



County of Los Angeles
**CHIEF EXECUTIVE OFFICE
OPERATIONS CLUSTER**

WILLIAM T FUJIOKA
Chief Executive Officer

REVISED

DATE: September 9, 2010
TIME: 12:30 p.m.
LOCATION: Kenneth Hahn Hall of Administration, Room 830

AGENDA

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.
Three (3) minutes are allowed for each item.

1. Call to order – Ellen Sandt
 - A) **Office of Public Safety Workforce Reduction**
DHR – Lisa Garrett or designee
 - B) **Board Letter – Approval of a Sole Source Agreement for Supply Chain Procurement and Data Management Services**
DHS - Wendy Schwartz or designee
 - C) **Discussion of Draft Letter to Unincorporated Areas' Constituents Regarding LAPD Alarm Permits**
CEO – Gevork Simdjian or designee
2. Public Comment
3. Adjournment



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

August 31, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Lisa M. Garrett
Director of Personnel

OFFICE OF PUBLIC SAFETY WORKFORCE REDUCTION

On December 15, 2009, and during Final Changes of the budget process, your Board instructed the Department of Human Resources (DHR) to implement a workforce reduction plan consistent with Civil Service Rules and Board policy based upon the elimination of the Office of Public Safety (OPS), now effective September 30, 2010.

Background

On December 15, 2009, your Board approved the elimination of OPS and the absorption of its duties and functions into the Sheriff's Department (Sheriff). DHR has worked collaboratively with the Chief Executive Office (CEO) and Sheriff to absorb existing, qualified OPS staff into recommended budgeted positions in the Sheriff. County Police Officers who did not qualify for sworn positions were offered non-sworn positions wherever possible. Those sworn and civilian OPS employees not approved for hire by the Sheriff were referred to DHR for alternative placement, where possible.

Placement Activities

Managers and staff from the CEO (Public Safety Cluster, Employee Relations, and Risk Management Branch), DHR, Sheriff and County Counsel have engaged in weekly meetings to facilitate the placement of the 512 employees of OPS and mitigate potential

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layoffs. The Sheriff has hired, or is in the process of hiring, 386 sworn and civilian OPS employees. Approximately 32 OPS employees have announced their intent to retire or resign from County service.

For the remaining 94 employees that were disqualified for hire or transfer to the Sheriff, DHR conducted the following placement activities:

- Engaged the Department of Community and Senior Services (CSS) to provide four job search seminars, which included assistance with resume writing, interviewing strategies, job search techniques, financial planning, and potential job retraining opportunities.
- Held an informational briefing for all OPS staff concerning the planned placement activities and efforts to mitigate layoffs.
- Coordinated a job fair specifically for OPS employees in which 15 County departments participated.
- Created an online transfer portal for OPS employees to post resumes for review by County departments.
- Jointly with the CEO, notified all Department Heads of the immediate need to place OPS employees impacted by the consolidation. Additionally, department managers were provided a list of vacancies in their respective departments and the names of specified OPS staff that should be considered for these positions based on their prior job experience and/or education.
- Advised departments to give first consideration to qualified employees at OPS, prior to hiring from certification lists.
- Coordinated interviews to place OPS employees. Where possible, the knowledge, skills, and abilities of OPS employees are matched with available vacancies and the most comparable pay levels were considered.

Current Status

At the present time, 46 employees have accepted job offers from other County departments. The employees are currently in various stages of the hiring process, including, background checks, and if required, medical and psychological examinations.

To date, there are approximately 48 OPS employees who may be subject to workforce reduction. This number includes those employees who have not yet received job offers, refused to participate in our placement efforts, declined a position at the Sheriff or other County departments, are under investigation, pending disciplinary action, or are on an

Each Supervisor
August 31, 2010
Page 3

approved leave of absence and have not met the Sheriff's or other County departments' hiring standards. These numbers fluctuate as an employee's status changes daily.

In light of the preceding, DHR is preparing to implement a workforce plan according to applicable Board policies, Civil Service Rule 19 and Memorandums of Understanding with employee unions. The CEO Employee Relations Division has provided regular updates to the unions of the County's efforts to mitigate the need for layoffs. Further, DHR and the CEO will provide a second informational briefing to the OPS staff in early September concerning the status of their placement efforts. Any OPS employees not placed by September 30, 2010, will be laid off. However, the names of such individuals will be entered on a reemployment list pursuant to Civil Service Rule 19 and departments will be encouraged to fill their vacancies from the reemployment list prior to hiring from other eligible lists.

