

County of Santa Clara
Employee Services Agency
Risk Management
Occupational Safety and Environmental Compliance



ESA02 060909

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Manager

Submitted by: Lance Sposito
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DATE: June 9, 2009

TO: Board of Supervisors

FROM:

A handwritten signature in cursive script that reads "Luke Leung".

Luke Leung
Deputy County Executive

SUBJECT: First Amendment to the Medical Waste Agreement Between County of Santa Clara and Stericycle, Inc.
For Medical Waste Services.

RECOMMENDED ACTION

Approve First Amendment to Agreement with Stericycle, Inc., relating to providing medical waste services extending the term through June 30, 2011 in an amount not to exceed \$800,000, and revising the price list.

FISCAL IMPLICATIONS

This is a countywide contract and costs for services will be paid for by each user department's current budget.

The original agreement has a not to exceed amount of \$400,000 annually for a total of \$1,200,000 for the period July 1, 2006 to June 30, 2009. Consistent with the original agreement, the First Amendment has an annual not to exceed amount of \$400,000 and \$800,000 for the additional two year period July 1, 2009 through June 30, 2011.

CONTRACT HISTORY

The County has contracted for medical waste disposal services since February of 1990. The first firm to provide these services was BF I Medical Wastes Systems (which later merged with Stericycle, Inc.). The service agreement had been extended on an annual basis, and expired at the end of June 2001.

In 2001 the County initiated a comprehensive Request for Proposal for medical waste disposal services. The result of the Request for Proposal was the selection of Stericycle, Inc. The Board of Supervisors approved a three year contract that started July 1, 2001. The contract was later amended adding an additional two years from July 1, 2004 to June 30, 2006.

Another Request for Proposal was initiated by the County in March 2006 with five companies responding. A review panel which included representatives from Occupational Safety and Environmental Compliance (OSEC), and the Santa Clara Valley Health and Hospital System selected Stericycle, Inc. as having the best pricing and services for the County. As a result, a new contract for the term of July 1, 2006 through June 30, 2009 was executed with Stericycle, Inc. following Board approval.

REASONS FOR RECOMMENDATION

Stericycle, Inc. has provided good service to County departments over the last three years, effectively disposing of the County's medical wastes while meeting all mandates for these services. Extending the agreement for an additional two years allows departments to continue to use the services of Stericycle, Inc. to safely dispose of their medical wastes. Therefore, it is recommended that term of the agreement be extended for an additional two (2) year period, from July 1, 2009 through June 30, 2011.

Should the Board accept the recommendation to extend the contract with Stericycle, Inc. for an additional two year period, the compensation would not exceed \$400,000 for each additional year and \$800,000 for the period, from July 1, 2009 through June 30, 2011.

The recommendation also includes an updated price list (Attachment 1 -A) for the rates charged by Stericycle. Stericycle, Inc. is asking for a less than 5% increase in its rates for the additional two years to offset increased costs in this field due to inflation and meeting regulatory demands. The updated price list for services (Attachment 1 -A) reflects the changes in rates charged to departments.

BACKGROUND

The County is mandated by the California Environmental Protection Agency (Cal-EPA) standards to properly pickup, transport and dispose of regulated medical wastes. Health and Hospital System, the criminal justice departments (DOC, Crime Lab, Juvenile Hall, Coroner's Office, etc.), Social Services, Public Health, and Parks, among other County departments depend on these critical services. Medical waste disposal services are used by

The County has contracted for these services since 1990 to meet the state mandate and keep employees and clients safe. In particular, the Medical Waste Management Act (California Health and Safety Code) requires proper waste disposal of the following:

- Blood and blood products;
- Sharps needles, scalpels, knives, broken glass, syringes, Pasteur pipettes, and any similar medical items;
- Pathological wastes;
- Discarded cultures, stocks, specimens, vaccines, and associated contaminated items;

- Any residue or contaminated soil, water, or other debris from a spill cleanup of a regulated medical waste;
- Any solid waste contaminated by or mixed with regulated medical waste.

The County does not have adequate internal resources to handle and dispose of medical wastes properly and effectively. To meet this mandate and protect our employees and clients the County has chosen to contract with a highly qualified and professionally experienced firm to provide these critical services. The contracted firms have provided excellent service at a competitive price while ensuring that the County's medical waste is disposed of as required by law.

CONSEQUENCES OF NEGATIVE ACTION

If this agreement is not approved, individual County agencies and departments would have to negotiate their own contracts to provide medical waste services, or not be in compliance with applicable laws and regulations.

STEPS FOLLOWING APPROVAL

Clerk of the Board to return an approved copy of this Board Transmittal and Contract to the Employee Services Agency, Office of Occupational Safety and Environmental Compliance (OSEC). OSEC will notify the consultant and County departments and will oversee the administration of the Contract.

ATTACHMENTS

- First Amendment to the Agreement with Stericycle, Inc.
- Agreement with Stericycle, Inc. 2006