



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: March 1, 2016
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Director and Health Officer, Public Health Department(s) Health Department
Contact Info: Kelly Lazarus, Contracts Unit Supervisor, Public Health Department
SUBJECT: Request for Waiver of Competition in the purchase of pharmaceuticals, laboratory, and medical supplies

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Purchasing

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider the following recommendations:

- a) Authorize the Purchasing Manager to procure from the vendors listed in Table 1 pharmaceuticals, laboratory, and medical supplies, totaling \$847,000 for each Fiscal Year 2016-17, 2017-18, and 2018-19 without a competitive bid. Hardy Media is a local vendor; all other vendors are not local vendors.
- b) Authorize the Purchasing Manager to issue a purchase order to Beckman Coulter for the procurement of a new AU480 w/ISE Analyzer and reagent supplies, totaling \$80,000 for Fiscal Year 2015-16 without a competitive bid.
- c) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activities may have a significant effect on the environment.

Summary Text:

County Code Section 2-39 requires that the Purchasing Agent make all purchases and contracts based on competitive bids, unless the Board of Supervisors has waived competition under a particular set of circumstances. Due to public exigency and "limitations in source or supply" pursuant to County Code Section 2-39, the Public Health Department (PHD) is requesting your Board waive the requirement for a

competitive bid for the purchase of certain pharmaceuticals and laboratory, and medical supplies. The County Purchasing Department recommends that bid waiver requests be made for each applicable fiscal year. This bid waiver request is for FYs 2016-17 through FY 2018-19.

Table 1				
Vendor	Product	Contract #	Previous Bid Waiver (07-09-13)	Requested Amount
1. Beckman Coulter (LH500 Analyzer)	Clinical Lab Supplies	BL00173	\$ 35,000	\$ 35,000
2. Beckman Coulter (AU400 Analyzer)	Clinical Lab Supplies	BL03067 [†]	\$ 100,000	N/A
3. Beckman Coulter (AU480 Analyzer)	Clinical Lab Supplies	New Contract*	N/A	\$ 80,000
4. Becton-Dickenson Company	PH Laboratory Supplies	BL00175	\$ 45,000	\$ 50,000
5. Bio Rad Laboratories	PH Laboratory Supplies	CN18120	N/A	\$ 35,000
6. Bio Rad Laboratories	PH Laboratory Supplies	CN18861	N/A	\$ 35,000
7. Fisher Healthcare	Clinical Lab Supplies	BL03745	N/A	\$ 60,000
8. Fisher Healthcare	PH Laboratory Supplies	BL03746	N/A	\$ 40,000
9. Hologic (formally Gen Probe)	Laboratory Supplies	BL04018	\$ 150,000	\$ 150,000
10. Hardy Media	Clinical Lab Supplies	BL03751	\$ 60,000	\$ 60,000
11. Hardy Media	Laboratory Supplies	BL03752	\$ 45,000	\$ 50,000
12. Siemens Medical Solutions	Clinical Lab Supplies	BL02285	\$ 72,000	\$ 72,000
13. TheraCom	Pharmaceuticals	BL01090	\$ 150,000	\$ 150,000
14. Paragard Direct	Pharmaceuticals	BL01329	\$ 150,000	\$ 30,000
Total				\$ 847,000

* New contract will be assigned upon Board approval.

[†] Contract will be terminated upon execution of new contract with Beckman Coulter for AU480 Analyzer.

Approval of Recommendations A and B will allow PHD to contract with the vendors in Table 1 for FYs 2016-17 through 2018-19 and allow the Purchasing Manager to procure a new contract with Beckman Coulter for FY2015-16 for upgraded laboratory equipment (AU480 Analyzer). The new AU480 Analyzer is more efficient and cost effective, and will replace the currently utilized AU400 Analyzer. Once approved, the current Beckman Coulter contract (BL03067) will be terminated upon execution of the new contract.

