

**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> <i>Roland Pickens</i>
Address	<u>711 Park Ave.</u>	DPH Administrator:	<u>Iman Nazeeri-Simmons</u> <i>Iman Nazeeri-Simmons</i>
	<u>Medina, NY 14103</u>	Program Manager:	<u>Max Bunnian</u> Phone <u>206-2371</u>
Contact	<u>Dana Tywoaiak, Territory Manager</u>	Contract Analyst:	<u>Jonathan Lyons</u> Phone <u>554-2886</u>

Request for approval of a 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 509 new IV pumps, in the amount of \$2,631,996 for the lease agreement and estimated \$320,714 for the equipment maintenance agreement, for the terms of December 1, 2015 to November 30, 2020 (60 months).

Profit     Non-Profit     LBE     RFQ – Number: \_\_\_\_\_ Date: \_\_\_\_\_

New     Renewal     Mod     UHC / Novation

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)	12/1/15 – 11/30/20	

*Note: Calculations are based on a 60 month lease commencing on or about December 1, 2015 the lease and maintenance agreement will not exceed 60 months Due to the structure of the leases and potential amortization issues of on-boarding new equipment in the middle of a lease, contingency was only included for equipment maintenance.*

**Funding Sources (Lease):**

General Funds		\$2,631,996	\$2,631,996
<b>TOTAL DPH REVENUES</b>		\$2,631,996	\$2,631,996
12% Contingency Amount		\$0	\$0
<b>CONTRACT TOTAL</b>		\$2,631,996	\$2,631,996

**Funding Sources (Equipment Maintenance):**

General Funds		\$286,360	\$286,360
<b>TOTAL DPH REVENUES</b>		\$286,360	\$286,360
12% Contingency Amount		\$34,364	\$34,364
<b>CONTRACT TOTAL</b>		\$320,714	\$320,714

*ANNUAL AMOUNT OF CONTRACT (estimate; Lease)*

		\$219,333	\$219,333
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*ANNUAL AMOUNT OF CONTRACT (estimate; equipment maintenance)*

		\$57,662	\$57,662
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**Agency Funds**

		-\$0-	-\$0-
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**Contract FTE**

		N/A	N/A
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**PROPOSED:**

<u>Mode(s) of Service &amp; 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>		
<u>Lease</u>	<u>N/A</u>	<u>Unduplicated</u>	<u>60 months</u>	<u>\$43,867/ month</u>
<u>Equipment Maintenance</u>			<u>60 months</u>	<u>\$4,773 / month</u>

**Explanation of Service Change and Variances:**

These are new contracts.

**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:**

The Sigma Spectrum Infusion System interconnects 509 Baxter IV pumps. These agreements will upgrade the existing Infusion pumps – enabling wireless connectivity and linkage to other DPH systems. Additionally, the Department will have the option of virtualizing the existing servers. Virtualization will ensure maximum functionality of the system with future software upgrades from Baxter. The proposed 2 agreements shall run concurrent.

Baxter Healthcare Corporation develops, manufactures, and markets healthcare equipment and instruments. It focuses on critical therapies for life-threatening conditions, specifically with 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 21.43 of the Administrative Code through the Departments membership in the University HealthSystems Consortium and the University HealthSystems Consortium Services Corporation Purchasing Program (Novation) program.

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

<b>Board of Directors</b>	Robert L. Parkinson, Jr.
Thomas F. Chen	Carole J. Shapazian
Uma Chowdhry, Ph.D	Thomas T. Stallkamp
John D. Forsyth	K.J. Storm
James R. Gavin III, M.D., Ph.D	Albert P. L. Stroucken
Peter S. Hellman	
Munib Islam	

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

**Recommendations:**

The Department recommends approval of this contract.