



Health Services
LOS ANGELES COUNTY

March 03, 2026



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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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:

**REQUEST FOR AUTHORITY TO NEGOTIATE MASTER AGREEMENTS
FOR PROFESSIONAL AND TECHNICAL SERVICES AND HEALTHCARE
ANCILLARY SERVICES
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

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*"To advance the health of our patient
and our communities by providing
extraordinary care"*

SUBJECT

Request delegated authority to (i) negotiate and modify terms and conditions of the Professional and Technical Services Master Agreement (PAT SMA) and Healthcare Ancillary Services Master Agreement (HASMA) (collectively, Master Agreements); (ii) update, reaffirm and align delegations of authority pertaining to the Master Agreements; (iii) update, reaffirm and align delegations of authority pertaining to the Work Orders issued under the Master Agreements; and (iv) exceed annual caps on PAT SMA Work Orders for the remaining term of Master Agreements.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Health Services (Director), or authorized designee, to negotiate and deviate from the standard terms and conditions of PAT SMA and HASMA with qualified vendors that take exception to the terms and conditions, when necessary based on the nature and criticality of the contracted services, including in cases when only a single qualified vendor responds to a Master Agreement solicitation or the nature of a critical service is in short supply or backlogged, subject to review and approval by County Counsel.
2. Consistent with prior delegations of authority granted by the Board of Supervisors (Board) on June 4, 2019 and January 21, 2020, delegate authority



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to the Director, or authorized designee, as it pertains to both HASMA and PATSMA respectively, to: (a) execute new Master Agreements with qualified vendors identified through an applicable solicitation process for the term previously approved by the Board, (b) execute amendments to the Master Agreements to add, delete and/or change terms and conditions as required under Federal or State law or regulation, Los Angeles County (LA County) policy, the Board or Chief Executive Office (CEO), or as necessary based on the nature of the services or in the best interest of LA County, and (c) terminate Master Agreements, exercise term extension options and take other actions as previously authorized by the Board, subject to review and approval by County Counsel;

3. Consistent with prior delegations of authority, delegate authority to the Director, or authorized designee, to (a) execute new Work Orders under the Master Agreements, (b) amend Work Orders, including to revise the scope of services based on operational needs, adjust rates and fees in order to remain competitive in the applicable industry, extend the term of Work Orders as necessary to support the administration and/or completion of projects, and adjust vendor budgets and maximum LA County obligation under the Work Orders accordingly, (c) suspend and/or terminate Work Orders in accordance with the applicable Master Agreement provisions, and (d) extend the term of Master Agreements without remaining extension options beyond the expiration date to allow for completion of a Work Order project that goes beyond the applicable Master Agreement expiration date; and

4. Delegate authority to the Director, or authorized designee, to exceed the annual aggregate cap on Work Orders executed under PATSMA for the remaining term of current PATSMAs.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Health Services (DHS) is committed to delivering exceptional and innovative care to all patients. Our approach is guided by the unique needs of our diverse patient populations including those with complex medical needs, those who require care in languages other than English and those who may be confronting challenges to their overall wellness, including food and housing insecurities. To address these and emerging needs, including evolving technologies and the need to respond to local emergencies and crises (e.g., those related to the homeless and justice involved members of the LA County community), DHS relies on its dedicated LA County-employed workforce and various contractors to provide a myriad of crucial services for four directly operated hospitals, 23 ambulatory care clinical facilities, urgent care and surgical centers, three mobile clinics, numerous DHS partner entities (e.g., ambulance transportation, trauma, harm reduction, recuperative care, housing and/or case management).

Given the complexities of our safety net health care system and need to sustain access to life saving care on a 24/7 basis, DHS, with the support of the Board, has utilized master agreement vehicles for decades to expeditiously identify qualified vendors and award contracts to registries for as-needed temporary ancillary, nursing and physician services. To keep up with evolving demands and types of services available, DHS has expanded its use of master agreements, making it possible to streamline the competitive contracting process and reduce reliance on sole source contracting. For example, the Board approved the use of the Supportive and/or Housing Services Master Agreement as a means of addressing the homeless crisis, and PATSMA and HASMA to reduce our reliance on sole source contracts.

