



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 39

**Agenda Date:** June 20, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Health Department

**DEPARTMENT HEAD:** Claude Jacob

**COUNCIL DISTRICTS IMPACTED:** District 2, District 4

**SUBJECT:**

Agreement with H-E-B, LP for diabetes insulin support and pharmacy services.

**SUMMARY:**

This ordinance authorizes the execution of an agreement with H-E-B, LP (HEB) for insulin support and pharmacy services for the Insulin Support Services Program of the City of San Antonio Metropolitan Health District's (Metro Health) Chronic Disease Prevention Program in an amount up to \$100,000.00 for a term beginning July 1, 2024 through September 30, 2024, with the option to renew for one, one-year term, for a total contract value up to \$200,000.00, inclusive of renewals. Funding is available from the General Fund FY 2024 Adopted Budget. Funding for subsequent years is contingent upon City Council approval of the annual budget and funds.

**BACKGROUND INFORMATION:**

An estimated 37.3 million people in the United States have diabetes, and one out of every nine adults in Bexar County report having been diagnosed with diabetes by a health care professional. While diabetes is the 7th leading cause of death in the City of San Antonio and Bexar County, approximately one in five people with diabetes do not know they have the disease. In addition, those diagnosed with diabetes spend an average of \$17,000.00 per year on medical care expenses. The high cost of insulin creates an unnecessary burden on many individuals living with diabetes.

While insulin is not needed by everyone living with diabetes, some individuals need insulin to survive.

In January 2022, a City Council Consideration Request (CCR) was filed by District 2 Councilmember Jalen McKee-Rodriguez and District 4 Councilmember Dr. Adriana Rocha Garcia to establish an insulin cost sharing program. An FY 2024 budget amendment was approved by City Council to fund a diabetes insulin cost-sharing program through Metro Health. Through the proposed agreement with Metro Health, HEB will subsidize the out-of-pocket cost of insulin for individuals that cannot afford their prescription, up to \$100.00 per prescription filled. HEB will implement the program in pharmacy locations within 33 zip codes that represent the highest prevalence of diabetes related hospitalizations in San Antonio. The selection of these pharmacy locations is intended to target the funding to the geographic areas where health disparities are greatest. The Insulin Support Services Program is intended to serve approximately 500 individuals annually.

The City issued a Request for Proposals (RFP) for “Insulin Support Services Program” (RFP 24-057, 6100017664) on February 8, 2024, with a submission deadline of March 22, 2024. The RFP was advertised in the Hart Beat, TVSA channel, the City’s Bidding & Contracting Opportunities website, the San Antonio eProcurement System (SAePS) and an email notification was released to a list of potential Respondents. Two (2) proposals were received and deemed eligible for review.

The evaluation committee consisted of representatives from Metro Health. The Finance Department, Procurement Division assisted by ensuring compliance with City procurement policies and procedures. The evaluation of each proposal response was based on a total of 100 points: 40 points were allotted for Experience, Background and Qualifications; 45 points were allotted for Proposed Plan; 10 points were allotted for the Local Preference Program; and 5 points were allotted for the Veteran-Owned Small Business Preference Program. Additional categories of consideration included references and financial qualifications.

The evaluation committee met for an initial evaluation to discuss and score the two proposals on April 15, 2024, and after initial scoring, the committee’s recommendation was to conduct interviews with both respondents. The evaluation committee reconvened for interviews and discussion on April 29, 2024. After interviews, the evaluation committee discussed and scored the respondents based on the aforementioned criteria. Individual scores were submitted, and aggregate scores were presented. After a recommendation for award was agreed upon by the evaluation committee, the Local Preference Program and Veteran-Owned Small Business Preference Program scores were revealed. H-E-B, LP., the highest-ranking firm, was recommended for award by the evaluation committee.

## **ISSUE:**

Metro Health requests City Council authorize the execution of an agreement with H-E-B, LP to support the implementation of the Insulin Support Services Program in an amount up to \$100,000.00 for a term beginning July 1, 2024 through September 30, 2024, with the option to renew for one, one-year term, for a total contract value up to \$200,000.00, inclusive of renewals.

Funding for the initial term of the agreement is available in the General Fund FY 2024 Adopted Budget. Funding for subsequent years is contingent upon City Council approval of the annual budget and funds.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority and/or women owned businesses available to provide these services.

The Local Preference Program applied to this contract and the recommended firm is a local business.

The Veteran-Owned Small Business Preference Program applied to this contract; however, the recommended firm is not a Veteran-Owned Small Business.

#### **ALTERNATIVES:**

Should City Council choose not to approve this ordinance, Metro Health will need to seek an alternate means to implement the Insulin Support Services Program.

#### **FISCAL IMPACT:**

This ordinance authorizes the execution of an agreement with H-E-B, LP for pharmacy services in an amount up to \$100,000.00 for a term beginning July 1, 2024 through September 30, 2024, with the option to renew for one, one-year term, for a total contract value up to \$200,000.00, inclusive of renewals. Funding for the initial term of the agreement is available from the General Fund FY 2024 Adopted Budget. Funding for future years is contingent upon City Council approval of the annual budget.

#### **RECOMMENDATION:**

Staff recommends approval.

This contract was procured by means of Request for Proposal and a Contracts Disclosure Form is required.