

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

240



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
September 12, 2013

**SUBJECT:** First Amendment to Esoterix Genetic Laboratories LLC (now known as Accupath Diagnostic Labs) [\$550,274]

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

1. Ratify and authorize the Chairman to sign the First Amendment with Esoterix Genetic Laboratories LLC (now known as Accupath Diagnostic Labs) effective January 1, 2013 through December 31, 2013, with an option to renew annually through December 31, 2016, not to exceed the annual amount of \$550,274; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the agreement and allow the Purchasing Agent to increase the total compensation not more than ten percent, should the need for services exceed the estimated volume.

**BACKGROUND:**

**Summary**

On February 7, 2012, agenda item number 3.21, the Board approved the Professional Services

*Douglas D. Bagley*  
\_\_\_\_\_  
Douglas D. Bagley  
Hospital Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 550,274	\$ 550,274	\$ 2,571,096	\$ 550,274	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

<b>SOURCE OF FUNDS:</b> Hospital Enterprise Fund	<b>Budget Adjustment:</b> No
	<b>For Fiscal Year:</b> 2013/2014

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

**APPROVE**

BY: *Debra Cournoyer*  
\_\_\_\_\_  
Debra Cournoyer

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

SEP 12 12 PM 3:55

COUNTY OF RIVERSIDE  
SECRETARY BLAKE BIRD COUNCIL

**Prev. Agn. Ref.:** 02/07/12; 3.21

**District:** All

**Agenda Number:**

**3-56**

FORM APPROVED BY COUNTY COUNSEL  
BY: *Neal R. Kipnis* DATE: 9/13  
NEAL R. KIPNIS  
Departmental Concurrence

Purchasing: *Mark Seiler*  
Mark Seiler, Assistant Director

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**BACKGROUND:**

**Summary (continued)**

Agreement with Esoterix Genetic Laboratories now known as Accupath Diagnostic Labs.

Since Accupath Diagnostic Labs has acquired Esoterix, Accupath is the only supplier within the geographic area that provides information for cancer diagnosis using immunohistochemical, cytogenetic, FISH and other testing. The number of tests being requested by RCRMC Oncology physicians and pathologists for these sophisticated services has increased greatly in volume since these tests are the standard of care required to provide the appropriate diagnostic information needed for tailored treatment therapy.

Therefore, the hospital Director requests the Boards approval of the abovementioned motions.

**Impact on Citizens and Businesses**

This service impacts the patient residing in Riverside County whom receives care from Riverside County Regional Medical Center (RCRMC).

**SUPPLEMENTAL:**

**Additional Fiscal Information**

The full cost for this service if renewed annually through December 31, 2016 is as follows:

Term	Dates	Budgeted Amount
Executed	January 1, 2012 – December 31, 2012	\$370,000
1 <sup>st</sup> year renewal	January 1, 2013 – December 31, 2013	\$550,274
2 <sup>nd</sup> year renewal (projected)	January 1, 2014 – December 31, 2014	\$550,274
3 <sup>rd</sup> year renewal (projected)	January 1, 2015 – December 31, 2015	\$550,274
4 <sup>th</sup> year renewal (projected)	January 1, 2016 – December 31, 2016	\$550,274
Total Cost (5 year period)		\$2,571,096

**Contract History and Price Reasonableness**

Accupath provides consultative services and performs specialized pathology testing to assist RCRMC in developing accurate diagnosis, prognosis and monitoring of patient's treatment.

This agreement is effective as of January 1, 2012 and continue in effect for twelve months, with an option to renew annually up to four (4) additional one-year terms, unless terminated as specified in the contract termination clause. This is year 2 of 5.

The fee schedule/billing rates as specified in Exhibit A of the contract agreement remain the same and are consistent even after the change of company ownership.

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT**

**WITH**

**Esoterix Genetic Laboratories, LLC**  
(Specialized Pathology Testing Services)

That certain Agreement between County of Riverside (COUNTY) and **Esoterix Genetic Laboratories, LLC**, (CONTRACTOR), initially approved by the County Board of Supervisors February 7, 2012, Agenda Item No. 3.21, is hereby amended effective January 1, 2013 as follows:

1. Delete all references to “Esoterix Genetic Laboratories, LLC.” and replace with “Accupath Diagnostic Laboratories, Inc.”.
2. Amend the language of **Section 4.0 Period of Performance**, to include the following:

“This Amendment extends the period of the Agreement effective January 1, 2013 and continues in effect for twelve (12) months, with the option to renew through the County’s annual amendment process through December 31, 2016, unless terminated as otherwise provided herein.”

3. Amend the language of **Section 5.0 Compensation**, to state the following:

“5.2 Maximum payments by COUNTY to CONTRACT shall not exceed five hundred fifty thousand two hundred seventy four dollars (\$550,274) annually including all expenses.”

4. Amend Section **29.0 Notices**, and to state the following:

“All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

**COUNTY**

Riverside County Regional Medical Center  
26520 Cactus Avenue  
Moreno Valley, CA. 92555  
Attn: Contracts Administration

Purchasing and Fleet Services  
2980 Washington Street  
Riverside, CA 92504  
Attn: Procurement Contract Specialist

**CONTRACTOR**

Accupath Diagnostic Laboratories, Inc.  
2601 Campus Drive  
Irvine, CA 92612

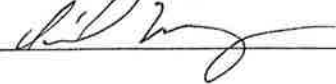
Laboratory Corporation of America Holdings  
531 South Spring Street  
Burlington, North Carolina 27215  
Attention: Law Department

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

IN WITNESS WHEREOF, the parties have executed this Amendment.

CONTRACTOR

**Accupath Diagnostic Laboratories, Inc.**

By: 

DAVID MURRAY  
Print Name

VP  
Print Title

Date: 9-11-13

COUNTY OF RIVERSIDE

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

Chairman  
Print Title

Date: \_\_\_\_\_

FORM APPROVED COUNTY COUNSEL

BY:   
NEAL R. KIPNIS DATE 9/11/13