

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

112



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
March 25, 2009

**SUBJECT: APPROVAL OF A 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 amendment number one to the 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 file one executed copy and return three (3) original signed copies to the Purchasing and Fleet Services 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 functions necessary for quality direct patient care to clinicians, providers, and support staff. Maintenance of Dictaphone Transcription Services hardware and software are proprietary to Dictaphone Corporation.

(Continued on Page 2)

FORM APPROVED BY COUNTY COUNSEL
BY: *N. R. Kipnis* DATE: 3/26/09
N. R. KIPNIS

Purchasing: *Mark Seiler*
Mark Seiler, Assistant Director

Douglas Bagley

Douglas Bagley, Chief Executive Officer
RCRMC

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 66,966.89	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

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

C.E.O. RECOMMENDATION: APPROVE

BY: *Debra Cournoyer*
Debra Cournoyer

County Executive Office Signature

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

Prev. Agn. Ref.: #3.71 on 9/13/05 | **District:** | **Agenda Number:**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.34

**BOARD OF SUPERVISORS
FORM 11: APPROVAL OF A SOLE SOURCE AGREEMENT WITH DICTAPHONE
CORPORATION FOR MAINTENANCE OF THE TRANSCRIPTION SERVICES
SYSTEM**

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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. The cost of annual maintenance is \$66,996.89.

In 2005, RCRMC reviewed Transcription Services Systems with a consulting group (Gartner Consulting). Through 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 field. The current Dictaphone System will be reviewed for replacement as part of or in conjunction with the current hospital information system (HIS) project during 2009 or 2010.

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 amendment number one will come from RCRMC Enterprise Funds.

The current fiscal year cost for twelve months is sixty-six thousand nine hundred ninety six dollars and eighty-nine cents (\$66,996.89).

REVIEW/APPROVAL

Purchasing concurs with this request.



Memorandum

December 31, 2008

To: Riverside County Board of Supervisors
From: Douglas D. Bagley, Chief Executive Officer
Riverside County Regional Medical Center
Via: Riverside County Purchasing Agent
Subject: **Sole Source Procurement: Request for**

The below information is provided in support of my Department requesting approval for a sole source. Please note that 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: **Nuance, a parent company of Dictaphone**

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

Extent of market search conducted:

The market was not researched for an alternative vendor. The system and corresponding solution are proprietary to Dictaphone/Nuance. As such, rights to software and specific technology solution belong solely to Dictaphone/Nuance.

The replacement of the current Dictaphone system is a process that will require a 9 – 12 months. RCRMC reviewed Transcription Services with Gartner Consulting who recommended the system be viable through 2009. The current Dictaphone System should be reviewed for replacement as part of or in conjunction with the current HIS project during 2009 or 2010.

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide: **Nuance purchased Dictaphone. The system is proprietary. To use a**

different vendor requires replacing Dictaphone with a new translation/transcription system.


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

Price Reasonableness: **The cost of replacement would be 7 to 10 times greater, plus new maintenance.**

Does moving forward on this product or service further obligate the county to future similar contractual arrangements? **No.**



Department Head Signature



Date

Purchasing Department Comments:


Approve

Approve with Condition/s

Disapprove



Purchasing Agent



Date

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