

SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION

Contractor	Denver Solutions, LLC, a Delaware limited liability company d.b.a. Leiters Health or Leiters	Division/Section	ZSFGH
Address	13796 Compark Boulevard	Deputy Director	Roland Pickens <i>R Pickens</i>
	Englewood, CO 80112	DPH Administrators	David Woods <i>D Woods</i>
Contact	Karen Osterling	Program Administrators	Jessica Galen Phone 206-8860
	Executive Director	Contract Analyst	Cynthia Wu Phone 206-2533

Request for approval of a new contract with Denver Solutions, LLC, d.b.a. Leiters Health or Leiters to provide outsourced sterile compounding services and products not otherwise commercially available for use by Zuckerberg San Francisco General Hospital in the provision of services. The total proposed contract amount is \$5,296,200 which includes a 12% contingency for the initial term of October 1, 2019 through June 30, 2022. The contract has the option to extend the initial term for a maximum of 24 additional months. The full term of the contract including options is from October 1, 2019 to June 30, 2024.

Profit Non-Profit LBE RFP-Number 5-2018 Date: 5/23/2018
 New Renewal Mod GPO

Number of years DPH has been doing business with this organization: 0

CONTRACT INFORMATION:	Prior Transaction	Proposed Transaction	Annualized Difference*
	(new)	10/1/2019 – 6/30/2022	
Funding Sources:			
General Fund		\$4,728,750	\$4,728,750
TOTAL DPH REVENUES		\$4,728,750	\$4,728,750
12% Contingency Amount		\$567,450	\$567,450
CONTRACT TOTAL		\$5,296,200	\$5,296,200
<i>ANNUAL AMOUNT OF CONTRACT (estimate)</i>		\$1,576,250	\$1,576,250
Agency Funds		- \$0-	- \$0-
Contract FTE		N/A	N/A

PROPOSED:

Mode(s) of Service & Unit of Service Definition	No. Of Clients	No. of Unit	Unit Cost (per product)
1 unit of service = 1 compounded drug	N/A		
Various compounded products as requested by the Department. A pricing/product sheet of products covered is included as Attachment 1 to this agenda item.	N/A	Actual	See Attachment 1

Explanation of Service Change and Variances:

This is a new contract.

Monitoring Report/Program Review & Follow-up:

The contract services will be monitored by the Department as required. The SFDPH Program Administrator will be responsible for assisting and tracking all information related to the accomplishment of the project.

Nondiscrimination and Cultural Competency:

The Department will work closely with the contractor to ensure compliance with City and Departmental procedures.

Other Significant Issues:

The ZSFG Department of Pharmaceutical Services has a need to contract with FDA-registered 503B outsourcing providers of sterile compounding products for ophthalmology and hospital-administered products. These products are essential to providing high quality patient care and must meet stringent sterility requirements. Specialized 503B companies are able to produce these types of products at a higher quality and lower price than ZSFG currently can in-house.

Denver Solutions, LLC, a Delaware limited liability company d.b.a. Leiters Health or Leiters, is a privately held FDA-registered 503B outsourcing provider of high-quality ophthalmology and hospital-based services. Leiters is committed to providing healthcare professionals and their patients with high-quality medications. The team of experts in sterile pharmaceutical manufacturing, repackaging, and pharmacy provides a sophisticated understanding of what it takes to elevate the quality and consistency of supply in outsourcing. Leiters combine with their team of experts, their robust processes and state-of-the-art outsourcing facilities to ensure the highest quality products and services. Leiters believe the most important consumers of their products are patients, and patients have trusted Leiters with their health for nearly a century.

The Department conducted a Request for Proposal which sought to establish a pool of qualified contractors to provide outsourced sterile compounding services and products. Leiters was selected as one of the successful proposers. The Department is in negotiations with the others, and will present those contracts to the Commission if negotiations are successful.

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

Board of Directors

Robin S. Hoke - CEO	Thomas Flynn - Chair
Frank Leo – Board Member	Michael Wasserman – Board Member
Nathan Every - Board Member	Daniel Burgess – Board Member
Brian Morfitt – Board Member	Alex Zission – Board Member

Leiters’ ownership is as follows:

Denver Solutions, LLC is 100% owned by its sole member, Leiters, Inc., a Delaware corporation.

Leiters, Inc. is 100% owned by its sole stockholder, Leiters Holdings, LLC, a Delaware limited liability company.

Board members listed above are the board members of Leiters Holdings, LLC.

Owners of Interests in Leiters Holdings, LLC of 10% or more are:

- Frazier Healthcare VI, LP – 34.98%
- SV Life Sciences Fund Investors – 27.24%
- H.I.G. Bio - Leiters, LLC – 23.42%

There are 8 board members. Board members serve until his/her successor is nominated and elected. There are no vacancies and there are no term limits for members.

