

**MOTION BY SUPERVISOR HOLLY J. MITCHELL**

September 12, 2023

**Advancing Countywide Strategic Diversity Goals through Contracting**

On September 12, 2023, the Los Angeles County (County) Department of Health Services (DHS) seeks Board of Supervisors’ authority for a two-year extension of two sole-source contracts with Sutherland Healthcare Solutions, Inc. (SHSI) for financial management services, and USCB America for financial billing and recovery services. Both contracts are significantly large. In Fiscal Year 2022–23, the SHSI contract is estimated to generate over \$1.1 billion in gross revenues for DHS of which \$39 million in fees is estimated to be paid to SHSI by DHS. For the same period, USCB is estimated to generate over \$128 million in gross revenues for DHS of which \$7.4 million in fees is estimated to be paid to USCB by DHS.

While DHS has provided appropriate justification for this sole source contract, it is important that the County minimize its sole source contracts as much as reasonably possible to create more competitive economic opportunities for the local workforce, in addition to providing more savings, and transparency in the process. It is also important that the County use these contracts to further Countywide strategic goals and to advance opportunities for a skilled workforce that reflects the diversity of this great County.

DHS should be applauded for developing its Equity, Diversity, Inclusion and Anti-Racism (EDIA) initiative and adding a position to its Contract and Grants division to focus

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on EDIA initiatives in DHS contracting. Its efforts could serve as a Countywide model.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS** direct the Director of the Department of Health Services, in collaboration with the Chief Executive Office's Anti-Racism, Diversity and Inclusion (ARDI) Initiative, to report back in writing in 90 days with recommendations on how a proposed strategy could utilize ARDI tools to ensure its sole source and other contracts advance the Countywide strategic diversity, equity and inclusion goals. These recommendations should include strategies to examine how contractors can improve hiring and promotion practices, meet the federal, state and local non-discrimination standards, and promote delivery of services in a culturally appropriate manner to all residents regardless of age, cultural and ethnic background, religion, sexual orientation, and gender identity, including residents with disabilities and those with limited English proficiency.

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