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Legislation Details (With Text)

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Title: Stericycle Contract for the Regional Forensic Science Center.

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Date	Ver.	Action By	Action	Result
3/14/2018	2	Board of Sedgwick County Commissioners	Approved on the Consent Agenda	Pass

Stericycle Contract for the Regional Forensic Science Center.

The Regional Forensic Science Center (RFSC) original 60-month contract with Stericycle for medical waste disposal went into effect on 4/13/11. The monthly base rate for service was \$1,744.00. In addition to this base rate, there were also monthly charges added for fuel and energy as well as a 9.45% environmental regulatory fee. It was stated on this contract that the annual service fee would not increase by more than 6 percent annually. On 9/26/14, this contract was amended and the monthly base rate was lowered to \$1,644. This contract was also subject to all of the aforementioned additional fees. With the additional fees along with the annual increases over the past few years, the invoice for monthly service is now \$2,123 on average. Both the original 60-month contract and the amended contract were arranged and executed by members of the Purchasing Department.

In 2016, Purchasing mentioned that other Divisions in Sedgwick County used Kansas Medical Waste for medical waste disposal. The cost of this service was about half of what Stericycle was charging the RFSC. Unfortunately, this was mentioned a few months after the RFSC's contract with Stericycle auto-renewed for an additional 60 months in April of 2016. An attempt was made to terminate the contract with Stericycle in October of 2017 but according to the terms of the agreement, Stericycle would recover 50 percent of the average monthly charges multiplied by the number of months remaining on the contract. As of October 2017, this total was roughly \$39,000. Will Deer, Assistant County Counselor, was consulted and stated that they had a valid contract. Mr. Deer advised the RFSC either offer Stericycle a lump sum to terminate the existing contract or complete the remainder of the contract under different terms.

Stericycle was contacted to discuss alternatives to the existing contract. Stericycle proposed a 24-month agreement that defaults to a month to month agreement at the end of the contract term. The proposed monthly fee for this 24-month contract is \$1,934 including all additional fees. Also, this new service agreement is only subject to a 5 percent annual increase. Will Deer has seen the proposed 24-month contract and given his approval. Purchasing has also been included in this entire process. With the new service contract from Stericycle, the RFSC will experience an annual savings of \$2,276

for the next 2 years and allow the RFSC to discontinue service in 2020 as opposed to 2021. Once the RFSC is able to switch to Kansas Medical Waste, the RFSC will save an estimated \$12,000 annually. While the monthly expense will only be slightly lower than the current medical waste charges, this new contract will allow the RFSC to terminate with Stericycle a year sooner.

Recommended Action: Approve the revised Stericycle contract for the Regional Forensic Science Center.

Alternatives: Keep the current Stericycle contract and wait until 2021 to switch to a less expensive vendor for medical waste disposal. Another alternative is to terminate the current contract and pay Stericycle the 50 percent recovery fee for the months remaining on the contract.

Financial Considerations: The contract with Stericycle is paid of the Lab Management (15003-110) fund center, sufficient budget authority exists in this fund center. The revised contract will result in a \$2,276 annual savings for the remainder of the contract which expires in 2020.

Policy Considerations: N/A

Legal Considerations: The authority for this action is K.S.A. 19-101. A simple majority vote is required.