Health Services
LOS ANGELES COUNTY

July 3, 2008

Los Angeles County Board of Supervisors

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www.dhs.lacounty.gov

To improve health through leadership, service and education

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **REPORT ON DIETARY SERVICES CONTRACTS – ADDITIONAL INFORMATION (AGENDA OF JULY 8, 2008)**

On March 25, 2008, on motion by Supervisor Molina, your Board instructed the Chief Executive Officer (CEO) to report back at its June 24, 2008, meeting regarding consolidating the provision of Dietary Services in County hospitals into a single Request for Proposals (RFP) to leverage economies of scale and pricing. The CEO provided a preliminary report to your Board on June 23, 2008, and requested a continuance of the report to July 8, 2008. The preliminary report indicated that the Department of Health Services (DHS), in collaboration with CEO, determined that it is feasible to issue a single RFP and that DHS would finalize a complete report back to your Board, including the anticipated timeframe for completion of the solicitation process, prior to the scheduled presentation at your July 8, 2008, meeting.

This is to provide you with a complete report in response to the second part of the March 25, 2008, Board motion related to the DHS Dietary RFP process.

DHS will prepare a RFP that consolidates acquisition of all dietary services in County hospitals and the Multi-Services Ambulatory Care Centers into a single solicitation document. The issue of leveraging economies of scale and price will be addressed through issuing an instruction to proposers to submit a cost proposal by facility, and if proposing for more than one facility, to consider providing a lower cost proposal or some other revenue incentive that leverages the pricing. The RFP will be set up to provide the flexibility to recommend the award of one consolidated or multiple contracts for your Board's approval, based on the County's best economic interest.

In order to ensure adequate time to develop the LAC+USC Replacement Facility service requirements for inclusion in the consolidated RFP and allow for appropriate reviews and approvals prior to RFP release, the original time frame for the four facilities RFP will be moved out several months.

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The projected timeframe for a consolidated RFP is as follows:

Draft RFP and Obtain Clearances	Present to November 13, 2008
Release RFP	November 14, 2008
Mandatory Proposers' Conference/Walk-throughs	December 2-4, 2008
Proposals Due	January 8, 2009
Complete Proposal Evaluations	February 2009
Contract Negotiation/Preparation	February – March 2009
Contract and Board Letter Clearances	April - May 2009
Board Agenda	June 2, 2009

The term of the current dietary agreement for LAC+USC Medical Center expires on September 30, 2009, and the agreements for the other four facilities expire on December 31, 2008, however, but your Board approved a month-to-month extension option that can be exercised to extend the terms to June 30, 2009. We believe the consolidated RFP process can be completed prior to expiration of the existing dietary agreements. The project will be closely monitored and I will advise you of any delays that might result in the need for Board approval of any subsequent agreement extensions.

If you need additional information, please let me know.

JFS:KH:cvc

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