



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



ITEM: 15.3
(ID # 23526)

MEETING DATE:
Tuesday, December 05, 2023

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER: Ratification and Approval of the Letter of Commitment with Quest Diagnostics Inc. through October 31, 2024, with the option to renew for a period of four years for Laboratory Testing Services for an annual amount of \$3,500,000, All Districts. [Total Cost \$17,500,000, 100% - Hospital Enterprise Fund 40050]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and Approve the Letter of Commitment with Quest Diagnostics Inc. through October 31, 2024, with the option to renew for a period of four years for Laboratory Testing Services for an annual amount of \$3,500,000 for a total of \$17,500,000 and authorize the Chair of the Board to sign the Letter of Commitment on behalf of the County; and,
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based upon the availability of fiscal funding and as approved as to form by County Counsel to sign amendments that make modifications to the scope of services that stay within the intent of the agreement.

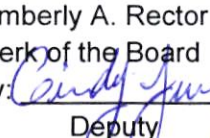
ACTION:Policy


Jennifer Cruikshank Chief Executive Officer - Health System 11/15/2023

MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
 Nays: None
 Absent: None
 Date: December 5, 2023
 xc: RUHS-Medical Center

Kimberly A. Rector
 Clerk of the Board
 By: 
 Deputy

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| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|--|-----------------------------|--------------------------|-------------------------------------|---------------------|
| COST | \$ 3,500,000 | \$3,500,000 | \$17,500,000 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: 100% - Hospital Enterprise Fund 40050 | | | Budget Adjustment: No | |
| | | | For Fiscal Year: 23/24-27/28 | |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Despite operating several internal laboratories, Riverside County operations also require "reference" laboratory services for tests that need to be run infrequently enough that they do not justify the required investments in equipment, supplies and trained personnel to maintain required competencies in those tests. Additionally, the County's geographic size can make transportation of specimens difficult within required time limits for test accuracy; therefore, the County has historically maintained relationships with one or more "reference laboratories" to which various departments can send specimens for testing.

The Board Action is requested to ratify and approve the use with Quest Diagnostics, Incorporated (Quest), per the previously Authorized Letter of Participation Agreement. The approval will allow the County to take advantage of the terms available through the County's Vizient-Group Purchasing Organization membership for testing. Quest provides laboratory services to the County and was the successful responder to the Countywide Request for Proposal (RFP) in 2014, winning a one-year contract with four options to renew (RIVCO-961148-001-6/15) that was approved by the Board on June 3, 2014 (Item 3.73).

Prior to the Agreement expiring on June 30, 2019, Riverside University Health System Medical Center (RUHS), began to explore entering into an agreement with Quest via RUHS's GPO Agreement but instead agreed to extend those terms and conditions and pricing of the Vizient GPO Agreement to services ordered by all County Departments.

When the Medical Center's Agreement expired, in order to ensure uninterrupted services for patient care, RUHS entered into an agreement with Quest via their GPO, Vizient, under its authority under Resolution 2019-147 (June 18, 2019, Item 3.20). The County Purchasing seeks this Board's approval to utilize Quest services for RUHS department under the terms and conditions of the Vizient GPO agreement.

The purpose of this agreement is to provide for continued reference laboratory testing availability. Continued utilization of Quest services via this agreement will permit RUHS to explore how the Quest services compare with those other lab service providers such as the Laboratory Corporation of America (LabCorp) and Mayo Medical Laboratories, both of whom competed in the Vizient GPO opportunity.

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Impact on Residents and Businesses

These laboratory services support the care and treatment for residents throughout the County. Receiving continued laboratory services from Quest and other Vizient GPO laboratory service providers aids in the County's resilience during this time of increased patient census.

Additional Fiscal Information

Funding for this agreement will come from RUHS (Medical Center, Community Health Centers (CHC), Behavioral Health, and MISP). These Departments have sufficient funding in their FY23/24 budgets to cover the proposed levels of services. Departments will include funding in next year's budget requests for their anticipated volumes and expenditures for reference lab services.

| Department | Percentage |
|--|-------------------|
| Community Health Center (HCARC) | 36.03% |
| Riverside University Health System (MCARC) | 48.07% |
| Behavioral Health (MHARC) | 0.10% |
| MISP (MSARC) | 15.80% |

Contract History and Price Reasonableness

County Purchasing released RFP PUARC-1337 in February 2014 and received four (4) bid responses for which all were evaluated in accordance with RFP PUARC-1337 criteria. Factoring in transition cost the evaluation committee deemed Quest, the incumbent as the most responsive and responsible bidder.

