



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 March 6, 2018

Los Angeles County
Board of Supervisors

March 06, 2018

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

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Fifth District

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

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

Christina R. Ghaly, M.D.
Acting Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Dear Supervisors:

**AUTHORIZE THE SOLE SOURCE ACQUISITION OF RADIOLOGY
EQUIPMENT FOR VARIOUS DEPARTMENT OF HEALTH SERVICES
FACILITIES, ESTABLISH CAPITAL PROJECT FOR H. CLAUDE HUDSON
COMPREHENSIVE HEALTH CENTER GENERAL RADIOLOGY
REPLACEMENT AND ROOM REMODELING, CAPITAL PROJECT NUMBER
87448
AND APPROVE APPROPRIATION ADJUSTMENT
(SUPERVISORIAL DISTRICTS 2 AND 5)
(4 VOTES)**

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www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*

SUBJECT

Authorize the Director of the Internal Services Department, as the County Purchasing Agent, to proceed with the sole source acquisition of radiology equipment with a purchase cost in excess of \$250,000 for various Department of Health Services facilities, and approve the appropriation adjustment. Make necessary findings under California Environmental Quality Act. Establish and approve Capital Project Number 87448 for H. Claude Hudson Comprehensive Health Center General Radiology and Room Remodeling Project and authorize Internal Services Department to implement the project using a previously Board-approved Job Order Contract managed and administered by Internal Services Department.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the sole-source acquisition of radiology equipment for various Department of Health Services (DHS) facilities with an aggregate total estimated cost of approximately \$1.954 million of which



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\$250,000 will be for equipment installation and room remodeling for H. Claude Hudson Comprehensive Health Center (Hudson CHC).

2. Approve the attached appropriation adjustment (Attachment A) to reallocate \$1.954 million from DHS Enterprise Fund - Committed for DHS to various DHS facilities to fully fund the proposed equipment acquisition and equipment installation along with any necessary room alterations to accommodate the new equipment at Hudson CHC.
3. Find that the purchase of radiology equipment for various DHS facilities, as included in Attachment B hereto, does not constitute a project under Section 15378(b) of the California Environmental Quality Act (CEQA) Guidelines; further find that the proposed Hudson CHC General Radiology Replacement and Room Alteration Project, Capital Project Number 87448 is exempt from the California Environmental Quality Act for the reasons stated herein and in the record of the proposed project.
4. Establish and approve a capital project for Hudson CHC General Radiology Replacement and Room Remodeling, Capital Project Number 87448 with a cost estimate of \$250,000 and authorize ISD to implement the project using a previously Board-approved Job Order Contract (JOC) managed and administered by ISD.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

The Board instructed the Director of Health Services (Director) on February 5, 2013, to report back within 30 days on DHS protocols for prioritizing medical equipment purchases throughout all of its facilities. On March 5, 2013, the Director provided a report to the Board, which described the criteria used to determine the priority of medical equipment purchases at all DHS facilities.

In accordance with DHS' report to the Board, the Department established a \$10.000 million ongoing revolving fund in Fiscal Year (FY) 2013-14 to purchase and install radiology equipment, and make the necessary room alterations required to accommodate such equipment throughout DHS. DHS subsequently convened a committee of radiologists, physicians, and administrators representing each DHS Hospital and the Ambulatory Care Network (ACN), including other subject matter experts from DHS Capital Projects Division, DHS Finance, Supply Chain Operations, and Dental. The committee initially compiled an inventory of the radiology equipment used at all DHS and ACN facilities and assessed the clinical/radiological needs of DHS patients to select and prioritize the purchase of such equipment based on the following evaluation criteria:

- Useful life of equipment
- Workflow/utilization of equipment
- End of life equipment
- Clinical need of population for service
- Cost
- Regionalization of equipment/services
- Education and accreditation standards
- Standard of care
- DHS clinical practice
- Standardization and opportunity to leverage DHS group purchase

- Service contract availability

Beginning in FY 2013-14 and in each subsequent fiscal year, DHS has purchased various radiology equipment in accordance with this criteria and prioritization, within each fiscal year's funding allocation amount, and included the associated capital projects required for installation.

Recommendations

Based on the committee's findings and recommendations, DHS is recommending approval to acquire the equipment identified on Attachment B at a total estimated cost of \$1.704 million. The equipment would be purchased as soon as approved by the Board.

