



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: Behavioral Wellness
Department No.: 043
For Agenda Of: August 17, 2021
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Pam Fisher, Psy.D., Acting Director
Director(s) Department of Behavioral Wellness, 805-681-5220
Contact Info: Dr. Ole Behrendtsen, Medical Director,
Department of Behavioral Wellness, 805-681-5220

SUBJECT: **Psychiatric Health Facility Pharmacy Pharmaceutical Bid Waiver Request**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Purchasing

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider a recommendation regarding a waiver of competition under County Code Section 2-39 for the purchase of pharmaceuticals as follows:

- A. Authorize the Purchasing Manager to procure pharmaceuticals for the Psychiatric Health Facility (PHF) from AmerisourceBergen Drug Corporation (not a local vendor) without requiring competitive bidding in order to extend the current Purchase Order No. CN22395 through August 31, 2022; and
- B. 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 authorize the County Purchasing Agent to extend an existing Purchase Order Agreement (PO) No. CN22395 with AmerisourceBergen Drug Corporation, a pharmaceutical wholesaler, for one year without a competitive bid process. Extension of this PO is necessary to continue the provision of pharmaceuticals at the County's Psychiatric Health Facility (PHF) Pharmacy without a gap in services. This request for a waiver is specifically for pharmaceutical services provided to the PHF. Behavioral Wellness will maintain pharmacy contracts for all non-PHF pharmaceutical needs.

When Behavioral Wellness opened the PHF Pharmacy in August 2018, one of the contracts that was essential to the opening and functionality of the Pharmacy was the agreement with pharmaceutical wholesaler AmerisourceBergen Drug Corporation. On August 28, 2018, the Board of Supervisors approved Behavioral Wellness' request for a bid waiver for FY 2018-2021, due to "limitations in source or supply" pursuant to County Code Section 2-39, and authorized the initial procurement of pharmaceuticals from AmerisourceBergen Drug Corporation. The bid waiver for FY 2018-2021 expired on July 31, 2021. The existing PO No. CN22395 with AmerisourceBergen Drug Corporation will expire on August 31, 2021. Due to the time-sensitive nature of this matter, Behavioral Wellness requests that the Board of Supervisors approve a bid waiver for one year to extend the term of PO No. CN22395 through August 31, 2022 to allow Behavioral Wellness the time to execute the necessary competitive bidding process in the form of a Request for Proposals (RFP), while allowing for the continued provision of pharmaceuticals at the PHF without a gap in services.

Behavioral Wellness will issue an RFP in search of a pharmaceutical wholesaler to supply drugs to the PHF to determine whether AmerisourceBergen Drug Corporation is still the only wholesale vendor that can supply the specific pharmaceuticals needed. However, it is clear that the PHF relies heavily on AmerisourceBergen for a majority of its current pharmaceutical supply. Disruption of this supply would prove detrimental to the functionality of the PHF Pharmacy and the health of clients.

Background:

The PHF is a 16-bed facility that provides 24-hour acute inpatient care to individuals requiring psychiatric hospitalization per California Welfare and Institutions Code (WIC) Section 5150. The PHF is a Lanterman-Petris-Short designated facility and is the only acute psychiatric inpatient hospital that accepts Medi-Cal within Santa Barbara County.

Historically, due to the PHF's size and nature of providing services 24/7, 365 days per year, the facility had experienced ongoing difficulty finding pharmacy services from the community that could offer 24-hour services to meet its needs. An RFP process in January 2016 resulted in a contract awarded to Hometown LTC Pharmacy, a local vendor. However, Hometown LTC Pharmacy only provided limited deliveries and services requiring the County to supplement Hometown's services to maintain compliance with Title 9 of the California Code of Regulations (CCR). For cost savings purposes and to maintain compliance with Title 9 CCR, Behavioral Wellness opened the dedicated PHF Pharmacy in August 2018. 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.

One of the contracts that was essential to the opening and functionality of the PHF Pharmacy was the agreement with AmerisourceBergen Drug Corporation. Due to "limitations in source or supply" pursuant to County Code Section 2-39, Behavioral Wellness requested that the Board of Supervisors waive the requirement for a competitive bid for the purchase of pharmaceuticals from this vendor. The limitation was that most of the drugs used at the PHF at the time could only be supplied by this vendor. On August 28, 2018, the Board of Supervisors approved this request for a bid waiver and authorized the Purchasing

Manager to procure pharmaceuticals for the PHF from AmerisourceBergen Drug Corporation for FY 2018-2021. The bid waiver for FY 2018-2021 expired on July 31, 2021 and the current PO No. CN22395 expires on August 31, 2021. Behavioral Wellness would like to extend this PO through August 31, 2022 and requests that the Board approve a bid waiver for this extension.

Behavioral Wellness will issue an RFP in search of a pharmaceutical wholesaler to supply drugs to the PHF, to determine whether AmerisourceBergen Drug Corporation is still the only wholesale vendor that can supply the specific pharmaceuticals needed. However, it is clear that the PHF relies heavily on AmerisourceBergen for a majority of its current pharmaceutical supply. Disruption of this supply would prove detrimental to the functionality of the PHF Pharmacy and the health of clients.

Approval of this item will allow Behavioral Wellness the time to execute the necessary competitive bidding process in the form of an RFP, while allowing for the continued provision of pharmaceuticals at the PHF without a gap in services.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>FY 21-22 Cost:</u>
General Fund	
State	\$ 35,000.00
Federal	\$ 35,000.00
Fees	
Other:	
Total	\$ 70,000.00

Narrative: The funding sources are included in the FY 21-22 budget.

Special Instructions:

Please email one (1) Minute Order to bethle@sbcbswell.org and bswellcontractsstaff@sbcbswell.org.

Authored by:

B. Le