



**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:** 2/5/2008  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors

**FROM:** Department Elliot Schulman, MD, MPH, Director and Health Officer  
Director Public Health Department

Contact Info: Elizabeth Snyder, Assistant Deputy Director (681-5252)

**SUBJECT: Bid Waiver Request (Picture Archiving and Communications System)**

**County Counsel Concurrence**

As to form:  Yes  No  N/A

**Auditor-Controller Concurrence**

As to form:  Yes  No  N/A

**Other Concurrence:** Purchasing

As to form:  Yes  No  N/A

**Recommended Actions:**

That the Board of Supervisors:

Authorize the County Purchasing Manager, without requiring a Formal Bid Process, to procure Picture Archiving and Communication System (PACS) equipment from Fujifilm Medical Systems USA, Inc. (not a local vendor) for a total amount of \$105,979.

**Summary Text:**

The request to purchase this equipment without a formal bid process represents a unique opportunity for the Public Health Department (PHD) to partner with Santa Barbara Cottage Hospital. Through an agreement with the hospital, the PHD will be able to purchase equipment and software at a discounted price and build a “network” utilizing the hospital’s infrastructure. The PHD radiology program in Santa Barbara will be able to replace its antiquated system and convert to PACS. This state of the art technology replaces x-ray film, film storage, film processor chemistry, and paper radiology reports.

The project entails purchasing new equipment and “piggybacking” onto the Santa Barbara Cottage Hospital Radiology PACS Network thus, enabling rapid interpretation of x-rays performed at the PHD Santa Barbara location. Additionally, it will allow simultaneous viewing of images by several physicians in different locations, and report distribution to multiple locations. The required infrastructure (labor, hardware and software) will be provided and supported by Santa Barbara Cottage Hospital; therefore, the PHD will develop a contract with Fujifilm Medical Systems USA, Inc, a vendor with an established community presence and excellent track record for service and quality patient care.

County Code Section 2-39 states that the Purchasing Agent is obliged to purchase all materials, supplies, furnishings and equipment by using a formal competitive bidding process, unless the Board of Supervisors has waived competition under a particular set of circumstances.

Authorization is being requested for the bid waiver and Purchase Order for:

- FujiFilm Medical Systems USA, Inc. to purchase of a Carbon XL CR Reader, Cassettes, Film Digitizer, Installation and Training in the amount of \$105,979

**Background:**

PACS has become the community standard of care and is rapidly becoming the standard at imaging facilities nationwide. Currently, 40% of x-ray facilities across the nation are utilizing PACS.

The equipment costs for the PACS project are as follows:

Fujifilm Medical Systems USA, Inc.	\$105,979
DR Systems	<u>13,880</u>
Total	\$119,859

The annual maintenance costs for FY 07/08 will be \$2,332, and in year two the costs will increase to \$18,625. Costs for demolition and remodeling the radiology room are estimated at \$35,000-\$50,000.

If the PHD purchased a PACS “stand-alone” system its total equipment costs would exceed \$700,000, with annual costs more than \$105,000. The opportunity to “piggyback” on the Santa Barbara Cottage Hospital system will improve the care since a key advantage is immediate access to x-ray reports 24 hours a day, seven days per week. Other advantages include:

1. The results will be available to the referring provider within minutes, rather than days;
2. The patient will still be in the office so the Provider can make “real-time” decisions that translate into increased productivity and quality care;
3. The Radiologist can reach the referring provider immediately and not “track them down”;
4. The staff and Provider do not have to follow-up with a patient “after-the-fact”;
5. Providers will use existing technologies in their work area to view reports;
6. Eliminates all costs associated with film, processing, and archiving;
7. No labor or risk for courier to travel daily to the hospital;
8. Increases compliance with HIPAA Privacy and Security regulations;
9. The ability to view and discuss images simultaneously while at different locations enables greater management of diseases such as Tuberculosis;
10. Elimination of post film-processing chemicals which contribute to the waste stream; and
11. Mandated redundancy of digital record storage eliminates the possibility of stored films and reports becoming unavailable due to disaster.

The plan is to replicate this model of improved customer service and efficiency at the Santa Maria and Lompoc Clinics by developing similar arrangements with those local hospitals.

**Performance Measure:**

- The percentage of “films taken on first try”
- Report turnaround time

Fiscal and Facilities Impacts:

Budgeted: Yes

**Fiscal Analysis:**

\$157,000 in appropriation for the PACS system has been approved as part of the Public Health Department (PHD) Capital Improvement Plan (CIP) and FY 2007-08 Adopted Budget. This amount can be found in the County’s Operating Plan Document in the PHD budget in the Radiology cost center on page D-182.

The estimated total cost of the project for the FY 07-08 capital outlay is a range from \$155,000 to \$170,000, depending on the costs to remodel the radiology room. Should the project cost exceed the \$157,000 currently appropriated, the PHD will use savings achieved from careful management of other expenditure line-items within the existing budget to cover any overages.

**Staffing Impacts:**

**Legal Positions:**

0

**FTEs:**

0

**Special Instructions:** Please return an electronic copy of the Minute Order to the PHD Contracts Unit at [PHDRES.ContractsUnit@sbcphd.org](mailto:PHDRES.ContractsUnit@sbcphd.org) and one copy of the minute order to Purchasing, Attn: John McMillin.

**Authored by:**

Elizabeth Snyder, Assistant Deputy Director Public Health Department.