

August 4, 2020

R-32

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 Fulgent Genetics, of Temple City, CA, for providing COVID-19 appointment scheduling, testing, and insurance billing services, on the same terms and conditions afforded to St. Charles County, of Missouri, in the amount of \$8,106,000, with a contingency of \$11,781,000, for a total annual contract amount not to exceed \$19,887,000, with the option to renew for as long as the St. Charles County contract is in effect, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Fulgent Genetics (Fulgent) for providing COVID-19 appointment scheduling, testing, and billing services for City COVID-19 testing sites operated by the Department of Health and Human Services (Health Department). This contract provides the purchasing authority for up to 284,100 COVID-19 tests, allowing for 1,200 to 1,400 tests per day 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. As of July 1, 2020, 34,156 tests have been offered across these four City testing sites. These testing sites complement other State and County testing performed in and around Long Beach and are part of the larger local and regional test and trace strategy for responding to COVID-19. The capacity to test individuals for COVID-19 is key to moving forward through the stages outlined in the State of California's Resilience Roadmap.

In June 2020, the County communicated that as of July 1, 2020 they would no longer be directly supporting COVID-19 testing sites that were not run by the County, shifting the testing back to the medical system, including billing patient insurance, or to local health agencies. The effect to the City is the County would be discontinuing free COVID testing kits to the Long Beach City College Pacific Coast Campus. As a result, the Health Department evaluated test scheduling, testing costs, and logistics across all four City-run COVID-19 testing sites and identified opportunities to lower testing costs, thereby potentially increasing the number of tests that could be offered, and consolidating test scheduling to a single user-friendly platform. There was also an opportunity to include an insurance billing component to recoup testing costs for those who have insurance, consistent with State and County practices.

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To ensure COVID-19 testing continued as a result of the testing transition from the County to the Health Department, the Purchasing Division investigated procurement options for COVID-19 appointment scheduling, testing, and insurance billing services. Staff research generated a list of multiple companies that provided these services, and those with agreements with other government agencies were further evaluated to determine if the agencies had completed an open, fair, transparent, and competitive procurement process that the City could piggyback on. Fulgent was identified for their competitive pricing, test result turnaround time, scheduling/testing/medical billing capacity and technical ability, and had completed a competitive procurement process with St. Charles County, Missouri. Additionally, the Fulgent lab is located regionally in Temple City, which reduces time for specimen transit and, ultimately, reporting patient results.

City Charter 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis 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 Fulgent is requested on August 4, 2020, to ensure the contract is in place to continue COVID-19 testing 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 \$19,887,000. This includes a contract amount of \$8,106,000 for 115,800 COVID-19 tests, which will provide 1,200 to 1,400 tests a day across the City's testing sites from July 15, 2020 through October 4, 2020. The contingency of \$11,781,000 for 168,300 COVID-19 tests will provide the ability to administer 1,200 to 1,400 tests a day from October 5, through January 31, 2021, if it is exercised. The proposed contract with Fulgent reduces the per-patient cost from \$138 to \$70.

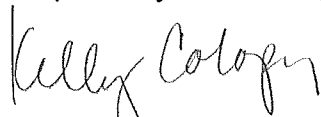
While these costs, like most costs related to the response to COVID-19, are unfunded, the City expects to receive a Centers for Disease Control and Prevention (CDC) Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) Grant, which will provide support 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, COVID-19 testing is an eligible cost recovery under the FEMA Public Assistance (PA) program, and may be a funding source to offset part of these costs for some, or all, of the period covered in this contract. Both of these funding sources are expected to help offset the costs of these necessary test kits, 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 supports the continuation of various testing sites and will have a staffing impact of various City staff reassigned to the Emergency Operation Center for COVID-19 related response efforts and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

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 AN AGREEMENT WITH FULGENT GENETICS, INC. TO PROVIDE COVID-19 SERVICES THROUGH ITS CONTRACT WITH ST. CHARLES COUNTY OF MISSOURI, IN AN ANNUAL AMOUNT NOT TO EXCEED \$19,887,000

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City desires to purchase COVID-19 appointment scheduling, testing and insurance billing services; and

WHEREAS, FULGENT GENETICS, INC. ("FULGENT") has a contract with St. Charles County, Missouri, for the purchase of these COVID-19 services ("Contract"); and

WHEREAS, the City's participation in the Contract will facilitate the City's ability to purchase COVID-19 services as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to utilize a formal bid process rather than participate in the COVID-19 services Contract, considerably more funds would be required;

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

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

1 herein by this reference.

2 Section 2. The City Manager or designee is hereby authorized to enter
3 an agreement with FULGENT to purchase COVID-19 services, of the same type and kind
4 identified in the St. Charles County, Missouri, Contract, except as modified by mutual
5 agreement of the City and FULGENT, and the purchase by the City shall be on the same
6 terms and conditions afforded to St. Charles County, Missouri, unless mutually modified,
7 in an annual amount not to exceed Nineteen Million Eight Hundred Eighty-Seven
8 Thousand Dollars (\$19,887,000), including tax and shipping, with the option to renew so
9 long as the St. Charles County contract is in effect, at the discretion of the City Manager.

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

12 I hereby certify that the foregoing resolution was adopted by the City
13 Council of the City of Long Beach at its meeting of _____, 2020,
14 by the following vote:

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16 Ayes: Councilmembers: _____
17 _____
18 _____

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20 Noes: Councilmembers: _____
21 _____

22 Absent: Councilmembers: _____
23 _____

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26 _____
27 City Clerk

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