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[Reprogramming of \$789,715 from SFGH's equipment budget to purchase a Materials and Supplies Inventory and Purchasing System Upgrade]

Resolution authorizing the San Francisco Department of Public Health (DPH), to reprogram \$789,715 in funding budgeted at San Francisco General Hospital (SFGH) for medical equipment to purchase a Materials and Supplies Inventory and Purchasing System Upgrade in FY 2006-07

WHEREAS, DPH needs to acquire an Inventory and Purchasing System Upgrade for its existing/sun-setting predecessor system used for the procurement and inventory control for medical supplies throughout the DPH; and

WHEREAS, a system crash after the sunset date would carry with it great risk to the DPH and could result in the shut-down of computerized Inventory, purchasing, distribution, accounting, receiving, and revenue capture capabilities throughout the DPH; and

WHEREAS, the upgraded system will be used to address the medical supply purchasing and inventory needs of San Francisco General Hospital, Laguna Honda Hospital, and other off-site medical facilities including San Francisco Behavioral Health Center, five jails, and seventeen health clinics; and

WHEREAS, patient care will be enhanced as end users, such as nursing staff, are empowered to remain at their critical posts to access online supply ordering; and

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2 WHEREAS, as an existing licensed customer of the Matkon System,
3 McKesson is extending to the Department an 80% discount on the like-for-like
4 upgrade and a 30% discount on the new applications on the condition that contract
5 signing occurs in FY 2006-07; and
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7 WHEREAS, DPH was able to negotiate a five-year support and maintenance
8 agreement, which is 11% off of McKesson's standard pricing; and
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10 WHEREAS, all the discounts total \$798,700 off the standard software list price
11 of \$1,258,600, which is a savings of approximately 63%. Additionally, McKesson has
12 extended the Matkon Support sunset date, March 2007, and has agreed to continue
13 to support Matkon until the upgrade to Pathways is completed; and
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15 WHEREAS, SFGH has identified budgeted equipment that is not essential to
16 the operation of the hospital at this time in the amount of \$789,715; and
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18 WHEREAS, DPH has requested the balance of \$549,187 in the FY 2007-08
19 equipment budget; and
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21 WHEREAS, the Department wishes to obtain approval from the Board of
22 Supervisors to reprogram \$789,715 allocated to SFGH to purchase a Materials and
23 Supplies Inventory and Purchasing System Upgrade; and now, therefore; be it
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1 RESOLVED, that DPH is authorized to reprogram the \$789,715 budgeted at
2 SFGH to purchase a Materials and Supplies Inventory and Purchasing System
3 Upgrade.

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5 APPROVED:

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9 Mitch Katz, M.D.
10 Director of Health
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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 070326

Date Passed:

Resolution authorizing the San Francisco Department of Public Health (DPH), to reprogram \$789,715 in funding budgeted at San Francisco General Hospital (SFGH) for medical equipment to purchase a Materials and Supplies Inventory and Purchasing System Upgrade in FY 2006-07.

May 8, 2007 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell,
Mirkarimi, Peskin, Sandoval

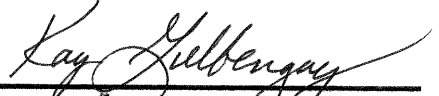
Excused: 1 - McGoldrick

File No. 070326

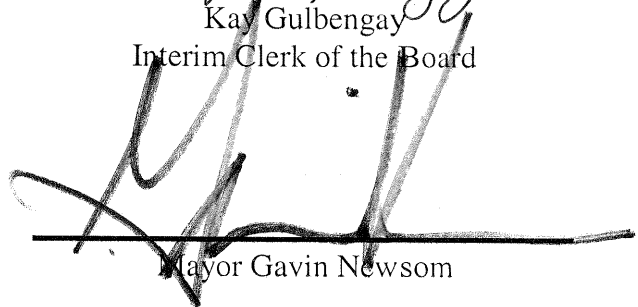
I hereby certify that the foregoing Resolution was ADOPTED on May 8, 2007 by the Board of Supervisors of the City and County of San Francisco.

MAY 17 2007

Date Approved



Kay Gulbengay
Interim Clerk of the Board



Mayor Gavin Newsom