DHR will continue to aggressively coordinate efforts to place potentially impacted employees in other County departments. We will provide your Board with another status report in mid-September.

If you have any questions, please have your staff contact Deputy Chief Executive Officer, Ellen Sandt at (213) 974-1186 or at esandt@ceo.lacounty.gov or Lisa M. Garrett at (213) 974-2406 or at lgarrett@hr.lacounty.gov.

WTF:BC:ES:
LMG:MLH:SKT:
MCF:cg

c: County Counsel
Executive Office, Board of Supervisors
Affirmative Action Compliance
CEO Employee Relations



Health Services
LOS ANGELES COUNTY

September 21, 2010

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

John F. Schunhoff, Ph.D.
Interim Director

Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF A SOLE SOURCE AGREEMENT FOR SUPPLY CHAIN
PROCUREMENT AND DATA MANAGEMENT SERVICES
(ALL SUPERVISORIAL DISTRICTS)
3 VOTES**

CIO RECOMMENDATION: APPROVE (X) APPROVE WITH
MODIFICATION () DISAPPROVE ()

SUBJECT

Request approval of a sole source Agreement with Global Healthcare Exchange, L.L.C. for the provision of supply chain procurement and data management services for the Department of Health Services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services (Interim Director), or his designee, to sign a sole source Agreement and the standard User Agreement with Global Healthcare Exchange, L.L.C. (GHX) for the provision of supply chain procurement and data management services for the Department of Health Services (DHS or Department), effective upon Board approval, through June 30, 2013, with a maximum obligation of \$1,204,150 for the term of the Agreement consisting of \$520,300 in one time only start-up fees and an annual cost of \$244,100.
2. Delegate authority to the Interim Director, or his designee, to extend the term of the Agreement, for one two-year extension and six month-to-month extensions, for a maximum total of two years and six months, for the period July 1, 2013 through December 31, 2015, for an additional cost of \$610,250, subject to review and approval by the Chief Executive Office (CEO), Chief Information Office (CIO), and County Counsel.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: 213-240-8101
Fax: 213-481-0503

www.dhs.lacounty.gov

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3. Delegate authority to the Interim Director, or his designee, to increase the maximum obligation by no more than 10 percent, for the term effective upon Board approval through June 30, 2013 and the possible two year and six month extension period, for an amount not to exceed \$120,415 subject to review and approval by the CEO, CIO, and County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

GHX is a Business Exchange (BX) consisting of healthcare providers and healthcare product vendors. The primary members of GHX are also the members of the University HealthSystem Consortium (UHC), of which DHS is a member. The purpose of GHX is to provide each member current and up to date procurement data regarding medical supplies and assist members with maintaining a uniform and efficient supply formulary for medical and surgical supplies they purchase. As a member of UHC, the Department benefits from group discounts for all medical supplies covered under UHC established vendor contracts. Currently, DHS benefits from the economies of scale; however, DHS can increase its savings and utilize its buying power more effectively by using the GHX procurement data management services. DHS' Supply Chain Management Office anticipates identifying increased potential savings by using the GHX management services tools to help refine DHS' supply formulary. Based on Data from GHX, members who have purchased and implemented data management services similar to those being purchased by DHS, have on average saved two to six percent of their current purchasing costs. DHS expects to fall within this average range.

Approval of the first recommendation will authorize the Interim Director, or his designee, to execute a sole source Agreement, substantially similar to Exhibit I, that will provide supply chain procurement and data management services to support the Department's supply chain initiatives. GHX offers data management services that will maximize DHS' supply chain results by assisting in the development of a standardized supply formulary, implementing controls to ensure compliance with the established formulary, reconciling and cleansing purchasing data for consistency and completeness and hosting established supplier agreements and pricing to automate the reconciliation of purchases to DHS' supply catalog. Moreover, this Agreement will assist the Department in its transition to eCAPS Procurement and the eventual sun setting of the Hospital Material Management System (HMMS).

The attached User Agreement (Exhibit A) is GHX's standard agreement which provides the signor membership in the BX. This membership allows the County to avail itself of the contracted procurement and data management services. All members of this BX are required to agree to the standard terms and conditions with some negotiated exceptions.

