

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

502



FROM: Riverside University Health System – Public Health

SUBMITTAL DATE:
April 19, 2016

SUBJECT: Approval of an increase to the Purchase Order with Qiagen, Inc. for QuantiFERON Tuberculosis test kits and regents without seeking competitive bids for Five Years. Districts: All [\$860,000] paid from the Public Health Budget - 100% offset by revenue

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Purchasing Agent to increase the current Purchase Order amount with Qiagen, Inc. for QuantiFERON Tuberculosis test kits and regents without seeking competitive bids by \$60,000 from \$100,000 to \$160,000 annually through FY 20/21; and,
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding to: sign amendments that do not change the substantive terms of the purchase order, including increases to the compensation provision that do not exceed 10% annually.

BACKGROUND:

Summary

Qiagen, Inc., is the sole supplier in the United States (U.S.) of the QuantiFERON TB In-Tube test and the Public Health Tuberculosis Control, Occupational Health and Riverside County providers require a highly specific and sensitive diagnostic test for tuberculosis patient management.

(continued on Page 2)

Sarah S. Mack

Sarah S. Mack, Director
Public Health

MC:rs:td

Purchasing & Fleet Services: *Teresa Summers*

Departmental Concurrence

Teresa Summers, Assistant Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 60,000	\$ 160,000	\$ 860,000	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
SOURCE OF FUNDS: 100% cost of testing will be off-set by revenue charged by the laboratory				Budget Adjustment:	NO
				For Fiscal Year:	15/16 – 20/21

C.E.O. RECOMMENDATION:

APPROVE

BY: *Christopher M. Hans*
Christopher M. Hans

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: 12/17/13 3-42

District: ALL

Agenda Number:

3-19

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of an increase to the Purchase Order with Qiagen, Inc. for QuantiFERON Tuberculosis test kits and reagents without seeking competitive bids for Five Years. Districts: All [\$860,000] [\$160,000 ongoing] Public Health Budget - 100% offset by revenue
DATE: April 19, 2016
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BACKGROUND:

Summary (continued)

The QuantiFERON Tuberculosis (TB) In-Tube test (QFT) is an in-vitro test with significant advantages over the present TB testing practice: tuberculin skin test (TST).

The Public Health Laboratory is requesting an increase in the annual purchase amount from \$100,000 to \$160,000. The Public Health Lab is experiencing an increase of QFT requests from the County of Riverside Occupational Health. They are on track on their approximation request of 8,000 tests annually. Due to this increase, the Public Health Lab will need to increase the number of test kits and reagents purchases from Qiagen, Inc.

Impact on Citizens and Businesses

QFT is cost effective for TB infection control programs. The QFT requires only one patient visit in contrast to the TST which can require up to 4 visits due to 2-step boosting. Personnel and investigative costs are reduced due to the reduction of false positive results. False positives can involve follow-up testing that includes chest x-rays and unnecessary TB therapy.

Contract History and Price Reasonableness

The County of Riverside Board of Supervisors approved the purchase of QuantiFERON TB In-Tube test kits and reagents from Cellestis, Inc., now Qiagen, Inc., on July 17, 2012, (M.O. 3.27). The approval consisted of authorizing the County Purchasing Agent to renew the contract for five years through June 30, 2017. On December 17, 2013 (M.O. 3-42) the Board of Supervisors approved an annual increase from \$35,000 to \$100,000 for the purchase of the test kits and reagents.

Qiagen, Inc. is offering a discount off their normal State and local government pricing to the County of Riverside. The pricing offered by Qiagen, Inc. is fair and reasonable; currently the unit cost per test for Riverside County is \$17.00 which includes shipping costs; the list price is \$22.00 per test. The department requests approval to purchase the test kits and reagents from Qiagen for an additional five years through FY20/21.

Date: April 18, 2016
From: Sarah S. Mack, Director of Public Health
To: Purchasing Agent
Via: Richard P. Strickland 951-358-6561
Subject: Sole Source Procurement; Request for QuantiFERON-TB

The below information is provided in support of my Department requesting approval for a sole source.

