COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

ROBIN KAY, Ph.D.
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

BOARD OF SUPERVISORS
GLORIA MOLINA
MARK RIDLEY-THOMAS
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MICHAEL D. ANTONOVICH

DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.gov

Reply To: (213) 738-4601
Fax: (213) 386-1297

October 20, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL TO AMEND SOLE SOURCE CONSULTANT SERVICES AGREEMENT WITH OUTLOOK ASSOCIATES, LLC AND QUALIS HEALTH FOR FISCAL YEARS 2009-10 THROUGH 2011-12 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Request approval to amend a sole source Consultant Services Agreement with Outlook Associates, LLC and Qualis Health to extend the term of the Agreement and increase the Maximum Compensation Amount for additional consulting services related to the Integrated Behavioral Health Information System Project.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute Amendment No. 3, substantially similar to Attachment I, extending the term of the existing Department of Mental Health (DMH) sole source Consultant Services Agreement No. DMH-02445 with Outlook Associates, LLC and Qualis Health (hereafter "Outlook") 18 months from November 1, 2009, to April 30, 2011, and providing thereafter for a month-to-month extension for up to six months at the discretion of the Director. The Amendment will also increase the Maximum Compensation Amount (MCA) by $39,700, from $977,002 to $1,016,702 for Fiscal Years (FYs) 2009-10 through 2011-12 fully funded by Mental Health Services Act (MHSA) funds, for the provision of additional consultation and technical assistance related to the Integrated Behavioral Health Information System (IBHIS) Project. This Amendment will be effective November 1, 2009.

2. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to this Consultant Services Agreement and establish as a new MCA the aggregate of the original Agreement and all amendments through and including this amendment provided that: 1) the County's total payments to Consultant under this Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval of County Counsel, the Chief Executive Officer (CEO) and the County's Chief Information Officer (CIO), or their designee, is obtained prior to any such amendment; 5) the parties may, by written amendment, mutually agree to reduce programs or services without reference to the 20 percent limitation; and 6) the Director of Mental Health shall notify the Board of Agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The recommended actions will extend the term of the current Agreement, which expires on October 31, 2009, to April 30, 2011, and increase the MCA by $39,700 to ensure uninterrupted, continuous consultation and technical assistance needed to reissue the IBHIS Request for Proposals (RFP) with revised specifications that meet State mandates and County policies.

In September 2008, DMH released the IBHIS RFP. However, unforeseen changes by the State in the payment process to County providers changed the documented functional requirements necessary for the IBHIS project. Consequently, in April 2009, DMH canceled the RFP to address these State mandated changes. These changes include revising existing IBHIS RFP requirements for an accounts payable module to improve monitoring payments to providers based on contractual limits. In addition, requirements for an accounts receivable module are being modified to improve monitoring of revenue based on the claims submitted to external payers (i.e., Medi-Cal and Medicare). DMH is currently in collaboration with Outlook to draft a revised RFP to be issued in November 2009. The revised RFP, evaluation methodology, and evaluation tools must also incorporate the Evaluation Methodology for Proposals (Policy No. 5.054) and the revised policy on Services Contract Solicitation Protest (Policy No. 5.055).

Additional Consultant services are required to revise the RFP. Further, while Outlook completed the deliverables related to the issuance of the RFP, a number of tasks will have to be repeated to the degree necessary to complete work impacted by the need to

reissue a revised RFP and to revise the RFP evaluation tools. These tasks are outlined in the Statement of Work (Exhibit A-2) of the Attachment. However, to reduce costs, Outlook's work has been limited to the minimum necessary to revise and reissue the RFP and complete the evaluation.

Implementation of Strategic Plan Goals

The recommended actions are consistent with County Strategic Plan Goal 4, Health and Mental Health.

FISCAL IMPACT/ FINANCING

The amendment amount of $39,700 for FYs 2009-10 through 2011-12 is fully funded by MHSA and included in DMH's FY 2009-10 Adopted budget. There is no increase in net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The amendment to the Outlook Agreement will extend the term of the Agreement to April 30, 2011, as the existing term will expire on October 31, 2009. As outlined in the Statement of Work (Exhibit A-2) of the Attachment, the additional funding is required for Outlook to repeat tasks specific to completing new work to revise requirements to conform to State changes, address changes in County evaluation and protest policies which impact Contractor's evaluation tools and methodology, and evaluate proposal responses.

