

FEBRUARY 2025

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

G. Miscellaneous Service Contracts

(Staff Summaries required for items estimated to be greater than \$1,000,000.)

2. **Quest Diagnostics Clinical Laboratories Inc. \$9,535,161**
Five Years
Contract # 15934

Staff Summary Attached

Award of a contract to provide drug and alcohol testing services in support of MTA pre-hire and post-hire workplace drug/alcohol testing policies for the MTA agencies.

Schedule G: Miscellaneous Service Contracts

Item Number: 1

Vendor Name (Location) Quest Diagnostics Clinical Laboratories Inc. (Lenexa, Kansas)	Contract Number 15934	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Drug & Alcohol Testing Services	Total Estimated Amount: \$9,535,161	
Contract Term (including Options, if any): April 1, 2025–March 31, 2030	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	Requesting Department: Chief Safety Officer, Carl Hamann, Acting Chief	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive		
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Sole-Source		

Discussion:

Board approval is sought to award a competitively negotiated miscellaneous service contract to Quest Diagnostics Clinical Laboratories Inc. (“Quest”) to provide Drug & Alcohol Testing Services in support of MTA pre- and post-hire workplace drug/alcohol testing policies (“Policies”) for the following MTA agencies: NYC Transit (including Staten Island Rapid Transit and MaBSTOA); MTA Bus Company; MTA Headquarters; Metro-North Railroad; Long Island Rail Road; MTA Police Department; and MTA Bridges and Tunnels. In addition to MTA agency-specific drug/alcohol testing requirements, this award is necessary to also comply with federally mandated workplace drug/alcohol testing requirements. The period of performance is five years (April 1, 2025–March 31, 2030) for a total not-to-exceed amount of \$9,535,161. The contract with the current provider, Quest, will expire on May 31, 2025.

The Division of Safety - Office of Occupational Health Services (“OHS”) has requested a five-year miscellaneous service contract for laboratory-based (“lab-based”) drug/alcohol testing services. The work under this contract includes pick-up of job candidate/employee (“donor”) specimens (urine, oral fluid, and blood) collected by OHS technicians across the seven OHS collection sites, or from contractor technicians collecting specimens in the field, together with transport to a laboratory appropriately certified for analysis in the detection of prohibited drug and alcohol use. The work also includes furnishing the MTA with specimen collection supplies; documentation/reporting of test results to OHS within 24 to 72 hours following specimen pick up; as-needed reconfirmation testing; expert witness testimony; long-term storage of specimens that resulted in a positive test result; as well as new online paperless testing technology.

MTA’s federally mandated drug testing Policies are specifically governed by regulations defined by the Federal Transit Administration and the Federal Railroad Administration under the federal Department of Transportation (“DOT”). This includes DOT’s rule: Title 49 CFR Part 40, “Procedures for Transportation Workplace Drug and Alcohol Testing Programs.” Coupled with drug testing required by MTA policy (not federally regulated: non-DOT), total drug testing volume annually is estimated at 70,000 for MTA agency donors.

The new five-year contract will be different from the current one, which is predominantly for lab-based analysis of urine specimens. In addition to continuing this capability for certain testing scenarios, the new contract will introduce new lab-based oral-fluid testing* as an alternative sampling option for approximately 50 percent of all annual DOT and non-DOT drug testing performed across all MTA agencies. The new contract will also include the ability to replace paper-based documentation of each testing event with a fully electronic process, as well as automated scheduling of donors at lab-affiliated collection sites across the NYC metropolitan region.

*Urine and oral fluid sampling both can be used to detect illicit drug use and are the only sampling options currently authorized for federally mandated testing. However, lab-based oral fluid testing, while more expensive than lab-based urine testing, offers additional benefits that will strengthen MTA workplace testing programs. Lab-based oral fluid testing will:

- Increase detection of more recent drug use (as early as one hour following use, whereas use in urine is generally not detected within 24 hours following use). This is relevant, for example, for MTA post-accident and reasonable suspicion incidents that may be triggered by an employee’s recent use, and with marijuana being more recreationally decriminalized across the nation.
- Provide for continuous “direct observation” of an employee by the OHS technician, meaning private use of a bathroom where specimen tampering could occur will be significantly reduced.
- Eliminate need to ensure availability of a bathroom if testing in the field is necessary.

- Provide for practical elimination of “shy bladder” events when an employee is unable to provide sufficient urine specimen at the start of the collection process that would then necessitate the employee to be afforded up to a three-hour waiting period to consume MTA-provided water to assist in the collection of a sufficient amount of urine. This will notably reduce the amount of time employees will spend at an OHS collection site.
- In instances when urine testing is prescribed by OHS standing order but cannot be collected, the technician can immediately transition to oral fluid testing. This will also reduce the amount of time employees will spend at an OHS collection site.

