

# Agenda Report

**DATE:** March 28, 2011

**TO:** Honorable Mayor and City Council

**FROM:** Public Health Department

**SUBJECT:** APPROVAL OF INCREASE TO CONTRACT #19,511 WITH QUEST DIAGNOSTICS IN AN AMOUNT NOT TO EXCEED \$175,500 FOR PROVISION OF LABORATORY TESTING SERVICES

## **RECOMMENDATION:**

Authorize an increase to Contract #19,511 with QUEST Diagnostics in the amount of \$101,000 from \$74,500 to \$175,500 to provide grant funded laboratory testing services for the Andrew Escajeda Comprehensive Care Services program, which provides HIV/AIDS medical outpatient clinical services. To the extent that this could be considered a separate transaction subject to a new competitive selection process, staff requests an exemption from that process pursuant to Municipal Code section 4.08.049, contracts for which the City's best interests are served. Competitive bidding is not required pursuant to City Charter Section 1002 (F) contracts for professional or unique services.

## **BACKGROUND:**

Since June of 1991, the Pasadena Public Health Department (PPHD) has been providing HIV/AIDS medical outpatient clinical services to uninsured and underinsured HIV positive and AIDS infected patients throughout the San Gabriel Valley. Known as the Andrew Escajeda Comprehensive Care Services program, the medical treatment, case management and laboratory testing services are funded by a federal CARE Act grant to Los Angeles County Office of AIDS Programs and Policy, which subcontracts with PPHD to provide the services in Pasadena and the greater San Gabriel Valley.

In September, 2010, following a competitive selection process, the City Manager approved Contract #19,511 with QUEST Diagnostics in the amount of \$74,500. Due to an increased number of enrolled patients, the resulting volume of patient visits and individual case severity, the demand for laboratory testing services has drastically exceeded original estimates for the contract term of August 1, 2010 through November 30, 2011.

To ensure ongoing services to the patients of the Andrew Escajeda Comprehensive Care Services program and to maintain compliance with the terms of the CARE Act grant, the contract with QUEST Diagnostics must be increased.

**COUNCIL POLICY CONSIDERATION:**

This action by City Council aligns with the City's Strategic Plan Three-Year Goal to support and promote the quality of life and local economy by ensuring comprehensive care and continuity of service to HIV/AIDS patients who access their health care at the Pasadena Public Health Department's safety net clinic.

**FISCAL IMPACT:**

This action will increase Contract #19,511 by \$101,000 from \$74,500 to \$175,500. All costs for the QUEST Diagnostics contract are covered by grant funds. Estimated revenues and appropriations for this contract through June 30, 2011 are included in the Public Health Department's FY 2011 adopted budget in the Communicable Disease Prevention and Control Division account # 563000. Revenues and appropriations for the balance of the contract through November 30, 2011 are included in the Public Health Department's FY 2012 proposed budget.

Respectfully submitted by:



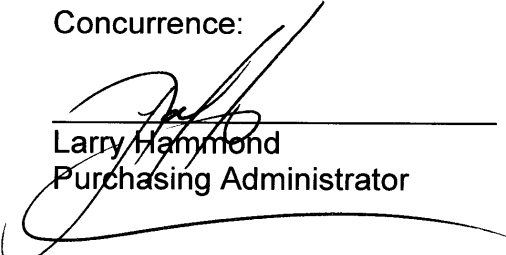
Eric Walsh, MD, MPH  
Director of Public Health, Health Officer

Prepared by:



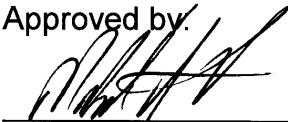
Heidi E. Petersen-Leach  
Deputy Director of Public Health

Concurrence:



Larry Hammond  
Purchasing Administrator

Approved by:



MICHAEL J. BECK  
City Manager

**Disclosure Pursuant to the  
City of Pasadena Taxpayer Protection Amendment  
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

*(If printing, please print legibly. Use additional sheets as necessary.)*

<b>1. Contractor/Organization Name:</b> QUEST Diagnostics
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<b>2. Type of Entity:</b> <input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)
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<b>3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:</b>
Dan C. Stanzione, Lead Independent Director
Dr. John C. Baldwin, Director
Jenne K. Britell, Ph.D., Director
William F. Buehler, Director
Rosanne Haggerty, Director
Surya N. Mohapatra, Chairman
Gary M. Pfeiffer, Director
Gail R. Wilensky, Director
John B. Ziegler, Director

<b>4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:</b>
UNILAB Corporation
QUEST Diagnostics Incorporated
Glaxosmithkline PLC
Surya N. Mohapatra
Robert A. Hagemann

Prepared by: Erika Davies

Title: Executive Secretary

Phone: (626) 744-6046

Date: February 18, 2011