On September 17, 2008, the IBHIS RFP was released. However, during the evaluation process, DMH's requirements for the IBHIS changed significantly, including those mandated by the State with respect to the way DMH processes contract provider claims for reimbursement and payments to contract providers. Subsequently, after careful deliberation, on April 2, 2009, DMH invoked its right to cancel the IBHIS RFP effective immediately.

Furthermore, on March 31, 2009, the Board approved the Evaluation Methodology for Proposals Policy (Board Policy No. 5.054), establishing the Informed Averaging Method as the County of Los Angeles standard for scoring and evaluating competitive solicitations and revising the Countywide Services Contract Solicitation Protest Policy (Board Policy No. 5.055) to address vendor protests on solicitations related to Board-approved services contracts. These two Board policies impact the evaluation methodology developed by Outlook specifically for the IBHIS RFP evaluation process. All scoring and evaluation tools developed by Outlook must be revised to incorporate informed averaging for each evaluation category as described in the IBHIS RFP.

Contractor must also ensure that any request for the release of proposal evaluation documents as a result of the revised Services Contract Solicitation Protest Policy can be provided by Contractor's evaluation tools in accordance with the revised policy.

The Amendment format has been approved as to form by County Counsel. The CEO and CIO have reviewed and approved the recommended actions. Chief Information Office Bureau (CIOB) staff will continue to administer and supervise the Agreement and ensure that Agreement provisions and Departmental policies are being followed.

CONTRACTING PROCESS

On April 18, 2006, your Board approved a sole source Consultant Services Agreement with Outlook based on its significant experience in specifying requirements based on industry standards for an electronic health record and providing evaluation tools for the selection of an information system for mental health service organizations in both the public and private sectors. Upon Board approval, DMH will allocate an additional $39,700 to Outlook to continue to provide DMH with expert assistance in specification and selection of an IBHIS.

IMPACT ON CURRENT SERVICES

Board approval of the recommended actions will allow Outlook to continue consultation and technical assistance related to the IBHIS Project. There will be no impact upon, or interruption of, the current services being provided by DMH.

Respectfully submitted,

Robin Kay for
Marvin J. Southard, D.S.W.
Director of Mental Health

Reviewed by:

Richard Sanchez
Chief Information Officer

MJS:MM:RG:RK

Attachment

c: Chief Executive Officer
Acting County Counsel
Chief Information Officer
Executive Officer, Board of Supervisors
Chairperson, Mental Health Commission

Outlook_Am-3/v12_09/23/09

CIO ANALYSIS

AMENDMENT NO. 3 TO SOLE SOURCE CONSULTANT SERVICES AGREEMENT WITH OUTLOOK ASSOCIATES, LLC AND QUALIS HEALTH (DMH-02445)

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION ☐ DISAPPROVE

Contract Type:
☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 18 Months # of Option Yrs: 6 Months

Contract Components:
☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Marvin J. Southard, D.S.W., Director, DMH

Budget Information :

Y-T-D Contract Expenditures	$ 0
Requested Contract Amount	$ 39,700
Aggregate Contract Amount	$1,016,702

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated?
☒	☐	Is this project subvented? If yes, what percentage is offset? 100% funded by MHSA funds.
☐	☒	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
☒	☐	Is this project in alignment with the County of Los Angeles Strategic Plan?
☒	☐	Is this project consistent with the currently approved Department Business Automation Plan?
☒	☐	Does the project's technology solution comply with County of Los Angeles IT Directions document?
☒	☐	Does the project technology solution comply with preferred County of Los Angeles IT standards?
☒	☐	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Department of Mental Health is requesting Board approval to:

1. Execute Amendment No. 3 extending the term of the existing sole source Consultant Services Agreement No. DMH-02445 with Outlook Associates, LLC and Qualis Health for 18 months from November 1, 2009, to April 30, 2011, and providing for a month-to-month extension for up to six months at the discretion of the Director. The Amendment will also increase the Maximum Compensation Amount (MCA) by $39,700, from $977,002 to $1,016,702 for Fiscal Years 2009-10 through 2011-12, fully funded by MHSA funds, for the provision of additional consulting and technical assistance related to the IBHIS project.

