

STATE OF ILLINOIS)
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 COUNTY OF LAKE)

COUNTY BOARD, LAKE COUNTY, ILLINOIS

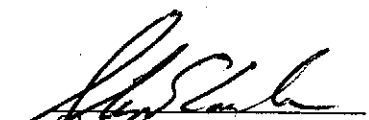
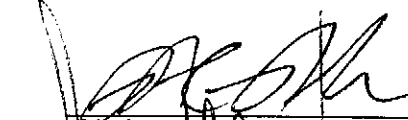
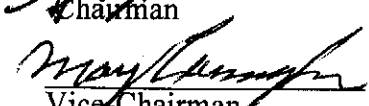
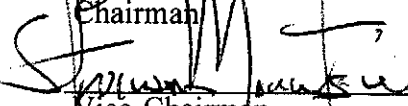
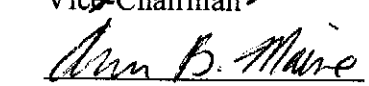
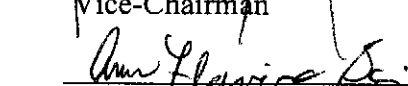

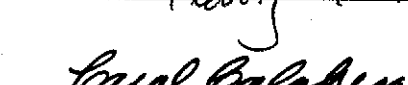
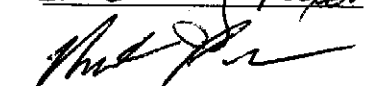
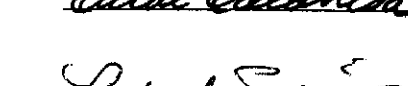
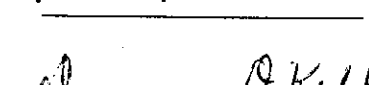
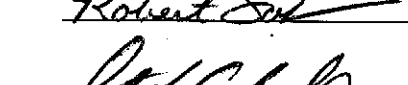
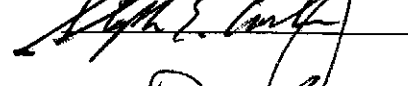
ADJOURNED REGULAR SEPTEMBER A.D., 2004 SESSION

APRIL 12, A.D., 2005

MADAM CHAIRMAN AND MEMBERS OF THE COUNTY BOARD:

Your Health and Human Services Committee and Financial and Administrative Committee present herewith a Joint Resolution awarding a contract to Omnicare, Inc., Des Plaines, Illinois, in the estimated annual amount of \$190,361 for pharmacy and related services for Lake County Winchester House, charging the costs thereof to account #218-4100010-62040-000-000-000-00000 for two years, plus renewals; and request its adoption.

Respectfully submitted,

 Chairman	Aye <input checked="" type="checkbox"/>	Nay <input type="checkbox"/>	 Chairman	Aye <input checked="" type="checkbox"/>	Nay <input type="checkbox"/>
 Vice-Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	 Vice-Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Ann B. Marie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	 Ann Flawige De	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Dorothy Ripon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	 Carol Calahan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Phil De	<input checked="" type="checkbox"/>	<input type="checkbox"/>	 Robert S...	<input type="checkbox"/>	<input checked="" type="checkbox"/>
 Deana O'Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	 Lyle E. ...	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Health & Human Services Committee	<input type="checkbox"/>	<input type="checkbox"/>	 Financial & Administrative Committee	<input checked="" type="checkbox"/>	<input type="checkbox"/>

RESOLUTION

WHEREAS, in accordance with Section 5-102 of the Lake County, Purchasing Ordinance, Request for Proposal #24208 were called for by publication for pharmacy and related services for Lake County Winchester House; and

WHEREAS, sealed proposals were received and opened from four (4) vendors in the County Building, Waukegan, Illinois, on Thursday, December 21, 2004, at 2:00 p.m.; and

WHEREAS, the Selection Review Committee held interviews with the four (4) firms; and

WHEREAS, in accordance with the Evaluation Criteria as established in the Request for Proposal and the interview, the Selection Review Committee has determined that the proposal submitted by Omnicare Inc., Des Plaines, Illinois, is the most favorable proposal for Lake County;

NOW, THEREFORE, BE IT RESOLVED, by this County Board of Lake County, Illinois, that the Director of Central Services is hereby directed to enter into a contract with Omnicare Inc., Des Plaines, Illinois, in the estimated annual amount of \$190,361 for pharmacy and related services for Lake County Winchester House, charging the costs thereof to account 218-4100010-62040-000-000-000000; and request its adoption

DATED, at WAUKEGAN, LAKE COUNTY, ILLINOIS, on this 12th day of April, A.D., 2005.

