



Lake County Illinois

Legislation Text

File #: 18-0816, **Version:** 1

Joint committee action approving Contract Modification One for inmate and juvenile healthcare services with Armor Correctional Health Services, Inc., of Miami, Florida, (Armor) in the amount of \$821,895.

- A contract was awarded to Armor for inmate and juvenile healthcare services in June 2016 and the initial term was for two years with no rate adjustment in the estimated amount of \$2,853,960.
- Armor requested a rate adjustment for the renewal of the third year of the contract in the amount of \$821,895.
- The renewal focused on three main areas: increase in malpractice insurance, revised hourly rates for personnel and shared risk for offsite and pharmacy costs.
- Lake County requested to further modify the contract to provide for a cap on increases for the remaining two renewal years, implementing a thirty-day trial for telepsychiatry, revising the terms of the aggregate cap and shared risk for the contract, and inclusion of an escalation path for contract management.
- In accordance with Article 8, section 101(2) of the Lake County Purchasing Ordinance, this change order was not reasonably foreseeable at the time the contract was signed.
- Contract Modification One is in the amount of \$821,895, increasing the original contract amount from \$2,853,960 to \$3,675,855. This cost increase will be absorbed in the approved fiscal year 2018 budget appropriation.

TO: Chair, Law & Judicial Committee
Chair, Finance & Administration Committee

FROM: RuthAnne Hall, Purchasing Agent

DATE: August 1, 2018

RE: Contract Modification One for Lake County Agreement #16068

1. A contract was awarded to Armor for inmate and juvenile healthcare services in June 2016 and the initial term was for two years with no rate adjustment in the estimated amount of \$2,853,960.
2. Armor requested a rate adjustment for the renewal of the third year of the contract in the amount of \$821,895.
3. The renewal focused on three main areas: increase in malpractice insurance, revised hourly rates for personnel and shared risk for offsite and pharmacy costs.

4. Lake County has further modified the contract to provide for a cap on increases for the remaining two renewal years, implementing a thirty-day trial for telepsychiatry, revising the terms of the aggregate cap and shared risk for the contract, and inclusion of an escalation path for contract management.

5. In accordance with Article 8, Section 101 (1) of the Lake County Purchasing Ordinance, price adjustments on contracts approved by Resolution of the County Board that exceed 10 percent of the original contract amount require approval by the Financial and Administrative Committee. Contract Modification One is in the amount of \$821,895, increasing the original contract amount from \$2,853,960 to \$3,675,855.