

Agenda Report

DATE: April 8, 2013

TO: Honorable Mayor and City Council

FROM: Public Health Department

SUBJECT: APPROVAL OF INCREASE TO PURCHASE ORDER 51901 WITH HENRY SCHEIN, INC. FOR THE PURCHASE OF DENTAL CLINIC EQUIPMENT AND SUPPLIES

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize an increase to Purchase Order number 51901 with Henry Schein, Incorporated in the amount of \$200,000, thereby increasing the not to exceed amount from \$275,000 to \$475,000 for the purchase of dental clinic equipment and supplies. 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. To the extent that this could be considered a separate transaction, grant the proposed increase 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, focusing specifically on underserved and underinsured populations. Most recently, PPHD completed construction of a dental clinic that will help to serve the many people in Pasadena that do not have access to oral health care. Although the grand opening for the dental clinic is scheduled for April 24, 2013, staff has started to see existing PPHD clients on an as-needed basis, as well as to begin determining treatment plans.

On June 18, 2012, the City Council approved a purchase order contract with Henry Schein, Inc. for \$275,000 for the purchase of the dental clinic equipment and supplies. Competitive bidding was not required, due to the City's ability to take advantage of an existing five-year contract between Henry Schein, Inc. and the State of Oklahoma. 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. PPHD now requests to increase the purchase order with Henry Schein to a not to exceed amount of \$475,000 to cover the cost of computer equipment and software that were not included in the original quote, as well as to purchase two additional dental chairs and related equipment.

The original purchase order was opened per a quote for only the basic equipment needed to build the dental clinic, such as dental chairs, dentistry tools, and X-ray machines, and did not include certain computer equipment and software necessary to operate the clinic. At the time that the purchase order was opened, staff was conducting research to find the best pricing and compatibility for computers and dental clinic software. Though Henry Schein, Inc. was one of the vendors considered, staff also looked into various other possibilities. In order to begin the construction process, PPHD proceeded to open the purchase order without including the cost of the technology-related items. Ultimately, it was determined that Henry Schein, Inc. was the best choice due to both pricing and the company's vast knowledge of dental software and equipment. Consequently, the equipment and software totaling \$76,880 were ordered; however, as a result of an oversight, staff did not return to the City Council to request an increase in the not to exceed amount of the purchase order contract. Staff is requesting that the City Council approve the increase at this time, to provide for equipment that is vital to the operation of the dental clinic.

Additionally, PPHD requests to increase the purchase order by an additional \$81,285 for the purchase of two additional dental chairs, one X-ray machine, and accompanying equipment, i.e. consoles, monitors, and cabinets. According to the Los Angeles County Commission on HIV, there are an estimated 58,000 people living with HIV/AIDS in Los Angeles County. Moreover, with the elimination of Denti-Cal, the dental services portion of Medi-Cal, oral health care is ranked as the highest needed service amongst people living with HIV/AIDS. PPHD currently serves approximately 850 unduplicated clients for various HIV/AIDS related services and expects to see an additional 500 clients due to the expansion of services through the dental clinic. Supported by a grant for oral health services from the Los Angeles County Department of Public Health Division of HIV/STD Programs (DHSP), PPHD is home to one of only two dental clinics for HIV/AIDS clients in the San Gabriel Valley, meaning that clients living in the area have had to travel to other areas of Los Angeles County for services. These individuals have indicated interest in transferring to PPHD's dental clinic and are currently waiting for appointments to be made available after the grand opening in April. Staff has determined that there is an overwhelmingly high demand for dental services within the underserved populations and the additional chairs are necessary to meet this need. This will allow PPHD to increase its capacity to see more clients in its dental clinic. Recent funding from the

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Office of Los Angeles County Supervisor Michael D. Antonovich has allowed PPHD to reallocate funds originally identified to pay for the initial start-up costs of the dental clinic towards the addition of new chairs. Combined with the aforementioned contract with DHSP for oral health services, funding is available for this purchase.

PPHD has thus far expended \$241,345 of the original \$275,000 purchase order, and has stopped processing invoices and submitting orders until an increase could be made. If the requested increase is approved, the funds would be used as follows:

Item Description	Price	Quantity	Total
Initial IT equipment and software not included in original quote and purchase order	\$76,880	-	\$76,880
Dental Chairs	\$8,385	2	\$16,770
X-ray Machine	\$4,150	1	\$4,150
Related equipment, including consoles, monitors, and cabinets	\$25,182.50	2	\$50,365
Medical records and X-ray software for additional computers accompanying new chairs	\$5,000	2	\$10,000
Estimated Tax	\$14,235	-	\$14,235
Contingency (~15%)	\$27,600	-	\$27,600
TOTAL			\$200,000

This increase will allow PPHD to serve an even greater number of clients in need of dental services. Staff recommends that the City Council authorize this increase to the purchase order contract with Henry Schein, Inc. so that PPHD may expand services at 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 expansion 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:

This action will increase PO #51901 with Henry Schein, Inc. by \$200,000. All costs for these items will be covered by existing budget appropriations in accounts 8101-203-561000 (Public Health Administration) and 8101-203-563271 (HIV/AIDS Oral Health/Dental Clinic).

Respectfully submitted by:



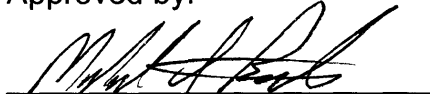
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