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Director and Chief Medical Officer

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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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December 4, 2003

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:

APPROVAL OF DELEGATION OF AUTHORITY TO THE DIRECTOR OF HEALTH SERVICES TO EXECUTE A RENEWAL AGREEMENT FOR MEDICAL RESEARCH AND EDUCATION SERVICES AT LAC+USC MEDICAL CENTER
(1st District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize and delegate authority to the Director of Health Services, or his designee, to execute a forthcoming renewal agreement with Health Research Association of LAC+USC, to replace the existing Medical Research and Education Agreement No. H-202522, for the continued provision of medical research and education projects at LAC+USC Medical Center. The agreement will provide an option to utilize a maximum of seventy (70) parking spaces in LAC+USC parking structure at a specified monthly rate, and allow for periodic space usage at LAC+USC in support of the medical research and educational projects conducted by HRA, upon County Counsel review and approval, all for the period of January 1, 2004 through December 31, 2007, with a provision to extend the term an additional 2 years through December 31, 2009. There is no net County cost to LAC+USC. The current agreement will expire on December 31, 2003.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

The Department of Health Services (DHS) is recommending the approval of delegation of authority to the Director of Health Services, or his designee, to execute a replacement agreement that will enable Health Research Association (HRA) to continue to provide medical research and education services at LAC+USC Medical Center (LAC+USC). The agreement provides for LAC+USC to (1) continue to render various ancillary services which shall be billed to HRA; (2) offers an option to HRA for the use of a maximum seventy (70) parking spaces in LAC+USC Medical Center's parking structures at a specified monthly rate; and (3) allows for periodic space usage at LAC+USC in support of the medical research and educational projects conducted by HRA, all for the period of January 1, 2004 through December 31, 2007, with a provision to extend the term an additional two years through December 31, 2009.

In approving the prior Agreement (No. H-202522), the Board found that the medical research and educational projects conducted by HRA on all phases of human illness have proven to be of substantial value to County patients, as well as the medical community and the public at large. The prior Agreement contains numerous outdated provisions specifying HRA's space usage at LAC+USC Medical Center and associated "in-kind" services to be provided by HRA, most of which are no longer applicable to the existing relationship between both parties.

The County has guidelines for the timely submission of contracts for Board approval. However, DHS was unable to submit the recommended agreement three weeks in advance of the effective date, as required under the policy, because contract negotiations have only recently been finalized with HRA's attorney.

FISCAL IMPACT/FINANCING:

There is no net County cost to the LAC+USC.

HRA's services are financially aided by grants and donations made by government and private agencies and individuals, as well as funds contributed by HRA.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On February 18, 1969, the Board approved Agreement No. 14593 with Professional Staff Association (PSA) for administration of medical research and education projects at the LAC+USC. The agreement was amended in 1976.

On July 1, 1993, the Board approved replacement Agreement No. H-202522 that updated and superceded Agreement No. 14593, for a 10 year term, effective through June 30, 2003, with provisions for a 10-year automatic renewal.

In 1994, PSA changed its name to Health Research Association (HRA) and moved its business office off the LAC+USC campus to 1640 Marengo Street, Los Angeles, a building adjacent to the LAC+USC.

On September 10, 1996, the Board approved Amendment No. 1 to Agreement No. H-202522, to allow HRA the option to lease a maximum of seventy (70) parking spaces, as needed, in LAC+USC Marengo Street parking structure (Parking Lot No. 9), at a specified cost.

On June 17, 2003, the Board approved Amendment No. 2 to Agreement No. H-202522 to extended the term six additional months, from July 1, 2003, through December 31, 2003.

This agreement will allow HRA to seek, apply for, and obtain contracts, donations, and non-County funded grants from government and private agencies and individuals to support its medical research and education services at LAC+USC and 1) result in a small amount of revenue to LAC+USC to cover the costs of occasional ancillary services (e.g., laboratory tests, radiology services, etc.) provided to HRA in support of its various medical research projects; 2) provide HRA with the option of utilizing a maximum of seventy (70) parking spaces in one of LAC+USC Medical Center's parking structure at a specified monthly rate; and 3) allow for periodic space usage at LAC+USC, all for the period of January 1, 2004 through December 31, 2007, with a provision to extend the term an additional two years through December 31, 2009.

The replacement Agreement with HRA does not impact the DHS System Redesign.

County Counsel will have reviewed and approved replacement Agreement as to use.

Attachment A provides additional information.

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CONTRACT PROCESS:

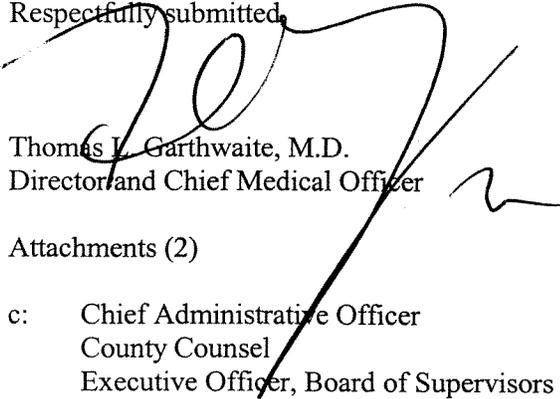
Advertising on the Los Angeles County Online Web Site as a contracting opportunity is not appropriate. HRA remains the sole source provider and DHS does not plan to solicit a competitive proposal for services provided by HRA in the foreseeable future.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended action will ensure that these valuable medical research and education services continue at the LAC+USC Medical Center.

When approved, this Department requires four signed copies of the Board action.

Respectfully submitted,


Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

Attachments (2)

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

BLTCD3104_LVB

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICE:**

The Agreement with Health Research Association (HRA) provides for the continued medical research and education projects relating to all phases of human illness which have proven to be of substantial value to County patients, as well as the medical community and the public at large.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

Health Research Association of the LAC+USC Medical Center (HRA)
1640 Marengo Street, 7th Floor
Los Angeles, California 90033
Attention: Julie Thompson, Executive Director
Telephone: (213) 276-1402

3. **TERM:**

January 1, 2004 through December 31, 2007, with a provision to extend an additional two years through December 31, 2009.

4. **FINANCIAL INFORMATION:**

There is no Net County Cost to the LAC+USC Medical Center.

HRA's services are financially aided by grants and donations made by government and private agencies and individuals, as well as funds contributed by HRA.

5. **GEOGRAPHIC AREA TO BE SERVED:**

1st District.

6. **ACCOUNTABLE FOR MONITORING AND EVALUATION:**

Pete Delgado, LAC+USC Medical Center, Chief Executive Officer.

7. **APPROVALS:**

LAC+USC Medical Center: Dave Runke, Chief Finance Officer

Contracts and Grants Division: Riley Austin, Acting Chief

County Counsel (as to form): Christina Salseda, Deputy County Counsel