



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

July 15, 2003

TO: Each Supervisor

FROM: Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

SUBJECT: **NOTICE OF INTENT TO AMEND INFORMATION TECHNOLOGY SUPPORT SERVICES MASTER AGREEMENT (ITSSMA) WORK ORDER NO. N01-0177 TO INCREASE TERM OF SERVICE AND INCREASE FUNDING FOR DEPARTMENT OF HEALTH SERVICES (DHS) LABOR COST DISTRIBUTION (LCD) SYSTEM**

This is to advise you of our request to the Internal Services Department (ISD) to supplement the subject ITSSMA Work Order with Sierra System Consultants, Inc. (Sierra) for database administration, application support/development, training and knowledge transfer for the DHS LCD System, in the amount of \$250,000, and to extend the term of the Work Order for ten months, from November 15, 2003 to September 30, 2004.

BACKGROUND

DHS' current LCD System was designed and developed by ISD in 1976. Due to significant changes in the health care industry, specifically with regard to reimbursement and technology, DHS determined that the LCD system needed to be replaced. DHS used the ITSSMA process to hire an outside contractor (Maximus) to complete a gap analysis, needs assessment, and business model. Maximus recommended that DHS design a new LCD system using an Oracle-based application. DHS agreed with the recommendation and, through the ITSSMA process, hired Sierra Systems Consultants, Inc. (Sierra) to design and build the LCD Oracle Database based on the recommended business model.

SCOPE OF WORK

The additional tasks to be added to the existing Work Order involve various post-implementation activities, including database administration, application support/development, training and knowledge transfer to transition to County staff, necessary programming adjustments, and troubleshooting.

JUSTIFICATION

Sierra, the current contractor, was originally selected through an ITSSMA work order and is completing the detail design, application development, data conversion, and production implementation for the new Oracle-based LCD replacement system. All LCD project steps are being completed on schedule.

Post-implementation tasks were not included in the original Work Order because, at that time, it was anticipated that County staff would provide the necessary technical support. However, the number of County staff trained in Oracle is very limited and the assistance they can provide is on a part-time basis only. The LCD replacement system "went live" on July 1, 2003 and there is an immediate need for full-time technical support. The Department believes the most prudent, timesaving and cost-effective approach is to have these tasks performed by Sierra, the current contractor, thereby ensuring that the successful implementation of the replacement system is not jeopardized by lack of technical support.

The extended Work Order will allow the Department to proceed with confidence that: a) critical post-implementation technical support will be immediately available; b) necessary programming adjustments can be made timely; and c) training and knowledge transfer to County staff will occur. Based on the above-described circumstances, the Department is requesting ISD to amend the existing Work Order to add the necessary post-implementation tasks.

FISCAL IMPACT

The original Work Order term is November 12, 2002 through November 15, 2003, for the fixed price of \$590,000. This Work Order will be extended for ten months through September 30, 2004 and the total fixed price will be increased not to exceed \$840,000. The additional services will be provided on a time and materials basis and are not to exceed \$250,000. Funding is available in the Department's Fiscal Year 2003-04 adopted budget.

CLOSING

If no comment is received on this notice within two weeks, ISD will be asked to proceed with this amended Work Order. If there are any questions regarding this matter, please contact Allan Wecker, Chief, Fiscal Programs, at (213) 240-8109.

TLG:ln

Noted and Approved:

Jon W. Fullinwider
Chief Information Officer

c: Director, Internal Services
Gary W. Wells