

Agenda Report

DATE: June 18, 2012

TO: Honorable Mayor and City Council

FROM: Public Health Department

SUBJECT: CONTRACT AWARD TO QUEST DIAGNOSTICS FOR PROVISION OF LABORATORY SERVICES

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to enter into a contract, without Competitive Bidding pursuant to City Charter Section 1002(F) contracts for professional or unique services, with Quest Diagnostics in an amount not to exceed \$150,000 for comprehensive professional laboratory testing services; and
2. Authorize the City Manager to extend the contract for up to three additional one-year periods for an amount not to exceed \$150,000 per year.

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 the Ryan White Federal CARE Act grant to Los Angeles County Department of HIV and STD Programs (DHSP), which subcontracts with PPHD to provide the services in Pasadena and the greater San Gabriel Valley.

In addition, PPHD's Prenatal Clinic offers caring, comprehensive, and culturally sensitive services for pregnant women and teens and for new mothers who have just given birth. Services include pregnancy testing and prenatal lab testing, which are paid through Medi-Cal or other fee-for-service programs. Along with the Andrew Escajeda Comprehensive Care Services program, the Prenatal Clinic often requires testing services through a contracted clinical laboratory.

To ensure best quality and value, PPHD staff prepared and distributed a Request for Proposals (RFP) in April 2012 for comprehensive professional laboratory testing services. Respondents were asked to describe the approach, level of effort, and deliverables associated with numerous items, including specimen collection services, special pricing based on volume of services provided, clinical laboratory information system, and quality assurance.

The City received five responses to the RFP, which were then reviewed by a panel of key PPHD staff. The proposals were scored on six criteria as follows:

- Applicant Capability (25%)
- Quality of Proposal and Scope of Work (30%)
- Schedule of Fees and Charges (15%)
- Quality Assurance (20%)
- Local Pasadena Business Preference (5%)
- Small and Micro-Business Preference (5%)

Following a thorough evaluation, the scores provided by each panel member were tallied and averaged, thus assigning a final score to each proposal. Quest Diagnostics, Inc. was the panel's highest scorer, based upon the above criteria and their capability to deliver all required tests and services at highly competitive rates.

The proposed contract amount is \$150,000, which covers the estimated amount of required laboratory tests for both PPHD's Prenatal Clinic and the Andrew Escajeda Comprehensive Care Services program. The contract to provide these laboratory services fully complies with the Competitive Bidding and Purchasing Ordinance.

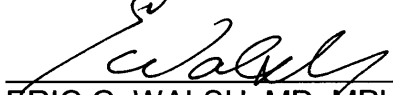
COUNCIL POLICY CONSIDERATION:

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 and pregnant patients who access their health care at the Pasadena Public Health Department's safety net clinic.

FISCAL IMPACT:

The cost of this action is \$150,000 per year and will be addressed through the utilization of existing budget appropriations in HIV/AIDS Medical Outpatient account # 8114-203-563260 and Prenatal Clinic account # 8114-203-564408. It is anticipated that the entirety of this cost will be spent by the end of each fiscal year.

Respectfully submitted by:



ERIC G. WALSH, MD, MPH
Director of Public Health, Health Officer

Prepared by:



Erika Davies
Executive Secretary

Approved by:



MICHAEL C. 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.)

1. Contractor/Organization Name:

Quest Diagnostics

2. Type of Entity:

non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

Kenneth L. Sisco, MD - Director
Geoffrey H. Moyer, MD - Director
Stephen C. Suffin, MD - Director

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

UNILAB Corporation
Quest Diagnostics, Inc.
Glaxosmithkline PLC
Surya N. Mohapatra
Robert A. Hagemann

Prepared by: Erika Davies

Title: Executive Secretary

Phone: x6046

Date: June 12, 2012