



**HARRIS COUNTY HOSPITAL DISTRICT
MINUTES OF THE BOARD OF MANAGERS MEETING**

Thursday, January 31, 2008

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair
Ms. Carolyn Truesdell, Vice Chair
Mr. E. Dale Wortham, Secretary
Mr. Danny Jackson, Asst. Secretary
Mr. Elvin Franklin, Jr.
Ms. Mary Spinks
Ms. Daisy Stiner

BOARD MEMBERS ABSENT

Mr. Michael Jhin

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, COO
Mr. Jack McCown, Harris County Purchasing
Mr. Kelly Johnson, Harris County Purchasing
Attorney Mercedes Leal, County Attorney's Office
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office
Ms. Peggy Boice, Judge Ed Emmett's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Administrative Staff
Guests
Media

(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Mr. Stephen DonCarlos, Chair, called the meeting to order at 9:04 A.M. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meeting

A. Motion 08.1-001

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve the minutes of the December 6, 2007 regular meeting of the Board of Managers. (Changes include: Motion# 07.12-561... term of January 2008 through December 2008 and Motion# 07.12-630..... Personal Services Agreement.)

B. Motion 08.1-002

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve the minutes of the December 14, 2007 called meeting of the Board of Managers.

C. Motion 08.1-003

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve the minutes of the January 15, 2008 Board of Managers Budget Workshop #1.

D. Motion 08.1-004

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve the minutes of the January 17, 2008 Board of Managers Budget Workshop #2.

III. Recognition and Presentation Expressing Gratitude to Previous Board Member

Mr. DonCarlos presented past Board member, Mr. Jim Lemond a clock as a token of appreciation for his service to the Hospital District and the citizens of Harris County.

IV. Ms. Glenda Caldwell presented written documentation relative to concerns she has regarding her medical care here at the District.

V. President/Chief Executive Officer's Report to Include: (1) Discussion and Updates regarding Balanced Scorecard, (2) Discussion of Hospital Licenses for Ben Taub and LBJ General Hospitals, and (3) Report regarding Palliative Care provided by HCHD

Mr. Lopez asked Mr. Jason Kunnacherry to present the information relative to the Balanced Scorecard. Much discussion ensued (Copy in permanent file.)

Mr. Lopez informed the Board that the Hospital District will go to a multi hospital license as opposed to separate license for each of our hospitals.

Ms. Beth Cloyd gave a brief report relative to Palliative Care provided by the Hospital District. (Copy in permanent file.)

VI. Motion 08.1- 005

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the FY2009 (3/1/08 – 2/28/09) Operating and Capital Budget of the Harris County Hospital District.

VII. Items Related to Purchasing

Mr. DonCarlos called on Mr. Danny Jackson to present items related to purchasing.

A(1). Consideration of Purchasing Recommendations Requiring Board Approval:

a. **Motion 08.1- 006**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award as an exception to the Harris County Hospital District Purchasing Manual requirements to Emdeon Business Services (formerly Medifax-EDI[®], LLC) in the amount of \$276,000 for patient insurance verification software tool (Patient Benefit Eligibility Verification and Pre-Registration System) for the term February 11, 2008 through February 10, 2009.

b. **Motion 08.1- 007**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve termination of a contract with Matheson Tri-gas, Inc. per the termination section of Bid General Requirements (termination without cause) effective May 31, 2008 or upon completion of transition to a new contract and funding for 120 days or until the new contract is fully functional in the amount of \$248,000 for the term February 1, 2008 through May 31, 2008.

c. **Motion 08.1-008**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board rescind an award to Environmental Floors, Inc. for restoration and cleaning services of tile and grout on floor and walls.

d. **Motion 08.1-009**

Moved by Mr. Jackson seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of only bid considered to Stryker Medical, a division of Stryker Sales Corporation in the amount of \$283,998 for emergency room fluoroscopy (shock room) stretchers.

e. **Motion 08.1-010**

Moved by Mr. Jackson, seconded by Ms. Truesdell and unanimously passed, that the Board approve an award to Harris County ESD-1 in the amount of \$200,000 for ambulance services for the term one year upon execution of agreement with one year renewal option upon mutual agreement of the parties.

f. **Motion 08.1-011**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve utilization of Harris County contract for an award to IKON Office Solutions in the amount of \$339,000 for photocopier services for the term March 1, 2008 through February 28, 2009 with four (4) one-year renewal options.

g. **Motion 08.1-012**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve utilization of Harris County contract for an award to Caldwell Country Chevrolet, Philpott Motors Ltd, Tommie Vaughn Motors Inc., and

Planet Ford 6 in the estimated multi-vendor amount of \$495,000 to furnish and deliver, on an as needed basis, vehicles to the Hospital District for the term November 1, 2007 through October 31, 2008.

h. **Motion 08.1-013**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds for Shared Technologies, Inc. in the amount of \$462,907 for maintenance of telephone and voice communication systems for the term March 1, 2007 through February 29, 2008. (The Board previously approved funds in the amount of \$929,381 for the term March 1, 2007 through February 29, 2008; these additional funds bring the total funded amount to \$1,392,288.)

i. **Motion 08.1-014**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds for Baylor College of Medicine in the amount of \$87,535 for anatomical pathology reference testing services for the term November 1, 2006 through October 31, 2007. (The Board previously approved funds in the amount of \$58,000 for the term November 1, 2006 through October 31, 2007; these additional funds bring the total funded amount to \$145,535.)

j. **Motion 08.1-015**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds for Ventana Medical Systems, Inc. in the amount of \$153,000 for immunohistochemistry staining and special staining system for the term March 1, 2007 through February 29, 2008. (The Board previously approved funds in the amount of \$168,664 for the term March 1, 2007 through February 29, 2008; these additional funds bring the total funded amount to \$321,664.)

k. **Motion 08.1-016**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve funding for additional services for Class 1, Primary – Devolve Corp. in the amount of \$220,000 for systimax VAR Program for telephone and data cable labor, parts materials and related items for the term January 1, 2008 through December 31, 2008. (The Board previously approved funds in the amount of \$80,000 for the term January 1, 2008 through December 31, 2008; these additional funds bring the total funded amount to \$300,000.)

l. **Motion 08.1-017**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve funding for year four of a five year agreement for Baxa Corporation (PP-NS-126) in the estimated amount of \$250,000 for compounders and accessories for the term February 1, 2008 through January 31, 2009.

m. **Motion 08.1-018**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve funding for the fifth and final year of a five year agreement for IBM Corporation in the amount of \$730,116 for IBM Enterprise Hardware Maintenance Agreement for the term February 15, 2008 through February 14, 2009.

n. **Motion 08.1-019**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award to Baxter Healthcare Corporation in the estimated amount of \$2,018,974 for IV systems and products for the term February 1, 2008 through January 31, 2009.

o. **Motion 08.1-020**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase from Phillips Medical Systems North America Company of eight physiological patient monitors in the amount of \$107,729 and a combined physiological monitor and telemetry system in the amount of \$457,820 for a combined total amount of \$565,549.

p. **Motion 08.1-021**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of lowest bid to LabCorp in the estimated amount of \$747,528 for clinical reference laboratory testing for the term April 1, 2008 through March 31, 2009.

q. **Motion 08.1-022**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of low bid of network hardware upgrade equipment from DIR through AT&T Datacomm (DIR Contract DIR-SDD-233) in the amount of \$4,231,364.

r. **Motion 08.1-023**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of low bid of anti-spam and secure email software from DIR through Set Solutions, Inc. (DIR Contract DIR-SDD-229) in the amount of \$176,404.

s. **Motion 08.1-024**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of low bid to Praxair Healthcare Services, Inc. in the estimated amount of \$378,255 for bulk liquid oxygen, tanks, and various gases for the term February 1, 2008 through January 31, 2009, year

one of a three year agreement. (The agreement term is February 1, 2008 through January 31, 2011 with two one-year renewals.)

t. **Motion 08.1-025**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of low bid to Gowan, Inc. in the estimated amount of \$109,848 to furnish and deliver all labor and material to repair existing fan coil units.

- u. Job 07/0402: Award for Refuse Removal – *Republic Waste Services of Texas, LTD*
This item was pulled.

v. **Motion 08.1-026**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of low bid of a network infrastructure upgrade from DIR through Mark III Systems, Inc. (DIR Contract DIR-SDD-256) in the amount of \$289,465.

w. **Motion 08.1-027**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of low bid of UNIX hardware upgrade from DIR through Mark III Systems, Inc. (DIR Contract DIR-SDD-256) in the amount of \$1,826,470.

x. **Motion 08.1-028**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of low bid meeting specifications to American Medical Equipment Company in the estimated amount of \$175,000 for home medical equipment for the term February 1, 2008 through January 31, 2009 with three one-year renewal options.

y. **Motion 08.1-029**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of lowest priced contract of a digital mammography system from Hologic Inc. in the amount of \$357,800.

z. **Motion 08.1-030**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of lowest priced contract of three surgical tables from Steris Corporation for Ben Taub General Hospital Labor and Delivery Department in the amount of \$100,726.

aa. **Motion 08.1-031**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best bid to LifeCell Corporation to provide graftable human tissue in the amount of \$390,985.

bb. **Motion 08.1-032**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of lowest priced proposal meeting specifications to Guaranteed Returns[®] in the estimated revenue amount of \$75,000 for reverse drug distribution for the term February 1, 2008 through January 31, 2009 with two one-year renewal options subject to execution of the agreement.

cc. **Motion 08.1-033**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best proposal meeting requirements to MedQuist Transcriptions Ltd. in the amount of \$1,267,635 to provide medical transcription services subject to execution of the agreement.

dd. **Motion 08.1-034**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best proposals meeting requirements per category to A-1 Personnel of Houston, Inc.; Consultants Group International, Inc.; MTM Technologies, Inc.; Enterprise Controls Consulting LP (ECC); The Edge Group; Intuitive Search, Inc.; Centre Technology, Inc.; Search Technology, Inc. and Dynamic Computing Services Corporation in the multi-vendor estimated amount of \$500,000 for supplemental search firm for IT personnel subject to execution of the agreements.

ee. **Motion 08.1-035**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of sole source of twelve surgical headlights for Ben Taub General Hospital Operative Services from Precision Surgical LLC in the amount of \$103,350

ff. **Motion 08.1-036**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of sole source of EpicCare Link Software Upgrade from Epic Systems Corporation in the amount of \$371,400.

gg. **Motion 08.1-037**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of sole source of cardiology system upgrade from FujiFilm Medical Systems USA, Inc. in the amount of \$618,601.

hh. **Motion 08.1-038**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of sole source of infection control and incident tracking software upgrade from RL Solutions in the amount of \$301,645.

ii. **Motion 08.1-039**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an exemption from the competitive bid requirements and renewal for an award to The American National Red Cross in the estimated amount of \$408,668 for blood products and components.

jj. **Motion 08.1-040**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the third of four renewal options for Diagnostic Products Corporation in the estimated amount of \$116,413 for esoteric chemistry testing analyzer and reagents for the term March 1, 2008 through February 28, 2009.

kk. **Motion 08.1-041**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the renewal of an award on the basis of sole source to IBM Corporation in the amount of \$199,012 for IBM non-operating system software license and maintenance for the term March 1, 2008 through February 28, 2009.

ll. **Motion 08.1-042**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of four renewal options for USA Mobility Wireless, Inc. (formally Metrocall, Inc., D/B/A USA Mobility, Inc. ("Arch Wireless")) in the estimated amount of \$175,000 for leasing wireless pagers, messaging services and related items for the term February 1, 2008 through January 31, 2009.

mm. **Motion 08.1-043**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the third of four renewal options for Ventana Medical Systems, Inc. in the estimated amount of \$321,664 for Immunohistochemistry Staining and Special Staining for the term March 1, 2008 through February 29, 2009.

nn. **Motion 08.1-044**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board authorize renewal of a contract for Kimberly-Clark Corporation (PP-

NS-335) in the estimated amount of \$100,678 for pre-employment background screening for the term February 1, 2008 through January 31, 2009.

oo. **Motion 08-1-045**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of two renewal options for PreCheck Inc. for pre-employment background screening in the estimated amount of \$90,000 for the term February 1, 2008 through August 31, 2008.

pp. **Motion 08.1-046**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the fourth and final renewal option for Johnson Controls, Inc. (Johnson Controls, Inc. Systems & Services Americas (FA-068)) in the estimated amount of \$222,627 for facility management systems (FMS) service agreement for the term January 1, 2008 through December 31, 2008.

qq. **Motion 08.1-047**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second of four renewal options for National Research Corporation dba NRC+Picker in the estimated amount of \$532,296 for patient satisfaction and HCAHPS surveys, employee surveys and physician surveys for the term March 1, 2008 through February 28, 2009.

rr. **Motion 08.1-048**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify additional funds and an extension for LabCorp in the amount of \$300,000 for reference laboratory testing services for the term December 11, 2007 through March 31, 2008. (The Board previously approved funding in the amount of \$975,057 for the term December 11, 2006 through December 10, 2007; these additional funds bring the total funded amount to \$1,275,057.)

ss. **Motion 08.1-049**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify additional funds and an extension for Cornelia Dorfschmid, Richard P. Kusserow, Paul Gottlober, William Moran, Arpana Nahrain and Jillian Bower through Strategic Management Services, LLC in the amount of \$405,800 to evaluate the Corporate Compliance Program and provide Interim Corporate Compliance Officer for the term June 25, 2007 through June 30, 2008. (The Board previously approved funding in the amount of \$121,000 for the term June 25, 2007 through December 31, 2007; these additional funds bring the total funded amount to \$526,800.)

