

**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date:

ALL

Item Creation Date: 1/5/2018

S25281-A1 - Medical Equipment, Supplies and Pharmaceuticals - MOTION

Agenda Item#:

Background:

S21-S25281-A1 - Amend Council Motion No. 2015-0400, passed June 10, 2015, to increase the spending authority from \$4,000,479.07 to \$5,600,670.70 for emergency medical equipment, supplies, and pharmaceuticals for various departments.

Specific Explanation:

The Chief Procurement Officer recommends that City Council approve an amendment to Council Motion No. 2015-0400 to increase the spending authority for the purchase of emergency medical equipment, supplies, and pharmaceuticals awarded to **Bound Tree Medical, LLC** from \$4,000,479.07 to \$5,600,670.70.

This award began June 16, 2015 for a 36-month term with two one-year options in an amount not to exceed \$4,000,479.07. Expenditures as of January 5, 2018 totaled \$3,898,842.91. The Houston Fire Department (HFD) reported an increased number of patients and an expansion of its services in recent years. The increased activity has occurred primarily at HFD's distribution center, which supplies 93 stations with EMS supplies and pharmaceuticals. HFD's distribution center is responsible for outfitting each ambulance in accordance with state standards for emergency vehicles used in responding to life-threatening emergencies. HFD distributes approximately \$1.6 million dollars in drugs and supplies every year. The supplies include, but are not limited to, one-time use of syringes, gloves, IV bags, gauze, alcohol pads, and airway oxygen masks. Since June 2015, rising costs and volatility within the pharmaceutical market have depleted spending authority faster than anticipated. For these reasons, HFD is requesting additional spending authority. Additionally, Bound Tree Medical, LLC will increase the City's current discount for catalog pricing on all pharmaceuticals from 10% to 20% effective January 8, 2018. Bound Tree Medical, LLC believes the City will see an immediate reduction in budget dollars expended. All other terms and conditions shall remain as previously approved by City Council.

The additional spending authority in an amount not to exceed \$1,600,191.63 will allow services to continue during the remainder of the term. HFD estimates the additional funding will continue the day-to-day operations for approximately 14 months. The Strategic Procurement Division (SPD) and HFD are working diligently on a renewal and estimate a new award to be in place by May 2018. In the interim, HFD will work closely with SPD to mitigate cost where possible and meet the obligations that are vital to the well-being of Houston residents.

This award consists of one price list and line items for emergency medical equipment, supplies, and pharmaceuticals which includes; but not limited to, epinephrine, albuterol, dopamine, sodium bicarbonate, and adenosine injections used by the HFD's emergency responders.

MWBE Participation:

MWBE zero-percent goal document approved by the Office of Business Opportunity.

Hire Houston First:

The proposed award requires compliance with the City's "Hire Houston First" (HHF) ordinance that promotes economic opportunity for Houston businesses and supports job creation. In this case, Bound Tree Medical, LLC does not meet the requirements for HHF designation; no HHF firms were within three percent.

Fiscal Note:

Funding for this item is included in the FY18 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.


Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division

Department Approval Authority

Estimated Spending Authority			
DEPARTMENT	FY2018	OUT YEARS	TOTAL
Houston Fire Department	\$540,000.00	\$1,060,191.63	\$1,600,191.63

Prior Council Action:

CM 2015-0400; passed June 10, 2015

Amount of Funding:

\$1,600,191.63 - General Fund (1000)

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ATTACHMENTS:**Description**S25281-A1 MWBE Zero-PercentS25281 CM2015-0400S25281-A1 Cleared Tax Report -Bound Tree MedicalS21-S25281-A1 Budget Form A**Type**

Backup Material

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