

SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION

Contractor	Omnicell, Inc.	Division/Section	SFDPH/ SFHN^{DS}	
Address	590 E Middlefield Rd.	Deputy Director	Roland Pickens^{DS}	09/29/2022 1:
	Mountain View, CA 94043	DPH Administrator	David Smith	09/28/2022 1:
Contact	Jim Lipkowski	Program Administrator	Michelle Fouts	Phone 628-217-9983
	Health Systems Executive	Contract Analyst	Jonathan Lyens	Phone 415-554-2886
	James.lipkowski@omnicell.com		Lilly Nguyen	Phone 415-554-2832

Request for approval of a new contract with Omnicell, Inc. to buy pharmacy equipment, associated licenses, and support and professional services from the contractor. The total proposed contract amount is \$9,669,563 which does include a 12% contingency for the term of October 1, 2022 through September 30, 2031 (9 years).

Profit Non-Profit LBE RFP-Number: SFGOV-0000006742 Date: 4/13/2021

New Renewal Mod GPO

Number of years DPH has been doing business with this organization: 20+ years

CONTRACT INFORMATION:	Prior Transaction	Proposed Transaction	Annualized Difference*
	<i>See Note*</i>	10/01/22-09/30/31	
Funding Sources:			
General Fund	-\$0-	\$8,5633,538	\$8,5633,538
TOTAL DPH REVENUES	-\$0-	\$8,5633,538	\$8,5633,538
12% Contingency Amount	-\$0-	\$1,036,025	\$1,036,025
CONTRACT TOTAL	-\$0-	\$9,669,563	\$9,669,563
<i>ANNUAL AMOUNT OF CONTRACT (estimate)</i>			
Agency Funds	-\$0-	\$959,282	\$959,282
Contract FTE	N/A	\$0	\$0
		N/A	N/A

Note: The prior contracts consisted of separate agreements for leasing, and equipment maintenance services. The ending value of the lease agreement was \$9,881,201 and the prior maintenance agreement was \$2,169,510. The old equipment, which had reached end of life status, was bought for its Fair Market Value.

PROPOSED:

Mode(s) of Service & Unit of Service Definition	No. Of Clients	No. of Units	Cost
UOS = One Time Purchase amount or Annual Support fee			
	N/A Duplicated		
	N/A Unduplicated		
Equipment purchase - ZSFG	N/A	See page 2	\$4,153,025
Equipment purchase - LHH	N/A	for product mix	\$1,066,166
Equipment maintenance - ZSFG	N/A	7 yrs.	\$1,609,308
Equipment maintenance - LHH	N/A	7 yrs.	\$373,649
Software maintenance – LHH (guaranteed price for 5 years)	N/A	7 yrs.	\$162,546
Software maintenance – ZSFG (guaranteed price for 5 years)	N/A	7 yrs.	\$303,153
Software License – LHH	N/A	One-time fee	\$119,696
Software License - ZSFG	N/A	One-time fee	\$175,280
Software Subscription – LHH	N/A	7 yrs.	\$61,024
Software Subscription – ZSFG	N/A	7 yrs.	\$880,614

Explanation of Service Change and Variances:

This is a new contract.

Monitoring Report/Program Review & Follow-up:

The contract will be monitored in accordance with all applicable Departmental procedures through the San Francisco Health Network Pharmacy Department.

Nondiscrimination and Cultural Competency:

The Contractor will participate in applicable cultural competency requirements.

Other Significant Issues:

Omnicell, Inc. provides medication management, dispensing and storage of pharmaceuticals through highly specialized pharmacy cabinets, packagers, and pharmaceutical carousels. The items are part of an integrated pharmacy automation and management system in use at Zuckerberg San Francisco General Hospital (ZSFG) and Laguna Honda Hospital (LHH) of the San Francisco Health Network. This contract will allow the Department to buy updated automated dispensing cabinets for SFHN pharmacies and associated software licensing and software/equipment. The dispensing cabinets will maximize patient care and use the latest technology to monitor pharmaceutical usage and mitigate diversion.

The project scope will allow for the purchase, implementation, and ongoing support for the following items across the network:

ZSFG XT Cabinets: 69	LHH XT Cabinets: 28
ZSFG Anesthesia Workstations: 8	ZSFG Omnicell One Platform
Jail XT Cabinets: 3	LHH Omnicell One Platform

Additionally, with an 84-month service term, SFHN Pharmacy will maintain service for the majority of the equipment’s lifecycle, while keeping costs predictable.

Omnicell, Inc. (“Omnicell” or the “Company”) is a publicly traded corporation. The Company is incorporated in the state of Delaware. Through the vision of the autonomous pharmacy, a combination of automation, intelligence, and technology-enabled services, powered by a cloud data platform, Omnicell supports more efficient ways to manage medications across all care settings. Healthcare facilities worldwide use Omnicell automation and analytics solutions to help increase operational efficiency, reduce medication errors, deliver actionable intelligence, and improve patient safety

Omnicell, Inc. was selected under the authority of Section 21A.2 of the Administrative Code through the Department’s membership in the Group Purchasing Organization (GPO), Vizient, which was formerly known as University HealthSystems Consortium and the University Health Systems Consortium Services Corporation Purchasing Program (Novation).

Omnicell, Inc. was selected under SFGOV-0000006742. Omnicell, Inc. was the highest ranked proposer. SFGOV-0000006742 was a joint solicitation between the Department of Public Health and the San Francisco Public Works. San Francisco Public Works will be tasked with a separate project for all of the construction services associated with the physical installation of the equipment. All construction services, as applicable, will follow the published structural compliance standards of the California Department of Health Care Access and Information (HCAI), formerly the Office of Statewide Health Planning and Development (OSHPD).

The RFP allows for a contract of up to nine years which includes contract options which may or may not be exercised.

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

Chief Executive Officer, President, Founder: Randall Lipps

Board of Directors

Joanne B. Bauer, Director	Vance B. Moore, Director	Robin G. Seim, Director
Edward P. Bousa, Director	Mark W. Parrish, Director	Bruce D. Smith, Director
James T. Judson, Director	Bruce E. Scott, Director	Sara J. White, Director

The vendor has 9 board members. Board members serve a term of 3 years. There are no vacancies and there are term limits for non-management board members

Owners of 10% or more of the Firm:

Name of Company	Percent of Ownership
BlackRock, Inc.	15.77%
The Vanguard Group, Inc.	10.70%

Recommendation: The Department recommends approval of this contract.