



**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
Department No.: 041
For Agenda Of: 1/9/07
Placement: Administrative
Estimate Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director Elliot Schulman, MD, MPH, Director and Health Officer
Contact Info: Michele Mickiewicz, Deputy Director of Administration
Public Health Department

SUBJECT: Purchasing Bid Waivers Request

County Counsel Concurrence:

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Other Concurrence: Purchasing

Yes No N/A

Recommended Action(s):

That the Board of Supervisors:

Authorize the Purchasing Manager to issue the listed purchase orders for pharmaceuticals, and laboratory and medical supplies, totaling \$6,981,000 for each Fiscal Year 2006-2007, 2007-2008, and 2008-2009 without a competitive bid. All vendors are not local vendors except for Hardy Media which is a local vendor.

Vendor	Product	Contract #	Amount
Amerisource Bergen Drug Corp.	Pharmaceuticals	CN04350	\$6,300,000
Becton-Dickenson Company	Laboratory Supplies	BL00175	107,000
Bio Rad Laboratories	Laboratory Supplies	BL00189	65,000
Fisher Healthcare	Laboratory Supplies	CN04357	173,000
Gen Probe	Laboratory Supplies	BL00456	43,000
Hardy Media	Laboratory Supplies	CN04342	38,000
Idexx Laboratories	Laboratory Supplies	BL00552	30,000
Pfizer Pharmaceuticals	Pharmaceuticals	CN04347	138,000
Roche Diagnostics Corp.	Laboratory Supplies	BL00906	87,000

Total \$6,981,000

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Summary:

The Public Health Department contracts with specific vendors for pharmaceutical, and laboratory and radiology supplies. Your Board is requested to waive the bid process and approve the purchase contract for the following products and vendors.

Pharmaceuticals:

- AmerisourceBergen Drug Corporation. As a Federally Qualified Health Center (FQHC), the Public Health Department enjoys “Public Health Service” (PHS) pricing as a result of the Veteran’s Act of 1992 (Public Law 102-585). The act requires manufacturers who sell drugs to FQHC to charge a price for covered outpatient drugs that does not exceed an amount determined by statutory formula. The AmerisourceBergen Drug Corporation is the primary vendor for the federal government for this program. As a participant in the PHS pricing, the Public Health Department contracts with AmerisourceBergen to act as a wholesale distributor.
- Pfizer Pharmaceuticals. In prior years Depo Provera was a sole source item (no generic available) however, just this year, a generic did become available, but the generic is \$15 more per injection. We will go out to bid when it is found that a generic has become competitive.

Laboratory and Radiology Supplies

- The Public Health Department (PHD) utilizes Becton Dickinson Company instruments for tuberculosis and chlamydia/gonorrhea testing. The laboratory reagents and test kits for these instruments must be purchased from Becton Dickinson Company.
- PHD utilizes Bio Rad Laboratories equipment required to perform HIV and Hepatitis antibody testing and diabetes testing. As above, laboratory reagents for the equipment must be provided through the provider of the instruments.
- Fisher HealthCare is the vendor of reagents for the Olympus Chemistry Analyzer in the Clinical Laboratory. Phlebotomy and processing supplies are obtained with a manufacturer’s rebate.
- Gen Probe is the only vendor for the FDA approved, direct and indirect TB gene probe technology, and instruments required for rapid detection and identification of TB in patient specimens that are used in the Public Health Laboratory.
- Hardy Media, a local vendor, is able to provide the Public Health Laboratory and the Public Health Department Clinical Laboratory with special material on an as needed basis. Vendors who are not local would require at least a two-day turn around time.
- Idexx Laboratories is the only vendor of EPA approved rapid test kits for both drinking and ocean water bacteriology that is conducted in the Public Health Laboratory.
- PHD utilizes the Roche Diagnostics Corporation Elecsys 1010 System within the Clinical Laboratory. The laboratory reagents for the system must be purchased from Roche Diagnostics Corporation. The reagent rental agreement also includes maintenance of the system.

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Background:

Medical and laboratory supplies are necessary in order for the PHD to deliver medical care. The County is mandated to provide access to necessary medical care under California Administrative Code, Title 17, Chapter 3, Article 2, Sections 1276, 2500, 2502, 2503, and 2505; California Administrative Code, Title 17, Chapter 3, Subchapter 1; and Section 17000 of the Welfare and Institutions Code.

Pursuant to County Code Section 2-39, we are requesting your Board to waive the requirement for a competitive bid for purchase of certain pharmaceuticals, and laboratory and medical supplies for a three fiscal year period.

PHD has been informed by the Purchasing Department that bid waiver requests should be made for each applicable fiscal year. This request of the Board is being submitted at this time for FY 06/07 and also for FYs 07/08 and 08/09.

Fiscal and Facilities Impacts:

Budgeted: **Yes** **No**

The costs associated with these bid waiver requests are included in the Public Health Department’s FY 2006-07 Adopted Budget and can be found in the County’s Operating Document on page D-180 in the Clinical Services cost center. These costs will also be included in the FY 2007-08 and 2008-09 budgets.

There are no facilities impacts as a result of this action.

Staffing Impact(s):

Legal Positions:
N/A

FTEs:
N/A

Special Instructions:

Please return a copy of the minute order to PHD Contracts Unit, 300 North San Antonio Road, Building 8, Santa Barbara, CA 93110 Attn: Dawn McGrew (805) 681 5205 and one copy of the minute order to Purchasing, Attn: Gloria Ness.

Authored by:

Dawn McGrew
Public Health Department
681-5205