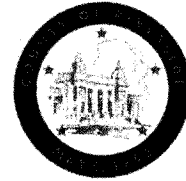


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM**  
3.23  
(ID # 6036)

**MEETING DATE:**

Tuesday, January 9, 2018

**FROM :** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM- MEDICAL CENTER: RATIFICATION  
TO the 2nd Amendment to the Professional Service Agreement with Polaris  
Healthcare Consulting to provide process improvement management consulting  
and training services effective January 1, 2018, 1 year; All Districts [\$660,000],  
Hospital Enterprise Funds

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

1. Ratify and authorize the Chairman to execute the Second Amendment to the Professional Services Agreement with Polaris Healthcare Consulting to provide process improvement management consulting and training services between January 1, 2018 and December 31, 2018 increasing the contract total amount by \$264,000 from \$396,000 to \$660,000.
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 sign amendments to the compensation provisions that do not exceed ten percent.

**ACTION:** Policy


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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Washington and Perez  
Nays: None  
Absent: Ashley  
Date: January 9, 2018  
xc: RUHS-Medical Center, Purchasing

Keaja Harper-Ihem  
Clerk of the Board

By  Deputy

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

<b>FINANCIAL DATA</b>	<b>FY 15/16:</b>	<b>FY 16/17</b>	<b>FY 17/18</b>	<b>FY 18/19</b>	<b>TOTAL COST</b>
<b>COST</b>	\$132,000	\$132,000	\$ 264,000	\$132,000	\$ 660,000
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0		\$ 0
<b>SOURCE OF FUNDS: N/A</b>					<b>Budget Adjustment:</b> No
					<b>For Fiscal</b> <b>Year:17/18-18/19</b>

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

**BACKGROUND:**

**Summary**

RUHS Medical Center (RUHS MC) desires to amend and extend its existing contract with Polaris Healthcare Consulting. RUHS MC is constantly striving to improve patient satisfaction, strengthen operational efficiencies and reduce costs. Beginning in 2016 RUHS MC implemented an efficiency management system known as Lean Management, assisted by Polaris Health Care Consulting. Lean helps key players in various RUHS MC departments to develop sustainable goals by building strategies and processes to support those goals. In addition, Polaris Healthcare Consulting helps the key players construct an analysis of the existing processes and develop means that optimize efficiency and improve time management.

Internal departments within RUHS exercise Lean techniques regularly to implement the goals and methods of process flow improvements that are the most beneficial to the patient and RUHS. For the year of 2017, 538 RUHS employees have received Lean methodology training.

RUHS MC and Polaris have devised a timeline for key activities and deliverables the coming year, 2018. The deliverables include a project focused on reducing hospital based clinic cycle times, streamlining the ETS Admission Process, completing a Hospital Wide 5S analysis and building a timely onboarding process for new physicians. In addition, Polaris will work with managers and the executive team to steer weekly process improvement meetings and to devise an audit instrument

**Impact on Residents and Businesses**

Riverside County citizens will benefit by improved quality of care received from RUHS Medical Center.

Polaris drills down on key areas within the hospital that need improvement and helps create sustainable solutions that can be tested and improved upon. The accomplishments already achieved through Lean have resulted in a 90% reduction in referral turnaround time and a

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

40% reduction in patients in the RUHS Arlington location that left without being seen. Lean processes have also resulted in a 22% reduction in Lab turnaround time.

**Contract History and Price Reasonableness**

On May 24, 2016, Agenda Item 3.24, the Board approved a Professional Services Agreement with Polaris Healthcare Consulting effective June 1, 2016 for a project budget amount of \$132,000. On November 8, 2016, Agenda Item 3.15, the board approved The First Amendment to the Professional Services agreement to increase the consulting contract an additional \$264,000 (total \$396,000) to cover services during 2017. The Polaris Healthcare Consulting work has consisted of multiple services for assessment, with focus on cost savings, full project guidance, coaching, and consultation. The hourly rate is \$125.00 per hour and is well below market standards.

This Amendment would extend the services, at the same hourly rate, for one year to continue the process improvement management initiatives across the RUHS care clinics and other medical center departments. The total budget for the entire engagement will then be \$660,000 (FY 2015/2016 \$132,000, FY 2016/2017- \$132,000, FY 2017/2018 \$264,000, FY 2018/2019 \$132,000).

Date:

From: Jennifer Cruikshank, CEO

To: Board of Supervisors/Purchasing Agent

Via: Michelle DeSpain, RUHS Contracts Administration

Subject: Single Source Procurement; Request for Process Improvement management consulting and training services

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

1. **Supplier being requested: Polaris HealthCare Consulting**
2. **Vendor ID:**
3. **Supply/Service being requested:** Request to amend the contract for Polaris Healthcare Consulting. The amendment will extend the contract term through December 31, 2018 and add an additional \$264,000. This amendment will also amend the name to Polaris Lean Consulting.
4. **Alternative suppliers that can or might be able to provide supply/service and extent of market search conducted:** Although there are other vendors that provide lean training, Polaris Lean Consulting has proven to be successful in providing training in process flow improvement to various departments within RUHS-hospital. Polaris has been effective in increased turnaround time to allow for an improvement in scheduling access. RUHS hospital will amend the Professional Services Consultant agreement to extend the terms through December 31, 2018.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Polaris offers a unique approach of providing service to their clients. Polaris adds a combination of services including consultative and hands on direction and advisement to champion change. RUHS MC is constantly striving to improve patient satisfaction, strengthen operational efficiencies and reduce costs. Beginning in 2016 RUHS MC implemented an efficiency management system known as Lean Management, assisted by Polaris Health Care Consulting. Lean helps key players in various RUHS MC departments to develop sustainable goals by building strategies and processes to support those goals. In addition, Polaris Healthcare Consulting helps the key players construct an analysis of the existing processes and develop means that optimize efficiency and improve time management. RUHS MC and Polaris have devised a timeline for key activities and deliverables the coming year, 2018. The deliverables include a project focused on reducing hospital based clinic cycle times, streamlining the ETS Admission Process, completing a Hospital Wide 5S analysis and building a timely onboarding process for new physicians. In

addition, Polaris will work with managers and the executive team to steer weekly process improvement meetings and to devise an audit instrument

**Reasons why my department requires these unique features and what benefit will accrue to the county:** Riverside County citizens will benefit from by improved quality of care received from RUHS MC.

Polaris drills down on key areas within the hospital that need improvement and helps create sustainable solutions that can be tested and improved upon. The accomplishments already achieved through Lean have resulted in a 90% reduction in referral turnaround time and a 40% reduction in patients in the RUHS Arlington location that left without being seen. Lean processes have also resulted in a 22% reduction in Lab turnaround time.

**6. Period of Performance: January 1, 2018 - December 31, 2018**

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

**7. 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	FY18/19		Total
One-time Costs:	\$132,000	\$132,000	\$264,000	\$132,000		\$660,000
<i>Expenses included</i>						
Ongoing Costs:						
<i>(Insert description)</i>						
Total Costs						

**Price Reasonableness:** On May 24, 2016, Agenda Item 3.24, the Board approved a Professional Services Agreement with Polaris Healthcare Consulting effective June 1, 2016 for a project budget amount of \$132,000. On November 8, 2016, Agenda Item 3.15, the board approved The First Amendment to the Professional Services agreement to increase the consulting contract an additional \$264,000 (total \$396,000) to cover services during 2017. The Polaris Healthcare Consulting work has consisted of multiple services for assessment, with focus on cost savings, full project guidance, coaching, and consultation. The hourly rate is \$125.00 per hour and is well below market standards.

This Amendment would extend the services, at the same hourly rate, for one year to continue the process improvement management initiatives across the RUHS care clinics and other medical center departments. The total budget for the entire engagement will then be \$660,000 (\$132,000 FY 2016/ 2017; \$264,000 in FY 2017/2018; \$264,000 FY 2018/2019).

**8. Projected Board of Supervisor Date (if applicable): January 9, 2018**

[Signature] Jennifer Cruikshank 12/20/17  
Department Head (CEO) Signature Print Name Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ As noted One time Annual Amount through 12/31/18  
above (Date)

[Signature] 12/21/17 18-107  
Purchasing Agent Date Approval Number  
(Reference on Purchasing Documents)

List Attachments:

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT  
WITH**

**POLARIS HEALTHCARE CONSULTING**  
(Process Improvement Management Consulting Services)

That certain Agreement between County of Riverside, Riverside University Health System – Medical Center (“COUNTY”) and **Polaris Healthcare Consulting**, (“CONTRACTOR”), initially executed May 24, 2016: Agenda Item No. 3-24 is, hereby amended as follows.

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

“This Agreement is effective through December 31, 2018, unless terminated as otherwise provided herein.”

2. The language in **Section 3. Compensation, subsection 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 Six Hundred and Sixty thousand dollars (\$660,000) 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.”