tt. **Motion 08.1-050**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify additional funds and an extension for Xerox Corp. (PP-CE-249; Printers, Copiers, Fax and Facilities Management) in the amount of \$144,000 for operation of the copy center for the term October 1, 2007 through March 31, 2008; the Board previously approved funding in the amount of \$254,000; these additional funds bring the total funded amount to \$398,000.)

uu. **Motion 08.1-051**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an exemption from the competitive bid requirements for an award to Baylor College of Medicine in the amount of \$126,000 for a physician to serve as Medical Director for InSight, a State of Texas Department of State Health Services Screening, Brief Intervention, Referral and Treatment (SBIRT) Program Grant for the term October 1, 2007 through September 30, 2008 subject to execution of the agreement.

vv. **Motion 08.1-052**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify a renewal on the basis of sole source for HSS, Inc. in the amount of \$114,695 for hardware and software maintenance for the term November 20, 2007 through November 19, 2008.

ww. **Motion 08.1-053**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify a renewal on the basis of sole source for BD Biosciences in the estimated amount of \$160,000 for flow cytometry analyzer automation and software for the term January 1, 2008 through December 31, 2008.

xx. **Motion 08.1-054**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify a purchase made on an emergency basis for emergency water removal (condition "F") from various areas at Lyndon B. Johnson General Hospital in the amount of \$56,319.

yy. **Motion 08.1-055**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify the first of four renewal options for Deloitte & Touché, LLP in the amount of \$449,330 for external audit services for the term upon execution of the agreement for the fiscal year ending February 29, 2008.

A(2). Transmittal of Completed Purchases under \$100,000
(For Informational Purposes Only)

- a. Transmittal of an extension for Universal Hospital Services (PP-MM-031 formerly PP-CE-334) requiring no additional funds to provide rental of life support equipment for the extended term February 1, 2008 through April 30, 2008.
- b. Transmittal of an award on the basis of low bid for ETS Environmental Testing Services, Inc. in the amount of \$47,825 for gas system maintenance.
- c. Transmittal of an award on the basis of low bid for C + R Awards Incentive, Inc. in the amount of \$17,281 for term contract for services awards.
- d. Transmittal of an award on the basis of low bid for CompuCycle, Inc. in the estimated revenue amount of \$57,050 for term contract for sale of surplus computer equipment and wipe hard drives for the term November 1, 2007 through October 31, 2008 with four one-year renewal options.
- e. Transmittal of an award on the basis of low bid for Widata.net, LLC in the estimated amount of \$61,501 to provide an on-site patient/visitor paging system for the term January 1, 2008 through December 31, 2008 with four one-year renewal options.
- f. Transmittal of an award on the basis of low bid for Eagle Electronics Resources, Inc. in the estimated amount of \$356 for term contract for the disposal of salvage electronic equipment and related items for the term November 1, 2007 through October 31, 2008 with four one-year renewal options.
- g. Transmittal of awards for purchases on the basis of lowest quoted items meeting specifications and lowest and best quoted items, all per contract pricing utilizing TXMAS contracts for Rockford Business Interiors-Group I case goods, café chairs and tables (\$57,105); Rockford Business Interiors-Group II office chairs (\$19,964); Vanguard Environments-Group II office chairs (\$17,500); and Herman Miller for Healthcare-Group III lobby & medical seating (\$3,705) for office furniture for E.A. Squatty Lyons Community Health Center.
- h. Transmittal of the third of four renewal options for Global Services, L.L.C. in the estimated amount of \$59,000 and ImageNet Office Systems of Houston in the estimated amount of \$12,000 for a total estimated amount of \$71,000 for high speed and color photocopier services for the term March 1, 2008 through February 28, 2009.
- i. Transmittal of the third of four renewal options for The Travelers Indemnity Company of Connecticut through John L. Wortham & Son, L.P. in the estimated amount of \$55,044 for all risk property insurance (boiler and machinery coverage only) for the term January 13, 2008 through January 13, 2009.

- j. Transmittal of the fourth of four renewal options for Vista Fibers of Houston, LTD in the estimated revenue amount of \$110,000 for term contract for the sale of recyclable paper products for the term April 1, 2008 through March 31, 2009.
- k. Transmittal of an award on the basis of best proposal received for Quality Inventory Services, Inc. in the amount of \$65,000 for District-wide pharmacy inventory services for the term one year upon execution of agreement with two one-year renewal options subject to execution of the agreement.
- l. Transmittal of a purchase on the basis of best overall contract for Stryker Medical in the amount of \$51,030 for ten stretchers.
- m. Transmittal of a purchase on the basis of sole source for Lumenis, Inc. in the amount of \$99,782 for replacement of a laser at Ben Taub General Hospital Eye Clinic.
- n. Transmittal of an award on the basis of best for Water & Power Technologies, Inc. in the amount of \$40,991 for deionized water service for the term January 1, 2008 through December 31, 2008 with two one-year renewal options.
- o. Transmittal of an award on the basis of best and lowest priced proposal for Federal Costing Concepts, LLC in the amount of \$29,000 to maintain and negotiate indirect cost rate agreements for the term one year upon execution of agreement with four one year renewal options.
- p. Transmittal of exemption from the competitive bid requirements for Michael Spivey and Jeff Harris through Spivey/Harris Health Policy Group in the amount of \$65,078 for consulting services for Medicaid Disproportionate Share Hospital and Upper Payment Limit Program (DSH/UPL) for the term September 1, 2007 through August 31, 2008.
- q. Transmittal of an exemption from the competitive bid requirements for Baylor College of Medicine in the amount of \$87,035 for physician services as Medical Director of psychiatry (Grant Subcontract DMIE) for the term September 1, 2007 through August 31, 2008.
- r. Transmittal of an exemption from the competitive bid requirements for Baylor College of Medicine in the amount of \$44,730 for licensed psychologist to serve as Director of Psychology (Grant subcontract DMIE) for the term October 1, 2007 through September 30, 2008.
- s. Transmittal of an exemption from the competitive bid requirements and the second of three renewal options for Baylor College of Medicine in the estimated amount of \$48,000 for physician review of insurance forms for the term January 1, 2008 through December 31, 2008.

- t. Transmittal of a purchase from Drager Medical, Inc. in the amount of \$46,822 for two intensive care ventilators.
- u. Transmittal of an award to Metrex Research Corporation in the estimated amount of \$78,447 for high level disinfectant wipes for the term March 1, 2008 through February 28, 2009.
- v. Transmittal of an award to Medline Industries, Inc. through Cardinal Healthcare in the estimated amount of \$48,040 for mobility aids for the term February 1, 2008 through January 31, 2009.
- w. Transmittal of a purchase from GE Medical Systems Information Technologies, Inc. in the amount of \$45,975 of four infant warmer systems.
- x. Transmittal of an award on the basis of only bid received to Dunbar Armored in the amount of \$75,328 for armored car service for automated parking collection units for the term January 1, 2008 through December 31, 2008 with four one-year renewal options.
- y. Transmittal of an award on the basis on only proposal received to Savage Design Group, Inc. in the amount of \$86,350 for development and production of an annual report.
- z. Transmittal of a purchase from Philips Medical Systems North America Company in the amount of \$45,920 for physiological monitor mounting hardware.
- 2aa. Transmittal of a purchase on the basis of sole source from Siemens Medical Solutions USA, Inc. in the amount of \$59,295 for replacement and calibrations to the multistar central processing unit (CPU).
- 2bb. Transmittal of a purchase on the basis of sole source from Datascope Corp. Cardiac Assist Division in the amount of \$48,721 for intra-aortic balloon pump and patient simulator.
- 2cc. Transmittal of an award on the basis of sole source to Hollister Incorporated in the estimated amount of \$57,855 for bowel management systems for the term January 1, 2008 through March 31, 2008.
- 2dd. Transmittal of a purchase on the basis of sole source from Olympus America through Leeds Instruments, Inc. in the amount of \$99,963 for eight microscopes for the birthing center.
- 2ee. Transmittal of an exemption for the competitive bid requirements based on sole source for Vicro Lab, Inc. in the estimated amount of \$72,000 for highly specialized laboratory services and software for the term November 16, 2007 through November 15, 2008.

- 2ff. Transmittal of an award on the basis of sole source to 3M Company in the estimated amount of \$92,077 for tape products/cohesive bandage for the term February 1, 2008 through January 31, 2009.
- 2gg. Transmittal of a purchase on the basis of sole source from Carl Zeiss Meditec in the amount of \$29,420 for inter ocular lens (IOL) master optical coherence biometry.

VIII. Reports of the Committees

Mr. DonCarlos presented agenda items relative to Joint Conference Committee.

A. Joint Conference Committee

The Joint Conference Committee met January 17, 2008 and brings forth the following report:

- 1. Report of the Board of Managers Joint Conference Committee

The following items did not go to the Joint Conference Committee and come directly to the Board:

- 2. **Motion 08.1-056**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board accept the Medical Board Report as included in the packet. (Appendix "A".)

