



LEROY D. BACA, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169



June 21, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

**ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE
NEGOTIATIONS WITH CERNER CORPORATION FOR A REPLACEMENT
AGREEMENT TO CONTINUE SERVICES FOR THE SHERIFF'S
DEPARTMENT JAIL HEALTH INFORMATION SYSTEM**

SUBJECT

This letter provides advance notification to your Board that the Los Angeles County Sheriff's Department (Department) intends to enter into negotiations without engaging in a competitive solicitation process for a Replacement Agreement with Cerner Corporation (Cerner) to perform, among other things, hosting and maintenance services with respect to Jail Health Information System (JHIS). On May 3, 2011, the Department submitted an Advance Notification of Intent letter to negotiate Amendment Number Six to Agreement Number 71710 with Cerner for the addition of remote hosting preparation and readiness services and to prepare and negotiate a Replacement Agreement with Cerner. Amendment Number Six was adopted by your Board on August 2, 2011.

BACKGROUND

Since the Advanced Notification was submitted on May 3, 2011, and your Board's subsequent adoption of Amendment Number Six, the Department and Cerner have prepared to negotiate a Replacement Agreement with the related Agreement documentation, including: a statement of work, a service level requirements document, and a payment schedule. Additionally, the replacement Agreement will include remote hosting services, significant new application functionality (including external interfaces),

A Tradition of Service

sublicense software, and application management services, as well as maintenance services for Cerner's proprietary JHIS software. The Replacement Agreement will be submitted to your Board once JHIS is ready to be transitioned to the remote hosting environment.

The justification for continuing to negotiate with Cerner remains the same; JHIS is a mission-critical application that continues to be at risk of failure in the Department's Data Center's outdated hardware and software environment. The outdated environment is not capable of handling the implementation of several JHIS software releases and does not have the additional functionality necessary to meet the evolving business needs of the Department.

FINANCING

The proposed Replacement Agreement's Maximum Contract Sum is estimated to be \$40 million for a five-year term and will be funded from the Inmate Welfare Fund and Department's budget.

The Chief Information Office has reviewed and concurs with this Sole Source approach.

CONCLUSION

Pursuant to Board policy, the Department will engage in Sole Source negotiations with Cerner in two weeks, unless otherwise instructed by your Board. Should additional information be requested, your staff may contact Manager Angelo Faiella, Contracts Unit at (323) 526-5183.

Sincerely,



LEROY D. BACA
SHERIFF