Radiology Equipment

DHS intends to purchase proprietary digital radiology equipment from Fujifilm Medical Systems USA, Inc. (Fujifilm) to meet the general x-ray imaging needs for Olive View - UCLA Medical Center (OV-UCLA MC) and Hudson CHC. Such equipment is identical to the sole source purchase of equipment approved by the Board on March 15, 2016 for other DHS facilities. Fujifilm's radiology equipment was the only equipment which is fully compatible and interoperable with DHS' enterprise-wide computer network for digitized radiologic images and reports. Such network, otherwise known as the Picture Archiving and Communication System (PACS), is also manufactured by Fujifilm and utilizes proprietary software.

Radiography/Fluoroscopy Equipment

DHS intends to purchase proprietary digital radiology equipment from Siemens Medical Solutions USA (Siemens) to meet the Radiography and Fluoroscopy (RF) imaging needs for Harbor-UCLA Medical Center (H-UCLA MC). The Supply Chain Operations Value Analysis (SCOVA) Radiology Committee reviewed RF equipment from four major vendors (GE, Siemens, Toshiba and Philips). Siemens' RF equipment was the selected equipment based on a standardized evaluation process that considered: a) cost; b) image quality; c) desired functions; and d) compatibility and interoperability with DHS' enterprise-wide computer network for digitized radiologic images and reports. Alternate factors taken into account for this selection were the ability to meet facility specific minimum space requirements. RF is used to diagnose and determine the extent of a variety of diseases, including gastrointestinal obstruction, cancer, infertility and certain joint diseases, among others.

The capital project for DPW to award a design-build contract to renovate imaging rooms at H-UCLA MC and OV-UCLA MC was approved by the Board on June 13, 2017 with a combined project budget of \$8.059 million, which included the radiology equipment renovation at OV-UCLA MC with a budget of \$0.719 million. The scope of work includes renovating the 255-square-foot Radiology Room 18 to accommodate the new equipment. The establishment of the capital project for DPW to renovate the space for the H-UCLA MC RF equipment will be submitted for the Board's approval via a separate Board letter, and related appropriation adjustment, at a future date with an estimated budget of \$0.810 million.

Approval of the first recommendation will authorize ISD, as the County's Purchasing Agent, to proceed with the sole-source acquisition of radiology equipment for various DHS facilities with a total estimated cost of approximately \$1.954 million detailed in Attachment B, of which \$250,000 will be for equipment installation and room remodeling for Hudson CHC. This will facilitate DHS' acquisition strategy to standardize, replace, and update existing radiology equipment in use at DHS facilities.

Approval of the second recommendation would provide DHS with the necessary capital assets

appropriation, as detailed in Attachment A, for the purchase of the radiology equipment and installation of equipment at Hudson CHC through ISD.

Approval of the third recommendation will find that the purchase of radiology equipment for various DHS facilities does not constitute a project under Section 15378(b) of CEQA Guidelines and also find that the proposed Hudson CHC General Radiology Replacement and Room Remodeling Project is exempt from CEQA.

Approval of the fourth recommendation would establish Capital Project number 87448 and authorize ISD to install the radiology equipment along with any necessary room remodel to accommodate the new equipment with a cost estimate of \$250,000 at Hudson CHC using a previously Board-approved JOC administered by ISD. The proposed installation of radiology equipment and room remodeling would include, but not limited to; removal of the existing equipment; opening up walls for new conduits and boxes required for new equipment; patch and repair walls and ceilings; prepare and submit Shielding Report to Public Health for approval; seismically upgrade structural support for the new ceiling mount X-Ray tube; seismically anchor new table, wall stand and generator cabinet; install new ceiling grid and tile; change indirect wall lighting to new overhead lighting; provide new accessible base cabinet with new sink; confirm current lead shielding and patch/repair existing lead shielding where affected by new work and modify existing 480V main power to serve new equipment.

