

October 22, 2019

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93003

**Subject:**

**Approval of Purchase Orders and Increases to Purchase Order Amounts for Four Providers of Various Hospital Services; Approval of Amendments to Contracts with Twelve Providers of Various Services to the Health Care Agency; Delegation of Authority to Increase or Decrease Contract Amounts for Nurse Registries Within Specified Limitations; Ratification of Authorization for Specified Contractors to Continue to Provide Services During Fiscal Year 2018-2019 and/or Fiscal Year 2019-2020; and Approval of Waiver of County Administrative Manual Policy No. Chapter VI-1, Which Prohibits Interest Provisions in County Contracts, With Respect to the Innovative Product Achievements, LLC Linen Control Subscription Agreement.**

**Recommendations:**

1. That your Board approve, and authorize the Purchasing Agent, Health Care Agency (HCA) Director or designees to sign, amendments to the agreements with DMS Imaging, Inc. (Exhibit 2), Script Care, Ltd. (Exhibit 9), and Unilab Corporation dba Quest Diagnostics (Exhibit 4) extending the terms of the agreements, increasing the aggregate not-to-exceed amount to \$2,582,945 for FY 2018-19 (as set forth in Table 1) and establishing an aggregate not-to-exceed amount of \$2,530,000 for FY 2019-20 (as set forth in Table 3), and ratify HCA's authorization of the contractors to continue to provide services pending your Board's approval of the contract amendments.
2. That your Board approve, and authorize the Purchasing Agent, HCA Director or designees to sign, amendments to the agreements with City of San Buenaventura (Exhibit 3), Quest Diagnostics Nichols Institute and Quest Diagnostics Nichols Institute, Inc. (Exhibit 4), Quincy MD LLC (Exhibits 5 and 6), Pridestaff, Inc. dba Rx Relief (Exhibit 7), Cross Country Staffing, Inc. (Exhibit 8), and Haemo-Stat, Inc. (Exhibit 13), extending the term of some of the agreements and establishing an aggregate not-to-exceed amount of \$5,911,154 for FY 2019-20 (as set forth in Table 3), and ratify HCA's authorization of the contractors to continue to provide services pending your Board's approval of the contract amendments.

3. That your Board approve, and authorize the Purchasing Agent, HCA Director or designees to sign, amendments to the agreements with Aya Healthcare, Inc. (Exhibit 10), extending the term of the agreement, and Meditech Health Services, Inc. (Exhibit 11), extending the term of the agreement and modifying the rate sheet, and ratify HCA's authorization of the contractors to continue to provide services pending your Board's approval of the contract amendments.
4. That your Board authorize the Purchasing Agent or designee to issue and/or increase purchase orders with California Business Bureau, Inc., in the amounts of \$529,000 for FY 2018-19 and \$450,000 for FY 2019-20, California Department of Public Health Genetic Disease Screening Program, in the amounts of \$266,700 for FY 2018-19 and \$267,000 for FY 2019-20, Modern Diagnostics Medical Services, Inc., in the amounts of \$208,520 for FY 2018-19 and \$210,000 for FY 2019-20, and NeoGenomics Laboratories, Inc., in the amount of \$500,000 for FY 2019-20 (as set forth in Table 2 and Table 4), and ratify HCA's authorization of the contractors to continue to provide services pending your Board's approval of this recommendation.
5. That your Board authorize the Purchasing Agent or designee to increase or decrease the individual contract amounts for the nurse registries identified in Table 5 during FY 2019-20 as needed, provided that the aggregate amount paid for temporary nurse staffing services in FY 2019-20 does not exceed \$2,000,000.
6. That your Board waive County Administrative Manual Policy No. Chapter VI-1, which prohibits interest provisions in County contracts, with respect to the Innovative Product Achievements, LLC Linen Control Subscription Agreement (Exhibit 12).

**Reason for Ratification:**

HCA authorized the contractors to continue providing critical services pending your Board's approval of the necessary contract amendments and purchase order increases.

