Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: 213-240-8101
Fax:213-481-0503

www.dhs.lacounty.gov

To improve health through leadership, service and education

www.dhs.lacounty.gov

June 9, 2009

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF AMENDMENT TO EXTEND MEDICAL WASTE DISPOSAL SERVICES AGREEMENT
(ALL DISTRICTS)
(3 VOTES)

SUBJECT

Request approval to extend the term and add additional services for dental waste pick up and disposal to the current Agreement for medical waste disposal services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services, or his designee, to execute Amendment No. 4 to Agreement No. H-207555 with Stericycle, Inc., (Stericycle) to add the additional service of dental waste pick up and disposal and extend the Agreement term for three months, effective July 1, 2009 through September 30, 2009 at an estimated cost of $194,718 for the three month period.

2. Delegate authority to the Interim Director, or his designee, to extend the term of Agreement, month-to-month, for a maximum of four months, effective October 1, 2009 through January 31, 2010 at a potential estimated cost of $259,621 for the additional four month period.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION

Approval of the recommended actions will allow the Interim Director to execute an Amendment, substantially similar to Exhibit I, for the continued provision of medical waste disposal services to the

Department of Health Services (DHS or the Department), Department of Public Health (DPH), Sheriff's Department (SD), and Department of Coroner (DC). The addition of dental waste pick up and disposal service is required by the SD and is not part of the current agreement which expires on June 30, 2009.

The extension is necessary to facilitate the transition from the use of one medical waste disposal contractor to the use of a pool of qualified vendors via the Internal Services Department (ISD) Facility Ancillary Services Master Agreement (FASMA). The current FASMA Agreement was recently approved by your Board in March of 2009. DHS and ISD require more time to increase the list of qualified Medical Waste Vendors currently available under FASMA. The Department has outreach efforts underway to our current Contractor (Stericycle) and to other State approved medical waste companies to expand the existing ISD FASMA vendor list. Moreover, DHS and the other user Departments require training and orientation to the FASMA process. DHS and ISD are coordinating a group orientation and training session regarding the use of FASMA.

Additionally, DHS is currently reviewing and assessing medical waste streams Department-wide in an effort to reduce medical waste and save valuable resources. During the Department's initial review, we identified several waste streams that can now be re-processed to minimize the medical waste streams that go to landfills and reduce our overall cost of medical waste disposal. The waste streams identified are non-invasive and invasive medical devices and medical waste containers. The use of these re-processing opportunities will alter the medical waste streams and will result in more cost effective solutions.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness and Goal 4, Health and Mental Health Services of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The Contractor is compensated on a fee for service basis and the current rates remain the same. Dental waste pick-up and disposal is added at an additional cost of $85.00 minimum pick up fee. The estimated cost for Amendment No. 4 for the period July 1, 2009 through September 30, 2009 is $194,718 which consists of $149,262 for DHS, $19,956 for DPH, $7,500 for SD and $18,000 for DC; the estimated total cost for the month-to-month period of October 1, 2009 through January 31, 2010 is $259,621 which consists of $199,013 for DHS, $26,608 for DPH, $10,000 for SD and $24,000 for DC.

Funding is included in each department's Fiscal Year (FY) 2009-10 Proposed Budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since 1994, the Department has contracted for the collection, transportation and disposal of medical waste from various DHS, DPH, SD, and DC facilities throughout the County.

On December 17, 2001, the Department released an Invitation for Bid (IFB) for the continuation of medical waste disposal services. Stericycle was the only bidder in attendance at the mandatory bidders' conference. On June 18, 2002, the Board approved a sole source agreement with Stericycle effective July 1, 2002 through June 30, 2007.

On November 3, 2004, the Board approved Amendment No. 1 to increase the rates for both medical waste disposal and pick-up, and add a per occurrence per facility charge for incorrectly packaged waste.

On June 19, 2007, the Board approved Amendment No. 2 to extend the term effective July 1, 2007 through June 30, 2008, and month-to-month, July 1, 2008 through December 31, 2008, to increase the rates the County pays for the collection, transportation and disposal of medical waste by 3.49 percent, and to provide reimbursement of an annual State-assessed permit fee to Stericycle.

On November 25, 2008, the Board approved Amendment No. 3 to extend the term effective January 1, 2009 through June 30, 2009 and to implement rate increases which included an energy surcharge fee of $8.75 per stop. This extension was requested in order for the Department to determine the feasibility of using the ISD FASMA process for these services.

County Counsel has reviewed and approved Exhibit I, as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECT):

Board approval of the recommended Amendment will ensure the continued provision of essential medical waste disposal services for the four departments receiving these services.

Respectfully submitted,

John F. Schunhoff, Ph.D.
Interim Director

JFS:adb

Attachment

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors
Director, Internal Services Department

Medical Waste Disposal BL

EXHIBIT 1

Contract No. H-207555

MEDICAL WASTE DISPOSAL SERVICES AGREEMENT

AMENDMENT NO. 4

THIS AMENDMENT is made and entered into this _____ day of _____, 2009,

by and between COUNTY OF LOS ANGELES (hereafter "County"),

and STERICYCLE, INC. (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "MEDICAL WASTE DISPOSAL SERVICES AGREEMENT", dated July 1, 2002, and further identified as County Agreement No. H207555, and any amendments thereto (all hereafter "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend the term, add collection rates for dental waste pick up and disposal, and make other hereinafter described changes.

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall be effective on July 1, 2009.

2. The term of Agreement is hereby extended for three (3) months, to September 30, 2009. Effective October 1, 2009 through

January 31, 2010, Agreement is thereafter extended month-to-month unless sooner terminated or canceled, as provided in this Agreement.

3. EXHIBIT A, STATEMENT OF WORK, PARAGRAPH 1, CONTRACTOR RESPONSIBILITIES of the body of this Agreement shall be amended to read as follows:

EXHIBIT A, STATEMENT OF WORK, PARAGRAPH 1:

"1. CONTRACTOR RESPONSIBILITIES:

A. Contractor shall dispose of medical, biohazardous, trace chemotherapeutic, dental, and excess pharmaceutical waste collected from County Facilities listed in Attachment "A" in accordance with the California Health and Safety Code, Division 104, Part 14, Medical Waste Management Act, commencing with section 117600, incorporated herein by reference, and as required by federal, State and local laws, rules, regulations, ordinances, and directives, as they are now enacted or may hereafter be amended during the term of this Agreement. County shall not be responsible for any activity related to the disposition or handling of medical waste once it leaves a County site."

4. Paragraph F, COLLECTION RATE FOR DENTAL WASTE, shall be added to Exhibit B, Billing, Payment and Schedule of Rates, Paragraph 2, Schedule of Rates to read as follows:

"F. COLLECTION RATE FOR DENTAL WASTE: County shall

compensate Contractor for dental waste on an as needed basis, at the collection rate of $85.00 minimum pickup fee <u>or</u> per container rates as follows:

$175 per 5-gallon Amalgam Container

$100 per 1-gallon Lead Container

$85 per 5-gallon Fixer, Developer Container"

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its

/

/

/

/

/

/

/

/

/

/

/

/

/

/

Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
JOHN F. SCHUNHOFF, Ph.D
Interim Director

STERICYCLE, INC.
Contractor

By _____
Signature

_____
Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
COUNTY COUNSEL

AMDCD4446.ADB