

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

**December 17, 2024**

**FROM**

**ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center**

**SUBJECT**

Agreement with Baxter Healthcare Corporation for Infusion Pump Disposables

**RECOMMENDATION(S)**

Approve Acute Vizient Member **Agreement No. 24-1307**, including non-standard terms, with Baxter Healthcare Corporation to purchase disposable products necessary for the use of infusion pumps, in the contract amount of \$1,901,051, for a contract period of January 1, 2025 through December 31, 2026, automatically renewing for an additional three-year period, unless terminated sooner.

(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 580-6150)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The cost of \$1,901,051 is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future, pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. The cost of \$1,901,051 is for the initial two years of services. Any additional years of service will require amendments to add funds to the Agreement. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2024-25 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

The Acute Vizient Member Agreement (Agreement) with Baxter Healthcare Corporation (Baxter) will allow ARMC to purchase necessary infusion pump disposable products needed to operate and maintain ARMC's fleet of infusion pumps. This will improve patient outcomes and quality of life as medications and/or nutrients can be directly administered into a patient's vein, thus providing for the safety, health and social services needs of county residents.

In an era of drug shortages, where many intravenous therapy (IV) solutions are subject to allocation, it is important to have a supplier who can meet and exceed the needs of ARMC. Baxter tracks past usage history to forecast future allocations of IV solutions when shortages occur. Baxter meets and exceeds this demand by utilizing ARMC's purchase history to ensure that allocations are met.

**Agreement with Baxter Healthcare Corporation for Infusion Pump  
Disposables  
December 17, 2024**

The Agreement is Baxter's supplemental terms to the Supplier Agreement between Baxter and Vizient, Inc. (Vizient). On December 20, 2023, Baxter and Vizient entered into a Supplier Agreement to provide IV pumps, tubing, and solutions. The term of the Supplier Agreement is effective January 1, 2025 to December 31, 2029.

The Agreement includes terms that differ from the standard County contract and omits certain County standard contract terms. While the parties negotiated certain contract terms to County standards, Baxter would not agree to all County standard terms. The non-standard and missing terms include the following:

1. Payment terms are Net 30 days from invoice date with late payment interest of 1.5% per month.
  - County standard payment terms are Net 60 days with no interest or late payment penalties.
  - Potential Impact: Failing to pay within 30 days from the date of invoice may result in a material breach of the Agreement, which could allow Baxter to terminate the Agreement and seek other legal remedies, including charging the County interest at a rate of 1.5% per month, which could exceed the Agreement amount.

ARMC recommends approval of the Agreement with Baxter, including the non-standard terms, to provide for the health and safety of county residents by providing necessary disposables needed to operate the fleet of infusion pumps at ARMC.

**PROCUREMENT**

The Board of Supervisors approved Vizient as the primary Group Purchasing Organization on December 7, 2021 (Item No. 46), for five years, based on the Request for Proposals (RFP) No. AGENCY21-PURC-4090. Vizient negotiates competitive agreements by leveraging the collective buying power of their client base to secure lower pricing than individual entities could achieve alone. Awards are based on RFPs evaluated using the American Bar Model Procurement Code, which is in compliance with County Procurement Policy. Vizient allows ARMC access to an extensive catalog of competitive, pre-negotiated agreements for various medical supplies and services.

After reviewing the options with Vizient, Baxter was selected due to the best pricing, availability of an extensive product catalog, and capacity to sustain ARMC's monthly purchasing volume. Established vendor relationship and purchase history allows Baxter to prioritize ARMC's monthly allocation in case of global product shortages, which will ensure ARMC receives adequate monthly supply quantities. The Purchasing Department supports this competitive procurement based on Vizient Agreement No. IV0151. Agreement No. IV0151, which is valid from January 1, 2025 to December 31, 2029, guaranteeing the lowest rate available and that no rate can be raised more than 3% during the contract period.

The recommended Agreement with Baxter and Vizient will provide an additional discount based on ARMC's monthly purchase volume, adjusted quarterly based on the average of the prior three months.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on December 5, 2024; Purchasing (Veronica Pedace, Buyer III, 387-2464)

**Agreement with Baxter Healthcare Corporation for Infusion Pump  
Disposables  
December 17, 2024**

on December 5, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on December 6, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on December 6, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on December 6, 2024.

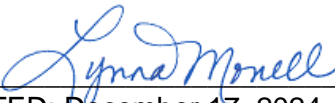
**Agreement with Baxter Healthcare Corporation for Infusion Pump  
Disposables  
December 17, 2024**

Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Curt Hagman Seconded: Joe Baca, Jr.  
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: December 17, 2024



cc: ARMC - Goldfrach w/agree  
Contractor - c/o ARMC w/agree  
File - w/agree  
CCM 12/23/2024