- 3. **Motion 08.1-057**

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the December 2007 and January 2008 credentialing changes for members of the HCHD Medical Staff. (Appendix "B").

B. Budget and Finance Committee

The Budget and Finance Committee met January 17, 2008 and brings forth the following:

Mr. Ferdinand Gaenzel presented the District's November and December 2007 financial reports.

- 1. **Motion 08.1-058**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board accept the November 30, 2007 Financial Report subject to final audit.

- 2. **Motion 08.1-059**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board accept the December 31, 2007 Financial Report subject to final audit.

- 3. **Motion 08.1-060**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board accept the November 30, 2007 Pension Plan Report subject to final audit.

4. **Motion 08.1-061**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board accept the December 31, 2007 Pension Plan Report subject to final audit.

5. **Motion 08.1-062**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board accept the Third Quarter Investment Report for the period ended November 30, 2007.

6. **Motion 08.1-063**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve an amendment to a contract between the Harris County Hospital District and the Department of State Health Services for Breast and Cervical Cancer Control Services for a mid-year funding adjustment in the amount of \$17,645 for the term July 1, 2007 through June 31, 2008.

7. **Motion 08.1-064**

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Gateway to Care to allow GTC to utilize the services of Karin Dunn, LMSW providing the Harris County Hospital District with reimbursement for services not to exceed ten hours per week for the term November 1, 2007 through October 31, 2008.

The following items did not go to the Budget and Finance Committee and come directly to the Board:

8. **Motion 08.1-065**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Texas Medical Center, Inc. for parking for employees and medical staff at La Lot and Ac Lot on the Leland Anderson Campus and the South Extension Lot (1522 Braeswood) at a cost of \$59.50 per space per month up to a maximum of 1,800 parking spaces for a total annual cost not to exceed \$1,285,200 for the term January 1, 2008 through December 31, 2008, and that the CEO be authorized to execute this agreement.

9. Presentation of December 2007 Financial Statements of Community Health Choice, Inc.

Mr. Richard Lee presented the December 2007 Financial Statements of Community Health Choice, Inc. Highlights include:

- Net Income for December 2007 \$706,633
- STAR member months were 11% above budget for the month
- CHIP member months were 46% above budget
- CHIP Perinate member months were 23% below budget for December 2007

C. Planning and Operations Committee

The Planning and Operations Committee met January 17, 2008 and brings forth the following:

1. Items related to Specialty and Primary Clinics and other Facilities

a. Ratifications

1. Motion 08.1-066

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and the Department of State Health Services Tuberculosis Prevention and Control Program for the term September 1, 2007 through August 31, 2008 and acceptance of funding in the amount of \$35,000.

2. Motion 08.1-067

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board approve an agreement funded by Ryan White CARE Act Part C between the Harris County Hospital District and University of Texas Health Science Center of Houston in the amount of \$18,829 to provide physician services to eligible HIV-infected individuals who are patients of the Harris County Hospital District for the term January 1, 2008 through December 31, 2008.

3. Motion 08.1-068

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an agreement funded by Ryan White CARE Act Part C between the Harris County Hospital District and Baylor College of Medicine, Department of Medicine in the amount of \$37,381 to provide physician services to eligible HIV-infected individuals who are patients of the Harris County Hospital District for the term January 1, 2008 through December 31, 2008.

4. Motion 08.1-069

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an agreement funded by Ryan White CARE Act Part C between the Harris County Hospital District and Baylor College

of Medicine, Department of Family and Community Medicine in the amount of \$24,600 to provide physician services to eligible HIV-infected individuals who are patients of the Harris County Hospital District for the term January 1, 2008 through December 31, 2008.

5. **Motion 08.1-070**

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an agreement funded by Ryan White CARE Act Part C between the Harris County Hospital District and Baylor College of Medicine, Department of Family and Community Medicine in the amount of \$36,000 to provide physician services to eligible HIV-infected individuals who are patients of the Harris County Hospital District for the term January 1, 2008 through December 31, 2008.

6. **Motion 08.1-071**

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an amended agreement funded by Ryan White Part A between the Harris County Hospital District and Harris County in the amount of \$132,000 to provide primary medical case management services to eligible HIV-infected individuals at District facilities for the term March 1, 2007 through February 29, 2008.

7. **Motion 08.1-072**

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an amended agreement funded by Ryan White part A between the Harris County Hospital District and Harris County in the amount of \$200,000 to provide primary medical care services to eligible HIV-infected individuals at District facilities for the term March 1, 2007 through February 29, 2008.

