

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

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

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

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

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

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

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WHEREAS, as an existing licensed customer of the Matkon System, McKesson is extending to the Department an 80% discount on the like-for-like upgrade and a 30% discount on the new applications on the condition that contract signing occurs in FY 2006-07; and

WHEREAS, DPH was able to negotiate a five-year support and maintenance agreement, which is 11% off of McKesson's standard pricing; and

WHEREAS, all the discounts total \$798,700 off the standard software list price of \$1,258,600, which is a savings of approximately 63%. Additionally, McKesson has extended the Matkon Support sunset date, March 2007, and has agreed to continue to support Matkon until the upgrade to Pathways is completed; and

WHEREAS, SFGH has identified budgeted equipment that is not essential to the operation of the hospital at this time in the amount of \$789,715; and

WHEREAS, DPH has requested the balance of \$549,187 in the FY 2007-08 equipment budget; and

WHEREAS, the Department wishes to obtain approval from the Board of Supervisors to reprogram \$789,715 allocated to SFGH to purchase a Materials and Supplies Inventory and Purchasing System Upgrade; and now, therefore; be it

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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Mitch Katz, M.D.

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Director of Health

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