



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 20-703

Board Meeting Date: 9/29/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health

Subject: Amendment to Agreement between Verily Life Sciences LLC and County of San Mateo

RECOMMENDATION:

Adopt a resolution authorizing the Chief of San Mateo County Health, or the Chief's designee to amend the agreement between Verily Life Sciences LLC and the County of San Mateo for COVID-19 screening and drive-thru sample collection and testing to increase the maximum amount payable under the agreement to \$5,000,000.

BACKGROUND:

Identifying positive COVID-19 cases through community testing opportunities is a key component of both the State's and the County's pandemic response. For months, the County has consistently met or exceeded the State's testing goal for the County. With the State's recent announcement of the new Blueprint for a Safer Economy, the State has signaled its desire for higher amounts of daily testing than prior targets. In addition, under the new Blueprint, greater amounts of testing may assist counties in moving to less restrictive tiers. The County accordingly seeks to rapidly add testing capacity in our county.

Under a contract with the State of California, Verily Life Sciences LLC has operated a Project Baseline testing site in the County since March 2020. The County has worked closely with Verily on this operation to coordinate all the logistics needed to rotate the site to locations in the north, south, central, and coastal areas of the County on a weekly basis. To facilitate an immediate increase in testing capacity, the County directly entered into a contract with Verily Life Sciences LLC on September 23, 2020, to establish a second testing operation in our county, adding the capacity to perform approximately 5,000 additional tests per week under its emergency contracting authority.

DISCUSSION:

With a second, County-sponsored Project Baseline testing operation, the County will have two concurrent Project Baseline sites capable of collecting over 1,500 specimens per day, up from an average of 600-700 per day previously. One Project Baseline site will be stationed at the Event

Center five days a week (Tuesday through Saturday) with a capacity to test at least 1,000 people each day. The second, County-sponsored testing operation will have a capacity of 500-1000 tests per day (depending on location) and will rotate five days a week (Monday through Friday) to serve people who live and work in the north, south, and coastal areas of the County-including Daly City, San Bruno, Half Moon Bay, North Fair Oaks, and East Palo Alto.

Pursuant to Government Code section 25502.7, Resolution 077305 (adopted March 24, 2020) authorizes the County Manager, as the County's purchasing agent and Director of Emergency Services, or the County Manager's designee, to engage independent contractors for up to \$500,000 to perform services for the County related to the COVID-19 local emergency. The County's contract with Verily was executed pursuant to this authority, but based on the number of tests processed, the amount of the contract may soon exceed the \$500,000 contract authority threshold. An amendment approved by your Board is therefore needed to continue the operation of the second Project Baseline testing site.

The proposed amendment establishes a not-to-exceed amount of \$5,000,000 for the total amount of the Agreement. The County is billed monthly based on the number of tests processed through the County-sponsored rotating site (the tests processed through the Event Center site are paid by the State under its contract with Verily). The Agreement envisions that the State may eventually work with Verily to bill patient insurance carriers for testing costs, in which case Verily will reimburse the County for actual amounts paid by insurance. Without any insurance reimbursement, the proposed maximum amount of the contract will fund approximately 3,250 tests per week (650 per day for five days) through December.

The resolution has been reviewed and approved by County Counsel as to form.

The resolution contains the County's standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

FISCAL IMPACT:

The costs of the agreement with Verily are paid from CARES funds. The appropriation for this agreement has been included in the Fiscal Year 2020-21 budget.