



# Contra Costa County

To: Board of Supervisors  
From: Anna Roth, Health Services Director  
Date: October 11, 2022

Subject: Payment for Services Provided by Medline Industries, Inc.

## **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Auditor-Controller or designee, to pay an amount not to exceed \$40,626 to Medline Industries, Inc. for Annual Inventory Services provided during the period of June 22, 2022, through June 30, 2022.

## **FISCAL IMPACT:**

Approval of this action will result in a one-time expenditure of \$40,626 and will be funded 100% by Hospital Enterprise Fund I revenues.

## **BACKGROUND:**

The main distributor of medical products for Contra Costa Regional Medical Center (CCRMC) and Contra Costa Health Centers was Professional Hospital Supply (PHS) for many years. PHS was purchased by Medline Industries, Inc. in 2014.

CCRMC has been utilizing Medline to provide annual inventory assistance for the past several years. Medline is also CCRMC's contracted vendor for medical-surgical supply distribution and end to end distribution, as an awarded Vizient Group Purchasing Organization (GPO) supplier. Approximately 95% of all inventory purchases are distributed

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/11/2022** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

## **VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 11, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: Antonia Welty, Deputy

Contact: Ronny Leffel,  
925-550-2299

cc:

through Medline. Their knowledge and experience with our inventory transactions have been instrumental during inventory preparation and performance of the physical counts. Without the assistance of an outside professional inventory company, completing the physical inventory would have been a challenge for Materials Management to complete, especially when taking into consideration the one-hundred and twenty (120) day personal protective equipment (PPE) and other critical inventory items added after the COVID-19 pandemic.

#### BACKGROUND: (CONT'D)

CCRMC Materials Management has previously utilized purchase order or service contract agreements for various CCRMC annual inventory services. Due to significant staff turnover in the CCRMC Materials Management Unit, a service contract request was not submitted in a timely manner for the services needed for the annual physical inventory of supplies. Considering the time lapse since the services were provided and the time it will take the department to establish a contract, the department is seeking to pay the vendor as soon as feasible. The contractor is entitled to payment for the reasonable value of its services under the equitable relief theory of quantum meruit. The theory provides that where a contractor has been asked to provide services without a valid contract, and the contractor does so to the benefit of the County, the contractor is entitled to recover the reasonable value of those services. The department cannot pay the contractor for services rendered as they lack the necessary instrument to issue payment. As such, the department is requesting that the Board authorize the Auditor-Controller to issue a one-time payment not to exceed \$40,626 for the annual physical inventory supplies services provided. The department has added this contractual need to its contract monitoring and tracking to prevent this from occurring again, and a contract will be established for the future service needs.

#### CONSEQUENCE OF NEGATIVE ACTION:

If this action is not approved, Medline Industries, Inc. will not be paid for services rendered in good faith.