1. **Supplier being requested: Qiagen, Inc.**
2. **Vendor ID: 58918**
3. **Supply/Service being requested:**
QuantiFERON-TB Gold In-Tube (interferon-release testing system approved for the diagnosis of latent tuberculosis infection) test kits, reagent, and supplies.
4. **Alternative suppliers that can or might be able to provide supply/service and extent of market search conducted:**
T-Spot (manufactured by Oxford Diagnostic Laboratories) is an FDA-approved interferon gamma release assay. However, it is a 2-step process which does not allow it to be automated and requires extensive manual hands-on time. Currently the QuantiFERON is performed on the EVOLIS instrument contracted with BioRad. Additionally, the lab has performed an extensive validation of the test as well as created interfaces with the laboratory information system.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:**
Qiagen, Inc. is the sole supplier in the United States of the QuantiFERON-TB Gold In-Tube test and other QuantiFERON-TB test products. QuantiFERON-TB Gold In-Tube was approved by the FDA October 12, 2007 as an aid in diagnosing latent Mycobacterium tuberculosis infection and tuberculosis disease. December 2005, CDC published QuantiFERON-TB GOLD guidelines noting patient management and cost advantages over current TB testing practices.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:**
Public Health Tuberculosis Control, Occupational Health and Riverside County Providers require a highly specific and sensitive diagnostic test for tuberculosis patient management.

Sarah S. Mack, M.P.H., Director

Cameron Kaiser, M.D., Public Health Officer



The QuantiFERON-TB Gold In-Tube test is an in-vitro test with significant advantages over the present TB testing practice which is the tuberculin skin test (TST):

- a) QuantiFERON-TB Gold In-Tube eliminates false positives due to BCG vaccination and non-tuberculosis mycobacterium. The TST can give a false positive in both situations.
- b) QuantiFERON-TB Gold In-Tube results give an objective answer, with no need for an interpretive reading as with the TST.
- c) Because the QuantiFERON-TB Gold In-Tube is a blood test (not an in-vivo test as TST) there are no adverse patient reactions or booster effects that may induce false positive response on re-test.
- d) The TST requires a second patient visit for evaluation. QuantiFERON-TB Gold In-Tube provides results independent of patient compliance and frees nursing staff from the need to evaluate negative results with no need for a second patient visit.
- e) The "In-Tube" format provides convenient in-field collection. This format enables patient blood to be collected at remote locations. Blood is collected directly into ready to use tubes that are pre-coated with mycobacterial antigens.

The previous Sole Source Procurement Request was approved on July 3, 2012, #13-034, for the period of performance of August 1, 2012 through June 30, 2017 in the amount of \$100,000 annually.

7. Period of Performance: From: May 1, 2016 to June 30, 2021

Is this an annually renewable contract? No Yes
 Is this a fixed-term agreement: No Yes

8. Identify all costs for this requested purchase.

Description:	FY 15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	Total
One-time Costs:							
	0	0	0	0	0	0	0
Ongoing Costs:							
QuantiFERON-TB Gold In-Tube	\$60,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$860,000
Total Costs	\$60,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$860,000

9. Price Reasonableness:

Qiagen, Inc. has offered the County of Riverside a generous discount from the list price of \$22.00 per test to \$17.00 per test. QuantiFERON-TB Gold In-Tube should generate a significant cost savings in terms of nursing staff time and elimination of false positive results. False positives test results may involve follow-up testing including chest x-rays and unnecessary TB therapy. The estimated annual costs of \$160,000 will be offset by revenue

Sarah S. Mack, M.P.H., Director Cameron Kaiser, M.D., Public Health Officer

generated by performing such tests at a cost to the submitter of \$40.00 per test.

10. Projected Board of Supervisor Date: May 3, 2016

<u>Sarah Mack</u>	<u>SARAH MACK</u>	<u>4/19/16</u>
Department Head Signature	Print Name	Date

Purchasing Department Comments:

<u>Approve</u>	Approve with Condition/s	Disapprove
Not to exceed: \$ <u>160,000</u>	One time	Annual Amount through <u>6/30/21</u> (Date)
<u>[Signature]</u>	<u>4/21/16</u>	<u>16-514</u>
Purchasing Agent	Date	Approval Number (Reference on Purchasing Documents)

List Attachments: