



Los Angeles County
Board of Supervisors

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August 13, 2019

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

Christina R. Ghaly, M.D.
Director

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

Dear Supervisors:

**APPROVAL TO EXTEND THE TERM OF PROPOSITION A
HOUSEKEEPING SERVICES AGREEMENTS WITH SERVICON SYSTEMS,
INC. AND SODEXO AMERICA, LLC
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

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SUBJECT

*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.*

Request for the Board to make a finding that contracting for housekeeping services pursuant to the Agreements referenced herein continues to be more economical and to delegate authority to the Director of Health Services, or designee, to: (i) execute amendments to the Proposition A Agreements with Servicon Systems, Inc. and Sodexo America, LLC to extend the term of each Agreement for up to six months for the continued provision of housekeeping and staffing services at various Department of Health Services and Department of Public Health facilities, and increase the maximum County obligation under each Agreement for the extension period accordingly, with a contingency allocation of up to 15 percent of the maximum County obligation for the extended term to cover the cost of any unanticipated services during that period; and (ii) execute future amendments to the Agreements for operational efficiencies.



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IT IS RECOMMENDED THAT THE BOARD:

1. Make a finding pursuant to Los Angeles County Code Section 2.121.420 that the housekeeping and staffing services under the Agreements with Servicon Systems, Inc., Numbers 77529 and 77917, and Sodexo America, LLC, Number 77855, continue to be performed more economically by independent contractors.

2. Delegate authority to the Director, or designee, to execute Amendment Number 14 to Prop A Agreement Number 77529 with Servicon for the provision of Housekeeping Services for the facilities listed on Attachment A, effective upon execution, to extend the term of the Agreement on a month-to-month basis, for up to six (6) months until and through February 29, 2020, at a maximum cost of \$2,156,860, with an option to add a 15 percent contingency allocation for unanticipated services during the extension period.
3. Delegate authority to the Director of Health Services (Director), or designee, to execute Amendment Number 11 to Proposition A (Prop A) Agreement Number 77917 with Servicon Systems, Inc. (Servicon) for the provision of Housekeeping Staffing Services at the facilities listed on Attachment A, effective upon execution, to extend the term of the Agreement on a month-to-month basis, for up to six (6) months, until and through February 29, 2020, at a maximum cost of \$6,144,809, with an option to add a 15 percent contingency allocation for unanticipated services during the extension period.
4. Delegate authority to the Director, or designee, to execute Amendment Number 12 to Prop A Agreement Number 77855 with Sodexo America, LLC (Sodexo) for the provision of Housekeeping Services for the facilities listed on Attachment A, effective upon execution, to extend the term of the Agreement on a month-to-month basis, for up to six (6) months until and through February 29, 2020, at a maximum cost of \$9,913,711, with an option to add 15 percent contingency allocation for unanticipated services during the extension period.
5. Delegate authority to the Director, or designee, to execute future amendments to the aforementioned Agreements to: (i) access the contingency allocation to increase each Agreement's maximum County obligation during the extended period by up to 15 percent to cover the cost of any anticipated services that may be required by County; (ii) add and/or remove facilities or spaces where services are provided under the Agreements; (iii) modify the Statements of Work under the Agreements to account for the extended period and for operational efficiencies; and (iv) add, delete and/or change non-substantive terms and conditions in the Agreements, subject to prior review and approval by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

Since the 1980's, due to attrition and retirements, it has become necessary for Department of Health Services (DHS) to contract with housekeeping companies in order to support and supplement the County of Los Angeles (County) housekeeping workforce. As the largest public sector employer in the region, the County is a significant stakeholder in providing stable, fairly-compensated and long-term employment. County is, therefore, committed to increase economic self-sufficiency by growing the regional workforce and to provide greater economic opportunity for residents.

Continuing in its efforts, the County is dedicated to increase opportunities and create pathways for economic mobility for vulnerable populations. County efforts include establishing a cohort of County custodians at LAC+USC Medical Center through partnership with the Worker Education Resource

Center (commonly referred to as WERC) and the East Los Angeles Skill Center for the first custodial pilot project aimed at providing training specific to the hospital environment and reducing barriers to employment (overseen by Preparing LA for County Employment (PLACE)). Under the PLACE pilot project, DHS is currently conducting pre-employment Livescan and health screening appropriate to the duties of service providers in the hospital setting. Furthermore, the housekeeping personnel hired through this pilot project will continue to receive PLACE case management support during their probationary period and consultation about advancement opportunities.

Approval of the recommended actions will allow for the continued provision of critical environmental housekeeping services at the DHS and Department of Public Health (DPH) facilities at the same cost and allow sufficient time for DHS to complete a Proposition A compliant solicitation process that is currently in progress. The current agreements are slated to expire on August 31, 2019.

Recommendations

Approval of the first recommendation is necessary to comply with Los Angeles County Code Section 2.121.420. The cost analysis for the extension period for each of these Agreements was prepared in accordance with the Auditor-Controller (A-C) guidelines and methodologies. Contracting under Prop A requirements has been determined by DHS and the A-C to be continuously cost effective for the provision of housekeeping and staffing services under the Agreements.

Approval of the second, third and fourth recommendations will allow the Director, or designee, to execute amendments to extend the term of each Agreement for up to six (6) months until and through February 29, 2020 and increase the maximum County obligation under each Agreement accordingly.

Approval of the fifth recommendation will enable the Director, or designee, to execute amendments to the aforementioned Agreements to: (i) access contingency allocation to increase each Agreement's maximum County obligation by up to 15 percent to cover the cost of any unanticipated services that may be required by County during the extended period; (ii) add and/or remove facilities or spaces where services are provided under the Agreements; (iii) modify the Statements of Work under the Agreements to account for the extended period and for improvement of operational efficiencies; and (iv) add, delete and/or change non-substantive terms and conditions in the Agreements.

Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2 "Support the Wellness of Our Communities" and III.3 "Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum total cost of Housekeeping Services for Groups 2 and 4 under Agreement Number 77529 for the extended period of September 1, 2019 through February 29, 2020, excluding the 15 percent contingency allocation in the amount of \$323,529, is \$2,156,860, of which a total of \$1,776,890 is for DHS and a total of \$379,970 is for DPH. Attachment B outlines these costs accordingly.

The maximum total cost of Housekeeping Staffing Services under Agreement Number 77917 for the extended period of September 1, 2019 through February 29, 2020, excluding the 15 percent contingency allocation in the amount of \$921,721, is \$6,144,809. Attachment B outlines these costs accordingly.

The maximum total cost of Housekeeping Services for Groups 1 and 3 under Agreement Number 77855 for the extended period of September 1, 2019 through February 29, 2020, excluding the 15 percent contingency allocation in the amount of \$1,487,057, is \$9,913,711 of which a total of \$9,786,801 is for DHS and a total of \$126,909 is for DPH. Attachment B outlines these costs accordingly.

The maximum total cost to DHS under all of these Agreements for the six (6) month extended period, excluding the 15 percent contingency allocation, is \$17,708,500. Funding is included in DHS' Fiscal Year (FY) 2019-20 Adopted Budget and will be requested in the subsequent FY as necessary.

The maximum total cost to DPH under all of these Agreements for the six (6) month extension period, excluding the 15 percent contingency fund, is \$506,880. Funding is included in DPH's FY 2019-20 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Housekeeping services, including those provided under the Agreements, continue to be a critical component of DHS' commitment to achieving remarkable patient and staff safety, satisfaction and regulatory compliance.

The Agreement includes all Board of Supervisors' required provisions. The Agreement may be terminated for convenience by the County upon 30 days' prior written notice. County Counsel has approved the attached amendments as to form.

It has been determined that the provision of services by the Contractors under the amended Agreements are subject to Prop A guidelines, which include the Living Wage Program set forth in Los Angeles County Code Chapter 2.201. The Contractors under the Agreements are in compliance with the Living Wage Program requirements.

CONTRACTING PROCESS

The subject Agreements were originally competitively solicited. On May 28, 2019, DHS Contracts & Grants (C&G) released an open competitive solicitation for Environmental Housekeeping Services for successor contracts to replace the subject Agreements. The solicitation has generated a larger number of interested vendors as compared to previous years. C&G is actively facilitating the solicitation process, having conducted and completed site visits and presentations at DHS Hospitals, Outpatient Centers and Clinics, which prompted an unprecedented volume of questions from a large pool of interested vendors. Therefore, it has become necessary to amend the solicitation and extend its timeline to allow additional time for respective serviced facilities to prepare responses to the various questions. Upon completion of the solicitation process, DHS will be required to comply with California Labor Code 1060 – The Displaced Janitors Opportunity Act, which requires a successor contractor with 25 or more employees to hire and retain the previous contractor's employees for 60 days and prepare additional administrative and operational steps necessary to ensure a seamless

transition to the successor contracts.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Prop A requires that departments assess any potential impact of the recommended amendments to the Agreements. Approval of amendments to these Agreements will have no risk exposure to the County. Amending these Agreements will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. Amending these Agreements also will not result in reduced services, and there is no employee impact as a result of these Agreements since services are currently being provided under a contract. In addition, DHS has determined that it has alternative resources available in the event of default.

Approval of the recommendations will ensure that housekeeping and staffing services for the DHS and DPH facilities currently covered under these Agreements continue as needed until award of successor contracts.

Respectfully submitted,



Christina R. Ghaly, M.D.

Director

CRG:es

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

**DEPARTMENT OF HEALTH SERVICES
PROPOSITION A HOUSEKEEPING STAFFING SERVICES, HOUSEKEEPING
SERVICES FOR GROUPS 2 AND 4, AND HOUSEKEEPING SERVICES FOR
GROUPS 1 AND 3 AGREEMENTS
FACILITIES**

Table 1. Housekeeping Staffing Services - Agreement No. 77917 - Servicon Systems, Inc.

Housekeeping Staffing Services (DHS Facilities Only)	DHS Facilities: LAC+USC Medical Center, Martin Luther King, Jr. Outpatient Center, Augustus F. Hawkins Mental Health Building, Rancho Los Amigos National Rehabilitation Center
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Table 2. Housekeeping Services for Groups 2 and 4 - Agreement No. 77529 - Servicon Systems, Inc.

Housekeeping Services Group 2 Facilities (Department of Health Services (DHS) Facilities Only)	DHS Facilities: High Desert Regional Health Center, Antelope Valley Health Clinic, Lake Los Angeles Community Clinic, Littlerock Community Clinic, South Valley Health Center, and Acton Health Clinic, Old High Desert Health Facility (Off-Site Warehouse)
Housekeeping Services Group 4 Facilities (DHS and Department of Public Health (DPH) Facilities)	DHS Facilities: DHS Administrative Offices-Commerce, El Monte Comprehensive Health Center, La Puente Health Center, East Los Angeles Community Health Center DPH Facilities: Ruth Temple Health Center, Whittier Public Health Center, Public Health Laboratory and Trailer

Table 3. Housekeeping Services for Groups 1 and 3 - Agreement No. 77855 - Sodexo America, Inc.

Housekeeping Services Group 1 Facilities (DHS and DPH Facilities)	DHS Facilities: Olive View-UCLA Medical Center, Mid-Valley Comprehensive Health Center, San Fernando Health Center, West Valley Health Center DPH Facilities: Burbank Health Center, Glendale Health Center, North Hollywood Health Center, Pacoima Health Center
Housekeeping Services Group 3 Facilities (DHS Facilities Only)	DHS Facilities: Harbor-UCLA Medical Center, Long Beach Comprehensive Health Center, Lomita Family Health Center

COSTS FOR
HOUSEKEEPING STAFFING AND SERVICES
SEPTEMBER 1, 2019 - FEBRUARY 29, 2020

SERVICON - HOUSEKEEPING STAFFING SERVICES AGREEMENT NO. 77917			
	Total Maximum Obligation (New Base) for the Contract Extension Period of 09/01/19 - 02/29/20 (Includes the 2019 Living Wage Rates)	15% Contingency for the Contract Extension Period of 09/01/19 - 02/29/20	Possible Total Maximum Obligation Including the 15% Contingency for the Contract Extension Period of 09/01/19 - 02/29/20
DHS	\$ 6,144,809	\$ 921,721	\$ 7,066,530
Total	\$ 6,144,809	\$ 921,721	\$ 7,066,530

SERVICON - HOUSEKEEPING SERVICES FOR GROUPS 2 AND 4 AGREEMENT NO. 77529			
	Total Maximum Obligation (New Base) for the Contract Extension Period of 09/01/19 - 02/29/20 (Includes the 2019 Living Wage Rates)	15% Contingency for the Contract Extension Period of 09/01/19 - 02/29/20	Possible Total Maximum Obligation Including the 15% Contingency for the Contract Extension Period of 09/01/19 - 02/29/20
Group 2 DHS	\$ 989,472	\$ 148,421	\$ 1,137,893
*Group 4 DHS & DPH	\$ 1,167,388	\$ 175,108	\$ 1,342,496
Total	\$ 2,156,860	\$ 323,529	\$ 2,480,389

Figures include costs for both DHS and DPH facilities as applicable. Note: Contingency is for emergency and/or expanded work only (e.g., additional space opened at existing facility)

SODEXO - HOUSEKEEPING SERVICES FOR GROUPS 1 AND 3 AGREEMENT NO. 77855			
	Total Maximum Obligation (New Base) for the Contract Extension Period of 09/01/19 - 02/29/20 (Includes the 2019 Living Wage Rates)	15% Contingency for the Contract Extension Period of 09/01/19 - 02/29/20	Possible Total Maximum Obligation Including the 15% Contingency for the Contract Extension Period of 09/01/19 - 02/29/20
*Group 1 DHS & DPH	\$ 4,731,546	\$ 709,732	\$ 5,441,277
Group 3 DHS	\$ 5,182,165	\$ 777,325	\$ 5,959,490
Total	\$ 9,913,711	\$ 1,487,057	\$ 11,400,767

*Figures include costs for both DHS and DPH facilities as applicable. Note: Contingency is for emergency and/or expanded work only (e.g., additional space opened at existing facility)