



Edwin M. Lee, Mayor

Department of Human Services  
Department of Aging and Adult Services

Trent Rhorer, Executive Director

**MEMORANDUM**

TO: HUMAN SERVICES COMMISSION

THROUGH: TRENT RHORER, EXECUTIVE DIRECTOR

FROM: SYLVIA DEPORTO, DEPUTY DIRECTOR  
JOHN TSUTAKAWA, DIRECTOR OF CONTRACTS *JK*

DATE: MAY 19, 2017

SUBJECT: NEW CONTRACT: **MEGA LAB SERVICES** (FOR –PROFIT) TO PROVIDE SUBSTANCE ABUSE TESTING FOR FAMILIES INVOLVED WITH CHILD WELFARE SERVICES

CONTRACT TERM: 7/1/17 – 6/30/20

		<u>Contingency</u>	<u>Total</u>
CONTRACT AMOUNT:	\$564,000	\$56,400	\$620,400

ANNUAL AMOUNT:	<u>FY 17/18</u>	<u>FY 18 /19</u>	<u>FY 19/20</u>
	\$188,000	\$188,000	\$188,000

Funding Source	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Contingency</u>	<u>Total</u>
FUNDING:	\$90,240	\$214,320	\$259,440	\$56,400	\$620,400
PERCENTAGE:	16%	38%	46%		100%

The Department of Human Services (DHS) requests authorization to enter into a new contract with Mega Lab Services for the period July 1, 2017 through June 30, 2020, in the amount of \$564,000 plus a 10% contingency for a total contract amount not to exceed \$620,400. The purpose of the contract is to provide substance abuse testing for families involved with child welfare services.

**Background**

Mega Lab Services has been providing drug and alcohol testing specifically for social services agencies since 2013. Among their public clients are Merced County (California), Prince William County (Virginia), the State of Tennessee (Department of Intellectual and

Developmental Disabilities), and Roanoke County (Tennessee) Mega Lab is a current certified vendor in good standing with the City and County of San Francisco, and has over 80 network collection sites in the San Francisco Bay Area.

**Services to be Provided**

The purpose of the contract is to monitor alcohol and drug usage through randomized testing for parents of families involved with child welfare services. Contractor will provide direct observation drug testing for clients on a range of substances, including THC, Opiates, Cocaine, Amphetamines, Methamphetamines, Phencyclidines, Benzodiazepams, and Alcohol. Test results will be made available online to the assigned DHS worker as soon as they are received. Contractor will maintain records of all appointments (including those missed). This information will be immediately available to the individual protective services workers.

For specific information related to the services to be provided, please refer to Appendix A (attached)

**Selection**

Contractor was selected through Request for Proposals #731, which was competitively bid on January 6, 2017.

**Funding**

Funding for this contract is provided through a combination of County General Fund, State and Federal funding.

**ATTACHMENTS**

Appendix A – Services to be Provided

Appendix B – Calculation of Charges

**Appendix A: Services to be Provided**  
**Mega Lab Services**  
**Substance Abuse Testing**  
**July 1, 2017 to June 30, 2020**

**I. Purpose of Contract**

To monitor alcohol and drug usage through randomized testing for parents of families involved with Child Welfare Services within San Francisco County, with the ultimate goal of family reunification as a result of services.

**II. Definitions**

CARBON	Contract Administration, Reporting and Billing Online database.
Contractor	Mega Lab Services
PSW	Protective Services Worker
HSA	Human Services Agency of the City and County of San Francisco
UA	Urinalysis

**III. Target Population**

The target population is parents of families involved with Child Welfare Services residing in San Francisco County.

**IV. Description of Services**

Contractor shall provide substance abuse testing services during the term of this Agreement to help parents achieve reunification with their children. The process for referral for testing, the actual testing and reporting of results is as follows:

- A. Referrals for drug testing services are initiated by the PSW by email or fax, utilizing the designated county form. A completed referral is necessary prior to or immediately following urgent requests for services. A completed referral is comprised of the following information: client's full name, child's name, start date, end dates, phone, e-mail, and fax numbers. Referrals for substance abuse testing are based upon the requirements on the case plan of an open Child Welfare case. The duration of the drug testing shall not exceed 90 days. If the PSW wants to extend period for drug testing for more than 90 days, a new referral form must be submitted.

