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May 20, 2011

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **PROPOSITION A CONTRACT – DEPARTMENT OF HEALTH SERVICES HOUSEKEEPING CONTRACT WITH SERVICON SYSTEMS, INC. (Board Agenda May 24, 2011, Item 26)**

Item 26 on your Board's Agenda for May 24, 2011 is a request from the Department of Health Services (DHS) to approve a Proposition A contract with Servicon Systems, Inc., (Servicon) for housekeeping services at certain DHS and Department of Public Health (DPH) facilities. DHS solicited housekeeping services proposals for DHS and DPH facilities in four geographic areas (groups). Servicon was the selected vendor for two of the four groups.

We have reviewed and approved the Proposition A cost analysis prepared by DHS, which indicates that the contract with Servicon is cost-effective. The contract complies with the Living Wage Ordinance, and does not include a Cost of Living Adjustment (COLA) in the first three years of the contract. The contract allows the County to grant a COLA to Servicon in the fourth and fifth years of the contract.

As part of this agenda item, DHS is also requesting to extend two housekeeping contracts with Servicon for the other groups of DHS/DPH facilities, while they complete a protest review regarding another vendor. Because these contracts are being extended to allow services to continue, without an increase in the contract cost, we did not review the cost-effectiveness of the extensions.

Please call me if you have any questions, or your staff may contact Robert Campbell at (213) 253-0101.

WLW:JLS:RGC:mwm

c: William T Fujioka, Chief Executive Officer
Mitchell H. Katz, M.D., Director, DHS
Jonathan E. Fielding, M.D., M.P.H., Director, DPH
Sachi A. Hamai, Executive Officer, Board of Supervisors
Public Information Office
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