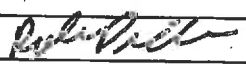


SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION

Contractor	<u>Baxter Healthcare Corporation</u>	Division/Section:	<u>SFHN/SFHN</u>
		Director SFHN	<u>Roland Pickens</u> 
Address	<u>711 Park Ave.</u>	DPH Administrator:	<u>Iman Nazeeri-Simmons</u>
	<u>Medina, NY 14103</u>	Program Manager:	<u>Max Bunuan</u> Phone <u>206-2371</u>
Contact	<u>Dana Tywoniak, Territory Manager</u>	Contract Analyst:	<u>Jonathan Lyens</u> Phone <u>554-2886</u>

Request for approval of an equipment lease with a software licensing addendum, and equipment maintenance agreement with Baxter Healthcare Corporation for the lease of an upgraded Sigma Spectrum Infusion System, including 725 new IV pumps, in the amount of \$3,615,879 for the lease agreement and \$413,633 for the equipment maintenance agreement, for the term of March 1, 2016 to March 31, 2021 for the lease agreement (60 months of payments) and April 1, 2016 – March 31, 2021 for the equipment maintenance agreement (48 months of payments).

Profit Non-Profit LBE RFQ – Number: _____ Date: _____
 New Renewal Mod Group Purchasing Organization

Number of years DPH has been doing business with this organization: 10+

<u>CONTRACT INFORMATION:</u>	<u>Prior Transaction</u>	<u>Proposed Transaction</u>	<u>Annualized Difference</u>
	(new)	(3/1/16–3/31/21) (lease) (4/1/16–3/31/21) (mntnce.)	
<u>Funding Sources (Lease):</u>			
General Funds		\$3,615,879	\$3,615,879
TOTAL DPH REVENUES		\$3,615,879	\$3,615,879
12% Contingency Amount		\$0	\$0
CONTRACT TOTAL		\$3,615,879	\$3,615,879
<u>Funding Sources (Equipment Maintenance):</u>			
General Funds		\$413,633	\$413,633
TOTAL DPH REVENUES		\$413,633	\$413,633
12% Contingency Amount		\$44,318	\$44,318
CONTRACT TOTAL		\$413,633	\$413,633
ANNUAL AMOUNT OF CONTRACT (lease) (estimate)		\$723,175	\$723,175
ANNUAL AMOUNT OF CONTRACT (maintenance) (estimate)		\$78,735	\$78,735
Agency Funds		\$0	\$0
Contract FTE		N/A	N/A

Note: While the lease start date is March 1, 2016, calculations are based on a 60 month lease, which is anticipated to commence on or about April 1, 2016. While the equipment maintenance agreement start date is April 1, 2016, the first year of maintenance is procured through the lease and calculations are based on 48 months of payments. Payment stream on the lease will not exceed 60 months Due to the structure of the lease and potential amortization issues of on-boarding new equipment in the middle of a lease, contingency was only included for equipment maintenance.

PROPOSED:

<u>Mode(s) of Service & Unit of Service Definition</u>	<u>No. of Clients</u>		<u>Number Of Units</u>	<u>Unit Cost (avg.)</u>
	<u>N/A</u>	<u>Duplicated</u>		
Lease (1 UOS = 1 month)	<u>N/A</u>		60	\$60,264.65
Equipment Maintenance (1 UOS = 1 month)			48	\$6,561.25

Explanation of Service Change and Variances:

This request is for two companion contracts, a lease agreement and an equipment maintenance agreement. Both are new contracts. These agreements were previously approved by the Commission in November 2015, prior to completion of contract negotiations. Due to a licensure requirement for the new hospital, the number of required pumps was increased significantly from levels previously approved.

The Sigma Spectrum Infusion System interconnects 725 Baxter (Intravenous) IV pumps. These agreements will upgrade the existing Infusion pumps, enabling wireless connectivity and linkage to other DPH systems. Additionally, the Department will virtualize existing servers, ensuring maximum functionality of the system with future software upgrades from Baxter. The two agreements will have concurrent terms.

Monitoring Report/Program Review & follow-up:

The contracts will be monitored in accordance with all applicable Departmental procedures.

Nondiscrimination and Cultural Competency:

The Contractor will participate in applicable cultural competency requirements for the upcoming year.

Other Significant Issues:

Baxter Healthcare Corporation develops, manufactures, and markets healthcare equipment and instruments. It focuses on critical therapies for life-threatening conditions, specifically products and services in blood therapies, cardiovascular medicine, medication delivery, and renal therapy. The company offers its products in the United States and internationally. The company was formerly known as Travenol Laboratories, Inc. and changed its name to Baxter Healthcare Corporation in July 1987. The company was incorporated in 1966 and is based in Deerfield, Illinois. Baxter Healthcare Corporation operates as a subsidiary of Baxter International, Inc.

Baxter Healthcare Corporation was selected under the authority of Section 21A.2 of the Administrative Code through the Department’s membership in the Group Purchasing Organization Vizient, which was formerly known as Novation under the University HealthSystems Consortium.

Listing of Board of Directors, Owners of 10% or More of the Firm, and Executive Director:

Thomas F. Chen
Uma Chowdhury, Ph.D
John D. Forsyth
James R. Gavin III, M.D., Ph.D
Peter S. Hellman
Munib Islam

Robert L. Parkinson, Jr.
Carole J. Shapazian
Thomas T. Stallkamp
K.J. Storm
Albert P. L. Stroucken

There are eleven board members. There are no term limits.

Recommendations:

The Department recommends approval of this contract.