



County of Los Angeles **CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER**

SACHI A. HAMAI
Chief Executive Officer

DATE: January 25, 2018
TIME: 1:00 p.m. – 2:30 p.m.
LOCATION: Kenneth Hahn Hall of Administration, Room 830

AGENDA

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.
Two (2) minutes are allowed for each item.

1. **Call to order – Kieu-Anh King/Gevork Simdjian**
2. **Public Comment**
(2 minutes each speaker)
3. **INFORMATIONAL ITEM(S):**
(5 minutes)
 - A) Board Letter:
SOLE SOURCE AGREEMENT WITH CAREFUSION
DHS – Christina Ghaly, Director
CEO CIO – William Kehoe, CIO and Peter Loo, Chief Deputy, CIO
 - B) Board Letter:
AUTHORITY TO AMEND TWO CONTRACTS WITH CLASSIC PARKING,
INC FOR PARKING FACILITY MANAGEMENT SERVICES
ISD – Joe Sandoval, Admin Manager or designee
4. **PRESENTATION/DISCUSSION ITEMS:**
 - A) Inaugural Department Head Brown Bag:
DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS AT A GLANCE
(40 minutes)
Brian Stiger, Director
 - B) Inaugural Department Head Brown Bag:
OFFICE OF THE CHIEF INFORMATION OFFICE – DIGITAL
TRANSFORMATION LEADERSHIP (40 minutes)
William Kehoe, Chief Information Officer

5. **INFORMATIONAL ITEM(S) LOOKAHEAD:**

(5 minutes)

A) Board Letter:

CONTRACT AMENDMENT WITH CODAI, INC FOR CHILDREN'S HEALTH
OUTREACH INITIATIVES SYSTEM SERVICES

DPH – Barbara Ferrer, Director or designee

6. **Adjournment**



Los Angeles County Board of Supervisors

February 6, 2018

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

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

Dear Supervisors:

Christina R. Ghaly, M.D.
Acting Director

Mitchell H. Katz, M.D.
Health Agency Director

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

APPROVAL OF AMENDMENT TO A SOLE SOURCE EQUIPMENT MAINTENANCE AGREEMENT WITH CAREFUSION SOLUTIONS, LLC (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)
CIO RECOMMENDATION: APPROVE [X]

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

SUBJECT

Request delegated authority to amend a sole source Agreement with Carefusion Solutions, LLC to extend the term and increase the annual maximum obligation for the provision of equipment maintenance and repair services at various Department of Health Services' facilities.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Acting Director of Department of Health Services (Director), or her designee, to execute an amendment to Agreement H-704291 (Agreement) with Carefusion Solutions, LLC (Carefusion), effective upon execution, to extend the term of the Agreement for the period March 1, 2018 through February 28, 2021, with two one-year extension options through February 28, 2023, for the continued provision of preventive maintenance and repair services of automated medication dispensing equipment at an annual amount of \$498,677.
2. Delegate authority to the Director, or her designee, to execute amendments to the Agreement to: (a) extend the term and increase the cost for such extension periods; (b) incorporate

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.

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administrative changes to the Agreement, including but not limited to: the addition, modification, or removal of any relevant terms and conditions, to clarify terms and conditions, and to comply with changes in applicable law, with prior approval by County Counsel; (c) add equipment/services for additional Department of Health Services (DHS) facilities and/or County Departments; and (d) cover emergency or unforeseen as-needed equipment maintenance, repair, and support services.

3. Delegate authority to the Director, or her designee, to increase the annual maximum obligation by no more than 40% of the Agreement's annual maximum obligation for the Agreement for emergency or unforeseen, as-needed maintenance, repair and professional/support services, and/or to add equipment coming off warranty, out-of-scope repairs.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the first recommendation will allow the Director, or her designee, to execute an amendment, substantially similar to Exhibit I, to extend the term of the current Agreement with Carefusion to provide preventive maintenance and repair services for automated medication dispensing cabinets (automated cabinets) and Alaris Intravenous (IV) Smart pumps for various DHS facilities. These automated cabinets are typically located in most inpatient and some ambulatory patient care areas including the emergency rooms. The use of automated cabinets increases control and security over medication that is within patient care areas. Accountability is an additional feature of the automated cabinets since licensed nursing staff are required to be registered with a pass code in order to access medications to dispense to patients. In addition, each time medication is removed from the automated cabinet, the specific individual removing the medication, as well as, the name, date, time, and dose of the medication is documented. DHS Pharmacy Department is in process of replacing older equipment with new Carefusion equipment which will require maintenance and repair services once the original warranty expires. The term of this Agreement is being extended to allow for continuing maintenance on existing equipment as well as for additional equipment whose initial purchase warranty will expire.

Approval of the second recommendation will allow the Director, or her designee, to amend the Agreement to extend the term of the Agreement and increase the cost/maximum obligation for such extension periods, incorporate administrative changes, add equipment to additional locations, and cover emergency or unforeseen as-needed equipment maintenance and repairs.

