

1 [Agreement Amendment - McKesson Corporation - Group Purchasing Organization Purchase
2 of Pharmaceuticals - Not to Exceed \$977,652,155]

3 **Resolution approving Amendment No. 1 to the Group Purchasing Organization**
4 **pharmaceutical Agreement between McKesson Corporation and the Department of**
5 **Public Health (DPH), under Administrative Code, Chapter 21A.2, to increase the**
6 **Agreement sum by \$596,269,164 for a not to exceed amount of \$977,652,155; extend**
7 **the term by four years and five months from February 1, 2024, for a total term of**
8 **February 1, 2020, through June 30, 2028; and to authorize DPH to enter into**
9 **modifications of the Agreement that do not materially increase the City’s obligations or**
10 **liabilities and are necessary to effectuate the purposes of the Agreement or this**
11 **Resolution.**

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13 WHEREAS, The Department of Public Health (DPH) has an ongoing need to buy a
14 broad range of pharmaceuticals for use in the daily delivery of care to patients in various DPH
15 programs; and

16 WHEREAS, DPH procured the Agreement as authorized under Administrative Code,
17 Chapter 21A.2 (Membership in Group Purchasing Organizations); and

18 WHEREAS, Charter, Section 9.118, provides that contracts entered into by a
19 department requiring anticipated expenditures by the City of ten million dollars or the
20 modification or amendments to such contracts having an impact of more than \$500,000 shall
21 be subject to approval of the San Francisco Board of Supervisors by Resolution; and

22 WHEREAS, The San Francisco Board of Supervisors approved the Agreement in an
23 amount not to exceed \$381,382,991 by Resolution No. 123-20 (File No. 200012); and

24 WHEREAS, DPH wishes to amend the Agreement to extend the term by four years
25 and five months, from February 1, 2024, for a total term of February 1, 2020, through June 30,

1 2028, and increase the Agreement sum by \$596,269,164, for a total not to exceed amount of
2 \$977,652,155; now, therefore, be it

3 RESOLVED, That the San Francisco Board of Supervisors hereby authorizes the
4 Director of Health to execute Amendment No. 1 to the Agreement to extend the term by four
5 years and five months, from February 1, 2024, for a total term of February 1, 2020, through
6 June 30, 2028, and increase the Agreement sum by \$596,269,164, for a total not to exceed
7 amount of \$977,652,155; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors authorizes DPH to enter into
9 any amendments or modifications to the Agreement that the Department determines, in
10 consultation with the City Attorney, are in the best interests of the City, do not otherwise
11 materially increase the City’s obligations or liabilities, are necessary to effectuate the
12 purposes of the Agreement and this resolution, and are in compliance with all applicable laws;
13 and, be it

14 FURTHER RESOLVED, That within thirty (30) days of Amendment No. 1 being fully
15 executed by all parties, the Director of Health shall provide the final Amendment No. 1 to the
16 Clerk of the Board for inclusion into the official File No. 231146.

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18 RECOMMENDED

19 _____
/s/ _____
20 Dr. Grant Colfax
21 Director of Health

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