



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-192

Board Meeting Date: 3/28/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center

Subject: Amendment to the Agreement with UltraEx, LLC to Provide Courier and Transportation Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with UltraEx, LLC to provide courier and transportation services, increasing the maximum amount by \$1,000,000, to an amount not to exceed \$2,250,000.

BACKGROUND:

In November 2019, San Mateo Medical Center (SMMC) completed a Request for Proposals for courier and delivery services. UltraEx, LLC (UltraEx) was chosen based on its efficient routing solutions and being the most cost-effective. The parties entered into an agreement for courier and transportation services in April 2020, for the term of April 1, 2020, through March 31, 2025, in an amount not to exceed \$1,250,000.

Prior to this service, items were often transported by an on-demand courier or SMMC employees using their vehicles to transport medications, supplies, and other items to and from the main campus. SMMC's experience using an on-demand courier did not provide a stable dollar rate for transport and a reliable timeframe for transport to occur timely. Using SMMC employees was formally evaluated and determined risky, given the possibility of accidents and the need to have the materials delivered safely. Further, pulling staff away from patient care activity to make deliveries negatively impacted patient access.

Due to COVID-19, SMMC had a higher demand for courier and delivery services. Specifically, three unique situations arose during the pandemic that required multiple deliveries per day: 1) movement of COVID vaccines from the main campus to all of the outlying clinics; 2) food deliveries for staff from various donor organizations facilitated by SMMC's Foundation to support staff during the periods of time that leaving the clinic for meal-times was difficult or risky; and 3) personal protective equipment (PPE) deliveries being coordinated through the County's Emergency Operations Center.

DISCUSSION:

SMMC continues to need courier and delivery services to move supplies, lab specimens, and deposits to and from its offsite clinics. However, to the increased delivery service required during the pandemic, SMMC spent significantly more from this contract than expected and therefore is coming to this Board to request an amendment of \$1,000,000 to cover costs for the remainder of the agreement term.

The amount of \$1,000,000 was determined by the remaining time on the contract, approximately 24 months at \$25,000/month (a blended rate between pre-pandemic costs and pandemic utilization), plus some additional monies for unforeseen needs. The blended rate accounts for \$600,000 of the \$1,000,000 total. The remaining \$400,000 will buffer against another possible surge in COVID activity in the winter of 2023/2024.

County Attorney has reviewed and approved the resolution and amendment as to form.

The resolution contains the County’s standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

It is anticipated that SMMC’s delivery needs will be met 98% of the time.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Estimated	FY 2023-24 Projected
Percentage of time that SMMC’s delivery needs are met	98%	98%

FISCAL IMPACT:

The term of the amended agreement is from April 1, 2020, through March 31, 2025. The amendment increases the amount payable under the agreement by \$1,000,000 to an amount not to exceed \$2,250,000 for the five-year term. Funds for \$125,000 are included in the SMMC FY 2022-23 Adopted Budget. Funds in the amount of \$500,000 are included in the SMMC FY 2023-24 Recommended Budget. Similar arrangements will be made for future years.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care is covered by the County’s General Fund contribution to SMMC and is within the existing annual appropriation.