



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-173

Board Meeting Date: 2/26/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Carlos Morales, Director, Correctional Health Services
Eric Raffin, Chief Information Officer, Health Information Technology

Subject: Agreement with Translogic Corporation dba Swisslog Healthcare to Provide Maintenance and Support of InSite Remote Medication Dispensing Systems

RECOMMENDATION:

Adopt a resolution authorizing a waiver to the Request for Proposals competitive bidding process and an agreement with Translogic Corporation dba Swisslog Healthcare, formerly known as Talyst Systems, LLC, to provide maintenance and support for two InSite Remote Medication Dispensing Systems for the term October 1, 2019 through September 30, 2024, in an amount not to exceed \$375,000.

BACKGROUND:

Correctional Health Services (CHS) provides integrated medical, dental, mental health, and chemical dependency treatment to adults who stay at the County's correctional facilities. Medication management is a significant component of CHS' clinical operations and the prevention of medication errors is highly prioritized in order to maintain patient safety and control medication costs.

Currently, the CHS nursing staff manually administers more than 400 prescriptions at the Maguire Correctional Facility (MCF) and more than 430 at the Maple Street Correctional Center (MSCC) daily. This approach to medication distribution is time-consuming and prone to errors. In contrast, electronically dispensing medications would reduce medication errors. Furthermore, because a CHS patient's length of stay varies greatly (i.e. from one day up to seven years), 10 to 20 percent of the medications ordered are generally discarded, which results in an annual fiscal loss ranging from \$120,000 to \$240,000.

In April 2017, your Board authorized the sole source purchase of two InSite Remote Medication Dispensing Systems (Systems), to mitigate medication errors and costs related to discarded medication.

The County of San Mateo's Ordinance 2.83.050 (f) allows the Board of Supervisors to waive the RFP competitive bidding process in any situation where the Board determines that a formal process would not be in the best interest of the County.

DISCUSSION:

This agreement provides for software services, interface customization, product licenses, supplies, maintenance, and support services that are essential to administer the Systems machines originally purchased with your Board's approval in April 2017. It is crucial to obtain these services and supplies from Translogic Corporation dba Swisslog Healthcare (Translogic), as the corporation maintains proprietary hardware modifications and software to support the Systems in a correctional setting. This system will be integrated with the Electronic Health Records (EHR) solution being implemented by CHS. It is anticipated that installation and use of this new technology will result in annual savings of approximately \$125,000.

Due to protracted negotiations over interface customization and the requirement to first complete the implementation of EHR at CHS that will integrate with the Systems, the maintenance and support agreement was completed after the Board adopted Resolution No. 075159 for the purchase of these fixed assets.

CHS requests that your Board waive the County's RFP requirement to procure maintenance and support for the two Systems for MCF and MSCC. Translogic is a sole source provider of remote medication dispensing systems specifically tailored to correctional facilities and has extensive experience working with locally governed correctional institutions.

The agreement and resolution have been reviewed and approved by County Counsel as to form. Contract Compliance Committee has approved a three-year contract waiver for the contractor to provide maintenance and support for the lifecycle of the Systems. ISD has reviewed and approved the IT component of this agreement.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by promoting patient safety through a reduction of medication errors and will reduce costs by minimizing waste. It is anticipated that the amount and dollar value of medications ordered and discarded will be reduced to 7% and \$110,000, respectively.

PERFORMANCE MEASURE:

Measure	FY 2017-18 Estimated	FY 2018-19 Projected
Percent and dollar value of medication ordered and discarded	15% \$235,000	7% \$110,000

FISCAL IMPACT:

The term of the agreement is October 1, 2019 through September 30, 2024. The amount of the agreement is not to exceed \$375,000 for the five-year term and will be covered by Health Realignment funds. Annual maintenance, support fees, and consumable products will be included in the FY 18-19 Adopted Budget and will be included in future budget years.