



Health Services
LOS ANGELES COUNTY

February 2, 2010

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

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:

**APPROVAL OF AMENDMENT NO. 3 TO AGREEMENT FOR ECLIPSYS
CLINICAL DOCUMENTATION SYSTEM AT LAC+USC MEDICAL CENTER
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

CIO RECOMMENDATION: APPROVE [] APPROVE WITH MODIFICATIONS
[] DISAPPROVE

John F. Schunhoff,
Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

SUBJECT

Request approval to amend an existing Clinical Documentation System Agreement with Eclipsys Corporation at LAC+USC Medical Center to extend the term of the Agreement.

313 N. Figueroa Street, Suite
912
Los Angeles, CA 90012

Tel: 213-240-8101
Fax: 213-481-0503

IT IS RECOMMENDED THAT YOUR BOARD:

www.dhs.lacounty.gov

*To improve health
through leadership,
service and education*

Authorize the Interim Director of Health Services, or his designee, to execute Amendment No. 3 to Agreement No H-700225 with Eclipsys Corporation (Eclipsys) to extend the term of the Agreement for the period March 1, 2010 through June 30, 2010, with delegated authority to extend the term on a month-to-month basis, through August 31, 2010, for the continued provision of hardware maintenance and software support services, at LAC+USC Medical Center, with a net increase of \$560,658 and a revised total Contract Sum of \$7,644,939.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Approval of the recommendation will allow the Interim Director to execute an Amendment, substantially similar to Exhibit 1, with Eclipsys to extend the term of the agreement for the provision of continued hardware maintenance and software support services, and allow additional time to negotiate the terms and conditions for an upgrade to a newer version of the software.

www.dhs.lacounty.gov



The current Agreement with Eclipsys expires February 28, 2010. Under the Agreement, Eclipsys' Clinic Documentation System (System) provides 24 hours a day, 7 days a week monitoring and assessment of patients and their vital signs for adult, pediatric and neonatal critical care settings at LAC+USC Medical Center (LAC+USC). By automatically transferring patient data from bedside monitors into the patient's record, the System links LAC+USC physicians, nurses and other disciplines with information, which improves efficiency, throughput and patient safety. This system is an essential component in improving patient care outcomes at LAC+USC.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, and Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING:

The recommended Amendment will provide a net increase to the Contract Sum of \$560,658 for the extension period and a revised total Contract Sum of \$7,644,939 for the entire Agreement term.

Funding is included in the Department's Fiscal Year (FY) 2009-10 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The equipment and software was initially procured through a solicitation process released by the County's Internal Services Department (ISD) on behalf of LAC+USC. Since April, 1999, your Board has approved agreements and amendments with Eclipsys to provide hardware and software upgrades, hardware maintenance and software support and services for the System at LAC+USC.

On February 17, 2004, your Board approved Agreement No. H-700225 with Eclipsys to continue to provide hardware maintenance, software and technical support services in connection with the System for the period March 1, 2004 through February 28, 2007.

On January 4, 2005, your Board approved Amendment No. 1 which acquired six additional licenses to extend the System to support the Pediatric Intensive Care Unit (PICU), and increased the overall number of Intensive Care Unit beds from 50 to 56 beds.

On November 28, 2006, your Board approved Amendment No. 2 to expand the System to cover 94 CCU beds and provided the option to further add 40 CCU beds to the System at a later date. Amendment No. 2 also discontinued Eclipsys' maintenance for

system hardware and third-party software.

Amendment No. 3 will extend the term of the Agreement to allow additional time to negotiate the terms and conditions for an upgrade to a newer version of the System software, i.e., the Sunrise Clinical Care Software.

County Counsel has approved Exhibit 1 as to form. The Chief Information Officer concurs with the Department's recommendation.


CONTRACTING PROCESS:

Not applicable.


IMPACT ON CURRENT SERVICES (OR PROJECTS):

The Board's approval of Amendment No. 3 will ensure that the existing system for automated vital sign monitoring and charting for critically ill patients is operational at LAC+USC.

