



Agenda Action Form Overview

The Board is requested to approve a one-year renewal contract between Durham County and Correct Care Solutions, to be administered by Durham County Department of Public Health (DCoDPH) and authorize the Manager to execute the contract. The total amount of the contract is \$3,108,240.43 to be applied as follows:

- Base amount - \$3,034,950.93 (divided into 11 payments of \$252,912.58 and 1 payment of \$252,912.55)
- Contingency for excess medical fees* - \$25,000 budgeted
- Contingency for excess population* - \$48,289.50

*Explanation of contingency amounts:

- Excess medical fees: CCS will have full financial responsibility for the first \$400,000 related to the cost of off-site care. If costs exceed \$400,000, Durham County will be responsible for 100% of the cost of care not to exceed \$150,000. **Any amount for excess medical fees in excess of \$25,000 will be subject to a budget amendment approved by the Board of County Commissioner not to exceed an additional \$125,000.** In the event that medical fees do not reach the \$400,000 amount, 100% of the savings will be returned to the County. CCS will purchase a reinsurance policy to help mitigate the cost of off-site medical care.
- Excess population: Medical care for 460 inmates is included in the base charge. For any month that the Average Daily Population is greater than 460, the county will pay CCS \$1.89 per day per additional inmate. The budgeted amount of \$48,289.50 allows for fluctuations in the average daily population of up to an additional 70 inmates per day

Durham County Department of Public Health (DCoDPH) will continue to provide medications for the Detention Center through the DCoDPH Pharmacy. County funds in the amount of \$400,000 are allocated.

Background/Justification

Durham County has contracted with Correct Care Solutions to provide medical services in the Durham County Detention Center and the Durham Youth Home since 2004. After receiving and reviewing proposals from three correctional healthcare vendors, the current contract was renewed in July 2016 with the parties having the option to extend the terms of the contract for four consecutive one-year periods. This agreement covers the second of the four consecutive one-year periods.

As agreed upon in the original agreement, the base contract amount was increased by 1.6% (\$47,795) based on the medical consumer price index as of December 2017. During the budget work sessions, spending trends for offsite medical expenses were reviewed. The budgeted amount was set at \$25,000 with a commitment to pay up to \$150,000 of incurred costs.

Policy Impact

The agenda item is consistent with Board policy.



Procurement Background

Type of purchase

- ☐ Goods
- ☒ Services
- ☐ Architect, Engineer or Surveyor Services
- ☐ Construction and Repair

Did this request for purchase go through a bid process? Yes ☒ No ☐

The bid process was completed in the spring of 2016.

Goods: Bids required if \geq \$30,000, BOCC approval if \geq \$90,000

Services: Bids required if \geq \$30,000, BOCC approval if $>$ \$40,000

Construction/Repair work: Bids required if \geq \$30,000, BOCC approval if \geq \$500,000

If no, why?

- ☐ Sole source exemption
- ☐ Cooperative purchasing program exemption
- ☐ State and federal contract exemption
- ☐ Contract is an amendment to an existing contract
- ☐ Other (please explain)

If exempted from bidding, has this request been reviewed and approved by the Purchasing Division in the agenda Legistar system? Yes ☐ No ☐

If no, why?

Fiscal Impact

Funds for the services are included in the adopted FY 18-19 budget.

Recommendation

The County Manager recommends that the Board approve the annual renewal contract between Durham County and Correct Care Solutions (CCS) for an amount not to exceed \$3,108,240.43 and authorize the Manager to execute the contract.