

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION AUTHORIZING: A) AN AMENDMENT TO THE AGREEMENT WITH CAREFUSION SOLUTIONS, LLC TO SUPPORT THE PYXIS AUTOMATED DISPENSING SYSTEM FOR PHARMACEUTICALS AT SAN MATEO MEDICAL CENTER, EXTENDING THE TERM THROUGH FEBRUARY 28, 2014, AND INCREASING THE AMOUNT BY \$100,000 TO AN AMOUNT NOT TO EXCEED \$1,196,474.35; AND

B) AN AGREEMENT WITH CAREFUSION SOLUTIONS, LLC TO UPGRADE THE EXISTING PYXIS AUTOMATED DISPENSING SYSTEM FOR PHARMACEUTICALS AT SAN MATEO MEDICAL CENTER FOR A SIXTY-MONTH TERM, TO BEGIN UPON INSTALLATION OF THE NEW EQUIPMENT, IN AN AMOUNT NOT TO EXCEED \$1,150,000

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, on September 29, 2008, the Purchasing Agent, pursuant to the Group Purchasing Organization (GPO) then in place, entered into a five-year agreement with CareFusion Solutions, LLC (CareFusion) for the purpose of rental and support of a Pyxis Automated Dispensing System (Pyxis System) for pharmaceuticals at San Mateo Medical Center (SMMC); and

WHEREAS, the Pyxis System provides an automated dispensing system for pharmaceuticals throughout SMMC, managed by the SMMC Pharmacy, which allows for decentralized dispensing of medications from secure cabinets, and the Pyxis System helps ensure accurate medication dispensing, includes features to prevent loading the wrong medication, issues alerts to provide added safety precautions for high risk medications, and helps SMMC Pharmacy audit the amounts of medications in storage;

and

WHEREAS, in June 2013, this Board extended the term of the agreement with CareFusion and increased the funding to extend the services through August 31, 2013, in order for SMMC to negotiate a new agreement to cover these services; and

WHEREAS, SMMC has since negotiated the terms of a new five-year agreement with CareFusion which will include replacement of parts of the current Pyxis System control computers and expansion of equipment, including installation of an additional medication dispensing cabinet in the Emergency Department and another for management of anesthesia in the Operating Room, the new agreement is being made pursuant to the County's new GPO with MedAssets Supply Chain Systems, LLC (MedAssets), and the new agreement will not be ready to be put into place until after August 31, 2013 and has a flexible start-date to eliminate any potential overlap between the old and new agreements; and

WHEREAS, a Request for Proposals (RFP) was not conducted for the new agreement given that this Board has already waived the RFP process in relation to agreements under the MedAssets GPO (Resolution No. 071231, dated January 25, 2011) because MedAssets ensures low costs and competitive pricing by aggregating hospital purchasing power and conducting its own RFPs for service providers; and

WHEREAS, because the expanded services under the new agreement will not be ready to implement until after the August 31, 2013, expiration of the current

agreement, SMMC and CareFusion have agreed to extend the term of the current agreement by up to six months in order give SMMC flexibility to transition to the new equipment and services once they are ready; and

WHEREAS, the amendment to the current agreement will increase the amount of that agreement by up to \$100,000 and extend the term for up to six months, allowing use of the Pyxis System without interruption until the new services under the new agreement are available; and

WHEREAS, the new agreement will allow the expanded services to begin once the new equipment is functional, and the five-year term has a flexible start-date to eliminate any potential overlap between the old and new agreements; and

WHEREAS, use of the Pyxis System permits SMMC to closely monitor and control the storage and dispensing of prescription medications, helping SMMC reduce diversion of such medications and reducing the potential for medication errors that can put SMMC's patients at risk, the Pyxis System is integrated into some of SMMC's electronic management systems, and thus continuing the relationship with CareFusion will reduce any costs associated with having to switch medication management systems, and the new agreement, despite its expanded services, is less expensive on a monthly basis than the old agreement, thus leveraging the relationship with CareFusion to benefit SMMC's bottom line; and

WHEREAS, the parties now wish to amend the current Agreement to increase

the funding by \$100,000, for a new maximum fiscal obligation of \$1,196,474.35, and to extend the term through February 28, 2014, and the Contract Compliance Committee has approved a waiver for the extended term; and

WHEREAS, this Board has been presented with a form of said amendment, has examined and approved it as to both form and content, and desires to enter into it; and

WHEREAS, the parties also now wish to enter into a new Agreement, as described above, to provide automatic medication dispensing using the Pyxis System for a five-year term commencing upon the date the new equipment is available for productive use (but starting no later than March 1, 2014) in a maximum amount of \$1,150,000; and

WHEREAS, the Contract Compliance Committee has approved a waiver for the five-year term of the new Agreement; and

WHEREAS, this Board has been presented with a form of said new Agreement, has examined and approved it as to both form and content, and desires to enter into it.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the President of this Board of Supervisors be and is hereby authorized and directed to execute said amendment (titled "Amendment No. 3 to Agreement Between the County of San Mateo and CareFusion Solutions, LLC") and said new Agreement (titled "CareFusion Master

Agreement” and all associated documents) for and on behalf of the County of San Mateo, and the Clerk of the Board shall attest the President’s signature thereto.

BE IT FURTHER RESOLVED that the Chief of the Health System or designee is authorized to execute contract amendments to the new Agreement which modify the County’s maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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