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June 10, 2025

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:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

32 June 10, 2025

EDWARD YEN
EXECUTIVE OFFICER

**APPROVAL OF RETROACTIVE PAYMENT TO OUTFRONT MEDIA FOR PROVIDING
ADVERTISING CAMPAIGN SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

The Department of Public Health is requesting Board of Supervisors' approval to authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to issue a confirming Purchase Order (PO) to OutFront Media.

IT IS RECOMMENDED THAT THE BOARD:

Authorize ISD, as the County's Purchasing Agent, to issue a confirming PO to OutFront Media (OM) for nine invoices in the amount of \$156,672.50 for providing advertising campaign services to the Department of Public Health (Public Health).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will authorize ISD, as the County's Purchasing Agent, to issue a confirming PO that enables Public Health to pay nine invoices as outlined in Attachment I, in the amount of \$156,672.50 to OM who provided advertising campaign services.

On March 1, 2023, the Public Health Tuberculosis Control Program (TBCP) Director signed a Non-Cancellable Advertiser Agreement with OM for Contract Numbers 3617772 and 3617565, in the amount of \$34,612 and \$65,388, respectively. OM produced various posters and advertisement displays for the two Metropolitan Transportation Authority (MTA) campaigns that took place between

March 13, 2023, and April 9, 2023. One campaign was geared towards Ukrainians arriving in the United States due to the war and another campaign focused on Latinx residents and neighborhoods with higher rates of tuberculosis (TB). Staff were under the mistaken impression that OM had a Master Services Agreement (MSA) with the County and that a requisition and PO were not required and that the agreements they signed were part of the packet of documents needed for the procurement/contracting process.

At the beginning of March, TBCP staff did not clearly communicate with the Public Health Procurement Supply Officer (PSO) regarding the status of the campaigns beginning on March 13, 2023, and that the program had signed agreements pertaining to the campaigns. Soon after initial discussions with the PSO about how to access advertising services, TBCP staff learned that OM was not under a MSA and that, per the PSO, they would need to submit a requisition to Procurement, so a PO could be issued. On March 8, 2023, TBCP staff submitted emergency requisition number 569578 to Procurement for the campaigns under contract numbers 3617772 and 3617565. At the time, TBCP staff were not aware that a requisition would need to be processed and approved, and a PO established, prior to the vendor starting services.

On March 21, 2023, the Public Health TBCP Director signed two additional contracts (Contract Numbers 3627357 and 3627351) with OM, in the amount of \$23,716.50 and \$29,456.00 respectively. The contracts were for the extension of the advertising campaigns for the period of April 10, 2023 through May 7, 2023. On March 29, 2023, the Public Health TBCP Director signed an OM Creative Usage Agreement, totaling \$3,500.00, for usage rights of a digital campaign image. TBCP submitted a second requisition number 570396 on March 30, 2023 for the two contracts and the Creative Usage Agreement.

On April 4, 2023, Procurement staff became aware of the retroactive purchase, and on April 6, 2023 the PSO informed the Acting Chief Financial Officer of the unauthorized purchase. The PSO contacted ISD Purchasing, who advised Procurement to process the purchase as an unauthorized purchase and submit a request for processing a confirming PO.

After receiving the retroactive purchase memo on June 15, 2023, the PSO determined that ISD could not process the retroactive requisition before the Fiscal Year 2022-2023 end-of-year deadline. On July 6, 2023, TBCP submitted a replacement requisition number 571441 for FY 2023-2024 to Procurement. On August 24, 2023, the replacement requisition and the retroactive purchase memo from Public Health were submitted to ISD for processing. On September 19, 2023, ISD informed Procurement that the requisition would need to be canceled and instead the unauthorized purchase must be submitted for review to the Retroactive Contract Review Committee (RCRC).

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan's North Star III: Realize tomorrow's government today. Focus Area Goal G. Internal Controls and Processes.

FISCAL IMPACT/FINANCING

Public Health had intended to utilize funding from the Tuberculosis Elimination and Laboratory Cooperative Agreement from the Centers for Disease Control and Prevention and the Uniting for Ukraine Tuberculosis Program Supplement. As a result of the unauthorized purchase, payment to the vendor was ultimately delayed beyond the September 30, 2023 funding period end-date, and

Public Health lost the opportunity to pay for these services via grant funds.

The total cost of the invoices is \$156,627.50, 100 percent funded by net County cost.

Funding is included in Public Health's Adopted Budget for FY 2024-2025.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since September 2023, Procurement, in cooperation with the Deputy Director of the Disease Control Bureau and TBCP, compiled documentation needed for review by the RCRC, consistent with County Board Policy No. 5.300 (Retroactive Contracts). However, the abrupt closure of Public Health's Administrative Headquarters in Commerce in late 2023 due to an asbestos contamination, and the significant work effort required to restore departmental operations, prevented Public Health from bringing this matter forward to the RCRC in a timely manner. As a result, the RCRC documentation was not submitted to ISD until July 3, 2024. After the documentation was submitted, ISD worked with Public Health to revise and clarify content as needed. In late October of 2024, ISD began working with Public Health and the RCRC members to schedule the meeting where Public Health would present the retroactive issue to the committee. Based on the availability of the parties involved, the meeting date was set for December 9, 2024.

