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LOS ANGELES COUNTY

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April 28, 2009

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

Dear Supervisors:

**APPROVE AMENDMENT TO AGREEMENT FOR ON-SITE MEDICAL  
RECORD AND ASSOCIATED DOCUMENT IMAGING SERVICES  
(FIRST DISTRICT) (3 VOTES)**

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

**SUBJECT**

Request approval to increase the maximum Agreement obligation for additional on-site medical record and associated document imaging services for the Department of Health Services (DHS) at the Los Angeles County + University of Southern California (LAC+USC) Medical Center.

**IT IS JOINTLY RECOMMENDED BY DHS AND THE INFORMATION  
SYSTEMS ADVISORY BODY THAT YOUR BOARD:**

Approve and instruct the Chairman of the Board to sign Amendment Number Eight (Amendment) to Agreement No. 75245 with Global 360, Inc. (Global 360) to increase the maximum Agreement obligation by \$2,800,000, effective upon the date of Board approval, to provide continued on-site medical record and associated document imaging services for DHS, with no change in the term of the Agreement.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDATION ACTION**

Approval of the recommended action will amend the current Agreement to increase the maximum obligation by \$2,800,000 through the term of the current contract, which expires on March 14, 2010 and will enable Global 360 to continue to provide DHS with on-site interim assistance in the document preparation, scanning, quality assurance, image transfer, image storage and hosting into an electronic document management repository which will convert paper-based medical record documents into electronically stored medical records.

With your Board's approval of Amendment Six on December 16, 2008, the maximum obligation was increased by \$1,600,000, to adequately provide document imaging services, and coterminous with the expiration of the contract on March 14, 2009. Conversely, due to the need to maintain document imaging services on a long-term basis for continuity of care, DHS worked diligently with the Information Systems Advisory Body (ISAB) to extend this Agreement for an additional year.

On February 12, 2009, under delegated authority, ISAB approved Amendment Seven to extend the term of this agreement to March 14, 2010. Subsequently, this recommended action to increase the maximum obligation by \$2,800,000 will provide the necessary funds to continue to purchase imaging services from Global 360 to handle 92 percent of the workload needed for electronic document imaging activities, due to the specialized nature of the service and equipment requirements, while LAC+USC staff presently perform only 8 percent of the workload.

The conversion from paper to electronically stored records is an essential component of enabling LAC+USC to work towards an electronic medical record environment to support patient care and comply with Title 22, Division 5, Chapter 1, Section 70751 (g) for timely availability of medical records to providers.

Contracting needs are still anticipated beyond the end of the current contract term expiration date of March 14, 2010, during which time DHS will release a Proposition A compliant Request for Proposal (RFP). A Proposition A analysis will be conducted and DHS will return to your Board with these findings. DHS will continue to collaborate with ISAB, the Chief Information Office and the Chief Executive Office during this process. A preliminary timetable for release of the RFP is being developed. However, DHS must balance this project with other priority projects.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 1, Operational Effectiveness and Goal 4, Health and Mental Health Services of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The additional volume of medical record imaging and associated services under this Amendment will cost DHS \$2,800,000. Funding is included in DHS' FY 08-09 Final Budget and will be requested in DHS' FY 09-10 Proposed Budget.

The maximum County obligation for this Agreement for the various participating County Departments is \$27,330,000, of which DHS' share is \$8,600,000. The maximum County obligation for the other participating County Departments remains unchanged.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On March 15, 2005, your Board approved the Agreement between the County and Global 360, previously known as ieStream, Inc., for the benefit of its Information Systems Advisory Body (ISAB) to provide off-site document imaging and electronic document management hosting services for the Probation Department, District Attorney, and Sheriff's Department.

On November 9, 2005, your Board approved Amendment Number One to the Agreement to provide similar services off-site and to add microfiche conversion services for the Department of Public Social Services.

On June 20, 2006, Amendment Number Two was approved to provide similar services off-site for the Alternate Public Defender and Public Defender.

On November 8, 2006, your Board approved Amendment Number Three to the Agreement to provide similar services on-site for DHS' LAC+USC only.

On February 15, 2008, through delegated authority, the Director of ISAB approved Amendment Number Four to exercise the option for a one-year extension of the existing agreement.

On June 26, 2008, through delegated authority, the Director of ISAB approved Amendment Number Five to increase the maximum contract sum by \$1,200,000 to continue to provide services for DHS LAC+USC.

On December 16, 2008, your Board approved Amendment Number Six to the Agreement to increase the maximum contract sum by \$1,600,000.

On February 12, 2009, through delegated authority, the Director of ISAB approved Amendment Number Seven to exercise the second optional one-year extension of the existing agreement. The agreement expires March 14, 2010.

The County is authorized under California Government Code Section 31000 to contract for special services including the services described in the Agreement and this Amendment.

County Counsel has approved the attached amendment as to form and County's Chief Information Office recommends approval of this Amendment (see attached analysis).

### **CONTRACTING PROCESS**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended action will allow DHS to continue to scan medical record documents to migrate to an electronic medical record environment.