**AGREEMENT # 24208 FOR PHARMACY AND RELATED SERVICES
FOR LAKE COUNTY
WINCHESTER HOUSE**

This AGREEMENT is entered into by and between Lake County (hereafter the "County") and Omnicare of Northern, Illinois, 2313 S. Mount Prospect Road, Des Plaines, IL 60018, (hereafter "Contractor").

RECITALS

WHEREAS, the County is seeking a provider for Pharmacy and Related Services for the Lake County Skilled Care Nursing Home; and;

WHEREAS, Contractor has the ability to provide Pharmacy and related services as defined in the Agreement Documents; and

WHEREAS, the Director of Central Services and the selection committee have determined that the Proposal submitted by Contractor on November 29, 2004, is the most advantageous proposal received, and best serves the interests of Lake County, and;

WHEREAS, the Lake County Board passed a resolution at its regular meeting on April 12, 2005;

NOW THEREFORE, the County and the Contractor agree as follows:

SECTION 1. AGREEMENT DOCUMENTS

The AGREEMENT Documents that constitute the entire agreement between the County and the Contractor are:

- A. This AGREEMENT
- B. Request for Proposals (RFP) Number 24208 dated November 2004
- C. Contractor's Response to Request for Proposals Number 24208 dated December 13, 2004

In the event of conflict between or among the above Documents, the Documents listed above are in order of precedence.

SECTION 2. SCOPE OF WORK

The Contractor shall provide Pharmacy and Consulting Services including but not limited to the following:

1. Scope of Services:

- The Contractor shall provide all prescription and non-prescription items ordered by Winchester House.
- The Contractor shall provide all medication administration, treatment and re-certification records.
- The Contractor shall be responsible to interface their computerized Pharmacy system with the Winchester House software system.
- Contractor agrees to provide infusion therapies, including but not limited to the following: Parenteral Nutrition (PN), Parenteral Antibiotic Therapy (PAT), Chemotherapy (CH), Pain Management (PM), Parenteral Anticoagulant Therapy (AT), Hydration Therapy (HT), Line Maintenance (LM) and additional therapies as may be available.
- The Contractor shall be responsible for the transportation and provisions of all necessary equipment and supplies used in the administration of infusion therapies to residents of Winchester House and provide related pharmacy compounding and related clinical support services. The Contractor shall provide compounded sterile intravenous admixtures (compounded solutions) and infusion supplies to the residents receiving these therapies.
- The Contractor shall maintain an inventory on-site, monitor its status on a monthly basis and order more supplies to maintain the levels of stock desired by Winchester House. Contractor is required to have an IV pump on-site inventory at all times.

SECTION 3. CONSULTING AND RELATED SERVICES

- The Contractor shall provide consultant Pharmacist and Nursing services, including information on “best practices”.
- The Contractor shall provide monthly on-site in-service and continuing education for the facility staff with relation to the implementation and continued use of the pharmacy services.
- The Contractor shall advise the facility of regulations and changes that would affect the facility and its residents.
- The Contractor will monitor residents' profiles on a continuing and on-going basis.
- The Contractor shall perform thorough on-site chart reviews on all patients at least every thirty (30) days.
- The Contractor shall review and monitor all drugs, prescription and over-the-counter for:
 - whether orders are current and complete
 - whether telephone order procedure is satisfactory
 - whether stop order procedure is being observed
 - whether therapy is rational and consistent with diagnosis
 - identify over or under utilization of medications, and any drug or therapeutic duplication
 - monitor procedures for administration and recording of administration of drugs to insure that they are given at the proper times and that proper completion of the Medication Administration Record is performed
 - monitor integration of laboratory data and nursing staff input into drug therapy assessment
 - identify potential adverse drug reactions and monitor residents response to drug therapy
 - provide recommendations for improving the resident's drug therapy
 - review behavior monitoring documentation and need for testing
 - provide documentation of all irregularities in physician recommendations
- The Contractor shall provide a signed and dated Resident Review form along with recommendations.
- The Contractor shall contact physicians with any areas that require a physician order.
- The Contractor shall regularly inspect the nurse's stations and medication dispensing equipment.
- The Contractor shall regularly perform medication pass inspections.
- The Contractor shall provide a comprehensive Quality Assurance Program and shall participate in the Winchester House Quality Assurance Program.

SECTION 4. STAFFING

The Contractor will consider for hire all existing staff, contingent upon current staff's ability to meet the Contractors' qualifications.

