

1 [Agreement Amendment - Medline Industries, Inc. - Low Unit of Measure (LUM) Distribution of
2 Medical, Surgical, and Laboratory Supplies - Not to Exceed \$301,562,341]

3 **Resolution approving Amendment No. 3 to the agreement between the City and County**
4 **of San Francisco, acting by and through, the Department of Public Health (DPH), and**
5 **Medline Industries, Inc., for Low Unit of Measure (LUM) distribution of medical,**
6 **surgical, and laboratory supplies, to extend the term by four years from June 30, 2026,**
7 **for a total term of July 1, 2021, through June 30, 2030; to increase the amount by**
8 **\$156,250,791 for a new total not to exceed amount of \$301,562,341; to update the**
9 **Medline Master Distribution Agreement; and to authorize DPH to enter into**
10 **amendments or modifications to the agreement that do not materially increase the**
11 **obligations or liabilities to the City and are necessary to effectuate the purposes of the**
12 **agreement or this Resolution.**

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14 WHEREAS, The Department is authorized under Administrative Code, Section 21A.2,
15 to procure certain goods and services through a Group Purchasing Organization, and Medline
16 Industries, Inc. was selected through that process; and

17 WHEREAS, The contract is consistent with the Civil Service Commission’s approval
18 obtained on May 17, 2021, under PSC No. 43503-20/21; and

19 WHEREAS, On April 5, 2021, Department of Public Health (DPH) and Medline
20 Industries, Inc. entered into an agreement for Low Unit of Measure (LUM) distribution of
21 medical, surgical, and laboratory supplies (“Original Agreement”); and

22 WHEREAS, The Original Agreement has a term of July 1, 2021, through June 30,
23 2026, and a not to exceed amount of \$145,311,550; and

24 WHEREAS, DPH amended the Original Agreement on July 29, 2021, to update the
25 supply agreement and to update the calculation of charges (the “First Amendment”); and

1 WHEREAS, DPH amended the First Amendment on December 1, 2023, to insert True
2 Price program requirements and processes and to insert Purge Certification form (the
3 “Second Amendment”); and

4 WHEREAS, DPH wishes to amend the agreement by extending the term to June 30,
5 2030, and increasing the maximum expenditure by \$156,250,791 to \$301,562,341, and
6 updating the Medline Master Distribution Agreement (the “Third Amendment”); and

7 WHEREAS, The Third Amendment is consistent with the Civil Service Commission’s
8 approval obtained on May 17, 2021, under PSC No. 43503-20/21; and

9 WHEREAS, Charter, Section 9.118(b), requires Board of Supervisors approval by
10 Resolution of any contract which, when entered into, extends over 10 years, and of any
11 contract which, when entered into, costs the City \$10,000,000 or more; and

12 WHEREAS, The proposed amendment contained in File No. _____, is
13 substantially in final form, with all material terms and conditions included, and only remains to
14 be executed by the parties upon approval of this Resolution; now, therefore, be it

15 RESOLVED, That the Board of Supervisors hereby approves the amendment in
16 substantially the form contained in File No. _____; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors authorizes DPH to make any
18 modifications to the amendment, prior to its final execution by all parties, that DPH
19 determines, in consultation with the City Attorney, are consistent with this Resolution, in the
20 best interest of the City, do not materially increase the obligations or liabilities of the City, are
21 necessary or advisable to effectuate the purposes of the amendment, and are in compliance
22 with all applicable laws, including the City’s Charter; and, be it

23 FURTHER RESOLVED, That within 30 days of the amendment being fully executed by
24 all parties, DPH shall submit to the Clerk of the Board of Supervisors a completely executed
25 copy for inclusion in File No. _____; this requirement and obligation resides with the

1 Department, and is for purposes of having a complete file only, and in no manner affects the
2 validity of approved amendment.

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7 RECOMMENDED

8 /s/Jenny Louie for

9 Daniel Tsai

10 Director of Health

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