

**MEMORANDUM**  
**COUNTY OF PLACER**  
**ADMINISTRATIVE SERVICES DEPARTMENT**  
**PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager *BW*

DATE: July 8, 2014

SUBJECT: Specimen Collection and Drug Testing Services – Valley Toxicology Inc.

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**ACTION REQUESTED**

1. Approve the renewal of a competitively awarded blanket purchase order with Valley Toxicology Inc. of West Sacramento for Specimen Collection and Drug Testing Services in the maximum amount of \$300,000, funded by the Health and Human Services' proposed budget for FY 2014-15 with no new net County cost, for the period of July 1, 2014 through June 30, 2015;
2. Approve the option to renew for two additional one-year terms provided the renewal amounts do not exceed 10 percent of the recommended contract amount of \$300,000; and
3. Authorize the Purchasing Manager to sign the resulting Blanket Purchase Order.

**BACKGROUND**

The Health and Human Services Department (HHS) requires a contract with a vendor to provide specimen collection, drug and alcohol testing services, and related supplies on an as-needed basis. The department requires these services to monitor their clients' conformance to program requirements. On July 9, 2013, your Board approved the award of competitive Bid No. 10251 to Valley Toxicology Inc. The resulting blanket purchase order (BPO) expired on June 30, 2014. HHS has requested renewal of the BPO for an additional year. Valley Toxicology requested a minor increase to the rate for specimen collection due to increased overhead costs for that activity. The rates for the collection supplies and lab testing services will be the same. HHS has reviewed the new pricing and concurs with Procurement's recommendation to renew the BPO for an additional year.

Section 15 of the bid's terms and conditions permit renewal of the BPO upon successful negotiation of pricing, terms, and conditions. Therefore, your Board's approval is required to proceed with a new on-year BPO in the maximum amount of \$300,000 and to authorize the Purchasing Manager to sign the resulting BPO.

**FISCAL IMPACT**

Upon your Board's approval, a new BPO will be awarded to Valley Toxicology Inc. in the maximum amount of \$300,000. HHS has budgeted appropriately in the proposed FY2014-15 budget, which includes \$210,000 of Federal and state revenue, \$12,000 in client fees, and \$78,000 of required County General Fund match. Funds are not encumbered until services are rendered against the BPOs.

cc: Stan Hapak, HHS, Fiscal Program Manager  
Maureen Bauman, HHS, Director – Adult System of Care  
Richard Knecht, HHS, Director – Children's System of Care

