

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**REQUEST APPROVAL TO EXTEND THE UNILAB CORPORATION
CLINICAL LABORATORY SERVICES AGREEMENT
FISCAL YEAR 2011-12
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to extend the existing Clinical Laboratory Services Agreement with Unilab Corporation to continue the provision of clinical laboratory services without interruption on a month-to-month basis for a period of up to six months in Fiscal Year 2011-12.

REQUEST

1. Approve and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute an Amendment to the existing Clinical Laboratory Services Agreement with Unilab Corporation doing business as Quest Diagnostics (Quest), to continue the provision of clinical laboratory services without interruption on a month-to-month basis, not to exceed six months, beginning July 1, 2011 through December 31, 2011.
2. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments and further amend this Clinical Laboratory Services Agreement as necessary, provided that: 1) any increases will be used for additional services or to reflect program and/or Board policy changes; 2) your Board has appropriated sufficient funds for all changes; 3) approval of County Counsel, or designee, is obtained prior to any such amendments; 4) the Director will notify your Board and the Chief Executive Officer (CEO) of agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION

Board approval is required to extend the term of the existing Agreement with Quest on a month-to-month basis, not to exceed six months, to avoid interruption in services.

DMH concluded a Request for Proposal (RFP) solicitation bid process for clinical laboratory services for a five-year contract term. The RFP was necessitated because of the June 30, 2011, expiration date of the existing Agreement with Quest.

CONTRACTOR

On June 13, 2006, your Board approved a five-year Clinical Laboratory Services Agreement with Quest, which included an initial term and four one-year renewal periods through June 30, 2011. The contract award was the outcome of the laboratory services Request For Information that was issued on October 14, 2005.

The attached Amendment has been approved as to form by County Counsel. The proposed actions have been reviewed by the CEO and the Office of the Medical Director. DMH administrative staff will review and monitor the Contractor's adherence to the Agreement and ensure that Agreement provisions and departmental policies are being followed.

CONTRACTING PROCESS

Before the Agreement was due to expire on June 30, 2011, DMH re-solicited for proposals for qualified clinical laboratory services on December 3, 2010. The Department solicited the interest level of potential contractors by advertising in major local newspapers and mailing out the RFP to clinical laboratory service providers on DMH's Bidder's List.

On January 4, 2011, DMH held a Mandatory Proposers' Conference that was attended by five agencies. DMH received two proposals on or before the final submission date of February 3, 2011. One was received from Primex and the other was from Quest.

The Evaluation Committee, comprised of five evaluators and a facilitator, convened on March 7, 2011, to March 10, 2011, to evaluate and score the program components of the proposals via an Informed Averaging rating. The Department's Executive Management Team reviewed the Evaluation Committee's results and presented it to the Director of Mental Health for approval. It was determined that Primex can best meet the needs of the Department. Quest has requested a formal RFP debriefing and appeal process.

Approval of this Board letter to amend the existing contractor's term to a month-to-month basis, not to exceed six months, is necessary to prevent interruption of clinical laboratory services pending the completion of the RFP appeals process.

DMH will return to your Board to request authorization to award and execute the forthcoming Agreement with the prospective laboratory services contractor, pending the

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outcome of the RFP debriefing, appeals process, and successful contract negotiations with the qualified proposer.

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