



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

EGLEC 201304113 11 703

November 6, 2013

Erie County Legislature
92 Franklin Street – Fourth Floor
Buffalo, New York 14202

RE: Authorization to contract with Quest Diagnostics

Dear Honorable Members:

As part of the Department of Health's continued efforts to reduce the costs in the Correctional Health Division, a request for proposal, RFP1323VF, for laboratory services was issued, to see if better pricing and quality could be secured. Proposals were solicited from nine areas lab service providers.

Three laboratory providers ultimately responded. After rigorous scrutiny by an evaluation committee using set criteria, Quest Diagnostics was chosen. Executing a contract with Quest Diagnostics will result in approximately \$24,000 in annual savings to the county, and provide superior testing services.

Should you have any questions, please contact Commissioner of Health Dr. Gale Burstein.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/bs
Enclosure

cc: Health Commissioner Gale R. Burstein, MD

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Health
Re: Authorization to contract with Quest Diagnostics
Date: October 22nd, 2013

SUMMARY

Authorization is requested to enter into a contract with Quest Diagnostics for the purpose of providing Laboratory Services for the Erie County Health Department (ECDOH) Divisions of Correctional Health and Medical Examiner

FISCAL IMPLICATIONS

Erie County will save approximately \$24,000 per year.

REASONS FOR RECOMMENDATION

The Erie County Department of Health has been examining options to control costs in the Division of Correctional Health, and to improve the quality, speed, and technology associated with laboratory testing. In addition, ECDOH's current vendor, the Erie County Medical Center, will be closing its lab later this year.

After examining proposals submitted by three laboratory services providers, Quest Diagnostics was chosen for their cost, fast turn-around times, comprehensive set of tests, round the clock service.

BACKGROUND INFORMATION

Both the Division of Correctional Health and the Division of the Medical Examiner require a substantial amount of off-site laboratory testing. While the Erie County Public Health Lab can conduct the microbiology testing, other tests must be sent off site. ECDOH has long utilized the Erie County Medical Center (ECMC) laboratory for these services. Unfortunately, ECMC they will be closing the doors of their laboratory latter this year.

Following the charter required RFP process, the Erie County Department of Health solicited proposals from nine area laboratories, three of whom responded. Based on their competitive cost, national leadership in testing, extensive technology services, 24 hour support, courier services, and HEALTHeLINK integration, Quest Diagnostics was chosen. The chart below breaks down the savings to Erie County:

2012 ECMC Lab Invoices:	\$64,700.00
2012 Lab Supplies:	<u>5,500.00</u>
Total:	\$70,200.00

Quest cost based on 2012 volume:	\$46,000.00
Lab Supplies:	<u>.00</u>
Total:	\$46,000.00

No cost items:

- Courier
- Lab Supplies (tubes, needles, labels, etc.)
- Care360 Software for ordering/reporting
- Sample label printers / labels
- 24-hour support

Approximate annual savings to County: \$24,000.00

CONSEQUENCES OF NEGATIVE ACTION

The Department of Health would continue to pay above-market rates for laboratory services.

STEPS FOLLOWING APPROVAL

The Health Department will work with the Division of Budget and Management and the County Attorney to implement this request.

**A RESOLUTION SUBMITTED BY
HEALTH DEPARTMENT**

RE: Authorization to contract with Quest Diagnostic Incorporated

WHEREAS, the Erie County Department of Health's Division of Correctional Health and Division of the Medical Examiner require laboratory services; and

WHEREAS, Erie County Department of Health strives to contract with the highest quality and most cost effective vendors; and

WHEREAS, a Request for Proposal was made to solicit qualified laboratory respondents; and

WHEREAS, an Evaluation Committee was formed to review these proposals; and

WHEREAS, Quest Diagnostics Incorporated was chosen as the most qualified and cost effective respondent; and

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is hereby authorized to enter into a contract with Quest Diagnostic Incorporated; and be it further

RESOLVED, that the term of this contract shall commence on December 1, 2013 through December 1st, 2018; and be it further

RESOLVED, that certified copies of this resolution be forwarded to the County Executive, the Office of the Comptroller, the Division of Budget and Management, the Department of Law, and to Dr. Gale R. Burstein, Commissioner of Health.