Health Services
LOS ANGELES COUNTY

July 6, 2010

Los Angeles County
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To improve health through leadership, service and education

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 OF AMENDMENT TO AGREEMENT FOR HOSTING AND PROFESSIONAL SERVICES FOR THE RESIDENT PHYSICIAN INFORMATION SYSTEM
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( ) DISAPPROVE ( )

SUBJECT

Request approval of an Amendment to extend the Agreement with Verinform Systems, Inc. for hosting, support and professional services for the Resident Physician Information System for Department of Health Services facilities.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services (Interim Director), or his designee, to execute Amendment No. 3 to Agreement No. H-702120 with Verinform Systems, Inc. (Verinform), effective upon Board approval to extend the term for the period August 1, 2010 through July 31, 2013 with two additional optional one-year extensions for continued hosting, support and professional services for the web-based Resident Physician Information System (RPIS), update County required provisions, and add other services at an increase in the contract sum by $749,750 for the entire term of the Agreement.

2. Delegate authority to the Interim Director, or his designee, to exercise the two optional one-year extension periods, through July 31, 2015, subject to review and approval by County Counsel, the Chief Information Office (CIO), and the Chief Executive Office (CEO), and notification to your Board.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the first recommendation will allow the Interim Director or his designee, to execute an Amendment, substantially similar to Exhibit I, to the current Agreement with Verinform to extend the term of the Agreement, update County required provisions, and add other services. The current Agreement expires July 31, 2010.

The Department of Health Services (DHS) is responsible for providing ongoing training to new resident physicians. Under the Agreement, Verinform provides hosting, support and professional services for the web-based RPIS that captures and manages physician residency and graduate medical education requirements such as schedules, rotations, procedures, evaluations and duty hours for each of the 91 department-wide residency programs.

Approval of the second recommendation will allow the Interim Director to exercise the optional extensions to the Agreement, subject to the review and approval by County Counsel, CIO and CEO. The Department is recommending a three-year initial term with two optional one-year extensions in lieu of conducting another competitive solicitation for a replacement, because it would be costly to bring in a new contractor at this time. All of the RPIS software modules are fully implemented, DHS staff are trained in the use of the software, and Verinform has five years of historical data archived. Migration of the information to another vendor and software product would be time-consuming and costly. Through informal inquiries, the Department identified potentially two other vendors who can provide similar services, but the estimated cost to implement with each of them is approximately $2-$3 million dollars.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost under the Agreement for Fiscal Years (FY) 2010-11 through 2014-15 is $149,950 per year and is not to exceed $947,350 for the entire term of the Agreement. Funding is included in Health Services Administration's 2010-11 Adopted Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Currently, RPIS has approximately 2,600 registered users, consisting of employees, residency program staff, resident physicians, attending physicians and graduate medical education staff. RPIS tracks the activities of approximately 1,500 resident physicians.

In July 2004, after a competitive bidding process, the Purchasing Agent approved County Agreement No. Q42469 with Verinform for their web-based RPIS, effective through July 31, 2009, and subsequently extended for one-year through to July 31, 2010. At the time DHS acquired the RPIS, Verinform agreed to host the web-based application from its Oregon headquarters to ensure a timely installation and allow time for DHS to host the RPIS in-house. It was subsequently determined by DHS that in-house hosting of RPIS would require the addition of numerous specialized staff both locally and administratively to support RPIS, which was deemed not feasible. Verinform's performance history and on-line support offers a viable alternative to a DHS in-house enterprise based system.

On July 5, 2006, your Board approved Agreement No. H-702120, effective through July 4, 2008 for Verinform to host the RPIS.

On July 1, 2008, your Board approved Amendment No.1 to extend the term of the Agreement through July 31, 2010, to add related training and support services. It was determined that this service is not a Proposition A Agreement, and therefore, not subject to the Living Wage Program (County Code Chapter 2.201).

On February 17, 2010, your Board approved Amendment No. 2 to update the Health Insurance Portability and Accountability Act Business Associate Agreement to implement Health Information Technology for Economic and Clinical Health Act of 2009.

The Agreement may be terminated for convenience by the County upon 30 days' prior written notice.

The Agreement includes all of your Board's required provisions, including the most recent provision, Defaulted Property Tax Reduction Program.

County Counsel has approved Exhibit I as to form and the County's Chief Information Officer recommends approval of the Amendment (see attached analysis).

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure continued and uninterrupted use of the RPIS.

Respectfully submitted,

John F. Schunhoff, Ph.D.
Interim Director

Reviewed by:

Richard Sanchez
Chief Information Officer

JFS:rt

Attachments (2)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors