

Agenda Report

DATE: January 14, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Public Health Department

SUBJECT: APPROVAL OF INCREASE TO PURCHASE ORDER 52574 WITH RALPHS GROCERY COMPANY FOR THE PURCHASE OF FOOD VOUCHERS FOR HIV/AIDS HOME HEALTH CARE SERVICES

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize an increase to Purchase Order number 52574 with Ralphs Grocery Company, in the amount of \$110,001, thereby increasing the not to exceed amount from \$74,999 to \$185,000 for the purchase of food vouchers for the HIV/AIDS Home Health Care Services program;
2. Approve a journal voucher increasing appropriations in the Public Health Department's Fiscal Year 2012-2013 Operating Budget by \$110,001 and recognizing anticipated revenues by \$110,001; and,
3. Grant the proposed increase an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance, pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

BACKGROUND:

In July 2012, the City of Pasadena Public Health Department (PPHD) began providing services under a grant contract with Los Angeles County Department of Public Health's Division of HIV/STD Programs for the provision of Home-Based Case Management services. This was one of three grant contracts that previously were allocated to the AIDS Service Center (ASC) and transferred to PPHD. Additionally, PPHD entered into an agreement with the State of California to provide home health services under the

AIDS Medi-Cal Waiver Program. Both of these programs allow PPHD to provide services to patients with AIDS who are no longer able to leave their homes to seek care. In addition to providing direct case management services, PPHD is contractually required to coordinate various benefits on the clients' behalf. One such benefit is a monthly \$100 food allowance in the form of gift cards. While PPHD is responsible for purchasing and distributing these gift cards, the City is fully reimbursed for the cost by the AIDS Medi-Cal Waiver Program and the Home-Based Case Management grant.

As part of the transition from ASC, PPHD entered into purchase order contracts with the three grocery stores from which food vouchers had previously been purchased by that agency. Since clients are able to choose their preferred grocery store, staff has needed to monitor the amount spent in these first few months since starting the program in order to determine an accurate projection of expenditures on a fiscal year basis. Based upon this study of client preference and usage, staff is requesting an increase to the purchase order contract with Ralphs Grocery Company in the amount of \$110,001 for a total of \$185,000, in order to meet patient demand for food vouchers. The Ralphs food vouchers are the most preferred choice of clients, due to the pricing and availability of needed items, as well as number of locations. It is therefore in the City's best interest to approve this increase, so as to prevent a disruption in services to clients affected by AIDS.

COUNCIL POLICY CONSIDERATION:

This action by City Council aligns with the City's Strategic Plan Three-Year Goal to support and promote the quality of life and local economy by ensuring comprehensive care and continuity of service to HIV/AIDS patients who access their health care through the Pasadena Public Health Department's safety net clinic.

Authorize Increase to PO for Ralphs Grocery Company

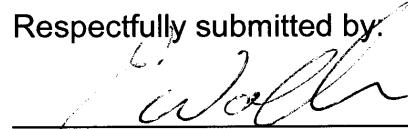
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FISCAL IMPACT:

This action will increase PO #52574 with Ralphs Grocery Company. All costs for these services are funded by the AIDS Medi-Cal Waiver Program and the Home Based Case Management grant contract. The total cost of this action will be \$110,001 from account 8114-203-563270-56267-66, with an increase to revenues by \$110,001 in account number 6398-203-563270-56267-66 (HIV/AIDS Medi-Cal Waiver).

Respectfully submitted by:



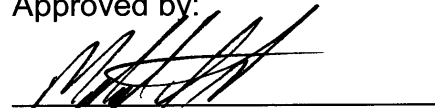
ERIC G. WALSH, MD, DrPH
Director of Public Health, Health Officer

Prepared by:



Erika Davies
Executive Secretary

Approved by:



MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name: Ralphs Grocery Company

2. Type of Entity: <input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

David B. Dillon (Chairman and CEO); W. Rodney McMullen (President, COO); J. Michael
Schlotman (CFO, Senior Vice President); Paul Heldman (Executive VP, General Counsel);
Christopher Hjelm (Senior VP, Chief Information Officer); Kathleen Barclay (Senior VP - HR);
Geoffrey Covert (Senior VP - Retail); Michael Donnelly (Senior VP - Merchandising); Michael
Ellis (Senior VP - Retail Divisions); M. Marnette Perry (Senior VP - Strategy Incentives); R. Pete
Williams (Senior VP); M. Elizabeth Van Offen (Vice President, Controller); Scott Henderson (Vice
President, Treasurer); Jeffrey Burt (Group VP - Perishables Merchandising and Procurement);
Kevin Dougherty (Group VP - Logistics); Calvin Kaufman (Group VP - Kroger Manufacturing); Lyn
Marmer (Group VP - Corporate Affairs); Independent Directors: Bobby Shackouls, Reuben
Anderson, Robert Beyer, Susan Kropf, John LaMacchia, David Lewis, Jorge Montoya

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

N/A

Prepared by: Erika Davies

Title: Executive Secretary

Phone: x6046

Date: January 3, 2013