Healthcare will be complete by quarter one (Q1), 2021. Each Vizient member’s purchasing power, coupled with that of other members, contributes to the organization’s success.

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**Impact on Citizens and Businesses**

Riverside University Health System-Medical Center serves patients who work and reside throughout Riverside County. By simplifying the procurement process and lowering prices paid through reliance on GPO contracts, the County's membership in a GPO like Vizient, helps reduce the cost of providing quality patient care to County residents.

**Additional Fiscal Information**

Vizient helps RUHS-MC, Community Health Center's (CHC's), and Correctional Health Services (CHS) gain access to the best pricing available, particularly for medical/surgical supplies, capital equipment, minor medical equipment, pharmaceuticals, and laboratory supplies, reagents and equipment. Product standardization programs using Vizient contracts have been very valuable to achieving cost control at the Medical Center and Clinics.

**Contract History and Price Reasonableness**

On September 23, 2014, Agenda item #3-59, the Board of Supervisors approved the Group Purchasing Master Agreement with University Health System Consortium/Novation (UHC/Novation) effective upon signature with options to renew for four additional years thereafter. The Agreement was the result of a Request for Proposal (RFP) in which UHC/Novation was found to offer the best net revenue of the GPOs who responded.

On September 17, 2019, Agenda Item #15.2, the Board of Supervisors approved a First Amendment to allow RUHS-MC to continue fulfilling its obligations for uninterrupted patient care while the Purchasing Department organized a formal request for proposal (RFP) to once again compete the GPO opportunity. On February 4, 2020, a Second Amendment was executed by the Purchasing Agent in accordance with Ordinance No. 459 to add a supplemental service, "Vizient Savings Actualyzer", to provide supply chain data for cost savings initiatives at no cost. This is the replacement data service for Spendlink.

This Third Amendment requires Board approval because the extension date of July 1, 2021 through June 30, 2023 will surpass the Board approved end date. The Agreement's current term will end on June 30, 2021. The COVID-19 crisis caused supply chain programs at RUHS-MC and throughout Riverside County to concentrate solely on the response to filling critical orders and maintaining adequate stock and equipment to treat patients. As a result, the intended deadline to competitively bid and award a new agreement through a formal RFP for GPO services was not met. The Amendment will allow the County time to continue fulfilling its obligations for uninterrupted patient care while completing a competitive bid process for GPO services.

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**ATTACHMENTS:**

**Attachment A:      THIRD AMENDMENT TO THE GROUP PURCHAING MASTER  
AGREEMENT FOR PURCHASING SERVICES BETWEEN COUNTY  
OF RIVERSIDE AND VIZIENT, INC.**

  
Suzanna Hackley, Assistant Director of Purchasing and Fleet Service

3/26/2021

  
Brianna Lantajo, Management Analyst

4/5/2021

  
Gregory H. Priamos, Director County Counsel

3/27/2021

**THIRD AMENDMENT TO THE GROUP PURCHASING MASTER AGREEMENT FOR  
GROUP PURCHASING SERVICES  
BETWEEN COUNTY OF RIVERSIDE AND VIZIENT, INC., SUCCESSOR TO  
UHC/NOVATION, LLC**

This Third Amendment to the Group Purchasing Master Agreement for Group Purchasing Services (herein referred to as "Third Amendment") is made and entered into by and between the **County of Riverside**, a political subdivision of the State of California (herein referred to as "COUNTY"), on behalf of **Riverside University Health System** (herein referred to as "RUHS"), and **Vizient, Inc.**, a Delaware company (herein referred to as "CONTRACTOR"), a successor organization to UHC/Novation, LLC, sometimes collectively referred to as the "Parties".

WHEREAS, COUNTY and CONTRACTOR entered into that certain Group Purchasing Master Agreement for Group Purchasing Services, executed September 23, 2014; Agenda Item #3-59, (herein referred to as "Agreement");

WHEREAS, COUNTY AND CONTRACTOR entered into that certain First Amendment to the Agreement, approved September 17, 2019; Agenda Item #15.2 to extend the Agreement effective September 23, 2019 through June 30, 2021, (herein referred to as "First Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Second Amendment to the Agreement, approved February 4, 2020 to add a new product titled "Vizient Savings Actualyzer – Supplies with Benchmarking" to the Agreement, (herein referred to as "Second Amendment"); and

WHEREAS, the Parties now desire to amend the Agreement to extend the period of performance through June 30, 2023;

NOW THEREFORE, the Parties agree as follows:

1. **Term.** Subsection A. of Section III. Term and Termination of Agreement is hereby amended to extend the period of performance and read as follows:

"The period of performance for this Agreement is effective from September 23, 2014 through June 30, 2023, unless terminated earlier."

2. **Miscellaneous.** All other terms and conditions of the Agreement and its Amendments not modified herein shall remain unchanged and in full force and effect.
3. **Effective Date.** This Third Amendment to the Agreement shall become effective July 1, 2021.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Third Amendment.

COUNTY OF RIVERSIDE, a political subdivision of the State of California

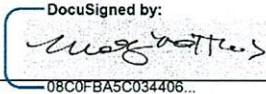
By: Karen S. Spiegel

Name: Karen Spiegel

Title: Chair, Board of Supervisors

Date: 04.13.2021

Vizient, Inc., a Delaware company

By: 

Name: Molly Matthews  
SVP/GM

Title: \_\_\_\_\_

Date: 3/8/2021 | 8:02:06 AM CST

**ATTEST:**

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

**APPROVED AS TO FORM:**

Gregory P. Priamos  
County Counsel

By: Martha Ann Knutson  
Martha Ann Knutson  
Deputy County Counsel

Dated: Mar 8, 2021