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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DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.gov

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

May 10, 2011

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 NO. 6 TO COUNTY AGREEMENT NUMBER 74144 WITH SIERRA SYSTEMS, INC.
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

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

SUBJECT

Request approval of Amendment No. 6 to extend the term of the Agreement with Sierra Systems, Inc., a Washington Corporation, for continued maintenance services of the Integrated System and to add Pool Dollars for County-requested Professional Services/Change Orders.

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. 6, substantially similar in format to the Attachment, to the existing Department of Mental Health (DMH) Health Insurance Portability and Accountability Act (HIPAA) Remediation Project, County Agreement No. 74144 with Sierra Systems, Inc., a Washington Corporation (Sierra Washington) effective upon Board approval, to provide for continued maintenance services of the Integrated System (IS) in the amount of $2,640,026; extend the term of the Agreement through June 30, 2014; provide an additional $1,150,000 in Pool Dollars for Professional Services/Change Orders; and increase the Maximum Contract Sum (MCS) to $31,735,551, funded by County General funds, Federal and State revenues and other sources; and

2. Delegate authority to the County Project Director, in his sole discretion, to extend the term of the Agreement for up to two additional 3-month periods, for a total extension not to exceed six months, through December 31, 2014.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of the recommended actions will extend the Agreement for the continued maintenance of the IS and increase Pool Dollars from $4,135,705 to $5,285,705 for County-requested Professional Services/Change Orders for IS-related work. The IS is the system by which contract providers and DMH directly-operated programs are able to claim services and receive reimbursement from various funding sources. The extension is required because additional work is needed to comply with State-mandated changes in claiming methodologies and to ensure an orderly transition to the Integrated Behavioral Health Information System (IBHIS), which is the planned successor system to the IS.

The primary reason for the increase in Pool Dollars is the significant State-mandated IS changes which are required to implement the Short-Doyle/Medi-Cal (SD/MC) Phase II project. SD/MC Phase II will bring the State into full compliance with the HIPAA Transactions and Code Sets (TCS) rules and provide the State with a more modern and more flexible application for the future. The State transition requires California counties to make substantial changes to their Medi-Cal claiming systems, the IS in the case of Los Angeles County, in order to be compatible with SD/MC Phase II. Changes will also be required in the Day Treatment Units of Service application. Additionally, changes to the Legacy mainframe system may be necessary although these changes will be far less substantial and less costly than the IS changes.

Because of the potential fiscal impact of this project, SD/MC Phase II has been and will continue to be the top priority information technology and business process change project in DMH. DMH was able to meet the State's February 1, 2010 deadline for SD/MC Phase II implementation by meeting the minimum mandatory requirements. However, due to the complexity of the project, DMH was forced to request an extension from the State to fulfill the rest of the mandatory requirements and continually modify its system in order to meet the State's ongoing adjustments to SD/MC Phase II. Failure to meet the State's SD/MC Phase II requirements means that DMH would be unable to submit claims to the State of California Department of Mental Health (SDMH); this would stop all Medi-Cal revenue to DMH until SD/MC Phase II compliance was achieved.

A second contributing factor for the need to increase available Pool Dollars is the implementation of short-term changes that must be made to the IS in order to comply with provisions of the California Medi-Cal Uninsured Care 1115 Waiver (1115 Waiver). Under the 1115 Waiver, new providers and provider types, such as Federally Qualified Health Centers and Public Private Partnerships, may be included in DMH's contract provider network. New client populations will be served, resulting in an increase in the

exchange of information between DMH specialty mental health care providers and physical health care providers including the Department of Health Services (DHS) and Public Health-Substance Abuse Prevention and Control (PH). An increase in demand for specialty mental health care services for individuals previously not served by the local mental health care plan is possible. DMH must invest in the necessary software changes to prepare the IS for these challenges before June 30, 2011.

A third contributing factor to the need to increase available Pool Dollars is the transition to DMH's new IBHIS. The implementation of IBHIS will require Sierra Washington to perform professional services that will facilitate a smooth shut-down of the IS and transition to the acquired IBHIS without disturbing DMH's fundamental business processes, relationships with business partners, and transactions with third party payers. Coordination of such a transition will also require DMH to extend the term of the Agreement through June 30, 2014, with two additional optional 3-month extensions, not to exceed six months, through December 31, 2014, and adjust the MCS as to reflect an increase in maintenance fees in order to ensure uninterrupted day-to-day operations and continued maintenance of the IS. Plans to extend the Agreement beyond June 30, 2014 will only be considered by DMH if it is absolutely necessary.

