

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



ITEM
3.96
(ID # 5130)

MEETING DATE:

Tuesday, August 29, 2017

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS) - MEDICAL CENTER:
Payment of \$1,858,968 for maintenance and support costs for Fiscal Year 16/17
and Fiscal Year 17/18 under an Agreement with Cerner, Inc. relating to the
amount of \$1,858,968 for maintenance and support costs [All Districts;
[\$1,858,968 Total]; Hospital Enterprise Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify an increase in total expenditures in the amount of \$1,858,968 under an Agreement with Cerner, Inc.

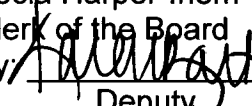
ACTION:


Jennifer Cruikshank, Chief Executive Officer - Health System 8/15/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Washington, Perez and Ashley
Nays: None
Absent: Tavaglione
Date: August 29, 2017
xc: RUHS-Medical Center

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	\$ 1,858,968	\$ 0	\$ 1,858,968	\$ N/A
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Hospital Enterprise Fund 40050			Budget Adjustment:	No
			For Fiscal Year:	17/18

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

BACKGROUND:

Summary

Riverside University Health System (RUHS) has a long-standing contractual relationship with Cerner, Inc. and Siemens Medical Solutions, Inc. ("Cerner") to provide products and services that included patient financial systems, integration systems, lab services systems and electronic health record systems. With the implementation of the EPIC Electronic Health Records (EHR) system in 2016 many of these services and products from Cerner are no longer actively used by RUHS and can be decommissioned once the historical data has been successfully archived and stored in compliance with State, Federal and Regulatory requirements. A plan is in place to decommission the Cerner system by March, 2018.

Impact on Residents and Businesses


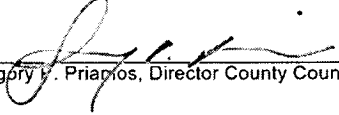
The existence of an electronic records system over the past ten years at the Medical Center has brought benefits to each patient seen there.

Contract History and Price Reasonableness

RUHS is requesting ratification of an increase in funds under the original Agreement with Siemens Medical Solutions, Inc. (assigned to Cerner, Inc.) that was approved on September 11, 2007 (Agenda Item No. 3-50) for a not to exceed amount of \$50,560,072. The approval of the original agreement did grant Purchasing authority to sign ministerial amendments and renewals of the Agreement through November 2017. It did not grant authority for changes to the original "not to exceed" price.

RUHS now asks for a one time ratification of the amount of \$1,858,968 for maintenance and support services that were delivered by Cerner through July 2017. The need for this approval is due to small adjustments in scope that occurred over the 10 year span of the Agreement, which has been amended more than twenty (20) times. The needed ratification is, however, less than four percent of the amount authorized in 2007. This amount will be paid solely out of the Medical Center's enterprise fund.

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Douglas Cady, Principal Management Analyst 8/21/2017 
Gregory V. Priamos, Director County Counsel 8/18/2017

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147

Twenty-Fifth Amendment to the Agreement

By And Between

County Of Riverside, On Behalf Of Its Riverside University Health System – Medical Center

And

Cerner, Inc

THIS **TWENTY-FIFTH AMENDMENT TO THE AGREEMENT** ("Twenty-Fifth Amendment"), dated as of _____, is entered into by and between the **County of Riverside**, on behalf of its **Riverside University Health System – Medical Center**, a political subdivision of the State of California, and **Cerner Health Services, Inc.**, successor to Siemens Medical Solutions USA, Inc. ("Cerner"), a Delaware corporation, sometimes collectively referred to as the "Parties".

RECITALS

A. The County of Riverside, a political subdivision of the State of California, and Siemens Medical Solutions USA, Inc ("Siemens") have entered into that certain Agreement dated September 28, 2004 (the "Original Agreement") and amended twenty-four times and last amended on May 12, 2015, pursuant to which the County was granted a license for software applications for processing health information for the benefit of the Riverside University Health System – Medical Center, more particularly described in the Original Agreement.

B. The Original Agreement together with the Amendments are collectively referred to herein as the "Agreement".

C. The County and Cerner now desire to amend the Original Agreement to amend the costs associated with the license and services and to amend the term period of this Agreement.

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. **TERM.** Section 2 of the Agreement is hereby amended to add a new subsection 2.1 by the following:

2.1 The term of this Agreement shall expire May 31, 2018 ("Expiration Date"). The Agreement shall expire upon the Expiration Date provided herein and shall have no further force or effect without the Parties having to take any further action.

2. **AMOUNTS PAYABLE BY CUSTOMER.** Section 6 of the Agreement is hereby amended to add a new subsection 6.3 by the following:

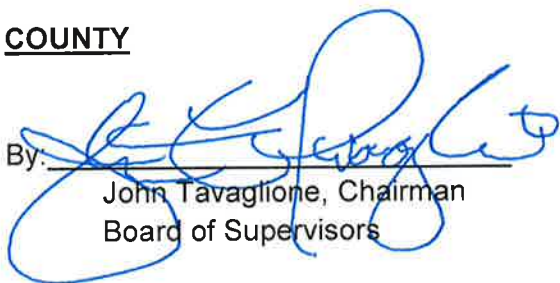
6.3 County shall pay Cerner for maintenance and support services provided by Cerner during the term of the Agreement in the amount of One Million Eight Hundred Fifty Eight Thousand Nine Hundred Sixty Eight Dollars (\$1,858,968).

3. CAPITALIZED TERMS. This Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Agreement, as heretofore amended. The provisions of this Amendment shall prevail over any inconsistency or conflicting provisions of the Agreement, as heretofore amended, and shall supplement the remaining provisions thereof.
4. MISCELLANEOUS. Except as amended or modified herein, all the terms of the Agreement shall remain in full force and effect and shall apply with the same force and effect. Subject to the provisions of the Agreement as to assignment, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provisions of this Amendment or the Agreement shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Agreement and all such other provisions shall remain in full force and effect. The language in all parts of the Agreement shall be construed according to its normal and usual meaning and not strictly for or against either County or Cerner.
5. EFFECTIVE DATE. This Twenty-Fifth Amendment to the Agreement shall not be binding or consummated until its approval by the Board of Supervisors for the County of Riverside and is fully executed by the Parties.

[Signature Provisions on Following Page]

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the dates written below.

COUNTY

By: 
John Tavaglione, Chairman
Board of Supervisors

Dated: AUG 29 2017

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

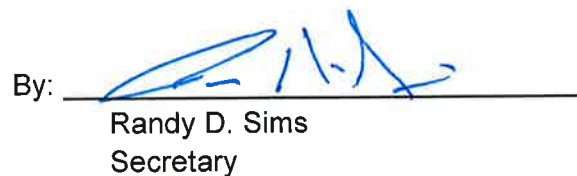
By: 
Deputy

(Seal)

CERNER HEALTH SERVICES

By: 
Dick Flanigan
Chief Executive Officer

Dated: 10-13-17

By: 
Randy D. Sims
Secretary

Dated: 10-13-17

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: 
SYNTHIA M. GUNZEL
Deputy County Counsel