



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: June 4, 2019
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Van Do-Reynoso, MPH, PhD,
Director(s) Public Health Department
Contact Info: Dana Gamble, Assistant Deputy Director. Ext. 5171
**SUBJECT: Request for Waiver of Competition in the purchase of pharmaceuticals,
laboratory, and medical supplies**

County Counsel Concurrence

As to form: Yes

Other Concurrence: Purchasing

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors consider the following recommendations:

- a) Approve and authorize the Chief Procurement Officer, the County's Purchasing Agent, to procure from the vendors listed in Table 1 pharmaceuticals, laboratory, and medical supplies, without a competitive bid up to an amount of \$817,000 for each Fiscal Year 2019-20, 2020-21, and 2021-22 with a total amount not to exceed \$2,451,000 over the three year period. Hardy Media is a local vendor; all other vendors are not local vendors.
- b) Approve, ratify, and authorize the Chief Procurement Officer, the County's Purchasing Agent, to increase the previously approved Purchase Order Agreement #BL02574, with Glaxo/Smith Klein by \$10,000 for a total amount not to exceed \$35,000 for FY 2018-19 without requiring a competitive bid.
- c) Find that the proposed actions do not constitute a "Project" within the meaning of California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines, because they consist of the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant impact on 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 Public Health Department (PHD) 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 2019-20 through FY 2021-22.

Table 1				
Vendor	Product	Contract #	Previous Bid Waiver	Requested Amount
1. Beckman Coulter (LH500 Analyzer)	Clinical Lab Supplies	BL00173	\$ 35,000	\$ 35,000
3. Beckman Coulter (AU480 Analyzer)	Clinical Lab Supplies	BL04219	\$ 80,000	\$ 80,000
4. Becton-Dickenson Company	PH Laboratory Supplies	BL00175	\$ 50,000	\$ 50,000
7. Fisher Healthcare	Clinical Lab Supplies	BL03745	\$ 60,000	\$ 60,000
8. Fisher Healthcare	PH Laboratory Supplies	BL03746	\$ 45,000	\$ 45,000
9. Hologic	PH Laboratory Supplies	BL04018	\$ 150,000	\$ 150,000
10. Hardy Media	Clinical Lab Supplies	BL03751	\$ 50,000	\$ 50,000
11. Hardy Media	PH Laboratory Supplies	BL03752	\$ 60,000	\$ 60,000
12. Siemens Medical Solutions	Clinical Lab Supplies	BL02285	\$ 72,000	\$ 72,000
13. TheraCom	Pharmaceuticals	BL01090	\$ 150,000	\$ 150,000
14. Glaxo/Smith Klein	Pharmaceuticals	BL02574	\$ 25,000	\$ 35,000
14. Paragard Direct	Pharmaceuticals	BL01329	\$ 30,000	\$ 30,000
Total per Fiscal Year				\$ 817,000
Three Year Total				\$ 2,451,000

Approval of Recommendations A and B will allow PHD to contract with the vendors in Table 1 for FYs 2019-20 through 2021-22 and allow the Purchasing Manager to increase the contract amount with Glaxo/Smith Klein for FY2018-19 to cover the increased demand of reimbursable vaccines for patient care.

Background:

PHD requests that your Board waive the requirement for a competitive bid for the listed vendors in Table 1 for FYs 2019-20 through 2021-22 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 and the Beckman Coulter Chemistry Analyzer (AU480) used by the PHD Clinical Laboratory.

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.

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

Glaxo/Smith Klein (GSK) is the sole manufacturer of Shingrix, a shingles vaccine. Shingrix is only available direct from the manufacturer and no other vendors at this time. Wholesalers occasionally carry the vaccine, but frequently this year, and in others, it has only been available directly from the manufacturer. In addition, other vaccines, including flu vaccines are only available from GSK. GSK medications are frequently prescribed by PHD practitioners and are not available through any other manufacturer.

Theracom is the sole manufacturer in the United States of the Mirena product that offers the only 52mg dose of a levonorgestrel-releasing (hormone) intrauterine device with a 5 year lifespan.

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:

<u>Funding Sources</u>	<u>FY 2018-19</u>	<u>FY 2019-20 Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund				
State	\$ 2,929.00	\$ 239,320.00	\$ 239,320.00	
Federal	\$ 4,423.00	\$ 361,351.00	\$ 361,351.00	
Fees	\$ 2,648.00	\$ 216,329.00	\$ 216,329.00	
Other:				
Total	\$ 10,000.00	\$ 817,000.00	\$ 817,000.00	\$ -

Approving this recommendation will increase the previously approved Purchase Order Agreement with Glaxo/Smith Klein by \$10,000 from \$25,000 to \$35,000 in FY 2018-19. The funding and the related appropriations are included in the Public Health Department’s FY 2018-19 Adjusted Budget.

In addition, total funding for each fiscal year of the 3 year Bid Waiver of \$817,000 will be provided by the following sources; State of California \$239,320, Federal Government \$361,351, and Fees \$216,329.

The funding and the related appropriations are included in the Public Health Department's FY 2019-20 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@sbcpd.org and one copy of the minute order to Purchasing, Attn: Mark Masoner.

Attachments:

N/A

Authored by:

Dana Gamble, Assistant Deputy Director