2. Items related to Reports

Report regarding Ongoing Activities of the Council-at-Large

A report was not presented.

3. Items Related to Buildings and Properties

a. **Motion 08.1-073**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board authorize the Hospital District to enter into a lease agreement with A-Rocket, developed and approved by the County Attorney's office, for approximately 4,747 square feet of storage space at a monthly rate of \$3,085 for one year beginning February 1, 2008 to January 31, 2009.

b. **Motion 08.1-074**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board authorize the Hospital District to enter into a Professional Services Agreement with Harrell Architects, Inc., developed and approved by the County Attorney's office for architectural and engineering services associated with the construction of a Physical Therapy Gym at Quentin Mease Community Hospital for a total cost not to exceed \$134,000.

c. **Motion 08.1-075**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board award the Baytown Community Health Center New Addition and Renovation Project for construction services to Hallmark Capital Group, LLC based on their base bid of \$1,300,000 and an owner's contingency amount of \$65,000 (5% of base bid) for a total cost of \$1,365,000.

d. **Motion 08.1-076**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve entering into lease option 3, pursuant to the lease agreement between the Harris County Hospital District and the City of Houston – Riverside Health Center for the Outpatient Dialysis Center for the period February 1, 2008 through January 31, 2009. The total payment is \$10,001.00/year, which includes rent (\$1.00) plus Common Area Maintenance fee (\$10,000).

4. **Other Planning and Operations Agenda Items**

a. **Motion 08.1-077**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve a Settlement Agreement between the Harris County Hospital District and the Salvation Army for the provision of substance abuse treatment services to homeless individuals for the Health Care for the Homeless Program. This agreement will increase the availability of federal grant funds in an amount not to exceed \$141,288 for the term November 1, 2006 through October 31, 2007. The total amount is not to exceed \$182,479.00.

b. **Motion 08.1-078**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve an agreement funded by Texas Department of Health Services between the Harris County Hospital District and Baylor College of Medicine in the amount of \$41,337. This agreement provides education, training, consultation and evaluation services to selected hospital labor & delivery units throughout Harris County for the term January 1, 2008 through December 31, 2008.

c. **Motion 08.1-079**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve rescission of an agreement between the Harris County Hospital District and City of Houston on behalf of its Department of Health and Human Services in the amount of \$78,941.33 to provide HIV Health Education and Risk Reduction Services at District Facilities for the term date of execution through December 31, 2007.

d. **Motion 08.1-080**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve a Facilities Use Agreement between the Harris County Hospital District and Bering Omega Community Services, Inc. for the use of space at Thomas Street Health Center to provide housing placement assistance to eligible HIV-infected individuals for the term January 1, 2008 through December 31, 2008.

e. **Motion 08.1-081**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve a Memorandum of Understanding between the Harris County Hospital District and Good Neighbor Healthcare Center located in Harris County.

f. **Motion 08.1-082**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve a Memorandum of Understanding between the Harris County Hospital District and El Centro de Corazón – Navigation Clinic, El Centro de Corazón – Eastwood Clinic and El Centro de Corazón – Magnolia Clinic, all located in Harris County.

g. **Motion 08.1-083**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve a Memorandum of Understanding between the Harris County Hospital District and the Pasadena Health Center located in Harris County.

D. Corporate Compliance Committee

The Corporate Compliance Committee met January 17, 2008 and brings forth the following:

Motion 08.1-084

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board rescind the Harris County Hospital District Code of Conduct for Federal Health Care Programs Policy# 3.27 (Board Motion# 07.3-201) on January 31, 2008.

IX. Miscellaneous Agenda Items

A. Motion 08.1-085

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve the revised Phase I Projects, the Phase II Projects and funding sources relating to the Harris County Hospital District's Strategic Capital Building Plan. (Appendix "C").

B. Motion 08.1-089

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board approve a Pension Plan COLA Payment in the form of a 13th check for retirees in 2008, 2009 and 2010.

Ms. Spinks departed the meeting prior to this vote.

C. Motion 08.1-086

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board approve the addition of education and research to the Hospital District Values.

X. Items related to Policies

A. Motion 08.1-087

Moved by Ms. Spinks, seconded by Mr. Wortham, and unanimously passed, that the Board approve the Harris County Hospital District Waived Point of Care Test Policy# 4398 to provide guidelines in managing the Waived POCT Program effective January 31, 2008.

B. Motion 08.1-088

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve the Harris County Hospital District Patient Participation in their Care and Treatment via the Speak-Up Program Policy #4606 effective January 31, 2008.