HASMA, approved by the Board in 2019, has allowed DHS to engage contractors for as-needed specialized ancillary services such as interoperative monitoring, blood recovery and teleradiology.

PAT SMA, approved by the Board in 2020, has allowed DHS to engage contractors for highly technical and specialized services for County departments that historically supported the needs of the Health Agency, including high priority projects related to the Board's strategic goals and initiatives, and for implementation of new programs and administration of grants. Unlike other DHS administered master agreements, DHS agreed to notify the Board at least two weeks prior to executing any Work Order under PAT SMA that exceeds \$2.5 million and to seek approval from the Board if the annual cap of all Work Orders executed during a calendar year exceeds the annual cap of \$25.0 million. DHS is returning to the Board at this time with recommendations pertaining to PAT SMA and HASMA that will allow DHS to expeditiously address the impending needs described herein and to prepare for any that could arise in the future.

On July 4, 2025, a federal budget reconciliation package was signed imposing a significant financial strain on health systems nationwide, particularly safety net providers like DHS. The legislation includes billions of dollars in Medicaid reductions, which are expected to result in the loss of health coverage for millions of individuals and substantial reductions in funding for hospitals and clinics. These federal reductions come on top of recent reductions in California's state budget, with additional reductions expected from the U.S. Department of Health and Human Services. At the same time, the cost of delivering care continues to rise, further burdening an already strained healthcare system.

In response to these financial and operational challenges, DHS is implementing system-wide strategies to improve efficiency and reduce costs. Key initiatives include issuing competitive solicitations to enlist the assistance of consultants to assess various areas of DHS and make recommendations that would result in opportunities for optimizing resource utilization, improving inventory management and reducing supply and implant costs, as well as a comprehensive review of the mid-to-back-end Revenue Cycle Management process. To effectively administer these initiatives, DHS is bound to benefit from the additional flexibility in negotiating the terms of form Master Agreements, if needed, and in being able to exceed existing self-imposed caps on the Work Order expenditures in order to effectively respond to these time-sensitive needs for LA County.

Approval of the first recommendation will allow the Director, or authorized designee, when necessary, to negotiate the terms and conditions of a form Master Agreement, which may result in deviations from standard LA County terms and conditions, in order to continue facilitating timely access to qualified specialized experts and consultants for a variety of anticipated as-needed projects and services. This will provide the flexibility to address special circumstances, such as urgent service needs and instances where only one qualified vendor responds and requests modifications to standard terms, subject to review and approval by County Counsel. This recommendation is similar to one made by DHS and approved by the Board on December 6, 2022, in relation to the department's Equipment Maintenance and Repair Services Master Agreement (EMARS), which addressed cases when only a single qualified vendor responds to an EMARS solicitation and takes exception to the EMARS form master agreement terms and conditions. DHS will continue to maintain internal controls and oversight to ensure transparency, accountability and alignment with County contracting policies and continue to provide the Internal Services Department with the usage of all Work Orders for inclusion in their Master Agreement Utilization Quarterly Report to the Board.

Approval of the second and third recommendations will allow the Director, or authorized designee, to continue to execute Master Agreements through a competitive solicitation process and respective amendments through January 27, 2030, with the option to extend for up to five additional one-year periods for PAT SMAs, and through June 30, 2029 for HASMAs.

Approval of the fourth recommendation will allow the Director, or authorized designee, to proceed with executing PAT SMAs and Work Orders with vendors providing healthcare consultant services, which are critical to immediately address financial and operational challenges resulting from recent California State and Federal budget reductions, and other projects in the future, even when the aggregate value of all PAT SMA Work Orders exceeds the cap of \$25 million in any calendar year

starting in 2026. Eliminating the annual cap will allow DHS to swiftly respond to evolving needs without returning to the Board to request an increase. DHS will continue notifying the Board if any Work Orders exceed \$2.5 million, consistent with the authority granted by the Board on January 21, 2020.

