

# Agenda Report

**DATE:** June 18, 2012

**TO:** Honorable Mayor and City Council

**FROM:** Public Health Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH HENRY SCHEIN, INC. FOR THE PURCHASE OF DENTAL CLINIC EQUIPMENT**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize the issuance of a Purchase Order Contract with Henry Schein, Incorporated in an amount not to exceed \$275,000. Competitive bidding is not required pursuant to City Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services; and,
2. Grant the proposed Purchase Order Contract an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance, pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

**BACKGROUND:**

For over 120 years, the City of Pasadena Public Health Department (PPHD) has been responsible for helping to protect, maintain, and improve the health of the Pasadena community. PPHD delivers core public health and clinical services, emphasizing community health assessment, health assurance and policy development in designing and implementing these services.

In 2010, the Pasadena Health Consortium identified access to dental care as a top priority need through a provider-based survey. This reflected similar results of a 2007 Los Angeles Health Survey, which indicated that an estimated 35,000 people, or approximately 31.7% of the adult population, in Pasadena were living without dental insurance. Furthermore, in July of 2009, adult Denti-Cal, the dental portion of Medi-Cal, was cut from the State budget. The services that were covered included routine dental screenings, cleanings, exams, fillings, gum treatments, crowns, root canals and

dentures. Changes under the Medicare program have also left many individuals unable to afford any dental care, let alone the ability to access most advanced treatments. In response to this overwhelming need, PPHD has committed to building a dental clinic to serve uninsured and under-insured populations in Service Provider Area (SPA) 3, especially those with special needs, such as HIV/AIDS patients and senior citizens. This clinic will be located on the first floor of PPHD's building at 1845 N. Fair Oaks Ave.

In February 2009, following a competitive selection process, the State of Oklahoma, through the National Association of State Procurement Officials (NASPO), executed a five-year agreement with Henry Schein, Incorporated for dental equipment and supplies. This contract allows for 22% off pricing for general dental supplies, 15-30% off MSRP for large equipment and accessories/parts, and 5% off dental office supplies. Staff requested a quote from Henry Schein, Inc. for dental equipment and supplies for a six-chair dental clinic. The contract discounts applied to the initial equipment quote result in a cost savings of \$72,697.26. The purchase of the equipment and supplies at this discounted rate is possible through the NASPO contract, which is made available to all State and other governmental entities. Staff recommends that the City Council authorize the issuance of a purchase order contract with Henry Schein, Inc. for the purchase of required equipment and supplies, ensuring that PPHD may build the dental clinic that the community urgently needs.

**COUNCIL POLICY CONSIDERATION:**

This action by City Council aligns with the City's Strategic Plan Three-Year Goal to support and promote the quality of life and local economy by enabling the construction of a dental clinic that would increase access to oral health for uninsured and under-insured residents of Pasadena and improve overall individual health status.

**FISCAL IMPACT:**

The cost of this action is \$275,000 and will be addressed through the utilization of existing budget appropriations in 8101-203-561000. It is anticipated that the entirety of this cost will be spent by the end of FY2013.

Respectfully submitted by:



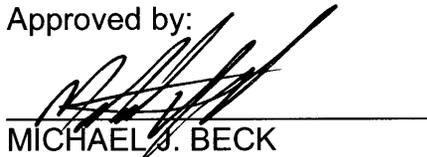
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