- B. On the referral form, the PSW will designate a day for the client's first testing and direct the client to visit the testing center on that day. Contractor will ensure that clients are designated for testing about 0-2 times a week/3-6 times a month on a randomized basis. After the first day of testing, the client will call in daily to find out the next testing day. Contractor will maintain a record of all appointments (including missed appointments) and test results via a secure web-based software application. These records shall be made available to the PSW, Program Analyst and Program Manager upon request. No testing shall be administered once the designated time period of testing is over. Unapproved testing over the designated time limit will not be paid.
- C. Contractor will complete an intake packet with the client on their first appointment. Contractor will provide instructions to clients on how to obtain information regarding the testing process and their responsibility for calling a recorded voicemail daily to see if they are scheduled to test the next day.
- D. The testing schedule shall be provided to the clients via a voicemail system. The voicemail shall be available daily after 5:00 PM.
- E. Contractor will place the individual into a random alcohol and drug testing through observed urine samples. The individual providing a urine sample will be observed only by trained employees of the same gender. Drug tests performed on the sample will include: THC, Opiates, Cocaine, Amphetamines, Methamphetamines, Phencyclidines, Benzodiazepams, and alcohol. PSW may also request for ETG testing for alcohol and hair follicle testing. Contractor may offer testing of other substances on an as needed basis. If a client needs testing for a substance not listed above, the PSW will note that under "other substances" on the referral form. Contractor will respond to the PSW and the Program Manager within 48 hours with information about whether testing can be done for that substance and a cost estimate. If the request is possible and not cost prohibitive, the Program Analyst or Program Manager will issue an approval.
- G. Contractor will send the securely packaged and properly labeled urine samples to a certified lab for handling. All samples submitted should have a 48 hour turnaround time, excluding holidays and weekends.
- H. Contractor will e-mail a "notice of result" to the requesting PSW as soon as they are received. Test results shall also be made available online.
- I. Contractor will give notification of any missed tests within 24 hours of the missed appointment. The Contractor will e-mail individual workers, informing them of the dates their clients did not come in to submit a test as

scheduled (no-shows). This information shall also be documented on the secure website. There shall be no charge for the no-shows.

- J. Contractor will provide compliance letters as requested. These letters can include a summary of results. Contractor will only release test results to the designated caseworker or his/her supervisor within HSA.
- L. Contractor will take photos of clients who present for testing without a valid photo ID.
- M. Contractor will provide a web-based tracking and notification process. HSA staff will be provided directions on how to access records via a secure website. PSW will use drug testing results in court reports and other documents as needed to aid in family reunification.
- N. Copies of the test results are not to be provided to clients.
- O. Contractor will provide a new test for the client when there is an inconclusive result or mishandling of collected samples with no additional charges. The new test will be a repeat of the original test and follow the same requirements.
- P. For clients residing outside of San Francisco, Contractor shall provide instructions for client to report to the nearest sample collection site to receive the same service outlined in A - O.

## **V. Location and Time of Services**

State and nationwide locations and times vary – please refer to contract submission report.

If a new San Francisco site is obtained, it will be at a community location in close proximity to where FCS serves families. The ideal location for the new site would be near the FCS office at 3801 3<sup>rd</sup> Street, San Francisco.

## **VI. Service Objectives**

1. Contractor will ensure that 100% of clients are designated for testing about 0-2 times a week/3-6 times a month on a randomized basis.
2. 100% of all samples submitted will have a 48 hour turnaround time, excluding holidays and weekends.
3. Contractor will give notification of 100% of all missed tests within 24 hours of the missed appointment.

*Data collected in Contract Year One will serve as a baseline for HSA to establish additional outcome targets in Year Two.*

## **VII. Outcome Objectives**

In addition to periodic review of statistical reports from Contractor, a focus group study comprised of Child Welfare Workers will be conducted annually to ensure that services provided by the Contractor are consistent with the agency's broader outcome objectives. It is expected that a minimum of 90% of participants in the study will report:

1. Agency standard that 100% of clients are designated for testing about 0-2 times a week/3-6 times a month on a randomized basis is strictly adhered to.
2. Agency standard that 100% of all samples submitted will have a 48 hour turnaround time, excluding holidays and weekends is strictly adhered to.
3. Notification of 100% of all missed tests within 24 hours of the missed appointment can be confirmed.
4. The secure website furnished by the provider is easy to use and the information contained therein is accessible, timely and accurate.
5. The Contractor's collection and testing processes are consistently reliable, with minimal errors (if any).

