



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health
Department No.: 041
For Agenda Of: August 21, 2012
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Director and Health Officer, Public
Director(s) Health Department
Contact Info: Dan Reid, Assistant Deputy Director, 681-5173
**SUBJECT: Pueblo Radiology Lease Agreement for County Property at 315 Camino del
Remedio, Santa Barbara**

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Other Concurrence: General Services/Real Property

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider recommendations regarding a Lease Agreement for office and service space within Building 3, 1st Floor at 315 Camino del Remedio.

- a) Approve and authorize the Chair to execute a Lease Agreement with Pueblo Radiology Medical Group, Inc. for office and services space in Building 3, 1st Floor located at 315 Camino del Remedio, Santa Barbara, CA 93110, in the incorporated area of Santa Barbara (County Assessor Parcel No. 059-140-029) for the period September 1, 2012 through August 31, 2017.
- b) Determine that entering into a new Lease Agreement with Pueblo Radiology Medical Group, Inc. is exempt from CEQA review pursuant to 14 CCR 15301 (“existing facilities”) and approve and direct Staff to file the attached Notice of Exemption on that basis.

Summary Text:

This item is on the Board agenda to execute a Lease Agreement with Pueblo Radiology Medical Group, Inc. for County property within Building 3, 1st floor at 315 Camino del Remedio, Santa Barbara, 93110 (Second District).

Due to budget shortfalls, aging equipment (with expensive replacement estimates), and capacity within the community for these services, the Public Health Department (PHD) has made a business decision to terminate the PHD Radiology Services Program. Currently PHD Radiology Services are being provided

in Building 3, 1st Floor, at 315 Camino del Remedio. PHD has a long-term relationship with Pueblo Radiology for the provision of complex radiology services such as MRIs and CT scans for PHD patients. The proposed Lease Agreement will expand on this referral relationship to include the more routine and standard radiology services to be provided at the same location as the current PHD Radiology Service operations (315 Camino del Remedio). As part of this Lease Agreement, Pueblo Radiology will purchase existing equipment for \$7,200 and will lease approximately 1,029 exclusive and commonly shared square feet within Building 3, 1st Floor at 315 Camino del Remedio. Pueblo Radiology will pay County \$1,141 per month as rent for the space, utilities and associated services (e.g. custodial services). This location will become a new service site for Pueblo Radiology and it shall continue to serve PHD patients, other County Department patients (such as ADMHS), Veterans' Administration as well as private insurance patients.

Background:

Pueblo Radiology provides the full array of advanced diagnostic imaging. They provide excellent service, licensed technologists, sub-specialty trained physicians, and their imaging services are accredited by the American College of Radiology. By establishing Pueblo Radiology's services in the same location (315 Camino del Remedio) immediate access to diagnostic services is available to PHD, other County Departments such as the Sheriff's Department, Probation Department, and Veterans' Administration patients that have operations within the adjacent County properties. This is especially critical for the PHD specialty clinics such as Orthopedics and Hand Surgery, which require access to patient images concurrent with their office visits. Transition from PHD Radiology to Pueblo Radiology Services will be timed accordingly so as to prevent any disruption in patient care, and reduce or eliminate the need to transport patients to receive these services. This Lease Agreement is supported by ADMHS Administration, the Veterans Administration (VA) Clinic, and the Santa Barbara Orthopedic Associates and the Associated Hand Surgeons, who operate specialty clinics at the Santa Barbara Health Care Center.

Services and Equipment

Under this Lease Agreement, Pueblo Radiology shall have the ability to provide image review and reporting services in-house. Additionally, the Pueblo Radiology radiologists are easily accessible to PHD providers and other clinicians. The radiology images and reports shall be processed in real time, through an on-line system that is available to all providers to enhance patient care. This access and these systems are essentially equivalent and equally accessible to PHD providers as is currently available through PHD Radiology Services and PHD agreements with Cottage Hospital and the Santa Barbara Radiology Medical Group.

Whereas the existing equipment is of relatively little value due to its age and condition, Pueblo Radiology's purchase of this equipment removes the licensing, registration, and liability issues from PHD.

Existing Staff

PHD has been able to transition two of the three PHD Radiology Technologist staff members to other positions within PHD. The third staff member is scheduled to be laid off when PHD Radiology Services terminates. Pueblo Radiology has had discussions with the one remaining PHD staff member, and it is anticipated that this staff member will be hired by Pueblo Radiology to provide radiology services at this new site. This is a significant advantage for both parties in that the existing staff member has a long-term established relationship with the PHD, VA, and other County Department providers, their patients, and the State Department of Health Services for regulatory requirements. This familiarity and

experience will greatly reduce any provider or patient impacts resulting from the change in service providers.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

By using actual facility and maintenance costs available through the Countywide Cost Allocation Plan, the amount of monthly rent for the 1029 sq ft of leased space has been calculated at approximately \$704 per month. Including all utilities, custodial services, telephone and other incidental costs for the leased space will bring the monthly total for the space to \$1,141 per month or \$13,692 annually.

In addition, Pueblo Radiology will procure the County radiological equipment for the purchase price of its depreciated value of \$7,200 and will assume responsibility for all maintenance, repairs, and improvements for the purposes of this contract.

Staffing Impacts:

There are no staffing impacts beyond those described earlier associated with this Lease Agreement.

Special Instructions:

Please execute two (2) original Lease Agreements and retain one (1) original Lease Agreement and one Minute Order for pick-up. Please email phdcu@sbcphd.org when documents are available for pickup.

Attachments: *

Lease Agreement with Pueblo Radiology Medical Group, Inc.

Notice of Exemption, Pueblo Radiology Medical Group, Inc. Lease Agreement

Authored by:

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