



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: June 16, 2015
Board Meeting Date: September 1, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, Chief, Health System
SaraT L. Mayer, Director, Public Health, Policy and Planning

Subject: BioFire Diagnostics, LLC test kits for the FilmArray Instrument

RECOMMENDATION:

Adopt a resolution authorizing the purchasing agent to:

- A. Spend up to \$630,000 over the next three years for BioFire Diagnostics, LLC test kits for the FilmArray Instrument consistent with the Vendor Agreement; and
- B. Add new reagents and test supplies to the Vendor agreement as necessary.

BACKGROUND:

As part of the Public Health Emergency Preparedness initiatives, the County Office of Emergency Services purchased two BioFire FilmArray Instruments for the Health System's Public Health Laboratory (PHL) in 2013. The instruments support multiple molecular test panels that are used for rapid detection of respiratory and gastrointestinal (GI) pathogens, as well as biothreat agents. Results are available for these molecular panels in about one hour and require approximately five minutes of operator set-up time. Using these FilmArray Polymerase Chain Reaction (PCR) panels, the turnaround time for pathogen detection is significantly reduced compared to other conventional or molecular methods.

The PHL experienced an unexpected surge in FilmArray Respiratory Panel orders over the FY 2014-15 influenza season, with demand more than quadrupling over the last year (663 orders in FY 2014-15, compared to 128 orders in FY 2013-14). In addition, the PHL will soon offer the FilmArray Gastrointestinal PCR Panel.

DISCUSSION:

BioFire Diagnostics, LLC (BioFire) is the sole source provider of kits and reagents compatible for use on the BioFire FilmArray instruments. Purchasing currently has a

Vendor Agreement with BioFire through which the County purchases supplies for the BioFire FilmArray instruments. Every year BioFire provides the County with a proprietary fixed-price quote for various products. PHL then orders supplies consistent with that fixed-price on an as-needed basis under the Vendor Agreement already in place. In order to request a fixed price for a three-year period, Public Health, Policy and Planning (PHPP) is requesting that your Board authorize the Purchasing Agent to spend up to \$630,000 over the next three years for the test kits that are compatible with the BioFire FilmArray instruments. Prior authorization is necessary because PHPP/PHL anticipates spending more than \$100,000 annually for test kits. PHPP is also requesting that your Board waive the competitive bid process for test kits as BioFire is a sole source for this product.

The resolution has been reviewed and approved by County Counsel as to form. The County Manager has granted a waiver of the Equal Benefits Ordinance based on BioFire being a sole source provider.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing rapid and accurate results for a variety of communicable diseases. The rapid identification of these diseases is a critical component in minimizing their impact on the safety of the public. It is anticipated that the annual testing volume utilizing these technologies will reach 700 tests in FY 2015-16.

PERFORMANCE MEASURE(S):

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Annual testing volume utilizing BioFire equipment and reagents	663 tests	700 tests

FISCAL IMPACT:

The term of the proprietary quote from BioFire Diagnostics will be for three years for the purchase of BioFire FilmArray kits and reagents. PHPP will reorder supplies as needed pursuant to the proprietary quote not to exceed \$630,000. Of that amount, \$210,000 is included in the PHPP FY 2015-16 Recommended Budget. Similar arrangements will be made for future budget years. The PHL has applied a cost-based testing fee schedule, which covers 95% of the cost of reagents for test orders. The remaining \$10,500 (5%) represents net county cost.