Implementation of Strategic Goals

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

FISCAL IMPACT/FINANCING

The Amendment increases the MCS by a maximum of $3,790,026 for a revised total MCS of $31,735,551 for the full term of the Agreement. This includes: additional Pool Dollars for Professional Services/Change Orders in the amount of $750,000 for Fiscal Year (FY) 2010-11; additional Pool Dollars of $100,000 for FY 2012-13; $200,000 in Pool Dollars for FY 2013-14; $100,000 in Pool Dollars for FY 2014-15; and $2,640,026 for maintenance services. The increase in the MCS for FY 2010-11 is fully funded by DMH's FY 2010-11 Budget. Funding for future years will be requested by DMH as part of the annual budget process. Funding will come from realignment of DMH's existing appropriation given the priority of this effort; there is no increase in net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 3, 2002, your Board approved County Agreement No. 74144 with Sierra Systems Group, Inc., a California Corporation (Sierra California), a wholly owned subsidiary of Sierra Systems Group, Inc., a British Columbia corporation, to develop an

IS in order to assist DMH in achieving compliance under the HIPAA TCS by the extended Federal deadline of October 16, 2003.

Subsequently, pursuant to the Agreement, DMH executed Amendment Nos. 1, 2, 3, 4, and 5 on March 26, 2003; December 15, 2005; September 16, 2008; November 3, 2009; and January 20, 2010, respectively. Amendment No. 1 revised standard County contract language regarding HIPAA. Amendment No. 2 changed the names of the County Project Director and County Project Manager, added standard contract monitoring language to protect against contract overruns, added and revised certain standard contract provisions, and amended contract language regarding HIPAA. Amendment No. 3 acknowledged the merger of Sierra California with and into Sierra Washington, effective as of December 31, 2003, extended the term of the Agreement through June 30, 2012, with an additional six-month extension through December 31, 2012, increased the MCS by a total of $8,224,968 to a total of $27,245,525, and added and revised certain other County-required provisions of the Agreement. Amendment No. 4 increased the MCS by a total of $700,000 to a total of $27,945,525. Amendment No. 5 revised contract provisions to the Business Associate Agreement.

Short-Doyle/Medi-Cal Phase II Project

Short-Doyle is an abbreviated way of describing a group of related local assistance programs and activities associated with Medi-Cal behavioral health services delivery. The State's Legacy claiming system, referred to as SD/MC HIPAA Phase I, processed health care claims submitted from counties and direct service providers to the SDMH. SDMH acts as an agent of the Federal Medicaid Program, operating as Medi-Cal, and maintains the mainframe-based system that makes the actual payments to counties and direct service providers.

The State SD/MC Phase II project addresses several gaps between the SD/MC Phase I system and the full set of HIPAA TCS compliance requirements. Significant business and system changes are required of DMH. SD/MC Phase II involves a significant re-design of the IS claiming system, as well as extensive changes to the Day Treatment Units of Service application and changes to the Legacy mainframe system.

The proposed Amendment increases Pool Dollars for Professional Services/Change Orders, which will include, without limitation, IS-related work needed to implement the SD/MC Phase II compliance in DMH and to facilitate a smooth transition to DMH's new IBHIS.

The Amendment has been reviewed and approved as to form by County Counsel. The Chief Information Officer has reviewed and approved the recommended actions (CIO

Analysis attached). The Chief Executive Office has been advised of the recommended actions.

CONTRACTING PROCESS

Sierra California was selected through a formal open-competitive solicitation process. On September 3, 2002, your Board awarded the Agreement, with a three-year term measured from the date of system acceptance (with an automatic extension for three 2-year extension periods and a single 1-year extension period unless either party elected not to extend the term further) in the amount of $19,020,557, to Sierra California, which merged with and into Sierra Washington, to provide an information technology solution to allow DMH to achieve compliance with the HIPAA TCS rules while continuing to use and improve its legacy system, the Mental Health Management Information System.

DMH did not advertise this proposed Amendment No. 6 on the Office of Small Business Countywide Web Site as a contracting opportunity because it is for the continued provision of technical services which the current contractor is uniquely qualified to perform. To select a new contractor at this time would be extremely costly to the County.

IMPACT ON CURRENT SERVICES

The execution of Amendment No. 6 will allow DMH to continue sending HIPAA compliant Medi-Cal claims to SDMH and ensure that a smooth transition from the IS to IBHIS occurs. Failure to approve this Amendment will mean that DMH will be unable to submit Medi-Cal claims to SDMH and will jeopardize DMH's ability to successfully transition to IBHIS.

Respectfully submitted,

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

CIO ANALYSIS

APPROVAL OF AMENDMENT NO. 6 TO COUNTY AGREEMENT NUMBER 74144 WITH SIERRA SYSTEMS, INC

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: 2 Yrs # of Option Months 6

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

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

Budget Information :

Y-T-D Contract Expenditures	$ 1,204,509
Requested Contract Amount	$ 3,790,026
Aggregate Contract Amount	$31,735,551

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated?
☐	☒	Is this project subvented? If yes, what percentage is offset?
☐	☒	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 (DMH) is requesting approval of Amendment No. 6 to the existing agreement with Sierra Systems, Inc. for continued maintenance services of the Integrated System (IS) and to provide additional professional services pool dollars to implement IS changes to comply with State mandates. This Amendment will extend the term of the existing agreement through June 30, 2014. DMH is also requesting delegated authority to extend the agreement for up to two additional 3-month periods, for a total extension not to exceed six months, through December 31, 2014.

Background:

On September 3, 2002, the Board approved County Agreement No. 74144 with Sierra Systems to develop the IS to allow DMH to achieve compliance with the HIPPA regulations while continuing to use and improve its legacy system, the Mental Health Management Information System (MHMIS).

IS is used by contract providers and DMH directly operated programs to claim services and receive reimbursement. The extension of the maintenance agreement and the additional pool dollars are required to implement IS changes to comply with State mandated changes in claiming, and to ensure an orderly transition to the Integrated Behavioral Health Information System (IBHIS), which will replace the IS in 2014.

Project Justification/Benefits:

The key benefits to extending this agreement are:

- Continued technical and administrative support for the IS until the IBHIS is fully implemented;
- Support for State mandated changes related to the Short-Doyle/Medi-Cal Phase II project; and
- Compliance with the provisions of the California Medi-Cal Uninsured Care 1115 Waiver.

Project Metrics:

The primary metrics will be the uninterrupted operation of the IS, and the Department's continued ability to submit claims and post payments in the IS, in compliance with State mandated claim changes.

Impact on Service Delivery or Department Operations, if Proposal is Not Approved:

If this Amendment is not approved, the Department's ability to submit Medi-Cal claims to the State Department of Mental Health and its ability to transition to the new IBHIS may be impacted.

Alternatives Considered:

None. This is an extension of an existing Agreement.

Project Risks:

Risks associated with this project are:

- DMH's ability to fully implement the new IBHIS before the end of this extension (December, 2014); and
- Sierra Systems' resources to support the IS may be limited because the system is nearing the end of its useful life.

The Chief Information Security Officer (CISO) has reviewed the Amendment and did not identify any security risks or issues.

Risk Mitigation Measures:

Risk mitigation measures associated with this project are:

- DMH along with its IBHIS vendor partner, has developed a detailed implementation strategy to ensure the IS can be retired as planned; and
- DMH will manage Sierra Systems' efforts through the successful retirement of the IS, based on established service levels in the Agreement.

Financial Analysis:

This Amendment increases the Maximum Contract Sum (MCS) by a maximum of $3,790,026 ($2,640,026 for continued maintenance services and $1,150,000 in pool dollars for professional services/changes orders). The new revised total MCS is $31,735,551. The increase in MCS for FY 2010-11 is fully funded by DMH's budget. Funding for future years will be requested by DMH as part of the annual budget process. 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, this Office recommends approval by the Board.