The Contractor shall have a minimum of three (3) Illinois licensed, registered Pharmacists on staff and available for the administration of this agreement. The Contractor shall provide a monthly list of staffing levels and the employee schedule to Lake County. Lake County shall be notified of position vacancies and of the Contractor's actions taken to immediately compensate for the vacancy. Lake County shall perform a criminal background check on all employees that interact with the County. The Contractor shall provide the County with seven (7) day advance information of names and birth dates of all employees assigned to work under this agreement. The County shall be notified prior to any changes of personnel. The Contractor shall also provide names and information of any and all substitute workers, which may be used to perform work under this agreement for approval in advance.

SECTION 5. MEDICATIONS AND THERAPIES

- a. The Contractor is responsible to provide all prescription and over-the-counter medications and infusion therapies needed to serve resident needs, 24 hours per day, 7 days per week, 365 days per year with at least daily delivery.
- b. Medication shall be provided in FDA approved packages that are air tight, moisture resistant, tamper resistant and tamper evident.
- c. The Contractor shall provide medication in a pre-packaged unit dose dispensing system, with a bar code system for inventory to assure restocking on time.
- d. Emergency and delivery for new residents must be available within 4 hours at no additional cost.
- e. The Contractor shall interface with physicians and service providers as may be necessary to carry out their contract responsibilities.
- f. The Contractor shall provide customized Emergency and Convenience boxes of commonly used and emergency medications for immediate availability at no additional cost
- g. The Contractor shall electronically track orders to assure drugs are delivered to the right person

SECTION 6. EQUIPMENT AND SUPPLIES

- The Contractor shall provide and maintain all medical equipment needed to house, dispense, and track all medications including medication carts, treatment carts, pill crushers, medex's and medex inserts as-needed.
- The Contractor shall provide and maintain dedicated communication equipment (fax machine, PC, etc) and related supplies and accessories, including software and connections.
- The Contractor shall provide supplies, equipment and records necessary to perform services, including on-site weekly destruction of all discontinued medications.

SECTION 7. BILLING

- The Contractor shall provide split billing that reflects charges to Lake County only for medications used during a resident's Medicare Part A stay.
- The Contractor shall be responsible to bill directly for Medicaid, Insurance, Private Pay, Medicare Part B, and V.A.
- The Contractor shall bill Lake County for Medicare pharmacy services provided. All pharmacy bills submitted to Lake County shall be at the Medicaid Rate, and the Contractor shall provide supporting documentation of conformance with the Medicaid Rates with their bills. Under no circumstances shall the Contractor submit charges that exceed the usual and customary charges. Returned medications shall be credited in full on the next billing statement.
- No other fees shall be charged to Winchester House and Winchester House shall not assume any liability for unpaid resident fees for any reason whatsoever.
- The Contractor agrees to be responsible to notify the Illinois Department of Public Aid regarding the transition in billing to ensure that the County shall receive reimbursement from Public Aid for pharmacy services provided by the County to Winchester House residents prior to the change in services.
- The Contractor agrees not to bill Winchester House for Public Aid pending residents. If residents are not accepted, Contractor agrees to bill the family or resident. Winchester House will not financially be responsible for resident's denied Medicaid.

SECTION 8. INVENTORY

The Contractor shall be responsible to purchase the existing Winchester House inventory of medications, carts, IV Pumps and pharmacy equipment. A list of items is provided on the Price Sheet and proposers shall indicate the unit price to be paid to Lake County for each item. An exact inventory will be conducted and payment assessed based upon the unit prices bid at the time of transition.

SECTION 9. CONTRACT PERIOD

This contract shall be in effect for a two (2) year period commencing upon notice after execution of the contract. Lake County reserves the right to renew this contract for three (3) additional one (1) year period(s), subject to acceptable performance by the contractor. At the end of any contract term, Lake County reserves the right to extend this contract for a period of sixty (60) days for the purpose of getting a new contract in place. For any year beyond the initial year, this contract is contingent on the appropriation of sufficient funds; no charges shall be assessed for failure of the County to appropriate funds in future contract years.

SECTION 10. PURCHASE ORDERS, INVOICES AND PAYMENTS

Lake will issue a PO for the work covered by this Agreement. The Contractor shall submit monthly invoice(s) detailing the services provided in accordance with the payment provisions of this agreement. Payment shall be made in accordance with the Local Government Prompt Payment Act.

