

October 8, 2024

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

**SUBJECT:**

**Ratification and Approval of, and Authorization for the Health Care Agency (HCA) Director to Sign, the Eleventh Amendment to the Agreement with Core Linen Services, Inc. for Laundering Services, Increasing the Maximum Contract Amount from \$8,094,383 to \$8,400,000 (an Increase of \$305,617) Through October 31, 2024; Approval of, and Authorization for the HCA Director to Make Limited Contract Modifications and Extend the Terms of the Agreement for Up to Two One Year Terms With a Not to Exceed Maximum of \$1,500,000 Per Contract Year.**

**RECOMMENDATIONS:**

1. Ratification and approval of, and authorization for the Health Care Agency (HCA) Director or designee to sign, the Eleventh Amendment to the Agreement with Core Linen Services, Inc., for laundering services, increasing the maximum contract amount from \$8,094,383 to \$8,400,000 (an Increase of \$305,617) through October 31, 2024 (Contract Year 9). (Exhibit 1)
2. Authorization for the HCA Director or designee to approve modifications to (a) decrease the amount of the agreement, (b) make contractual budget modifications that do not increase the amount of the agreement (c) approve modifications to the provider service rates that do not exceed 15% of the rates stated in the agreement and which do not increase the amount of the agreement, and (d) make corrections, clarifications, administrative and budgetary changes, business entity name changes from mergers and acquisitions, including payment information, scheduling, and technical changes to the agreement, when the changes are consistent with the original purpose of the agreement and do not result in additional costs to the County, subject to County Counsel review and approval.
3. Authorization for the HCA Director or designee to extend the term of the agreement, up to two (2) times for a period one (1) year each, starting with Contract Year 10, from

November 1, 2024 through October 31, 2025, on the same or more favorable terms and conditions (with any changes in the Scope of Work to be consistent with the original purpose of the agreement), and for up to an amount not to exceed (a) \$1,500,000 per contract year and (b) any Board-approved increase made to the amount within each contract year. All extensions would be subject to all necessary prior appropriations and other budgetary approvals by your Board and review and approval as to form by County Counsel.

**REASON FOR RATIFICATION:**

Expenditures in Contract Year 9 exceeded projections due to increase census and the opening of additional beds compared to the previous contract year. HCA is presenting this amendment to your board at it's earliest opportunity.

**FISCAL IMPACT:**

Mandatory: No  
 Source of Funding: VCMC Operating Revenues/Collections  
 Funding Match Required: None  
 Impact on Other Departments: N/A

Summary of Annual Revenues and Costs Under this agreement:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
REVENUE:	\$1,305,617	\$1,500,000
DIRECT COSTS:	\$1,305,617	\$1,500,000
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

**CURRENT FISCAL YEAR BUDGET:**

<b>Current FY 2024-25 Budget Projections for Ventura County Medical System #3300</b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$720,985,484	\$720,985,484	\$720,985,484	\$0
Revenue	\$721,404,225	\$721,404,225	\$721,404,225	\$0
Operational Income/(Loss)	\$418,741	\$418,741	\$418,741	\$0

Sufficient revenue and appropriations are included in the FY 24-25 budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

**STRATEGIC PLAN PRIORITY:**

The item presented in this Board letter ties to the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing equitable and timely access to quality healthcare services.

**DISCUSSION:**

**Recommendation 1:**

***Core Linen Services, Inc.***, has provided laundry services for various medical facilities throughout Ventura County. As part of the agreement, the County utilizes both onsite and offsite laundry services to meet the needs of each facility.

The proposed eleventh amendment to the agreement with Core Linen Services Inc., is needed to increase the not-to-exceed amount of the agreement by \$305,617 to ensure adequate funding is available to cover services through the term of the agreement.

HCA recommends approval of, and authorization for the HCA Director or designee to sign, the Eleventh Amendment to the Agreement with Core Linen Services, Inc., for laundering services, increasing the maximum contract amount from \$8,094,383 to \$8,400,000 (an increase of \$305,617) through October 31, 2024.

**Recommendation 2:**

In order to timely respond to needed changes to achieve contract goals and ensure costs are maintained within available funding and budgets, HCA also requests authorization for the HCA Director or designee to amend the agreement to (a) decrease the amount of the agreement, (b) make contractual budget modifications that do not increase the amount of the agreement (c) approve modifications to the provider service rates that do not exceed 15% of the rates stated in the agreement and which do not increase the amount of the agreement, and (d) make corrections, clarifications, administrative and budgetary changes, business entity name changes from mergers and acquisitions, including payment information, scheduling, and technical changes to the agreement, when the changes are consistent with the original purpose of the agreement and do not result in additional costs to the County, subject to County Counsel review and approval.

**Recommendation 3:**

HCA requests authorization for the HCA Director or designee to extend the term of the agreement in Recommendation No. 1, up to two (2) times for a period one (1) year each, starting with Contract Year 10, from November 1, 2024 through October 31, 2025, on the same or more favorable terms and conditions (with any changes in the Scope of Work to be consistent with the original purpose of the agreement), and for up to an amount not to exceed (a) \$1,500,000 per contract year and (b) any Board-approved increase made to the amount within each contract year. All extensions would be subject to all necessary prior

appropriations and other budgetary approvals by your Board and review and approval as to form by County Counsel.

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



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John Fankhauser, MD MHA  
Chief Executive Officer, County Hospitals



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Theresa Cho, MD, MHA  
Health Care Agency Director

Attachment:  
Exhibit 1 - Core Linen Services Inc., - A11