CIO APPROVAL

Date Received: April 19, 2011

Prepared by: Henry Balta

Date: April 26, 2011

Approved:

Date: 4/27/2011

ATTACHMENT

Amendment No. 6 to Agreement for

HIPAA Remediation Project

(County Agreement Number 74144)

This Amendment No. 6 ("Amendment No. 6") is entered into by and between the County of Los Angeles ("County") and Sierra Systems Inc., a Washington corporation ("Contractor") and amends that certain County agreement Number 74144, dated September 3, 2002, by and between County and Sierra Systems Group Inc., a California corporation ("Sierra California") for a HIPAA Remediation Project ("Original Agreement"), as amended by that certain Amendment No. 1, dated as of March 26, 2003 ("Amendment No. 1"), and that certain Amendment No. 2, which is dated as of December 15, 2005 and, as adopted and ratified as of September 16, 2008, is effective as of December 15, 2005 ("Amendment No. 2"), and that certain Amendment No. 3, dated as of September 16, 2008 ("Amendment No. 3"), and that certain Amendment No. 4, dated as of November 3, 2009 ("Amendment No. 4"), and that certain Amendment No. 5, dated as of January 20, 2010 ("Amendment No. 5"), and any prior implemented Change Orders (the Original Agreement, as so amended prior to the date hereof, the "Existing Agreement").

WHEREAS, County and Contractor desire to amend the Existing Agreement in order to extend the Term as set forth herein; and to increase the amount of Pool Dollars available for Professional Services/Change Orders and to reflect an adjustment in the Maintenance Fees and Maximum Contract Sum for the extended Term.

NOW, THEREFORE, in consideration of the foregoing and pursuant to Paragraph 6 (Change Orders and Amendments) of the Existing Agreement, County and Contractor hereby agree as follows:

1. Construction.

1.1 Capitalized terms used in this Amendment No. 6 without further definition shall have the meaning ascribed to them in the Existing Agreement.

As used in this Amendment No. 6, words and phrases such as "including," "for example," "e.g.," and "such as," are intended to be descriptive and not limiting.

2. Amendments to the Base Document of the Existing Agreement.

The base document to the Existing Agreement is amended as follows:

2.1 Agreement. Subparagraph 1.1 is hereby amended by deleting it in its entirety and replacing it with the following:

"1.1 Agreement. This base document, along with Exhibits A through Q attached hereto and the appendices attached to the Statement of Work, in each case, as amended by Amendment No. 1 (defined below), Amendment No. 2 (defined below), Amendment No. 3 (defined below), Amendment No. 4 (defined below), Amendment No. 5 (defined below) and Amendment No. 6 (defined below) and Change Orders 1 through 133 (with the exception of cancelled Change Orders 14, 30, 33, 43, 54, 62, 66, 72, 74 and 87), collectively constitute and throughout and hereinafter are referred to as the "Agreement"."

2.2 Definitions. Paragraph 2 (Definitions) is hereby amended by adding the following definitions thereto in the appropriate alphabetical order:

2.2.1 "Amendment No. 6" means that certain Amendment No. 6 to County Agreement Number 74144, dated as of the date of approval by County's Board of Supervisors, by and between County and Contractor."

2.2.2 "Amendment No. 6 Effective Date" means the date on which Amendment No. 6 becomes effective in accordance with its terms."

2.3 Subparagraph 3.1.1 (County Project Director) is hereby amended by deleting it in its entirety and replacing it with the following:

"3.1.1 County Project Director for this Agreement shall be the following person:

Jay Patel"

2.4 Subparagraph 3.2.1 (County Project Manager) is hereby amended by deleting it in its entirety and replacing it with the following:

"3.2.1 County Project Manager for this Agreement shall be the following person:

Judith Jacobi"

2.5 Subparagraph 4.1.1 (Contractor Project Director) is hereby amended by deleting it in its entirety and replacing it with the following:

"4.1.1 Contractor Project Director shall be the following person:

Shelley Hodgson"

2.6 Term. Paragraph 7 is hereby amended by deleting it in its entirety and replacing it with the following:

"7. TERM. The term of this Agreement shall commence upon the Effective Date and shall continue until June 30, 2014, unless terminated earlier in whole or in part, as provided in this Agreement (the "Initial Term"). At the

sole discretion of County Project Director, the Initial Term may be extended for two (2) additional three (3) month periods, for a total extension not to exceed six (6) months through December 31, 2014 (such extension shall be referred to as the "Option Term"). Any such extension shall be accomplished by the provision of at least fifteen (15) days prior written notice by County Project Director, prior to expiration of the Initial Term or the first additional three (3) month extension period. Beginning not later than ninety (90) days before the end of the Initial Term of this Agreement or, if extended, the Option Term, Contractor shall provide, upon written request by County, Transition Services through the end of the Term as part of Maintenance Services and for no additional cost to County beyond the Maintenance Fee. As used herein, the "Term" shall mean the initial Term and, if extended, the Option Term, as the case may be."

