

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**F A C T   S H E E T**

**APPROVAL OF NEW CLINICAL LABORATORY SERVICES  
AGREEMENT WITH UNILAB CORPORATION dba QUEST DIAGNOSTICS  
(ALL SUPERVISORIAL DISTRICTS)**

**REQUEST**

Approve and delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute the Clinical Laboratory Services Agreement with Unilab Corporation dba Quest Diagnostics for Fiscal Year 2006-2007 for a Maximum Contract Amount of \$710,000, funded by Sales Tax Realignment funds. This Agreement is to be effective July 1, 2006 and includes four automatic one-year renewal periods.

**PURPOSE/JUSTIFICATION**

The Department of Mental Health (DMH) concluded a Request For Information (RFI) process for solicitation of clinical laboratory services for a five-year contract term. The RFI was necessitated due to the June 30, 2006 expiration date of the existing Agreement with Quest Diagnostics.

In the RFI process, DMH solicited the interest level of potential contractors by advertising in major local newspapers and mailing out the RFI to clinical laboratory service providers on DMH's Bidders' List. Quest Diagnostics was the only clinical laboratory service provider that submitted a proposal that met all the minimum requirements of the RFI. DMH is submitting its recommendation for the contract award for your Board's approval.

**CONTRACTOR**

Quest Diagnostics is the largest supplier of clinical laboratory services in the State of California. Nationally, Quest Diagnostics performs over 550,000 tests daily for physicians, medical clinics, hospitals, Health Maintenance Organizations, and industrial clinics. The laboratory is accredited by both the Clinical Laboratory Improvement Amendments and the College of American Pathologists, licensed by the California Department of Health Services, and certified by the Substance Abuse and Mental Health Services Administration.

Quest Diagnostics is located at 18408 Oxnard Street, Tarzana, California 91356, and is in Supervisorial District 3. Staff from their local headquarters will go out to DMH's

directly-operated facilities to deliver the services, and Quest Diagnostics will have various walk-in sites throughout the County.

### **CONTRACTING PROCESS**

On October 14, 2005, DMH issued a RFI to identify existing or potential, qualified new providers who were interested in contracting with DMH to provide electrocardiogram (EKG) and clinical laboratory services. The RFI was mailed out to clinical laboratory service providers on DMH's Bidders' List and was distributed to providers responding to the legal announcement published in major local newspapers and was posted on the Office of Small Business' website.

On November 16, 2005, DMH hosted a formal question and answer session on the RFI; no providers attended the session.

The deadline for submission of the RFI for laboratory services was December 19, 2005; only two bids were received. One bid was received from Quest Diagnostics and the other from Northridge Diagnostic, Inc.

It was determined that Quest Diagnostics can best meet the needs of the Department by providing drawing stations in all eight (8) service areas. While EKG is not included, the Department intends to obtain the necessary EKGs through primary care resources, including Fee-For Service Medi-Cal providers and the Department of Health Services.

WC:RK:CL