

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

711



**FROM:** Purchasing and Fleet Services Department

**SUBMITTAL DATE:**  
January 15, 2008

**SUBJECT: APPROVE THE AGREEMENT WITH QUEST DIAGNOSTICS FOR LABORATORY SERVICES FOR RIVERSIDE COUNTY**

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve and execute the professional service agreement with Quest Diagnostics in the annual aggregate amount of \$1,818,248 for the Community Health Agency, Human Resources Occupational Health, Riverside County Regional Medical Center, Department of Mental Health, and the Probation Department in accordance with California Code 459.4;
2. Authorize the Purchasing Agent to execute amendments on behalf of the County and exercise the option to renew the agreement annually for up to five (5) years in one-year increments provided the annual increase in cost does not exceed the CPI.

**BACKGROUND:**

(Continued on Page 2)

FORM APPROVED COUNTY COUNSEL  
BY: Neal R. Kipnis (1/16/08)  
DATE: \_\_\_\_\_  
Departmental Concurrence

*[Signature]*  
Robert J. Howdysnell, Director  
Purchasing and Fleet Services Department

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 625,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 162,500	Budget Adjustment:	No
	Annual Net County Cost:	\$	For Fiscal Year:	07/08
<b>SOURCE OF FUNDS:</b> Riverside County Regional Medical Center Enterprise Fund; Human Resources Occupation Health Fees 100%; Community Health Agency: 53% Third Party Reimbursement, 10% Medical Manage Care (MMC), Self Pay 12%, and Net County Cost 25%; Department of Mental Health: State Funds 74%, Federal 19%, Third Party 6%, and County Cost 1%; Probation Department: Federal Funds 7%, State Funds 48%, NCC 19%, and Other 3%.				Positions To Be Deleted Per A-30 <input type="checkbox"/>
				Requires 4/5 Vote <input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**  
BY: Serena Chow  
Serena Chow

**County Executive Office Signature**

Policy  
 Policy  
 Consent  
 Consent  
 Dept't Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.22 on 12/23/02 | District: \_\_\_\_\_ | Agenda Number: \_\_\_\_\_

**ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD**

**3.42**

**BOARD OF SUPERVISORS**

**FORM 11: APPROVE THE AGREEMENT WITH QUEST DIAGNOSTICS FOR  
LABORATORY SERVICES FOR RIVERSIDE COUNTY**

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**BACKGROUND**

Community Health Agency, Human Resources Occupational Health Services, Department of Mental Health, Riverside County Regional Medical Center, and the Probation Department routinely use laboratory services not performed by the County's in-house testing laboratories due the complexity of the required tests involved. The proposed service agreement covers services such as stat fees, pick-up and delivery of samples, consultation, esoteric testing, field support, drug testing and phlebotomy services, and provides for tests performed per Medi-Cal Managed Care capitation rates. The County used outside services for approximately 230,700 tests in 2007.

Estimated Department Annual Amounts:

- Riverside County Regional Medical Center \$480,000
- HR Occupational Health \$575,000
- Community Health Agency \$740,000
- Mental Health Department \$125,000
- Probation Department \$100,000

**PRICE REASONABLENESS**

In April 2007, County Purchasing issued a formal bid, Request for Proposal (RFP) PUARC901 for Laboratory Services. The RFP was sent to six (6) potential bidders and advertised on the Purchasing web site. The County received four (4) responses ranging from \$1,863,325 to \$2,851,709. A comprehensive cost analysis was performed by County Purchasing. The evaluation team was comprised of members from County Purchasing, Community Health Agency, Riverside County Regional Medical Center, Department of Mental Health, Human Resources, and the Probation Department. The initial review process included a functional review of the proposals. Each response was scored based on the evaluation criteria set-forth in the RFP; overall responsiveness and general understanding of the RFP requirements, location of facilities, contractor experience, overall cost and benefits to the county, references, financial status, clarification, exception or deviations, credential resume and vendor qualifications. Based on an overall summation of the proposals submitted and the volume of services required within the County, the County entered into best and final negotiations with Quest Diagnostics resulting in an annual aggregate amount of \$1,818,248, thus making Quest Diagnostics the lowest, responsive, responsible vendor. We are requesting to award a contract to Quest Diagnostics. Quest Diagnostics has been providing services to the County of Riverside for a number of years and has provided excellent customer service. In addition, Quest Diagnostics has twenty four customer service sites in Riverside County.

**REVIEW/APPROVAL:** County Purchasing and County Counsel concur with this request.