



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

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February 02, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

**AUTHORIZE PURCHASE OF EQUIPMENT EXCEEDING \$250,000
FOR THE OLIVE VIEW-UCLA MEDICAL CENTER EMERGENCY ROOM
REPLACEMENT AND TUBERCULOSIS UNIT
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

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SUBJECT

*To improve health
through leadership,
service and education.*

Authorize the purchase of equipment for the Olive View-UCLA Medical Center Emergency Room Replacement and Tuberculosis Unit.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the County Purchasing Agent to proceed with the solicitation, acquisition, and installation of equipment in the amount of \$7,305,705 for the Olive View-UCLA Medical Center Emergency Room Replacement and Tuberculosis Unit which exceeds the \$250,000 threshold for fixed assets, and where the cost of services associated with the installation of equipment otherwise exceeds the authority of the County Purchasing Agent.



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this action will allow the Department of Health Services (DHS) to acquire the equipment necessary for the operation of the replacement emergency room and tuberculosis unit that is being constructed at Olive View-UCLA Medical Center, and authorize the County Purchasing Agent to proceed with the acquisition process. The emergency room replacement and tuberculosis unit is expected to be ready for equipment installation in the fall of 2010, with a move-in occupancy date in the first quarter of 2011. The recommended action will authorize the procurement of equipment necessary to support the operation of the new buildings and to meet the construction timeline.

The equipment identified in Attachment A exceeds \$250,000, the established threshold for fixed assets purchases, and requires your Board's approval to move forward with the acquisition process. In addition, because of the specialized nature of the installation of medical equipment and the need to meet certain building, licensing, and life safety code requirements, there may be instances in which the service component associated with the installation (labor) costs exceeds the authority of the County Purchasing Agent. In such instances, Board approval is required for the County Purchasing Agent to proceed with this aspect of the acquisition.

Implementation of Strategic Plan Goals

The recommended action supports Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total cost of the equipment identified in Attachment A is \$7,305,705 and includes \$613,962 in fixed assets purchases and \$6,691,743 in equipment that will be financed through the Los Angeles County Capital Asset Leasing Corporation (LAC-CAL). The FY 2009-10 lease purchase costs are estimated at \$831,000. Funding for the fixed assets equipment and FY 2009-10 lease purchase costs are funded in the FY 2009-10 Final Budget, using one-time Tobacco Settlement funds. The projected LAC-CAL costs for the remaining years of financing will be requested as part of the budget process in future years, and are included in DHS' fiscal outlook.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, your Board approved the classification categories for fixed assets and new requirements for major fixed asset acquisitions requiring County departments to obtain Board approval to purchase or finance fixed assets with a unit or system cost of \$250,000 or greater, prior to submitting the requisitions to the Internal Services Department (ISD) as the County's Purchasing Agent.

ENVIRONMENTAL DOCUMENTATION

On May 29, 2007, your Board adopted a Mitigated Negative Declaration for the Emergency Room Replacement and Tuberculosis Unit Buildings.

CONTRACTING PROCESS

This acquisition of equipment is under the statutory authority of the County Purchasing Agent and will be accomplished in accordance with County purchasing policies and procedures established by ISD.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The acquisition and installation of the listed equipment is essential to the opening and operation of the Olive View-UCLA Medical Center replacement emergency room and tuberculosis unit. Further, these actions meet DHS' strategic goals by improving access to health care services and enhancing the health of residents of Los Angeles County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:ja

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller
Internal Services Department

**Department of Health Services
Olive View-UCLA Medical Center Emergency Room Replacement/Tuberculosis Unit
Equipment Purchases over \$250,000**

Item Description	Quantity	LAC-CAL	Fixed Assets	Total
Imaging, Computed Tomography Scanner, 64-slice	1	\$2,100,000		\$2,100,000
Radiographic System, General	1	\$550,000		\$550,000
Ultrasound System, Radiology	1	\$229,000		\$229,000
Central Monitoring System	1	\$2,201,086		\$2,201,086
Automated Medication/Narcotic Distribution System (Pyxis)	1		\$466,094	\$466,094
<i>Equipment Subtotal</i>		\$5,080,086	\$ 466,094	\$5,546,180
Tax (9.75% on Equipment)		\$495,308	\$ 45,444	\$540,752
Freight (10% on Equipment)		\$508,009	\$ 46,609	\$554,618
<i>Subtotal</i>		\$6,083,403	\$ 558,147	\$6,641,550
Procurement contingency (10% on Total) ^(a)		\$608,340	\$ 55,815	\$664,155
Grand Total		\$6,691,743	\$ 613,962	\$7,305,705

(a) Procurement contingency is to allow for any unforeseen pricing changes that may occur by the time of delivery.