



Board Report

File #: A 15-358, Version: 1

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Customer Order No. 1000067761, applying the terms and conditions of the previously Board-approved Master Agreement (A-12934) with Carefusion Solutions, LLC (collectively, "Agreement") for the leasing of pharmaceutical supply automation inventory management dispensing machines at NMC for a five (5) year period of September 26, 2016 through September 25, 2021, during which time NMC shall be billed for a five (5) year lease term at \$25,443 monthly, totaling \$1,526,580, with no charges applied during the implementation phase until implementation is complete; and
- b. Authorize the Deputy Purchasing Agent at NMC to execute the Implementation Timeline for Customer Order No. 1000067761; and
- c. Authorize the Deputy Purchasing Agent at NMC to execute any future modified Implementation Timelines to Customer Order No. 1000067761 which may arise due to unforeseen scheduling changes and which do not cause an increase to the total cost.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Customer Order No. 1000067761, applying the terms and conditions of the previously Board-approved Master Agreement (A-12934) with Carefusion Solutions, LLC (collectively, "Agreement") for the leasing of pharmaceutical supply automation inventory management dispensing machines at NMC for a five (5) year period of September 26, 2016 through September 25, 2021, during which time NMC shall be billed for a five (5) year lease term at \$25,443 monthly, totaling \$1,526,580, with no charges applied during the implementation phase until implementation is complete; and
- b. Authorize the Deputy Purchasing Agent at NMC to execute the Implementation Timeline for Customer Order No. 1000067761; and
- c. Authorize the Deputy Purchasing Agent at NMC to execute any future modified Implementation Timelines to Customer Order No. 1000067761 which may arise due to unforeseen scheduling changes and which do not cause an increase to the total cost.

SUMMARY/DISCUSSION:

Automated medication dispensing machines are used at hospitals to store medications in a safe and secure manner. These machines will dispense only with a user account protected by biometric finger print identification or password. These machines capture and record revenue and ensure proper security of controlled substances. Automated medication dispensing machines are setup throughout the hospital in locations convenient for hospital staff to provide expeditious patient care.

Previously on September 15, 2015, the Board of Supervisors approved Customer Order No. 10000072635 and an accompanying Master Agreement with Carefusion Solutions, LLC for the leasing of supply automated dispensing machines. Those Pyxis SupplyStation machines already approved and ordered are for the dispensing

of hospital supplies like gloves, syringes, medical devices, and bins. NMC is now requesting authority to execute Customer Order No. 1000067761, applying the terms and conditions of the same Master Agreement, for the leasing of automated dispensing machines for pharmaceuticals, such as penicillin, morphine, and oxycodone. These Pyxis MedStation machines are needed to replace the existing pharmaceutical machines that are near the end of useful life. The terms and conditions in the previously approved and fully executed Master Agreement for Pyxis Equipment with Carefusion are general in nature and do not contain specific reference to any particular order number, therefore, amending that agreement is not to place new Pyxis equipment orders. New Pyxis machines can simply be processed via executed Customer Order forms and mutually agreed upon Implementation Timeline Schedules.

Although NMC will execute the Customer Order and Implementation Schedule immediately after the Board of Supervisors authorizes as such, there will be no charges applied by Carefusion to NMC during the implementation phase even though Carefusion will begin the implementation phase upon execution of the documents. NMC will only be billed after implementation is complete which is on September 26, 2016 per the Implementation Timeline Schedule. Due to the potential for unforeseen issues to arise, NMC is also requesting authorization to sign off on any changes that may be necessary to the Implementation Schedule, should the need arise, provided there is no change to the total dollar amount.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Customer Order No. 10000067761 and the Implementation Timeline as to legal form. The Auditor-Controller has reviewed and approved Customer Order No. 10000067761 and the Implementation Timeline as to payment provisions. Customer Order No. 10000067761 and the Implementation Timeline was submitted for and included on the 9/24/15 NMC Finance Committee agenda, however the NMC Finance Committee meeting was cancelled. Customer Order No. 10000067761 and the Implementation Timeline has been reviewed and approved by NMC's Board of Trustees on 10/2/15.

FINANCING:

The cost for this Agreement is \$305,316 per year for a five year period. \$305,316 has been included in the Fiscal year 2015-16 Adopted Budget and amounts for remaining years of the Agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

Prepared by: Jason Warren, Pharmacy Director, 772-7720

Approved by: Gray R. Gary, DO, Chief Executive Officer, 783-2504

Attachments:

CareFusion Customer Order No 1000067761

CareFusion Implementation TimeLine for Customer Order No 1000067761

Executed CareFusion Master Agreement (Pyxis Product Only)

Attachments on file with the Clerk of the Board