Respectfully submitted,


John F. Schunhoff, Ph.D.
Interim Director

Reviewed by:


Richard Sanchez
Chief Information Officer

JFS:pm

Attachment

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

CIO ANALYSIS

AMENDMENT NO. 3 TO AGREEMENT BETWEEN THE DEPARTMENT OF HEALTH SERVICES AND ECLIPSYS CORPORATION FOR THE CLINICAL DOCUMENTATION SYSTEM AT LAC+USC MEDICAL CENTER

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: 4 months # of Option Yrs: 2 months

Contract Components:

Software Hardware Telecommunications
 Professional Services Maintenance and Support

Project Executive Sponsor: John F. Schunhoff, Ph.D, Interim Director, Department of Health Services

Budget Information :

Y-T-D Contract Expenditures	\$7,084,281
Requested Contract Amount	\$ 560,658
Aggregate Contract Amount	\$7,644,939

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 type="checkbox"/>	<input checked="" type="checkbox"/>	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
<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 checked="" type="checkbox"/>	<input type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

Amendment No. 3 to Agreement (H-700225) with Eclipsys Corporation (Eclipsys) extends the term for six months to allow for the continued provision of hardware maintenance and software support services for the Clinical Documentation System (CDC) at Department of Health Services (DHS) Los Angeles County-USC Medical Center (LAC+USC), with a net increase of \$560,658 for a revised total Contract Sum of \$7,644,939.

Background:

The CDS provides 24 critical monitoring and assessment of patients and their vital signs for adult, pediatric and neonatal critical care settings at LAC+USC by automatically transferring patient data from bedside monitors into the patient's record, linking LAC+USC physicians, nurses and other disciplines with valuable health-related patient information, thereby improving service efficiency and patient safety.

The equipment and software licenses for CDS was purchased by DHS over 10 years ago through a competitive solicitation process conducted by the County's Internal Services Department (ISD). Since that time, the Board has approved an initial agreement and two amendments for hardware, hardware maintenance, software support, software licenses, software upgrades, software maintenance, and other miscellaneous services, for the CDS.

Project Justification/Benefits:

The current Agreement expires February 28, 2010. This Amendment with Eclipsys to extend the term of the agreement for six months to enable for continued hardware maintenance and software support services for the CDC, and to allow the Department of Health Services (DHS) additional time to negotiate the terms and conditions for an upgrade to a newer version of the software.

Project Metrics:

The success of this Amendment will be measured by the ongoing provision of critical monitoring and assessment information through the use of the CDS and DHS' ability to finalize negotiations that will lead to a much better upgraded system.

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

If this Amendment is not approved, the current Agreement will expire leaving DHS with no authority to pay for ongoing hardware maintenance and software support, which could severely and adversely affect the performance of CDS. Patient safety could be at great risk if this were to occur.

Alternatives Considered:

No other alternative to this Amendment extension has been considered as the system is currently operating at LAC+USC and is a proprietary product of Eclipsys.

Project Risks:

No substantive risks to moving forward with this Amendment have been identified.

Risk Mitigation Measures:

No risk mitigation measures are deemed necessary at this time with the exception that the CIO will continue to monitor DHS' progress in their ongoing negotiations with Eclipsys to ensure that appropriate actions are taken in advance of the expiration of this Amendment to either extend further while other alternatives are considered.

Financial Analysis:

This Amendment will increase the Contract sum by an additional \$560,658 for a total Contract of \$7,644,939. Funding for this increase is included in DHS' FY 2009-10 Final Budget and will be requested for FY 2010-11 to cover the period that the Agreement extends into that fiscal year.

CIO Concerns:

The CIO has no significant concerns at this time but as mentioned above will continue to monitor the progress that DHS is making in their negotiations with Eclipsys to ensure there is no lapse in the continuation of services provided through the use of the CDS software product.

CIO Recommendations:

The CIO recommends approval of this Amendment.