Board policy generally allows departments to request delegated authority to increase the total annual amount of Agreements up to 10% of the Agreement amount. Based on experience with equipment maintenance and repair service agreements, DHS believes that requesting 40% for potential increases is appropriate since adding even a few pieces of equipment or an additional facility may require a significant funding increase.

Facilities will only request that equipment, locations, emergency work and/or support services be added to these Agreements if additional services are needed and funding is available in facility's budget. In accordance with Board Policy 5.120, on January 8, 2018 DHS provided the Board, with a copy to CEO, the required two-week notice of intent to request a delegation of authority in excess of 10%.

Approval of the third recommendation will allow the Director, or her designee, to amend the Agreement to increase the annual maximum obligation by no more than 40% of the Agreement's annual maximum obligation for emergency or unforeseen, as-needed maintenance, repair and professional/support services, and/or to add equipment coming off warranty, out-of-scope repairs.

The Joint Commission requires County facilities to ensure medical equipment receives routine preventive maintenance and timely repairs, and performs safely. The requested delegated authority in the recommendations above will enable DHS to amend Agreements to extend the term and increase dollar amounts of the Agreements to meet equipment maintenance and repair service requirements of The Joint Commission and for the safety of patients and facility staff.

Extending the Carefusion Agreement will allow DHS to continue receiving equipment maintenance and repair services for pharmacy dispensing equipment in all DHS facilities. Recommendations two and three allow DHS to remain efficient and nimble in meeting the needs of patient care at DHS facilities and also enable other County Departments to access services under this DHS Agreement.

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 increase to the Agreement through February 28, 2023 is \$2,493,385. Funding is included in the DHS Fiscal Year (FY) 2017-18 Final Budget and will be requested in future years' budget, as appropriate.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Amendment to the Agreement includes the most recent Board required provisions.

The services provided under the Agreement are highly specialized and cannot be provided by County staff. Further, these services are only needed on a part-time and intermittent basis. Therefore, the Agreements are not subject to the Living Wage

Program (Los Angeles County Code Chapter 2.201) and are exempt from Proposition A (Los Angeles County Code Chapter 2.121)

County Counsel has approved Exhibit I as to form.

The Chief Information Officer (CIO) has reviewed and supports this request. This action is merely an extension of the existing Agreement and does not introduce any new technology-related issues or products. Therefore, the CIO has determined that no formal CIO Analysis is required. In the event DHS purchases Carefusion equipment with new technology that will be covered under this Agreement, we will notify the Board.

CONTRACTING PROCESS

Carefusion, an OEM, uses proprietary technology in its equipment to ensure that its competitors cannot service the equipment or limit the availability of the parts to the third party. When the warranty expires, it is in the County's best interest to contract with the OEM to ensure that the equipment is maintained in accordance with equipment specifications. Another benefit to contracting with the OEM is the guarantee of faster access to OEM parts when repair services are needed, especially for emergencies. The term of the existing Agreement expires on February 28, 2018.

On August 30, 2017 DHS advised the Board of its intent to extend the Sole Source Agreement with Carefusion (Attachment A). Attachment B is the Sole Source checklist in compliance with Board Policy 5.100.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will allow DHS to obtain ongoing critical equipment maintenance and repair services for medical facility operations and direct patient care.

Respectfully submitted,

Reviewed by:

Christina R. Ghaly, M.D.
Acting Director

William Kehoe
Chief Information Officer

CRG:WK:al

Enclosures (3)

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

BACKGROUND

The Internal Services Department (ISD) currently administers two contracts for Parking Facilities Management Services at 27 County parking lots. The purpose of this recommended action is to increase the monthly contract sums for Contract No. 77949 and Contract No. 77950 with Classic Parking, Inc. (Classic).

Classic is exempt from paying the County's Living Wage based on a Collective Bargaining Agreement (CBA). Classic pays their employees an hourly rate consistent with the State's minimum wage, and their CBA. Classic's bid proposal was based on labor rates formulated in early 2013 that did not contemplate the minimum wage increase ordinances that were later enacted by the City of Los Angeles, and by the County.

On July 1, 2017, the County and City's minimum wage increased to an hourly rate of \$12.00. Classic notified the County that this requirement increased their labor costs as their CBA sets a lower hourly rate for most of their employees. Classic's labor costs for parking lots in the City and unincorporated County were adversely impacted by this minimum wage increase.

CURRENT CONTRACTS

- The Board approved the contracts on May 21, 2013 which were effective July 1, 2013.
- There are currently 2 contracts awarded to Classic Parking, Inc.
- The initial term of the contract was for three years, with two one-year extension options and six month-to-month extensions.
- The first two-year renewal option was exercised to extend the master agreement term through June 30, 2017.
- The second two-year renewal option was exercised to extend the master agreement term through June 30, 2018.

