

# Agenda Report

March 24, 2014

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Public Health Department

**SUBJECT: APPROVAL OF INCREASE TO PURCHASE ORDER 54425 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 54425 with Ralphs Grocery Company, in the amount of \$45,001, thereby increasing the not to exceed amount from \$74,999 to \$120,000 for the purchase of food vouchers for the HIV/AIDS Home Health Care Services program;
2. Recognize and appropriate \$45,001 from the AIDS Medi-Cal Waiver Program to the Public Health Department's Fiscal Year 2014 Operating Budget; 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 the State of California Office of AIDS for the provision of Home-Based Case Management services under the AIDS Medi-Cal Waiver Program. This program allows PPHD to provide services to patients with HIV/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.

Beginning in July 2012, PPHD entered into annual purchase order contracts with three grocery stores for the procurement of gift cards for clients' food allowances. Since clients are able to choose their preferred grocery store, staff monitors the amount spent per grocery store 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 \$45,001 for a total of \$120,000, 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. To the extent that this increase could be considered a separate transaction subject to the competitive selection process, staff is requesting an exemption from that process on the basis that a disruption in client services would not be in the best interests of the City.


**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.


**FISCAL IMPACT:**

This action will increase PO #54425 with Ralphs Grocery Company. All costs for these services are funded by the AIDS Medi-Cal Waiver Program. The total cost of this action will be \$45,001 from account 8114-203-563270-56267-66, with an increase to revenues by \$45,001 in account number 6398-203-563270-56267-66 (HIV/AIDS Medi-Cal Waiver). This action will not result in any increased indirect and support costs such as maintenance and IT support.


Respectfully submitted,

  
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Public Health Department

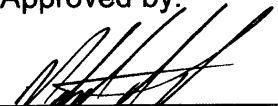
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