



Health Services
LOS ANGELES COUNTY

March 17, 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:

**DELEGATED AUTHORITY TO AMEND AGREEMENTS TO ENSURE
CONTRACTORS' COMPLIANCE WITH LAWS, POLICIES AND OTHER
DIRECTIVES
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

Christina R. Ghaly, M.D.
Director

Nina J. Park, M.D.
Chief Deputy Director, Clinical Affairs & Population Health

Aries Limbaga, DNP, MBA
Chief Deputy Director, Operations

Elizabeth M. Jacobi, J.D.
Administrative Deputy

SUBJECT

Request approval of delegated authority to the Director of the Department of Health Services (DHS), or authorized designee, to amend DHS administered agreements, including agreements for Dietary Services provided at DHS facilities, as necessary to ensure contractors' compliance with laws, policies and other directives.

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Los Angeles, CA 90012

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www.dhs.lacounty.gov

IT IS RECOMMENDED THAT THE BOARD:

Reaffirm prior or grant new, as applicable, delegations of authority to the Director of DHS (Director) to amend DHS administered agreements for Dietary and other services to: (i) add and/or modify provisions ensuring contractors' compliance with any new or amended laws, policies and other directives, including federal and state legislations, Los Angeles County (LA County) ordinances and policies and Board of Supervisors' (Board) mandates (cumulatively, directives) as of their effective date; and (ii) increase or otherwise adjust accordingly the rates and fees payable under the agreements and the maximum LA County obligation, if any, to ensure contractors' compliance with any such directives, with all amendments subject to prior review and approval by County Counsel and, for increase averages exceeding 10%, written notice to the Board and LA County's Chief Executive Office (CEO), provided that (a) contractors demonstrate the need for the increase by

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



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supporting cost analyses, and (b) DHS has sufficient budget allocation for the additional expenditures.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

The healthcare facilities and the services provided by DHS contractors for such facilities are subject to various directives. Contractors and the contracted services provided for LA County may become subject to new or amended directives during the term of their agreements, which could have potential financial implications on the contractors.

Recent examples of such directives include the Board's 2023 Motions regarding Equitable Access to Healthcare for Contracted Staff, mandating that all Proposition A ("Prop A") contracts for security, environmental, including janitorial, and food services for County hospitals managed by DHS require 100% employer-paid healthcare premiums for employees who work 30 hours or more per week at the minimum actuarial value of the Affordable Care Act individual gold plan coverage. Also, the California Senate Bill 525 (SB 525), passed into law in 2023, imposed higher a minimum wage rate to be payable by contractors to qualified employees for provision of services for LA County's health care facilities, effective January 1, 2025, with incremental increases thereafter.

On September 10, 2024, the Board delegated authority to the Directors of DHS and Public Health to execute amendments, among others, to extend the term of certain identified Prop A agreements and to increase the service rates payable under such agreements to ensure contractors' compliance with any current or future regulatory or legislative requirements and Board directives. Since DHS was previously granted delegated authority to extend expiring agreements for Dietary Services, these agreements were inadvertently omitted from the recommendations under the September 10, 2024 Board letter, which would have allowed the Dietary Services contractors to adjust their rates and fees payable under such agreements in order to pay their employees the higher hourly rates mandated by SB 525. Approval of this recommendation will allow DHS to amend these Dietary Services and other DHS administered agreements to adjust contractors' compensation to ensure full compliance with SB 525.

Justification

Contracted staff comprise a big part of the DHS workforce supporting LA County's healthcare facilities who must also comply with applicable laws, policies and other directives, including Federal and State legislations, LA County ordinances and policies and Board mandates. Compliance with such directives may subject contractors to additional expenditures relating to the provision of contracted services. Approval of the recommended action will ensure contractors' compliance with all such directives, including applicable laws, policies, federal and state legislations, LA County ordinances and policies and Board mandates, while maintaining continuity of services without delays or interruptions.

Recommendations

Approval of the recommendation will allow DHS to amend its agreements to require contractors to comply with any new or amended directives, including laws, policies, LA County ordinances and policies and Board mandates, as of their effective date, and will ensure that contractors are able to comply with any such required directives while maintaining the necessary levels of services and meeting other contractual requirements.

Implementation of Strategic Plan Goals

The recommended action supports “North Star 3.F Flexible and Efficient Infrastructure” of LA County’s Strategic Plan.

FISCAL IMPACT/FINANCING

The total net increase to the maximum obligation for Dietary Services is \$1,129,612 for the period of July 1, 2025, through June 30, 2026.

Funding is included in the DHS Fiscal Year (FY) 2025–26 Final Budget, and continued funding will be requested in future fiscal years as necessary. There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DHS has delegated authority to amend most of its agreements to add, delete and modify terms and conditions as required by law, LA County policy, the Board or the CEO (also, directives). DHS administered agreements also require contractors to comply with all applicable laws. The recommended action shall provide DHS with delegated authority to amend all agreements to ensure contractors' compliance with any directives, including laws, policies, LA County ordinances and policies and Board mandates.

All agreement amendments in the recommendation above shall be subject to County Counsel's review and approval prior to execution.

CONTRACTING PROCESS

DHS administered agreements are executed pursuant to delegated authority from the Board or by the Board, as applicable. The aforementioned agreement amendments will be executed in accordance with the terms and conditions prescribed in the amended agreements.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will allow for the continued and uninterrupted provision of services at LA County's healthcare facilities.

The Honorable Board of Supervisors

3/17/2026

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Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Christina R. Ghaly".

Christina R. Ghaly, M.D.

Director

CRG:hs

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