
Setting the Standard in Health Care Excellence

February 27, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

SUBJECT:

Approval of, and Authorization for the Purchasing Agent or Designee to Sign, Amendment No. 18 to Contract No. 6995 with Quest Diagnostics Nichols Institute, Unilab Corporation dba Quest Diagnostics and Quest Diagnostics Nichols Institute, Inc. (Quest) for Laboratory Services, Extending the Contract Through June 30, 2025, and Setting the Not-To-Exceed Amount at \$2,746,977 for FY24-25; Approval of, and Authorization for the Purchasing Agent or Designee to Increase or Decrease the Individual Purchase Document Amounts as Needed, Provided that the Aggregate Amount Paid for Services to Quest Does Not Exceed \$2,746,977 for Either FY23-24 or FY24-25.

RECOMMENDATIONS:

1. That your Board approve, and authorize the Purchasing Agent or designee to sign, amendment No. 18 to contract No. 6995 with Quest Diagnostics Nichols Institute, Unilab Corporation dba Quest Diagnostics and Quest Diagnostics Nichols Institute, Inc. (Quest) for laboratory services, extending the contract through June 30, 2025, and setting the not-to-exceed at \$2,746,977 for FY24-25.
2. That your Board authorize the Purchasing Agent or designee to increase or decrease the individual purchase document amounts for laboratory services provided by Quest (Table No. 1) as needed, provided that the aggregate amount paid does not exceed \$2,746,977 for either FY23-24 or FY24-25.

FISCAL IMPACT:

Mandatory:	No
Source of Funding:	VCMC Operating Revenues/Collections
Funding Match Required:	None
Impact on Other Departments:	N/A

Summary of Annual Revenues and Costs Under this agreement:

	<u>FY2023-24</u>	<u>FY 2024-25</u>
REVENUE:	\$0	\$2,746,977
DIRECT COSTS:	\$0	\$2,746,977
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

Table No. 1

Entity	Current FY2023-2024 Not to Exceed Amount	Additional Funds Needed	Revised FY2023-2024 Not to Exceed Amount	Initial FY 2024-2025 Not to Exceed Amount
Quest Diagnostics Nichols Institute TIN: 95-2701802 VCFMS VC: VC00015644 Quest Account #39857614 MA QUESTDIAGNOSFY*MA01	\$278,097	\$ 171,903.00	\$450,000	\$496,977
Unilab Corporation dba Quest Diagnostics TIN: 71-0897031 VCFMS VC: VC00017249 (Quest Diagnostics Unilab) Quest account #93003929 MA QUESTDIAGNOSFY*MA04	\$2,293,880	\$ (46,903.00)	\$2,246,977	\$2,200,000
Quest Diagnostics Nichols Institute, Inc. TIN: 54-0854787 VCFMS VC: VC00017086 Quest account # 38809589 MA QUESTDIAGNOSFY*MA05	\$175,000	\$ (125,000.00)	\$50,000	\$50,000
TOTAL:	\$2,746,977	\$0	\$2,746,977	\$2,746,977

CURRENT FISCAL YEAR BUDGET:

Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$673,790,899	\$673,790,899	\$673,790,899	\$0
Revenue	\$665,452,626	\$665,452,626	\$665,452,626	\$0
Operational Income/(Loss)	(\$8,338,273)	(\$8,338,273)	(\$8,338,273)	\$0

Sufficient revenue and appropriations are included in the FY 23-24 adopted budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

STRATEGIC PLAN PRIORITY:

The item presented in this Board letter supports the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing access to quality healthcare required for our community to thrive.

DISCUSSION:

Pursuant to Government Code Section 25502.5, approval must be secured from your Board for all services that are expected to exceed the Purchasing Agent's authority (\$200,000 per contractor) during the fiscal year.

Quest Diagnostics provides laboratory tests that the hospital laboratories do not have the capacity to run or maintain. Additionally, most of the laboratory tests ordered by the Ambulatory Care clinics are routed to Quest. Quest is an integral part of overall laboratory services required for the care of patients in the HCA facilities.

This letter has been reviewed by the County Executive Office, County Counsel, Auditor-Controller's Office, and General Services Agency Procurement Services. If you have any questions regarding this item, please call John Fankhauser, M.D., Chief Executive Officer, County Hospitals, at 805-652-6058.



John Fankhauser, M.D.
Chief Executive Officer, County Hospitals



Barry L. Zimmerman
Health Care Agency Director

EXHIBIT

Exhibit 1 - Quest Diagnostics – Amendment No. 18 to Contract No. 6995