

**SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION**

Contractor	<u>Stericycle, Inc.</u>	Division/Section:	<u>SF Health Network</u>
		Director SFHN	<u>Roland Pickens</u>
Address	<u>28161 N. Keith Drive</u>	DPH Administrator:	<u>Baljeet Sangha, Associate Administrator</u>
	<u>Lake Forest, IL 60045</u>	Program Manager:	<u>Daisy Aguallo</u> Phone <u>208-5688</u>
Contact	<u>Tamar Rashkow, Stericycle Account Exec.</u>	Contract Analyst:	<u>Florence Kyaun</u> Phone <u>554-2694</u>

**Request for approval of a new contract with Stericycle, Inc. in the amount of \$1,192,800 to provide disposal and treatment of medical and bio-hazardous waste at Department of Health designated facilities, including contract programs, for the term of March 1, 2016, through February 28, 2019 (3 years).**

Profit     Non-Profit     LBE     RFQ – Number: \_\_\_\_\_ Date: \_\_\_\_\_

New     Renewal     Mod     Novation

Number of years DPH has been doing business with this organization: 8

<u>CONTRACT INFORMATION:</u>	<u>Prior Transaction</u> (new)	<u>Proposed Transaction</u> 3/1/16 – 2/28/19	<u>Annualized</u> <u>Difference</u>
Funding Sources:			
General Fund		\$1,065,000	\$1,065,000
<b>TOTAL DPH REVENUES</b>		<b>\$1,065,000</b>	<b>\$1,065,000</b>
12% Contingency Amount		\$127,800	\$127,800
<b>CONTRACT TOTAL</b>		<b>\$1,192,800</b>	<b>\$1,192,800</b>
<i>ANNUAL AMOUNT OF CONTRACT (estimate)</i>		<i>\$355,000</i>	<i>\$355,000</i>
Agency Funds		-\$0-	-\$0-
Contract FTE		N/A	N/A

**PROPOSED:**

**Mode(s) of Service & Unit of Service Definition**

	<u>No. of Clients</u> <u>Duplicated</u> <u>Unduplicated</u> (n/a)	<u>Number</u> <u>of</u> <u>Units</u>	<u>Unit Cost</u>
<b>Hospital Pricing:</b>			
• Flat Fees		Units of service are	
• Laguna Honda Hospital (1 UOS = 1 mo.)		based on the	\$450.00
• San Francisco General Hospital (1 UOS = 1 mo.)		actual items	\$700.00
• Itemized Fees		(pounds,	
• Regulated Medical Waste (1 UOS = 1 lb.)		containers, etc.)	\$0.21
• Trace chemotherapy/pathological/pharmaceutical (1 UOS = 1 lb.)		that are picked up.	\$0.90
• Record retention (1 UOS = 1 shipping document)		usage varies by	\$8.29
• Off-site Pricing:		location serviced.	
• Minimum pick-up Fee (1 UOS = 1 stop)		See page 2 for	\$75.00
• Itemized Fees		an estimate	
• Regulated Medical Waste (1 UOS = 1 container)		breakdown by	\$10.00
• Trace chemotherapy/pathological/pharmaceutical (1 UOS = 1 ctr.)		Division.	\$35.00
• Record Retention (1 UOS = 1 shipping document)			\$8.29

**Explanation of Service Change and Variances:**

Request for approval of a new contract with Stericycle, Inc. to provide disposal and treatment of medical and bio-hazardous waste at Department of Health-(DPH) designated facilities, including contract programs, for the term of March 1, 2016, to February 28, 2019. Services will include the transport, treatment, and disposal of regulated medical waste in accordance with Federal, State, and local regulations. Estimated costs among primary DPH divisions are:

San Francisco General Hospital	\$ 170,000
Laguna Honda Hospital	\$ 50,000
Population Health Division (includes all offsite and contractor sites)	\$ 135,000

Stericycle, Inc. was selected under the authority of Section 21.43 of the San Francisco Administrative Code through DPH's membership in the University Health Systems Consortium purchasing program, a government purchasing organization currently administered the Novation Co.).

These services are transitioning to a DPH contract from a previous City wide contract administered by the City's Office of Contract Administration (OCA).

**Monitoring Report/Program Review and Follow-up:**

The contract will be monitored in accordance with all applicable Departmental, State, and Federal procedures.

**Nondiscrimination and Cultural Competency:**

The Contractor will participate in applicable cultural competency requirements for the upcoming year.

**Other Significant Issues:**

Stericycle is a publically traded global business-to-business services company. Stericycle provides an array of highly specialized solutions serving healthcare organizations and commercial businesses of every size. Stericycle was founded over 25 years ago, and has grown from a small start-up in medical waste management into a leader across a range of increasingly complex and highly regulated arenas, including compliance and sustainability waste services, brand protection solutions, and customer contact solutions.

**Listing of Board of Directors, Owners of 10% or More of the Firm, and Executive Director:**

Mark C. Miller, Chairman	Rodney F. Dammeyer	Charles A. Alutto,
Jack W. Schuler, Lead Director	William K. Hall	Chief Executive Officer
Charles A. Alutto	John Patience	
Lynn Dorsey Bleil	Mike S. Zafirovski	
Thomas D. Brown		
Thomas F. Chen		

The Board of Directors is made up of 10 members. There are no current vacancies. Each director is elected to a one-year term until the first annual meeting of stockholders, until their successors are elected and qualified or until their earlier death, resignation or removal.

**Recommendations:**

The Department recommends approval of this contract.