On June 3, 2014, (Item 3.73), the Board of Supervisors approved a one-year, with options to renew for four additional one-year periods, Agreement between the County of Riverside and Quest for various County Departments. On December 8, 2020, the Board of Supervisors ratified and approved Letter of Participation Agreement (Item 3.17). The Board's approval extended the agreement through June 30, 2021, with the option to renew for one additional on-year period. On June 28, 2022, Purchasing utilized Amendment 1 to use the one-year renewal option to extend the agreement.

The approval of this Agreement and Letter of Commitment will allow RUHS to continue to use Quest's Lab Services via the County's Vizient GPO member program. The Vizient GPO comprehensive contracting process competition has been found by the Board to meet the statutory requirements for competition (June 27, 2023, Item 15.5). Successful participation in the competition administered by Vizient establishes the Quest's pricing as competitive with others in the same market.

This request requires Board approval as the compensation provision exceeds the Purchasing Agent's authority for contracting with a single vendor per Resolution 2021-116.

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ATTACHMENT:

Attachment A. Letter of Commitment – Quest Diagnostics

Meghan Hahn 11/16/2023 *Jacqueline Ruiz* 11/28/2023
Meghan Hahn, Director of Procurement Jacqueline Ruiz, Sr. Management Analyst

Gregg Gu 11/17/2023
Gregg Gu, Chief Deputy County Counsel

LETTER OF COMMITMENT

Quest Diagnostics Reference Laboratory Testing (LB0593)

Member/Facility Name Riverside University Health System (RUHS) Med (referred to as "Participating Member" or "Contractor")

Address 26520 Cactus Ave

City/State/ZIP Moreno Valley, CA-92555

Telephone 9514864387

Fax

Facility No. 102837

HIN No. 934410L00

Quest Diagnostics Servicing Laboratory West Hills, CA

Quest Diagnostics Account No(s). Unknown

Upon execution hereof by Participating Member and delivery to and acceptance by Quest Diagnostics Incorporated ("Quest Diagnostics"), Quest Diagnostics shall supply Services to Participating Member pursuant to the Vizient Supplier Services Agreement for Reference Lab Testing (the "Reference Agreement"), effective November 1, 2015, by and between Quest Diagnostics and Vizient.

By executing this Letter of Agreement, Participating Member agrees that:

1. Quest Diagnostics shall provide Participating Member with its clinical laboratory reference testing services under the terms of the Vizient Reference Laboratory Agreement. This document designates Vizient as the GPO of record for the above facility and supersedes all other GPO-related documents.

2. Participating Member agrees to purchase from Quest Diagnostics (one of the boxes below must be selected):



At eighty percent (80%) or greater of the Participating Member's total spend on reference laboratory services covered by the Vizient Reference Laboratory Agreement. (Member, other than an independent clinical laboratory not owned in whole or in a part by hospital or health system, is eligible for committed level contract pricing.)



At less than eighty percent (80%) of the Participating Member's total spend on reference laboratory services covered by the Vizient Reference Laboratory Agreement. (Member is eligible for non-committed level pricing.)

3. Pricing for Participating Member will be effective first day of the month following the day in which the signed document is received from the Participating Member.

The Participating Member may terminate this Letter of Agreement upon ninety (90) days' prior written notice to Quest Diagnostics. Quest will notify Vizient of Member termination within 60 days. Participating Member shall not disclose the terms of this Letter of Agreement, including the pricing, to any other person or entity outside of its organization, except as provided to Novation or as required by law.

All billing for Services will be in accordance with the terms of the Reference Agreement and applicable law. Participating Member shall pay Quest Diagnostics within 30 days of invoice. Quest Diagnostics and Participating Member will comply with all laws and regulations applicable to it, including licensing and certification requirements. Any Services ordered will be ordered only by individuals with valid current license under applicable laws to order such Services. Participating Member agrees to properly disclose all discounts or reductions in price, in the costs claimed or charges made by Participating Member under Medicare, Medicaid or any other federal or state health care program in accordance with applicable law.

