

October 29, 2024

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

SUBJECT:

Ratification, Approval of, and Authorization for the Purchasing Agent or Designee to Sign, Amendment No. 18 to Contract No. 7381 with Servicon Systems, Inc. (Servicon) for Custodial Services, Increasing the Not-To-Exceed Amount by \$20,002 from \$2,204,998 to \$2,225,000 for FY2023-24 and Increasing by \$395,002 from \$2,204,998 to \$2,600,000 the Not-To-Exceed Amount for FY2024-2025; Approval of, and Authorization for the Purchasing Agent or Designee to Make Limited Contract Modifications and Extend the Terms of the Agreement.

RECOMMENDATION:

1. That your Board ratify, approve, and authorize the Purchasing Agent or designee to sign, Amendment No. 18 to contract No. 7381 with Servicon Systems, Inc. (Servicon) for custodial services increasing the not-to-exceed amount by \$20,002 from \$2,204,998 to \$2,225,000 for FY2023-24 and increasing the not-to-exceed amount by \$395,002 from \$2,204,998 to \$2,600,000 for FY2024-25.
2. That your Board approve, and authorize the Purchasing Agent or designee to approve modifications to the Contract by amendments 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 10% 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, excluding a change in Taxpayer ID Number, 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 Purchasing Agent or designee to sign Amendments to extend the term of the Agreement, 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) the amount of the

Agreement specified above and (b) any Board-approved increase made to the Agreement amount within FY 2024-25. 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:

After the July 23, 2024 Board meeting, HCA received outstanding invoices for services provided during FY 2023-2024. Servicon has continued to provide services pending anticipated approval from your Board.

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 2023-24</u>	<u>FY 2024-25</u>
REVENUE:	\$20,002	\$395,002
DIRECT COSTS:	\$20,002*	\$395,002
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

*Accrued in FY 2023-24

CURRENT FISCAL YEAR BUDGET:

Current FY 2024-25 Budget Projections for Ventura County Medical System #3300				
	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 supports the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing access to quality healthcare required for our community to thrive.

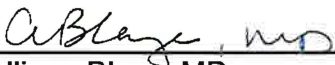
DISCUSSION:

Servicon provides custodial services for HCA. On July 23, 2024, Your Board approved for the Purchasing Agent to sign Amendment 17, extending the Agreement until June 30, 2025 and increasing the amount to \$2,204,998. The Amendment before your Board increases the not-to-exceed amount by \$20,002 from \$2,204,998 to \$2,225,000 for FY2023-24 to cover invoices received after the July 23, 2024 meeting of your Board.

The Governor of California recently signed Senate Bill 525, which raises the minimum wage for health care workers to \$21 per hour, effective January 1, 2025. Because of increased payroll costs and anticipating an increased use of services, Amendment 18 will also increase the fiscal year not-to-exceed amount by \$395,002 from \$2,204,998 to \$2,600,000 for FY2024-25.

Future Flexibility: HCA is also requesting authorization for the Purchasing Agent or designee to have flexibility in managing this Agreement by executing amendments for extensions, corrections, minor modifications, budget adjustments, adjustments to purchasing documents, business entity name changes from mergers and acquisitions, excluding a change in Taxpayer ID Number, adding and deleting service locations, and increasing and decreasing of the contract budget items up to the new “not-to-exceed” aggregated amount of \$2,600,000 per year, subject to approval as to form by County Counsel. This will allow HCA to better respond to operational needs.

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 Allison Blaze, M.D., Interim Chief Executive Officer, Ambulatory Care, at 805-677-5223.



Allison Blaze, MD
Interim Chief Executive Officer, Ambulatory Care



Theresa Cho, MD, MHA
Health Care Agency Director

EXHIBIT

Exhibit 1 – Servicon Systems, Inc. - Amendment No. 18 to Contract No. 7381