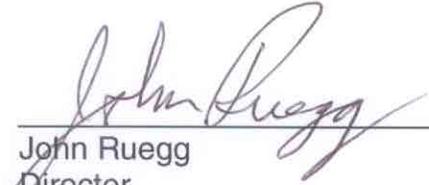
The County and DHS' strategic goal to share patient information across County departments for continuity of patient care is contingent on DHS facilities using document imaging services to create electronic medical records.

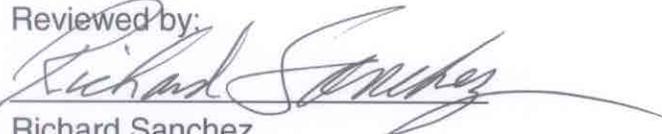
**CONCLUSION**

When approved, DHS and ISAB request that the Board provide four signed copies of the Board's action.

Respectfully submitted,

  
\_\_\_\_\_  
John F. Schunhoff, Ph.D.  
Interim Director  
Department of Health Services

  
\_\_\_\_\_  
John Ruegg  
Director  
Information Systems Advisory Body

Reviewed by:  
  
\_\_\_\_\_  
Richard Sanchez  
Acting Chief Information Officer

JFS:JR:at

Attachments (2)

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

# CIO ANALYSIS

## AMENDMENT NUMBER EIGHT TO AGREEMENT WITH GLOBAL 360 FOR ON-SITE MEDICAL RECORD AND ASSOCIATED DOCUMENT IMAGING SERVICES

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: N/A                    # of Option Yrs: N/A

**Contract Components:**

Software                             Hardware                             Telecommunications  
 Professional Services

**Project Executive Sponsors:** John Ruegg, Director, ISAB and John Schunhoff, Ph.D., Interim Director, DHS

**Budget Information :**

Y-T-D Contract Expenditures	\$ 24,530,000
Requested Contract Amount	\$ 2,800,000
Aggregate Contract Amount	\$ 27,330,000

**Project Background:**

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved. <b>APD, DA, PD, Probation, Sheriff, DPSS.</b>

**Strategic Alignment:**

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

**Project/Contract Description:**

This is a joint request by the Information Systems Advisory Body (ISAB) and the Department of Health Services (DHS) for approval of Amendment Number Eight to Agreement No. 75245 with Global 360, Inc. This proposed Amendment will increase the maximum Agreement obligation by \$2,800,000 to provide continued on-site medical record and associated document imaging services for DHS only, with no change in the term of the Agreement. The current agreement with Global 360 expires on March 14, 2010.

**Background:**

On March 15, 2005, an Agreement between the County and Global 360 (previously known as ieStream, Inc.) was approved by the Board for off-site document imaging and electronic document management hosting services for the Probation Department, District Attorney, and Sheriff's Department. ISAB was the initiator of the request for approval of the agreement on behalf of the justice agencies involved.

On November 9, 2005, ISAB sought and obtained approval for Amendment One to the Agreement to provide similar off-site services and to add microfiche conversion services for the Department of Public Social Services. Although the initial agreement was intended for use by the justice agencies, the contract did not preclude other County departments from participating and the vendor was receptive to expanding their services beyond just the justice community.

On June 20, 2006, Amendment Two was approved adding the Alternate Public Defender and Public Defender and on November 8, 2006, Amendment Three was approved, providing similar services on-site for DHS' LAC+USC Healthcare Network only.

On February 15, 2008, through delegated authority provided in Amendment Three, the Director of ISAB approved Amendment Four extending the contract term for one additional year. On June 26, 2008, and again through delegated authority, Amendment Five was approved, increasing the maximum contract sum by \$1,200,000.

On December 16, 2008, ISAB sought and obtained approval for Amendment Six to the Agreement, increasing the contract sum by \$1,600,000. On February 12, 2009, through delegated authority, Amendment Seven was approved, exercising the second optional one-year extension through March 14, 2010. This current Amendment Eight will authorize the expenditure of an additional \$2,800,000 by DHS but does not extend the contract term.

**Project Justification/Benefits:**

Approval of the recommended action will enable Global 360 to continue to provide DHS with on-site interim assistance in the document preparation, scanning, quality assurance, image

transfer, image storage and hosting into an electronic document management repository which will convert paper-based medical record documents into electronically stored medical records. At the present time, LAC+USC staff are currently performing 8% of the workload for electronic document imaging activities with Global 360 performing the remaining 92% of the workload that requires conversion from paper to electronic format. This amendment will provide the additional funding needed for Global 360 to continue providing those services.

These services are essential in enabling LAC+USC to work towards an electronic medical record environment to support patient care and comply with Title 22, Division 5, Chapter 1, Section 70751 (g) for timely availability of medical records to providers.

DHS anticipates that the need for these contracting services will continue beyond the end of the current contract term expiration date of March 14, 2010. Between now and then, DHS plans to release a Proposition A-compliant Request for Proposal (RFP) to acquire these services. DHS will also be conducting a Proposition A analysis, which will be shared with the Board when completed.

