
Setting the Standard in Health Care Excellence

June 27, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

SUBJECT:

Approval of a Scheduled Service Agreement with Trane U.S. Inc. Doing Business As Trane (Trane) to Provide Scheduled Maintenance Services on Heating, Ventilation and Air Conditioning Equipment at Health Care Agency (HCA) Facilities For the Period of April 1, 2023 Through May 31, 2024 in the Amount of \$585,912; Authorization for the Purchasing Agent to Execute Amendments to the Scheduled Service Agreement That Do Not Materially Change the Terms of the Agreement or the Total Amount of the Agreement; Approval of a Repair Service Agreement with Trane to Provide Repair and Rental Services on Heating, Ventilation and Air Conditioning Equipment at HCA Facilities For the Period April 1, 2023 Through May 31, 2024, Up to an Aggregate Amount of \$250,000; Authorization for the Purchasing Agent to Adjust Allocation of the Aggregate Contract Amounts Among HCA Departments; Ratification of the HCA's Authorization for Trane to Provide Services in Anticipation of Your Board's Approval.

RECOMMENDATIONS:

1. That your Board approve, and authorize the Purchasing Agent or designee to execute, the Scheduled Service Agreement (Exhibit 1) with Trane U.S. Inc. doing business as Trane (Trane), covering scheduled maintenance services on heating, ventilation and air conditioning (HVAC) equipment at Health Care Agency (HCA) facilities, in the amount of \$461,370 for the period of April 1, 2023 through March 31, 2024, and \$124,542 for the period of April 1, 2024 through May 31, 2024, and ratify HCA's authorization of the vendors to continue to provide services in anticipation of your Board's approval.
2. That your Board approve, and authorize the Purchasing Agent or designee to execute, the Repair Service Agreement (Exhibit 2) with Trane, covering repair and rental services on HVAC equipment at HCA facilities, in the amount of \$200,000 for the period April 1, 2023 through March 31, 2024, and \$50,000 for the period April 1, 2024 through May 31, 2024, and ratify HCA's authorization of the vendors to continue to provide services in anticipation of your Board's approval.

3. That your Board authorize the Purchasing Agent or designee to execute amendments to the Scheduled Service Agreement from time to time, including additions and deletions of, and changes to, individual budget line items reflected on Attachment B to the Scheduled Service Agreement, and amendments to the Repair Service Agreement, provided that any such amendments do not change the total amount of the agreement and do not materially change agreement terms, subject to approval by County Counsel.
4. That your Board authorize the Purchasing Agent or designee, upon request of the HCA Director or designee, to adjust the amounts reflected in Table No. 1 as needed, provided that the aggregate amount paid for maintenance, repair, and rental services does not exceed \$661,370 for the period April 1, 2023 through March 31, 2024 , and \$174,542 for the period April 1, 2024 through May 31, 2024.

REASON FOR RATIFICATION

The prior contract with Trane for HVAC maintenance and services expired on March 31, 2023. HCA authorized Trane to continue providing services in anticipation of your Board's approval of the new agreements.

FISCAL IMPACT:

Mandatory:	No
Source of Funding:	VCMC operating revenues/Collections/General Fund/ Short Doyle/Medi-Cal (SD/MC) Federal Financial Participation (FFP), and Proposition 63 Mental Health Services Act (MHSA)
Funding Match Required:	None
Impact on Other Departments:	VC Public Health WIC, VC Behavioral Health MHSA

Summary of Annual Revenues and Costs Under these agreements:

	<u>April 1, 2023 – March 31, 2024</u>	<u>April 1, 2024 – May 31, 2024</u>
REVENUE	\$661,370	\$174,542
DIRECT COSTS:	\$661,370	\$174,542
INDIRECT COSTS:	Minor	Minor
NET REVENUE <COST>	\$0	\$0

Table No. 1

Division	April 1, 2023 - March 31, 2024			April 1, 2024 - May 31, 2024		
	Scheuled Service Agreement	Repair Service Agreement	Total for Period	Scheuled Service Agreement	Repair Service Agreement	Total for Period
3300	\$ 457,547	\$ 200,000	\$ 657,547	\$ 123,991	\$ 50,000	\$ 173,991
3120	\$ 3,115		\$ 3,115	\$ 449		\$ 449
3260	\$ 708		\$ 708	\$ 102		\$ 102
Total	\$ 461,370	\$ 200,000	\$ 661,370	\$ 124,542	\$ 50,000	\$ 174,542

CURRENT FISCAL YEAR BUDGET:

Sufficient revenue and appropriations are included in the FY 2022-23 approved budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

Current FY 2022-23 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$597,277,305	\$651,189,238	\$628,517,835	\$22,671,403
Revenue	\$597,588,755	\$604,063,467	\$620,070,394	\$16,006,927
Operational Income/(Loss)	\$311,450	(\$47,125,771)	(\$8,447,441)	\$38,678,330

FY 2022-23 Adopted Budget for Ventura County Public Health Women, Infants and Children (WIC) - Division 3120				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$ 5,177,141	\$ 5,275,909	\$ 5,005,670	\$ 270,239
Revenue	\$ 4,849,974	\$ 4,896,224	\$ 4,625,985	\$(270,239)
Net Cost	\$ 327,167	\$ 379,685	\$ 379,685	\$ 0

FY 2022-23 Adjusted Budget for MHSA Division 3260				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$101,055,316	\$104,430,516	\$89,125,086	\$15,305,430
Revenue	\$95,655,072	\$96,235,547	\$71,049,134	\$(25,186,413)
Net Cost	\$5,400,244	\$8,194,969	\$18,075,952	\$(9,880,983)

DISCUSSION:

The County contracted with Trane for HVAC services for equipment at various HCA facilities. The agreements expired on March 31, 2023. To maintain services, HCA proposed, and Trane accepted, to enter into new contracts to provide HVAC scheduled maintenance, repair and rental services at HCA facilities, on substantially similar terms to those of the expired agreements.

Trane is a licensed contractor in the state of California and has performed services for other public entities, including healthcare facilities. In addition, Trane is registered with the California Department of Industrial Relations as required of contractors doing business with a public entity.

The pricing of the Scheduled Service Agreement and Repair Service Agreement was obtained through competitive bidding by Omnia Partners, a cooperative purchasing organization for public sector procurement and contracting. In addition, labor rates in the agreements are based on prevailing wage rates (as required by the Omnia Partners contract bid form) and are exempt from the County's Living Wage Ordinance.

Pursuant to the proposed Scheduled Service Agreement, Trane will provide scheduled maintenance services at 10 HCA facilities. The HVAC equipment serving the facilities includes equipment made by five different manufacturers, spanning more than 30 years in age. Pursuant to the proposed Repair Service Agreement, Trane will provide repair services, and any related replacement rental services, for the same facilities and equipment covered by the Scheduled Service Agreement.

Finally, over the terms of the agreements, facilities may be added to or removed from coverage and facilities within sites could change, impacting the allocation of expenses among various budget units. Recommendations No. 3 and 4 are included in order to facilitate any such adjustments.

This letter has been reviewed by the County Executive Office, County Counsel, Auditor-Controller's Office, and General Services Agency Procurement Services. If you have any questions regarding this item, please call John Fankhauser, M.D., Chief Executive Officer, County Hospitals, at 805-652-6058.



John Fankhauser, M.D.
Chief Executive Officer, County Hospitals



Barry L. Zimmerman
Health Care Agency Director

EXHIBITS

Exhibit 1 – Trane U.S. Inc. dba Trane - Scheduled Service Agreement

Exhibit 2 – Trane U.S. Inc. dba Trane - Repair Service Agreement