

County of Santa Clara
Office of the County Executive
Procurement Department



CE05 051909

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Director of Procurement

DATE: May 19, 2009

TO: Board of Supervisors

FROM: 
Jenti Vandertuig
Director of Procurement

SUBJECT: Acquisition of test kits and related services for Siemens Q340 bDNA Analyzer

RECOMMENDED ACTION

Consider recommendations relating to Siemens Q340 bDNA Analyzer test kits and related services agreement. Possible action:

- a. Approve delegation of authority to Director of Procurement, or designee, to amend Agreement No. 5500001621 with Siemens Healthcare Diagnostics, Inc.(Siemens) relating to providing test kits and related services for Q340 bDNA Analyzer to increase the compensation by \$335,238.60 for a total contract amount not to exceed \$2,300,000 and extend the term of the agreement from June 15, 2009 to June 15, 2010, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive.
- b. Approve delegation of authority to Director of Procurement, or designee, to administer, enforce, modify and terminate the amended Agreement No. 5500001621. Delegation of authority shall expire on June 15, 2010.

FISCAL IMPLICATIONS

There is no impact on the general fund as a result of this action. Santa Clara Valley Health & Hospital System (SCVHHS) will utilize funds from their approved budget for these purchases.

CONTRACT HISTORY

Santa Clara Valley Medical Center (SCVMC) Clinical Lab staff has been using the Siemens Analyzer and related proprietary test kits to perform HIV quantitation testing since 1996. The Siemens equipment was purchased by the County as an equipment lease. In January 2001, at the end of the lease, SCVHHS opted to purchase the equipment for its on going needs. This resulted in establishing Agreement No. 5500001621 on a single source basis. The Agreement includes preventative maintenance on the Analyzer and the purchase of the test kits used on the Analyzer. Subsequent amendments were executed to extend the term of the agreement through June 15, 2009, to increase the contract value to \$1,964,761.40, and to make business process changes.

REASONS FOR RECOMMENDATION

The agreement with Siemens is proprietary for the purchase of test kits and preventive maintenance. The Procurement Department is recommending the proposed contract extension to ensure continuity of supplies and service for SCVHHS. An increase in the value of the current agreement with Siemens is necessary to accommodate purchases of test kits and preventive maintenance from June 15, 2009 through June 15, 2010.

The current agreement with Siemens has a not to exceed amount of \$1,964,761.40. The increase in the current contract value by \$335,238.60 for a total not to exceed amount of \$2,300,000 exceeds the \$2,000,000 signature authority of the Director of Procurement. Therefore, delegation of authority to the Director of Procurement, or designee, is recommended.

BACKGROUND

Santa Clara Valley Medical Center (SCVMC) Clinical Lab staff has been using the Siemens Analyzer and related proprietary test kits to perform HIV quantitation testing since 1996. The Siemens equipment was purchased by the County as an equipment lease. In January 2001, at the end of the lease, SCVHHS opted to purchase the equipment for its on going needs. To utilize this equipment, the County had to purchase test kits and maintain the equipment for proper use. The test kits and preventive maintenance was available only through Siemens which was validated by the County. This resulted in establishing Agreement No. 5500001621 for preventative maintenance on the Analyzer and the purchase of the test kits used on the Analyzer. SCVMC purchases approximately \$280,000 per year worth of test kits and related services for the Q340 bDNA Analyzer.

Since the equipment is aging, the County has decided to conduct a thorough and comprehensive market analysis to evaluate different testing methods available in the marketplace, to define requirements, and to identify suppliers capable of handling SCVHHS' requirements. This will be undertaken as we extend the current agreement for a one year period.

CONSEQUENCES OF NEGATIVE ACTION

SCVMC will not have the benefit of provision for Q340 bDNA Analyzer test kits and related services.