



**MEMORANDUM**  
**PROCUREMENT SERVICES DIVISION**  
County of Placer

**TO:** Honorable Board of Supervisors **DATE:** October 25, 2022  
**FROM:** Jane Christenson, Acting County Executive Officer  
**BY:** Brett Wood, Purchasing Manager  
**SUBJECT:** Laboratory Supplies and Testing Services – Redwood Toxicology Laboratory Inc.

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**ACTION REQUESTED**

Approve an increase to a negotiated agreement with Redwood Toxicology Laboratory Inc. of Santa Rosa, CA for the purchase of laboratory supplies and testing services for controlled substances based on a cooperative contract through September 30, 2022 in the amount of \$35,000 for a new total of \$155,000.

Approve the renewal of the agreement for the period of October 1, 2022 through September 30, 2023 in the maximum amount of \$240,000.

Approve an option to renew the agreement on a year to year basis for the effective period of the cooperative contract in the annual amount of \$240,000

Authorize change orders up to a cumulative amount of \$24,000 consistent with the Placer County Procurement Policy.

Authorize the Purchasing Manager to sign all required documents subject to departmental concurrence and available funding.

**BACKGROUND**

The Probation Department and the Department of Health and Human Services (HHS) require agreements with a vendor to provide testing supplies and related confirmatory lab services on an as-needed basis for certain clients that they manage. The programs in which the clients are enrolled require abstinence from the use of illicit drugs or alcoholic beverages. In the past, the County has attempted to solicit competitive bids for the supplies and services needed to test for these substances. These attempts have had very little success, due in part to the limited pool of vendors who perform this very specialized service. In October 2017 County staff learned of a contract offered by the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) cooperative agency. The MMCAP program is administered by the State of Minnesota. The MMCAP contract was determined to offer the most cost-effective pricing for Placer County's requirements for these specialized products and services. The County awarded an agreement to Redwood Toxicology, which has been renewed annually. On January 11, 2022 your Board approved the renewal of the agreement with Redwood Toxicology based on the MMCAP cooperative contract, which expired September 30, 2022.

It was recently discovered that Probation and HHS' requirements have exceeded the maximum amount of the agreement with Redwood Toxicology. Most of the usage is from Probation. That department has reported that the Covid pandemic previously inhibited their use of this service. With the lessening of the pandemic, Probation is increasing their usage of supplies and test confirmation. In addition, the department is also using some testing supplies that are more costly because they detect more controlled substances. Usage from HHS has also increased slightly.

The current agreement will need to be increased by \$35,000 to accommodate the increased requirements. The departments have also requested renewal of the agreement for the period of October 1, 2022 through September 30, 2023 in the maximum amount of \$240,000.

The current MMCAP Contract No. MMS2000332 with Redwood Toxicology is effective through September 30, 2023 and may be renewed or extended at MMCAP's discretion. The departments have expressed their satisfaction with the vendor's service performance and have confirmed that the terms of the MMCAP contract still meet their needs.

Procurement Policy Section 3.5A permits the use of cooperative contracts without further competitive bidding by Placer County. MMCAP Contract No. MMS2000332 meets this criterion.

The increase to the current agreement and the amount for the renewal period exceeds the Purchasing Manager's authority. Therefore, your Board's approval is required to increase the current agreement with Redwood Toxicology in the amount of \$35,000 for a new total of \$155,000 through September 30, 2022. Your Board's approval is also required to renew the agreement with Redwood Toxicology for the period of October 1, 2022 through September 30, 2023 in the maximum amount of \$240,000.

#### **FISCAL IMPACT**

Departments utilizing this agreement will be responsible for absorbing the increased expenses in the current fiscal year and are responsible for budgeting properly within their respective operating budgets in future years. Funds are not encumbered until the products or services are ordered under the agreement.

#### **ATTACHMENTS**

None