

August 4, 2020

**C-15**

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

**RECOMMENDATION:**

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract with Healthvana, of Los Angeles, CA, to provide COVID-19 test patient results reporting services, in the amount of \$364,800, with a contingency of \$530,400, for a total annual contract amount not to exceed \$895,200, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

**DISCUSSION**

City Council approval is requested to enter into a contract with Healthvana to provide COVID-19 test patient results reporting services for City COVID-19 testing sites operated by the Department of Health and Human Services (Health Department). This service provider is supplemental to Fulgent Genetics (Fulgent) for complete turnkey COVID-19 testing services. This contract provides the purchasing authority for reporting up to 298,400 COVID-19 patient test results across multiple City-run testing sites through the end of January 2021.

To date, City-provided COVID-19 tests have been available at three testing locations operated by the Health Department located at Cabrillo High School, Jordan High School and Veterans Stadium at Long Beach City College. Additionally, the City has operated the COVID-19 testing site at Long Beach City College Pacific Coast Campus, which was supported by the County of Los Angeles (County) who provided free testing kits and lab services. The City's previous COVID-19 testing provider provided patient results reporting for COVID-19 tests at the Cabrillo, Jordan, and Veterans Stadium testing sites, and the County provided patient results reporting for COVID-19 tests at the Pacific Coast Campus testing site.

In June 2020, the County communicated that, effective July 1, 2020 they will no longer be directly supporting COVID-19 testing sites that are not run by the County, shifting the testing back to the medical system or to local health agencies. As a result, the Health Department has evaluated patient reporting across all four City-run COVID-19 testing sites, the limited testing offered at the Main Health facility, and identified opportunities to lower patient results reporting costs by combining patient results reporting to the service provider who provides the patient platform for Fulgent, the City's chosen COVID-19 testing service provider.

Healthvana is the only company reporting COVID-19 patient results from Fulgent lab tests in the County, and is integrated with Fulgent as part of the turnkey services these two companies provide together. Healthvana has an established track record of reporting over 1,000,000 patient COVID-19 test results through their proprietary HIPPA-compliant software platform. No comparable level of service exists in the market. Therefore, no useful purpose would be served by advertising for bids, and to do so would be deemed an unnecessary use of staff time and resources.

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City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process when authorized by a Resolution of the City Council.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on July 20, 2020 and by Deputy Finance Director Sandy Tsang-Palmer and Budget Analysis Officer Julissa José-Murray on July 17, 2020.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract to Healthvana is requested on August 4, 2020, to ensure the contract is in place to continue reporting patient COVID-19 test results through the Health Department.

EQUITY

Diagnostic testing in Long Beach is available to anyone with symptoms of COVID-19. Patients are not required to have health insurance or submit a copayment to be tested at a City test site. Testing is available at multiple locations across the city, including in communities of color disproportionately affected by the effects of COVID-19, to ensure equitable access to patients and walk-up testing is available for individuals who do not have access to a vehicle.

FISCAL IMPACT

The total contract amount, including contingency, will not exceed \$895,200. This includes a contract amount of \$364,800 for reporting 121,600 COVID-19 patient test results, which will report patient results for 1,200 to 1,400 testing appointments a day across the City's testing sites from July 15, 2020 through October 4, 2020. The contingency of \$530,400 for 176,800 COVID-19 patient test results will provide the ability to report patient results for 1,200 to 1,400 testing appointments a day from October 5, 2020 through January 31, 2021.

While these costs, like most costs related to the response to COVID-19, are unfunded, the City expects to receive a Centers for Disease Control and Prevention (CDC) Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) Grant, which will provide support for a broad range of testing and epidemiological surveillance related activities. The grant agreement for ELC has not been formally executed but is anticipated to be available in the coming weeks. Additionally, staff is exploring whether services for the distribution of COVID-19 test results are an eligible cost for recovery under the FEMA Public Assistance (PA) program, and will include the costs as part of the City application if applicable. ELC grant funds, and if eligible, FEMA PA funds, are expected to help offset the costs of these services. Additionally, if necessary, any unfunded costs will be offset by funds available in the Health Fund. An appropriation increase will be requested at the end of the fiscal year, once costs and appropriation needs are finalized. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KELLY COLOPY  
DIRECTOR OF HEALTH  
AND HUMAN SERVICES

ATTACHMENT: RESOLUTION

APPROVED:



THOMAS B. MODICA  
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH HEALTHVANA, INC. WITHOUT ADVERTISING FOR BIDS FOR THE PURCHASE OF COVID-19 SERVICES IN AN ANNUAL AMOUNT NOT TO EXCEED \$852,200

WHEREAS, the City desires to purchase COVID-19 test patient results reporting services; and

WHEREAS, HEALTHVANA is supplemental to Fulgent Genetics (Fulgent) for complete turn-key COVID-19 patient test results across multiple City-run testing sites through the end of January 2021; and

WHEREAS, HEALTHVANA is the only company reporting COVID-19 patient results from Fulgent lab tests in Los Angeles County, and is integrated with Fulgent as part of the turn-key services these two companies provide together; and

WHEREAS, as a result, no useful purpose would be served by advertising for bids and to do so would constitute an idle and useless act and an unnecessary expenditure of public funds;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The above recitals are true and correct and are incorporated herein.

Section 2. The City Manager is hereby authorized to enter a contract with HEALTHVANA, INC. for the purchase of COVID-19 test patient results reporting services in an annual amount not to exceed \$852,200, with the option to renew for two additional one-year periods, at the discretion of the City Manager.

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Lana Beach, CA 90802

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Section 3. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2020 by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk