



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: QIAGEN, Inc. Test kits and Reagents for Quantiferon-TB Gold In-Tube Assay

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The Purchasing Agent to spend up to \$580,000 over the next three years for QIAGEN, Inc., Quantiferon-TB Gold In-Tube test kits and reagents 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 tuberculosis (TB). One test that is commonly used as a screening method to assess TB exposure is called the Quantiferon-TB Gold In-Tube test. This blood test has advantages over the TB skin test, including a higher level of specificity, a high-throughput format, and convenience for our clients because they do not have to return to the clinic to have the test read after 48 hours. This test is very important for our TB Control Program in order to detect and subsequently prevent the spread of TB in our community.

The PHL has experienced an 8.4% increase in Quantiferon-TB Gold In-Tube test orders from FY 2013 -14 to FY 2014-15.

DISCUSSION:

QIAGEN, Inc. (QIAGEN) is the sole source provider of kits and reagents for the Quantiferon – TB Gold In-Tube test. The Purchasing Agent currently has a vendor agreement with QIAGEN through which it purchases test kits and reagents. Every year,

QIAGEN provides the County with a proprietary fixed-price quote for the various products ordered from QIAGEN. The PHL then orders supplies consistent with that fixed-price on an as-needed basis under the existing vendor agreement. In order to account for the larger order of QIAGEN test kits and reagents due to an increase in test orders, Public Health, Policy and Planning (PHPP) is requesting that your Board authorize the Purchasing Agent to spend up to \$580,000 over the next three years for the test kits and reagents for the Quantiferon – TB Gold In-Tube test. Your Board’s authorization is necessary because the PHL 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 QIAGEN is a sole source for this product.

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 6,500 in FY 2016-17.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Estimated	FY 2016-17 Projected
Annual test volume for tests utilizing the QIAGEN Quantiferon-TB Gold In-Tube reagents	6,179	6,500

FISCAL IMPACT:

PHPP will reorder supplies as needed pursuant to QIAGEN’s proprietary quote, not to exceed \$580,000 over a three year period. Of this amount, \$193,000 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 \$29,000 (5%) represents net county cost.