



**LOS ANGELES COUNTY  
DEPARTMENT OF MENTAL HEALTH**

JONATHAN E. SHERIN, M.D., Ph.D., Director  
ROBIN KAY, Ph.D., Chief Deputy Director  
RODERICK SHANER, M.D., Medical Director



May 09, 2017

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

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

29 May 9, 2017

LORI GLASGOW  
EXECUTIVE OFFICER

**REQUEST APPROVAL TO EXTEND THE PRIMEX CLINICAL LABORATORIES, INC.,  
CLINICAL LABORATORY SERVICES AGREEMENT  
FISCAL YEAR 2017-18  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to extend the existing Clinical Laboratory Services Agreement with Primex Clinical Laboratories, Inc., to continue the provision of clinical laboratory services without interruption on a month-to-month basis for a period of up to twelve months in Fiscal Year 2017-18 while the Department of Mental Health finalizes a competitive bid for a new agreement for such services.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute an Amendment, substantially similar to the Attachment, to the existing Clinical Laboratory Services Agreement with Primex Clinical Laboratories, Inc. (Primex), to continue the provision of clinical laboratory services for Department of Mental Health (DMH) directly-operated clinics without interruption on a month-to-month basis, not to exceed twelve months, beginning July 1, 2017, through June 30, 2018.
2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to further amend the Clinical Laboratory Services Agreement as needed, provided that:  
1) the County's total payments to the contractor under this Agreement for each fiscal year will not exceed an increase of 10 percent from the Board-approved appropriation budgeted for this Agreement; 2) any increases will be used for additional services or to reflect program and/or Board

policy changes; 3) sufficient funds are available for services to be provided under the amendment; 4) approval of County Counsel, or designee, is obtained prior to any such amendments; and 5) the Director, or his designee, notifies your Board and the Chief Executive Office (CEO) in writing within 30 days after execution of each amendment.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

DMH provides clinical laboratory services to clients receiving medication support to ensure patient safety and treatment efficacy. Drug therapy and associated care often require supporting clinical laboratory services. Certified phlebotomists draw laboratory test samples for analysis from DMH clients at directly-operated clinics. DMH seeks to provide both laboratory tests and monitoring in a cost effective and seamless manner by working closely with Primex to meet the clinical laboratory service needs of DMH directly-operated clinics countywide.

DMH maintains financial responsibility for clients who do not have access to other sources of healthcare benefits. In all cases, DMH shall only reimburse Primex for services to clients who have no third-party insurance.

Board approval is required to extend the term of the existing Agreement with Primex on a month-to-month basis, not to exceed 12 months, to avoid an interruption in services.

DMH is in the process of preparing a Request for Proposal (RFP) solicitation to procure clinical laboratory services. This RFP was necessitated by a need to continue the provision of such services beyond June 30, 2017. The proposed contract term for the contract which will be the subject of the RFP will be for a period of five years.

### **Implementation of Strategic Plan Goals**

The recommended actions support the County's Strategic Plan Goal 1, Make Investments That Transform Lives, and Strategy 1.2 - Enhance Our Delivery of Comprehensive Interventions.

### **FISCAL IMPACT/FINANCING**

An estimated \$597,500 in funding for these clinical laboratory services is included in the Fiscal Year 2017-18 Recommended Budget and is fully funded by 2011 Sales Tax Realignment revenue.

There is no net County cost impact associated with the recommended actions.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On June 6, 2012, your Board approved a five-year Clinical Laboratory Services Agreement with Primex, which included an initial term of one year and four one-year renewal periods through June 30, 2017. The contract award was the outcome of the laboratory services RFP that was issued on December 3, 2010.

The attached Amendment has been approved as to form by County Counsel. The proposed actions

have been reviewed by the CEO and the DMH Office of the Medical Director. DMH administrative staff will review and monitor the Contractor's adherence to the Agreement and ensure that Agreement provisions and departmental policies are being followed.

**CONTRACTING PROCESS**

DMH is in the final stages of developing a RFP for clinical laboratory services. The estimated date of release for the RFP is June 1, 2017. DMH will solicit the interest of potential contractors by advertising the RFP in major local newspapers and mailing out the RFP to clinical laboratory service providers on DMH's Bidder's List. Following release, DMH plans to hold a Mandatory Proposers' Conference for potential contractors interested in responding to the RFP. DMH will execute its normal RFP processes, including conducting a proposal evaluation committee to score proposals and recommend funding awards to DMH executive management.

DMH will return to your Board to request authorization to award and execute such a new clinical laboratory services agreement with the successful bidder upon completion of the RFP process, debriefing, appeals, and successful contract negotiations with the qualified proposer.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval will ensure there are no interruptions to the provision of clinical laboratory services at mental health clinics and clinical laboratory service sites throughout the County.

Respectfully submitted,



Jonathan E. Sherin, M.D., Ph.D.  
Director

JES:RS:SLD:DKH:  
pd

Enclosures

- c: Executive Office, Board of Supervisors
- Chief Executive Office
- County Counsel
- Chairperson, Mental Health Commission



CONTRACT NO. MH110002

AMENDMENT NO. \_\_\_\_\_

THIS AMENDMENT is made and entered into this \_\_\_\_<sup>nd</sup> day of \_\_\_\_, 2017, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Primex Clinical Laboratories, Inc. (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated JULY 1, 2012, identified as County Agreement No. MH110002, as subsequently amended (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Years 2012-17, County and Contractor executed Agreement MH110002 for the provision of Clinical Laboratory Services for clients who reside throughout the County of Los Angeles and receive services at Department of Mental Health directly operated clinics; and

WHEREAS, for Fiscal Year 2017-18, County and Contractor intend to amend Agreement to extend the term of this Agreement for up to an additional 12 months, on a month-to-month basis, beginning July 1, 2017 through June 30, 2018 to allow Contractor to continue to provide Clinical Laboratory Services for clients who reside throughout the County of Los Angeles.

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Paragraph 1 (TERM) shall be amended to the following provision:

(5) Initial Extension Period: The Initial Extension Period of this Agreement shall commence on July 1, 2017 and shall continue in full force and effect through July 31, 2017.

B. Additional Extension Period(s): After the Initial Extension Renewal Period, this Agreement may be extended by DMH, in its sole discretion, on a month-to-month basis for up to eleven additional one-month terms.

(1) First Additional Extension Period: If this Agreement is extended, the First Additional Extension Period shall commence on August 1, 2017 and shall continue in full force and effect through August 31, 2017.

(2) Second Additional Extension Period: If this Agreement is extended, the Second Additional Extension Period shall commence on September 1, 2017 and shall continue in full force and effect through September 30, 2017.

(3) Third Additional Extension Period: If this Agreement is extended, the Third Additional Extension Period shall commence on October 1, 2017 and shall continue in full force and effect through October 31, 2017.

(4) Fourth Additional Extension Period: If this Agreement is extended, the Fourth Additional Extension Period shall commence on November 1, 2017 and shall continue in full force and effect through November 30, 2017.

(5) Fifth Additional Extension Period: If this Agreement is extended, the Fifth Additional Extension Period shall commence on December 1, 2017 and shall continue in full force and effect through December 31, 2017.

(6) Sixth Additional Extension Period: If this Agreement is extended,

the Sixth Additional Extension Period shall commence on January 1, 2018 and shall continue in full force and effect through January 31, 2018.

(7) Seventh Additional Extension Period: If this Agreement is extended, the Seventh Additional Extension Period shall commence on February 1, 2018 and shall continue in full force and effect through February 28, 2018.

(8) Eighth Additional Extension Period: If this Agreement is extended, the Eighth Additional Extension Period shall commence on March 1, 2018 and shall continue in full force and effect through March 31, 2018.

(9) Ninth Additional Extension Period: If this Agreement is extended, the Ninth Additional Extension Period shall commence on April 1, 2018 and shall continue in full force and effect through April 30, 2018.

(10) Tenth Additional Extension Period: If this Agreement is extended, the Tenth Additional Extension Period shall commence on May 1, 2018 and shall continue in full force and effect through May 31, 2018.

(11) Eleventh Additional Extension Period: If this Agreement is extended, the Eleventh Additional Extension Period shall commence on June 1, 2018 and shall continue in full force and effect through June 30, 2018.

2. Contractor shall provide services in accordance with the Contractor's Fiscal Year 2012-13 Contract Package for this Agreement and any addenda thereto approved in writing by Director or his designee.

3. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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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 County's Director of Mental Health, or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By JONATHAN E. SHERIN, M.D., Ph.D.  
Director of Mental Health

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_

Name Oshin Harootonian

Title President and CEO  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By \_\_\_\_\_  
Chief, Contracts Development  
and Administration Division