



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

LISA H. WONG, Psy.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer

Rimmi Hundal, M.A.
Chief Deputy Director

November 04, 2025

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:

**APPROVAL TO EXTEND THE EXISTING CONTRACT WITH PRIMEX CLINICAL
LABORATORIES, INC., ON A SOLE SOURCE BASIS FOR THE CONTINUED PROVISION OF
CLINICAL LABORATORY SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to extend the existing contract with Primex Clinical Laboratories, Inc., from January 1, 2026, through December 31, 2026, on a sole source basis, for the continued provision of clinical laboratory services while the Department of Mental Health completes a solicitation.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Director of Mental Health (Director), or designee, to prepare, sign, and execute an amendment substantially similar to Attachment I, on a sole source basis, to extend the term of the existing contract with Primex Clinical Laboratories, Inc., (Primex), Contract Number MH110003, effective January 1, 2026, through December 31, 2026, while the Department completes the Request for Proposals (RFP) solicitation. The Maximum Contract Amount (MCA) for the extension is \$200,000, fully funded by sales tax realignment revenue.
2. Delegate authority to the Director, or designee, to prepare, sign, and execute future amendments to the contract in Recommendation 1; to revise contract language; revise the MCA, add, delete, modify, or replace the Statement of Work (SOW)/SOW Technical Exhibits; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) the MCA does not exceed an increase of 10 percent from the Board-approved MCA in Recommendation 1; and 2) sufficient funds are available. The amendments will be subject to prior review and approval as to form by County

Counsel, with written notice to the Board and Chief Executive Office (CEO).

3. Delegate authority to the Director, or designee, to terminate the contract described in Recommendation 1 in accordance with the termination provisions, including Termination for Convenience. The Director, or designee, will provide a written notice to your Board and CEO, in writing, of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Mental Health (DMH) ensures that clinical laboratory services are provided to Medi-Cal (MC) and indigent clients receiving medication support in order to ensure patient safety and treatment efficacy as drug therapy and associated care often require supporting clinical laboratory services. Primex has been providing clinical laboratory services to indigent clients receiving services at DMH clinics since October 2019. By working with Primex, DMH has been able to provide laboratory testing and monitoring services in a cost effective and seamless manner.

Board approval of Recommendation 1 will allow for the continued provision of clinical laboratory services to MC and indigent clients without interruption while DMH completes the RFP solicitation.

Board approval of Recommendation 2 will allow DMH to amend the contract to revise the contract language; revise the MCA; add, delete, modify, or replace the SOW/SOW Technical Exhibits; and reflect federal, State, and County regulatory and/or policy changes.

Board approval of Recommendation 3 will allow DMH to terminate the contract in accordance with the termination provisions, including Termination for Convenience, in a timely manner, as necessary.

Implementation of Strategic Plan Goals

These recommended actions are consistent with the County's Strategic Plan Goals, North Star 1, Make Investments that Transform Lives, Focus Area Goal A., Healthy Individuals and Families.

FISCAL IMPACT/FINANCING

The total funding for the extension will be \$200,000, fully funded by sales tax realignment revenue. Funding is included in DMH's adopted budget.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 5, 2024, DMH notified your Board of its intent to negotiate and execute a new sole source contract to provide clinical laboratory services. However, upon reconsideration, DMH determined that releasing a competitive solicitation for laboratory services is in the best interest of the Department. As a result, on August 22, 2025, DMH rescinded the aforementioned Board memo.

In anticipation of contract expiration on December 31, 2025, DMH is releasing a new RFP solicitation to procure clinical laboratory services. However, the RFP solicitation is a lengthy process due to the

The Honorable Board of Supervisors

11/4/2025

Page 3

detailed planning, document preparation, vendor selection, appeal process, and contract negotiation stages involved, DMH requires time to complete the RFP solicitation. In order to avoid disruption of existing clinical laboratory services, DMH is requesting authority to extend the current contract, and DMH will request authority from your Board to execute the resulting contract upon completion of the RFP solicitation.

The Amendment (Attachment I) has been reviewed and approved as to form by County Counsel.

In accordance with Board Policy No. 5100 (Sole Source Contracts and Amendments), on August 22, 2025, DMH notified the Board of its intent to execute a sole source contract extension with Primex for the continued provision of clinical laboratory services (Attachment II). DMH considers this request approved, as no objections were received from the Board offices. Attachment III is the required CEO approved Sole Source Checklist.

As mandated by your Board, Primex's performance will continue to be evaluated by DMH on an annual basis to ensure Primex's compliance with all contract terms and performance standards.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will allow DMH to extend the existing contract with Primex for the continued provision of clinical laboratory services without interruption until the RFP solicitation is completed for such services.

Respectfully submitted,



LISA H. WONG, Psy.D.

Director

LHW:RH:KN:SK:DO:atm

Enclosures

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel

ATTACHMENT I

CONTRACT NO. MH110003

AMENDMENT NO. 10

THIS AMENDMENT is made and entered into this ___ day of _____, 2025, by and between the COUNTY OF LOS ANGELES (hereafter "County"), and Primex Clinical Laboratories, Inc. (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "Department of Mental Health Clinical Laboratories Services Contract", dated October 1, 2019, and further identified as County Contract No. MH110003, and all prior amendments (hereafter collectively "Contract"); and

WHEREAS, on Board Letter approval date, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute amendments to the Contract that include authority to extend the term of the Contract, modify the Contract language, and make other designated changes; and

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

WHEREAS, County and Contractor intend to amend the Contract to extend the term beginning January 1, 2026 through December 31, 2026, and make other hereinafter designated changes; and

WHEREAS, Contractor warrants that it continues to possess the competence, expertise, and personnel necessary to provide services consistent with the requirements of the Contract, and consistent with the professional standard of care for these services.

NOW, THEREFORE, County and Contractor agree as follows:

1. This amendment is hereby incorporated into the original Contract, and all its terms and conditions, including capitalized terms defined therein, shall be given full force and effect as if fully set forth herein.
2. This amendment is effective January 1, 2026.
3. The term of the Contract is extended from January 1, 2026, and shall continue in full force through December 31, 2026. The Maximum Contract Amount shall not exceed \$200,000.
4. Except as provided in this amendment, all other terms and conditions of the Contract shall remain in full force and effect.

/

/

/

/

/

/

/

/

/

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused the amendment to be subscribed by County's Director of Mental Health or designee, and Contractor has caused the amendment to be subscribed on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
LISA H. WONG, Psy.D.
Director
County of Los Angeles
Department of Mental Health

Primex Clinical Laboratories, Inc.
CONTRACTOR

By _____

Name Oshin Harootonian

Title President/CEO
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: Rachel Kleinberg
Senior Deputy County Counsel



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

LISA H. WONG, Psy.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer

Rimmi Hundal, M.A.
Chief Deputy Director

August 22, 2025

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Janice Hahn

FROM: Lisa H. Wong, Psy.D. *RHundal*
Director

SUBJECT: **NOTICE OF INTENT TO EXTEND THE TERM OF THE CONTRACT WITH PRIMEX CLINICAL LABORATORIES, INC., AND TO RESCIND THE BOARD NOTIFICATION DATED DECEMBER 5, 2024, TO NEGOTIATE AND EXECUTE A NEW SOLE SOURCE CONTRACT WITH LABCORP FOR THE PROVISION OF CLINICAL LABORATORY SERVICES**

In accordance with the Los Angeles County Board of Supervisors' (Board) Policy No. 5.100 (Sole Source Contracts and Amendments), the Department of Mental Health (DMH) is notifying your Board of its intent to extend the existing contract with Primex Clinical Laboratories, Inc., (Primex), Contract No. MH110003, to continue the provision of clinical laboratory services while the Department completes a competitive solicitation.

DMH will request your Board to approve a contract amendment to extend the term of the contract with Primex for one-year, effective January 1, 2026, through December 31, 2026, on a sole source basis. The total funding for the extended period is \$200,000, fully funded by sales tax realignment revenue.

Additionally, this memorandum also serves as notification to your Board of the rescission of the sole source Board Notification dated December 5, 2024. DMH submitted the aforementioned Board memorandum dated December 5, 2024, notifying your Board of its intent to negotiate and execute a new sole source contract with Labcorp to provide clinical laboratory services. However, upon reconsideration, DMH has determined that releasing a competitive solicitation for laboratory services is in the best interest of the Department.

JUSTIFICATION

DMH ensures that clinical laboratory services are provided to Medi-Cal (MC) and indigent clients receiving medication support in order to ensure patient safety and treatment efficacy as drug therapy and associated care often require supporting clinical laboratory services. Primex has been providing clinical laboratory services to all clients receiving services at DMH clinics since October 2019. By working with Primex, DMH has been able to provide laboratory testing and monitoring services, in a cost effective and seamless manner.

The extension of the existing contract will allow DMH to continue to provide laboratory and testing services to MC clients without interruption while the Request for Proposals (RFP) solicitation is completed and Board authority is granted to execute a resulting contract. At such time, this contract will be terminated in accordance with the contract's termination for convenience provision.

NOTIFICATION TIMELINE

Pursuant to Board Policy No. 5.100, DMH is required to notify the Board at least six months prior to the expiration of an existing contract to amend the contracts when departments do not have delegated authority to execute such amendment. DMH is late in submitting this notification as the Department is in the process of releasing an RFP solicitation. Solicitation is a lengthy process due to the detailed planning, document preparation, vendor selection, appeal process, and contract negotiation stages involved; however, DMH anticipates the completion of the RFP during this contract extension. If requested by the Board Office or the Chief Executive Office, DMH will place this item on the Health and Mental Health Services Cluster Agenda.

Unless otherwise instructed by your Board Office within four weeks of this notice, DMH will present the Board a letter for approval to execute a sole source extension amendment with Primex.

If you have any questions, or require additional information, please contact me at LWong@dmh.lacounty.gov or (213) 947-6670, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at SKrikorian@dmh.lacounty.gov or (213) 943-9146.

LHW:RH:KN
SK:DO:atm

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel

SOLE SOURCE CHECKLIST

Department Name: _____

Primex Clinical Laboratories, Inc.

- New Sole Source Contract
 - Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



 Chief Executive Office

 Date