**Project Metrics:**

Currently, DHS is closely managing the work being performed by Global 360 to ensure that acceptable levels of quality and productivity are met. The same project management activities will continue throughout the remainder of the contract term.

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

If this Amendment is not approved, there will be no authority for Global 360 to continue to provide these services to DHS, resulting in the termination of the major portion of document imaging activities (currently estimated at 92%). As a result, DHS would fall out of compliance with the federal mandate that they provide for timely availability of medical records to providers, which could adversely impact federal funding levels.

**Alternatives Considered:**

The only other alternative available to DHS at this time is to perform these services completely in-house. As DHS currently does not have capacity, technology or staff skill levels necessary to perform these services, they must look to an outside vendor for a solution. Since the current agreement does not expire until March 14, 2010, DHS wishes to add more funding to this agreement while they develop a Prop. A-compliant RFP, which they will release should these services be required beyond the expiration date.

**Project Risks:**

No significant project risks have been identified. To date, DHS has been very satisfied with the level of services being provided by this vendor and expects that to continue through the remainder of the agreement term.

**Risk Mitigation Measures:**

None required.

**Financial Analysis:**

The additional services being provided for DHS under this Amendment are expected to cost \$2,800,000. Funding is included in DHS' FY 08-09 Final Budget and will be requested in the FY 09-10 DHS Budget.

The maximum County obligation for this Agreement for the various participating County Departments will increase to \$27,330,000, of which DHS' share for this Agreement will be \$8,600,000.

**CIO Concerns:**

None

**CIO Recommendations:**

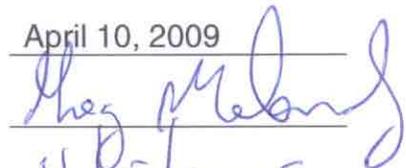
The CIO recommends approval of this Amendment.

**CIO APPROVAL**

Date Received: April 9, 2009

Prepared by: Earl Bradley

Date: April 10, 2009

Approved: 

Date: 4/15/2009

**AMENDMENT NUMBER EIGHT**

**DOCUMENT IMAGING AND MICROFILM CONVERSION  
SERVICES CONTRACT**



**BY AND BETWEEN**

**THE COUNTY OF LOS ANGELES**

**AND**

**GLOBAL 360, INC.**

**AMENDMENT NUMBER EIGHT  
TO THE DOCUMENT IMAGING AND MICROFILM CONVERSION SERVICES  
CONTRACT NUMBER 75245**

This Amendment Number Eight ("Amendment") to that certain Contract Number 75245 for the provision of Document Imaging and Microfilm Conversion Services dated March 16, 2005, as modified by Amendment Number One, dated November 9, 2005, Amendment Number Two, dated June 20, 2006, Amendment Number Three, dated November 8, 2006, Amendment Number Four dated February 15, 2008, Amendment Number Five, dated June 26, 2008, Amendment Number Six, dated December 16, 2008 and Amendment Number Seven, dated February 12, 2009 (as so amended, and as amended hereby, hereinafter collectively "Contract"), is entered into this \_\_\_\_ day of \_\_\_\_\_, 2009 by and between the County of Los Angeles (hereinafter "County") and Global 360, Inc. (hereinafter "Contractor").

WHEREAS, the term of the Contract expires on March 14, 2010; and

WHEREAS, County desires to increase the maximum contract sum under the Contract by \$2,800,000 in order to allow for Contractor to continue to provide services under and in accordance with the Contract in respect of County's Department of Health Services; and

WHEREAS, Sub-paragraph 8.4 (Change Notices and Amendments) of the contract provides that for any revision which affects the scope of work, period of performance, payment, or any term and condition included in the Contract, a negotiated modification to this Contract shall be executed in writing by authorized officials of the County's Board of Supervisors and Contractor; and

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Amendment, County and Contractor agree as follows:

1. Capitalized terms used in this Amendment without definition have the meanings given to such terms in the Contract.
2. Sub-paragraph 5.1 of the body of the Contract is amended in its entirety to read as follows:

"5.1 For the services performed under this Contract, Contractor shall be paid according to the rates set forth in the Exhibit B (Pricing Schedule).

For the entire term of the Contract, including the option years, the maximum Contract Sum shall not exceed:

\$1,400,000	For Alternate Public Defender
\$3,900,000	For District Attorney
\$2,800,000	For Public Defender
\$3,500,000	For Probation



IN WITNESS WHEREOF, County and Contractor by their authorized signatures have caused this Amendment to be effective the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:  
SACHI A. HAMAI  
Executive Officer-Clerk of the Board of  
Supervisors

By \_\_\_\_\_  
Deputy

CONTRACTOR – Global 360, Inc.

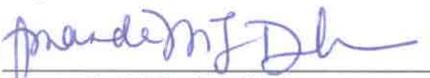
By 

CHUCK BARNETT  
Printed Name

VICE PRESIDENT  
Title

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By   
Amanda M.L. Drukker  
Deputy County Counsel