



Health Services
LOS ANGELES COUNTY

November 21, 2006

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

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 A DELEGATION OF DUTIES AND ASSIGNMENT
OF RIGHTS OF FOUR HOUSEKEEPING SERVICES
AGREEMENTS AND TWO AMENDMENTS**
(All Districts) (3 Votes)

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached Amendment No. 1 to Housekeeping Services Agreement No. 75054 (Exhibit I) with Pedus Service (Pedus) to: a) assign the rights of the Agreement from Pedus to Servicon Systems, Inc. (Servicon); b) increase cleaning services for the warehouse at the Department of Health Services' (DHS) High Desert Health System (High Desert); and c) add housekeeping services at the Department of Public Health's (DPH) Acton and Warm Springs Health Clinics, all effective date of Board approval through August 31, 2009, with an option to extend on a month-to-month basis not to exceed six months through February 28, 2010. The cost for these additional services is \$494,257.92, which includes \$72,418.74 for the optional six-month extension and \$23,536.11 for the 5% Unscheduled Work Fund, and increases the total maximum obligation from \$4,719,060.60 to 5,213,318.52. Of the \$494,257.92 increase, \$110,361.42 is for the additional services for the High Desert warehouse and \$383,896.50 is for the services at Acton and Warm Springs Health Clinics.
2. Approve and instruct the Mayor to sign the attached Amendment No. 1 to Housekeeping Services Agreement Nos. 75053 and 75056 (Exhibits II and III) and Amendment No. 2 to Agreement No. 75055 (Exhibit IV) with Pedus to assign the rights of the Agreements to Servicon, effective date of Board approval through August 31, 2009, with an option to extend on a month-to-month basis not to exceed six months through February 28, 2010.
3. Approve and delegate authority to the Director of DHS to execute Amendment No. 2 to Housekeeping Services Agreement No. 75056 to add housekeeping services for DPH's Public Health Laboratory with a monthly maximum obligation not to exceed \$16,400 for an annual maximum obligation of \$196,800, which will be added to the current maximum obligation of \$5,431,407.36, effective upon relocation of the DPH's Public Health Laboratory to the new site at Rancho Los Amigos National Rehabilitation Center (Rancho) through August 31, 2009, with an option to extend on a month-to-month basis not to exceed six months through February 28, 2010.

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Los Angeles, CA 90012

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PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

Pedus has sold their housekeeping services division to Servicon. County Counsel and DHS have reviewed Pedus' and Servicon's business documents related to this action. Servicon has provided assurances that they are capable of providing high quality services in compliance with the requirements of the Joint Commission on Accreditation of Healthcare Organizations. Board approval of Amendment No. 1 to Agreement No. 75054 will assign the rights of the Agreement to Servicon.

In addition, Amendment No. 1 to Agreement No 75054 will increase housekeeping services at High Desert's warehouse. These services are needed to enhance the level of cleanliness for the medical supplies and pharmaceuticals that are stored in the warehouse.

On May 30, 2006 your Board approved the separation of the DPH from DHS. The Memorandum of Understanding (MOU) between DPH and DHS was fully executed by July 6, 2006, the effective date of the Board-adopted ordinances creating the new DPH. Appendix B.8, Agreements and Board Delegated Authority, states that... "For agreements such as custodial or environmental, which contain services to both DHS and DPH facilities, the department serving as the building landlord will continue to administer the agreement for the benefit of both departments, in consultation with the other....".

Although Acton and Warm Springs are part of the recently established DPH, DHS is retaining primary responsibility for this Proposition A contract. Under the Board approved MOU, the building landlord will administer the agreement for both Departments. However, in this case, although the building landlord is DPH, DHS will administer the Agreement for the benefit of both departments, in consultation with the other. DHS and DPH will mutually agree whether any future amendments or other Board actions will be done jointly or separately.

The Amendment will also add housekeeping services at DPH's Acton and Warm Springs Health Clinics. Over the years, housekeeping services at these Health Clinics were predominantly provided by non-housekeeping County staff and residents of the Antelope Valley Rehabilitation Centers (AVRCs). As a result of a State monitoring report of Acton and Warm Springs Health Clinics, DHS shifted the housekeeping responsibility for these Health Clinics from the AVRCs to High Desert. Since High Desert is regulated by Title 22, a section of the California Code of Regulations which establishes standards for the licensing and certification of health facilities, the Health Clinics must meet the more stringent cleaning standards required by Title 22.

The Department is also requesting delegated authority to amend Agreement No. 75056 to add housekeeping services at the new DPH's Public Health Laboratory to expedite the provision of these services once the laboratory is relocated to its new site at Rancho.

FISCAL IMPACT/FINANCING:

There is no fiscal impact as a result of the assignment of the four housekeeping services Agreements to Servicon. The fiscal impact for additional services under Agreement Nos. 75054 and 75056 is described below.

Since the last Board action of August 2004, a 2.5% Cost of Living Adjustment (COLA) was provided under each of the four Agreements, effective September 1, 2005, consistent with the terms of the Agreements, excluding Startup Equipment and Equipment Depreciation costs.

Agreement No. 75054

The additional cost of Amendment No. 1 is \$494,257.92 and increases the total maximum obligation from \$4,719,060.60 to \$5,213,318.52 through February 2010. The total amount includes the optional month-to-month extension, not to exceed six months through February 28, 2010, of \$72,418.74, and the 5% unscheduled work fund of \$23,536.11. The increase is detailed for each of the respective departments as follows:

DHS:

Of the \$494,257.92 increase, \$110,361.42 is to increase services at DHS' High Desert warehouse. The increase by Fiscal Years (FY) 2006-07 through 2009-10 is: \$19,808.46, \$33,957.36, \$33,957.36, and \$22,638.24, respectively.

Funding is included in DHS' ValleyCare FY 2006-07 Final Budget and will be requested in future fiscal years.

DPH:

Of the \$494,257.92 increase, \$191,948.25 is for the addition of DPH's Acton Health Clinic and \$191,948.25 is for the addition of DPH's Warm Springs Health Clinic. The increase by FY is: \$68,904.50, \$118,122.00, \$118,122.00, and \$78,748.00, respectively.

In the October 11, 2006 Chief Administrative Office's (CAO) Report on the Progress of the Separation of Public Health from the Department of Health Services, Attachment II summarized the actions taken by DPH and DHS to implement the new DPH, including the projected timeline for actions not yet completed. Item number 5 of Attachment II in reference to the development/completion of the AVRC's appendix to the DHS/DPH MOU indicated that other support services, including custodial services, were included in DHS' ValleyCare Network's FY 2006-07 Final Budget and that DHS would continue to provide these services to DPH's AVRCs. As this recommended action is an increase in services that was not previously known nor included in DHS' ValleyCare Network's FY 2006-07 Final Budget, a change to both department's budgets will be included in the CAO's mid-year budget.

Attachment II, item number 8 of the CAO's October 11, 2006 report indicates that additional adjustments will be developed consistent with the cost allocation methodologies related to program and administrative services provided by one department to the other. The CAO Report also indicates that adjustments to address the allocation of shared costs not identified in time to be included in the FY 2006-07 Supplemental Budget Changes would be submitted for Board action in a CAO mid-year budget adjustment.

Agreement No. 75056

DPH:

The additional cost of adding the DPH's Public Health Laboratory is a monthly maximum obligation not to exceed \$16,400 for an annual maximum obligation of \$196,800, effective upon relocation of the DPH's Public Health Laboratory to the new site at Rancho through August 31, 2009, with an option to extend on a month-to-month basis not to exceed six months through February 28, 2010.

Funding is included in DPH's FY 2006-07 Final Budget and will be requested in future fiscal years.

DHS and DPH will ensure compliance with the CAO Report's recommendations and the Board's recent motion prior to approving any future COLAs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On August 10, 2004, the Board approved four Proposition A, five-year Housekeeping Services Agreements (Nos. 75053, 75054, 75055, and 75056) with Pedus. The Agreements include delegated authority to extend the Agreements on a month-to-month basis not to exceed six months through February 28, 2010 and provision of a 5% monthly unscheduled work fund to be used for emergency or expanded services only.

Delegation and Assignment to Servicon

Pedus sold its housekeeping services division to Servicon. Servicon has provided janitorial services under contract to large aerospace companies for over 30 years. Servicon and the Service Employees International Union have already signed a collective bargaining agreement which is identical to the one that Pedus had with the union. Servicon has represented they will retain most of Pedus' management and services staff as further assurance that they will be able to provide high quality services. Employees' seniority, wages, and benefits will be the same as provided by Pedus. The documentation that Pedus and Servicon submitted related to the transfer of ownership has been reviewed by the Department's Contracts and Grants and Finance Divisions, and by County Counsel.

