



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: December 15, 2014
Board Meeting Date: January 27, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

Subject: Agreement with Crothall Laundry Services, Inc.

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with Crothall Laundry Services, Inc. for laundry and linen rental services, for the term of February 1, 2015, through January 31, 2020, in an amount not to exceed \$2,717,000.

BACKGROUND:

San Mateo Medical Center (SMMC) and San Mateo County Youth Services Center (YSC) currently purchase the linen used at their facilities and send the soiled linen out for laundering. In the past year, SMMC performed a cost analysis survey that determined it would be more cost effective to rent linens and have the linens cleaned by the rental vendor. YSC subsequently requested to also receive linen rental services under the agreement.

DISCUSSION:

In October 2014, SMMC issued a Request of Proposals for a laundry / linen rental service, and Crothall Laundry Services, Inc. (Crothall) was determined the best fit based on its range of services and the lowest price per pound. SMMC incurs no up-front cost to switch from its current arrangement to a rental vendor, and quality control is completed at every stage of the laundering process to ensure only the highest quality linen will be returned to SMMC and YSC. Crothall will assess linen needs on a daily basis at SMMC in order to maintain consistent inventory levels. In addition, Crothall will buy back SMMC and YSC's current inventory of usable linen at 50% of the original purchase price (or, for unopened linen, at 100% of the purchase price). Crothall also offers an emergency contingency plan with a goal of maintaining services during various unexpected events.

The County's Contract Compliance Committee has approved a waiver request for a five year term.

The Resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and Resolution have been reviewed and approved by County Counsel as to form.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing quality laundry and linen rental services to SMMC and YSC. It is anticipated that SMMC's linen inventory will be processed and delivered daily 100% of the time to meet patient needs.

PERFORMANCE MEASURE:

Measure	FY 2012-13 Actual	FY 2014-15 Projected
SMMC's linen inventory will be processed and delivered daily to meet patients' needs	N/A*	100%

*New Measure

FISCAL IMPACT:

The term of the agreement is February 1, 2015, through January 31, 2020, in an amount not to exceed \$2,717,000. Funds in the amount of \$204,235 are included in the SMMC FY2014-15 Adopted Budget. Funds in the amount of \$9,361 are included in the YSC FY 2014-15 Adopted Budget. Similar arrangements will be made for future budget years.

The terms of this agreement are different than the previous agreement because the proposed agreement is for laundry and linen rental and the price is all-inclusive. The previous agreement was for laundry services only and did not include the cost of linen purchased at both facilities. Going forward, SMMC expects an estimated savings of 10 percent annually compared to the previous contract.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.

Request for Proposals – Matrix

1	Where was the RFP advertised?	Public Purchase Website San Mateo County Health System Website San Mateo Medical Center Website
2	In addition to any advertisement, list others to whom the RFP announcement was sent:	AlSCO AmeriPride Services Inc. Angelica Textile Aramark Corporation Bay Towel Linen and Uniform Rental Campus Laundry Cintas Crothall Healthcare Corporation Dempsey Uniform & Linen Supply G & K Services, Inc Linen Finder, Inc. Mission Linen Supply Sunset Linen & Uniform TRSA Textile Services UniFirst Corporation
3	State the total number of RFP's sent to prospective proposers:	15
4	How many proposals did you receive?	2
5	List in alphabetical order the names of the proposers (or finalists, if applicable) and the location:	Angelica Textile, Phoenix, AZ Crothall Healthcare Corporation, Manteca, CA