SECTION 11. TERMINATION

The County reserves the right to terminate this contract, or any part of this contract, upon thirty (30) days written notice. In case of such termination, the Contractor shall be entitled to receive payment from the County for work completed to the termination date in accordance with the terms and conditions of this contract. In the event that this Contract is terminated due to Contractor's default, the County shall be entitled to purchase substitute items and/or services elsewhere and charge the Contractor with any or all losses incurred, including attorney's fees and expenses.

SECTION 12. NON-DISCRIMINATION

Contractor shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., as amended and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity

Clause, Illinois Administrative Code, Title 44, Part 750 (Appendix A), which is incorporated herein by reference. Furthermore, the Vendor shall comply the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 et seq., as amended.

SECTION 13. CONTRACT CLAIMS

Any controversy or claims arising out of or related to this Agreement shall be submitted to the Lake County Director of Central Services in accordance with applicable provisions of Article 9 – Appeals and Remedies of the Lake County Purchasing Ordinance.

SECTION 14. HOLD HARMLESS CLAUSE

The Contractor agrees to indemnify, save harmless and defend Lake County, its agents, servants, and employees, and each of them against and hold it and them harmless from any and all lawsuits, claims, demands, liabilities, losses and expenses, including court costs and attorney's fees, for or on account of any injury to any person, or any death at any time resulting from such injury, or any damage to property, which may arise or which may be alleged to have arisen out of or in connection with the work covered by this contract. The foregoing indemnity shall apply except if such injury, death or damage is caused directly by the willful and wanton conduct of Lake County, its agents, servants, or employees or any other person indemnified hereunder.

SECTION 15. INSURANCE

The Contractor must obtain, for the Contract term and any extension of it, insurance issued by a company or companies qualified to do business in the State of Illinois and provide the County with evidence of insurance. Insurance in the following types and amounts is necessary:

- **Worker's Compensation Insurance** covering all liability of the Contractor arising under the Worker's Compensation Act and Worker's Occupational Disease Act at statutory limits.
- **Professional Liability** in a broad form, to include, but not be limited to, coverage for the following where exposure exists: Medical Malpractice, limits of liability not less than:

General Aggregate Limit	\$ 5,000,000
Each Occurrence Limit	\$ 2,000,000
- **Comprehensive General (Public) Liability** in a broad form, to include coverage for the following where exposure exists: Premises/Operations, Independent Contractors, Products/Completed Operations, Personal Injury and Contractual Liability, limits of liability not less than:

Personal Injury:	\$ 1,000,000 each occurrence
Property Damage:	\$ 1,000,000 each occurrence

Contractor agrees that with respect to the above required insurance, Lake County shall:
Be named as additional insured by **endorsement** as their interest may appear;
Be provided with thirty (30) days notice, in writing, of cancellation or material change;

Be provided with Certificates of Insurance evidencing the above required insurance, prior to commencement of this Contract and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least fifteen (15) days prior to the expiration of cancellation of any such policies. Forward Notices and Certificates of Insurance to: Lake County Central Services Department, 18 N. County St, Waukegan, IL 60085-4350.

SECTION 16. AUDITS

Audit of Contract Costs. The County may at reasonable times and places, audit the books and records of any contractor to the extent that such books, documents, papers, and records are pertinent to a County contract. Any

person who receives a contract, shall maintain such books, documents, papers, and records that are pertinent to the contract costs for three years from the date of final payment under the contract.

Contract Audit. The County shall be entitled to audit the books and records of a contractor or a subcontractor at any tier under any negotiated contract or subcontract other than a firm fixed price contract to the extent that such books, documents, papers, and records are pertinent to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor or subcontractor for a period of three years from the date of final payment.

SECTION 17. REPORTS

The Contractor will provide detail reports to Winchester House by the 4th working day of the following month. Information in the format and as scheduled will be determined by Lake County. Reports shall include, at a minimum, the following:

- Resident demographic information
- Prescription data - sorted in various ways
- Occupational, speech, and physical therapy
- Physicians orders
- Diagnosis
- Restraints
- Admission/discharge
- Code Status
- Restraint Reports
- Allergies
- Diet
- Payor status
- Activities
- Lab orders
- Psychotropic Use

SECTION 18. AGREEMENT PRICE

The County shall pay the Contractor \$1.50 per bed consultant fee and \$33.75 per bed per month for Medicare Part A receipts, inclusive of all services, supplies and medication.

Upon receipt of the signed agreement, the Contractor shall pay to Lake County the amount of \$230,000.00 for inventory.

SECTION 19. DELIVERY SCHEDULE

The Contractor will delivery to Winchester House as approved by Lake County three times per day Monday thru Saturday and two deliveries on Sunday.