The Department is recommending a sole source Agreement with GHX on the basis that this company currently has an agreement with UHC for these services that was a result of UHC's contracting process. UHC's contracting process determined that GHX has unique qualifications, expertise and knowledge of supply chain data management that will facilitate the implementation of these services and the firm is the only company that focuses on healthcare supply chain data management services in the United States. There are other companies that perform materials management services. However, these companies do not have the proven technology and expertise to provide the sophisticated data analysis and management that can service DHS' needs.

The recommended Agreement with GHX will enable DHS to manage a supply formulary and vendor contracts for DHS commodities, as well as create a tracking mechanism for the Department's purchasing history. In addition the Agreement will maximize supply chain automation, ensure compliance by implementing controls and standards, and provide the Department with the data necessary to effectively manage the supply chain process.

Approval of the second recommendation will delegate authority to the Interim Director to extend the term of the Agreement, for one two-year term and six month-to-month extension, for a maximum of two years and six months, for the period July 1, 2013 through December 31, 2015, subject to review and approval by the CEO, CIO, and County Counsel.

Approval of the third recommendation will allow the Department to increase the maximum total obligation for the entire term of the agreement, including any extension periods, by no more than 10 percent of the initial term cost. This will cover any expenses related to unforeseen and unanticipated hands-on technical assistance with the operation of the data and procurement management tools and software. The Department included estimated expenditures for technical assistance, however; this contingency allows the Department to access technical assistance beyond the department's estimates.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness and Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum obligation for the Agreement with GHX, effective upon Board approval, through June 30, 2013, is \$1,204,150. This cost includes \$520,300 in one time start-up fees as well as 244,100 in annual expenditures. Under delegated authority, potential costs include \$610,250 based on annual expenditures of \$244,100 to extend the term of

the Agreement for the period July 1, 2013 through December 31, 2015. \$120,415 to cover any expenses related to unforeseen unanticipated technical assistance. The total maximum obligation for this Agreement is \$1,934,815, as identified in Attachment I.

Funding is included in DHS' Fiscal Year 2010-11 Adopted Budget Services & Supplies Appropriation and will be requested in future fiscal years. This expenditure will be offset by credits received from the Department's UHC membership. As a member of UHC, DHS receives credits from the Group Purchasing Organization (GPO) known as patronage credits and equity credits. Patronage credits are awarded to members based on their purchases of goods through UHC agreements. Since UHC is a membership owned organization, each member maintains a level of equity in the GPO. Excess equity is returned to the member as a credit. DHS has reached its maximum allowable patronage equity level and as such now receives patronage credits in lieu of increased equity. These credits can be used to purchase membership and services from GHX. DHS will utilize UHC Patronage Credits and UHC Patronage Equity to fund this program.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DHS has maintained membership in UHC, a not-for-profit member alliance of approximately 107 academic medical centers and its medical commodity contracting division, Novation, since 1997. As a member of the UHC, DHS has the ability to access the UHC agreements as an alternative to conducting a competitive solicitation. GHX has a current agreement with UHC that was the result of the Novation contracting process. The Department's requested sole source Agreement with GHX is supported by the fact that this is the only company with proven healthcare supply chain data management services and it is currently integrated with all major GPOs, including Novation.

The Department entered into sole source negotiations with GHX in January 2010. As a member based organization, GHX requires its members to sign the GHX User Agreement that contains some terms and conditions that deviate from the traditional County contract provisions. Negotiations with GHX have been time consuming and extensive. Although the terms and conditions were aggressively negotiated over the last several months, the deviations described in Attachment II (GHX Negotiated Terms and Conditions) represent the best positions that both parties could agree upon. The GHX Agreement is critical to the Department's efforts to contain rising health care costs for the County. We believe that the recommended Agreement represents a manageable risk exposure to the County that is balanced by the potential cost savings associated with managing the DHS supply chain.

The services provided under this Agreement will not result in the unauthorized disclosure of confidential information and will be in full compliance with federal, State and County regulations.

The Department has determined that these services do not fall under the Proposition A guidelines and therefore are not subject to the Living Wage Ordinance.

The Agreement includes all of the Board of Supervisors' recent mandated provisions.

County Counsel has approved the Agreement as to use and form. The County's CIO recommends approval of this proposed Agreement. Attachment III includes the CIO's analysis for concurrence with the Department's recommendation.

CONTRACTING PROCESS

On December 22, 2009, your Board was notified of the Department's intent to enter into sole source negotiations with GHX for the provision of software and services to support the DHS Supply Chain Operations. An approved Sole Source Checklist (Attachment IV) is included in accordance with Board Policy 5.100 Sole Source Contracts.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will enable the Department to implement supply chain automation and provide DHS with the software necessary to develop a standardized supply formulary.

Respectfully submitted,

Reviewed by:

John F. Schunhoff, Ph.D.
Interim Director

Richard Sanchez
Chief Information Officer

JFS:ms

Attachments (6)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller
Internal Services Department

September XX, 2010

Dear Los Angeles County resident and/or business owner:

In an effort to better serve the residents and business owners of the unincorporated areas of Los Angeles County (County), the Board of Supervisors directed that a study be done to determine if unincorporated area residents were erroneously issued police alarm permits by the City of Los Angeles Police Department (LAPD). Los Angeles Police Department alarm permits are required for residents and business owners within the City limits; the Los Angeles Police Department provides law enforcement services for the City's jurisdiction. However, the Sheriff's Department provides law enforcement services for the unincorporated communities of Los Angeles and over 40 Sheriff Department contract cities. **If your home or business is located in an unincorporated area serviced by the Sheriff Department, you do not need a Los Angeles Police Department alarm permit.** To view a complete list of which communities are served by Los Angeles Sheriff Department patrol stations, please visit their website at <http://sheriff.lacounty.gov/wps/portal/lasd/residents/patrolstations>.

The County requested and received the address information of current LAPD alarm permit holders from the City of Los Angeles Office of Finance (City). The information we received listed the addresses of homes and businesses with an unincorporated area zip code. Please note, in Los Angeles County there are over 60 zip codes that overlap between the City's and the County's jurisdiction.

You are receiving this letter to inform you that the home or business address we received has been identified as a parcel within an unincorporated area of the County. In addition, Geographic Information System software matched your address as a location belonging in an area served by one of the 23 Los Angeles County Sheriff stations.

If you have paid for an LAPD alarm permit but your home or business address listed on the permit is in an unincorporated area serviced by the Sheriff's Department, you may be eligible for a refund. Before you submit a claim for a refund, please check your records to confirm you meet the following conditions:

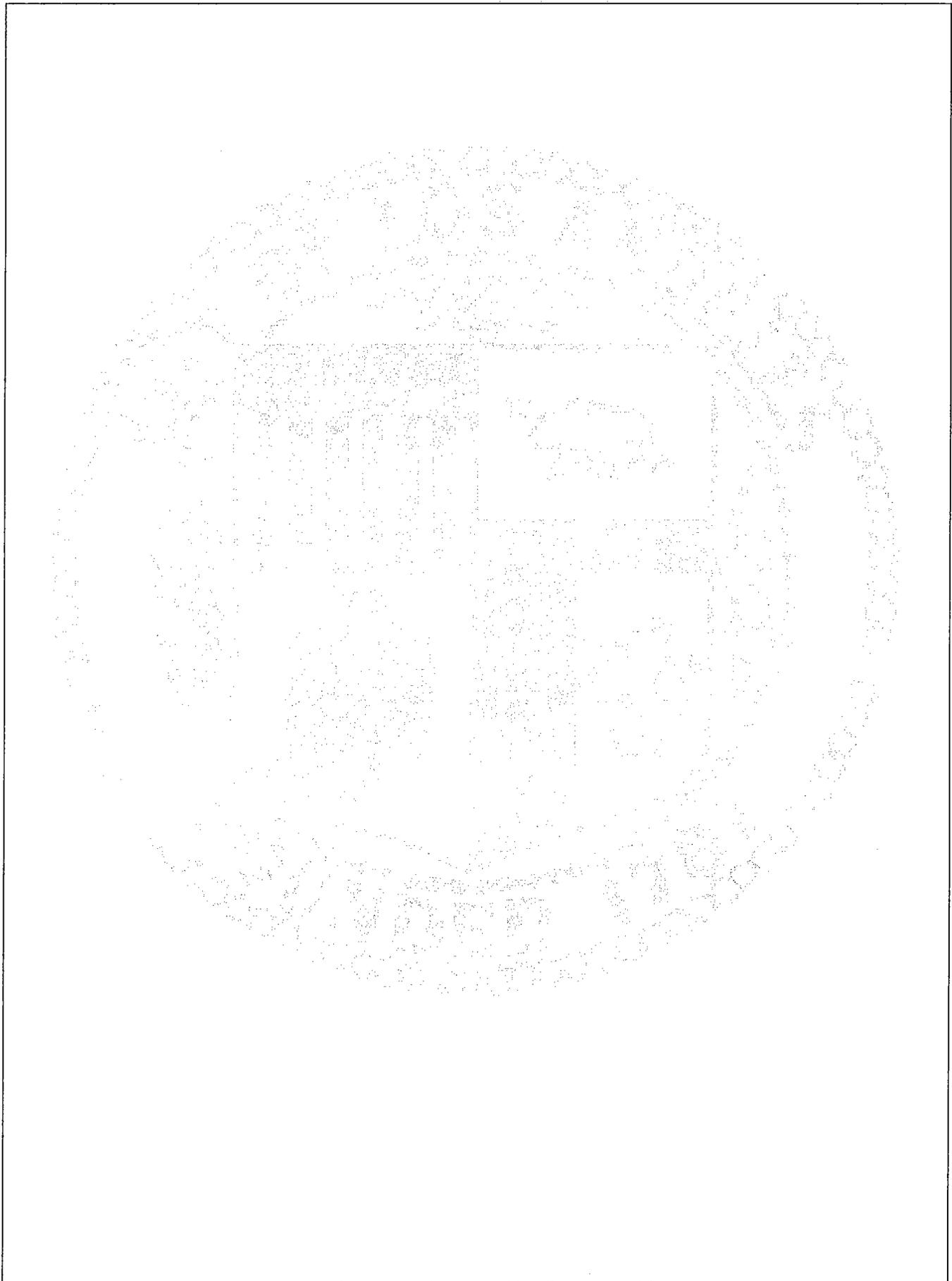
- You have a current LAPD alarm permit for your house or business which is located in an unincorporated area of Los Angeles County (see website listed above).
- Your house or business is serviced by a Los Angeles Sheriff Station.

In order to obtain a refund for a current, erroneously issued LAPD alarm permit, the permit holder must fill out and sign a "CLAIM FOR REFUND" and mail it back to:

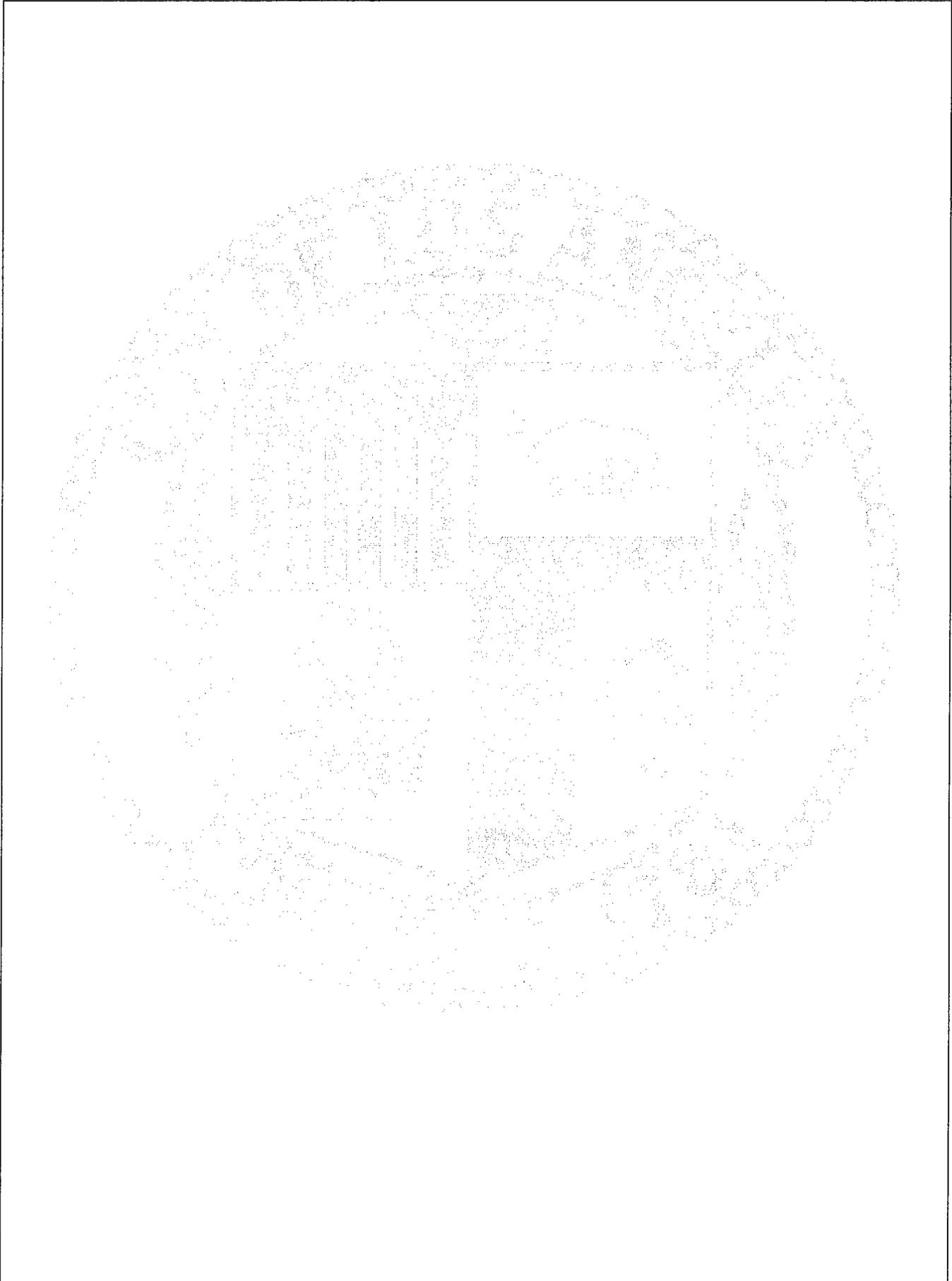
Office of the City Clerk
Refund Processing
P.O. Box 53200
Los Angeles, CA 90053-0200