All four Agreements are being assigned to Servicon. For Agreement Nos. 75053 and 75055 there is no fiscal impact. Under Agreement No. 75053, housekeeping services are provided at Olive View-UCLA Medical Center, Mid-Valley Comprehensive Health Center, and Burbank, Glendale, North Hollywood, Pacoima, and San Fernando Health Centers. Under Agreement No. 75055, services are provided at Harbor-UCLA Medical Center, Long Beach Comprehensive Health Center, and Lomita Family Health Center. Both of these Agreements are being assigned to Servicon with no fiscal impact. Under Agreement Nos. 75054 and 75056, additional services will be provided as described below.

Agreement No. 75054

Under this Agreement, housekeeping services are provided at High Desert Health System, Antelope Valley Health Center, Lake Los Angeles Community Clinic, Littlerock Community Clinic, and South Valley Health Center.

The Department is requesting authority to amend the Agreement to increase housekeeping services at DHS' warehouse and add services at the DPH's Acton and Warm Springs Health Clinics. It was recently determined that the minimal housekeeping services included in the original agreement for DHS' warehouse are not sufficient to maintain the level of cleanliness required for pharmaceuticals and medical supplies.

In addition, although Acton and Warm Springs Health Clinics are part of the recently established DPH, DHS is retaining primary responsibility for this Proposition A contract. Under the Board approved MOU, the building landlord will administer the agreement for both departments. However, in this case, although the building landlord is DPH, DHS will administer the Agreement for the benefit of both departments, in consultation with the other. DHS and DPH will mutually agree whether any future amendments or other Board actions will be done jointly or separately.

As a result of a State monitoring report of Acton and Warm Springs Health Clinics, the Department determined that improved oversight could be accomplished by shifting the Health Clinics to the High Desert. High Desert is subject to Title 22 which imposes strict cleaning standards; accordingly, it is necessary for the Department to amend this Agreement to add housekeeping services at the Acton and Warm Springs Health Clinics to ensure that the Health Clinics also comply with Title 22 cleanliness requirements. The Acton and Warm Springs Health Clinics are open seven days per week from 7:00 a.m. to 5:30 p.m.

There are no custodial positions at either Acton or Warm Springs Health Clinics. In the past, simple housekeeping chores have been performed by residents and staff.

DHS' High Desert staff will provide contract oversight and monitoring for the Acton and Warm Springs Health Clinics.

Agreement No. 75056

Under this Agreement, housekeeping services are provided at El Monte Comprehensive Health Center, La Puente, Ruth Temple, and Whittier Health Centers, and the Administrative Offices at Commerce. The Department is requesting delegated authority to amend the Agreement to add housekeeping services for DPH's Public Health Laboratory when it begins to offer services at the refurbished 30,000 square foot building on Rancho's south campus. Although the laboratory is part of the recently established DPH, DHS retains primary responsibility for this Proposition A agreement. The estimated cost provides for staffing of four janitors and a supervisor.

Housekeeping services at the Public Health Laboratory located at the Department's Health Services Administration (HSA) building have been provided by two County employees. These two employees will fill current vacancies at the HSA building.

DPH Public Health Laboratory staff will provide contract oversight and monitoring for the Public Health Laboratory.

County Counsel has reviewed and approved the Amendments (Exhibits I, II, III, and IV) as to form.

Attachment A provides additional information.

The Honorable Board of Supervisors
November 21, 2006
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CONTRACTING PROCESS:

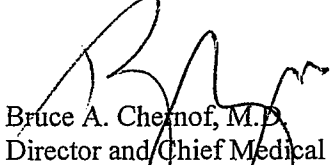
On October 22, 2003, DHS released a Proposition A, Housekeeping Services Request for Proposals for 19 DHS facilities. On August 10, 2004, the Board approved four Agreements with Pedus to provide housekeeping services at these facilities.

IMPACT ON CURRENT SERVICES:

The Board's approval of the recommended actions will add necessary housekeeping services for High Desert, Acton and Warm Springs Health Clinics and the Public Health Laboratory.

When approved, DHS requires four signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:ds
ActonWarmSpringsPHLBoardLetter.rev.wpd

Attachments (5)

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

SUMMARY OF AMENDMENTS

1. TYPE OF SERVICE:

Housekeeping services for Department of Health Services (DHS) and Department of Public Health (DPH) facilities.

2. AGENCY NAME/ADDRESS/CONTACT PERSON:

Pedus Service
601 Potrero Grande Drive, Suite 300
Monterey Park, CA 91755
Contact: Enio Martinez
Vice President of Operations
Phone: (323) 837-0222
Fax: (323) 837-0241

Servicon Systems, Inc.
3965 Landmark Street
Culver City, CA 90232-2315
Contact: Michael Mahdesian, Board Chair
Phone: (310) 204-5040
Fax: (310) 204-5097

3. TERM:

Date of Board approval through August 31, 2009 with an optional month-to-month extension not to exceed six months through February 28, 2010.

4. FINANCIAL INFORMATION:

There is no fiscal impact to Agreement Nos. 75053 and 75055.

Agreement No. 75054

The additional cost of Amendment No. 1 is \$494,257.92 and increases the total maximum obligation from \$4,719,060.60 to \$5,213,318.52 through February 2010. The total amount includes the optional month-to-month extension, not to exceed six months through February 28, 2010, of \$72,418.74, and the 5% unscheduled work fund of \$23,536.11. The increase is detailed for each of the respective departments as follows:

DHS:

Of the \$494,257.92 increase, \$110,361.42 is to increase services at DHS' High Desert warehouse. The increase by Fiscal Years (FY) 2006-07 through 2009-10 is: \$19,808.46, \$33,957.36, \$33,957.36, and \$22,638.24, respectively.

Funding is included in DHS' ValleyCare FY 2006-07 Final Budget and will be requested in future fiscal years.

DPH:

Of the \$494,257.92 increase, \$191,948.25 is for the addition of DPH's Acton Health Clinic and \$191,948.25 is for the addition of DPH's Warm Springs Health Clinic. The increase by FY is: \$68,904.50, \$118,122.00, \$118,122.00, and \$78,748.00, respectively.

In the October 11, 2006 Chief Administrative Office's (CAO) Report on the Progress of the Separation of Public Health from the Department of Health Services, Attachment II summarized the actions taken by DPH and DHS to implement the new DPH, including the projected timeline for actions not yet completed. Item number 5 of Attachment II in reference to the development/completion of the Antelope Valley Rehabilitation Centers (AVRCs) appendix to the DHS/DPH MOU indicated that other support services, including custodial services, were included in DHS' ValleyCare Network's FY 2006-07 Final Budget and that DHS would continue to provide these services to DPH's AVRCs. As this recommended action is an increase in services that was not previously known nor included in DHS' ValleyCare Network's FY 2006-07 Final Budget, a change to each respective department's budgets will be included in the CAO's mid-year budget.

Additional adjustments will be developed consistent with the cost allocation methodologies related to program and administrative services provided by one department to the other and for the allocation of shared costs not identified in time to be included in the FY 2006-07 Supplemental Budget Changes. That these adjustments will be submitted for Board action in a CAO mid-year budget adjustment.

Agreement No. 75056

DPH:

The additional cost of adding DPH's Public Health Laboratory is a monthly maximum obligation not to exceed \$16,400 for an annual maximum obligation of \$196,800, effective upon relocation of the DPH's Public Health Laboratory to the new site at Rancho Los Amigos National Rehabilitation Center through August 31, 2009, with an option to extend on a month-to-month basis not to exceed six months through February 28, 2010.

Funding is included in DPH's FY 2006-07 Final Budget and will be requested in future fiscal years.

5. ACCOUNTABLE FOR CONTRACT MONITORING:

Administrative staff for each DPH and DHS facility.

6. APPROVALS:

DHS Harbor-UCLA Medical Center:	Tecla A. Mickoseff, Chief Executive Officer
DHS LAC+USC Medical Center:	Pete Delgado, Chief Executive Officer
DHS Olive View-UCLA Medical Center:	Melinda Anderson, Chief Executive Officer
Department of Public Health:	John F. Schunhoff, Ph.D., Acting Chief Deputy
DHS Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel:	Elizabeth J. Friedman, Senior Deputy

FACT SHEET

RE: APPROVAL OF A DELEGATION OF DUTIES AND ASSIGNMENT OF RIGHTS OF FOUR HOUSEKEEPING SERVICES AGREEMENTS AND TWO AMENDMENTS

Fourth and Fifth Districts

CONTACT PERSON:

1. Beryl Brooks, CEO
High Desert Health System
Telephone: (661) 945-8311
2. John F. Schunhoff, Ph.D., Acting Chief Deputy
Public Health
Telephone: (213) 240-8156
3. Marta Sheffield
Telephone: (213) 240-8129

SUBJECT:

Delegation and assignment of four housekeeping services agreements and amendments to two of the agreements to increase services.