PROPOSED AMENDMENTS

The Board's approval of the recommendations will:

- increase the monthly contract sums by \$2,912 for Contract No. 77949 and \$2,875 for Contract No. 77950 effective upon Board approval for the remainder of the contract term and any applicable month-to-month extensions
- provide Classic with the compensation required to cover the additional operational costs incurred due to the increase in the County's and City's minimum wage.

FISCAL IMPACT

Sufficient funding is included in the Department's Fiscal Year 2017-18 budget to cover the increased amounts.

RE-SOLICITATION PROCESS

ISD is currently in the solicitation process and anticipates requesting approval of new contracts in 2018.



County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

Telephone: (323) 267-2101
FAX: (323) 264-7135

SCOTT MINNIX
Director

“Trusted Partner and Provider of Choice”

February 13, 2018

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

Dear Supervisors:

**AUTHORITY TO AMEND TWO CONTRACTS WITH CLASSIC PARKING, INC
FOR PARKING FACILITY MANAGEMENT SERVICES
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

Request delegated authority to amend two contracts with Classic Parking, Inc., to increase the contract sums.

IT IS RECOMMENDED THAT THE BOARD:

Delegate authority to the Director of Internal Services Department (ISD), or his designee, to execute amendments to Contract Nos. 77949 and 77950 to increase the monthly contract sums by \$2,912 for Contract No. 77949 and \$2,875 for Contract No. 77950, effective upon Board approval for the remainder of the contract term including applicable month-to-month extension periods, as needed.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of this recommended action is to increase the monthly contract sums for Contract No. 77949 and Contract No. 77950 with Classic Parking, Inc. (Classic).

On May 21, 2013, your Board approved two contracts with Classic to operate and maintain parking facilities throughout Los Angeles County. Under the terms of the existing contracts, Classic is exempt from paying the County’s Living Wage based on a Collective Bargaining Agreement (CBA). As such, Classic pays their employees an hourly rate consistent with the State’s minimum wage, and their CBA.

At the time, the resultant awards were based on pricing/labor rates formulated and submitted by Classic that did not contemplate the minimum wage increase ordinances that were later enacted by the City of Los Angeles, and by the County.

On July 1, 2017, the County and City's minimum wage increased to an hourly rate of \$12.00. Classic notified the County that this requirement increased their labor costs as their CBA sets a lower hourly rate for most of their employees. Classic's labor costs for parking lots in the City and unincorporated County were adversely impacted by this minimum wage increase. The affected parking lots are identified in Attachment I.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support the County's Strategic Plan Goal III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability by maximizing the effectiveness of the County's processes structure and operations to support timely delivery of customer oriented and efficient public service by providing parking management services.

FISCAL IMPACT/FINANCING

Sufficient funding is included in the Department's Fiscal Year 2017-18 budget to cover these increased amounts.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 21, 2013, the Board awarded two contracts to Classic effective July 1, 2013. The initial term of the contract was for three years, with two one-year extension options and six month-to-month extensions. The second one-year extension expires on June 30, 2018. The contracts require that the contractor comply with all federal, state and local laws, including labor laws related to paying employees the appropriate minimum wage.

CONTRACTING PROCESS

Approval of the requested contract amendments will provide Classic with the compensation to cover the additional unanticipated labor costs incurred due to the increase in the County and City's minimum wage.

ISD is currently in the solicitation process and anticipates requesting approval of new contracts in 2018.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the amendments will allow the County to continue to provide parking management services for County employees, jurors and visitors in various parking facilities throughout the County of Los Angeles.

CONCLUSION

It is requested that the Executive Offices, Board of Supervisors return two stamped copies of the approved Board letter to the Director, ISD.

Respectfully submitted,

SCOTT MINNIX
Director

SM:DC:JS:YY:ct

Attachments

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

Parking Facilities Affected by Minimum Wage Laws

Region 1

Parking Facility	Address
10	145 N. Broadway (Hall of Records)
11A	220 N. Broadway
12	211 W. Temple St. (Hall of Justice)
16	111 S. Grand Ave. (Disney Concert Hall)
18	140 N. Grand Ave. (Mall Garage)
22	232 N. Grand Ave.
97	3350 Aerojet Ave.
Total Region 1	7 Parking Facilities

Region 2

46	318 W. Adams Blvd. (Adams & Grand)
55	1601 Eastlake Ave. (Juvenile Hall)
58A	721 N. Spring St. (Alameda Garage)
68	523 Shatto Place (6th & Vermont)
69	526 S. Vermont Ave. (6th & Vermont)
75B	429 Bauchet St. (Men's Central Jail)
75C	441 Bauchet St. (Men's Central Jail)
76	4837 E. Third St. (East LA Civic Center)
81	1100 N. Eastern Ave. (ISD Administration)
87	11705 Alameda St. (Lynwood Regional Justice)
89	17600 Santa Fe Ave.
93	10025 E. Flower (Cerritos Ct.)
96A	7555 Van Nuys Blvd.
Total Region 2	13 Parking Facilities