

Notice of Intent to Certify Sole Source

To: Interested Parties

From: Stacy Baldwin
Agency Procurement Officer

Date: October 1, 2015

Re: Sole Source Certification Number SS0006 for disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid

Contact Email Address: solesource@umc.edu

Sole Source Certification Award Details

Regarding UMMC Sole Source Certification Number SS0006 for disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid, please be advised that UMMC intends to award the purchase of disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid to Baxter Healthcare Corporation as the sole source provider of disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid. As additional disposables and Icodextran fluid are procured, these items will be added to the Baxter Healthcare Corporation agreement through November 30, 2018.

UMMC issues this notice in accordance with Mississippi state law, policy, and procedures for sole source procurements.

Sole Source Criteria

1. Where the compatibility of equipment, accessories, or replacement parts is the paramount consideration (and manufacturer is the sole supplier).
2. Where a sole supplier's item is needed for trial use or testing.
3. Where a sole supplier's item is to be required when no other item will service the needs of UMMC.

Schedule

Task	Date
First Advertisement Date	October 1, 2015
Second Advertisement Date	October 8, 2015

Response Deadline from Objectors	October 15, 2015, at 3:00 p.m. Central Time
Notice of Award/No Award Posted	Not before November 19, 2015

Project Details

The University of Mississippi Medical Center seeks to purchase disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid for use in its peritoneal home dialysis program. UMMC currently leases Baxter Home Choice and Baxter Home Choice Pro peritoneal dialysis cycler machines. In addition to the home dialysis program, UMMC also uses the Baxter Home Choice and Baxter Home Choice Pro peritoneal dialysis cycler machines for adult and pediatric inpatients. The disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid are proprietary to Baxter Healthcare Corporation and the only disposables that may be used with Baxter's cyclers.

The Centers for Medical and Medicaid Services (CMS) requires a single supplier per patient and a written agreement with the approved CMS billing supplier on file. UMMC is not allowed to use distributorships for End Stage Renal Disease (ESRD) patients per these CMS Conditions of Coverage. Baxter Healthcare Corporation is an approved CMS Renal Vendor and must directly distribute its products to ESRD patients.

Icodextran is an alternative to regular peritoneal dialysis fluid. Icodextran is needed when peritoneal dialysis patients cannot remove fluid. Icodextran can often help remove the fluid without causing harm to the patients. Icodextran is a patented and unique product to Baxter.

Baxter Healthcare Corporation is the sole manufacturer and exclusive distributor of these products, and they are not available domestically from any other reseller pursuant to CMS rules.

The total estimated amount to be expended for the disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid is \$5,280,807.02. The amount is reasonable based upon historical purchases and projected future patient volume.

UMMC negotiated best possible pricing with Baxter Healthcare Corporation. All applicable discounts were explored and applied.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid should not be certified as a sole source should provide information in the following format for the State to use in determining whether or not to proceed with awarding the sole source to Baxter Healthcare Corporation.

1.1 Interested Party Information

- 1.1.1 Company Name and Address
- 1.1.2 Contact Name, Phone Number, and Email Address
- 1.1.3 Company Website URL, if applicable
- 1.2 Objection to Sole Source Certification
 - 1.2.1 Interested parties must present specific objections to the sole source certification, including, but not limited to, the following:
 - 1.2.1.1 A detailed explanation of why Interested Party believes disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid is not a sole source procurement.
 - 1.2.1.2 If Interested Party claims a comparable product exists, the objection must contain:
 - 1.2.1.2.1 A description of the commodity that Interested Party believes is comparable to disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid;
 - 1.2.1.2.2 An explanation of why Interested Party's commodity can also meet the needs of the agency; and
 - 1.2.1.2.3 A list of sources from which Interested Party's commodity may be procured.
 - 1.2.1.3 If Interested Party claims that disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid is available from a source other than Baxter Healthcare Corporation, the objection must contain:
 - 1.2.1.3.1 A written statement from Baxter Healthcare Corporation that Interested Party is an authorized distributor or reseller of disposables used with Baxter peritoneal dialysis cyclers and Icodextran fluid.
 - 1.2.1.4 A statement regarding the Interested Party's capabilities as related to this sole source certification.
- 1.3 Objections must include the certification in Attachment B.
- 1.4 Comments will be accepted at any time prior to Thursday, September 24, 2015, at 3:00 p.m. (Central Time) to solesource@umc.edu. Responses may be delivered via email to solesource@umc.edu. UMMC WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach UMMC on time. Responses received after

the deadline and responses that lack all required information will be rejected. UMMC reserves the right to inspect Interested Party's commodity for comparison purposes.

If you have any questions concerning the information above or if we can be of further assistance, please contact solesource@umc.edu.

Attachment A: Vendor Correspondence

Attachment B: Objection Certification



Baxter Healthcare Corporation
Renal Division
William Graham Building 1-2N
25212 West Illinois Route 120
Round Lake, Illinois 60073
Fax: 224-270-3881

September 14, 2015

Attn: Blakeney E. Smith, MHS
Senior Contract Administrator
University of Mississippi Health Care
2500 N. State Street
Jackson, Mississippi 39216

RE: Proprietary PD Products

Dear Sir/Madam:

Per your request this letter serves as confirmation that Baxter Healthcare Corporation is the sole source manufacturer and distributor in the United States for the following products: Extraneal (Icodextrin) and the Homechoice disposables. The preceding disposable products are proprietary to Baxter cyclers and not available through distributors or resellers.

Please contact your account executive if you need additional assistance.

Sincerely,

A handwritten signature in black ink that reads "Peggy Lynch".

Peggy Lynch
Business Operations Analyst
Medical Products-Renal

Attachment B

**SUBMITTED IN RESPONSE TO
Sole Source Certification No. SS0007
Accepted until October 15, 2015, at 3:00 p.m.**

I certify that the information contained in this objection is true and accurate to the best of my knowledge. I understand that UMMC will investigate all statements made in this objection and that any false or misleading information provided may result in adverse action.

Objector Name
Objector's title

Date