

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



138

FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
June 12, 2012

SUBJECT: Amendment to the Contract Agreement between County of Riverside and Quest Diagnostics

RECOMMENDED MOTION: Move that the Board of Supervisors:

- 1) Approve the increase to Riverside County Regional Medical Center's (RCRMC's) estimated annual amount for an additional \$489,000;
- 2) Ratify and authorize the Chairman of the Board to execute the Amendment between Quest Diagnostics and the County of Riverside for an aggregate amount of \$2,631,432, effective March 1, 2012; and
- 3) Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise renewal options, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual CPI rates.

Douglas D. Bagley

Douglas D. Bagley, Hospital Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$489,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/2012

SOURCE OF FUNDS: 100% Hospital Enterprise Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE
Debra Cournoyer
BY: Debra Cournoyer

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Prev. Agn. Ref.: 1/29/08, 3.42; 5/10/11, 3.27 | **District:** All | **Agenda Number:**

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.27

FORM APPROVED COUNTY COUNSEL
 BY: NEAL R. KIPNIS
 DATE: 6/12/12
 Departmental Concurrence
 Purchasing: Mark Seiler, Assistant Director

BOARD OF SUPERVISORS

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BACKGROUND:

Riverside County Regional Medical Center, Community Health Agency, Human Resources Occupational Health Services, Department of Mental Health and the Probation Department routinely use laboratory services not performed by the County's in-house testing laboratories due to the complexity of the required tests involved. The services include 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.

On January 29, 2008, Agenda Item Number 3.42, the Board of Supervisors approved a five (5) year Professional Services Agreement with Quest Diagnostics to secure lab services for the County of Riverside for an aggregate amount of \$1,818,248. RCRMC's estimated annual amount at the time was \$480,000. Thereafter, amendments executed by the Purchasing Agent increased the aggregate amount to \$1,939,432. As a result of the increase, RCRMC's estimated annual amount was \$601,184. On May 10, 2011; Agenda Item Number, the Board approved the Fourth Amendment to increase the aggregate amount of the contract to \$2,142,432 which increased the hospital's portion to \$805,000. Fiscal year 2012/2013 would be the fourth (4th) year of the five year professional services agreement. This service is scheduled to be rebid prior to fiscal year end of 2013.

Due to dramatic increase in service utilization by various departments within the hospital throughout each fiscal year, demand for esoteric lab tests used in the diagnosis and monitoring of patient disorders continue to increase.

Therefore, the Director of RCRMC requests the Board's approval of the recommended motions.

FINANCIAL IMPACT:

Funding for this service is 100% Hospital Enterprise funded and does not require additional County funds.

REVIEW/APPROVAL:

County Counsel
County Purchasing

DB:ns

COUNTY OF RIVERSIDE
AMENDMENT NO. 6 TO THE AGREEMENT
WITH
QUEST DIAGNOSTICS, INC.

CONTRACTOR: Quest Diagnostics, Inc.
Contract Term: January 29, 2008 through June 30, 2013
Effective Date of Amendment: March 1, 2012
Annual Maximum Contract Amount: \$2,631,432

The Agreement between Riverside County, herein referred to as COUNTY and Quest Diagnostics, Inc., herein referred to as CONTRACTOR, is amended as follows:

1. On page 3 of the Agreement, amend Section 3 the "Compensation":

The COUNTY shall pay the CONTRACTOR for services performed and expenses incurred in accordance with the terms of the Agreement. CONTRACTOR understands that the COUNTY's budget for these services from the CONTRACTOR providing such services, shall not exceed the annual aggregate amount of two million, six hundred thirty-one thousand, four hundred thirty-two dollars (\$2,631,432) for all expenses, based on the availability of fiscal funding. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. The net annual amount for the Riverside County Regional Medical Center is \$1,294,000. Department annual amount is an estimate.

2. All other terms and conditions of the Agreement are to remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Amendment.

CONTRACTOR

Quest Diagnostics, Inc.

By: _____

Rob Moverley
Type or Print Name

Managing Director
Type or Print Title

Date: 5.16.12

COUNTY OF RIVERSIDE

By: _____

Type or Print Name

Chairman
Type or Print Title

Date: _____

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE: 5/16/12