2 Delegate authority to the Director of Mental Health, or his designee, to prepare, sign and execute future amendments to this Consultant Services Agreement and establish as a new MCA, the aggregate of the original Agreement and all amendments through and including this Amendment provided that: 1) the County's total payments to Consultant under this Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval of County Counsel, the Chief Executive Officer and the County Chief Information Officer, or their designee, is obtained prior to any such amendment; 5) the parties may, by written amendment, mutually agree to reduce the programs or services without reference to the 20 percent limitation, and 6) the Director of Mental Health shall notify the Board of Agreement changes in writing 30 days after the execution of each amendment.

Background:

On April 16, 2006, your Board approved a Sole Source Consultant Services Agreement with Outlook Associates and Qualis Health to assist DMH in the preparation of the IBHIS RFP and evaluation documents. In September 2008, DMH released the initial version of the IBHIS RFP. However, changes by the State in the payment process to County providers changed the functional requirements documented in that RFP. Because of this, DMH decided to cancel the RFP in April 2009. This Amendment will extend the term of the existing Outlook Agreement to ensure continuous consulting and technical assistance needed to reissue the RFP with revised specifications that meet State mandates, and new County policy regarding Evaluation Methodology for Proposals (Policy No. 5.054) and the revised policy of Services Contract Solicitation Protest (Policy No. 5.055). The revised version of the IBHIS RFP is scheduled to be reissued in November 2009.

Project Justification/Benefits:

The additional consulting services will allow DMH to reissue a revised IBHIS RFP that will provide potential bidders with the current functional requirements and that will contain the County's latest contracting provisions.

Project Metrics:

The project metrics will center on DMH's ability to update all of the functional requirements, include the County's latest contracting provisions, and reissue the IBHIS RFP in November 2009. Also, the Statement of Work, which my Office has reviewed and commented on, clearly identifies the tasks and deliverables associated with this Amendment.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

Approval of this recommendation will allow DMH to continue working with Outlook to make the necessary changes to the RFP and reissue it in the November 2009 timeframe.

Alternatives Considered:

Because this is an amendment to an existing agreement, no other alternatives were considered.

Project Risks:

The only risk identified for this Amendment is DMH's ability to work with Outlook to incorporate all of the necessary functional and policy changes into the new version of the RFP.

Risk Mitigation Measures:

DMH is addressing this risk by incorporating several levels of review prior to reissuing the RFP.

Financial Analysis:

This Amendment will increase the Maximum Compensation Amount by $39,700, from $977,002 to $1,016,702 for the Fiscal Years 2009-10 through 2011-12, fully funded by MHSA funds. There is no increase in Net County Cost.

CIO Concerns:

None.

CIO Recommendations:

Based on our review of the Board Letter, and discussions with the Department CIO and the IBHIS Project Manager, this Office recommends approval of the recommended actions. My staff has had several meetings with the Outlook consultants, and we have reviewed their work. To date, we feel they have provided quality work, and we believe they are an asset to DMH's goal of reissuing a quality RFP.

CIO APPROVAL

Date Received: September 21, 2009

Prepared by: Henry Balta

Date: October 7, 2009

Approved:

Date: 10-7-09

ATTACHMENT

CONTRACT NO. **DMH-02445**

AMENDMENT NO. **3**

THIS AMENDMENT is made and entered into this _____ day of_____, 2009, by and between the COUNTY OF LOS ANGELES (hereafter "County") and **Outlook Associates, LLC** (formerly known as Outlook Associates, Inc.) (hereafter sometimes "Outlook"), and **Qualis Health** (hereafter sometimes "Qualis") (hereafter Outlook and Qualis collectively referred to as "Consultant").

WHEREAS, County and Consultant have entered into a written Agreement, dated May 1, 2006, identified as County Agreement No. DMH-02445, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year (FY) 2009-10, County and Consultant intend to amend Agreement effective November 1, 2009, as described hereunder; and

WHEREAS, County and Consultant intend to **extend** the term of this Agreement for an additional eighteen (18) months through April 30, 2011, with an option to extend the term for an additional six (6) months on a month-to month basis at the discretion of the Director; and

WHEREAS, for FYs 2009-10 through 2011-12, County and Consultant intend to **add** Mental Health Services Act (MHSA) funding in the amount of **$39,700** for the provision of additional consulting services related to the Integrated Behavioral Health Information System (IBHIS) Project; and

WHEREAS, for FYs 2009-10 through 2011-12, County and Consultant intend to add revised and/or new County mandated provisions (e.g., Insurance, etc.); and