2.7 Subparagraph 8.3 is hereby amended by deleting it in its entirety and replacing it with the following:

"8.3 Pool Dollars. Exhibit C (Price and Schedule of Payments) includes the aggregate pool dollars available for Professional Services/Change Orders in accordance with Subparagraph 13.5 (Professional Services) and Paragraph 6 (Change Orders and Amendments) (collectively, "Pool Dollars"). Contractor acknowledges that, as of the Amendment No. 6 Effective Date, Change Orders 1 through 133, with the exception of cancelled Change Orders 14, 30, 33, 43, 54, 62, 66, 72, 74 and 87, have been executed and County has paid to Contractor $3,458,471 in Pool Dollars in exchange for Professional Services/Change Orders requested by County thereunder. County and Contractor acknowledge and agree that as of the Amendment No. 6 Effective Date, $1,827,234 [($4,135,705 – [$3,458,471]) + [1,150,000]] of Pool Dollars are available for Professional Services/Change Orders in accordance with Subparagraph 13.5 (Professional Services) and Paragraph 6 (Change Orders and Amendments). Upon the Amendment No. 6 Effective Date, $750,000 in Pool Dollars will be available. Beginning each fiscal year (i.e., July 1) following the Amendment No. 6 Effective Date, and during the Initial Term, County Project Director will have the authority, in his/her sole discretion and subject to availability of funds in County's budget, to increase the then remaining amount of available Pool Dollars by up to $200,000. In the event County Project Director exercises his/her discretion to

extend the Initial Term pursuant to Paragraph 7 (Term), County Project Director will have the authority, in his/her sole discretion and subject to availability of funds in County's budget, to increase the then remaining amount of available Pool Dollars by up to $100,000. Notwithstanding any provision of this Agreement to the contrary, Contractor is not obligated to perform Work under Change Orders if Pool Dollars are not available to pay for such Work."

2.8 Notices. Paragraph 21 is hereby amended by deleting it in its entirety and replacing it with the following:

"21. **NOTICES**. All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at the following addresses and delivered: (1) by hand with signed receipt, (2) by first-class registered or certified mail, postage prepaid, (3) by facsimile or electronic mail transmission followed within twenty-four (24) hours by a confirmation copy mailed by first-class registered or certified mail, postage prepaid, or (4) by overnight commercial carrier, with signed receipt. Notice is deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, on the date of facsimile or electronic mail transmission if followed by timely confirmation mailing, or on the date of signature receipt by the receiving party of any overnight commercial carrier delivery. Addresses may be changed by either party giving ten (10) Working Days prior notice in accordance with the procedures set forth above, to the other party.

To County:

(1) Department of Mental Health
695 S. Vermont Avenue, 7th Floor
Los Angeles, California 90005
Facsimile: (213) 736-9360

With a copy to:

(2) County Counsel, Los Angeles County
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Richard Bloom
Facsimile: (213) 633-1915

To Contractor: (1) Sierra Systems Inc., a
Washington Corporation
400 N. Continental Blvd., Suite 300
El Segundo, California 90245
Attention: Shelley Hodgson
Facsimile: (310) 536-6282

With a copy to:

(2) Sierra Systems Inc.
2500 – 1177 West Hastings St.
Vancouver, BC V6E 2K3
Canada
Attention: Legal Department
Facsimile: 1-888-688-6482

County Project Director shall have the authority to issue all notices or demands, which are required or permitted by County under this Agreement."

3. Amendment to Exhibit C (Price and Schedule of Payments).

Exhibit C (Price and Schedule of Payments) to the Existing Agreement is hereby amended by deleting it in its entirety and replacing it with the revised Exhibit C (Price and Schedule of Payments), each page dated May 2011, which is attached hereto as Attachment 1 (Exhibit C (Price and Schedule of Payments)) and incorporated herein by reference.

4. Effectiveness of Amendment No. 6.

This Amendment No. 6 shall become effective on the date of approval by County's Board of Supervisors.

