



Agenda Report

January 12, 2015

TO: Honorable Mayor and City Council

FROM: Public Health Department

SUBJECT: AUTHORIZATION TO INCREASE THE NOT TO EXCEED AMOUNT OF PURCHASE ORDER CONTRACT 57373 WITH MAXIM HEALTHCARE SERVICES INC. FOR THE PROVISION OF PROFESSIONAL TEMPORARY NURSE STAFFING FOR THE PASADENA PUBLIC HEALTH DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed in the agenda report is exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061(b)(3) as it will not have a potentially significant environmental effect and, therefore, falls under the "general rule" exemption;
2. Authorize the City Manager to increase the not to exceed amount of purchase order contract number 57373, with Maxim Healthcare Services Inc. by \$35,000, thereby bringing the total not to exceed amount to \$110,000;
3. To the extent this transaction could be considered a separate transaction subject to Competitive Selection, grant the purchase order contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

BACKGROUND:

In July 2014, the City issued purchase order contract 57373 to Maxim Healthcare Services Inc., to obtain temporary nurse staffing. These services were made necessary as a result of three nursing vacancies within the Public Health Department's Home-Based Case Management program. The Home-Based Case Management program provides in-home services to persons suffering from HIV who are unable to leave their homes to seek medical care. This program is funded by state and county grants.

The original purchase order was opened for an amount not to exceed \$24,999. This amount was anticipated to be sufficient while an open recruitment for nurses was undertaken. By September, however, the positions had not been filled due to a lack of qualified candidates and the purchase order was increased by an additional \$50,000, to a new not to exceed of \$74,999, to for these services while recruitment efforts continued. The increase from \$24,999 to \$74,999 was granted an exemption from the Competitive Selection process on the basis that Maxim Healthcare Services Inc., a Glendale-based company, specializes in providing professional temporary nurse staffing, was well qualified to provide these services and there was a desire to maintain continuity.

This past December, one of the three nurse vacancies was filled and another candidate is expected to fill one of the remaining two vacancies by the end of January. This will leave one vacant position. However, in the interim an additional vacancy occurred within the Department and staff requested a new temporary staff person from MAXIM under the existing purchase order contract. The addition of the new temporary staff person coupled with the ongoing services of the contract nurses has caused the Department to incur costs in excess of the purchase order contract's not to exceed amount of \$74,999. Specifically, accounting for services provided to date, but not yet billed, the Health Department's total expenditure stands at \$81,763.

Once Departmental management was made aware that these services have exceeded \$75,000, they were immediately discontinued and as of December 31, 2014 no additional services have been ordered from MAXIM. Nevertheless, the Department did receive services, which were performed professionally. Consequently, staff respectfully requests City Council authorization to pay the outstanding invoices in the amount of \$6,764. Moreover, because of the one existing nurse vacancy and the difficulty that has occurred in filling nurse positions, coupled with the fact that the Department has an obligation under county and state grants to provide home-based case management services, staff is requesting that the City Council authorize a \$35,000 increase to the not to exceed amount of purchase order contract 57373. In combination, approval of payment for the outstanding invoices and authorization for additional services, would bring the total not to exceed amount of the purchase order contract to \$110,000.

Departmental management takes seriously the obligation for contract management, including efforts to ensure not to exceed limits are adhered to. To better ensure this and maintain compliance with City policies and procedures, in addition to the program managers, the Department's Finance & Administration Division will be centrally monitoring all contracts and purchase orders for the Department.

To the extent this could be considered a separate transaction subject to a new competitive selection process, staff is requesting that the City Council find that it is in the best interests of the City to maintain continuity of services by remaining Maxim Healthcare Services Inc.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council's strategic plan goal to improve and promote the quality of life and the local economy by ensuring that clinical services to the community continue uninterrupted.

FISCAL IMPACT:

Sufficient funds are available in the Public Health Department's FY15 operating budget in accounts 8114-203-563273, 8114-203-563270, 8114-203-563265 and 8114-203-567366. The following table illustrates the proposed transaction:

Purchase Order 57373 (issued July 2014)	\$	24,999
Purchase Order increase (September 2014)	\$	50,000
Revised not to exceed amount	\$	74,999
Total cost of services through December 31, 2014	\$	81,763
Amount in excess of purchase order	\$	6,764
Request for addition funding	\$	28,237
Total Fiscal Impact	\$	35,001

Respectfully submitted,



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