MEMORANDUM
COUNTY OF PLACER
DEPARTMENT OF ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES DIVISION

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager

DATE: November 6, 2012

SUBJECT: Clinical Laboratory Services – Laboratory Corporation of America

ACTION REQUESTED

1.   Approve the renewal of competitively awarded blanket purchase orders with Laboratory Corporation of America of Burlington, NC for Clinical Laboratory Services in the maximum aggregate amount of $97,000, funded by department's FY2013-14 final budget and the FY2014-15 requested budget, for the period of October 1, 2013 through September 30, 2014, and authorize the Purchasing Manager to sign the resulting blanket purchase orders.

BACKGROUND

On April 6, 2010, your Board approved the award of competitive Bid No. 9955 for Clinical Laboratory Services to Laboratory Corporation of America (LabCorp). As the result, blanket purchase orders (BPOs) were issued for use by Health and Human Services' (HHS) Community Clinics and Systems of Care. Your Board subsequently approved the renewal of the BPOs through September 30, 2013.

The department's need for these contracted services has significantly increased over the past several months due to the County's participation in the Medicaid 1115 Waiver Demonstration Program. This program is scheduled to conclude on December 31, 2013. The new Affordable Care Act is also expected to reduce the level of service that HHS will be required to provide in the near future. Both of these programs are very complex and their impact on County services has been difficult to forecast. As a result, the BPOs with LabCorp were not renewed in a timely manner. However, HHS has recently provided updated information to Procurement which will enable the renewal of the BPOs to be effective October 1, 2013.

HHS has reported that LabCorp has provided good service and has submitted requests to renew the BPOs for the period October 1, 2013 through September 30, 2014. Section 15 of the Bid's General Terms and Conditions permit renewal of BPOs on a year to year basis based on the vendor's satisfactory performance, agreement to renew, and successful negotiation of pricing and terms. LabCorp has agreed to extend the same pricing, terms, and conditions for the renewal period.

FISCAL IMPACT

These services are funded 50 percent by federal Medicaid revenues and 50 percent by required County General Fund match. Upon your Board's approval, BPOs will be issued in the maximum aggregate amount of $97,000 for the period October 1, 2013 through September 30, 2014.

Attachment: Fiscal Impact Statement

cc: Rebecca Mellott, HHS – Director of Administrative Services
       Maureen Bauman, HHS – Director of ASOC
       Stan Hapak, HHS – Fiscal Operations Manager
       Jim Nissen, HHS – Fiscal Operations Manager
       Connie Arney, HHS – Client Services Program Manager

Placer County
Health and Human Services Department

Administrative Services Division

Date	December 10, 2013
To:	Honorable Board of Supervisors
From:	Rebecca Mellott, Director of HHS Administrative Services
Subject:	**Fiscal Impact Statement** **BPOs for Clinical Laboratory Services** **Community Clinics and Adult System of Care** **For the period October 1, 2013 to September 30, 2014**

The Department has budgeted appropriately for these Blanket Purchase Orders (BPOs) that equal a combined amount of $97,000 ($48,500 net County cost). They are both funded 50% by federal Medicaid revenues and 50% required County General Fund match. Funding for the first nine months is available in the Department's FY2013-14 Final Budget and the last three months will be included the Department's FY2014-15 Requested Budget. The renewal amount is $108,000 lower than the current BPOs in place due to the phase out of the Medicaid 1115 Waiver Demonstration Program that is scheduled to end on December 31, 2013. Clinical Laboratory services are mandated and must be provided to eligible 1115 Waiver recipients on an as-needed basis.

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