



**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

Submitted on:
(COB Stamp)

Department Name: County Health Department
Department No.: 041
Agenda Date: June 3, 2025
Placement: Administrative Agenda
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: For Mouhanad Hammami, Director, County Health Department

Contact: Paola Hurtado, Division Chief of Primary and Family Health, (805) 698-2418 & Anne and Prevention, (805) 681-5315

SUBJECT: Request for Waiver of Competition in the purchase of pharmaceuticals and laboratory supplies

DocuSigned by:

Lars Seifert

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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:

- a) Approve and authorize the Chief Procurement Officer, the County's Purchasing Agent, to procure from the vendors listed in Table 1 for pharmaceuticals, laboratory, and medical supplies, without a competitive bid up to an amount of \$1,157,000 for each Fiscal Year 2025-26, 2026-27, and 2027-28 with a total amount not to exceed \$3,471,000 over the three-year period. Hardy Media is a local vendor; all other vendors are not local vendors; and
- b) Determine that the recommended action does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(5) of the CEQA Guidelines, because it consists of organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Summary Text:

County Code Section 2-39 requires that the Chief Procurement Officer, the County's 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. Pursuant to County Code Section 2-39, the Santa Barbara County Health Department (CHD) is requesting your Board waive the

requirement for a competitive bid due to “limitations on the source or supply” and the “necessary restrictions in specifications” for the purchase of certain pharmaceuticals, 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 each FYs 2025-26 through FY 2027-28.

Vendor	Product	Previous Bid Waiver	Requested Amount
Becton-Dickenson Company	Public Health Laboratory Supplies	55,000	85,000
Cepheid	Public Health Laboratory Supplies	50,000	50,000
Fisher Healthcare	Public Health Laboratory Supplies	45,000	40,000
Hologic	Public Health Laboratory Supplies	150,000	75,000
Hardy Media	Public Health Laboratory Supplies	50,000	35,000
Qiagen, Inc.	Public Health Laboratory Supplies	30,000	30,000
McKesson Medical Supplies	Medical Supplies	\$500,000	\$500,000
Glaxo/Smith Klein	Pharmaceuticals	\$35,000	\$12,000
Paragard Direct	Pharmaceuticals	\$30,000	\$30,000
TheraCom	Pharmaceuticals	\$260,000	\$300,000
Total per Fiscal Year		\$1,205,000	\$1,157,000
Total			\$3,471,000

Approval of Recommendation A will allow CHD to contract with the vendors in the Table for FYs 2025-26 through 2027-28.

Discussion:

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 County Health to deliver the necessary medical care.

CHD requests that your Board waive the requirement for a competitive bid for the listed vendors in the Table for FYs 2025-26 through 2027-28 based on the following information.

Laboratory and Medical 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, CHD is requesting bid waivers as specified below.

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.

Cepheid is the only supplier of specific reagents and consumables compatible with Cepheid instruments used by the Public Health Laboratory.

Fisher Healthcare is the only supplier of specific reagents and laboratory processing supplies for Fisher Healthcare instruments, including supplies for the Maldi-Tof used by the Public Health Laboratory.

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

Qiagen, Inc. is the only supplier of specific DNA/RNA extraction kits for the Public Health Lab's Qiagen extractor instrument.

McKesson General Medical is able to provide CHD with discounted rates for medical, lab, and pharmaceutical supplies. CHD receives the most favorable pricing available through Council Connections, a national group purchasing organization that provides non-profit clinics access to contracts at discounted prices.

Pharmaceuticals

Glaxo/Smith Klein (GSK) is the only manufacturer of Shingrix. The vaccine is usually purchased from the wholesaler, but occasionally the wholesalers are unable to provide the product and since we have an account with GSK, we are given a priority to get the product when there have been distribution issues. In addition, other vaccines, including certain flu vaccines, are only available directly from GSK when there are production issues. We purchase flu vaccine for employees at a deep discount for annual flu shots when we order directly through GSK.

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

TheraCom: after solicitation of a number of vendors, there is only one other vendor that distributes Nexplanon besides TheraCom. Competition through a bid process was determined to be inadequate as both vendors are required to provide the same 340B discounted pricing. Additionally, CHD has a longstanding contractual relationship and good history with TheraCom, and receives the same 340B discounted price for its clients.

Background:

On May 17, 2022, your Board authorized bid waivers for FY 2022-23, 2023-24, and 2024-25 for *Becton-Dickinson Company*, *Cepheid*, *Fisher Healthcare*, *Hologic*, *Hardy Media*, *Qiagen, Inc.*, and *Bruker Scientific, LLC*, *McKesson General Medical*, *Glaxo/Smith Klein (GSK)*, *Paragard Direct*, and *TheraCom*.

On that date, these vendors collectively received bid waivers totaling \$1,255,000 for each fiscal year from 2022-23 through 2024-25, amounting to a maximum of \$3,765,000 over the three years. Due to CHD's purchasing volume, executing agreements with these vendors allow CHD to leverage its purchasing power and maximize savings.

CHD has a long-standing partnership with the vendors shown in Table 1 and is confident in the performance of its highly specialized products. Therefore, CHD is seeking bid waiver approval to continue delivering high-quality services to its patients.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Authorizing the Chief Procurement Officer to contract for pharmaceutical, medical, and laboratory supplies without a competitive bid will allow CHD to continue existing, budgeted services at a slightly lower rate (\$48,000) than FY 2024-2025.

Revenue for the continued replenishment of supplies is from multiple sources such as Medi-Cal, Medicare, fee-for-service, and Realignment. These costs have been included in the FY 2025-2026 Recommended budget and will be included as part of the subsequent fiscal year recommended budgets.

Funding Source	FY 2025-26	FY 2026-27	FY 2027-28	Total
Realignment	\$205,000	\$205,000	\$205,000	\$615,000
State	\$364,000	\$364,000	\$364,000	\$1,092,000
Federal (Medicare)	\$478,000	\$478,000	\$478,000	\$1,434,000
Fees	\$110,000	\$110,000	\$110,000	\$330,000
Other				-
Total	\$1,157,000	\$1,157,000	\$1,157,000	\$3,471,000

Staffing Impacts:

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

Special Instructions:

Please return an electronic copy of the Minute Order to the County Health Contracts Unit at PHDGROUPContractsUnit@sbcphd.org and to Chief Procurement Officer of General Services, Phung Loman at Ploman@countyofsb.org

Contact Information:

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