**VCMC Fiscal Impact:**

Mandatory:	No
Source of Funding:	VCMC Operating Revenues/Collections/ General Fund
Funding Match Required:	None
Impact on Other Departments:	NA

Summary of Annual Revenues and Costs under these Agreements:

	FY 2018-19	FY2019-20
REVENUE:	\$466,165	\$8,543,016
DIRECT COSTS:	\$466,165	\$8,543,016
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

**Current Year Fiscal Budget**

Preliminary FY 2019-20 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated (Savings/Deficit)
Expenditures	\$504,040,129	504,040,129	\$504,040,129	\$0
Revenue	\$501,052,444	501,052,444	\$501,052,444	\$0
Operational Income/(Loss)	(\$2,987,685)	(\$2,987,685)	(\$2,987,685)	\$0

**Table 1:** Contains HCA requests for FY 2018-19 for vendors with new contract amendments attached where required.

VENDOR	FY 2017-2018 EXPENDITURES	FY 2018-2019 ENCUMBRANCE	FY 2018 - 2019 INCREASE or <DECREASE>	FY 2018-2019 TOTAL ENCUMBRANCE
DMS Imaging, Inc.	\$440,321	\$364,000	\$62,000	\$426,000
Script Care, Ltd.	\$316,278	\$652,000	\$2,600	\$654,600
Unilab Corporation dba Quest Diagnostics (VC00017249)	\$1,206,903	\$1,255,000	\$247,345	\$1,502,345
TOTAL	\$1,963,502	\$2,271,000	\$311,945	\$2,582,945

**Table 2:** Contains the requests for FY 2018-19 for contractors providing services under annual purchase orders

VENDOR	FY 2017-2018 EXPENDITURES	FY 2018-2019 ENCUMBRANCE	FY 2018-2019 INCREASE or <DECREASE>	FY 2018-2019 TOTAL ENCUMBRANCE
California Department of Public Health – Genetic Disease Screening Program	\$213,358	\$250,000	\$16,700	\$266,700
Modern Diagnostics Medical Services, Inc.	\$193,715	\$200,000	\$8,520	\$208,520
California Business Bureau, Inc.	\$283,124	\$400,000	\$129,000	\$529,000
TOTAL	\$690,197	\$850,000	\$154,220	\$1,004,220

**Table 3:** Contains the requests for FY 2019-20 for contractors with new contract amendments attached where required.

<b>VENDOR</b>	<b>FY 2018-2019 EXPENDITURES</b>	<b>FY 2019-2020 ENCUMBRANCE</b>	<b>FY 2019-2020 INCREASE or &lt;DECREASE&gt;</b>	<b>FY 2019-2020 TOTAL ENCUMBRANCE</b>
City of San Buenaventura	\$527,692	\$200,000	\$367,154	\$567,154
DMS Imaging, Inc.	\$426,000	\$200,000	\$240,000	\$440,000
Quest Diagnostics Nichols Institute (VC00015644)	\$3,573,670	\$200,000	\$3,400,000	\$3,600,000
Unilab Corporation dba Quest Diagnostics (VC00017249)	\$1,502,345	\$200,000	\$1,300,000	\$1,500,000
Quest Diagnostics Nichols Institute, Inc. (VC00017086)	\$18,818	\$14,000	\$0	\$14,000
Quincy MD LLC	\$86,370	\$0	\$225,000	\$225,000
Haemo-Stat, Inc.	\$820,384	\$741,138	\$148,862	\$890,000
Cross Country Staffing, Inc.	\$439,539	\$200,000	\$245,000	\$445,000
Script Care, Ltd.	\$645,600	\$200,000	\$390,000	\$590,000
Pridestaff, Inc.	\$114,447	\$170,000	\$0	\$170,000
<b>TOTAL</b>	<b>\$8,154,865</b>	<b>\$2,125,138</b>	<b>\$6,316,016</b>	<b>\$8,441,154</b>

**Table 4:** Contains the requests for FY2019-20 for contractors providing services under annual purchase orders

<b>VENDOR</b>	<b>FY 2018-2019 EXPENDITURES</b>	<b>FY 2019-2020 ENCUMBRANCE</b>	<b>FY 2019-2020 INCREASE or &lt;DECREASE&gt;</b>	<b>FY 2019-2020 TOTAL ENCUMBRANCE</b>
California Department of Public Health – Genetic Disease Screening Program	\$266,700	\$200,000	\$67,000	\$267,000
NeoGenomics Laboratories, Inc.	\$594,309	\$200,000	\$300,000	\$500,000
California Business Bureau, Inc.	\$529,000	\$400,000	\$50,000	\$450,000
Modern Diagnostics Medical Services, Inc.	\$208,520	\$200,000	\$10,000	\$210,000
<b>TOTAL</b>	<b>\$1,598,529</b>	<b>\$1,000,000</b>	<b>\$427,000</b>	<b>\$1,427,000</b>