CIO APPROVAL

Date Received: January 5, 2010

Prepared by: Earl S. Bradley

Date: January 6, 2010

Approved: 

Date: 1/20/2010

ECLIPSYS CORPORATION
ECLIPSYS CLINICAL DOCUMENTATION SYSTEM AGREEMENT
AMENDMENT NO. 3

This Third Amendment to Agreement for Eclipsys Clinical Documentation System at LAC+USC Medical Center (the "Amendment") is entered into and executed as of the ____ day of _____, 2010 by and between the County of Los Angeles ("County") and Eclipsys Corporation, ("Contractor"). County and Contractor are sometimes hereinafter referred to collectively as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, the County acquired a clinical documentation system (the "System") for the LAC+USC Medical Center (the "Medical Center") pursuant to that certain system purchase agreement dated September 22, 1990 (the "System Purchase Agreement") by and between County, by and through the Medical Center, and Emtek Healthcare Systems, Inc., ("Emtek"), the predecessor-in-interest to Contractor;

WHEREAS, the System Purchase Agreement provided for, among other things, the licensing by County of certain software described therein (the "Licensed Software") required by County for operation of the System;

WHEREAS, under that certain Service and Support Agreement dated January 22, 1990 by and between County, by and through the Medical Center, and Emtek, County acquired certain maintenance and support services with respect to the System;

WHEREAS, Emtek was acquired by Contractor in January of 1998 and was replaced by Contractor at such time with respect to its rights, obligations and duties under the System Purchase Agreement and the Service and Support Agreement;

WHEREAS, on April 27, 1999, County's Board of Supervisors approved that certain Agreement for Eclipsys Clinical Documentation System at the Medical Center (the "1999 Agreement") which provided, among other things, the installation and delivery by Contractor of certain upgrade hardware and software and hardware and software maintenance and support services, in connection with the System;

WHEREAS, on February 17, 2004, County and Contractor entered into that certain Eclipsys Clinical Documentation System Agreement, also known as County Agreement No. H-700225 (the "2004 Agreement") to replace the 1999 Agreement;

WHEREAS, on January 4, 2005, County and Contractor entered into that certain Amendment No. 1 to the 2004 Agreement (the "First Amendment"), which provided for, among other things, revisions to certain County-required provisions of the 2004 Agreement, as well as changes to Exhibits B, C and D of the 2004 Agreement. (The 2004 Agreement, as amended by the First Amendment and including such portions of the System Purchase Agreement, the

Service and Support Agreement and the 1999 Agreement as may be currently in effect, is referred to herein as the "Agreement");

WHEREAS, on December 1, 2006, County and Contractor entered into that certain Amendment No. 2 to the 2004 Agreement (the "Second Amendment"), which provided for system expansion, additional Software licenses to cover additional ICU beds, and continued System upgrade, maintenance and support services connected to the system expansion; and

WHEREAS, the term of the Agreement is set to expire on February 28, 2010;

WHEREAS, the Parties wish to amend the Agreement to extend the term and provide for changes set forth herein;

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, in consideration of the mutual covenants of the Parties set forth herein, the Parties hereby agree as follows:

1. **Administration of Agreement—County.** Paragraph 3 (Administration of Agreement—County) is hereby deleted in its entirety, and shall be replaced by the following new Paragraph 3 (Administration of Agreement—County) to read as follows:

"3.0 ADMINISTRATION OF AGREEMENT - COUNTY:

County's Project Director:

- 3.1.1 County's Project Director for this Agreement shall be the following person or his designee:

Oscar Autelli
Information Systems Department
LAC+USC Medical Center
1200 N. State Street, Clinic Tower, 6th Floor, A6D
Los Angeles, CA 90033
Telephone: (323) 409-6866
Fax: (323) 441-8200
E-mail: outelli@dhs.lacounty.gov

County will notify Contractor in writing of any change in the name or address of County's Project Director.

- 3.1.2 County's Project Director will be responsible for ensuring that the objectives of this Agreement are met.

- 3.1.3 Except as expressly provided in this Agreement, County's Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.
- 3.1.4 County's Project Director will have the right at all times to inspect any and all Tasks, Subtasks, Deliverables, goods, services or other Work provided by or on behalf of Contractor.
- 3.2 County's Project Manager:
- 3.2.1 County's Project Manager for this Agreement shall be the following person or her designee:
- Susan Deschner
Information Systems Department
LAC+USC Medical Center
1200 N. State Street, Clinic Tower, 6th Floor, A6D
Los Angeles, CA 90033
Telephone: (323) 409-6866
Fax: (323) 441-8200
E-mail: sdeschner@dhs.lacounty.gov
- 3.2.2 County will notify Contractor in writing of any change in the name or address of County's Project Manager.
- 3.2.3 County's Project Manager will be responsible for ensuring that the technical standards and requirements of this Agreement are met.
- 3.2.4 County's Project Manager will interface with Contractor's Project Manager on a regular basis.
- 3.2.5 Except as expressly provided in this Agreement, County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and are not authorized to further obligate County in any respect whatsoever.
- 3.2.6 County's Project Manager will advise County's Project Director as to Contractor's performance in areas relating to requirements and technical standards.
- 3.3 County Personnel:

All County personnel shall be under the exclusive supervision of County. Contractor understands and agrees that all such County personnel are assigned only

for the convenience of County. Contractor hereby represents that its price, project schedule and performance hereunder are based solely on the work of Contractor's personnel, except as otherwise expressly provided in this Agreement.