WHEREAS, for FYs 2009-10 through 2011-12, County and Consultant intend to revise the Statement of Work and add additional tasks thereto in light of changes in County policy and State mandates which impact the IBHIS Project; and

WHEREAS, for FYs 2009-10 through 2011-12, the Maximum Compensation Amount (MCA) will increase by **$39,700** with a revised MCA of **$1,016,702**; and

NOW, THEREFORE, County and Consultant agree that Agreement shall be amended only as follows:

1. Effective November 1, 2009, Paragraph 2 (TERM) shall be deleted in its entirety and the following substituted therefor:

"2. TERM:

A. This Agreement, effective May 1, 2006 through October 31, 2008, and further extended by amendment from November 1, 2008 through October 31, 2009, is extended for a period of 18 months beginning November 1, 2009 through April 30, 2011.

B. This Agreement may be terminated by either party at any time without cause by giving at least 30 days prior written notice to the other party.

C. The term of this Agreement may be extended by the County's Director of DMH ("Director") beyond the expiration date on a month-to-month basis, for a period of time not to exceed six (6) months, upon the mutual consent of the parties. All provisions of the Agreement in effect on the date the extension term commences shall remain in effect for the duration of the extension, including, but not limited to, the Maximum Compensation Amount set forth in Paragraph 7 (PAYMENT) (and approved Change Notices). Compensation for

work performed during the extension period shall be prorated on a monthly basis where applicable, and on a daily basis for time periods of less than a month.

D. Six Months Notification of Agreement Expiration: Consultant shall notify County when this Agreement is within six (6) months of expiration. Consultant shall send such notice to those persons and addresses which are set forth in Paragraph **53** (NOTICES)."

2. Paragraph 21 (INDEMNIFICATION AND INSURANCE) shall be deleted in its entirety and the following substituted therefor:

"21. INDEMNIFICATION AND INSURANCE:

A. Indemnification: Consultant shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Consultant's acts and/or omissions arising from and/or relating to this Agreement.

B. General Provisions for all Insurance Coverage: Without limiting Consultant's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Consultant shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Subparagraphs B. and C. of this Paragraph 21. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Consultant pursuant to this Agreement. The County in no way warrants that

the Required Insurance is sufficient to protect the Consultant for liabilities which may arise from or relate to this Agreement.

1) Evidence of Coverage and Notice to County

(a) Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Consultant's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.

(b) Renewal Certificates shall be provided to County not less than 10 days prior to Consultant's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Consultant and/or Sub-consultant insurance policies at any time.

(c) Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Consultant identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.

(d) Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or

endorsement, or any other insurance documentation or information provided by the Consultant, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

Los Angeles County - Department of Mental Health
Contracts Development and Administration Division
550 S. Vermont Ave., 5th Floor
Los Angeles, CA 90020

Consultant also shall promptly report to County any injury or property damage accident or incident, including any injury to a Consultant employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Consultant. Consultant also shall promptly notify County of any third party claim or suit filed against Consultant or any of its Sub-Consultant which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Consultant and/or County.

2) Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Consultant's General Liability policy with respect to liability arising out of Consultant's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits

arising out of the Consultant's acts or omissions, whether such liability is attributable to the Consultant or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

3) Cancellation of Insurance

Except in the case of cancellation for non-payment of premium, Consultant's insurance policies shall provide, and Certificates shall specify, that County shall receive not less than thirty (30) days advance written notice by mail of any cancellation of the Required Insurance. Ten (10) days prior notice may be given to County in event of cancellation for non-payment of premium.

4) Failure to Maintain Insurance

Consultant's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Consultant, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Consultant resulting from said breach.

5) Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

6) Consultant's Insurance Shall Be Primary

Consultant's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Consultant. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Consultant coverage.

7) Waivers of Subrogation

To the fullest extent permitted by law, the Consultant hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Consultant shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8) Sub-Consultant Insurance Coverage Requirements

Consultant shall include all Sub-Consultants as insureds under Consultant's own policies, or shall provide County with each Sub-Consultant's separate evidence of insurance coverage. Consultant shall be responsible for verifying each Sub-Consultant complies with the Required Insurance provisions herein, and shall require that each Sub-Consultant name the County and Consultant as additional insureds on the Sub-Consultant's General Liability policy. Consultant shall obtain County's prior review and approval of any Sub-Consultant request for modification of the Required Insurance.

