



**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH
SYSTEM MEDICAL CENTER GOVERNING BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 15.6
(ID # 15508)

MEETING DATE:

Tuesday, June 29, 2021

FROM: RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM - MEDICAL CENTER: Ratification and Approval of the Second Amendment to the Laboratory Services Agreement with Laboratory Corporation of America for Clinical Laboratory Services Without Seeking Competitive Bids effective March 16, 2021 through March 16, 2022, All Districts. [Total Cost Increase \$6,257,243; up to \$1,825,724 in additional compensation annually, 100% Community Health Centers - 40090]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Second Amendment to the Laboratory Services Agreement with Laboratory Corporation of America without seeking competitive bids for Clinical Laboratory Services to increase the annual Agreement amount by \$6,257,243 from \$12,000,000 to \$18,257,243, extend the contract term for one additional year effective March 16, 2021 through March 16, 2022, and authorize the Chair of the Board to sign the amendment on behalf of the County; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 and based on the availability of funding and as approved by County Counsel, to sign amendments that make modifications to the scope of services that stay within the intent of the Agreement and to sign amendments to the compensation provisions that do not exceed the total sum of ten percent (10%) of the total annual cost of the Agreement.

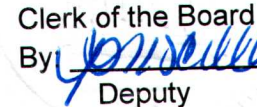
ACTION: Policy


Jennifer Cruikshank, Chief Executive Officer - Health System 6/14/2021

MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Hewitt
Nays: None
Absent: None
Date: June 29, 2021
xc: RUHS-MC

Kecia R. Harper
Clerk of the Board
By 
Deputy

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| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|---------------------------------------------------------------|-----------------------------|--------------------------|---------------------------|---------------------|
| COST | \$ 313,043 | \$ 5,944,200 | \$ 6,257,243 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: 100% Community Health Centers - 40090 | | | Budget Adjustment: | No |
| | | | For Fiscal Year: | 20/21-21/22 |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested board action will approve the Second Amendment to the Laboratory Services Agreement with Laboratory Corporation of America (Lab Corp) to extend the contract term for a one-year term through March 16, 2022 and increase the contract amount by \$6,257,243 to allow Riverside University Health System (RUHS) to purchase additional COVID-19 testing for its community health centers for continuous testing service on behalf of members of the community.

As part of the County's emergency response effort to the COVID-19 pandemic, Lab Corp was engaged to supply COVID-19 testing kits and process test specimens. RUHS entered into an agreement with Lab Corp on March 16, 2020, under direct patient care - Resolution 2019-147 Authority (June 18, 2019, Agenda Item 3.20). As a result of this agreement, the County and its thirteen RUHS Community Health Centers across Riverside County acted swiftly and opened their sites for COVID-19 testing. From March 17, 2020, to December 31, 2020, the clinics administered testing to 151,486 individuals. With an increase of testing volumes and need to secure supply, under the Emergency Procurement Form (EPF) authority a First Amendment to the Laboratory Services Agreement was secured and approved to fund the purchase of additional tests at the same competitive pricing offered in the original Agreement.

The services provided under this Agreement has allowed for the County to be a primary resource for COVID-19 testing. In the current post pandemic state, COVID-19 testing and supplies are still in demand. To date, the number of individuals that received COVID-19 tests has exceeded 200,000. The additional funds in the Second Amendment will allow RUHS Community Health Centers to continue providing testing needed throughout the County.

Impact on Residents and Businesses

These services are a component of RUHS's system of care aimed at improving the health and safety of its patients and the community.

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Contract History and Price Reasonableness

RUHS entered into an agreement with Lab Corp on March 16, 2020, under Purchasing Agent authority under its Resolution 2019-147 (June 18, 2019, Agenda Item 3.20), with an initial term of one-year through March 16, 2021 in the amount of \$256,550.

A First Amendment was ratified and approved by the board on December 8 2020, Agenda Item 15.4, to increase the annual contract amount by \$11,743,450 from \$256,550 to \$12,000,000, authorized under EPF authority as per the Director of Emergency Services Emergency Procurement Order dated March 26, 2020, the competitive bidding process was suspended for necessary goods and services immediately needed in the County of Riverside's operations for the preservation of life and property during the existence of a Local Emergency in the County of Riverside regarding COVID-19. Of this amended amount, 25% was reimbursed through CARES ACT and 75% from the Federal Emergency Management Agency (FEMA) Department.

The Second Amendment will increase the contract aggregate amount by \$6,257,243 from \$12,000,000 to \$18,257,243 through March 16, 2022. The testing is still provided at the same rate and there is no requirement that any specific number of tests be ordered. The associated funds are included in the RUHS County budget. Board approval and ratification of this Second Amendment are required as it exceeds the \$750,000 threshold authorized under Resolution 2019-147 for procurement of equipment or supplied used for treating patients.

Attachment A: **SECOND AMENDMENT TO THE LABORATORY SERVICECS
AGREEMENT WITH LABORATORY CORPORATION OF AMERICA
FOR CLINICAL LABORATORY SERVICES**

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Tina Grande, Director of Purchasing and Fleet Services 6/22/2021


Jacqueline Ruiz, Sr. Management Analyst 6/22/2021


Gregory E. Priantos, Director County Counsel 6/22/2021

**SECOND AMENDMENT TO THE LABORATORY SERVICES AGREEMENT BETWEEN
COUNTY OF RIVERSIDE AND LABORATORY CORPORATION OF AMERICA**

This Second Amendment to the Laboratory Services Agreement (herein referred to as "Second Amendment") is made and entered into by and between **Laboratory Corporation of America**, a Delaware corporation (herein referred to as "LABORATORY"), and the COUNTY OF RIVERSIDE (herein referred to as "COUNTY"), a political subdivision of the State of California on behalf of Riverside University Health System, sometimes collectively referred to as the "Parties".

WHEREAS, COUNTY and LABORATORY entered into that certain Laboratory Service Agreement for reference clinical laboratory services, executed March 17, 2020 (the "Agreement"); to provide such services; and

WHEREAS, COUNTY and LABORATORY entered into that certain First Amendment to the Laboratory Services Agreement on December 8, 2020 to include the Federal Contract Provisions, HIPAA Business Associate Addendum and increase the annual maximum compensation amount by \$11,743,450 from \$256,550 to \$12,000,000 annually.

WHEREAS, COUNTY and LABORATORY desire to amend the Agreement to renew the term for one (1) year and increase the annual maximum compensation amount by \$6,257,243 from \$12,000,000 to \$18,257,243 annually; and

NOW THEREFORE, the Parties agree as follows:

1. **Term and Termination.** Pursuant to the second sentence of Section 1. this Agreement shall be amended for a Renewal term of one (1) year, effective March 16, 2021 through March 16, 2022.
2. **Contract Maximum:** The first sentence of Section 24 is deleted in its entirety and replaced with the following:

"Maximum payments to LABORATORY from CLIENT under this Agreement shall not exceed eighteen million two hundred fifty-seven thousand two hundred forty-three dollars (\$18,257,243), (Maximum Payment)."
3. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
4. **Effective Date.** This Second Amendment to the Agreement shall be effective as of March 16, 2021.

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

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By: Karen S. Spiegel

Name: Karen Spiegel

Title: Chair, Board of Supervisors

Date: JUN 29 2021

LABORATORY CORPORATION
of AMERICA, a Delaware corporation

By: Dean W. Shepardson

Name: Dean W. Shepardson

Title: Vice President

Date: 06/09/2021

ATTEST:

Kecia R. Harper
Clerk of the Board

By: Priscilla Raso
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: MAKE

Name: Martha Ann Knutson

Title: Deputy County Counsel

Date: Jun 10, 2021