Background:

On July 9, 2013, your Board authorized bid waivers for the vendors in Table 1 through FY 2015-16 (Attachment A), and on October 21, 2014, your Board authorized a bid waiver for Hologic (BL04018), formally known as Gen Probe (Attachment B), for an annual contract amount of \$150,000 through FY 2015-16.

Public Health requests that your Board waive the requirement for a competitive bid for the listed vendors in Table 1 for FYs 2016-17 through 2018-19 based on the following information.

Laboratory Supplies

In general, laboratory equipment is very sensitive and designed to function properly with specific reagents. Use of alternate reagents in many cases is not possible, may negatively impact readings and test results, and may damage equipment and void warranties. For these situations and reasons, PHD is requesting bid waivers as specified below.

Beckman Coulter is the only supplier of specific laboratory reagents and test kits for the Beckman Coulter (LH500) hematology instrument used by the PHD Clinical Laboratory. In addition, as part of this Board Action, the existing Beckman Coulter Chemistry Analyzer (AU400) would be replaced with a newer model analyzer (AU480) and the existing agreement for the AU400 would be replaced with a newer, less costly agreement to support the AU480 analyzer.

Becton-Dickinson Company is the only supplier of specific laboratory reagents and test kits for Becton Dickinson instruments used for Tuberculosis (TB) and Chlamydia/Gonorrhea testing.

Bio Rad Laboratories is the only supplier of specific laboratory reagents for HIV and Hepatitis antibody testing and diabetes testing using Bio Rad Laboratories equipment.

Fisher HealthCare is the only vendor for specific hematology stains, phlebotomy and laboratory processing supplies used by the PHD Clinical Laboratory.

Hologic (formally Gen Probe) is the only vendor for the FDA-approved, direct and indirect TB gene probe technology, with the instruments required for rapid detection and identification of TB and Chlamydia/Gonorrhea in patient specimens that are used in the Public Health Laboratory.

Hardy Media, a local vendor, is able to provide PHD Public Health Laboratory and PHD Clinical Laboratory with special material on an immediate, as-needed basis. Vendors who are not local require at minimum two-day turn around time.

Siemens Medical Solutions is the only vendor of specific laboratory supplies and reagents for the Centaur CP immunochemistry analyzer used by PHD Clinical Laboratory.

Pharmaceuticals

Paragard Direct is the only manufacturer in the United States of Copper T 380A, an intrauterine device (IUD) with no hormones.

Theracom is the only manufacturer in the United States of Mirena, a levonorgestrel-releasing (hormone) intrauterine device.

MANDATES

The County is mandated to provide access to necessary medical care under the California Welfare and Institutions Code Division 9, the California Health and Safety Code Division 101, and Title 17 of the California Code of Regulations. These pharmaceutical and laboratory supplies are necessary in order for PHD to deliver the necessary medical care.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	FY 2016-17 Cost:	Annualized On-going Cost:	Total One-Time Project Cost
General Fund			
State	\$ 248,108.00	\$ 248,108.00	
Federal	\$ 374,620.00	\$ 374,620.00	
Fees	\$ 224,272.00	\$ 224,272.00	
Other:			
Total	\$ 847,000.00	\$ 847,000.00	\$ -

Funding for the new Beckman Coulter (AU480 Analyzer) contract for \$80,000 will be provided by a combination of patient service fees that are approximately 50% Federal (\$40,000), 40% State (\$32,000), and 10% Self Pay Fees (\$8,000). Total funding for the 3 year Bid Waiver of \$847,000 will be provided by the following sources; State of California \$248,108, Federal Government \$374,620, and Fees \$224,272. The funding and the related appropriations are included in the Public Health Department's FY 2015-16 Adopted Budget and have been included as part of the subsequent fiscal year recommended budget.

This action will not result in the need for any additional facilities.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

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

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.

Attachments:

- A. Board Letter from July 9, 2013 for bid waivers
- B. Board Letter from May 12, 2015 for Hologic bid waiver

Authored by:

Kelly Lazarus, Contracts Unit Supervisor, Administration Division 681-5107