Implementation of Strategic Plan Goals

The recommended actions support "Goal III, Realize Tomorrow's Government Today, Strategy III3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Approval of the appropriation adjustment (Attachment A) would move \$1.954 million from DHS' Enterprise Fund – Committed for DHS to the associated facilities' operating budgets as Capital Assets appropriation for the planned equipment purchases of which \$250,000 will be for equipment installation and room remodeling for Hudson CHC. For the \$1.704 million equipment purchases, \$0.768 million is allocated to H-UCLA MC RF, \$0.468 million is for OV-UCLA MC General Radiology Room, and \$0.468 million will be used to purchase the radiology equipment for Hudson CHC.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, the Board approved the classification categories for fixed assets (now referred to as capital assets) and new requirements for major capital assets purchases requiring County departments to obtain Board approval to purchase ordinance equipment with a unit cost of \$250,000 or greater prior to submitting their requisition to the County's Purchasing Agent.

DHS, ISD, and DPW would perform specific roles to ensure an integrated and coordinated delivery approach to procure and install the radiology equipment consisting of: 1) ISD will be responsible for the procurement of the radiology equipment; 2) DPW will manage the design and construction for the H-UCLA MC RF and OV-UCLA MC General Radiology projects; 3) ISD will manage the design and construction of the Hudson CHC Radiology project; and 4) DHS will be responsible for the oversight and funding of the projects. The proposed H-UCLA MC RF, if approved, and Hudson CHC General

Radiology projects would be completed using a Board-approved as-needed architect/engineer and a previously Board-approved JOC.

ENVIRONMENTAL DOCUMENTATION

The proposed purchase of radiology equipment for various DHS facilities, as included in Attachment B, does not constitute a project under Section 15378(b)(2) and (4) of the CEQA Guideline since the activity is excluded from the definition of a project by Section 15378(b) of the CEQA Guidelines. Equipment purchases are an ongoing administrative activity of government which will not result in direct or indirect physical changes in the environment.

The proposed Hudson CHC Radiology Project is categorically exempt from CEQA pursuant to CEQA Guidelines Sections 15301 (a),and (f),15302(c), 15303 and Classes 1(d) and (i), 2(e) and 3 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G because the Project involves the repair and minor alteration of existing facilities and mechanical equipment, and replacement of equipment, as well as the installation of equipment in existing facilities involving negligible or no expansion of the existing use. In addition, based on the records of the proposed project, the proposed project will comply with all applicable regulations, is not located in a sensitive area, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5 or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, ISD will file a Notice of Exemption for the Hudson CHC project with the County Clerk in accordance with Section 15062 of the CEQA Guidelines.

CONTRACTING PROCESS

This acquisition of equipment falls under the statutory authority of the County Purchasing Agent and will be accomplished in accordance with the County's Purchasing Policies and Procedures established by ISD. ISD will negotiate a sole-source agreement with both Fujifilm and Siemens as the sole distributors of the equipment identified.

Installation of the new equipment and room remodeling necessary to accommodate the radiology equipment at Hudson CHC will be accomplished using a previously Board-approved JOC procured and administered by ISD.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the provision of standardized radiologic services across DHS and will enable DHS to provide high quality and responsive care to its patients, as well as to meet regulatory standards for access to radiologic studies.

The Honorable Board of Supervisors

3/6/2018

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Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Christina R. Ghaly". The signature is fluid and cursive, with the first name being the most prominent.

Christina R. Ghaly, M.D.

Acting Director

CRG:ck

Enclosures

c: Chief Executive Office
County Counsel
Department of Public Works
Executive Office, Board of Supervisors
Internal Services Department

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S. NO. 110

January 29, 2018

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2017-18

4 - VOTES

SOURCES

USES

BA DETAIL - SEE ATTACHMENT PAGE 1.

BA DETAIL - SEE ATTACHMENT PAGE 1.

SOURCES TOTAL: \$

4,158,000

USES TOTAL: \$

4,158,000

JUSTIFICATION

Reflects appropriation adjustment to move \$1.954 million from DHS Enterprise Fund - Committed for DHS to various DHS facilities to fully fund the proposed radiology equipment acquisition and equipment installation along with any necessary room alterations to accommodate the new equipment at Hudson Comprehensive Health Center.

