



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-870

Board Meeting Date: 9/17/2019

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: Issuance of Purchase Orders to Roche Diagnostics Corporation to Provide Reagents

RECOMMENDATION:

Adopt a resolution authorizing the County Purchasing Agent to issue purchase orders to Roche Diagnostics Corporation to provide testing reagents for up to three years, in an amount not to exceed \$423,000.

BACKGROUND:

San Mateo Medical Center's (SMMC) standard practice has been to use Roche Diagnostic Corporation (Roche) testing equipment. Roche provides the equipment at no charge to the County, in return for the purchase of their proprietary reagents.

DISCUSSION:

SMMC is seeking to add Roche's state of the art Liat testing equipment that will automate testing processes and offer real-time test results at the time of specimen receipt. SMMC will receive the Liat equipment at no charge, in exchange for the purchase of the Roches' proprietary reagents. SMMC is requesting your Board waive the Request for Bid process to purchase these reagents since this is a sole source vendor; the only reagents that can be used with the Liat equipment are manufactured by Roche.

The resolution has been reviewed and approved by County Counsel 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).

Approval of this resolution contributes to the Shared Vision 2025 outcome of a Healthy Community by providing SMMC's patients with a state of the art diagnostic testing system. It is anticipated that doctors will receive patients results within 20 minutes of receipt, 100% of the time.

PERFORMANCE MEASURE:

| Measure | FY 2018-19 Actual | FY 2019-20 Estimated |
|---|--------------------------|-----------------------------|
| Percentage of time doctors will receive patients results within 20 minutes of receipt | *N/A | 100% |

*New Measure

FISCAL IMPACT:

The term during which the Purchasing Agent would be authorized to issue purchase orders is up to 3 years. The total amount authorized by such purchase orders is not to exceed \$423,000 for the three-year term. Funds in the amount of \$120,000 are included in the SMMC FY 2019-20 Approved 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.