

Alameda County Sheriff's Office

Lakeside Plaza, 1401 Lakeside Drive, 12th Floor, Oakland, CA 94612-4305



Gregory J. Ahern, Sheriff

Director of Emergency Services
Coroner - Marshal

AGENDA ITEM _____ February 11, 2014

January 6, 2013

Honorable Board of Supervisors
County Administration Building
1221 Oak Street
Oakland, CA 94612

SUBJECT: CONTRACT AMENDMENT NO. 7 WITH CORIZON HEALTH, INC.

Dear Board Members:

RECOMMENDATION:

Approve Amendment No. 7 to Master Contract No. 900324 with Corizon Health Inc. (formerly Prison Health Services, Inc.) (Principal: Larry H. Pomeroy; Location : Brentwood, Tennessee, with a regional office in Alameda), Procurement Contract No. 3460 with Maxor, for psychotropic pharmaceuticals purchased by Behavioral Health Care Services for inmates in the custody of the Alameda County Sheriff's Office. This amendment will increase the contract amount from \$14,000,000 to \$21,500,000 (\$7,500,000 increase) with no change in the contract term of 7/1/08 through 6/30/16.

DISCUSSION/ SUMMARY:

A joint letter between the General Services Agency, Health Care Services Agency and the Sheriff's Office was brought before your Honorable Board on May 13, 2008, requesting the authorization for the Purchasing Agent to negotiate and sign a contract with Prison Health Services, Inc. (PHS). In June 2011, PHS merged with another correctional healthcare company and is now known as Corizon Health, Inc.

The contract with Corizon Health, Inc. covers the comprehensive inmate medical care to the County's inmate population at the Santa Rita Jail and Glenn E. Dyer detention facilities. The cost for providing these services for the initial contract period was \$86,644,623 for the term July 1, 2008, through June 30, 2011. This contract included two additional one-year extensions, based upon mutual consent of both parties, through June 30, 2013. The agreement was renewed for one year, effective from July 1, 2011 through June 30, 2012, in the amount of \$32,642,638. There was one additional one-year extension remaining, which your Board approved on June 19, 2012, File No. 28229, Item No. 37C, extending the contract through June 30, 2013, in the amount of \$32,683,516. On July 24, 2012, your Honorable Board approved a three (3) year extension effective July 1, 2013 through June 30, 2016. The contract amount increased from \$156,425,831 to \$251,425,831, an increase of \$95,000,000.

The contractual amounts for the three (3) year extension through June 30, 2016, will be adjusted based on the annual base amount (currently at \$30,960,533.58) and the current Consumer Price Index (CPI), which is at 1.94%. While the CPI changes every year, the total amount of the three (3) year extension will not exceed \$102,500,000. This amount includes an annual \$2,500,000 payment to Maxor by Behavioral Health Care Services for psychotropic medication purchase. This annual payment begins on July 1, 2013 through June 30, 2016 for a three (3) year period, totaling \$7,500,000. As a result of these additional services, the not to exceed amount has increased from \$156,425,831 to \$258,925,831 over the term of the three (3) year contract extension.

BHCS is responsible for the acute mental health care services for all inmates. BHCS psychiatrists prescribe psychotropic medications for their clients housed at the County detention facilities. Under the terms of the contract with Corizon Health, Inc., BHCS prescribes and pays for the psychotropic drugs. Due to strict security requirements, psychotropic drugs are purchased directly from Maxor, which is a subcontractor with Corizon Health, Inc.

SELECTION CRITERIA/PROCESS:

ACSO has determined that they do not currently have the resources required to provide comprehensive inmate medical services.

ACSO worked with GSA Purchasing to issue a Request for Proposal on September 14, 2007. Two complete responses were evaluated, and Corizon Health, Inc. was ranked the highest scoring qualified vendor.

No SLEB subcontracting opportunity exists which can fulfill the 20% SLEB requirement. As a result, a SLEB waiver was submitted to, and approved by GSA-Office of Acquisition Policy. The SLEB waiver number is 2232.

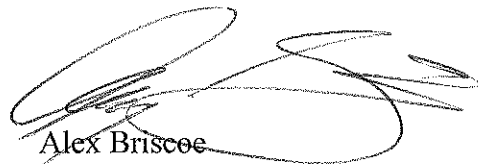
FINANCING:

No additional appropriation is required. Appropriations for the Sheriff's Office portion of this contract are included in the Sheriff's Office FY 2013-2014 approved budget. Appropriations for the Behavioral Healthcare Services Agency's portion of this contract are included in the Behavioral Healthcare Services Agency's FY 2013-2014 approved budget.