5. Incorporation of "Whereas" Clauses.

Contractor and County agree that the "Whereas" clauses in this Amendment No. 6 are hereby incorporated into this Amendment No. 6 as though fully set forth hereat.

6. Other Provisions of Agreement.

Except as provided in this Amendment No. 6, all other terms and conditions of the Agreement shall remain in full force and effect.

7. Authorization Warranty.

Contractor hereby represents and warrants that the person executing this Amendment No. 6 for Contractor is an authorized agent who has actual authority to bind

Contractor to each and every term, condition, and obligation of this Amendment No. 6 and that all requirements of Contractor have been fulfilled to provide such actual authority.

8. Arm's Length Negotiations.

This Amendment No. 6 is the product of arm's length negotiation between Contractor and County. Each party has had at all times the opportunity to receive advice from independent counsel of its own choosing. This Amendment No. 6 is to be interpreted fairly as between the parties, and not strictly construed as against either party as drafter or creator.

9. Entire Agreement.

This Amendment No. 6 together with the Existing Agreement and exhibits and attachments hereto and thereto and Change Orders 1 through 133, with the exception of cancelled Change Orders 14, 30, 33, 43, 54, 62, 66, 72, 74 and 87, constitutes the entire agreement of County and Contractor as of the date of approval of this Amendment No. 6 by County's Board of Supervisors, superseding any and all prior understandings, arrangements and agreements between County and Contractor, whether oral or written, in respect of the terms and conditions hereof.

IN WITNESS WHEREOF, the County of Los Angeles Board of Supervisors has caused this Amendment No. 6 to County Agreement Number 74144 to be subscribed by County's Director of Mental Health, and Contractor has caused this Amendment No. 6 to be subscribed on its behalf by its duly authorized officer, this ____ day of _____, 2011.

COUNTY OF LOS ANGELES

By:_____
Marvin J. Southard, D.S.W., Director,
Department of Mental Health

SIERRA SYSTEMS INC., A WASHINGTON CORPORATION

By: _____

Name:_____

Title: _____

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: _____
Richard D. Bloom
Principal Deputy County Counsel

APPROVED AS TO CONTRACT ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By: _____
Chief, Contracts Development
And Administration Division

Amendment No. 6 to Agreement for
HIPAA Remediation Project,
County Agreement Number 74144

Attachment 1

Exhibit C (Price and Schedule of Payments)

[see attached]

Exhibit C (Price and Schedule of Payments) Payment Schedule by Deliverables

Task	DMH HIPAA Remediation Deliverables	Payment Date	Invoice Amount	Monthly Maintenance Fees	% of Invoiced Amount to Total
1.0 Manage and Control Project	1.1 Project Control Document	09/23/02	$ 17,303		0.14%
	1.2 Semi-Monthly Project Status Reports (14 Months) **	Semi-Monthly	$ 367,043		2.89%
2.0 Design General Solution	2.1 Prepare Integrated System Requirements	11/04/02	$ 109,720		0.87%
	2.2 Design General Solution	11/18/02	$ 88,090		0.69%
3.0 Document Business Processes	3.1.1 April 16th Business Processes	12/18/02	$ 283,148		2.23%
	3.1.2. Other Business Processes	03/11/03	$ 192,645		1.52%
	3.2.1 April 16th Data Elements	12/27/02	$ 278,429		2.20%
	3.2.2 Other Data Elements	04/15/03	$ 208,376		1.64%
4.0 Establish Technical Architecture	4 Technical Architecture Document and Plan	10/14/02	$ 30,412		0.24%
5.0 Impl & Config Integration Broker	5.1 Install and Configure Integration Broker	11/27/02	$ 982,995		7.75%
	5.2.1 April 16th System Edits	02/28/03	$ 801,093		6.32%
	5.2.2 Other System Edits	05/21/03	$ 245,652		1.94%
7.0 Develop & Impl End User Interface	7.1 Replace MHMIS Subsystems & Screens	06/18/03	$ 601,636		4.75%
	7.2 Develop DDE	07/24/03	$ 981,509		7.74%
	7.3 Replacement end-user Interface	03/13/03	$ 352,262		2.78%
8.0 Design & Impl Security and Audit F	8.1 Integrated System Security Plan	12/13/02	$ 34,607		0.27%
	8.2 Integrated System Audit Specifications	01/08/03	$ 25,955		0.20%
	8.3 Integrated System Security and Audit Features	03/20/03	$ 313,755		2.47%
9.0 Design & Develop Reports	9 Design & Develop Reports	05/05/03	$ 329,804		2.60%
10.0 Test Integrated System	10.1 Develop Test Plan	01/20/03	$ 88,845		0.70%
	10.3.1 April 16th Regression Test	05/01/03	$ 565,396		4.46%
	10.3.2 Other Regression Test	06/11/03	$ 124,467		0.98%
	10.3.3 DDE Regression Test	07/24/03	$ 468,426		3.69%
	10.4 April Transaction Roundtrip Test	04/16/03	$ 57,023		0.45%
	10.5 Simulated Load Test	07/24/03	$ 371,317		2.93%
	10.6 Acceptance Test	02/16/04	$ 1,969,711		15.54%
	10.7 Process to Accept Trading Partners	05/05/03	$ 18,142		0.14%
	10.8 Escrow Deposit of all Integrated System	10/30/03			0.00%
11.0 Training	11.1 Design and Document Training Program	06/18/03	$ 698,827		5.51%
	11.2 Technical Staff Training	09/12/03	$ 86,343		0.68%
	11.3 End User Staff Training	11/07/03	$ 129,514		1.02%
	11.4 Updated Training Programs	01/23/04	$ 19,576		0.15%

