

**MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager
DATE: June 5, 2012
SUBJECT: Approve the Award of a Blanket Purchase Order with Cardinal Health for Pharmaceutical Products in the Maximum Amount of \$175,000.00

ACTION REQUESTED

Approve the award of a blanket purchase order (BPO) with Cardinal Health of Elk Grove, CA for pharmaceuticals in the maximum amount of \$175,000.00 and authorize the Purchasing Manager to sign the resulting BPO.

BACKGROUND

On June 22, 2004, your Board approved Health and Human Services-Medical Clinics membership in the University Health System Consortium (UHC) and approved the award of a BPO to Cardinal Health for the period July 1, 2004 through June 30, 2005. Each year, your Board has approved subsequent renewals for one year terms. The current BPO expires on June 30, 2012. Cardinal Health is a UHC Authorized Distributor and provides the County with pharmaceutical products at contract prices.

The current UHC contract with Cardinal Health expires on April 30, 2013. In order to coincide with the UHC contract the department has requested the renewal of the BPO with Cardinal Health for the period July 1, 2012 through April 30, 2013.

Purchasing Policy Manual Section 1.3(j) exempts pharmaceuticals from the competitive process.

FISCAL IMPACT

There are no fees associated with participation in UHC, and no minimum purchases are required. Upon your Board's approval, the resulting BPO for pharmaceuticals will be effective for the period of July 1, 2012 through April 30, 2013 in the maximum amount of \$175,000.00. Health & Human Services' Fiscal Impact Statement is attached.

CC: Rebecca Mellott, HHS Fiscal Program Manager
Connie Arney, HHS-Community Clinic Program Manager



**Placer County
Health and Human Services Department**

Administrative Services Division

Date: April 2, 2012
To: Honorable Board of Supervisors
From: Rebecca Mellott, Client Services Program Manager
Subject: **Fiscal Impact Statement
BPO for Pharmaceutical Services (Cardinal Health)
Community Clinics
For the period July 1, 2012 to June 30, 2013**

The department has budgeted appropriately for the renewal of this \$175,000 Blanket Purchase Order (BPO) and funding is included in the Department's Requested FY2012-13 Budget. This amount is \$50,000 lower than FY2011-12 and the reduction is due to more clients qualifying for free pharmaceuticals from drug companies through the Clinic's Pharmaceutical Assistance Program. The products covered by this BPO are provided to Medicare, Medi-Cal, private insurance and Medical Care Services Program (MCSP) patients. MCSP provides mandated services to eligible County indigent residents, and covers nearly 29% of the patients seen in the County's Medical Clinics. Funding for this BPO includes \$112,500 from Federal and State sources, \$11,700 from private insurance, and \$50,800 of required County General Fund match.

Perspective, Hope, and Opportunity