Recommendations:

The Department recommends approval of this contract.

Attachment 1

Leiters. Zuckerberg San Francisco General Hospital

Pricing effective 7/1/2019

Item #	NDC #	Item Description	Fill	Container	BUD	Pack Size	Storage Req	Price **In Eaches
70360-001-02	70360-001-02	Avastin 0.1 mL (S-S Repackage) Intravitreal Syringe	0.1 mL	1 mL syringe	90	1	Refrigerate	\$24.80
70360-001-60	70360-001-60	Avastin 0.13 mL (S-S Repackage) Intravitreal Syringe	0.13 mL	1 mL syringe	90	1	Refrigerate	\$24.80
70360-007-35	70360-007-35	Cefuroxime 10 mg/mL in 0.9% Sodium Chloride, Intravitreal Injection	1 mL	2 mL vial	180	1	Freezer Room Temp	\$38.50
70360-080-38	70360-080-38	Cyclo HCl 1%/Trop 1%/Phen HCl 2.5%	1 mL	Dropper Bottle	90	1	Room Temp	\$37.50
70360-080-46	70360-080-46	Cyclo HCl 1%/Trop 1%/Phen HCl 2.5%	5 mL	Dropper Bottle	90	1	Room Temp	\$80.00
70360-080-39	70360-080-39	Cyclo HCl 1%/Trop 1%/Phen HCl 2.5%	10 mL	Dropper Bottle	90	1	Room Temp	\$160.00
70360-058-39	70360-058-39	Edetate Disodium (EDTA) 3% in Sterile Water for Injection	10 mL	Dropper Bottle	180	1	Room Temp	\$177.00
70360-002-35	70360-002-35	Lidocaine HCl 1% / Phenylephrine 1.5% in SWFI Optho Injection	1 mL	2 mL vial	90	1	Room Temp	\$25.40
70360-003-35	70360-003-35	Moxifloxacin 1 mg/mL in Sterile BSS	1 mL	2 mL vial	180	1	Room Temp	\$38.50
70360-077-35	70360-077-35	Moxifloxacin 5 mg/mL in SWFI	1 mL	2 mL vial	180	1	Room Temp	\$22.10
70360-063-43	70360-063-43	Tropicamide 1% / Phenylephrine 2.5%	2mL	11mL dropper bottle	150	1	Room Temp	\$32.50
70360-063-46	70360-063-46	Tropicamide 1% / Phenylephrine 2.5%	5mL	11mL dropper bottle	150	1	Room Temp	\$41.50
70360-063-39	70360-063-39	Tropicamide 1% / Phenylephrine 2.5%	10 mL	11mL dropper bottle	240	1	Room Temp	\$62.50

**Avastin Price includes repackaging fee only and does not include the price for the Avastin vials.

Other Topical Solutions

Item #	NDC #	Item Description	Fill	Container	BUD	Pack Size	Storage Req	Price **In Eaches
70360-012-77	70360-012-77	Cantharidin 0.7% in Acetone / Flexible Collodion Topical Solution 10 mL	10 mL	10 mL Vial	90	1	Room Temp	\$168.00