Payment Schedule by Deliverables

Task	DMH HIPAA Remediation Deliverables	Payment Date	Invoice Amount	Monthly Maintenance Fees	% of Invoiced Amount to Total
12.0 Impl and Post Prod Maint & Suppo	12.1 Production Rollout	10/01/03	$ 39,850		0.31%
	12.2 Go Live	10/16/03	$ 950,890		7.50%
13.0 Pharmacy	13.1 Pharmacy Requirements Document	11/18/02	$ 166,917		1.32%
	13.2 Pharmacy Mapping and Translation Prototype	12/18/02	$ 138,078		1.09%
	13.3 Pharmacy Transaction Implementation	06/11/03	$ 371,754		2.93%
	13.4 Pharmacy Compliance Testing	06/25/03	$ 169,017		1.33%
Total Professional Services	**Total All-in to Final Acceptance**		$ 12,678,527		100.00%
	Pool Dollars (based on 20% of the Total All-in to Final Acceptance)		$ 2,535,705		
	Pool Dollars beginning 9/22/08		$ 200,000		
	Pool Dollars for FY 2009-10		$ 900,000		
	Pool Dollars for FY 2010-11		$ 950,000		
	Pool Dollars for FY 2011-12		$ 200,000		
	Pool Dollars for FY 2012-13		$ 200,000		
	Pool Dollars for FY 2013-14		$ 200,000		
	Pool Dollars for FY 2014-15 **(Option Term)**		$ 100,000		
	Maximum Total Pool Dollars		**$ 5,285,705**		
	1st Year Maint (9/22/04 - 9/21/05)		$ 1,243,191	$ 103,599	
	2nd Year Maint (9/22/05 - 9/21/06)		$ 1,281,567	$ 106,797	
	3rd Year Maint (9/22/06 - 9/21/07)		$ 1,281,567	$ 106,797	
	4th Year Maint (9/22/07 - 9/21/08)		$ 1,281,567	$ 106,797	
	5th Year Maint (9/22/08 - 9/21/09 includes 3% CPI)		$ 1,320,011	$ 110,001	
	6th Year Maint (9/22/09 - 9/21/10)		$ 1,320,011	$ 110,001	
	7th Year Maint (9/22/10 - 9/21/11)		$ 1,320,011	$ 110,001	
	8th Year Maint (9/22/11 - 9/21/12 includes 4% CPI))		$ 1,372,811	$ 114,401	
	9th Year Maint (9/22/12 - 9/21/13 includes 4% CPI)		$ 1,427,724	$ 118,977	
	10th Year Maint (9/22/13 - 6/30/14 includes 4% CPI)		$ 1,150,746	123,736	
	Option Term (7/1/14 - 12/31/14 includes 4% CPI)		$ 772,113	$ 128,686	
	Maximum Total Maintenance		**$ 13,771,319**		
	Maximum Contract Sum		**$ 31,735,551**		
	** Amount of each semi-monthly payment - $13,109				