3.4 Approval of Work:

All Tasks, Deliverables, goods, services and other Work provided by Contractor must have the written approval of the appropriate County Project Manager. In no event shall County be liable or responsible for any payment prior to such written approval.

3.5 Approval of Invoices:

All invoices submitted by Contractor for payment must have the written approval of County Project Director prior to any payment thereof. "

2. **Administration of Agreement—Contractor.** Paragraph 4.0 (Administration of Agreement—Contractor) of the Agreement is hereby deleted in its entirety, and shall be replaced by the following new Paragraph 4.0 (Administration of Agreement—Contractor) to read as follows:

"4.0 ADMINISTRATION OF AGREEMENT - CONTRACTOR:

4.1 Contractor's Project Director:

- 4.1.1 Contractor's Project Director shall be the following person, who shall be a full-time employee of Contractor:

Jay Colfer
Senior Vice President, Sales
Eclipsys Corporation
3 Ravinia Drive, 10th Floor
Atlantic, GA 30346
Telephone: (404) 847-5239
Fax: (404) 847-5086
Email: jay.colfer@eclipsys.com

- 4.1.2 Contractor's Project Director shall be responsible for Contractor's performance of all of the Work and ensuring Contractor's compliance with this Agreement.

- 4.1.3 Contractor's Project Director shall be available to meet and confer with County's Project Director no less frequently than monthly in person or by telephone, to review Contractor's performance of this Agreement.

4.2 Contractor's Project Manager:

4.2.1 Contractor's Project Manager shall be the following person who shall be a full-time employee of Contractor:

Michael G. Smeraski
Senior Vice President
Eclipsys Corporation
333 Route 46 West
Mountain Lakes, NJ 07046
Telephone: (973) 394-2247
Fax: (973) 316-8547
Email: mike.smeraski@eclipsys.com

4.2.2 Contractor's Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement.

4.2.3 Contractor's Project Manager shall meet and confer with County's Project Manager on a regular basis and with the County's Project Director, as necessary.

4.3 Contractor's Staff:

4.3.1 Contractor staff shall meet and confer with County's Project Managers as agreed by both Contractor's Project Manager and County's Project Manager."

3. **Term.** Paragraph 7.0 (Term) of the Agreement is hereby deleted in its entirety, and shall be replaced by the following new Paragraph 7.0 (Term) to read as follows:

"7.0 **TERM:** The term of this Agreement shall commence on March 1, 2004 and shall continue through June 30, 2010, unless earlier terminated as provided for under the terms of the Agreement. The Interim Director of Health Services may further extend this Agreement on a month-to-month basis for up to two (2) additional months through August 31, 2010."

4. **Contract Sum.** The following first paragraph of Paragraph 8.0 (Contract Sum) of the Agreement is hereby revised to read as follows:

"8.0 **CONTRACT SUM:** The Contract Sum under the terms of this Agreement shall be the total monetary amount payable by County to Contractor for supplying all the work, products and services specified under this Agreement. The total Contract Sum inclusive of all applicable taxes, shall not exceed Seven Million Six Hundred Forty-Four Thousand Nine Hundred Thirty-Nine Dollars (\$7,644,939), for the term of this Agreement.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Interim Director of Health Services, and Contractor has caused this Agreement subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunoff, Ph.D.
Interim Director of Health Services

ECLIPSYS CORPORATION
Contractor

By _____
Signature

By _____
Printed Name

Title _____

APPROVED AS TO FORM:

Andrea Sheridan Ordin
County Counsel

By _____
Jose Silva
Principal Deputy County Counsel

Eclipsys Extension Amend No.3.doc
1/20/2010