

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



ITEM
3.22
(ID # 3770)

MEETING DATE:

Tuesday, March 21, 2017

FROM : RUHS-MEDICAL CENTER:

SUBJECT: Ratify and execute the First Amendment to the Agreement with Dolores Aeberli to provide consulting services without seeking competitive bids effective February 23, 2017 through June 30, 2018, 17 months; District 5; [\$150,000 Aggregate], Hospital Enterprise Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and execute the First Amendment to the Professional Services Agreement with Dolores Aeberli without seeking competitive bids, to increase the "not to exceed" amount of the Agreement by \$100,000 from \$50,000 to \$150,000 effective February 23, 2017 through June 30, 2018; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 as approved by County Counsel to sign amendments that do not change the substantive terms of the agreement and to sign amendments to the compensation provisions that do not exceed ten percent annually.

Zareh Saffarian, Chief Executive Officer - Health System

3/8/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione and Washington
Nays: None
Absent: Ashley
Date: March 21, 2017
xc: RUHS-Medical Center, Purchasing

Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 50,000	\$ 100,000	\$ 150,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Hospital Enterprise Fund 40050			Budget Adjustment:	No
			For Fiscal Year:	
				16/17-17/18

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

The requested Board action will approve the First Amendment to an existing Agreement with Dolores Aeberli extending the term of that Agreement and increasing the contract amount by \$100,000 to support its improvement of the Fiscal Department by achieving financial and operational performance targets.

Dolores Aeberli is an experienced Certified Public Accountant (CPA), licensed in the State of California, with both financial and operational experience in hospital settings. She has 40 years of experience in health care, and 20 years of experience in hospital management and administration, with particular expertise in cost reduction. Ms. Aeberli is familiar with the financial and operational budgeting for both private and public sector. She provides consulting services related to these areas of expertise to clients in the San Bernardino and Riverside areas.

RUHS currently does not have a permanent CFO or a permanent Comptroller. Until those positions are filled, additional services from Ms. Dolores Aeberli are needed to provide continued guidance and continuity of RUHS Medical Center's Financial Performance Improvement and Health Systems Strategic Plan. While term of the proposed extension would run until June 31, 2018, it also contains a thirty day no cause termination provision and the County is not obligated to purchase or use any specific amount of Ms. Aeberli's services during this period.

Ms. Aeberli has not in the past and will not under the extended Agreement direct the work of County employees or to make any decisions regarding employee status, assignments, or job descriptions. She will not perform any functions that would suggest or imply any authority over County employees and/or County operations and management.

Impact on Residents and Businesses

The hospital, its site-based clinics and community-based clinics serve residents in all five Riverside County supervisorial districts, providing more than 450,000 patient encounters each year. The local economy experiences positive benefits from the presence of a thriving regional health system that is served by a well-paid, educated workforce, and where patients of

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all incomes who might otherwise seek providers in neighboring counties can obtain high quality healthcare services.

The proper function of the fiscal services supporting the hospital and clinics are essential to its operations.

Contract History and Price Reasonableness

On February 23, 2016, the Purchasing Agent executed the Professional Services Agreement with Dolores Aeberli to provide consulting services for one year not to exceed \$50,000. Since then, Ms. Aeberli has provided analysis and advice to RUHS on cost containment, efficiency and capital expenditure planning. She is familiar with the non-labor cost saving recommendations made to RUHS by Huron consulting and has provided advice on how to implement those recommendations.

The cost for Ms. Aeberli's consulting services will continue, as it was under the original contract, at a rate of \$100.00 per hour. This hourly rate is within the range of expert-level consultant work by others with her background, license and experience.



Lisa Brandl, Director of Purchasing and Fleet Services

3/14/2017



Gregory F. Priamos, Director County Counsel

3/8/2017

Date: March 3, 2017
From: Zareh Sarrafian, CEO – Health Systems
To: Board of Supervisors/Purchasing Agent
Via: Naomi Santos, 6-4411
Subject: Sole Source Procurement; Request for Consulting Services

The below information is provided in support of my Department requesting approval for a sole source.

