



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 21-822

Board Meeting Date: 10/19/2021

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**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 Caduceus Systems, LLC to Provide a Software License for a Materials Management Information System

### **RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Caduceus Systems, LLC, to provide a software license for a materials management inventory system, extending the term of the agreement through December 31, 2023 and increasing the amount by \$80,000 to an amount not to exceed \$948,831.

### **BACKGROUND:**

On February 8, 2011, the Board approved an agreement with Caduceus Systems, LLC (Caduceus) for installation and implementation of a new Materials Management Inventory System (MMIS) as the result of a Request for Proposals (RFP). The agreement has been amended several times, most recently in November 2018, to extend the term through December 31, 2021, with no increase in funding.

### **DISCUSSION:**

Caduceus MMIS allows San Mateo Medical Center (SMMC) to keep a perpetual inventory, having the right products at the right time per SMMC's "Lean" methodology. Caduceus has informed SMMC that they will not be making further upgrades to their software, indicating it is reaching its end of life. Therefore, SMMC is requesting the Board extend the term of the current agreement through December 31, 2023, with the associated increase in funding. SMMC has been assigned a health information technology project manager and will begin the RFP process in October 2021, to have a new MMIS in place prior to the end of this agreement.

County Counsel 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).

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The County's Contract Compliance Committee has approved a waiver request for a 157-months term for this agreement.

It is anticipated that SMMC will maintain stock at inventory par levels 98% of the time.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2021-22 Estimated</b>	<b>FY 2022-23 Projected</b>
Percentage of time that SMMC maintains stock at inventory par levels	98%	98%

**FISCAL IMPACT:**

The term of the amended agreement is December 1, 2010 through December 31, 2023. The amount of the agreement is not to exceed \$948,831 for the 157-months term. The amendment increases the amount by \$80,000. Funds in the amount of \$40,000 are included in the SMMC FY 2021-22 Adopted Budget. Funds in the amount of \$40,000 are included in the SMMC FY 2022-23 Recommended Budget.

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.