**Table 5:** Contains the requests for FY 2019-20 for registry services.

<b>VENDOR</b>	<b>FY 2018-2019 EXPENDITURES</b>	<b>FY 2019-2020 ENCUMBRANCE</b>	<b>FY 2019-2020 INCREASE or &lt;DECREASE&gt;</b>	<b>FY 2019-2020 TOTAL ENCUMBRANCE</b>
AYA Healthcare, Inc.	\$1,801,736	\$200,000	\$1,650,000	\$1,850,000
Maxim Healthcare	\$0	\$0	\$0	\$0
Meditech Health Services, Inc.	\$102,395	\$0	\$150,000	\$150,000
Cross Country Staffing, Inc.	\$0	\$0	\$0	\$0
Medical Solutions, L.L.C.	\$0	\$0	\$0	\$0
NurseCoreReady Link, Inc.	\$0	\$0	\$0	\$0
CHG Medical Staffing, Inc. dba RN Network	\$0	\$0	\$0	\$0
Star Nursing, Inc.	\$0	\$0	\$0	\$0
SHC Services, Inc.	\$0	\$0	\$0	\$0
Titan Nurse Staffing LLC	\$0	\$0	\$0	\$0
Valley Healthcare Staffing	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$1,904,131</b>	<b>\$200,000</b>	<b>\$1,800,000</b>	<b>\$2,000,000</b>

## **DISCUSSION:**

Pursuant to Government Code Section 25502.5, approval must be secured from your Board for all services that are expected to exceed the Purchasing Agent's authority (\$200,000) during the fiscal year.

HCA contracts with a number of different contractors to ensure the provision of full care and complete services for patients. These contractors include staffing registries, consulting services and other specialty services supporting HCA. A summary describing the services provided by each vendor is listed in Exhibit 1.

In addition to authorization to extend the terms of the contracts and establish FY 2019-20 contract amounts, HCA seeks to increase some FY 2018-19 contract amounts due to increased utilization of services provided by the vendors and contracts that expired during the prior fiscal year.


HCA has reviewed its existing services and determined that the projections for the current fiscal year require amendments. The contract amounts projected for FY 2019-20 are based on prior year expenditures, anticipated usage based on future growth, and costs necessary to satisfy compliance requirements in specific areas. Ongoing monitoring for contractor performance and contract compliance is regularly conducted throughout the fiscal year to ensure the provision of high quality services.



Innovative Product Achievements, LLC (IPA) provides an automated linen dispensing system for healthcare providers. This service will help VCMC increase productivity, support infection prevention control efforts, and provide tangible cost savings by reducing replacement and processing costs for surgical scrubs and linens. The contract with IPA requires HCA to pay a late fee on any late payments. HCA negotiated favorable revisions to the contract, including the exclusion of an attorney fees provision, but, at IPA's request, agreed to seek your Board's approval of a waiver of the prohibition on late charge provisions. Accordingly, we are requesting that your Board waive County Administrative Policy No. Chapter VI-1, which prohibits the inclusion of late payment provisions in County contracts.

The proposed increases are offset by revenues that individual departments generate and sufficient appropriations are included in the FY 2019-20 adopted budget.

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 these recommendations, please contact John Fankhauser, MD, Ventura County Medical Center and Santa Paula Hospital Chief Executive Officer, at (805) 652-6058.

  
John Fankhauser, MD  
VCMC/SPH Chief Executive Officer  
Karla Valle  
Health Care Agency Chief Financial Officer  
William T. Foley  
Health Care Agency Director

Exhibits

1. Vendor Summary
2. DMS Imaging, Inc. Amendment No. 1
3. City of San Buenaventura Amendment No. 5
4. Quest Amendment No. 8
5. Quincy MD LLC Amendment No. 17

6. Quincy MD LLC Amendment No. 4
7. Pridestaff, Inc. Amendment No. 12
8. Cross Country Staffing Amendment No. 13
9. Script Care, Ltd. Amendment No. 8
10. Aya Healthcare, Inc. Amendment No. 5
11. Meditech Health Services, Inc. Amendment No. 21
12. Innovative Product Achievements, LLC Linen Control Subscription Agreement
13. Haemo-Stat, Inc. Amendment No. 8