REQUESTED ACTIONS:

1. Approve and instruct the Mayor to sign the attached Amendment No. 1 to Housekeeping Services Agreement No. 75054 (Exhibit I) with Pedus Service (Pedus) to: a) assign the rights of the Agreement from Pedus to Servicon Systems, Inc. (Servicon); b) increase cleaning services for the warehouse at the Department of Health Services' High Desert Health System (HDHS); and c) add housekeeping services at the Department of Public Health's (DPH) Acton and Warm Springs Health Clinics, all effective date of Board approval through August 31, 2009, with an option to extend on a month-to-month basis not to exceed six months through February 28, 2010. The cost for these additional services is \$494,257.92, which includes \$72,418.74 for the optional six-month extension and \$23,536.11 for the 5% Unscheduled Work Fund, and increases the total maximum obligation from \$4,719,060.60 to 5,213,318.52. Of the \$494,257.92 increase, \$110,361.42 is for the additional services for the HDHS warehouse and \$383,896.50 is for the services at Acton and Warm Springs Health Clinics.
2. Approve and instruct the Mayor to sign the attached Amendment No. 1 to Housekeeping Services Agreement Nos. 75053 and 75056 (Exhibits II and III) and Amendment No. 2 to Agreement No. 75055 (Exhibit IV) with Pedus to assign the rights of the Agreements to Servicon, effective date of Board approval through August 31, 2009, with an option to extend on a month-to-month basis not to exceed six months through February 28, 2010.
3. Approve and delegate authority to the Director to execute Amendment No. 2 to Housekeeping Services Agreement No. 75056 to add housekeeping services for DPH's Public Health Laboratory with a monthly maximum obligation not to exceed \$16,400 for an annual maximum obligation of \$196,800, which will be added to the current maximum obligation of \$5,431,407.36, effective upon relocation of the DPH's Public Health Laboratory to the new site at Rancho Los Amigos National Rehabilitation Center (Rancho) through August 31, 2009, with an option to extend on a month-to-month basis not to exceed six months through February 28, 2010.

FACT SHEET (Cont'd)

PROGRAM:

Housekeeping services which include custodial cleaning, light fixture cleaning, trash hauling, pest control, window cleaning, and parking lot sweeping,

CONTRACT AMOUNT:

There is no fiscal impact as a result of the assignment of the four housekeeping services Agreements to Servicon. The fiscal impact for additional services under Agreement Nos. 75054 and 75056 is described below.

Since the last Board action of August 2004, a 2.5% Cost of Living Adjustment (COLA) was provided under each of the four Agreements, effective September 1, 2005, consistent with the terms of the Agreements, excluding Startup Equipment and Equipment Depreciation costs.

Agreement No. 75054

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Funding is included in DHS' ValleyCare FY 2006-07 Final Budget and will be requested in future fiscal years.

DPH:

Of the \$494,257.92 increase, \$191,948.25 is for the addition of DPH's Acton Health Clinic and \$191,948.25 is for the addition of DPH's Warm Springs Health Clinic. The increase by FY is: \$68,904.50, \$118,122.00, \$118,122.00, and \$78,748.00, respectively.

TERMINATION PROVISION:

The Agreement may be terminated with ten days advance written notice.

TERM OF CONTRACT:

December 1, 2006 through August 31, 2009 with an optional month-to-month extension through February 28, 2010.

AUTOMATIC RENEWAL:

Not applicable.

FACT SHEET (Cont'd)

FIRST BOARD APPROVED CONTRACT:

August 10, 2004.

CONTRACT EXPIRATION:

August 31, 2009 with an optional month-to-month extension not to exceed six months through February 28, 2010.

RETROACTIVE AGREEMENT:

No.

REQUEST FOR PROPOSAL (RFP) PROCESS:

On October 22, 2003, DHS released a Proposition A Housekeeping Services Request for Proposals. On August 10, 2004, the Board approved four Agreements with Pedus Service to provide housekeeping services.

SOLE SOURCE JUSTIFICATION:

Not applicable.

LOS ANGELES COUNTY ONLINE WEBSITE:

Not applicable.

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