Health Services
LOS ANGELES COUNTY

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October 21, 2008

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

Dear Supervisors:

APPROVAL OF AMENDMENT NO. 1 TO HEMATOLOGY/PATHOLOGY SERVICES AND CONSULTATION AGREEMENT (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

To request Board approval to amend the Hematology/Pathology Services and Consultation Agreement with the Regents of the University of California UCLA Pathology Outreach Services, to extend the term for up to six months.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Interim Director of Health Services (Director) to sign Amendment No. 1 to Hematology/Pathology Services and Consultation Agreement No. H-703102 (Agreement) with the Regents of the University of California UCLA Pathology Outreach Services (UCLA), to extend the term on a month-to-month basis, for up to six months, effective January 1, 2009 through June 30, 2009, for the continued provision of consultation and specialized laboratory services to the Department of Health Services' (DHS) Olive View-UCLA Medical Center Department of Pathology (OVMC), at an estimated cost of $60,000 for the six months.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended Amendment, substantially similar to Exhibit I, will allow DHS to extend the term of the Agreement with UCLA (currently slated to expire on December 31, 2008) to make it co-terminus with the four other laboratory services contracts (Focus Diagnostics, Inc. [Focus], Agreement No. H-212917, PathNet Esoteric Laboratory Institute [PathNet], Agreement No. H-212918, Quest Diagnostics, Inc. [Quest], Agreement No. H-212919, and USC Clinical Laboratories [USC],

Agreement No. H-212921). The specialized laboratory services UCLA provides, as well as those provided by Focus, PathNet, Quest and USC, are included in the upcoming solicitation for Reference Medical Laboratory Services.

DHS does not have authority to extend the term of the Agreement beyond December 31, 2008, nor increase the County's maximum obligation, without prior approval of the Board.

DHS is unable to recruit qualified personnel with the requisite training, knowledge, certification and experience, nor has the equipment to provide all required medical laboratory services to its patients. DHS depends on this and the other contractors mentioned above to perform overflow and specialty laboratory testing and reporting on client specimens.

FISCAL IMPACT/FINANCING

The County's maximum obligation under this Agreement for the extension period January 1, 2009 through June 30, 2009 will increase by $60,000 ($10,000 per month) to $180,000.

Funding for this action is included in DHS' Fiscal Year 2008-09 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

For several years, OVMC has utilized the services of UCLA for specialized laboratory testing. Over time, the relationship with UCLA evolved from no cost for performance of services, based on the well established relationship between UCLA physicians at OVMC and UCLA, to a Purchase Order effective June 13, 2007, and to a County Agreement, approved by the Board, effective December 18, 2007 through June 30, 2008, with the option to extend the Agreement on a month-to-month basis for up to six months.

On March 19, 2008, in accordance with the provisions of the Agreement, DHS notified UCLA that the option to extend the term for six months, through December 31, 2008, was being exercised.

Exhibit I has been reviewed and approved as to form by County Counsel.

CONTRACTING PROCESS

DHS is preparing a Request for Qualifications (RFQ) for Reference Medical Laboratory Services, and anticipates awarding new contracts to take effect July 1, 2009. The RFQ will include the services currently provided pursuant to this Agreement.

It is not appropriate to advertise amendments to agreements on the Doing Business With Us web site as a business opportunity.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will ensure the continued provision of vital medical laboratory services to OVMC.

DHS requires three signed copies of the Board's action.

Respectfully submitted,

John F. Schunhoff, Ph.D.
Interim Director

JFS:ja

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Internal Services Department, Purchasing Division

EXHIBIT I

Contract No. H-703102

HEMATOLOGY/PATHOLOGY SERVICES AND CONSULTATION AGREEMENT

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this _____day of _____, 2008,

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

and THE REGENTS OF THE UNIVERSITY OF CALIFORNIA (UCLA PATHOLOGY OUTREACH SERVICES) (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "HEMATOLOGY/PATHOLOGY SERVICES AND CONSULTATION AGREEMENT", dated December 18, 2007, and further identified as County Agreement No. H-703102 (hereafter referred to as "Agreement"); and

WHEREAS, each medical facility listed in the Agreement shall retain professional and administrative responsibility for the services provided to its facility under this Agreement; and

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

NOW THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective January 1, 2009.

2. Paragraph 1, TERM, first paragraph, is revised to read as follows:

"1. TERM: The term of this Agreement shall commence effective date of Board approval and shall continue in full force and effect to midnight June 30, 2008, unless sooner canceled or terminated as provided herein. The Director of

Health Services, or his designee, may extend this Agreement on a month-to-month basis, for a maximum of twelve (12) months, to June 30, 2009.

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

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director of Health Services

_____
Contractor

By _____
Signature

_____
Printed Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF HEALTH SERVICES
CONTRACTS AND GRANTS DIVISION

AMENDCD4438.JCA
8/7/08