ATTEST
KIMBERLY A. RECTOR

Clerk of the Board

On Behalf of Participating Member:

Signature

Kevin Jeffries, Chair

Print Name/Title

Board of Supervisors

Date

12/5/2023

Member Fax

By

Deputy

FORM APPROVED COUNTY COUNSEL

BY

GREGG M. GU

11.9.23

DATE

NOTE: The agreement does not take effect until this document is executed and its receipt is acknowledged by Quest Diagnostics.

| | | | |
|---|---------------|------------|--|
| Submitted By: | RUHS | Phone No.: | |
| Member ID No.: | 102837 | Date: | |
| Problems? Contact us at vizientsupport@vizientinc.com or call Member Support at (800) 842-5146 | | | |

| # | MID | LIC | Facility Name | Address | City | State | Zip Code |
|----|---------|------|--|--------------------------------|---------------|-------|----------|
| 1 | 1162754 | RCDJ | RUHS Medical Center Emergency Treatment Center | 9990 County Farm Rd | Riverside | CA | 92503 |
| 2 | 102837 | LUVN | Riverside University Health System (RUHS) Med | 26520 Cactus Ave | Moreno Valley | CA | 92555 |
| 3 | 814233 | YCPC | Office of Vital Records | 4065 County Circle Dr, Ste 102 | Riverside | CA | 92503 |
| 4 | 1162751 | RCDG | Health Care System Receiving Dept | 14539 Innovation Dr | Riverside | CA | 92518 |
| 5 | 2251260 | OZSU | RUHS Medical Center Inpatient/Treatment Center | 9990 County Farm Rd Ste 2 | Riverside | CA | 92503 |
| 6 | 2251262 | OZSV | Riverside Neighborhood Health - Clinic Pharma | 7140 Indiana Ave | Riverside | CA | 92504 |
| 7 | 2603704 | HZH3 | RU Health-Riverside Neighborhood Health Centre | 7140 Indiana Ave | Riverside | CA | 92504 |
| 8 | 2603711 | HZG9 | Riverside County Fleet Services | 4293 Orange St | Riverside | CA | 92501 |
| 9 | 2603705 | HZH4 | RU Health Rubidoux Family Care Center | 5256 Mission Blvd | Riverside | CA | 92509 |
| 10 | 2603712 | HZG0 | Riverside County EDA | 3403 10th St Ste 400 | Riverside | CA | 92501 |
| 11 | 2603714 | HZG4 | Riverside County Project Management Office | 3403 10th St Ste 400 | Riverside | CA | 92501 |
| 13 | 2603698 | HZR9 | RU Health-Hemet Family Care Center | 860 N State St | Hemet | CA | 92543 |
| 14 | 2603708 | HZG5 | RU Health-Behavioral Health | 4095 County Cir Dr | Riverside | CA | 92503 |
| 15 | 2603699 | HZR8 | RU Health-Indio Family Care Center | 47-923 Oasis St | Indio | CA | 92201 |
| 16 | 2603706 | HZH5 | RU Health-Mental Health-Blaine Street | 760 W Blaine St Ste B | Riverside | CA | 92507 |
| 17 | 2603713 | HZG3 | Riverside County Facilities Management | 3403 10th St Ste 400 | Riverside | CA | 92501 |
| 18 | 2603709 | HZG8 | Riverside County Sheriff/Corrections | 4095 Lemon St | Riverside | CA | 92501 |
| 19 | 2603702 | HZH1 | RU Health-Palm Springs Family Care Center | 191 N Sunrise Way | Palm Springs | CA | 92262 |
| 20 | 2603697 | HZR4 | RU Health-Corona Family Care Center | 2813 S Main St | Corona | CA | 92882 |
| 21 | 2603703 | HZH2 | RU Health-Perris Family Care Center | 308 E San Jacinto Ave | Perris | CA | 92570 |
| 22 | 2603710 | HZG7 | Riverside County Fire | 210 W San Jacinto Ave | Perris | CA | 92570 |

| | | | | | | | |
|----|---------|------|--|-----------------------------|---------------|----|-------|
| 23 | 2603701 | HZS2 | RU Health-Lake Elsinore Family Care Center | 2499 E Lakeshore Dr | Lake Elsinore | CA | 92530 |
| 24 | 2603707 | HZG6 | RU Health-Public Health | 4065 County Circle Dr | Riverside | CA | 92503 |
| 25 | 2603696 | HZR5 | RU Health-Banning Family Care Center | 3055 W Ramsey St | Banning | CA | 92220 |
| 26 | 3017978 | FL2X | RU Health Department of Mental Health | 4095 County Circle Dr | Riverside | CA | 92503 |
| 27 | 2721229 | T67M | RU Health Occupational Health and Wellness | 14375 Nason St Ste 101 | Moreno Valley | CA | 92555 |
| 28 | 3180569 | NQ2B | Riverside County Rubicoux Pharmacy | 5256 Mission Blvd Suite 390 | Riverside | CA | 92509 |