On December 9, 2024, Public Health appeared before the RCRC to discuss the retroactive purchase. The RCRC reviewed the documentation that led to the retroactive purchase and consequently approved Public Health's Corrective Action Plan (CAP) with modifications as outlined in Attachment II. The CAP includes a departmental communication to remind Public Health staff about the prohibition of retroactive purchases and what constitutes an unauthorized purchase. Additionally, the CAP incorporates the development of new internal procedures, counseling to staff, and training. Finally, the vendor has received a formal notification advising them that they are not to provide goods and/or services without a valid PO.

CONTRACTING PROCESS

Upon your Board's approval, the PO will be processed by ISD in accordance with the County's purchasing policies and procedures.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this request will allow payment to OM, for advertising campaign services rendered.

The Honorable Board of Supervisors

6/10/2025

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Barbara Ferrer". The signature is fluid and cursive, with the first name "Barbara" and last name "Ferrer" clearly distinguishable.

Barbara Ferrer, PhD, MPH, MEd

Director

Barbara Ferrer, Ph.D., M.P.H., M.Ed.

Director

BF:jd

#08145

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Internal Services Department

OUTFRONT MEDIA INVOICES

Contract Number	Invoice	Invoice Date	Dollar Amount	
3617772	5813164	3/17/2023	\$	2,287.00
	5813165	3/17/2023	\$	32,325.00
3617565	5816050	3/23/2023	\$	9,264.00
	5817322	3/28/2023	\$	56,124.00
3627357	5846063	4/17/2023	\$	22,875.00
	5847491	4/21/2023	\$	841.50
3627351	5854764	4/26/2023	\$	2,332.00
	5854765	4/26/2023	\$	27,124.00
Creative Usage Agreement	5919634	6/9/2023	\$	3,500.00
TOTAL PAYMENT OF INVOICES:			\$	156,672.50

**RETROACTIVE CONTRACTS REPORTING FORM
DRAFT CORRECTIVE ACTION PLAN**

**Los Angeles County Department of Public Health and Outfront Media
FY (2022-23)**

ATTACHMENT II

Root Causes	Corrective Action Plan
<p>Tuberculosis Control Program (TBCP) staff were not familiar with and did not have a clear understanding of the County's Procurement process and what services are available under the Master Services Agreements managed by PUBLIC HEALTH and/or the County.</p>	<p>On November 6, 2024, a briefing was conducted with PUBLIC HEALTH Program and Division Directors reminding them of the prohibition on retroactive purchases and contracts, and what constitutes an unauthorized purchase. This briefing highlighted permissible and avoidable actions that should be taken when processing requisitions, which included a strong emphasis on the prohibition of staff signing any vendor documents. Status: Completed 11/06/2024.</p> <p>A memo will be issued to all PUBLIC HEALTH Programs reminding them of the prohibition of retroactive purchases and contracts, and what constitutes an unauthorized purchase. This memo will also provide guidance to Programs on preventing and avoiding retroactive purchases. Status: In progress (estimated to be completed by April 30, 2025)</p> <p>Administrative Services Division (ASD) will develop written internal PUBLIC HEALTH Procurement procedures that will establish separation of duties for instances where vendor quotes, or other procurement documents, require a signature or could be a legally binding commitment to the seller. The procedures will delineate a process for routing such requests to Procurement for review. The procedures will also detail how operational (Program) staff are to initiate public relations or media requests moving forward, whereby these requests must now be routed to Procurement for review and guidance before a program can initiate the quotation process with a vendor.</p>

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	<p><u>Status:</u> In progress (estimated to be completed by August 31, 2025)</p> <p>Procurement training will also be conducted by the ASD for TBCP and other PUBLIC HEALTH Programs to ensure that they are aware of when, and how, they can engage a vendor to access services. This will:</p> <ul style="list-style-type: none">• Include a new PUBLIC HEALTH Procurement protocol on initiating public relations or media requests, whereby these requests must now be routed to Procurement before a program can initiate the quotation process with a vendor. <u>Status:</u> In progress (estimated to be completed by August 31, 2025)• Inform programs and staff that they are prohibited from signing any external procurement related documents and will reinforce PUBLIC HEALTH protocol that any quotes or other external procurement related documents that require signature, or that may be legally binding commitments to the seller, are required to be routed to Procurement. <u>Status:</u> Completed on March 12, 2025. <p>The Procurement training for PUBLIC HEALTH Program/staff will detail:</p> <ul style="list-style-type: none">• County Purchasing fundamentals• Process for obtaining quotes for products/services.• Instructions on how to initiate a request.
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	<ul style="list-style-type: none">• Master Services Agreements available to PUBLIC HEALTH Programs and the appropriate PUBLIC HEALTH contacts for utilizing them.• Review of the Department's delegated authority; specifically, who is authorized to sign or enter into agreements with vendors with a strong emphasis placed on the prohibition of staff signing any vendor documents. Status: Completed on March 12, 2025.
TBCP staff did not realize that a PO needed to be generated prior to services being delivered.	<ul style="list-style-type: none">• On December 3, 2024, the Deputy Director for the Bureau of Disease Control counseled the TBCP Director on their authority to sign documents, the Department's purchasing policies, and the prohibition of retroactive purchases. Status: Completed on December 3, 2024.• A Confirmation of Counseling letter will be filed in the TBCP Director's personnel file. Status: In progress (estimated to be completed by May 7, 2025)• Procurement training will ensure that Programs are fully aware that they must not engage or request a vendor to provide goods or services until an approved and valid Purchase Order (PO) has been established. Status: Completed on March 12, 2025.

