

## Agenda Report

TO:

CITY COUNCIL

DATE:

**OCTOBER 4, 1999** 

FROM:

CYNTHIA J. KURTZ, CITY MANAGER

**SUBJECT:** 

ASSIGNMENT OF INTERESTS IN COHR SECURITY SERVICES

**CONTRACT** 

## **RECOMMENDATION:**

It is recommended that the City Council:

- 1. Consent to an assignment of Services Contract No. 16,423 from COHR, Inc. ("Contractor") to AllHealth, a subsidiary of Healthcare Association of Southern California (HASC), the initial parent company of COHR; and
- 2. Approve an amendment to Services Contract No. 16,423 reflecting said assignment and authorize the City Manager to execute said Amendment.

## **BACKGROUND:**

On July 14, 1997, the City Council approved Services Contract No. 16,423 with COHR Security Services ("COHR") for provision of security services to the Pasadena Public Health Department at the Pasadena Community Health Center located at 1845 North Fair Oaks Avenue. The term on the initial contract was July 1, 1997 through June 30, 1998; renewable annually for up to three one-year terms through June 30, 2001. To date services have been delivered to the full satisfaction of the City and in accordance with contractual requirements.

COHR was initially formed in 1991 and until 1996 operated as a division of COHR, Inc., a wholly owned subsidiary of the Healthcare Association of Southern California (HASC). In 1996, COHR Inc., initiated a public offering, selling shares on the NASDAQ exchange, with the Healthcare Association of Southern California still retaining a significant stock position. In 1999, an investor group bought the shares of COHR, Inc. Effective September 1, 1999 the Healthcare Association of Southern California, through its subsidiary AllHealth, repurchased the COHR Security Services division of COHR, Inc. from this investor group. All the officers, supervisors and managers of COHR Security Services moved to AllHealth effective September 1, 1999, including those assigned to the Pasadena Public Health Department facility located at 1845 North Fair Oaks Avenue.

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AllHealth was formed by HASC approximately one year ago. Its purpose is to provide security services to HASC clients. HASC represents more than 300 health care organizations in Southern California, including hospitals and health facilities, physician groups and integrated systems. HASC, through AllHealth, provides security service in accordance with the International Association of Health and Hospital Security Services. As the initial parent company of COHR, HASC is qualified to manage these services. Under ownership and operation by HASC, services at the Pasadena Community Health Center will match and potentially even exceed the current level of quality. As a client of AllHealth, staff will have the opportunity to participate on an advisory committee for guiding these services.

By letter dated June 30, 1999, Jim Barber, President/CEO of HASC, has requested the City's consent to the assignment of the Services Contract to HASC, the initial parent company of COHR. Staff has reviewed Mr. Barber's request and recommends that the City's consent be given.

All other terms of the contract remain the same.

## **FISCAL IMPACT:**

This action by City Council has no fiscal impact.

Respectfully submitted,

ÝNTHIA J/KURTZ

City Manager

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