

**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:          | Org Code:  |            |
| 53-Behavioral Health | 5310100    |            |
| Contact Name:        | Subobject: | User Code: |
| Caitlin Stahl        |            |            |
| Telephone:           | Fax:       |            |
| 530-621-6347         |            |            |

**Required Supplier / Vendor Information**

|                                                             |                                        |
|-------------------------------------------------------------|----------------------------------------|
| Vendor / Supplier Name:                                     | Vendor / Supplier Address:             |
| BHC Heritage Oaks Hospital, Inc. dba Heritage Oaks Hospital | 4250 Auburn Blvd. Sacramento, CA 95841 |
| Contact Name:                                               |                                        |
| Martin Gutierrez                                            |                                        |
| Estimated Purchase Price/Contract Amount:                   | Vendor / Supplier Email Address:       |
| \$500,000 per fiscal year                                   | martin.gutierrez@uhsinc.com            |
| Telephone:                                                  | Fax:                                   |
| 916-317-8359                                                |                                        |

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:

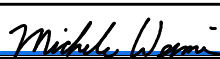
BHC Heritage Oaks Hospital, Inc. dba Heritage Oaks Hospital (Heritage Oaks) provides acute inpatient psychiatric hospital services in accordance with California Code of Regulations (CCR) Title 22, Division 5, Chapter 2, and is licensed by California Department of Health Care Services (DHCS). This 125-bed facility is located in Sacramento County.

Exemption is Policy C-173.4.2(f) "the procurement is for services where the continuity of providers will provide efficiency or critical knowledge, and other providers of the services cannot provide similar efficiencies or critical knowledge." Under perpetual Agreement #846, Heritage Oaks has been providing acute inpatient psychiatric services to eligible El Dorado County (EDC) residents since 2014.

Department Head:

  
Signature Olivia Byron-Cooper (May 9, 2025 12:43 PDT)

Purchasing Agent:

  
Signature Michele Weimer (May 14, 2025 12:20 PDT)

Board of Supervisors:

Date: 6/24/25  
Item: 25-0715

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 Services Agency (HHSA) Behavioral Health Division (BHD) contracts with as many qualified vendors as possible, within a reasonable proximity to EDC, to provide the highest level of psychiatric care to Medi-Cal beneficiaries residing in El Dorado County. This includes Acute Inpatient Psychiatric hospitals. Because the need for these services far outweighs the availability of beds, qualified vendors are not anticipated to respond to any competitive solicitation released by HHSA.

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

HHSA contracts with DHCS to serve as the Mental Health Plan (MHP) for the County. HHSA, as the MHP, contracts with multiple acute inpatient psychiatric hospitals to ensure availability of services, on an "as needed" basis, in accordance with Exhibit E, Attachment 1 of the MHP Agreement (3190), and per 42 Code of Federal Regulations Section 438.2.

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

Because specialty skills not expressly identified in County classifications are required for the performance of this work, and the County does not have the staff or facilities to provide acute inpatient psychiatric hospital services to eligible clients, BHD seeks to contract with qualified providers within a reasonable proximity to EDC. On June 10, 2014, the Board approved perpetual Agreement 846 (formerly 448-S1311) with Heritage Oaks for acute inpatient mental health services for medically indigent County residents and County Medi-Cal clients (Legistar file 14-0698).

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

Should the Board decline to approve this recommendation, HHSA would continue to provide services through existing contracts with other vendors, but would limit HHSA's capacity for these services. Subsequently, the County would have diminished capacity to provide services required of the MHP and risks being out of compliance with Medi-Cal requirements.

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.)

BHD seeks to contract with all qualified providers of acute inpatient psychiatric services within a reasonable proximity of the County to ensure it has the capacity to meet its obligations as the MHP.

**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.)

Because this service is an entitlement for Medi-Cal beneficiaries, cost analysis has not been completed. This is due to the MHP's need to have acute inpatient psychiatric facilities available for the timely placement of eligible clients.

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

At the time of client placement, proximity to El Dorado County as well rates may be considered if multiple contracted vendors have available beds.