

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

715



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
7/14/2005

**SUBJECT:** Approval of a multi-year, sole source agreement with Dictaphone Corporation for maintenance of the transcription services system.

**RECOMMENDED MOTION:** That the Board of Supervisors:

- 1) Authorize the Chairman of the Board to execute a multi-year agreement between Riverside County Regional Medical Center (RCRMC) and Dictaphone Corporation, without competition for maintenance of the medical transcription services system.
- 2) Direct the Clerk of the Board to retain one (1) original and return two (2) original copies of the agreement to RCRMC – Purchasing Department.

**BACKGROUND:**

As part of the Post Occupancy Bond for the new Hospital, the Health Services Agency competitively bid and awarded Dictaphone Corporation the Transcription Services System. Transcription Services applications provide critical functionality to clinicians, providers, and support staff necessary for quality direct patient care. Maintenance of Dictaphone Transcription Services hardware and software are proprietary to Dictaphone Corporation.

(Continued – 2 pages total) FORM APPROVED COUNTY COUNSEL

AUG 08 2005

*Douglas D. Bagley*

Douglas D. Bagley, Hospital Director

BY *[Signature]*

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 63,812.04	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	07/05 - 06/06

<b>SOURCE OF FUNDS:</b> Enterprise Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**

**County Executive Office Signature**

*Dan Marting*

Dep't Recomm.:  Policy  Policy  
Per Exec. Ofc.:  Consent  Consent

Prev. Agn. Ref.:

District:

Agenda Number:

3.75

Purchasing: *[Signature]*  
 ASST. Director  
 DEPT. Director  
 Departmental Concurrence

**TO: BOARD OF SUPERVISORS**

**DATE: 7/14/2005**

**SUBJECT:** Approval of a multi-year, sole source maintenance agreement with Dictaphone Corporation for the transcription services system. **Page 2**

**JUSTIFICATION:**

Dictaphone Corporation has been providing annual maintenance, repairs, and upgrades to the Dictaphone Transcription Services System. The system is proprietary, and only Dictaphone Corporation can provide these services for the equipment and software.

RCRMC has been renewing the maintenance agreement with Dictaphone Corporation annually. Dictaphone Corporation is now offering RCRMC a multi-year agreement which would save the hospital \$15,953 annually. The standard annual maintenance cost is \$79,765.04. The annual cost for RCRMC if we enter into a multi-year agreement would be \$63,812.04, representing a savings of \$47,859.00 over the three-year period.

In 2005, RCRMC reviewed Transcription Services Systems with a consulting group. Through year 2008, Dictaphone Corporation will meet or exceed hospital requirements and functionality. The consulting group verified Dictaphone Corporation's transcription services solution is positioned well for the health care industry. The consulting firm recommended a review in 2007 to determine future viability.

**PRICE REASONABLENESS:**

Pricing has been deemed to be fair and reasonable based on comparison of the cost to replace the system, versus functionality currently being provided by the existing system. The vendor certifies that prices offered are the lowest or equal to any comparable customer, and are equivalent to the prices offered to Federal, State, or Local Government based upon negotiated State or Local Government contracts.

**FINANCIAL IMPACT:**

All costs for this Agreement will come from RCRMC Enterprise Funds.

The total current fiscal year cost for twelve months is sixty-three thousand eight hundred twelve dollars and four cents (\$63,812.04).

The total cost for the three (3) year period ending 2008 is one hundred ninety-one thousand four hundred thirty-six dollars and twelve cents (\$191,436.12).

**CONCUR/EXECUTE:** County Counsel  
County Purchasing

Date: 7/26/05  
From: Edward Papp Department/Agency: Information Svs/RCRMC  
To: Board of Supervisors  
Via: Purchasing Agent  
Subject: Sole Source Procurement; Request for **Software Maintenance**

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

Supply/Service being requested: **Software Maintenance**

Supplier being requested: **Dictaphone**

Alternative suppliers that can or might be able to provide supply/service: **Dictaphone is the existing Transcription applications for RCRMC. Software and Maintenance is proprietary to the vendor (Dictaphone).**

Extent of market search conducted: **Reviewed in 2005 with a consulting group. Through 2008, Dictaphone Corporation will meet or exceed hospital requirements. The consultants recommended a review in 2007 to determine future viability.**

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide: **The need to replace our existing service was not identified or recommended as part of the RCRMC IT Strategic Plan.**

Reasons why my department requires these unique features and what benefit will accrue to the county: **Dictaphone provides transcription applications specific for the Health Care environment.**

Price Reasonableness: **The vendor certifies that prices offered are the lowest or equal to any comparable customer, and are equivalent to the prices offered to Federal, State, or Local Government based upon negotiated State or Local Government contracts.**

Does moving forward on this product or service further obligate the county to future similar contractual arrangements? **RCRMC can save \$15,953/yr. by entering into a three (3) year agreement with the vendor. This represents a 20% annual savings.**

  
Department Head Signature

7/27/05  
Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

  
Purchasing Agent

8-1-05  
Date