XI. Executive Session

At 10:48 A.M., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code, Section 160.007 of the Texas Occupations Code and Chapter 551 of the Texas Government Code Section 071 and 074. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

XII. Reconvene

At 12:53 P.M., Mr. DonCarlos reconvened the meeting and asked if there were further input to the agenda.

Ms. Spinks departed the meeting prior to the return to open session.

- A. Report by Interim Vice President of Corporate Compliance regarding Compliance with Medicare, Medicaid, HIPAA, and other Federal and State Health Care Program

Requirements and a Status of Fraud and Abuse Investigations, pursuant to §161.032 of the Texas Health and Safety Code.

Presented as information only, requiring no action.

- B. Consultation with Fulbright and Jaworski L.L.P. regarding District's Pension Plan, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action.

- C. Consultation with the County Attorney regarding Agreement with Affiliated Medical Services, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action.

- D. Consultation with the County Attorney regarding *Cause No. 857,492; Harris County Hospital District v. Sherresh Enterprises, L.P., a Texas Limited Partnership; K.B. Hogan, L.L.C., a Texas Limited Liability Company; City of Houston; Harris County; Houston Independent School District; Houston Community College; Greater Northside Management District No. 13*; in the County Civil Court at Law No. Two (2), of Harris County, Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 08.1-090

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approve and hereby authorize the settlement of all claims related to *Cause No. 857,492; Harris County Hospital District v. Sherresh Enterprises, L.P., a Texas Limited Partnership; K.B. Hogan, L.L.C., a Texas Limited Liability Company; City of Houston; Harris County; Houston Independent School District; Houston Community College; Greater Northside Management District No. 13*; in the County Civil Court at Law No. Two (2) of Harris County, Texas by payment of \$557,785.00 payable to Shemesha Enterprises, L.P. and Barron & Adler, L.L.P. in addition to the \$1,342,215.00 previously paid to Shemesha Enterprises, L.P. The total sum shall not exceed \$1,900,000.00, David S. Lopez, President/CEO is authorized to execute any agreement, release or other necessary documents to effect this settlement.

Ms. Spinks departed the meeting prior to this vote.

- E. Consultation with the County Attorney regarding a Possible Settlement Agreement between the Harris County Hospital District and Imelda Martinez, Representative of the Estate of Nereida Trujillo, Deceased, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action taken.

Motion 08.1-091

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approve and hereby authorize the settlement of all claims related to Imelda Martinez, representative of the estate of Nereida Trujillo, Deceased, by payment of a total sum not to exceed \$50,000.00, and authorize David S. Lopez, President/CEO to execute any agreement, release or other necessary documents to effect this settlement.

Ms. Spinks departed the meeting prior to this vote.

- F. Consultation with the County Attorney regarding Monies Owed to the District by Outside Vendors, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 08.1-092

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approve and hereby authorize the Harris County Attorney's Office to pursue the collection of monies owed to the District by persons and entities who were vendors of the Harris County Hospital District, including taking appropriate legal action, if necessary. The list of vendors and the amounts owed is as follows:

VENDOR	AMOUNT OWED
Garner Industries	6,354.00
Tri-Plex Comm Health Group	9,396.00
New Horizon Landscape	14,675.98
Medical Center Brace and Limb	10,239.75
Windsor Place Health Care Center	1,991.96
Tandem Computers Inc.	2,653.20
Medical Distribution, Inc.	1,615.56
Caring Hand Med & Rehab	5,011.66
Juan M. Silva	1,608.30
Jacqueline Breaston	1,712.85
Mary Avila	2,896.00
Wasteflo, Inc.	900.00
Ames Color File Division	2,659.04

Schneider (USA) Inc.	1,075.00
Package Concepts and Material	1,029.96
	63,819.26

Ms. Spinks departed the meeting prior to this vote.

- G. Consideration of Employment Contract Extension and Salary Adjustment of Glen R. Johnson, M.D., President and Chief Executive Officer of Community Health Choice, Inc., pursuant to Tex. Gov't Code Ann. §551.074 and Possible Action Upon Return to Open Session

Motion 08.1-093

Moved by Mr. Wortham, seconded by Mr. Franklin and unanimously passed, that the Board table this agenda item.

Ms. Spinks departed the meeting prior to this vote.

XIII. Adjournment

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 12:54 P.M.

I certify that the foregoing are the Minutes of the Meeting of the Board of Managers of the Harris County Hospital District held at the Administration Building in Houston, Texas on January 31, 2008

Mr. Stephen DonCarlos, Chair
Board of Managers

E. Dale Wortham, Secretary

Recorded by Charlaa Hunter &
Anne McCowan