The evaluation criteria for this procurement includes: (1) Proposer’s technological platforms and software solutions to meet all electronic RFP requirements including donor scheduling, electronic Chain-of-Custody initiation/processing, testing results communications, reporting, and online access; (2) Content, Quality and Responsiveness of Executive Summary submitted by Proposer; (3) Proposer’s experience supporting large-scale DOT and non-DOT laboratory-based drug testing requirements and approach for introduction of DOT and non-DOT laboratory-based oral fluid drug testing; (4) Proposer’s approach to specimen pick ups, Chain-of-Custody supply/replenishment, secured transport to laboratory(ies), inspection of specimens, and notification of specimen issues e.g., specimens that are damaged, insufficient in volume or inconsistent with Specimen List, or lost in transit; (5) cost; and (6) Proposer’s diversity practices.

The Selection Committee (“SC”) consisted of the OHS Senior Director of Drug and Alcohol Programs, Director of Testing and Laboratory Services, and Director of Information Management and Reporting. The MTA received proposals from the following 11 vendors: (1) A. Joy Health; (2) Acuity International LLC; (3) Bruen Medical Partners, LLC; (4) Clinical Reference Laboratory (“CRL”); (5) DSI Medical (submitted a cost proposal only); (6) eScreen, Inc. (“eScreen”); (7) Intra Testing Services; (8) Labcorp Employer Services, Inc. (“Labcorp”); (9) NMS Management Services, Inc; (10) Quest; and (11) StatCare d/b/a NAO Medical.

Following evaluation of each technical proposal received, the SC voted to recommend four proposers to advance to oral presentations, including CRL, eScreen, Labcorp, and Quest. The SC was interested in each of the four remaining proposers demonstrating their specific solutions for electronic test scheduling and testing documentation, processing of test results and reporting to the MTA, as well as online management tools for designated OHS staff in accordance with RFP specifications. eScreen withdrew its proposal prior to providing an oral presentation. CRL, LabCorp, and Quest provided oral presentations. Following further analysis of the technical proposals, each vendor was requested to submit revised cost proposals and subsequently, Best and Final Offers (“BAFOs”).

The initial five-year cost proposals received from the three short-listed firms (CRL, LabCorp, and Quest), which excluded costs for lab-based oral fluid testing, ranged from \$3.9 to \$4.9 million. In December 2024, with certification of laboratories having initiated, DOT lab-based oral fluid pricing from the RFP proposers became available. CRL, LabCorp, and Quest were requested to provide BAFOs, which were received in the amounts of \$7,888,748; \$8,711,129; and \$9,535,161 respectively, with all scope items included. To compare cost proposals, each proposer was given estimated annual quantities based on expected volumes and requested to propose a unit cost per line item.

The increase in cost from initial proposals to BAFOs is attributed to new added costs of: (1) lab-based oral fluid drug testing; (2) pre-employment drug testing collections outsourced to contractor affiliated test sites; and (3) direct observation of job applicants undergoing lab-based urine testing that may be needed to be performed at contractor affiliated test sites.

The SC unanimously determined Quest to be the highest ranked proposer offering the best value proposal to MTA taking into consideration technical and cost evaluation criteria in the RFP. Quest demonstrated: (1) a preferred end-to-end integrated technological solution to meet all RFP requirements related to donor test scheduling, electronic Chain-of-Custody processing, proper specimen handling, electronic recording and processing of test results to be reported to MTA, online oversight management tools for designated OHS staff, and other value-add automation, thereby facilitating quicker hiring of preemployment job candidates and the return of current employees back to work; and (2) broad experience supporting large-scale DOT and non-DOT workplace testing programs for organizations with similar complexity as MTA. Quest’s proposed unit costs is within the competitive range when compared to CRL and LabCorp. Based on the foregoing, Quest’s proposed not-to-exceed amount of \$9,535,161 is considered fair and reasonable.

MTA Occupational Health Services project management has found the performance of Quest’s services to be satisfactory.

Negotiation of commercial terms and conditions have been substantially completed with the exception of a few remaining items that the parties are currently working to finalize. However, there does not appear to be any remaining terms and conditions to be negotiated that would impact Quest’s current price.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights (DDCR) has established zero percent MWBE/SDVOB goals on this contract because the participant data and benefit contract provisions are considered highly sensitive and confidential in nature. Subcontracting to third parties would increase the risk and exposure of confidential information.

Impact on Funding

Funding for services associated with this contract will be provided by operating accounts from agencies supported by OHS.

Alternatives

1. Perform all services in-house. This alternative is not feasible as the MTA is required to contract with a laboratory that is certified by the Department of Health and Human Services.
2. Do not approve award of the contract. This alternative is not feasible as the MTA is obligated to comply with federal regulations mandating workplace drug/alcohol testing of all employees performing safety-sensitive work (approximately 45,000 MTA agency-wide) and job candidates being considered for performing safety-sensitive work.