

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 15, 2022

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with Cepheid for COVID-19 Test Kits

RECOMMENDATION(S)

Approve **Amendment No. 1** to **Agreement No. 21-294** with Cepheid for COVID-19 test kits, to increase the contract amount by \$1,027,800, from an amount not-to-exceed \$600,000 to an amount not-to-exceed \$1,627,800, and to extend the contract expiration date from April 1, 2022 to December 31, 2022, for a contract term of March 24, 2021 through December 31, 2022.

(Presenter: William L. Gilbert, Director. 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General funding (Net County Cost). The additional cost of \$1,027,800 will be funded by State Medi-Cal, Federal Medicare, private insurances, and other department revenue. Funding sources may change in the future pending any legislative actively related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue are included in the Arrowhead Regional Medical Center's (ARMC) 2021-2022 recommended budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of this amendment to the agreement with Cepheid will allow ARMC to purchase additional 4-Plex test kits for \$680 per kit and XPRESS SARS-COV-2 (COVID-19 only) test kits for \$385 per kit. Each test kit contains 10 test cartridges and contains all the reagents needed to perform the tests listed.

ARMC Laboratory uses the Cepheid 4-Plex test to provide clinicians rapid assessment of presence and differentiation of infection with COVID-19, Influenza (flu) A+B and RSV (Respiratory Syncytial Virus) to determine appropriate treatment and isolation status. The tests are Polymerase Chain Reaction (PCR) tests. PCR is a method of testing used to rapidly make multiple copies of a specific deoxyribonucleic acid (DNA) sample to be able to detect the presence of small amounts of DNA in a sample. The tests detect viral DNA using Cepheid's proprietary technology to perform rapid testing and are the most sensitive, detecting very low levels of any virus present. This type of test can only be performed by licensed Laboratory personnel, per regulatory requirements. This test differs from the COVID-19 antigen self-tests, which do not require any special training for the use or performance of the test. The antigen

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self-tests do not make multiple copies of DNA; therefore, they are less sensitive and not accurate for detecting low levels of the virus that appear early in COVID-19 infection.

The Laboratory has been using this test throughout the COVID-19 pandemic because of the ability to provide rapid results within 45 minutes. The Cepheid 4-Plex (COVID-19, Flu A+B, RSV) test is used during flu season as defined by the Center for Disease Control and Prevention (CDC) as October through March and the COVID-19 only test is used during non-flu season months. As of Spring 2022, Cepheid will transition to the COVID-19 only test kits which will be available through October 2022. ARMC will need to purchase these test kits as they are the only kits compatible to the Cepheid COVID-19 testing equipment, which ARMC currently utilizes and the test cartridges cannot be used on any other type of equipment.

Initially, ARMC purchased these kits through Purchase Orders (POs), which the Purchasing Department approved. Purchasing's sole source authority was concluded based on the depletion of the existing 200,000 approval limit. The ability to purchase kits through POs ended on March 22, 2021. On February 9, 2021 (Item No. 76), the Board of Supervisors (Board) extended the authority of the Chief Executive Officer (CEO) through March 31, 2021, subject to ratification by the Board at the next available Board meeting to approve the competitive and non-competitive acquisition of any goods and equipment purchases to support the emergency response to COVID-19 that would require Board approval under current law, regulations, or county policies. A formal agreement with Cepheid for the purchase of the 4-plex test kits was approved by County Counsel and executed by the CEO under delegated authority on March 24, 2021. The agreement was subsequently ratified by the Board on April 20, 2021 (Item No. 26).

Test kits purchased under the agreement have been depleted and funding has been exhausted. There is an increased need for the rapid test kits because elective surgeries were cancelled over the past several months during the latest surge of COVID-19 as Operating Room staff were allocated to other units within ARMC to care for patients with COVID-19. ARMC is now making an effort to catch up on all the elective surgeries, which requires each patient to have a COVID-19 rapid test before a procedure can take place.

PROCUREMENT

The amendment with Cepheid is a continuation of a non-competitive procurement as Cepheid is the sole source for the rapid result 4-plex test kit and COVID-19 only test kit that are compatible with ARMC's current equipment.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on February 28, 2022; Purchasing Department (Ariel Gill, Buyer, 777-0722) on February 28, 2022; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on February 28, 2022; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-5423) on February 28, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Janice Rutherford Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 15, 2022



cc: ARMC- Gilbert w/agree w/attach
Contractor- C/O ARMC w/agree w/attach
File- w/agree w/attach
LA 03/21/2022