Respectfully submitted,



Gregory J. Ahern
Sheriff-Coroner



Alex Briscoe
Director, Health Care Services Agency

GJA:RBB:rb

cc: Susan Muranishi, County Administrator
Gabriela Raymond, County Counsel
Patrick O'Connell, Auditor-Controller

SEVENTH AMENDMENT TO AGREEMENT

This Seventh Amendment to Agreement ("Seventh Amendment") is made by the County of Alameda ("County") and Corizon Health, Inc., ("Contractor" or "Corizon") with respect to that certain agreement entered by them and effective on July 1, 2008 and that certain First, Second, Third, Fourth, Fifth, and Sixth Amendment to Agreement, (collectively referred to herein as the "Contract") pursuant to which Contractor provides health care services to County.

County and Contractor agree as follows:

1. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor agree to amend the Contract in the following respects:
2. Except as otherwise stated in this Seventh Amendment, the terms and provisions of this Seventh Amendment will be considered to be effective as of the date this Seventh Amendment is executed by the County ("Effective Date"). However, this Effective Date shall in no way affect or alter the retroactive provisions and/or any payments due hereunder, as previously set forth herein.
3. In consideration for Contractor's additional services, County shall pay Contractor an additional amount not to exceed one hundred two million five hundred thousand dollars (\$102,500,000.00). As a result of these additional services the not to exceed amount has increased from one hundred fifty-six million four hundred twenty-five thousand eight hundred thirty-one dollars (\$156,425,831.00) to two hundred fifty-eight million nine hundred twenty five thousand eight hundred thirty one dollars. (\$258,925,831.00) over the term of the Contract. This amount includes an annual \$2,500,000.00 payment to Maxor by Alameda County Behavioral Health Care Services for psychotropic medication purchase. This annual payment begins in Contract Year 6 and continues until the contract

expiration date, June 30, 2016, for a total of three (3) years, equaling \$7,500,000.00

County will pay Contractor, in relation to Contract Year 6 (July 1, 2013-June 30, 2014), a base amount equal to the billable amount from Contract Year 5 (July 1, 2012- June 30, 2013) \$30,371,141.42. Additionally, an adjustment will occur based on the percentage rate change in the Medical Component of the United States Department of Labor Consumer Price Index for San Francisco-Oakland-San Jose, CA (CPI) and will be calculated into the yearly contract base amount. The CPI rate for the time frame between April 1, 2012 and March 31, 2013 indicates an increased change of 1.94%. Due to this increase, the annual base amount for Contract Year 6 is \$30,960,533.58. For each year of the three (3) year extension, County shall pay Contractor the annual base amounts of the then current year and will be adjusted by the percentage change in the most current CPI.

4. DEBARMENT AND SUSPENSION CERTIFICATION:

- a. By signing this Seventh Amendment and Exhibit Debarment and Suspension Certification, Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations, including but not limited to 7 Code of Federal Regulations (CFR) 3016.35, 28 CFR 66.35, 29 CFR 97.35, 34 CFR 80.35, 45 CFR 92.35 and Executive Order 12549.
- b. By signing this Seventh Amendment, Contractor certifies to the best of its knowledge and belief, that it and its principals:
 - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntary excluded by any federal department or agency;

- (2) Shall not knowingly enter into any covered transaction with a person who is proposed for debarment under federal regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction.
5. Except as expressly modified by this Seventh Amendment, all of the terms and conditions of the Contract are and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Amendment to the Agreement as of the day and year first above written.

COUNTY OF ALAMEDA

CONTRACTOR/COMPANY NAME

By: _____
Signature

By: Woodrow A. Myers, Jr.
Signature *J.B.*

Name: _____
(Printed)

Name: Woodrow A. Myers, Jr., M.D.
(Printed)

Title: President of the Board of Supervisors

Title: CEO

Date: 12/9/13

Approved as to Form:

By: _____
County Counsel Signature

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

APPROVED AS TO FORM
by LEGAL DEPT.
Kate [Signature]

EXHIBIT D

**COUNTY OF ALAMEDA
DEBARMENT AND SUSPENSION CERTIFICATION**

The contractor, under penalty of perjury, certifies that, except as noted below, contractor, its principals, and any named or unnamed subcontractor:

- Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
- Has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal agency within the past three years;
- Does not have a proposed debarment pending; and
- Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessary result in denial of award, but will be considered in determining contractor responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions. The above certification is part of the Standard Services Agreement. Signing this Standard Services Agreement on the signature portion thereof shall also constitute signature of this Certification.

CONTRACTOR: Corizon Health, Inc.

PRINCIPAL: Woodrow A. Myers, Jr., M.D. TITLE: CEO

SIGNATURE: Woodrow A. Myers, Jr. DATE: 12/9/13