

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**  
**Prepared on:** 7/11/02  
**Department Name:** Public Health Department  
**Department No.:** 041  
**Agenda Date:** 7/23/02  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Roger E. Heroux, Director  
Public Health Department

**STAFF CONTACT:** Dawn McGrew  
681-5205

**SUBJECT:** Request for Waiver of Competition in Capital Purchase Agreement for Purchase of Clinical Laboratory Chemistry System.

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## **Recommendation(s):**

That the Board of Supervisors:

- A. Authorize the Purchasing Department to waive the competitive bid requirement and to enter into an agreement with the Diagnostic Systems Group of Olympus America Inc., a non-local vendor, for procurement and service of one AU400 Chemistry System to measure analytes found in human blood and body fluids.
- B. Approve the purchase of services and equipment from the Diagnostic Systems Group of Olympus America Inc. for \$92,500 plus applicable taxes for a total of \$99,669.

## **Alignment with Board Strategic Plan:**

The recommendations are primarily aligned with Goal No. 2: A Safe and Healthy Community in Which to Live, Work, and Visit and Goal No. 5: A High Quality of Life for All Residents.

## **Executive Summary and Discussion:**

The thirteen year old Chemistry Analyzer in the Public Health Department Clinical Laboratory has been scheduled for replacement. The vendor of the instrument scheduled for replacement will no longer support it nor provide maintenance. Three vendors were asked for proposals of a new system and the three systems were observed at working site visits. The system that most fit the volume and analyte menu needs was the Olympus AU400 Automated Chemistry Analyzer. It is the one with the lowest price of the devices found acceptable.

Olympus America Inc. will pay for interfacing to laboratory computer system, accessory equipment, modem hookup and shipping charges for the Olympus AU400. Olympus America Inc. will pay for training for two

primary operators of the system for one week at their training facility in Irving, Texas. The first year the system is under manufacturer warranty. Service agreements will be purchased after the warranty has expired.

- A. Pursuant to County Code Section 2-39, the Public Health Department is requesting your Board waive the requirement for a competitive bid for purchase of equipment from the Diagnostic Systems Group of Olympus America Inc. as a sole source vendor to procurement of one AU400 Chemistry System
- B. Your Board is requested to approve the purchase equipment from the Diagnostic Systems Group of Olympus America Inc. for \$92,500 plus applicable taxes for a total of \$99,669.

**Mandates and Service Levels:**

The provision of primary care services are mandated by California Administrative Code, Title 17, Chapter 3, Article 2, Sections 1276, 2500, 2501, 2502, 2503 and 2505; California Administrative Code, Title 17, Chapter 3, Subchapter 1; and Section 17000 of the Welfare and Institutions Code of indigents.

**Fiscal and Facilities Impacts:**

Adoption of this action will not increase the General Fund contribution to or the use of local dollars by the Public Health Department. Also, the action will not increase the Public Health Department's indirect costs or use of County A87 plan overhead.

The \$99,669 appropriation needed to procure the chemistry system will be funded by revenue for laboratory services provided, which is a mixture of Medi-Cal, Medicare, Family Planning, Self pay, and Realignment sources. The allotment for the system is included in the Capital Equipment line item of the Public Health Department's Summary shown on page D-162 of the County's FY 02-03 operating plan.

This action will not increase the need for facilities.

**Special Instructions:**

Send a certified copy of the Minute Order, attn. John McMillin, Purchasing Agent.

Send a certified copy of the Minute Order, attn. Dawn McGrew, Public Health Department.

**Concurrence:**

Purchasing