ADOPTED BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

Susanna Lao (for Mela) AUTHORIZED SIGNATURE Mela Guerrero, Controller, DHS

BOARD OF SUPERVISORS APPROVAL (RECEIVED) MAR 06 2018

Celia Zavala ACTING EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

APPROVED AS REVISED

AUDITOR-CONTROLLER

BY [Signature]

CHIEF EXECUTIVE OFFICER

BY [Signature]

B.A. NO. 157

FEB 2 20 18

FEB 6 20 18

**DEPARTMENT OF HEALTH SERVICES
REQUEST FOR APPROPRIATION ADJUSTMENT
FISCAL YEAR 2017-18**

4 VOTES

SOURCES:

DHS ENTERPRISE FUND
MN2-3078
COMMITTED FOR DHS 1,954,000
DECREASE OBLIGATED FUND BALANCE

METROCARE NETWORK ENTERPRISE FUND
MN1-HH-96-9911-60020
OPERATING TRANSFERS IN 768,000
INCREASE REVENUE

VALLEYCARE NETWORK ENTERPRISE FUND
MN3-HO-96-9911-60050
OPERATING TRANSFERS IN 468,000
INCREASE REVENUE

LAC+USC HEALTHCARE NETWORK ENTERPRISE FUND
MN4-HG-96-9911-60010
OPERATING TRANSFERS IN 468,000
INCREASE REVENUE

LAC+USC HEALTHCARE NETWORK ENTERPRISE FUND
MN4-HG-96-9911-60010
OPERATING TRANSFERS IN 250,000
INCREASE REVENUE

ENT-SUB-LAC+USC HEALTHCARE NETWORK
A01-AC-6100-21200-21224
OTHER FINANCING USES
DECREASE APPROPRIATION \$ 250,000

USES:

DHS ENTERPRISE FUND
MN2-HS-6100-60070
OTHER FINANCING USES 1,954,000
INCREASE APPROPRIATION

METROCARE NETWORK ENTERPRISE FUND
MN1-HH-6030-60020
CAPITAL ASSETS - EQUIPMENT 768,000
INCREASE APPROPRIATION

VALLEYCARE NETWORK ENTERPRISE FUND
MN3-HO-6030-60050
CAPITAL ASSETS - EQUIPMENT 468,000
INCREASE APPROPRIATION

LAC+USC HEALTHCARE NETWORK ENTERPRISE FUND
MN4-HG-6030-60010
CAPITAL ASSETS - EQUIPMENT 468,000
INCREASE APPROPRIATION

LAC+USC HEALTHCARE NETWORK ENTERPRISE FUND
MN4-HG-96-9912-60010
OPERATING SUBSIDY - GENERAL FUND 250,000
DECREASE REVENUE

**AMBULATORY CARE NETWORK CAPITAL IMPROVEMENT
HUDSON CHC GEN RADIOLOGY REP AND RM ALT PROJECT**
A01-CP-6014-64050 - 87448
CAPITAL ASSETS - B & I
INCREASE APPROPRIATION 250,000

Total: \$ 4,158,000

Total: \$ 4,158,000

Noted & Approved:

Susanna Lao (for Mela)
Mela Guerrero, Controller
Department of Health Services

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#80

MAR 06 2018

Celia Zavala
CELIA ZAVALA
ACTING EXECUTIVE OFFICER
Lan Jian 2/2/18

BA# 157

ATTACHMENT B

**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
RADIOLOGY EQUIPMENT OVER \$250,000
FISCAL YEAR 2017-18
(\$ in Millions)**

No.	Facility	Category	Quantity	Description	Vendor	Equipment	Operating Budget		Capital Project - Funding by Fiscal Year			Total Project Cost
							FY 2016-17	FY 2017-18	FY 2018-19	Capital Projects Budget	Total	
1	Harbor-UCLA Medical Center	R&F (Radiography/Fluoroscopy)	1	Room 12	Siemens	\$0.768	\$0.020	*	\$0.070	\$0.700	\$0.790	\$1.578
2	Olive View-UCLA Medical Center	General Radiology Unit	1	Room 18	Fujifilm	\$0.468	-		\$0.675	\$0.044	\$0.719	\$1.187
3	Hudson Comprehensive Health Center	General Radiology Unit	1	Room 2133	Fujifilm	\$0.468	-		\$0.250	-	\$0.250	\$0.718
	Total:		3			\$1.704	\$0.020		\$0.995	\$0.744	\$1.759	\$3.483

Note:

* Reflects preliminary assessment costs paid through the Department of Health Services (DHS) Operating Budget.