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9) Deductibles and Self-Insured Retentions (SIRs)

Consultant's policies shall not obligate the County to pay any portion of any Consultant deductible or SIR. The County retains the right to require Consultant to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Consultant's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

10) Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Consultant understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

11) Application of Excess Liability Coverage

Consultants may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

12) Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

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13) Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Consultant use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

14) County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

C. Insurance Coverage

1) Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal and Advertising Injury:	$1 million
Each Occurrence:	$1 million

2) Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Consultant's use of

autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

3) Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If Consultant will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Consultant's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

4) Unique Insurance Coverage

(a) Sexual Misconduct Liability

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than $2 million per claim and $2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

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(b) Professional Liability/Errors and Omissions

Insurance covering Consultant's liability arising from or related to this Contract, with limits of not less than $1 million per claim and $3 million aggregate. Further, Consultant understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

(c) Property Coverage

Consultant given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as an Additional Insured and Loss Payee on Consultant's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value."

3. Paragraph 25 (CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT) shall be deleted in its entirety and the following substituted therefor:

"25. CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT: Should Consultant require additional or replacement personnel after the effective date of this Agreement, Consultant shall give consideration for any such employment openings to participants in the

County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet Consultant's minimum qualifications for the open position. If Consultant decides to pursue consideration of GAIN/GROW participants for hiring, Consultant shall provide information regarding job openings and job requirements to Department of Public Social Services' GAIN/GROW staff at: GAINGROW@dpss.lacounty.gov. County will refer GAIN/GROW participants, by job category, to Consultant."

Note: *In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.*

4. Paragraph 36 (COMPLIANCE WITH APPLICABLE LAW) shall be deleted in its entirety and the following substituted therefor:

"36. COMPLIANCE WITH APPLICABLE LAW:

36.1 Consultant shall comply with all Federal, including, but not limited to, Title XIX of the Social Security Act, State, and local laws, ordinances, rules, regulations, manuals, guidelines, Americans with Disabilities Act (ADA) standards, and directives applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

36.2 Consultant shall indemnify and hold harmless County from and against any and all liability, damages, costs or expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of Consultant, its officers, employees, or agents, of any such

Federal, State or local laws, ordinances, rules, regulations, manuals, guidelines, ADA standards, or directives.

36.3 Consultant shall maintain in effect an active compliance program in accordance with the recommendations set forth by the Department of Health and Human Services, Office of the Inspector General.

36.4 Duty to Notify: Consultant agrees to notify County of any and all legal complaints, citations, enforcement proceedings, administrative proceedings, judgments or litigation, known to Consultant, whether civil or criminal initiated against Consultant, its officers, employees, or agents which are likely to have a material effect on the organization's stewardship, financial position and/or ability to perform and deliver services under this Agreement."

5. Paragraph 53 (NOTICES) shall be deleted in its entirety and the following substituted therefor:

"53. NOTICES: All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand-delivered with signed receipt or mailed by first-class, registered or certified mail, postage prepaid, addressed to the parties at the following addresses and to the attention of the persons named. Director shall have the authority to execute all notices or demands which are required or permitted by County under this Agreement. Addresses and persons to be notified may be changed by either party by giving ten days prior written notice thereof to the other party.

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If to COUNTY:

County of Los Angeles

Department of Mental Health

Contracts Development and Administration Division

550 S. Vermont Avenue, 5th Floor

Los Angeles, California 90020

ATTN: Chief of Contracts

County of Los Angeles

Department of Mental Health

Chief Information Office Bureau

695 S. Vermont Avenue, 7th Floor

Los Angeles, California 90005

ATTN: Robert M. Greenless, Ph.D., CIO

If to CONSULTANT:

Outlook Associates, LLC

18022 Cowan, Suite 255

Irvine, California 92614

ATTN: Foster C. "Bud" Beall, Jr.

Qualis Health

10700 Meridian Avenue N., Suite 100

Seattle, Washington 98133

ATTN: Robin L. Shuler, CPA MBA"

6. Paragraph 57 (PERFORMANCE STANDARDS AND OUTCOME MEASURES) shall be added to this Agreement:

"57 PERFORMANCE STANDARDS AND OUTCOME MEASURES: The Consultant shall comply with all applicable Federal, State, and County policies and procedures relating to performance standards and outcome measures. This is applicable whenever specific Federal or State funding, which has policies or procedures for performance standards and/or outcome measures has been included as part of the Consultant's Agreement and shall apply for all County policies, procedures, or departmental bulletins approved by the Director or his designee for performance standards and/or outcome measures. County will notify Consultant whenever County policies or procedures are to apply to this Agreement provision at least, where feasible, 30 calendar days prior to implementation.

