

SUMMARY/DISCUSSION:

On March 16, 2016, Natividad Medical Center (NMC) issued a Request for Proposal (RFP) #9600-65 to solicit for one or more new agreements for linen processing services and/or scrub rental services from qualified contractors. Mission Linen Supply was the most qualified vendor and was awarded an agreement to provide linen processing services and scrub rental services for NMC. The Board of Supervisors approved Agreement (A-13241) for a one (1) year period for an amount of \$400,000, plus the option to extend the agreement for up to four (4) additional one (1) year options as stated in the RFP.

The original agreement amount of \$400,000 was a projected annual cost, however, NMC estimated that cost too low as it did not anticipate a significant increase to the volume of patients treated at the trauma center when the amount of the contract was projected for the RFP. Since NMC's designation as a Level II Trauma Center in January 2015, requiring specialists and physicians be available 24 hours a day to care for trauma patients, NMC's trauma center has increased its annual volume of patients from 1,375 in 2015 to 1,522 in 2016 and, as a result, the need for scrub rental services and linen processing services has steadily increased as well. Staffing was also increased to keep up with the volume of patients treated at NMC, contributing to the need for Mission Linen to now deliver clean scrubs and pick up dirty scrubs six (6) days a week, where previously they were only delivering three (3) times a week. Due to the increased demand, and based on expenditures to date, NMC is now projecting an annual cost for linen and scrub rental services at \$540,000 instead of \$400,000.

As an acute care hospital, it is the policy of NMC to maintain a supply of clean linens for at least three (3) complete bed changes for the hospital's licensed bed capacity in which soiled/contaminated linen is handled as little as possible and with minimum of agitation to prevent microbial contamination of the air and persons handling the linen. In accordance with Title 22 California Code of Regulations (CCR) § 70825, The Joint Commission (TJC) regulations, as well as any other regulating agency that oversees hospital day-to-day operations, NMC is required to utilize a commercial laundry processing service provider for laundry and linen services including rental services consisting mainly of scrubs, mats, and towels. Mission Linen delivers clean linens and picks up soiled linens for Customer Owned Goods seven (7) days a week and also provides scrub rental services which include tops, bottoms, and warm up jackets in which they currently deliver clean scrubs and pick up dirty scrubs six (6) days a week.

\$140,000 of the \$680,000 increase currently requested is slated for use in this current Fiscal year 2016-17 with the remaining \$540,000 slated for next FY17-18. The original agreement amount was \$400,000 which has proven to be too low to meet current demand for linen processing and scrub rental services.

Approval of the recommended action will allow Mission Linen to continue providing NMC with linen processing services and scrub rental services in accordance with the regulatory requirements and allows NMC to accommodate the increasing volume to have clean linens and scrubs available to the patients and the staff of NMC.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment No.1 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. This amendment No. 1 has also been reviewed and approved by NMC's Finance Committee on March 23, 2017 and by its Board of Trustees on April 7, 2017.

FINANCING:

The cost for this amendment No. 1 is \$680,000, \$140,000 of which is included in the Adopted Budget for Fiscal Year 2016-17 and \$540,000 is included in the FY17-18 Recommended Budget. Should NMC seek extensions of the original agreement, amounts for any extensions will be included in those budgets as appropriate. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The services rendered under this agreement enhance operations at the hospital for improving the patient experience, promotes a healthy environment, and also provides reliable and quality patient care which improves the health and quality of life for patients and their families.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Richard Magana, Environmental Services Director, 783-2654

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

- Mission Linen Supply Amendment No. 1
- Mission Linen Supply Agreement
- Mission Linen Supply Spend Sheet

Attachments on file with the Clerk of the Board