

C-17

March 21, 2023

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary documents including any necessary subsequent amendments, with McKesson Medical-Surgical Government Solutions LLC, of Henrico, VA, for as-needed medical-surgical supplies and pharmaceuticals, on the same terms and conditions afforded to Sourcewell, a state of Minnesota local government unit and service cooperative, in a total annual amount not to exceed \$275,000, until the Sourcewell contract expires on April 30, 2026, with the option to renew for an additional one year period, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with McKesson Medical-Surgical Government Solutions, LLC (McKesson), to furnish and deliver as-needed medical-surgical supplies and pharmaceuticals to the Health and Human Services Department (Health Department) and the Human Resources Department's Occupational Health clinic. Both Departments use medical supplies and pharmaceuticals to support clinic needs.

The Health Department researched procurement options for medical supplies and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. The City reviewed several options and determined that the contract between Sourcewell with McKesson provided the best value to the City.

McKesson was selected based on their competitive pricing, service level, and breadth of medical supplies offerings. McKesson was selected through a nationwide competitive solicitation process with 26 proposals submitted. McKesson was one of four vendors selected.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies. This alternative procurement method can save time and reduce costs through economies of scale by purchasing under existing contracts from other government agencies on a voluntary and selective basis, when authorized by a Resolution adopted by the City Council.

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This matter was reviewed by Deputy City Attorney Taylor M. Anderson on February 21, 2023, Purchasing Agent Michelle Wilson on February 23, 2023, and by Budget Analysis Officer Greg Sorensen on March 3, 2023.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on March 21, 2023, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The total annual amount of the contract will not exceed \$275,000. Sufficient appropriation of \$200,000 is budgeted in the Health Fund Group in the Health and Human Services Department, offset by grant revenue. In addition, an appropriation of \$75,000 is budgeted in the Insurance Fund Group in the Human Resources Department, offset with funds available. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KELLY COLOPY
DIRECTOR
HEALTH AND HUMAN SERVICES

APPROVED:



THOMAS B. MODICA
CITY MANAGER

Attachment: Resolution

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT BETWEEN MCKESSON MEDICAL-SURGICAL GOVERNMENT SOLUTIONS, LLC, AND SOURCEWELL TO FURNISH AND DELIVER AS-NEEDED MEDICAL-SURGICAL SUPPLIES AND PHARMACEUTICALS, THROUGH THEIR CONTRACT WITH THE STATE OF MINNESOTA LOCAL GOVERNMENT UNIT AND SERVICE COOPERATIVE IN AN ANNUAL AMOUNT NOT TO EXCEED \$275,000

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City desires to furnish and deliver as-needed medical-surgical supplies and pharmaceuticals; and

WHEREAS, the City's Health Department and the Human Resources Department currently use medical supplies from this vendor to support the clinics' needs, as well the increased demand for Personal Protective Equipment and other COVID-related supplies by Public Health Emergency Management; and

WHEREAS, medical supplies include, but are not limited to, pharmaceuticals and vaccines, COVID-19 diagnostic equipment, COVID-19 test kits, disinfectants and sterilization products, dressings and bandages, face and eye protection, gloves, needles and syringes, oximeters, patient monitoring devices, protective barriers, dividers and shields, protective garments and gowns, thermometers, and treatment

1 equipment; and

2 WHEREAS, the STATE OF MINNESOTA local government unit and service
3 cooperative has a contract with SOURCEWELL for the purchase of these supplies and
4 services, RFP No. 022422 (“SOURCEWELL Contract”); and

5 WHEREAS, the City’s participation in the SOURCEWELL Contract will
6 facilitate the City’s ability to furnish and deliver medical supplies and services as well as
7 provide considerable cost benefits to the City; and

8 WHEREAS, if the City had to utilize a formal bid process rather than
9 participate in the DGS Agreement considerably more funds would be required;

10 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
11 follows:

12 Section 1. The above recitals are true and correct and are incorporated
13 herein by this reference.

14 Section 2. The City Manager or designee is hereby authorized to enter
15 an agreement with MCKESSON to furnish and deliver as-needed medical-surgical
16 supplies and pharmaceuticals, of the same type and kind identified in the SOURCEWELL
17 Contract except as modified by mutual agreement of the City and MCKESSON, and the
18 purchase by the City shall be on the same terms and conditions afforded to the STATE
19 OF MINNESOTA local government unit and service cooperative in an annual amount not
20 to exceed Two Hundred Seventy Five Thousand Dollars (\$275,000), until the State of
21 Minnesota contract expires on April 30, 2026, with the option to renew an additional one
22 year period, at the discretion of the City Manager.

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OFFICE OF THE CITY ATTORNEY
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Section 3. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2023, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk