



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

LISA H. WONG, Psy.D.
Director

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

Connie D. Draxler, M.P.A.
Acting Chief Deputy Director

December 03, 2024

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

30 December 3, 2024

EDWARD YEN
EXECUTIVE OFFICER

APPROVAL TO EXTEND THE EXISTING CONTRACT, NUMBER MH110003, WITH PRIMEX 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 term of the contract with Primex Laboratories, Inc., for one year for the continued provision of clinical laboratory services, as the current contract is set to expire on December 31, 2024.

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 (Attachment I) on a sole source basis, to the existing contract with Primex Laboratories, Inc., (Primex), to extend the term of the contract for one year, effective January 1, 2025 through December 31, 2025, while the Department is working on completing a new solicitation. The total funding for this one-year 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 in order to revise the language; revise and/or replace the Fee Schedule; add, delete, modify, or replace the Statement of Work; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) the Maximum Contract Amount (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 notification to your Board and CEO, in writing, of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Through the Primex contract, the Department of Mental Health (DMH) pays for uninsured clients only; however, DMH also ensures that clinical laboratory services are provided to Medi-Cal clients receiving medication support 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 to approximately 13,000 clients annually.

Board approval of Recommendation 1 will allow DMH to extend the existing contract with Primex for the continued provision of laboratory services for one year, while the solicitation process is completed.

Board approval of Recommendation 2 will allow DMH to amend the contract in Recommendation 1 in a timely manner, as necessary, for the continued provision of clinical laboratory services without interruption.

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

Implementation of Strategic Plan Goals

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

FISCAL IMPACT/FINANCING

Total allocation for the extended period, January 1, 2025 – December 31, 2025, will be \$200,000, fully funded by sales tax realignment revenue.

Funding for the extended period for Fiscal Year 2024-25 is included in DMH's adopted budget. Funding for future fiscal year will be requested through DMH's annual budget request process as needed.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 19, 2019, your Board authorized the Director of DMH to execute a contract with Primex to provide clinical laboratory services. This contract is set to expire on December 31, 2024, and a one-year extension period will allow DMH to complete the solicitation process and request authority from your Board to execute the resulting contract. Upon execution of a new contract, this contract will be terminated in accordance with the contract's termination for convenience provision if it has not reached its expiration date.

In accordance with Board Policy No. 5.100, Sole Source Contracts and Amendments, DMH notified your Board on June 12, 2024 (Attachment II), of its intent to extend the contract term with Primex for one year. As we did not hear otherwise, DMH is moving forward with this action. The required Sole Source Checklist (Attachment III), identifying and justifying the need for sole source amendment, has been approved by the CEO.

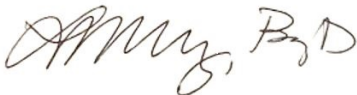
The amendment has been approved as to form by County Counsel.

As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure 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 contract term with Primex and continue provision of clinical laboratory services without interruption until a solicitation for such services is completed.

Respectfully submitted,



LISA H. WONG, Psy.D.

Director

LHW:RH:KN:SK:CM:atm

Enclosures

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

CONTRACT NO. MH110003

AMENDMENT NO. X

THIS AMENDMENT is made and entered into this ___ day of _____, 2024, 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 any amendments thereto (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 up to one year beginning January 1, 2025 through December 31, 2025, 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, 2025.
3. The term of the Contract is extended from January 1, 2025, and shall continue in full force through December 31, 2025. The Maximum Contract Amount shall not exceed \$200,000.
4. Exhibit Q – ~~X~~ (Contribution and Agent Declaration Form), will be added to the Contract, attached hereto, and incorporated herein by reference.
5. Paragraph 8.57 of the Contract (Prohibition from Participation in Future Solicitation(s) is added to the Contract as follows:

“8.57 A Proposer, or a Contractor or its subsidiary or Subcontractor (“Proposer/Contractor”), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision will result in the disqualification of the Contractor/Proposer from participation in the County solicitation or the termination or cancellation of any resultant County contract.”

6. Paragraph 8.58 of the Contract (Campaign Contribution Prohibition Following Final Decision in Contract Proceeding) is added to the Contract as follows:

“8.58 Pursuant to [Government Code Section 84308](#), Contractor, and its Subcontractors, are prohibited from making a contribution of more than \$250 to a County officer for twelve (12) months after the date of the final decision in the proceeding involving this Contract. Failure to comply with the provisions of [Government Code Section 84308](#) and of this paragraph, may be a material breach of this Contract as determined in the sole discretion of the County.”

7. Paragraph 10.0 (Survival) is added to the Contract as follows:

“10.0 In addition to any terms and conditions of this Contract that expressly survive expiration or termination of this Contract by their terms, the following provisions will survive the expiration or termination of this Contract for any reason:

| | |
|----------------|---|
| Paragraph 1.0 | Applicable Documents |
| Paragraph 2.0 | Definitions |
| Paragraph 3.0 | Work |
| Paragraph 7.8 | Confidentiality |
| Paragraph 8.1 | Amendments |
| Paragraph 8.2 | Assignment and Delegation/Mergers or Acquisitions |
| Paragraph 8.6 | Compliance with Applicable Law |
| Paragraph 8.19 | Fair Labor Standards |
| Paragraph 8.20 | Force Majeure |
| Paragraph 8.21 | Governing Law, Jurisdiction, and Venue |
| Paragraph 8.23 | Indemnification |
| Paragraph 8.24 | General Provisions for all Insurance Coverage |
| Paragraph 8.25 | Insurance Coverage |

| | |
|----------------|---|
| Paragraph 8.34 | Notices |
| Paragraph 8.38 | Record Retention and Inspection-Audit Settlement |
| Paragraph 8.42 | Termination for Convenience |
| Paragraph 8.43 | Termination for Default |
| Paragraph 8.48 | Validity |
| Paragraph 8.49 | Waiver |
| Paragraph 8.57 | Prohibition from Participation in Future Solicitation(s) |
| Paragraph 8.58 | Campaign Contribution Prohibition Following Final Decision in Contract Proceeding |
| Paragraph 9.1 | Health Insurance Portability and Accountability Act of 1996 (HIPAA) |
| Paragraph 10.0 | Survival |

8. Except as provided in this amendment, all other terms and conditions of the Contract 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 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: William Birnie
Senior Deputy County Counsel

CONTRIBUTION AND AGENT DECLARATION FORM

This form must be completed separately by all bidders/proposers, including all prime contractors and subcontractors, and by all applicants for licenses, permits, and other entitlements for use issued by the County of Los Angeles ("County").

Pursuant to the Levine Act (Government Code section 84308), a member of the Board of Supervisors, other elected County officials (the Sheriff, Assessor, and the District Attorney), and other County employees and/or officers ("County Officers") are disqualified and not able to participate in a proceeding involving contracts, franchises, licenses, permits and other entitlements for use if the County Officer received more than \$250 in contributions in the past 12 months from the bidder, proposer or applicant, any paid agent of the bidder, proposer, or applicant, or any financially interested participant who actively supports or opposes a particular decision in the proceeding.

State law requires you to disclose information about contributions made by you, your company, and lobbyists and agents paid to represent you. Failure to complete the form in its entirety may result in significant delays in the processing of your application and potential disqualification from the procurement or application process.

You must fully answer the applicable questions below. You ("Declarant"), or your company, if applicable, including all entities identified below (collectively, "Declarant Company") must also answer the questions below. The term "employee(s)" shall be defined as employees, officers, partners, owners, or directors of Declarant Company.

An affirmative response to any questions will not automatically cause the disqualification of your bid/proposal, or the denial of your application for a license, permit or other entitlement. However, failure to answer questions completely, in good faith, or providing materially false answers may subject a bidder/proposer to disqualification from the procurement.

This material is intended for use by bidders/proposers, including all prime contractors and subcontractors, and by all applicants for licenses, permits, and other entitlements for use issued by the County of Los Angeles and does not constitute legal advice. If you have questions about the Levine Act and how it applies to you, you should call your lawyer or contact the Fair Political Practices Commission for further guidance.

HOA.104008393.4
Rev. [4/16/24]

CONTRIBUTION AND AGENT DECLARATION FORM

Complete each section below. State "none" if applicable.

A. COMPANY OR APPLICANT INFORMATION

1) Declarant Company or Applicant Name:

a) If applicable, identify all subcontractors that have been or will be named in your bid or proposal: _____

b) If applicable, variations and acronyms of Declarant Company's name used within the past 12 months: _____

c) Identify all entities or individuals who have the authority to make decisions for you or Declarant Company about making contributions to a County Officer, regardless of whether you or Declarant Company have actually made a contribution:

[IF A COMPANY, ANSWER QUESTIONS 2 - 3]

2) Identify only the Parent(s), Subsidiaries and Related Business Entities that Declarant Company has controlled or directed, or been controlled or directed by. "Controlled or directed" means shared ownership, 50% or greater ownership, or shared management and control between the entities.

a) Parent(s):

b) Subsidiaries:

c) Related Business Entities:

3) If Declarant Company is a closed corporation (non-public, with under 35 shareholders), identify the majority shareholder.

4) Identify all entities (proprietorships, firms, partnerships, joint ventures, syndicates, business trusts, companies, corporations, limited liability companies, associations, committees, and any other organization or group of persons acting in concert) whose contributions you or Declarant Company have the authority to direct or control.

CONTRIBUTION AND AGENT DECLARATION FORM

- 5) Identify any individuals such as employees, agents, attorneys, law firms, lobbyists, and lobbying firms who are or who will act on behalf of you or Declarant Company and who will receive compensation to communicate with a County Officer regarding the award or approval of **this** contract or project, license, permit, or other entitlement for use.

*(Do **not** list individuals and/or firms who, as part of their profession, either (1) submit to the County drawings or submissions of an architectural, engineering, or similar nature, **or** (2) provide purely technical data or analysis, **and** who will not have any other type of communication with a County agency, employee, or officer.)*

- 6) If you or Declarant Company are a 501(c)(3) non-profit organization, identify the compensated officers of your organization and the compensated members of your board.

B. CONTRIBUTIONS

- 1) Have you or the Declarant Company solicited or directed your employee(s) or agent(s) to make contributions, whether through fundraising events, communications, or any other means, to a County Officer in the past 12 months? If so, provide details of each occurrence, including the date.

| Date (contribution solicited, or directed) | Recipient Name (elected official) | Amount |
|---|--|---------------|
| | | |
| | | |
| | | |

*Please attach an additional page, if necessary.

- 2) Disclose all contributions made by you or any of the entities and individuals identified in Section A to a County officer in the past 12 months.

| Date (contribution made) | Name (of the contributor) | Recipient Name (elected official) | Amount |
|---------------------------------|----------------------------------|--|---------------|
| | | | |
| | | | |
| | | | |

*Please attach an additional page, if necessary.

CONTRIBUTION AND AGENT DECLARATION FORM

C. DECLARATION

By signing this Contribution and Agent Declaration form, you (Declarant), or you and the Declarant Company, if applicable, attest that you have read the entirety of the Contribution Declaration and the statements made herein are true and correct to the best of your knowledge and belief. (Only complete the one section that applies.)

There are _____ additional pages attached to this Contribution Declaration Form.

COMPANY BIDDERS OR APPLICANTS

I, _____ (Authorized Representative), on behalf of _____ (Declarant Company), at which I am employed as _____ (Title), attest that after having made or caused to be made a reasonably diligent investigation regarding the Declarant Company, the foregoing responses, and the explanation on the attached page(s), if any, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing materially false answers may subject Declarant Company to consequences, including disqualification of its bid/proposal or delays in the processing of the requested contract, license, permit, or other entitlement.

IMPORTANT NOTICE REGARDING FUTURE AGENTS AND FUTURE CONTRIBUTIONS:

By signing this Contribution and Agent Declaration form, you also agree that, if Declarant Company hires an agent, such as, but not limited to, an attorney or lobbyist during the course of these proceedings and will compensate them for communicating with the County about this contract, project, permit, license, or other entitlement for use, you agree to inform the County of the identity of the agent or lobbyist and the date of their hire. You also agree to disclose to the County any future contributions made to members of the County Board of Supervisors, another elected County officer (the Sheriff, Assessor, and the District Attorney), or any other County officer or employee by the Declarant Company, or, if applicable, any of the Declarant Company's proposed subcontractors, agents, lobbyists, and employees who have communicated or will communicate with the County about this contract, license, permit, or other entitlement after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested contract, license, permit, or entitlement for use.

Signature

Date

CONTRIBUTION AND AGENT DECLARATION FORM

INDIVIDUAL BIDDERS OR APPLICANTS

I, _____, declare that the foregoing responses and the explanation on the attached sheet(s), if any, are correct to the best of my knowledge and belief. Further, I understand that failure to answer the questions in good faith or providing materially false answers may subject me to consequences, including disqualification of my bid/proposal or delays in the processing of the requested license, permit, or other entitlement.

IMPORTANT NOTICE REGARDING FUTURE AGENTS AND FUTURE CONTRIBUTIONS:

If I hire an agent or lobbyist during the course of these proceedings and will compensate them for communicating with the County about this contract, project, permit, license, or other entitlement for use, I agree to inform the County of the identity of the agent or lobbyist and the date of their hire. I also agree to disclose to the County any future contributions made to members of the County Board of Supervisors, another elected County official (the Sheriff, Assessor, and the District Attorney), or any other County officer or employee by me, or an agent such as, but not limited to, a lobbyist or attorney representing me, that are made after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested contract, license, permit, or entitlement for use.

Signature

Date



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

LISA H. WONG, Psy.D.
 Director

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

Connie D. Draxler, M.P.A.
 Acting Chief Deputy Director

June 12, 2024

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

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

Connie D. Draxler

**SUBJECT: NOTICE OF INTENT TO EXTEND THE TERM OF THE CONTRACT
 NUMBER MH110003 WITH PRIMEX CLINICAL LABORATORIES, INC.,
 FOR THE CONTINUED 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) to continue the provision of clinical laboratory services.

DMH will request that your Board approve a sole source contract amendment to extend the term of the Contract with Primex on a month-to-month basis for one-year, effective January 1, 2025 through December 31, 2025, while a solicitation is completed. The total funding for the extended period is \$200,000, fully funded by sales tax realignment revenue.

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

Each Supervisor
June 12, 2024
Page 2

able to provide laboratory testing and monitoring services, in a cost effective and seamless manner to approximately 13,000 clients annually.

This extension will allow DMH to continue to provide laboratory and testing services to MC clients without interruption while the solicitation process 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.

Unless otherwise instructed by the 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:CDD:KN
SK:CM:atm

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

SOLE SOURCE CHECKLIST

Department Name: Mental Health

- New Sole Source Contract
- Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: 09/17/2019

| Check (✓) | JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item. |
|-------------------------------------|--|
| <input type="checkbox"/> | ➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an "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." |
| <input type="checkbox"/> | ➤ Compliance with applicable statutory and/or regulatory provisions. |
| <input type="checkbox"/> | ➤ Compliance with State and/or federal programmatic requirements. |
| <input type="checkbox"/> | ➤ Services provided by other public or County-related entities. |
| <input type="checkbox"/> | ➤ Services are needed to address an emergent or related time-sensitive need. |
| <input type="checkbox"/> | ➤ The service provider(s) is required under the provisions of a grant or regulatory requirement. |
| <input checked="" type="checkbox"/> | ➤ 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. |
| <input type="checkbox"/> | ➤ 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. |
| <input type="checkbox"/> | ➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative. |
| <input type="checkbox"/> | ➤ It is more cost-effective to obtain services by exercising an option under an existing contract. |
| <input type="checkbox"/> | ➤ 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. |

Erika Bonilla
Chief Executive Office

9/27/24

Date