

**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	

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

C.E.O. RECOMMENDATION:

APPROVE

BY: *Debra Cournoyer*
Debra Cournoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: October 22, 2013
xc: RCRM, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

9035 OCT 12 PM 3:55

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
Departmental Concurrence

Purchasing: *Mark Seiler*
Mark Seiler, Assistant Director

A-30
 Positions Added
 4/5 Vote
 Change Order

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: First Amendment to Esoterix Genetic Laboratories LLC (now known as Accupath Diagnostic Labs)**

DATE: September 12, 2013

PAGE: Page 2 of 2

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 st year renewal	January 1, 2013 – December 31, 2013	\$550,274
2 nd year renewal (projected)	January 1, 2014 – December 31, 2014	\$550,274
3 rd year renewal (projected)	January 1, 2015 – December 31, 2015	\$550,274
4 th 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

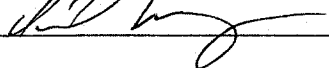
Laboratory Corporation of America Holdings
531 South Spring Street
Burlington, North Carolina 27215
Attention: Law Department

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.

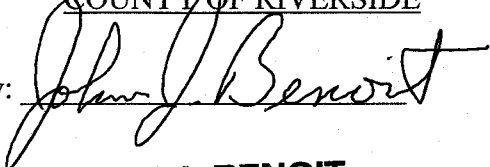
By: 

DAVID MURRAY
Print Name

VP
Print Title

Date: 9-11-13

COUNTY OF RIVERSIDE

By: 

JOHN J. BENOIT
Print Name

Chairman
Print Title

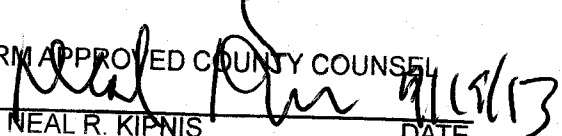
Date: OCT 22 2013

ATTEST:

KECIA HARPER-IHEM, Clerk

By: 
DEPUTY

FORM APPROVED COUNTY COUNSEL

BY: 
NEAL R. KIPNIS DATE