



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: September 8, 2015
Placement: Administrative
Estimated Time:
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: Kelly Lazarus, Contracts Unit Supervisor, Public Health
Department

SUBJECT: Request for Waiver of Competition in the purchase of GE Ultrasound Equipment

County Counsel Concurrence

As to form: Yes

Other Concurrence: Purchasing

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors considers the following recommendations:

- a) Authorize the Purchasing Manager to issue a purchase order to the vendor GE Healthcare for the purchase of three ultrasound machines, not to exceed \$165,000 for Fiscal Year 2015-2016 without a competitive bid, pursuant to County Code Section 2-39. GE Healthcare is not a local vendor.
- b) Approve budget revision request BJE 0004143 to release funds from a Restricted Special Revenue Fund Balance for the purchase of the three ultrasound machines.
- c) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15378(b)(4), since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

This item is on the agenda to request a bid waiver for the purchase of three ultrasound machines from the vendor GE Healthcare. 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. Due to public exigency and limitations in source or supply the Public Health Department

(PHD) is requesting your Board waive the requirement for a competitive bid for the purchase of three ultrasound machines.

Background:

PHD is in need of replacing three ultrasound units for three Health Care Centers (Santa Barbara, Santa Maria and Lompoc). This equipment is utilized for imaging for our pregnant patients as well as detection of disease or other abnormalities in muscle or skeletal structure. PHD has received estimates of approximately \$55,000 per unit from GE Healthcare (total expenditures not to exceed \$165,000 including all taxes and delivery charges for the three units). GE Healthcare has an agreement with a Group Purchasing Organization (Council Connections) and their Premier Program. Council Connections represents Federally Qualified Health Centers (FQHC) nationwide and negotiates discounts on services, supplies and equipment. PHD, as a FQHC, has access to this discounted pricing. In regards to this particular purchase the discount is 50% from normal pricing. In addition, PHD is currently utilizing the GE Healthcare Electronic Health Record (EHR) to document and track all patient care. These ultrasounds, as GE Healthcare products, are designed to be easily interfaced with the GE EHR so that these ultrasound images will be readily available to our providers and will be stored in the Electronic Health Record for future care and historic record. Although other ultrasound units may be interfaced with the GE Electronic Health Record, this will require more extensive and complex interface development than the GE ultrasounds that are designed to interface seamlessly with the GE EHR.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 5,000.00		\$ 5,000.00
Federal	\$ 25,000.00		\$ 25,000.00
Fees			\$ -
Other: Fund Balance	\$ 135,000.00		\$ 135,000.00
Total	\$ 165,000.00		\$ 165,000.00

Narrative:

These Ultrasounds will be purchased using a combination of program revenues from the PHD’s status as a Federally Qualified Health Center (FQHC) providing services to the Medi-Cal and Medicare populations and a release of Restricted Special Revenue Fund Balance. Anticipating the purchase of one new machine, \$30,000 was included in the PHD’s Adopted FY 2015-16 Budget. However, the ability to interface with the EHR and the age of the remaining machines made it a priority to replace all three machines at the regional Health Centers. A Budget Revision Request, BJE0004143, is attached to this letter to allow for the release of restricted fund balance to allow for this purchase.

Key Contract Risks:

This purchase includes a one year standard and a one year extended warranty. At the end of the warranty period PHD will require maintenance agreements to ensure the equipment is properly

maintained and calibrated. GE Healthcare is one division of a stable, multi-national organization with profits of almost \$7 billion and \$6 billion for 2014 and 2013 respectively and has the resources to properly support maintenance of this equipment.

Staffing Impacts:

Legal Positions:
0

FTEs:
0

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

Special Instructions:

Please email an electronic copy of the Minute Order to phdcu@sbcphd.org and one copy of the minute order to Purchasing, Attn: Gloria Ness.

Attachments:

Budget Revision Request BJE0004143

Authored by:

Kelly Lazarus, Contracts Unit Supervisor, 681-5107