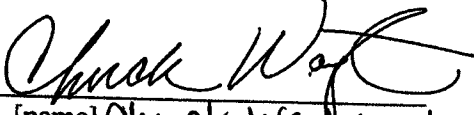
3. Each reference in the Agreement to “Polaris HealthCare Consulting” is hereby deleted and replaced with “Polaris Lean Consulting”.
4. Exhibit A SCOPE OF SERVICES is hereby deleted in its entirety and replaced with a new “Exhibit A-1” which is attached hereto.

[The balance of this Page is intentionally left blank.]

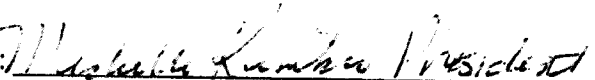
IN WITNESS WHEREOF, the parties have executed this Amendment.

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

CONTRACTOR

By:   
[name] Chuck Washington  
[title] CHAIRMAN, BOARD OF SUPERVISORS


Date: JAN 09 2018

By:   
[name],  
[title]

Date: 12/18/2017

APPROVED AS TO FORM:

Gregory Priamos  
County Counsel

By:   
Martha Knutson,  
Deputy County Counsel

ATTEST:

KECIA HARPER-HEM, Clerk

By:   
DEPUTY

## **Exhibit A-1 SCOPE OF WORK**

Polaris Lean Consulting ("CONTRACTOR"), provides a full-service approach to performance improvement to hospitals, health systems, and other healthcare organizations. CONTRACTOR provides comprehensive professional development and support services to enable healthcare organizations, and professionals to further develop and enhance their skills in process improvement, change management, and leadership.

### **Scope, Approach and Engagement Details**

Under this Agreement, CONTRACTOR will provide Lean (an active daily management system) and process improvement management consulting and training services to COUNTY. Michelle Kimbro will serve as the CONTRACTOR leader for the term of this Agreement.

Within the first ten days of commencement of this Agreement, Michelle Kimbro will develop a detailed work plan outlining the specific roles, responsibilities, milestones, resource requirements, and timelines. Upon approval of the work plan by the COUNTY hospital executive leadership team, Michelle Kimbro will commence with the following activities:

#### **Lean Process Improvement Training and Project Coaching:**

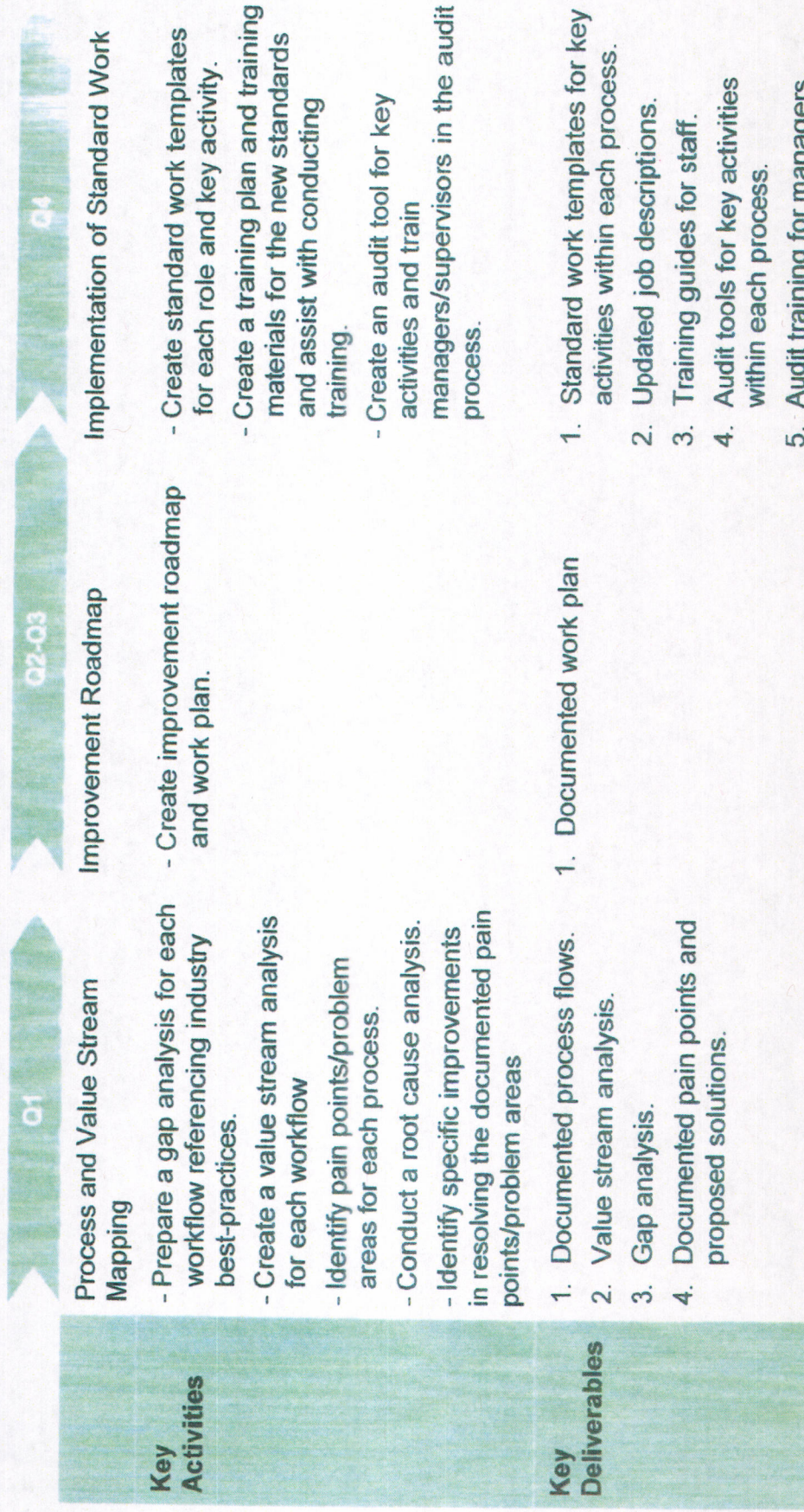
1. Facilitate Lean team meetings and rapid improvement events for designated projects and facilitate the following activities: documentation of workflows; observation of work activities and creation of a value stream analysis, and/or spaghetti diagrams (as indicated); root cause analysis; development of a data collection plan; interpretation and presentation of the data; development of an improvement plan; and implementation of approved improvements where indicated.
2. Provide support for implementing the recommendations including the development of standard work for key activities and functions, training supervisors, and staff on standard work, and development of management tools (audits) required to sustain the improvements.
3. Provide on-going team and individual coaching/support for identified project teams. Coaching the teams will transition to RUHS's internal Lean Coaches, and Polaris Lean Consulting will serve as a Coach the Coach role for the remainder of the engagement.
4. Provide a 16-hour introductory Lean training course for project team members.

## **Implementation of the Lean Management System**

1. Facilitate implementation of the Lean Management System for 18 departments:
  - Conduct Lean Management training for the senior leadership team.
  - Meet with designated directors following the training to identify and prioritize departmental goals; identify specific performance targets; create a performance dashboard; facilitate development of a standard work template and one visual work aid for a key work activity; assist with creating an audit tool for the key activity; facilitate implementation of huddle boards; and coach 2-3 huddles.
  - Rounding Tool: Develop a "Collaborative Leadership Rounding" model. Create a Collaborative Leadership Rounding inpatient, outpatient, and ambulatory clinic rounding survey instrument. Guide development of a "Collaborative Leadership Rounding" schedule. Meet with the Executive Leadership team to review the model, tool, and schedule.

## Project Deliverables and Timelines:

### Project Management and Coaching for Process Improvement Projects:



## Implementation of the Lean Management System and Lean Training:

All Quarters		All Quarters	
Work-stream	Active Daily Management (ADM) for Leadership	Introductory Lean Training	
Key Activities	<ul style="list-style-type: none"> <li>- Create a Collaborative Leadership Rounding survey instrument and rounding process.</li> <li>- Identify resource and unit level supplies required for implementation of the Active Daily Management program.</li> <li>- Conduct a 16 hour Active Daily Management for key leadership.</li> <li>- Provide 1:1 coaching sessions with designated department Directors to assist with implementation of the ADM program.</li> </ul>	<ul style="list-style-type: none"> <li>- Provide 16-hour introductory Lean training course for project team members.</li> </ul>	
	<ol style="list-style-type: none"> <li>1. Collaborative Leadership Rounding tool.</li> <li>2. Documented Collaborative Leadership Rounding process.</li> <li>3. Supply a resource list for the ADM program.</li> <li>4. Training for 30-40 administrative, medical and clinical leaders.</li> <li>5. Huddle boards in designated departments.</li> </ol>	<ol style="list-style-type: none"> <li>1. Training for project team members.</li> </ol>	
Key Deliverables			

## Management of Process Improvement Projects – Example workflow for one project

