

MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION

TO: Honorable Board of Supervisors

FROM: David Seward, Purchasing Manager 

DATE: June 12, 2007

SUBJECT: Approve a Blanket Purchase Order through a Competitively Bid Cooperative Purchasing Agreement with Cardinal Distribution for Pharmaceutical Products in the Maximum Amount of \$375,000.00

ACTION REQUESTED

Approve a blanket purchase order with Cardinal Distribution of Elk Grove, CA as the County's prime pharmaceutical vendor in the maximum amount of \$375,000.00, and authorize the Purchasing Manager to sign the resulting blanket purchase order.

BACKGROUND

The University Health System Consortium (UHC) is an alliance of academic health centers situated mainly in the United States. On June 22, 2004, your Board approved Placer County joining the UHC sponsored by UC Davis. As a member, the HHS/Medical Clinic is able to take advantage of the buying power of over 90 academic medical centers to optimize savings. Cardinal Distribution is a UHC Authorized Distributor, and provides the County with pharmaceutical products at contract prices. Section 1.3(e)(3) of the Purchasing Policy Manual authorizes the use of another government agency's contract that has been awarded as the result of a competitive bid. Procurement Services has concluded that it is unlikely that a bid solicitation at this time would result in prices below those available through UHC. Upon your Board's approval, the resulting blanket purchase order will be effective for the period of July 1, 2007, through June 30, 2008.

FISCAL IMPACT

There is no participation fee associated with participation in UHC, and no minimum purchases are required. The County's annual requirement for pharmaceuticals is estimated not to exceed \$375,000.00 per year. The HHS/Community Clinic has budgeted appropriately for these operational expenditures in their FY 2007-08 budget. The cost of pharmaceuticals is partially reimbursed through Medi-Care or Medi-Cal and a small number of private pay patients. Additionally, the HHS/Community Clinic is a designated state and federal Rural Health Care Facility, and as such receives a "per medical encounter" reimbursement that is significantly increased with an on-site pharmacy.

CC: Dr. Richard Burton, HHS/Admin
Lynn Miller, HHS/Community Clinic