Hospital

Item #	NDC #	Item Description	Fill	Container	BUD	Pack Size	Storage Req	Price **In Eaches
F3056	71449-015-06	Atropine Sulfate 0.4 mg/mL, 2.5mL in 3mL BD Syringe (IVP, S-S)	2.5 mL	3 mL syringe	180	5	Room Temp	\$10.10
F3047	71449-014-11	Ephedrine Sulfate 10 mg/mL, 5mL in 5mL Syringe (IVP)	5 mL	5 mL syringe	180	5	Room Temp	\$21.00
F3032	71449-010-11	Ephedrine Sulfate 5 mg/mL, 5mL in 5mL BD Syringe, 5-Pack (IVP)	5 mL	5 mL syringe	180	5	Room Temp	\$16.50
F3063	71449-020-15	Epinephrine 100 mcg/mL, 10mL in 10mL BD Syringe (IVP)	10 mL	10 mL syringe	66	5	Room Temp	\$23.00
F3054	71449-013-32	Fentanyl Citrate 50 mcg/mL, 30mL in 35mL Covidien Syringe, 5-Pack (PCA)	30 mL	35 mL PCA syringe	180	5	Room Temp	\$20.50
F3031	71449-009-11	Glycopyrrolate 0.2mg/mL, 5mL in 5mL BD Syringe (IVP)	5 mL	5 mL syringe	180	5	Room Temp	\$24.00
F3061	71449-018-32	Hydromorphone 1 mg/mL, 30mL in 35mL Covidien Syringe (PCA)	30 mL	35 mL syringe	180	5	Room Temp	\$21.00
F3080	71449-068-11	Ketamine 10 mg/ml 5 ml in 5 ml syringe (IVP) - CIII	5 mL	5 mL syringe	120	5	Room Temp	\$6.40
F3073	71449-006-07	Lidocaine 2% PF - 3ml fill 3ml syringe (IVP)	3 mL	3 mL syringe	180	5	Room Temp	\$4.25
F3074	71449-006-11	Lidocaine 2% PF - 5ml fill 5ml syringe (IVP)	5 mL	5 mL syringe	180	5	Room Temp	\$5.00
F3058	71449-016-32	Midazolam HCl 5 mg/mL, 30mL in 35mL Covidien Syringe (PCA; S-S)	30 mL	35 mL syringe	180	5	Room Temp	\$32.50
F3065	71449-022-32	Morphine Sulfate 5mg/mL, 30mL in 35mL Covidien Syringe (PCA)	30 mL	35 mL syringe	180	5	Room Temp	\$16.75
F3027	71449-008-10	Neostigmine Methylsulfate 1 mg/mL, 4mL in 5mL BD Syringe, 5-Pack (IVP)	4 mL	4 mL syringe	120	5	Room Temp	\$19.25
F3028	71449-008-11	Neostigmine Methylsulfate 1 mg/mL, 5mL in 5mL BD Syringe, 5-Pack (IVP)	5 mL	5 mL syringe	120	5	Room Temp	\$20.25
F3002	71449-001-15	Phenylephrine HCl 100 mcg/mL, 10mL in 10mL BD Syringe, 5-Pack (IVP; S-S)	10 mL	10 mL syringe	180	5	Room Temp	\$5.00
F3001	71449-001-11	Phenylephrine HCl 100 mcg/mL, 5mL in 5mL BD Syringe, 5-Pack (IVP;S-S)	5 mL	5 mL syringe	180	5	Room Temp	\$4.35

F3012	71449-004-11	Rocuronium Bromide 10 mg/mL, 5mL in a 5mL BD Syringe, 5-Pack (IVP; S-S)	5 mL	5 mL syringe	90	5	Room Temp	\$9.40
F3016	71449-005-15	Succinylcholine Chloride 20 mg/mL, 10mL in 10mL BD Syringe (IVP)	10 mL	10 mL syringe	90	5	Room Temp	\$23.50
F3014	71449-005-11	Succinylcholine Chloride 20 mg/mL, 5mL in 5mL BD Syringe (IVP)	5 mL	5 mL syringe	90	5	Room Temp	\$16.00
F3015	71449-005-14	Succinylcholine Chloride 20 mg/mL, 7mL in 10mL BD Syringe, 5-Pack (IVP)	7 mL	10 mL syringe	90	5	Room Temp	\$18.50
F3204	71449-027-68	Vancomycin Hcl 1g 250ml Bag Viaflex (Saline) (IVPB; S-S)	250 mL	250 mL viaflex	90	1	Room Temp	\$18.75
F3094	71449-070-31	Ropivacaine HCl 0.2% 20ml fill 60ml syringe (IVP)	60 mL	60 mL syringe	120	5	Room Temp	\$34.00
F3099		Bupivacaine 0.375% Dexamethasone 0.01%, 5-pack	30 mL	35 mL syringe	180	5	Room Temp	\$32.00
F3034		Sodium Bicarbonate 8.4%, 50mL in a 50mL vial	50 mL	50 mL vial	180	10	Room Temp	\$16.00

ON-Q *Prices are fill/service price only.

Item #	NDC #	Item Description	Fill	Container	BUD	Pack Size	Storage Req	Price **In Eaches
K-F9202	71449-079-51	Ropivacaine HCl 0.2% (2 mg/mL) (Injection) 545 mL fill in ON-Q, CB004, 400 ML	550* mL	400 mL pump CB004	90	-	Room Temp	\$135.00
K-F9206	71449-079-55	Ropivacaine HCl 0.2% (2 mg/mL) (Injection) 545 mL fill in ON-Q, CB006, 400ML	550* mL	400 mL pump CB006	90	-	Room Temp	\$135.00
K-F9208	71449-079-57	Ropivacaine HCl 0.2% (2 mg/mL) (Injection) 745 mL fill in ON-Q, CB6004, 600 ML	750* mL	600 mL pump CB6004	90	-	Room Temp	\$175.00
K-F9210	71449-079-59	Ropivacaine HCl 0.2% (2 mg/mL) (Injection) 745 mL fill in ON-Q, CB6007, 600 ML	750* mL	600 mL pump CB6007	90	-	Room Temp	\$175.00

Prices listed are for drug fill service only.

For pricing on the ON-Q* Pain Relief (empty) pumps, please contact your Avanos Medical representative.

* Fill volume +/- 3%; not to exceed 550 mL or 750 mL.

Shipping Charges for ON-Q* will be paid by member

Pricing effective 7/1/2019