



# Board Agenda Item 46.1

DATE: June 23, 2020

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health  
Dawan Utecht, Director, Department of Behavioral Health

SUBJECT: Second Amendment to Agreement with Unilab Corporation dba Quest Diagnostics

RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute a Second Amendment to Agreement No. 15-523 with Unilab Corporation dba Quest Diagnostics, to extend the term for a sixth year, increase compensation, and revise the scope of work and rate schedule to include COVID-19 testing, effective July 1, 2020 through June 30, 2021 (\$3,065,000).**

Approval of the recommended action will extend Agreement No. 15-523 with Unilab Corporation dba Quest Diagnostics (Quest) for an emergency sixth year to allow the Departments of Public Health and Behavioral Health to continue clinical laboratory and toxicology testing services during the ongoing COVID-19 pandemic response. It will also increase maximum compensation by \$1,240,000 to \$3,065,000 and will incorporate COVID-19 testing into the scope of work and rate schedule, with no change in Net County Cost. This item is Countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. Should your Board not approve the recommended action, the Departments would be unable to conduct sufficient levels of laboratory and toxicology testing, especially related to COVID-19. The County's Public Health Laboratory does not have the capacity to perform the services required by the Departments.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. With your Board's approval, the Amendment will increase maximum annual compensation to \$1,240,000, for a six-year term maximum of \$3,065,000. The Department of Public Health (DPH) will fund \$1,000,000 of the FY 2020-21 compensation with CARES Act funding, Health Realignment, fees, and State and/or Federal grants. The Department of Behavioral Health (DBH) will fund the remaining \$240,000 of FY 2020-21 compensation with CARES Act funding, Mental Health Realignment, Federal substance use disorder funding, and State Mental Health Services Act funding. Sufficient appropriations and estimated revenues will be included in the DPH Org 5620 and the DBH Org 5630 FY 2020-21 Recommended Budgets.

DISCUSSION:

On October 13, 2015, the Board approved Agreement No. 15-523 with Quest for routine clinical laboratory and toxicology testing services and approved the First Amendment with minor changes to testing rates and phlebotomy services on April 26, 2016. The Agreement was scheduled to terminate after five years on June

30, 2020. Prior to the COVID-19 pandemic, DPH and DBH had planned to issue a request for quotations for similar services to become effective July 1, 2020. However, due to the ongoing emergency response efforts, the Departments were not able to issue the request and establish a new contract. The Departments will issue a request for quotations in early 2021 for a new service contract to begin July 1, 2021.

Upon your Board's approval, the recommended Second Amendment will extend Quest's existing contract an emergency sixth year, to June 30, 2021. Funding will increase to an annual maximum of \$1,240,000 in the sixth year. Approval of the recommended Amendment will allow the Departments to conduct an additional 9,200 COVID-19 tests in FY 2020-21, as well as to continue to provide normal testing services for tuberculosis, sexually transmitted diseases, toxicology and routine outpatient labs.

All other provisions in the Agreement and First Amendment will remain unchanged.

REFERENCE MATERIAL:

BAI #33, April 26, 2016  
BAI #48, October 13, 2015

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Second Amendment to Agreement No. 15-523 with Unilab Corporation dba Quest Diagnostics

CAO ANALYST:

Raul Guerra