SECTION 20. INVOICES AND PAYMENTS

The Contractor shall submit invoice (s) detailing the services provided in accordance with the payment provisions of this contract. Payment shall be made in accordance with the Local Government Prompt Payment Act.

SECTION 21. TERMINATION

The County reserves the right to terminate this contract, or any part of this contract, upon thirty (30) days written notice. The Contractor reserves the right to terminate this contract, or any part of this contract, upon one hundred-fifty (150) days written notice. In case of such termination, Contractor shall be entitled to receive payment from the County for work completed to date in accordance with terms and conditions of this contract. In the event that this Contract is terminated due to Contractor's default, the County shall be entitled to purchase substitute items and/or services elsewhere and charge Contractor with any or all losses incurred, including attorney's fees and expenses.

SECTION 22. INDEPENDENT CONTRACTOR

The Contractor is an independent contractor and no employee or agent of Contractor shall be deemed for any reason to be an employee or agent of the County.

SECTION 23. ASSIGNMENT

Neither Contractor nor the County shall assign any duties of performance under this AGREEMENT without the express prior written consent of the other.

SECTION 24. MODIFICATION

This AGREEMENT may be amended or supplemented only by an instrument in writing executed by both parties.

SECTION 25. NO IMPLIED WAIVERS

The failure of either party at any time to require performance by the other party of any provision of this AGREEMENT shall not affect in any way the full right to require such performance at any time thereafter. Nor shall the waiver by either party of a breach of any provision of this AGREEMENT be taken or held to be a waiver of the provision itself.

SECTION 26. SEVERABILITY

If any part of this AGREEMENT shall be held to be invalid for any reason, the remainder of this AGREEMENT shall be valid to the fullest extent permitted by law.

SECTION 27. JURISDICTION, VENUE, CHOICE OF LAW

This contract shall be governed by and construed according to the laws of the State of Illinois. Jurisdiction and venue shall be exclusively found in the 19th Judicial Circuit Court, State of Illinois.

SECTION 28. CHANGE IN STATUS

The Contractor shall notify the County immediately of any change in its status resulting from any of the following: (a) vendor is acquired by another party; (b) vendor becomes insolvent; (c) vendor, voluntary or by operation law, becomes subject to the provisions of any chapter of the Bankruptcy Act; (d) vendor ceases to conduct its operations in normal course of business. The County shall have the option to terminate this AGREEMENT with Contractor immediately on written notice based on any such change in status.

SECTION 29. PRICE ESCALATION

Prices throughout the initial term of the contract shall remain firm/fixed for the first one (1) year period. Written requests for price revisions after the first (1) year period shall be submitted ninety (90) days prior to the end of the year to Lake County Central Services. Requests must be based upon and include documentation of the actual change in the cost of the components involved in the contract and shall not include management fee. Requests for increases in the fee components must be based upon and include documentation of the actual change in the cost of the components and shall not include overhead, or profit or the percentage increase in the U.S. Average Consumer Price Index for the Midwest Region-Medical Care, whichever is less. Surcharges for fuel and/or other costs shall not be allowed other than in accordance with the Escalator Provision as stated herein. The County reserves the right to reject any price increase and terminate the contract in accordance with Section 19 herein.

SECTION 30. NOTICES

All notices to the County shall be addressed to Lake County Central Services, 18 N County St, Waukegan, IL, 60085-4350 and all notices to Omnicare of Northern Illinois, 2313 S. Mount Prospect Road, Des Plaines, IL 60018, Attn: Carl Skrabacz, CEO.

SECTION 31. EXCUSED PERFORMANCE

In case performance of any terms or provisions hereof shall be delayed or prevented because of compliance within any law, decree or order of any governmental agency or authority of local, State or Federal governments or because of fires, floods, Acts of God whose performance is interfered with and which, by the exercise of reasonable diligence, said party is unable to prevent; the party so suffering may, at its option, suspend, without liability, the performance of its obligations hereunder during the period such cause continues. The Contractor services shall continue pursuant to contract requirements as long as the County provides a safe and secure environment, as determined by the County, in which to perform.

IN WITNESS WHEREOF, the undersigned have caused this AGREEMENT to be executed in their respective names on the dates hereinafter enumerated.

LAKE COUNTY:

OMNICARE OF NORTHERN ILLINOIS:

JONI F. YOUNG, C.P.M.
Director of Central Services

Carl F. Skrabacz
Chief Executive Officer

Date _____

Date _____