

SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

Agenda Number:
Prepared on: 12/19/05
Department Name: Public Health
Department No.: 041
Agenda Date: 1/3/06
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Elliot Schulman, MD, MPH, Director and Health Officer
Public Health Department

STAFF CONTACT: Gabriele Brown, Clinical Laboratory Supervisor
681-5381

SUBJECT: Bid Waiver for Purchase of LH 500 Hematology System for the Santa Barbara County Clinical Laboratory.

Recommendation(s):

That the Board of Supervisors:

Approve a waiver of the competitive bid requirement and authorize the Purchasing Manager to enter into an agreement with Beckman Coulter, Inc. (not a local vendor) for the LH 500 Hematology System in the amount of \$79,627.25 that includes installation, training and tax for the Santa Barbara County Clinical Laboratory.

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

Pursuant to County Code Section 2-39, the Public Health Department (PHD) Clinical Laboratory program, is requesting your Board to waive the requirement for a competitive bid for purchase of the LH 500 Beckman Coulter Hematology System with the approximate cost of \$79,627.25.

The LH 500 Hematology System is an instrument that counts blood cells and differentiates the cells into diagnostic categories. The lease of the current Beckman Coulter Hematology System, the HmX, expired in July of 2005. PHD is requesting the purchase of a new hematology system from Beckman Coulter, Inc., rather than a competitor, for the following reasons:

- The Beckman Coulter LH Hematology System is also the choice of the Cottage Hospital Laboratory and the Sansum Santa Barbara Medical Foundation Clinic Laboratory. Although these laboratories have the larger capacity LH Hematology Systems, the technology is the same. Using the LH

technology, the PHD patients in our community will be getting uniform test results when they obtain laboratory services whether they are seen in PHD clinics or at Cottage Hospital.

- Beckman Coulter, Inc. offers a mid size instrument, the LH 500 Hematology System, which has reticulocyte counting capability, which competitors of like size instruments do not have. The competitors' larger instruments are priced at least \$10,000 more than the desired instrument.
- Public Health Department Clinical Laboratory has been satisfied with Beckman Coulter, Inc. The instrumentation is reliable and the company has a history of providing excellent service. When instrument problems occur, service for repair is delivered the same day.
- Beckman Coulter, Inc. manufactures its own reagents and will waive annual price increases when a Beckman Coulter, Inc. reagents and consumables agreement is signed.

Mandates and Service Levels:

The provision of laboratory testing is consistent with the County's responsibility of providing medical care to the indigent persons of our county (Welfare & Institutions Code § 17000). Utilizing the LH 500 hematology system allows the PHD to provide laboratory services consistent with those provided in the community.

Fiscal and Facilities Impacts:

There is no general fund impact with the approval of this bid waiver. The funds for the purchase of this equipment have been made available from a prior budget revision request approved by your Board on 12/06/05. That budget revision both released designated funds from the Public Health Department Special Revenue fund in the amount of \$66,500 and reallocated \$13,500 from existing budgeted appropriation for lease and maintenance costs for a total of \$80,000 to cover the capital purchase costs of this equipment.

Although there is a capital outlay for this equipment, it will yield cumulative savings over five years of approximately \$15,000, as the on-going costs to operate it are far more affordable than the old instrument.

There is no facilities impact.

Special Instructions: Please send one copy of the Minute Order to the Purchasing Manager and one copy of the Minute Order to PHD Contracts Unit, 300 N. San Antonio Road, Bldg. 8; Santa Barbara, CA 93110
ATTN: Dawn McGrew (805) 681-5205.

Concurrence: Purchasing