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	<ul style="list-style-type: none">• Procurement will also work with PUBLIC HEALTH Audit and Compliance to ensure that Programs have established the relevant internal controls to prevent the start of unauthorized services. Status: In progress (estimated to be completed by August 31, 2025)• Procurement staff will also receive training to ensure Programs are informed and are clear on how to obtain goods or services. This training will include a review of changes in procedures to ensure programs do not obtain goods or services until an OLR has been submitted and a PO has been issued by either PUBLIC HEALTH Procurement or the County's Purchasing Agent in the Internal Services Department (ISD). Status: In progress (estimated to be completed by September 30, 2025)• Procurement will modify existing procedures and require buyers to provide service start and end dates upon issuance of a PO, and clearly convey to Programs the time frame in which services can be received utilizing that specific PO. Status: In progress (estimated to be completed by September 1, 2025)
The vendor proceeded with providing services although a PO had not been issued to them. The vendor is registered to do	On July 17, 2024, Procurement staff met with the vendor to discuss the issue of this retroactive purchase and actions being taken by the department to obtain approval to establish a PO and

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<p>business with LA County and should have been aware that services were not to be provided without a valid PO.</p>	<p>authorize payment. The vendor was notified by Procurement that the staff who signed the agreements were doing so in the service of trying to generate a PO but had no authority to enter into any Agreements therefore these services were considered retroactive and would require Board approval prior to issuance of a PO and payment. In addition, the vendor was reminded to not initiate any service for our department without an authorized purchase order in hand. Status: Completed 07/17/2024.</p> <ul style="list-style-type: none">• The ASD Procurement Unit will send the vendor a formal reminder notification that they are not to proceed with any services unless they have a PO issued by PUBLIC HEALTH Procurement or the County's Purchasing Agent, ISD. Status: In progress (estimated to be completed by April 30, 2025)• The ASD Procurement Unit will provide and instruct all buyers to include a standardized message in all external email communications with vendors notifying them that they are not to proceed with rendering services or delivering goods unless an approved PO has been issued to them by PUBLIC HEALTH Procurement or the County's Purchasing Agent, ISD. Status: In progress (estimated to be completed by May 31, 2025)
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TBCP continued to receive services after the retroactive purchase was identified because Procurement did not notify them to discontinue engaging the vendor and stop services.	As part of the planned training, Procurement staff will be reminded to notify programs that services must be stopped and/or discontinued immediately when an unauthorized purchase has been identified. In cases where a registered County vendor moves forward with providing goods or services without a valid PO, Procurement staff will be reminded to notify the vendor to stop services immediately. Status: In progress (estimated to be completed by September 30, 2025)
Start and completion dates of the Corrective Action Plan	Plan Development: <ul style="list-style-type: none">• Start Date: July 15, 2024• Completion Date: September 30, 2025 and ongoing.
Responsible person for the Corrective Action Plan	Jack Hovnanian, Administrative Services Division Manager David Cardenas, Deputy Director, Operations Support Bureau
Lessons learned as a result of the situation	As a result of this issue, there were several lessons learned including the need for: <ul style="list-style-type: none">• Building stronger and effective communication between Procurement and Program.• Enhancing Procurement processes.• Ongoing refresher training on basic Procurement processes, specifically noting why staff must not move forward with engaging a vendor and obtaining services without a valid PO or Contract.

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<p>How the Corrective Action Plan effectiveness will be measured.</p>	<p>The following areas will be measured/tracked to assess the effectiveness of the Corrective Action Plan:</p> <ol style="list-style-type: none">1. Timelines of corrective action implementation dates.2. Progress of corrective action implementation.3. Training frequency, attendance, and feedback. <p>PUBLIC HEALTH will:</p> <ul style="list-style-type: none">• Identify and track any occurrences of future unauthorized/retroactive purchases and conduct a review of the immediate actions taken to mitigate and properly address the situation.• Analyze trends to ensure that there are no retroactive purchases.• Meet with management to conduct an After-Action Review to discuss and assess the effectiveness of the implemented corrective actions.
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