



## Legislation Text

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**File #:** 08-0146, **Version:** 1

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Recommendation to adopt resolution authorizing City Manager to execute a contract with Sanofi Pasteur, Inc., to provide communicable disease and travel vaccines for public health clinics on the same terms and conditions afforded under the Public Health Service (PHS) Section 340B Drug Pricing Program, in an amount not to exceed \$115,000 for a one-year period with option of renewing for two additional one-year periods, plus a 10 percent contingency for additional vaccines if necessary and if funds are available, at the discretion of the City Manager. (Citywide)

City Council approval is being requested to authorize the City Manager to execute a contract for the purchase of vaccines. The Department of Health and Human Services (DHHS) provides communicable disease and travel vaccines in its Walk-In and Travel Clinics. These vaccinations are essential to insuring the control of communicable diseases in the community. Travel vaccinations are often required of international travelers to protect them from acquiring diseases. In addition, these vaccines prevent the spread of diseases from other countries within the community. As one of the largest travel clinics in Southern California, the DHHS receives numerous referrals from physicians throughout the region. These clinics meet full cost recovery for services rendered through third party reimbursements (insurance) or fee for service payments. The number of clients seen in these clinics has steadily increased in recent years, requiring an increase up to \$115,000 per year. In previous years, the Department of Financial Management has issued purchase orders for \$100,000.

The DHHS purchases vaccines for Yellow Fever, Meningitis, Tetanus, Diphtheria, Japanese Encephalitis, Typhoid, and Rabies directly from Sanofi Pasteur, Inc., the manufacturer and sole distributor of these vaccines. Sanofi Pasteur, Inc., can furnish these vaccines according to the Veterans Healthcare Act of 1992 (Public Health Service Section 340B). Section 340B requires drug manufacturers to provide outpatient drugs to eligible health care centers, clinics and hospitals at a reduced price. The 340B price is a "ceiling price," meaning it is the highest price the covered entity would have to pay for select outpatient and over-the-counter drugs and minimum savings the manufacturer must provide. Therefore, City Council approval is being requested to execute a contract with Sanofi Pasteur, Inc., of Swiftwater, PA (not a MBE, WBE, local, or SBE).

The City Charter provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

This item was reviewed by Principal Deputy Attorney J. Charles Parkin on January 22, 2008 and Budget Management Officer Victoria Bell on January 30, 2008.

City Council action is requested on February 19, 2008 to ensure that the new contract is in place expeditiously.

The cost of this contract is \$115,000. The costs of the vaccinations are offset by fees that are

charged to clients of the Walk-In and Travel Clinics. The City will have the option of adding expenditures up to 10 percent (\$11,500) above the contract amount, if necessary, and if funds are available. Sufficient funds are currently appropriated in the Health Fund (SR 130) and in the Department of Health and Human Services (HE).

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AND ANY AMENDMENTS THERETO WITH SANOFI PASTEUR, INC. WITHOUT ADVERTISING FOR BIDS TO PROVIDE COMMUNICABLE DISEASE AND TRAVEL VACCINES FOR PUBLIC HEALTH CLINIC ON THE SAME TERMS AND CONDITIONS AFFORDED UNDER THE PUBLIC HEALTH SERVICE (PHS) SECTION 340B DRUG PRICING PROGRAM, IN AN AMOUNT NOT TO EXCEED \$115,000 FOR A ONE-YEAR PERIOD WITH THE OPTION OF RENEWING FOR TWO ADDITIONAL ONE-YEAR PERIODS

Lori Ann Farrell  
Director of Financial management/CFO

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Director of health and Human Services

NAME  
TITLE

APPROVED:

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PATRICK H. WEST  
CITY MANAGER