These Federal, State or County performance standards and/or outcome measures will be used as part of the determination of the effectiveness of the services delivered by the Consultant."

7. Paragraph 58 (FORCE MAJEURE) shall be added to this Agreement:

"58. FORCE MAJEURE:

58.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's sub-consultants), freight embargoes, or other similar events to those described

above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

58.2 Notwithstanding the foregoing, a default by a sub-consultant of Consultant shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Consultant and such sub-consultant, and without any fault or negligence of either of them. In such case, Consultant shall not be liable for failure to perform, unless the goods or services to be furnished by the sub-consultant were obtainable from other sources in sufficient time to permit Consultant to meet the required performance schedule. As used in this sub-paragraph, the term "sub-consultant" and "sub-consultants" mean sub-consultants at any tier.

58.3 In the event Consultant's failure to perform arises out of a force majeure event, Consultant agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event."

8. Paragraph 59 (LOCAL SMALL BUSINESS ENTERPRISE PERFERENCE PROGRAM) shall be added to this Agreement:

"59 <u>LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM</u>: This Agreement is subject to all provisions of the County's ordinance entitled Local Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code. Specifically, Consultant shall pay particular attention to the following provisions in Chapter 2.204:

Consultant shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

Consultant shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

If Consultant has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this Agreement to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the Agreement amount and what the County's costs would have been if the Agreement had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the Agreement; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any Consultant that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State and the Office of Affirmative Action Compliance of this information prior to responding to a solicitation or accepting a contract award."

9. The Exhibit A-2, Statement of Work (IBHIS Project), attached hereto and incorporated herein by reference, shall supersede and replace the previously effective Exhibit A-1, Statement of Work, of the Agreement. All references in the Agreement to Exhibit A-1, Statement of Work, shall be deemed amended to refer to Exhibit A-2.

10. Exhibit B-2, Payment Schedule, attached hereto and incorporated herein by reference, shall supersede and replace the previously effective Exhibit B-1, Payment Schedule, of the Agreement. All references in the Agreement to Exhibit B-1, Payment Schedule, shall be deemed amended to refer to Exhibit B-2.

11. The Total Compensation Amount for this Agreement, including the extended term, shall not exceed ONE MILLION SIXTEEN THOUSAND SEVEN HUNDRED TWO DOLLARS **($1,016,702)**. In no event shall County pay Consultant more than this Total Compensation Amount for Consultant's performance hereunder.

12. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Consultant has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By_____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

OUTLOOK ASSOCIATES, LLC
CONSULTANT

By _____

Name Foster C. "Bud" Beall, Jr.

Title Vice President

QUALIS HEALTH
CONSULTANT

By _____

Name Jonathan Sugarman

Title President and CEO

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

Outlook Agrmt/Amend-3/V6
(09/23/09)

EXHIBIT A-2

STATEMENT OF WORK

(IBHIS PROJECT)

CONSULTANT SERVICES TO BE PROVIDED BY OUTLOOK ASSOCIATES, LLC

Project Name: IBHIS Project

Consultant shall submit each Deliverable for County's review in a file format acceptable to County and receive County's written approval before said Deliverable will be considered complete. Consultant shall provide all materials electronically in a file format acceptable to County unless otherwise indicated in this Exhibit A-2.

Prior to commencing Work, Consultant shall identify each member of its staff, their specific role and experience as it relates to the Deliverable to which they are assigned. Upon County's request, Consultant shall provide County with resumes in advance for each staff member assigned to each Deliverable for which resumes were not previously provided, and an opportunity to interview such person prior to such person's performance of any work hereunder.

Task 1: Solicitation Document

Consultant shall perform an objective review of the IBHIS RFP and all addendums in their entirety, and provide written recommendations prior to its finalization and publication and prior to publishing any addendums for documents directly associated with the evaluation methodology and instruments. Consultant shall confirm in writing, prior to publication of both the RFP and addendum(s), that all RFP response documents to be used by the evaluation methodology instruments, can be directly associated with and used by the Consultants evaluation methodology instruments for evaluation and selection purposes.

