



Contra  
Costa  
County

To: Board of Supervisors  
From: Anna Roth, Health Services Director  
Date: December 13, 2022

Subject: Agreement with Medline Industries, LP

**RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a distribution agreement with Medline Industries, LP and Medline Industries Holdings, L.P. to commit to purchase 90% of County's estimated \$10,000,000 annual purchases of medical supplies, surgical supplies, laboratory supplies, diagnostic imaging supplies, cleaning supplies, disaster supplies, and associated distribution fees, i.e., bulk and low unit of measure (LUM) fees and miscellaneous minor equipment for the Contra Costa Regional Medical Center (CCRMC) and Health Centers, for the period from December 1, 2022 through June 30, 2025.

**FISCAL IMPACT:**

Approval of this distribution agreement will allow the department to receive discounted pricing and rebates for purchasing Medline brand products.

**BACKGROUND:**

Medline Industries, LP and Medline Industries Holdings, L.P. are the primary distributors for medical and non-medical supplies and products for the CCRMC and Health Centers. They have been awarded a Vizient Group Purchasing (GPO) agreement for the distribution

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: 12/13/2022 ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

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

ABSENT: John Gioia, District I  
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: December 13, 2022

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

By: Laura Cassell, Deputy

Contact: David Runt, (925)  
370-5100

cc:

of contracted and non-contracted supplies. As a Vizient member, the CCRMC and Health Centers receive enhanced value from their participation in the Medline Vizient Group Purchasing Organization (GPO) contract.

The County has agreed to purchase 90% of the estimated \$10,000,000 in distributable product spend through Medline. This commitment will enable Medline to procure 45 days of on hand inventory dedicated to CCRMC and Health Centers.

## BACKGROUND: (CONT'D)

Based on Vizient's budget impact projections for June 2022 to June 2023, market prices for supplies are expected to rise by 3.4% due to the persisting challenges in supply chain. The Consumer price Index-urban is projecting a three-year increase of 11.7%. This is due to the unique market variables created by the COVID-19 pandemic. Volatility in the markets and the large number of unknowns has presented a challenge forecasting economic projections for the healthcare market.

On June 21, 2022, the Board of Supervisors approved agenda item C.107 to execute a purchase order with Medline Industries, Inc. in the amount of \$36,000,000 for the period of July 1, 2022 through June 20, 2025. This distribution agreement commits the County to purchasing 90% of its estimated annual distributed product spend. Payments under this distribution agreement will be made by purchase order and in accordance with the previously-approved agenda item C.107.

Approval of this item will allow this vendor to continue providing medical supplies, surgical supplies, laboratory supplies, diagnostic imaging supplies, cleaning supplies, disaster supplies, and miscellaneous minor equipment in bulk and low unit of measure (LUM) for the Contra Costa Regional Medical Center (CCRMC) and Health Centers through June 30, 2025 as well as receive discounted pricing and rebates for purchasing Medline brand products.

Under the terms of the agreement, the County agrees to indemnify and hold Medline harmless from any and all applicable tax assessments levied by a proper taxing authority for applicable sales, use, retailer's, occupation tax and any excise tax incurred by the County on all products and services provided to the County pursuant to the agreement, including interest, penalties and late charges.

## CONSEQUENCE OF NEGATIVE ACTION:

If this item is not approved, CCRMC and Health Centers will not be able to purchase supplies at discounted pricing from Medline which in turn will impact our ability to treat patients in need of medical services.