Implementation of Strategic Plan Goals

The recommended actions support LA County's Strategic Plan, North Star 3 – "Realize Tomorrow's Government Today," which will implement streamlined and more equitable contracting and procurement systems and opportunities.

FISCAL IMPACT/FINANCING

Expenditures under the PATSMA and HASMA Work Orders will vary from year-to-year based on departmental needs. Each department is responsible for ensuring sufficient funding is available in its operating budget prior to requesting services under the PATSMA or HASMA.

Funding is included in the DHS Fiscal Year 2025-26 Final Budget and will be requested in future years' budgets, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Unlike traditional solicited master agreements, the PATSMA and HASMA are designed to address specific project needs, allowing for faster contractor qualification and more expeditious service delivery to meet the critical needs of LA County residents. The solicitation process for these Master Agreements, which allows vendors to compete for defined work as opposed to a general master agreement with uncertain future opportunities, is better suited to the dynamic nature of the healthcare environment and is more likely to draw interest from a higher number of appropriately qualified vendors, expanding the field of competition. As a result, the PATSMA and HASMA solicitations have proven to be practical and effective alternatives to the customary processes such as Request for Statement of Qualification (RFSQ) and Request for Proposal (RFP).

Since the Board's approval of these master agreement vehicles, DHS currently has over 60 each of the HASMAs and PATSMAs and ensuing Work Orders.

The services provided under PATSMAs and HASMAs are temporary and professional or technical in nature. Further, these services are only needed on an intermittent basis or as-needed basis.

Therefore, the Master Agreements are exempt from Proposition A (Los Angeles County Code Chapter 2.121) and not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

The form PATSMAs and HASMAs include the most recent Board required provisions. Any amendments that materially change or alter the scope, term or provisions or increase funding will be subject to review and approval by County Counsel prior to execution. The PATSMAs and HASMAs may be terminated for convenience by the County upon 10 days' prior written notice.

Additionally, DHS will continue to provide the Internal Services Department with the usage of all Work Orders for inclusion in their Master Agreement Utilization Quarterly Report to the Board.

CONTRACTING PROCESS

DHS and other departments have issued many Master Agreement solicitations that resulted in Work Order awards for various services, including consulting, recruitment, evaluation, revenue management, and fiscal support, as well as various healthcare ancillary services, such as home health and hospice services, prosthetics and orthotics, etc. The solicitations are posted on relevant LA County websites, as well as the Internal Services Department's website.

To expedite vendor selection and Work Order awards in response to the Master Agreement solicitations, DHS has implemented a simplified comparative ranking method for evaluating solicitation responses that includes all required solicitation elements and disqualification reviews, where reviewers independently evaluate and compare all responses, ensuring fair and efficient selection of the most qualified vendor(s). This comparative review and analysis approach was approved by the Board for PATMSA solicitations on January 21, 2020. While a departure from LA County's more customary evaluation processes, the comparative ranking methodology mostly utilized by the Master Agreements is strategically designed to efficiently and timely support the healthcare departments' streamlining objectives and operational needs in caring for its LA County residents.

Where appropriate, DHS utilizes other evaluation methods, such as informed averaging and lowest qualified bid, depending on the applicable solicitation evaluation criteria. Vendors that are not selected for a specific Work Order but are qualified for a PATSMA may remain eligible for future contracting opportunities.

The solicitation processes utilized for Master Agreement and Work Order awards are consistent with Board Policies 5.054 (Evaluation Methodology for Solicitation Responses) and 5.055 (Protest Policy).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will enable DHS to continue to meet its revised strategic priorities and increase efficiency in the contracting process for various critical and as-needed professional, technical and healthcare ancillary services.

Respectfully submitted,



Christina R. Ghaly, M.D.

Director

CRG:lg:tg

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