



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

**SUBJECT: REPORT ON BIDS FOR
PANDEMIC FLU SUPPLIES**

DATE: September 29, 2006

Approved

Ray Wines

Date

9/29/06

COUNCIL DISTRICT: Citywide

RECOMMENDATION

1. Report on bids and award of purchase of pandemic flu supplies from Edwards Medical (South Gate, CA), the low bidder for line items 1, 2, 4, and 5 and to Bound Tree Medical (Greenbrae, CA) for line item 3, for a total amount not to exceed \$641,510.30 including tax using Urban Areas Strategic Initiative (UASI) grants.
2. Authorize the Director of Finance to:
 - a. Purchase pandemic flu supplies from other qualified bidders, if the low bidder is not able to provide proof of order from applicable manufacturers by October 5 with a delivery date of October 27;
 - b. Execute purchase orders with qualified bidders subject to availability of supplies by the required due dates;
 - c. Amend purchase orders with qualified bidders to allow the purchase of additional quantities of pandemic flu supplies for the next twelve months subject to availability of UASI grant funding.

OUTCOME

With the purchase of pandemic flu supplies the City of San Jose will assist City staff in the provision of vital City services during a pandemic flu outbreak.

BACKGROUND

There were twenty-one outbreaks of avian flu from 1959-2003. The virus can be deadly when transmitted from bird to human, but is not threatening on a pandemic scale without human to human transmission. Currently the H5N1 avian flu virus meets all of the criteria for the start of a pandemic with the exception of human to human transmission. If the virus were to mutate allowing for human to human transmission, a wave of avian flu would remain highly communicable in the general population for roughly three months. Projections indicate that two to three waves could occur, each lasting up to three months, before the virus would effectively be controlled. The pandemic could result in a 30%-50% absentee rate, a breakdown in health and transportation services, and a delay in State and Federal assistance. Because of the pandemic nature of the flu, staff would not be able to count on outside assistance and the safety supplies required to mitigate the spread of the flu would be unavailable or in great demand.

This purchase will secure gloves, masks, antiseptic wipes, and a flu suppression medication that would be distributed to key City staff upon the outbreak of a pandemic flu. These items would reduce transmission of the flu to staff and allow them to perform emergency duties as is consistent with the City's various emergency plans. The supplies would be especially vital to the ongoing provision of emergency Police and Fire Department services.

The City of San Jose has formed a Pandemic Flu Preparedness Team consisting of representatives from Police, Fire, Human Resources, and Finance along with the Offices of the City Manager and Emergency Services. The team identified these requested supplies as necessary to ensure the continuity of vital services.

ANALYSIS

A notice inviting bids was published on September 20, 2006 on Bidline and the Demandstar Bid notification system. In addition, bid packages were e-mailed to three (3) vendors.

Seven bids, including one alternate bid, were received by the September 27, 2 p.m. deadline as summarized in the table on the following page. Staff recommends awarding the supplies by line item to the lowest responsive bidder. Several bidders submitted products other than the item specified. Some of these "equal" products were rejected by staff as outlined in the table on the following page. The bid submitted by Henry Schein (Melville, NY) was deemed non-responsive since the bidder included a fuel surcharge as a cost line item versus including this freight cost factor in the prices bid.

Line	Description	Qty	Bound Tree Medical (Greenbrae, CA)	Moore Medical (New Britain, CA)	Global Protection (West Berlin, NJ)	Edwards Medical (South Gate, CA)	Edwards Medical (Alternate Bid) (South Gate, CA)	Blue Ridge Medical (Nashville, TN)
			Totals	Totals	Totals	Totals	Totals	Totals
1	3M - N95 Masks	8,200	(1)	(2)	\$182,204.00	\$155,390.00	(3)	No Bid
2	Dynarex Surgical Masks	11,400	\$49,384.80	\$46,854.00	No Sample Submitted	\$38,418.00	(2)	No Bid
3	MicroFlex Rubber Gloves	13,800	\$84,166.20	\$88,458.00	No Sample Submitted	\$93,702.00	(4)	No Bid
4	Vionex Antiseptic Wipes	27,500	\$184,965.00	\$183,150.00	\$213,950.00	\$167,750.00	(5)	No Bid
5	Tamiflu	2,100	\$165,884.25	\$175,686.00	\$165,900.00	\$146,895.00	\$146,895.00	\$165,585.00
Early Payment Discount ⁽⁶⁾			5%	0%	1%	0%	0%	1%
Award by Line Item by Bidder			\$84,166.20	N/A	N/A	\$508,453.00	N/A	N/A
Tax			\$6,943.72	N/A	N/A	\$41,947.38	N/A	N/A
Total Cost by Line Item by Bidder			\$91,109.92	N/A	N/A	\$550,400.37	N/A	N/A

- (1) This mask is not FDA approved.
- (2) Masks folded outwards, which provides less protection for the user and/or manufacturer's specification sheet was not included.
- (3) Masks were suited for medical examinations and not for the use in flu pandemics.
- (4) Gloves did not meet required specifications.
- (5) The antiseptic fluid contained in the wipes cracked the skin surfaces of the testers.
- (6) The early payment discount is applied in the cost figures represented in the table.

To ensure delivery of the products bid by October 27, the bidders are required to submit proof of shipment from the manufacturer by October 5, 2006, to the City unless the items are stocked in the bidder's warehouse. Should the City not receive the proof of shipment, staff requests authorization to award the line items to the next low bidder, which can deliver the supplies by the City's deadline.

The Local and Small Business preference had no effect on award of contract.

Therefore, staff recommends award of Line Items 1, 2, 4, and 5 to Edwards Medical (South Gate, CA) and Line Item 3 to Bound Tree Medical (Greenbrae, CA), the low responsive bidders, in accordance with the formal bidding procedures of the San Jose Municipal Code, Section 4.12.030.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

This bid was placed on the City of San Jose web site and on the DemandStar bid notification system. In addition, bid packages were e-mailed to three (3) vendors, and this memorandum is posted on the City's website for the October 3, 2006 Council Agenda.

This item does not meet any criteria listed below.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, the City Attorney's Office, Office of Emergency Services, and Human Resources.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Public Safety CSA outcome that the public Feels Safe Anywhere, Anytime in San Jose.

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amount for Contract	2006-2007 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	3306	Urban Area Security Initiative	\$7,277,075	\$641,510.30	IX-12	

CEQA

Not a project.



SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.