



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health Dept.
Department No.: 041
For Agenda Of: July 05, 2011
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Takashi Wada, MD, MPH, Director and Health Officer, Public
Director(s) Health Department
Contact Info: Debra Palacio, Public Health Laboratory Director

SUBJECT: Cepheid Bid Waiver Request

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Purchasing

As to form: Yes

Recommended Actions:

- a) Authorize the Purchasing Manager to issue a purchase order with Cepheid for the purchase of a GeneXpert System instrument in an amount not to exceed \$79,797 for Fiscal Year 2011-12 without a competitive bid. The vendor is not a local vendor.
- b) Approve a Budget Revision Request BJE 0001567 in the amount of \$79,797 to fund the purchase of the GeneXpert System (in item A above) for FY 2011-12.

Summary Text:

Approval of this request will enable the Public Health Laboratory to deliver a fast, accurate and easy-to-use diagnostic test that detects the major influenza strains in circulation. The Xpert Flu test which runs on the GeneXpert System, empowers our laboratory to have a molecular influenza test to physicians 24 hours a day. In a situation such as a pandemic influenza, increased testing timeliness facilitates timely interventions to maintain the health and safety of our community. This new system offers tests for conditions in addition to influenza where timely knowledge of patient resistance to a particular treatment is critical. Accurate testing results in shortened time frames result in timely treatment and better patient outcomes. Cepheid is the sole source for this new technology in the form of the GeneXpert System.

County Code Section 2-39 states that the Purchasing Agent is obliged to purchase all materials, supplies, furnishings and equipment by using a formal competitive bidding process, unless the Board of Supervisors has waived competition under a particular set of circumstances. Due to "limitations in source or supply" pursuant to County Code Section 2-39, Public Health Department (PHD) is requesting your Board waive the requirement for a competitive bid for the purchase of a laboratory instrument. The

County Purchasing Department recommends that bid waiver requests be made for each applicable fiscal year. This bid waiver request is for FY 2011-12 which includes the purchase of the instrument under full warranty until June 30, 2012 at which time, PHD will enter into a service agreement for preventative maintenance for the instrument.

Background: Funding for this instrument is provided by Public Health Emergency Response (PHER) grant money which supports the purchase of this instrument in preparation for another pandemic influenza.

The new Cepheid instrument will provide shorter turnaround times for test results in many areas including:

- Influenza A and B (Sub typing)
- Mycobacterium tuberculosis complex rRNA
- Methicillin-resistant *Staphylococcus aureus* (MRSA)
- *Clostridium difficile* (*C. difficile*)

The easy to use molecular influenza test can assist clinicians in making real-time medical decisions that can significantly improve patient management. With tuberculosis, the real-time system can detect the presence of resistance to rifampicin within the same day a specimen is received instead of approximately two weeks for alternative testing methods. MRSA is a bacterial infection that is highly resistant to some antibiotics. With the GeneXpert System test results, selection of the most effective antibiotics for MRSA is better defined early in the course of treatment. *C. difficile* is a bacteria that can cause symptoms ranging from diarrhea to life-threatening inflammation of the colon. Testing results guide the selection of a antibiotic treatment. In each of these tests, the GeneXpert System provides a time efficient manner to receive critical information to meet patient health needs.

Cepheid is developing new tests on the GeneXpert System and has many slated for wide use in the next few years. An increase in the types of testing available on this instrument is expected to provide timely information on a range of health conditions.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding for this bid waiver request and the related appropriations in an amount not to exceed \$79,797.00 comes from the Public Health Emergency Response (PHER) Extension Grant. For the Fiscal Year 2011-12 budget, a Budget Revision Request is attached to establish budget with a fixed asset line item.

This action will not result in the need for any additional facilities. There are no staffing impacts as a result of this action.

Attachments

BJE 0001567

Special Instructions:

Please return an electronic copy of the Minute Order to PHD Contracts Unit at PHDcu@sbcphd.org and one copy of the minute order to Purchasing, Attn: Gloria Ness.

Authored by:

Rose Davis, Contracts Unit Manager, Administration Division 681-5107