## **VIII. Reporting Requirements**

- A. Contractor will upload a **monthly** report of activities, referencing the tasks as described in Section VII Service Objectives in the CARBON database by the 15<sup>th</sup> of the following month. Report format will be uploaded into CARBON by HSA. No case identifying information shall be uploaded into CARBON. Data to be reported includes:
  1. Number of referrals received for each testing type
  2. Number of completed tests for each testing type
  3. Number of tests results available within 24-48 hours for each testing type
  4. Number of clients testing for each testing type
  5. Number of clients with missed tests for each testing type
- B. Contractor will provide a **monthly** referral log sheet to the Program Analyst or Program Manager via email by the 15<sup>th</sup> of the following month. The log sheet will document the following information: referral date, client's Name and DOB, referring PSW, the type of testing requested, and duration of testing.
- C. Contractor will provide an **annual** report summarizing the accomplishments and challenges encountered by the Contractor. Contractor will enter the

annual report in the CARBON database by the 15<sup>th</sup> of the month following the end of the program year.

- D. Contractor will provide Ad Hoc reports as required by the Department.
- E. Contractor will immediately notify the FCS Program Analyst or Program Manager if there are any problems or concerns related to services, communication, clients, or FCS personnel that cannot be resolved by the Contractor or the Social Worker, and require collaborative management efforts to resolve.
- F. For assistance with reporting requirements or submission of reports, contact:

David.Flores@sfgov.org  
Contract Manager, Office of Contract Management

or

Karina.Zhang@sfgov.org  
Program Analyst, Family & Children's Services

or

Juliet.Halverson@sfgov.org  
Program Manager, Family & Children's Services

## **IX. Monitoring Activities**

- A. Program Monitoring: Program monitoring will include review of referral log and back-up documentation for reporting progress towards meeting service and outcome objectives.

**Appendix B – Calculation of Charges**  
**Mega Lab Services**  
**Substance Abuse Testing**  
*July 1, 2017 – June 30, 2020*

**I.** The contract term for Substance Abuse Testing under this Agreement will begin effective July 1, 2017 and end June 30, 2020.

**II.** Contractor will be compensated on a per test basis and will invoice the San Francisco Human Services Agency (HSA), in accordance with the terms of the agreement, at the following rates:

1. \$48.00 per urinalysis test completed, including testing for at least: THC, Opiates, Cocaine, Amphetamines, Methamphetamines, Phencyclidines, Benzodiazepams, and Alcohol.
2. \$48.00 per completed urinalysis test that includes ETG testing for Alcohol.
3. \$75.00 per completed hair follicle drug test.
4. \$75.00 per re-test of any positive result requested by City staff.

Price per test completed is firm, all inclusive, and will remain in effect through June 30, 2020.

Estimated annual charges will be as follows:

- For FY17/18 from 7/1/17 to 6/30/18, at approximately 3,900 tests completed, for a total of \$188,000.
- For FY18/19 from 7/1/18 to 6/30/19, at approximately 3,900 tests completed, for a total of \$188,000.
- For FY19/20 from 7/1/19 to 6/30/20, at approximately 3,900 tests completed, for a total of \$188,000.

Total contract amount for the period of July 1, 2017 through June 30, 2020 is not to exceed **\$620,400**.

**III.** Contractor shall submit invoices on a monthly basis. Invoices shall document the number of persons tested using the attached Monthly Report Template.

**IV.** Contractor understands that, of the maximum dollar obligation listed in Section 4 of this Agreement, **Fifty Six Thousand, Four Hundred Dollars (\$56,400)** is included as a contingency amount and is neither to be used in the Program Budget, nor available to Contractor without a modification to this Agreement executed in the same manner as this Agreement or a revision to the Program Budgets of Appendix B, which has been approved by Contract Manager. Contractor further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable City and Human Services Agency laws, regulations and policies/procedures and certification as to the availability of funds by Controller. Contractor agrees to fully comply with these laws, regulations, and policies/procedures.



V. A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of the Agreement, and shall include only those Services rendered during the referenced period of performance. If Services are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to City. City's final reimbursement to the Contractor at the close of the Agreement period shall not exceed the total amount authorized and certified for this Agreement.