1. **Supplier being requested:** Dolores Aeberli
2. **Vendor ID:** 201001
3. **Supply/Service being requested:** Professional Financial Services that include non-labor cost saving initiatives, monitor and calculate financial benefits, and recommend processes, policies and strategies related to the fiscal services.
4. **Alternative suppliers that can or might be able to provide supply/service and extent of market search conducted:** None
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Dolores Aeberli is an experienced Certified Public Accountant (CPA), licensed in the State of California, with both financial and operational experience in hospital settings. She has 40 years of experience in health care, and 20 years of experience in hospital management and administration, with particular expertise in cost reduction. Ms. Aeberli is familiar with the financial and operational budgeting for both private and public sector. She provides consulting services related to these areas of expertise to clients in the San Bernardino and Riverside areas.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** RUHS currently does not have a permanent CFO or a permanent Comptroller. Until those positions are filled, additional services from Ms. Dolores Aeberli are needed to provide continued guidance and continuity of RUHS Medical Center's Financial Performance Improvement and Health Systems Strategic Plan. The term of the proposed extension would run until June 30, 2018.
7. **Period of Performance:** February 23, 2017 – June 30, 2018
16 months

Is this an annually renewable contract? No
Is this a fixed-term agreement? Yes

8. Identify all costs for this requested purchase. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained.

Description:	FY15/16	FY16/17	FY17/18			Total
One-time Costs:	\$50,000	\$50,000	\$50,000			
<i>Expenses included</i>						
Ongoing Costs:						
<i>(Insert description)</i>						
Total Costs	\$50,000	\$50,000	\$50,000			\$150,000

9. **Price Reasonableness:** On February 23, 2016, the Purchasing Agent executed the Professional Services Agreement with Dolores Aeberli to provide consulting services for one year not to exceed \$50,000. Since then, Ms. Aeberli has provided analysis and advice to RUHS on cost containment, efficiency and capital expenditure planning. She is familiar with the non-labor cost saving recommendations made to RUHS by Huron consulting and has provided advice on how to implement those recommendations.

The cost for Ms. Aeberli's consulting services will continue, as it was under the original contract, at a rate of \$100.00 per hour. This hourly rate is within the range of expert-level consultant work by others with her background, license and experience.

10. **Projected Board of Supervisor Date (if applicable):** March 21, 2017


 Department Head Signature

Zareh Sarrafian
 Print Name

3/8/17
 Date

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove

Not to exceed: \$ _____ One time Annual Amount through _____
 (Date)

Purchasing Agent **Date** **Approval Number**
 (Reference on Purchasing Documents)

List Attachments: Contract Agreement and Form 11

FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT

WITH

DOLORES AEBERLI
(Consulting Services)

That certain Agreement between County of Riverside, a political subdivision of the State of California, on behalf of the Riverside University Health System ("COUNTY") and **DOLORES AEBERLI**, ("CONTRACTOR"), signed February 23, 2016, is hereby amended as follows:

1. The first sentence of **Section 2. Period of Performance** is deleted in its entirety and replaced with the following:

"This Agreement is effective February 23, 2016 through June 30, 2018, unless terminated earlier."

2. The paragraph of **Section 3.1** is deleted in its entirety and replaced with the following:

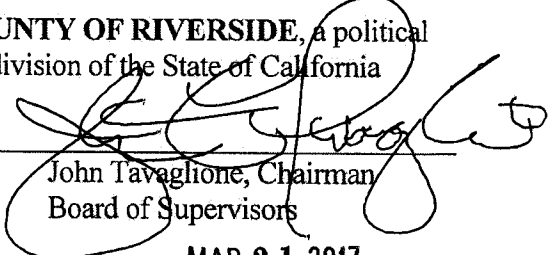
"The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed one hundred fifty thousand dollars (\$150,000), including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement."

3. Exhibit A is deleted in its entirety and replaced with Exhibit A.1 attached hereto and incorporated herein.
4. Exhibit B is deleted in its entirety and replaced with Exhibit B.1 attached hereto and incorporated herein.
5. All other terms and conditions of this Agreement are to remain unchanged.

[INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]


IN WITNESS WHEREOF, the parties have executed this Amendment.

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By: 
John Tavaglione, Chairman
Board of Supervisors

Dated: MAR 21 2017

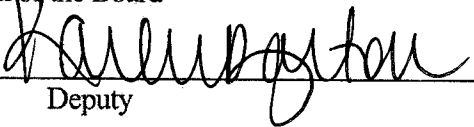
DOLORES AEBERLI

By: 
Dolores Aeberli,
Consultant

Dated: 3/8/2017


ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

Gregory Priamos
County Counsel

By: 
Karin Watts-Bazan,
Assistant County Counsel

SCOPE OF SERVICES

1.0 CONTRACTOR Responsibilities

1.1 CONTRACTOR shall provide hospital and health related financial consulting and advisory management services (“Services”) to Riverside University Health System (RUHS). CONTRACTOR will work closely with the RUHS executive team and management to increase revenues and efficiencies; review and make recommendations regarding management and operations, including:

- monthly financial statements to make sure they are timely, complete and accurate;
- analysis of monthly financials to help ensure financial and operational performance targets are achieved;
- how to make adjustments in response to sudden changes in revenue streams or sudden changes in the health care environment;
- operational budgeting and forecasting.
- decision making for cost containment, efficiency and capital planning;
- how the interim CFO and fiscal office managers could implement efficient processes and procedures;
- fiscal department redesign, including roles and responsibilities of accounting staff , accounting staff competencies, processes and procedures;
- modeling and forecasting related to of strategic projects including but not limited to construction cost and projected revenues of new medical office building; IT benchmarking of labor requirements for efficient use of personnel; analysis and projections of future FQHC clinics associated with a new medical office building; implementation of RUHS clinical trial/research program.

CONTRACTOR will also provide ad hoc financial detailed analyses as requested.

1.2 The CONTRACTOR warrants that she is a certified public accountant, licensed by the State of California and has skills, experience, and expertise in healthcare and hospital finances, including, but not limited to MediCal and Medicare reimbursement, billing and pricing; accounting, procurement, accounts payable and receivable management, cost controls, financial management, collections, and related matters. CONTRACTOR warrants that the Services will be performed with reasonable care in a diligent and competent manner, and in accordance with industry standards.

1.3 The CONTRACTOR will perform hospital and health related financial consulting and advisory management services for COUNTY under the direction of, and in accordance with policies and procedures set by the Assistant County Executive Officer – Riverside University Health System, Zareh Sarrafian or his designee, as well as all applicable County policies and procedures.

1.4 **No Review & Approval Authority. No Supervision.** While COUNTY may seek CONTRACTOR comment, assessments, or recommendations regarding employees, including, but not limited to, observations concerning performance, CONTRACTOR understands that it has no authority to direct the work of COUNTY employees or to make any

SCOPE OF SERVICES

decisions regarding employee status, assignments, job descriptions or to perform any functions that would purport to exercise authority over COUNTY employees and/or COUNTY operations and management.

2.0 COUNTY Responsibilities.

COUNTY will provide CONTRACTOR with work space at its facilities, as appropriate, which, in the judgment of the COUNTY, meets Health Insurance Portability and Accountability Act of 1996 ("HIPAA") requirements, including, but not limited to, providing appropriate security and physical restrictions. CONTRACTOR will not remove Protected Health Information ("PHI") from COUNTY premises in any form. County will provide reports and analyses needed by CONTRACTOR to complete her deliverables, however such reports and analyses will remain the property of COUNTY and be returned upon to it no later than the date of termination of this Agreement.

3.0 Violations of Law.

CONTRACTOR'S primary role is to provide the services described in this Agreement, and CONTRACTOR has no obligation to seek out or otherwise attempt to identify any violations of applicable laws and regulations. However, it is expected that CONTRACTOR will take reasonable steps to act in accordance with all applicable laws and regulations and, therefore, shall inform an appropriate person of any known violations of applicable laws and regulations that it believes may exist and which relate to the work being undertaken by CONTRACTOR.

4.0 Information Technology Network.

The COUNTY will ensure CONTRACTOR has access to COUNTY network as required to perform necessary services under the engagement. CONTRACTOR will use such network only in accordance with COUNTY'S policies and procedures and will complete its training in those responsibilities before beginning work under this contract.

PAYMENT PROVISIONS

1.1 This Exhibit B outlines the fees and expenses for the Engagement, as outlined in the foregoing Professional Service Agreement.

1.2 CONTRACTOR shall submit a monthly invoice in arrears for services rendered. Such invoice shall be submitted no later than the 15th day of the month. COUNTY will pay for such services billed no later than thirty (30) days from receipt of the invoice. CONTRACTOR's invoice shall contain, for each day on which services are performed, a brief description of the services completed and the amount of time spent performing those services. Time will be recorded and reported in one quarter (1/4) hour fractions.

1.4 CONTRACTOR shall provide regular reports to the Assistant CEO-RUHS or his designee on the progress and status of the services contemplated in this agreement. Assistant CEO-RUHS may, at his discretion, from time to time re-evaluate the services, set new priorities and goals in accordance with the needs of the COUNTY.

1.5 Travel or related expenses incurred while performing functions on behalf of COUNTY by CONTRACTOR may be reimbursed in accordance with the procedures and standards set out in Board Policy D-1.

16. Maximum annual compensation payable under this Agreement shall not exceed one hundred fifty thousand dollars (\$150,000).