

CHIEF ADMINISTRATIVE OFFICE
Procurement and Contracts Division

Date Received

NON-COMPETITIVE PURCHASE REQUEST JUSTIFICATION

Required for all (non-emergency) sole source acquisitions in excess of \$5,000.00 and sole source service requests in excess of \$100,000.00.

This justification document consists of three (3) pages. All information must be provided and all questions must be answered. **Department Head approval is required.**

Requesting Department Information

Department: 53-Behavioral Health	Org Code: 	
Contact Name: Brian Michaelson	Subobject: 	User Code:
Telephone: x 6922	Fax: 	

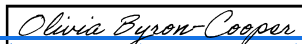
Required Supplier / Vendor Information


Vendor / Supplier Name: Psynergy	Vendor / Supplier Address: 18225 Hale Avenue, Morgan Hill, California 95037
Contact Name: Arturo Uribe	
Estimated Purchase Price/Contract Amount: \$3,600,000	Vendor / Supplier Email Address: auribe@psynergy.org
Telephone: (408) 465-8290 x1216	Fax:

Provide a brief description of the request, including all goods and/or services the vendor/supplier will provide and supporting exemption reference from Board Policy C-17 - Procurement Policy:

Psynergy will provide Adult Residential Facility (ARF) for adults, a regulatory requirement of the county as the Medi-Cal Mental Health Plan. ARF provides services in alignment with the Mental Health Services Act (MHSA) Full Service Partnership Project for adults with severe mental illness.

Exemption is Policy C-173.4.2(f) "the procurement is for goods where the continuity of providers will provide efficiency or critical knowledge, and other providers of the goods cannot provide similar efficiencies or critical knowledge." These services are currently being provided by Psynergy under Agreement 4738. As such clients are currently engaged in services with licensed clinicians. Disruption of continuity of care with established client/clinician partnerships can have a detrimental impact on client care and recovery.

Department Head: 
Olivia Byron-Cooper (Sep 15, 2023 14:30 PDT)
Signature

Purchasing Agent: 
Signature

Board of Supervisors:
Date:
Item:

P&C Assignment:
Assigned To:
Date:

A. The good/service requested is restricted to one supplier for the reason stated below:

1. Why is the acquisition restricted to this goods/services supplier? (Explain why the acquisition cannot be competitively sourced. Explain how the supplier is the only source for the acquisition.)

The Health and Human Service (HHSA), Behavioral Health (BH) currently contracts with all vendors qualified to provide ARF in El Dorado County. Additional Out of County contracts are necessary to meet the needs of eligible open clients receiving services through the Full Service Partnership project. HHSA, BH seeks to maintain contracts due to the client/clinician continuity of care.

2. Provide the background of events leading to this acquisition.

HHSA, BH is the designated Medi-Cal Mental Health Plan with the regulatory requirement to serve Medi-Cal adult beneficiaries with severe mental illness (SMI). ARF provide necessary services for adults meeting SMI criteria in an inpatient residential environment. Summitview Child & Family Services (SVCFS) had provided the Health and Human Services Agency (HHSA) in-county adult residential facility services via Agreement 862 (456-S1411), which was first approved by the Board on May 13, 2014.

SVCFS submitted their 30-day notice of contract cancellation nine months prior to their scheduled contract termination of June 30, 2022, resulting in HHSA having to immediately find new placements for six HHSA, BH Clients. HHSA, BH seeks to maintain contract due to the client/clinician continuity of care. If the clients currently receiving services at Compassion Valley transition to a different level of care, and capacity to serve clients in county more completely matches the need, this contract will be re-evaluated.

3. Describe the uniqueness of the acquisition. (Why was the goods/services supplier chosen?)

Psynergy was identified as the an appropriate, reasonably local vendor to quickly transfer clients after SVCFS submitted their 30-day notice of contract cancellation nine months prior to their scheduled contract termination of June 30, 2022. The Request for Proposal No. 21-952-04 was released on May 21, 2021 and was awarded to the sole respondent for ARF by the Board of Supervisors on April 12, 2022 (File ID: 22-0263). To meet the demand for Client ARF placements, the County contracts with ARFs in and out-of-county; however, bed availability is limited, which may result in long wait times for Client admissions. By contracting with Psynergy, the County will have access to seven additional facilities in the state, four of which are located in Sacramento County.

4. What are the consequences of not purchasing the goods/services or contracting with the proposed supplier?

California Advancing and Innovating Medi-Cal (CalAIM) has broadly adapted criteria for eligible services leading to a dramatic increase of clients open for services, pushing the current capacity of our system. Not contracting with this provider will severely limit the capacity of the county to provide these required services and will lead to the county being out of compliance with Medi-Cal requirement.

5. What market research was conducted to substantiate no competition, including the evaluation of other items or service providers? (Provide a narrative of your efforts to identify other similar or appropriate goods/services, including a summary of how the department concluded that such alternatives are either inappropriate or unavailable. The name and addresses of suppliers contacted and the reasons for not considering them must be included OR an explanation of why the survey or effort to identify other goods/services was not performed.)

HHSA, BH staff have explored and exhausted all current options for ARF provider qualified to provide services in El Dorado County. Maintaining a ARF provider in close proximity as possible to Behavioral Health office and other location specific EDC client services minimizes the need for additional travel expenditures as clients are often transported for psychiatric services, medication support, and other case management services provide by HHSA, BH staff as part of the Full Service Partnership scope of services.

To this point limited Out of County providers interested in contracting with HHSA, BH have been contracted to provide ARF services in locations outside of EDC. However, due to the nature of client services outside of the facility, the radius in which vendors are located plays an important role in minimizing costs.

B. Price Analysis:

1. How was the price offered determined to be fair and reasonable? (Explain what basis was used for comparison and include cost analysis as applicable.)

CalAIM Payment Reform required drastic changes in the previous payment methodology. Cost analysis from all current vendors were required utilizing CalAIM provided templates. Provider costs were then evaluated by HHSA Fiscal as a percentage of the EDC Medi-Cal billing rates to ensure rates appropriately support the full provision of services for both provider and County.

2. Describe any cost savings or avoidance realized (one-time or ongoing) by acquiring the goods/services from this supplier.

Rate analysis have allowed the county to ensure services are provided at market rates.