Deliverable 1: Solicitation Document

Consultant shall provide written recommendations and confirm that all RFP response documents to be used by the evaluation methodology instruments, can be directly associated with and used by the Consultants evaluation methodology instruments for evaluation and selection purposes.

Task 2: Vendor Proposal Evaluation Methodology and Evaluation Instruments

Consultant shall revise all Proposers response evaluation methodology, associated tools and evaluation instruments, guidelines and instructions developed by Outlook Associates to comply with new County Policy No. 5.054 (Evaluation Methodology for

Proposals) for phases II and III of the IBHIS RFP evaluation process. Consultant shall ensure that all materials developed by Outlook Associates comply with revised County Policy No. 5.055 (Services Contract Solicitation Protest), which requires all corresponding evaluation documents in a solicitation be made available upon request by the public. Consultant shall provide revised evaluation instruments, tools, guidelines, instructions and consulting services in accordance with the listed Deliverables prior to proposal submission deadline.

The evaluation methodology tool must include a point allocation system and weighted scale to support an electronically documented comparative analysis of Proposers responses through Phase II and Phase III of the evaluation process. Phase I (Pass/Fail) shall be conducted by County. The evaluation instruments must include usable tools for recording applicable RFP responses and individual evaluator scores for Phase II and Phase III of the evaluation process.

Consultant shall train three (3) County Staff (i.e., IBHIS Project Business Analysts) on all revisions to all evaluation instruments and associated tools. Consultant shall support County's validation, testing and use of Outlook Associates evaluation and scoring tools by resolving deficiencies and responding to questions.

Consultant shall, where appropriate and as a direct result of revisions to the RFP, facilitate sub category weighting discussions to review weighting for applicable Phase II and Phase III evaluation categories. Consultant shall document County's final weighting decisions and provide such documentation to County.

Deliverable 2: Vendor Proposal Evaluation Methodology and Evaluation Instruments

Consultant shall, in accordance with Task 2 (Vendor Proposal Evaluation Methodology and Evaluation Instruments):

1. Revise and provide all Proposers' response evaluation methodology, associated tools and evaluation instruments, guidelines and instructions developed by Outlook Associates to comply with Policy No. 5.054 (Evaluation Methodology for Proposals) and Policy No. 5.055 (Services Contract Solicitation Protest);
2. Train three (3) County Staff (i.e., IBHIS Project Business Analysts) on revisions to all evaluation and scoring instruments and tools;
3. Correct evaluation and scoring tools deficiencies identified by County or discovered by Consultant prior to releasing to County;
4. Facilitate evaluation team discussions to review sub category weighting for all applicable evaluation categories; and
5. Provide written documentation of evaluation team's final weighting decisions for applicable evaluation categories.

Task 3: Bidder's Conference and Questions

Consultant shall provide County with responses in electronic format to Proposer's questions submitted at the bidder's conference, if questions pertain to scoring methodology or tools, functional or technical requirements (including technical narrative), Proposer's Questions Response form and other forms developed by Consultant.

Deliverable 3: Bidder's Conference and Questions

Consultant shall provide responses in electronic format to Proposer's questions submitted at the bidder's conference in accordance with Task 3 (Bidder's Conference and Questions).

Task 4: Vendor Selection, Report, and Protest Assistance

Consultant shall, as part of the evaluation orientation sessions for each evaluation phase (i.e., Phase II and Phase III), provide an overview of the evaluation scoring process and scoring tool instructions to the evaluation team. Consultant shall facilitate both the evaluation team's discussions during each evaluation phase; and all Proposer demonstration sessions and Customer site visits in accordance with revised IBHIS Evaluation Guidelines. Consultant shall coordinate site visit preparations.

Consultant shall validate County's input of all proposer responses imported into the evaluation instrument by County staff and shall verify that the population of the evaluation scoring tool (including both automated and manual entries) are accurate and consistent with its evaluation methodology and County's revised IBHIS Evaluation Guidelines. Consultant shall provide written comprehensive results from evaluation scoring tool incorporating all RFP responses and evaluation results in accordance with revised IBHIS Evaluation Guidelines at the conclusion of each evaluation phase (i.e., Phase II and Phase III) and provide graphical representations of statistical data as part of the comparative analysis of the evaluation results. Consultant shall facilitate the evaluation team's review and analysis of evaluation results and statistical data at the conclusion of each evaluation phase (i.e., Phase II and Phase III) and facilitate and document the final selection session. Consultant shall prepare a draft selection report for County's review and approval.