For your convenience, a copy of the CLAIM FOR REFUND APPLICATION and instructions are included in this letter. However, if you need additional copies, please contact the Office of Finance Customer Service Center at (213) 473-5901 or on the web at <http://finance.lacity.org/finD.htm>.

5. Reasons for filing claim (continued):



5. Reasons for filing claim (continued):



INSTRUCTIONS FOR FILING A CLAIM FOR REFUND APPLICATION

1. A claim is to be filed on Form # 96.006(a) in the name of the claimant as it appears on the Tax Registration Certificate or Permit. **A CLAIM FILED UNDER A FICTITIOUS NAME / DBA IS ACCEPTABLE** Make a copy of claim for your files.
2. If refund is to be mailed to a location other than the business address of record, please enter the refund address under "Mailing Address."
3. Any claim for refund must be filed with the Office of Finance within one year from the date of payment, except for Christmas Tree Lot Cleanup Deposits which must be filed within three years from the date of deposit.
4. Overpayment for more than one tax period or more than one location may be included in one claim.
5. A claim must be signed in accordance with the following:
 - a. Single Proprietorship
The claim must bear an original signature of the claimant.
 - b. Partnerships
The claim must bear an original signature of one or more of the partners.
 - c. Corporations
The claim must bear an original signature of an officer of the corporation with his/her title indicated.
 - d. Limited Liability Companies
The claim must bear an original signature of a managing member.
6. If a "Claim for Refund" is filed for the reason that the applicant has not engaged in the business for which tax was paid, the Tax Registration Certificate must be attached to the claim. **NOTE:** The Municipal Code provides that a 20% service charge shall be deducted from amounts refunded on UNUSED Tax Registration Certificates. A refund cannot be legally made if applicant engaged in the business activity, no matter how brief the period of such operation.
7. Any claim for overpayment must be verified by this office before any refund is approved for payment, or credit allowed against an underpayment. **DO NOT CLAIM CREDIT FOR OVERPAYMENT ON ANY CURRENT OR FUTURE PAYMENT DUE THIS CITY.**
8. The filing of a claim does not stop the running of the applicable statute of limitations for bringing suit on such claim.

If you have any questions regarding the filing of a "Claim for Refund," please call (213) 744-9724.
Return all signed refund claims to:

Office of the City Clerk Office
Refund Processing
P.O. Box 53200
Los Angeles, CA 90053-0200