




COUNTY OF SAN MATEO
Inter-Departmental Correspondence

San Mateo Medical Center

DATE: June 13, 2003

BOARD MEETING DATE: June 24, 2003

TO: Honorable Board of Supervisors
FROM: Nancy J. Steiger, Chief Executive Officer 
SUBJECT: Agreement for Pyxis Automated Dispensing System.

Recommendation

Approve a resolution authorizing the President of the Board to execute an agreement with Cardinal Health for a Pyxis Automated Dispensing System.

Background

An automated dispensing system for CII (narcotics) is required for all providers of hospital and clinic services by Joint Commission Accreditation of Healthcare Organizations (JCAHO).

The San Mateo Medical Center currently has eight (8) automated dispensing machines that are being leased from OmniCell on a month-to-month basis since our original contract expired. These dispensing machines are used primarily to dispense narcotic and controlled medication which must be kept secure and accounted for.

Discussion

In February 2003, the lease contract with OmniCell expired and a Request for Proposals (RFP) was sent to three companies. Baxter, Cardinal Health, and OmniCell responded. Selection criteria included the ability to interface with the Pharmacy's inpatient computer system, the ability for cabinet expansion, level of password security, system maintenance, response time for service calls, amount of control of medication to prevent diversion, point of service drug information, and process of resolution of dispensing/inventory discrepancies.

Administration, management, and frontline staff from Nursing, Pharmacy, Information Systems Department (ISD), and Materials Management evaluated the proposals.

The review of proposals and selection recommendation is as follows: Baxter's medication dispensing system is new in the market. Omnicell's proposal is for an upgrade of the current medication dispensing system. Based on cost savings, support and maintenance capability, service program, security and information system interface, and regulatory compliance, Cardinal Health's Pyxis system was selected by the evaluation group.

County Counsel, Risk Management and ISD have reviewed and approved this agreement.

The Pyxis system, regarded as the industry standard, is currently being utilized in hospitals throughout the country. It is an advanced point-of-use system which acts like a gatekeeper and an accountant. This system will improve nursing access to medications and significantly reduce the time necessary to receive first and missing doses. The system also has the ability to collect nurse medication charting information, bringing San Mateo Medical Center one step closer to an electronic medical record. It keeps track of all narcotics in the system and documents when narcotics are removed, virtually eliminating end of shift counts and reducing discrepancies and the overtime necessary in resolving these discrepancies. The system allows immediate access to medications on the nursing units eliminating the need to order them from the Pharmacy. It is a system that is well documented to save nursing up to 120 hours per area, per month, thereby allowing more time to provide improved patient care.

The following table illustrates the negotiated rates for five years:

Rental cost including 8.25% tax	\$386,842
Support and maintenance including 8.25% tax	\$73,133
TOTAL	\$459,975

Vision Alignment

This Contract keeps the commitment to responsive, effective and collaborative government and goal number 20: government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain. The agreement contributes to this commitment by providing an automated dispensing system. An automated dispensing system will improve nursing access to medications, reduce discrepancies and save nursing time, thereby allowing more time to provide improved patient care.

Fiscal Impact

The term of the agreement is July 1, 2003 to December 31, 2009. Contractor will initiate all tasks and installation required, relating to implementation from July 1, 2003. Monthly billing will begin January 1, 2004. The total amount of the contract is \$454,402. Funds are included in San Mateo Medical Center's FY2003-04 Recommended Budget. Funds will be included in future year budget requests.

Exhibit A

1.	General Description of RFP	To provide automated dispensing systems to nursing units at San Mateo Medical Center
2.	List key evaluation criteria	Cost, support and maintenance, service, program, security and information system interface, and regulatory compliance
3.	Where advertised	Not advertised. A list of vendors was provided by the Nursing and Pharmacy managers
4.	In addition to any advertisement, list others to whom RFP was sent	Baxter Corporation Cardinal Health Omniceil, Inc.
5.	Total number sent to prospective proposers	3
6.	Number of proposals received	3
7.	Who evaluated the proposals	Nursing Staff, ISD staff, Hospital Administration, Nursing Administration, Material Management, and Pharmacy Staff
8.	In alphabetical order, names of proposers (or finalists, if applicable) and location	Baxter Healthcare Corporation 105 Cross timbers Trail Coppell, TX 75019 Cardinal Health 3750 Torrey View Ct. San Diego, CA 92130 OmniCell, Inc. 1101 East Meadow Drive Palo Alto, CA 92130