Consultant shall provide input and assist County in its response to any and all bidder protests.

Consultant shall provide the following materials and consulting services in accordance with this Task and the revised IBHIS Evaluation Guidelines:

Selection Services and Materials:

1. Provide an overview of the evaluation scoring process and scoring tool instructions;
2. Facilitate evaluation team discussions;

3. Facilitate demonstration sessions;
4. Coordinate pre-finalist site visit preparations; contact sites and schedule visits based on evaluation team availability;
5. Facilitate visits to no more than three (3) pre-finalist sites;
6. Validate County's input of all proposer responses imported into the evaluation instrument;
7. Validate population of the evaluation scoring tool;
8. Provide written comprehensive scoring results and statistical data to the evaluation team for comparative analysis;
9. Facilitate evaluation team's review of evaluation results and statistical data;

Selection Report:

10. Facilitate selection session;
11. Document selection decisions;
12. Develop and submit a draft selection report for County's review and finalization, and include all supporting documentation relating to the evaluation team selection sessions, evaluation results, comparative analysis and results of the final selection session; and

Protest Support:

13. Provide input and assist County in its response to any and all bidder protests under the Countywide Services Contract Solicitation Protest Policy, including assisting in responding to requests for Solicitation Requirements Review, Disqualification Review, Proposed Contractor Selection Review and review by County Review Panel.

Deliverable 4: Vendor Selection and Report

Consultant shall in accordance with Task 4 (Vendor Selection and Report):

1. Provide an overview of the evaluation scoring process and scoring tool instructions;
2. Facilitate evaluation team discussions during each evaluation phase;
3. Facilitate Proposer demonstration sessions and customer site visits;
4. Validate County's input of all proposer responses imported into the evaluation instrument;
5. Validate accuracy of scoring tool;
6. Provide written comprehensive evaluation tool scoring results;
7. Provide written statistical comparative analysis of evaluation results, including graphic representation with a narrative analysis of the results;
8. Facilitate evaluation team review and analysis of evaluation results and final selection session;

9. Provide written summary of selection decisions resulting from meeting discussions;
10. Provide written draft selection report to County including IBHIS Evaluation Guidelines, all supporting documentation including selection decisions, evaluation results, comparative analysis and results of the final selection session; and
11. Provide written recommendations to County response if bidder protest occurs.

Task 5: Develop Electronic Medical Record (EMR) Specifications

Consultant shall participate in IBHIS RFP specifications development meetings to provide consulting services in the principal areas of healthcare systems and systems technology. Consultant shall, under the direction of County's Project Manager, amend Proposer Questions Response form and all other applicable IBHIS RFP specifications materials developed by Outlook Associates in response to feedback provided in the March 24, 2009 Evaluator Debriefing Session to support the development of specifications for the IBHIS RFP.

Deliverable 5: Develop Electronic Medical Record (EMR) Specifications

Consultant shall provide consulting services which support the development of specifications for the IBHIS RFP and deliver applicable amended IBHIS RFP specifications and evaluation materials in accordance with Task 1 (Develop Electronic Medical Record (EMR) Specifications).

EXHIBIT B-2
(Amendment No. 3)

OUTLOOK ASSOCIATES, LLC

PAYMENT SCHEDULE
For
FYs 2009-10, 2010-11 and 2011-12

Project Name: IBHIS Project

County shall compensate Consultant for all Deliverables specified in Exhibit A-2 (Statement of Work) and at the rate of compensation set forth in Exhibit B-2 (Payment Schedule), based upon satisfactory performance and written acceptance by the County.

Deliverable No.	Deliverable Description	Current Amount	Increased Amount (Amend #3)
1	Solicitation Document	$5,544	$6,000
2	Vendor Proposal Evaluation Methodology and Evaluation Instruments	38,968	14,500
3	Bidder's Conference and Questions	4,620	4,400
4	Vendor Selection and Report	81,510	1,200
5*	Develop Electronic Medical Record (EMR) Specifications	0	13,600
Increased Amount (Amend #3) for FYs 2009-10, 2010-11 and 2011-12			**$39,700**
Current Total Contract Amount			**$977,002**
Revised Total Contract Amount (TCA)			**$1,016,702**

* New Deliverable (Amendment #3)