

July 23, 2024

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

**SUBJECT:**

**Approval of, and Authorization for the Purchasing Agent or Designee to Sign, Amendment 1 to Scheduled Service Agreement with Trane U.S. Inc. (Trane), for Scheduled Maintenance Services on Heating, Ventilation and Air Conditioning (HVAC) Equipment at Health Care Agency (HCA) Facilities, Effective April 1, 2024, Extending the Term Through August 31, 2027, in an Amount Not to Exceed \$45,920 for April 1, 2024 through May 31, 2024, \$221,907 for June 1, 2024 through December 31, 2024, \$443,147 for Calendar Year 2025, \$475,328 for Calendar Year 2026 and \$302,461 for January 1, 2027 through August 31, 2027; and Approval of, and Authorization for the Purchasing Agent or Designee to Sign, Amendment 1 to Repair Service Agreement with Trane, Covering Repair and Rental Services for HVAC Equipment at HCA Facilities, Effective June 1, 2024, Extending the Term Through August 31, 2027, in an Amount Not to Exceed \$375,000 for June 1, 2024 through December 31, 2024, \$375,000 for Calendar Year 2025, \$375,000 for Calendar Year 2026 and \$375,000 for January 1, 2027 through August 31, 2027; Authorization for the Purchasing Agent to Adjust Allocation of the Aggregate Contract Amounts Among HCA Departments; Ratification of HCA's Authorization for Trane to Continue 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, Amendment 1 to the Scheduled Service Agreement (Exhibit 1) with Trane U.S. Inc. (Trane), effective April 1, 2024, extending the term through August 31, 2027, in an amount not to exceed \$45,920 for April 1, 2024 through May 31, 2024 (a decrease of \$78,622 from the total of \$124,542 previously approved by your Board), \$221,907 for June 1, 2024 through December 31, 2024, \$443,147 for calendar year 2025, \$475,328 for calendar year 2026 and \$302,461 for January 1, 2027 through August 31, 2027, and ratify the Health Care Agency's (HCA) authorization of Trane 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, Amendment 1 to the Repair Service Agreement (Exhibit 2) with Trane , effective June 1, 2024, extending the term through August 31, 2027, in an amount not to exceed \$375,000 for June 1, 2024 through December 31, 2024, \$375,000 for calendar year 2025, \$375,000 for calendar year 2026 and \$375,000 for January 1, 2027 through August 31, 2027, and ratify HCA's authorization of Trane 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 increase the total amount of the agreement and do not materially change the agreement's 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 1 below as needed, provided that the aggregate amount paid for scheduled services and repair and rental services does not exceed \$45,920 for April 1, 2024 through May 31, 2024, \$596,907 for June 1, 2024 through December 31, 2024, \$818,147 for calendar year 2025, \$850,328 for calendar year 2026 and \$677,461 for January 1, 2027 through August 31, 2027.

#### **REASON FOR RATIFICATION**

The agreements with Trane for HVAC scheduled services and repair and rental services expired on May 31, 2024. Also, prior Board approval for fees from April 1, 2024 were based on an estimated service schedule, and the service schedule is now known so that actual fees may be reflected. HCA authorized Trane to continue providing services in anticipation of your Board's approval of amendments to the agreements.

#### **FISCAL IMPACT:**

Mandatory:	No
Source of Funding:	VCMC operating revenues/Collections/ 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>Contract Year 2024</u>	<u>Contract Year 2025</u>
REVENUE:	\$642,827	\$818,147
DIRECT COSTS:	\$642,827	\$818,147
INDIRECT COSTS:	Minor	Minor
NET REVENUE <COST>	\$0	\$0

**Table 1**

<b>Fund Accounting and Board Funding</b>				
<b>Period</b>	<b>Division</b>	<b>Scheduled Service Agreement</b>	<b>Repair Service Agreement</b>	<b>Total for Period</b>
4/1/2024 - 5/31/2024	3300	\$ 45,920	\$ -	\$ 45,920
	3120	\$ -	\$ -	\$ -
	3260	\$ -	\$ -	\$ -
	<b>Total</b>	<b>\$ 45,920</b>	<b>\$ -</b>	<b>\$ 45,920</b>
6/1/2024 - 12/31/2024	3300	\$ 218,662	\$ 375,000	\$ 593,662
	3120	\$ 2,644		\$ 2,644
	3260	\$ 601		\$ 601
	<b>Total</b>	<b>\$ 221,907</b>	<b>\$ 375,000</b>	<b>\$ 596,907</b>
1/1/2025-12/31/2025	3300	\$ 439,007	\$ 375,000	\$ 814,007
	3120	\$ 3,373		\$ 3,373
	3260	\$ 767		\$ 767
	<b>Total</b>	<b>\$ 443,147</b>	<b>\$ 375,000</b>	<b>\$ 818,147</b>
1/1/2026 -12/31/2026	3300	\$ 470,980	\$ 375,000	\$ 845,980
	3120	\$ 3,542		\$ 3,542
	3260	\$ 806		\$ 806
	<b>Total</b>	<b>\$ 475,328</b>	<b>\$ 375,000</b>	<b>\$ 850,328</b>
1/1/2027 - 8/31/2027	3300	\$ 300,844	\$ 375,000	\$ 675,844
	3120	\$ 1,317		\$ 1,317
	3260	\$ 300		\$ 300
	<b>Total</b>	<b>\$ 302,461</b>	<b>\$ 375,000</b>	<b>\$ 677,461</b>

Sufficient revenues and appropriations are included in the FY24-25 budget for divisions 3300, 3120, and 3260.

**CURRENT FISCAL YEAR BUDGET:**

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

The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

FY 2024-25 Budget Projections for WIC Division 3120				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Appropriations	\$5,566,172	\$5,718,158	\$5,718,158	\$0
Revenue	\$4,808,143	\$4,808,143	\$4,808,143	\$0
Net Cost	\$758,029	\$910,015	\$910,015	\$0

FY 2024-25 Adopted Budget for MHSA Division #3260				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$121,144,062	\$121,144,062	\$121,144,062	\$0
Revenue	\$102,227,444	\$102,227,444	\$102,227,444	\$0
Net Cost	\$18,916,618	\$18,916,618	\$18,916,618	\$0

**STRATEGIC PLAN PRIORITY:**

The items presented in this Board letter align with the County’s strategic priority of Healthy, Safe and Resilient Communities, and the strategic goal to provide equitable and timely access to quality healthcare, mental health, and public healthcare services.

**DISCUSSION:**

The County contracted with Trane for HVAC services for equipment at various HCA facilities, which expired on May 31, 2024. To maintain services, HCA and Trane agreed to extend the terms of the agreements to continue to provide HVAC scheduled maintenance, repair and rental services at HCA facilities until this item could be brought before your Board for approval.

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 because their agreement was obtained through competitive bidding by Omnia Partners, a cooperative purchasing organization for public sector procurement and contracting.

Pursuant to the proposed amendments, Trane will provide repairs and 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, during the duration 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.

A handwritten signature in blue ink, appearing to read 'John Fankhauser', followed by the letters 'MD' in blue ink.

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

A handwritten signature in blue ink, appearing to read 'Theresa Cho'.

Theresa Cho, M.D., MHA  
Health Care Agency Director

**EXHIBITS**

- Exhibit 1 – Trane Amendment 1 to Scheduled Service Agreement
- Exhibit 2 – Trane Amendment 1 to Repair Service Agreement