



DATE: February 4, 2026
TO: Angela Calvillo, Clerk of the Board
FROM: Lorna Walker, Deputy Director of Office of Contract Administration ("OCA")
SUBJECT: Resolution to approve second amendment to Contract 1000021126 (TC60403) with Vitalant

Enclosed please find the proposed Resolution from the Office of Contract Administration ("OCA"), on behalf of the Department of Public Health ("DPH"), requesting that the Board of Supervisors authorize the second amendment to Contract 1000021126 with Vitalant for blood and blood products. The proposed amendment will increase the contract amount by Eighteen Million, Two Hundred Fifty-Nine Thousand dollars (\$18,259,000), for a total not to-exceed ("NTE") amount of Twenty-Eight Million, Two Hundred Forty-Nine Thousand dollars (\$28,249,000), and extend the term by five years through September 30, 2031.

Background

Contract 1000021126 was executed on October 1, 2021 pursuant to Administrative Code Section 21.5(d), setting forth an initial term ending September 30, 2024 and an NTE amount of \$9,990,000. On October 1, 2024, OCA executed the First Amendment to extend the contract through September 30, 2026, without increasing the NTE amount.

Contract Overview

Pursuant to Contract No. 1000021126, DPH can purchase blood and blood products on an as-needed basis. Blood and blood products are critical supplies for DPH, as they are used in blood transfusions required in a wide range of treatments and procedures. In current medical practice, whole blood is rarely used, as it is typically separated into individual components to treat specific conditions more effectively. Red blood cells are used to treat anemia and blood loss, platelets help patients with clotting disorders or undergoing chemotherapy, and plasma contains proteins and clotting factors critical for patients with liver disease, burns or trauma. Collectively, blood and blood products play a vital role in emergency care, surgery, and chronic disease management.

Because Zuckerberg San Francisco General Hospital (ZSFGH) is a designated Level 1 trauma center, it is critical to have blood products readily available to meet the unexpected urgent need for blood products. Due to the limited shelf life of blood products, the immediate availability of blood products is essential to the hospital's operations.

Vitalant, located in Brisbane near San Francisco, is the only blood supplier located in sufficient geographical proximity to the hospital to guarantee emergent blood product shipments within one hour. This is necessary to support ZSFG's role as the City's only Level 1 trauma center and one of its busiest acute care hospitals.



Contract Amendment Pricing

At the outset of the amendment pricing negotiations, Vitalant proposed a tiered average price increase structure: 6% in Year 1, 5% in Year 2, 5% in Year 3, 4% in Year 4, and 4% in Year 5. In collaboration with DPH business stakeholders, OCA successfully negotiated a more favorable pricing structure: an average annual increase of 2.5% for Years 1 through 3, and 4% for Years 4 and 5. This revised pricing is projected to save approximately \$1,037,000 over the five-year term.

Contract NTE Amount Calculations for SFGH

A. Original and Amendment 1 NTE Amount Calculations

Contract 1000021126 was executed on October 1, 2021, with an NTE amount of Nine Million, Ninety-nine Hundred Thousand dollars (\$9,990,000) and an original initial term ending September 30, 2024, with the option to extend to September 30, 2026. On October 1, 2024, OCA executed Amendment 1 to extend the contract end date to September 30, 2026, without adding funds to the contract.

B. Amendment 2 NTE Amount Calculations

As of October 19, 2025, DPH encumbered an average of Two Hundred Fourteen Thousand, Three Hundred Seventy-Six dollars (\$214,376) per month against Contract 1000021126. Based on average monthly encumbrances and the number of remaining months on this contract once extended to September 30, 2031, OCA estimates that Contract 1000021126's NTE amount must be increased to Twenty-Eight Million, Two Hundred Four-Nine Thousand dollars (\$28,249,000) to ensure adequate funds through the revised contract end date of September 30, 2031.

Table 1 details the basis of this calculation.

Table 1: Amendment 2 NTE Amount Calculations for Contract 1000021126 as of October 19, 2025

Contract ID	1000021126
Contract Start Date	10/1/2021
Report Run Date	10/19/2025
Total Encumbered Funds as of Report Run Date	\$9,327,908
Projected Avg Monthly Encumbrances in Year 5 (10/1/2025-9/30/2026)	\$214,376
Number of Remaining Months in Year 5	11.5
Projected Avg Monthly Encumbrances in Year 6 (10/1/2026-9/30/2027)	\$219,735
Projected Avg Monthly Encumbrances in Year 7 (10/1/2027-9/30/2028)	\$225,228
Projected Avg Monthly Encumbrances in Year 8 (10/1/2028-9/30/2029)	\$230,859
Projected Avg Monthly Encumbrances in Year 9 (10/1/2029-9/30/2030)	\$240,093
Projected Avg Monthly Encumbrances in Year 10 (10/1/2030-9/30/2031)	\$249,697



Additional Funds Needed (Before Adjustments)	\$16,452,644
Less Available Contract Balance in PS	\$662,092
Plus Contingency (15%)	\$2,467,897
Total Additional Funds Needed through Contract End Date (After Adjustments)	\$18,258,448
Current Executed Contract NTE	\$9,990,000
Proposed Revised Executed Contract NTE	\$28,248,448
Proposed Revised Executed Contract NTE (Rounded to nearest thousand)	\$28,249,000

Recommendation

Blood and blood products purchased through Contract 1000021126 with Vitalant are critical to DPH's operations and its ability to operate ZSFGH, which is a Level 1 trauma center. ZSFGH treats the most critically injured patients, where rapid blood transfusion can mean the difference between life and death. Blood and blood products are essential to save the lives of patients from severe injuries, massive blood loss, or complex surgical emergencies. A timely approval of this resolution will allow ZSFGH to provide continuous, comprehensive, and lifesaving care.

If you have any questions or require additional information, please contact Shuang Liu at (628) 652-1604.

Enclosures:

1. Contract 1000021126 Initial Contract
2. Contract 1000021126 First Amendment
3. Contract 1000021126 Proposed Second Amendment
4. Contract 1000021126 Second Amendment Resolution
5. Contract 1000021126 Form 126(f)4