

SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION

Contractor	<u>Color Genomics, Inc.</u>	Division/Section	<u>DPH/ City Wide</u>	DS NB
Address	<u>831 Mitten Rd #100</u>	Deputy Director	<u>Naveena Bobba, MD</u>	DS
	<u>Burlingame, CA 94010</u>	DPH Administrator	<u>Susan Philip, MD</u>	SP
Contact	<u>Caroline Savello</u>	Program Administrator	<u>Tobi Skotnes</u>	Phone <u>554-2656</u>
	<u>Chief Commercial Officer</u>	Contract Analyst	<u>Robert Longhitano</u>	Phone <u>554-2659</u>

Request for approval of Amendment No. 3 to a contract with Color Genomics, Inc. for the administration of CityTestSF, the City’s CoVid-19 testing program, to increase the agreement amount by \$74,482,042, for an amount not to exceed \$84,382,042, and to establish a specific term end date of March 31, 2021, for a total agreement term of April 6, 2020, through March 31, 2021.

Profit
 Non-Profit
 LBE
 RFQ- Number: _____ Date: _____
 New
 Renewal
 Mod
 COVID-Emergency _____

Number of years DPH has been doing business with this organization: 0

<u>CONTRACT INFORMATION:</u>	<u>Prior Transaction</u>	<u>Proposed Transaction</u>	<u>Annualized Difference*</u>
	New – No Prior Transaction	04/06/20-03/31/21	
Funding Sources:			
FEMA (Federal disaster aid reimbursement for eligible services), Coronavirus Aid, Relief, and Economic Security (CARES) Act, insurance reimbursement and City General Fund.	-\$0-	\$76,401,824	\$76,401,824
TOTAL DPH REVENUES	-\$0-	\$76,401,824	\$76,401,824
12% Contingency Amount	-\$0-	\$7,980,218	\$7,980,218
CONTRACT TOTAL	-\$0-	\$84,382,042	\$84,382,042
ANNUAL AMOUNT OF CONTRACT (estimate)	-\$0-	\$76,401,824	\$76,401,824
Agency Funds	-\$0-	-\$0-	-\$0-
Contract FTE	N/A	N/A	N/A

PROPOSED:

Mode(s) of Service & Unit of Service Definition	No. Of Clients	No. of Units	Unit Cost (estimate per week)
UOS = Weekly operation			
	N/A Duplicated		
	N/A Unduplicated		
COVID-19 Testing services / Including the operation of static and mobile / pop-up testing sites (see attached contract budget for contract budget detail)	Actual	Actual	\$1,955,936

Explanation of Service Change and Variances:

Under the proposed Amendment 3, the City seeks the following changes to the contract:

1. Modify term to 12 months (through 3/31/21) to align with updated Mayoral declarations. Originally, “COVID” contracts had a term of “the duration of the emergency plus 60 days” and did not have a fixed end date. Note: regardless of the fixed end date of the term, the City can terminate the contract earlier once a replacement contract, if any, is put in place.
2. The proposed budget Increase is due to the addition of two new mobile teams, increased capacity at the Embarcadero site, increased employee testing at Laguna Honda Hospital and the implementation of an optional 3rd site
3. Finally, the proposed Amendment No. 3 adds language to the scope of services for Color to seek reimbursement from insurers for the cost of a COVID-19 test on behalf of individuals with health insurance.

Monitoring Report/Program Review & Follow-up:

The contract will be monitored in accordance with all applicable Departmental procedures through the Public Health Division.

Nondiscrimination and Cultural Competency:

The Contractor will participate in applicable cultural competency requirements.

Emergency Contract: The contract was entered in under the authority of Chapter 21.15 of the Administrative code, during the initial response to the COVID-19 pandemic. The services are currently being competitively solicited under an RFP administered by the Office of the Controller. The Department will then contract with the Awarded vendor of the RFP to continue COVID-19 testing services.

Other Significant Issues:

The requested action is the approval of Amendment No. 3 to a contract between the Department of Public Health (DPH) and Color Genomics (“Color”) for the administration of CityTestSF, the City’s CoVid-19 testing program. The proposed amendment limits the contract term to one year, increases the contract budget to reflect services running through the amended term and makes adjustments to the scope to align with DPH CoVid-19 testing strategies.

Background

Purpose: CityTestSF performs approximately 60% of the CoVid-19 tests delivered in San Francisco to achieve COVID-19 suppression at the population level. Testing, paired with contact tracing, is the City’s essential strategy to identify cases and subsequently reduce further exposures and infections. CityTestSF provides low barrier, easily accessible testing with a rapid results turnaround to decrease the disease burden in San Francisco.

The contract is funded by a combination of FEMA (Federal disaster aid reimbursement for eligible services), Coronavirus Aid, Relief, and Economic Security (CARES) Act, insurance reimbursement and City general Fund.

Structure: Effective April 6, 2020, the City and County of San Francisco, acting by and through the Department of Public Health, entered into an emergency COVID-19 testing contract with Color Genomics, Inc. (“Color”). The parties have amended the original agreement twice. The original scope included the operation of one testing site, located at Piers 30-32 to provide tests to “First Responder and Health Care Workers,”(aka City employees designated as essential workers) only. The original contract not to exceed amount was \$7,990,702.

Effective April 20, 2020, through a first contract amendment, the testing scope was expanded to expand testing at the Embarcadero site from only City employees to all persons eligible for testing consistent with Public Health Orders issued by DPH. This amendment also expanded testing to include a second site at 6th and Mission (SOMA site), requiring Color to build a front-end registration platform, and added a detailed list of additional data collection and reporting requirements. This amendment increased the contract total to \$8,245,661.

Effective May 4, 2020, through a second amendment, the contract's scope of work was expanded to include a mobile testing platform. This amendment increased the contract total to \$9,900,000

Color, a health technology and services company based in Burlingame, CA, provides distributed clinical healthcare services anchored in technology to ensure the health and safety of large populations. Color was founded in 2013 with the explicit mission of making high-quality clinical services cost-effective and highly accessible to all individuals. Color works with over 100 self-insured employers including Salesforce, Levi Strauss & Co, and the Teamsters Union; the National Institutes of Health for the 1 million-person All of US Research Program; leading U.S. health systems such as NorthShore University HealthSystem; and academic institutions such as the University of Washington, University of Chicago, and UCSF. Color mobilized for the public health crisis by building a dedicated high-throughput, automated, CLIA-certified COVID-19 testing laboratory with a capacity of 10,000+ tests per day, and built software and workflows to provide high-access public health testing and surveillance models.

Listing of Board of Directors, Owners of 10% or More of the Firm, and Executive Director

Executive Director:

Othman Laraki, CEO, Co-Founder, and Board member

Board of Directors

Othman Laraki, CEO, Co-Founder, and Board member

Elad Gil, Co-Founder and Board member

Hemant Taneja, Board member

Sue Wagner, Board member

Owners of 10% or more of the Firm:

There are two owners of 10%+ of the firm: Elad Gil and Othman Laraki.

There is no limit on the term of any director. Under Section 2.3 of the Company's Bylaws, "Each director shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation, or removal. There is currently 1 Board vacancy.

Recommendation: The Department recommends approval of this emergency contract amendment.

Part I

Contract Budget Summary

Line #	Transaction	Budgeted Amount
1	Original Contract	\$ 7,134,555.00
2	Amendment # 1	\$ 235,679.00
3	Amendment # 2	\$ 1,469,947.00
4	Sub Total Original + Amendments 1 & 2	\$ 8,840,181.00
5	Contingency	\$ 1,059,819.00
6	Contract Amount	\$ 9,900,000.00
7	Amendment # 3	\$ 66,501,824.00
9	Contingency 12 % of Amendment # 3	\$ 7,980,218.00
10	New Not to Exceed Amount (as amended)	\$ 84,382,042.00

Part II

Estimated Recovery from 3rd Parties

Line #		Estimated Recovery
2	Third Party Recovery	\$ 10,778,468.00
	Total Estimated Recovery from 3rd Parties	\$ 10,778,468.00

Part III

Projected Total Expenditures (Including Recovery)

1	Total Estimated Expenditures for COVID-19 Testing (April 2020 - March 2021)	\$ 73,603,574.00
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Services are rendered as needed. Subcontractor costs shall be passed through. Services will be invoiced according to invoicing terms of the Agreement. In no event may the scope of services or the not-to-exceed amount of the Agreement be increased without a formal modification of this Agreement. Should costs increase based on an increased testing volume, the City and Color will meet promptly to revise the Budget and payments herein before Services can continue, subject to approval of the San Francisco Board of Supervisors acting in its sole discretion.

Calculation of Charges
Budget
COVID-19 Testing Services

COVID-19 Testing Budget effective 07/22/2020

Item #	Item	Weekly Budgeted Amount
1	COVID-19 Testing (\$75 / Test) Rate: \$75 / test inclusive of all items listed in Item 1 of Appendix A-1	\$ 1,704,375.00
2	Static and Mobile Test Site Management Clinical Partner Rate: \$/ week Inclusive of all applicable items listed in Item 2 of Appendix A-1 Logistics Partner Rate: \$/ week Inclusive of all applicable items listed in Item 2 of Appendix A-1	\$ 178,865.00 \$ 62,300.00
3	Language Capacity To include all items listed in Item 3 of Appendix A-1	\$ 396.00
4	Registration Platform Rate: \$10,000 / week through Oct. 3, 2020 includes all items listed in Item 4 of Appendix A-1	\$ 10,000.00
	Subtotal for Services	\$ 1,955,936.00
5	Insurance Platform On a monthly basis Contractor shall report to the City the amount of tests that were submitted to third party payors for reimbursement and the amount received. Contractor shall then deduct the billing admin fee listed in item 2 below from the amount listed in item 1 below. The remaining amount shall be listed in item 3 "Service Credit to the City" shall be applied to the next billing cycle. Any remaining credit or reimbusement from a third party payor received after the contract has finished shall be paid directly to the City via a separate check.	
	1) Amount Collected From Third Party Payors	\$ 340,875.00
	2) Less Contractor Admin Fee (7%)	\$ 23,861.25
	3) Service Credit to the City	\$ 317,013.75

COVID-19 Testing Budget effective 07/22/2020

Item #	Item	Price/test		
1	COVID-19 Testing (\$75 / Test)			
	Rate: \$75 / test inclusive of all items listed in Item 1 of Appendix A-1			
			Days/w	Weekly
		Volume	eeek	volume
	Embarcadero	1900	7	13300
	SOMA	535	5	2675
	Mobile 1	250	7	1750
	Mobile 2	250	7	1750
	Mobile 3 (community)	250	7	1750
	Laguna Honda	300	5	1500
	Total	3485	n/a	22725
	Total Weekly Budget	\$1,704,375.00		
	Optional			
	Additional 3rd site	535	5	2675
2	Static and Mobile Test Site Management			
	Clinical Partner Rate: \$/ week Inclusive of all applicable items listed in Item 2 of Appendix A-1			
	Embarcadero staffing, excluding PPE	\$		110,365.00
	3 Mobile units staffing, excluding PPE	\$		68,500.00
	Logistics Partner Rate: \$/ week Inclusive of all applicable items listed in Item 2 of Appendix A-1			
	Weekly rentals: Embarcadero	\$		57,700.00
	Weekly logistics: Mobile units	\$		4,600.00
	Optional			
	Additional 3rd site clinical staffing	\$		33,958.00
	Additional 3rd site weekly rentals	\$		30,219.00
3	Language Capacity			
	To include all items listed in Item 3 of Appendix A-1	\$		396.00
	Language line per minute	\$		1.65
	Estimated minutes of usage per week (based on historical call-in rates)			240

4 Registration Platform

Rate: \$10,000 / week includes all items listed in Item 4 of Appendix A-1

\$ 10,000.00

Subtotal for Services

5 Insurance Platform

On a monthly basis Contractor shall report to the City the amount of tests that were submitted to third party payors for reimbursement and the amount received. Contractor shall then deduct the billing admin fee listed in item 2 below from the amount listed in item 1 below. The remaining amount shall be listed in item 3 "Service Credit to the City" shall be applied to the next billing cycle. Any remaining credit or reimbursement from a third party payor received after the contract has finished shall be paid directly to the City via a separate check.

Tests run/week	22725
% reimbursed	15%
Reimbursement rate	\$ 100.00
Total tests reimbursed	3408.75
Total \$ reimbursed	\$ 340,875.00
7% collections processing fee	\$ 23,861.25
Total credit to City	\$ 317,013.75