



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** December 16, 2015  
**Board Meeting Date:** January 26, 2016  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Arthur Morris, Interim Director, Public Health, Policy and Planning

**Subject:** Bio-Rad Laboratories Test Kits and Reagents for Serology Tests Compatible with the Bio-Rad Evolis Instrument

**RECOMMENDATION:**

Adopt a resolution authorizing:

- A) The Purchasing Agent to spend up to \$905,000 over the next five years for Bio-Rad Laboratories' test kits and reagents compatible with the Bio-Rad Evolis Instrument consistent with the vendor agreement; and
- B) The Purchasing Agent to add new reagents and test supplies to the vendor agreement as necessary.

**BACKGROUND:**

The San Mateo County Public Health Laboratory (PHL) currently provides laboratory testing for a number of communicable diseases, including Human Immunodeficiency Virus (HIV), Syphilis and Varicella Zoster Virus (VZV), the chicken-pox virus. These tests are very important for our STD clinics and programs in order to detect and prevent the spread of HIV and Syphilis in our community. In addition, the VZV assay is used to screen new mothers for virus immunity in order to determine the risk of infection to their newborn babies.

The kits and reagents used by the PHL to test for these diseases are supplied by Bio-Rad Laboratories. In addition, the kits are run on an automated instrument, the Bio-Rad Evolis, purchased by San Mateo County in 2007. The Evolis instrument software is specifically designed to run Bio-Rad assays and has been interfaced with the PHL's Laboratory Information Management System to increase testing and reporting efficiency.

The PHL has experienced an overall increase in the number of requests for these tests over the past several years, with the greatest numbers seen for HIV screening. In addition, the PHL has recently upgraded the HIV test from “3rd generation” to “4th generation”, which detects HIV infection up to a week sooner at a slight increase in unit cost.

**DISCUSSION:**

Bio-Rad Laboratories is the sole source provider of Bio-Rad test kits and reagents that have been validated by the PHL for testing of HIV, VZV and Syphilis, and are compatible to use on the Bio-Rad Evolis instrument. In order to account for the increase in test orders and the HIV test upgrade, Public Health, Policy and Planning (PHPP) is requesting that your Board authorize the Purchasing Agent to spend up to \$905,000 over the next five years for the test kits and reagents for HIV, Syphilis and VZV serology testing. Entering into a new five-year vendor agreement allows the PHL to take advantage of product discounts that are not applied with the current vendor agreement.

Your Board’s authorization is necessary because PHL/PHPP anticipates spending more than \$100,000 per annum on the purchase of the test kits. PHPP is also requesting that your Board waive the competitive bid process for test kits as Bio-Rad Laboratories is the sole source for Bio-Rad kits and reagents that are compatible for use on the Bio-Rad Evolis instrument and have been validated for use by the PHL.

The resolution has been reviewed and approved by County Counsel as to form.

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 22,000 in FY 2016-17.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2015-16 Estimated</b>	<b>FY 2016-17 Projected</b>
Annual test volume for all tests utilizing the Bio-Rad Laboratories Test Kits	20,544	22,000

**FISCAL IMPACT:**

The term of the proprietary quote from Bio-Rad Laboratories will be for a five-year period. As indicated in the quote, the prices may increase up to 3% annually after the first year. PHPP will reorder supplies as needed, pursuant to the proprietary quote and not to exceed \$905,000. Of this amount, \$181,000 is included in the PHPP FY 2015-16 Adopted 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 \$9,050 (5%) represents net county cost.