

**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH
SYSTEM MEDICAL CENTER GOVERNING BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 15.1
(ID # 11355)

MEETING DATE:

Tuesday, December 10, 2019

FROM: RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Approval of the Fifth Amendment to the Professional Service Agreement without seeking competitive bids with Polaris Lean Consulting for Process Improvement Management Consulting and Training Services; All Districts. [Total Cost: \$264,000; Annual Cost \$264,000; up to \$26,400 in additional compensation – 100% Hospital Enterprise Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Fifth Amendment to the Professional Service Agreement with Polaris Lean Consulting for Process Improvement Management Consulting and Training Services, without seeking competitive bids, extending the period of performance for one (1) year, commencing January 1, 2020 through December 31, 2020, and increasing the aggregate maximum compensation amount by \$264,000 from \$924,000 to \$1,188,000; authorize the Chairman of the Board to sign the amendment on behalf of the County.
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 and based on the availability of funding and as approved by County Counsel, to sign amendments that make modifications to the scope of services that stay within the intent of the agreement and to sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the total annual cost of the agreement.

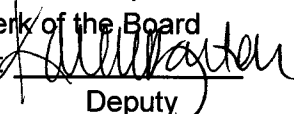
ACTION:Policy


Jennifer Cruikshank, Chief Executive Officer – Health System 11/20/2019

MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: December 10, 2019
xc: RUHS

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$132,000	\$132,000	\$264,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund - 40050			Budget Adjustment: No	
			For Fiscal Year: 19/20-20/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

This Fifth Amendment will approve an extension to the period of performance for the Polaris Lean Consulting Agreement and increase the aggregate maximum compensation amount which covers the term effective January 1, 2020 through December 31, 2020.

Polaris Lean Consulting ("Polaris") assists clients in improving financial performance and competitive positions by incorporating methods to reduce waste, increase efficiency, and enhance the customer experience. Polaris helps engage frontline staff to lead the effort to address the causes of variability and make efficient operational process improvements. Polaris has been a partner of Riverside University Health System (RUHS) since May 2016.

Since May 2016, Polaris helped Riverside University Health System achieve many projects such as the Emergency Department Throughput Project, Lab Project, FQHC Project and more. More recently, subsequent to when the Board approved the Third Amendment on January 29, 2019, Agenda Item 15.2, Polaris successfully accomplished additional projects for RUHS-Medical Center, which included:

- ✓ **Arlington ETS Project:** 70% reduction in door to doctor; 40% reduction in Left Without Being Seen (LWBS); 11% reduction in discharge length of stay; 37% reduction in assaults; 1,875 nursing hours saved by reducing waste; The Joint Commission Best Practice Library Nomination.
- ✓ **5S Projects:** 94
- ✓ **Number of RUHS Employees Training in Lean Methodology:** 1400
- ✓ **A3 Coaching Sessions:** 85 projects
- ✓ **Medical and Surgical Center:** Assist in operationalizing the new Medical and Surgical Center; Internal Medicine and Specialty Clinics, Women's Health Clinic, Pediatric Clinic, Orthopedics and Neurology Clinic, Laboratory, Imaging, Diagnostics, Pharmacy, Rehabilitation, Registration Department, and the Ambulatory Surgery Center.
- ✓ **Strategy Deployment:** Facilitated strategic visioning session, created and deployed RUHS strategy alignment tool. Successfully aligned 106 departments to the RUHS strategic goals.

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Impact on Citizens and Businesses

Riverside County citizens will benefit from improved quality of care received from Riverside University Health System – Medical Center staff.

SUPPLEMENTAL:

Additional Fiscal Information

The table below illustrates the maximum aggregate amount expended per fiscal year since commencement of the Contract Agreement.

Fiscal Year	FY 2016/2017	FY2017/2018	FY2018/2019	FY2019/2020	FY2020/2021	TOTAL
Board Approved Amount	\$264,000	\$264,000	\$264,000	\$132,000		\$924,000
Requested Increase Amount				\$132,000	\$132,000	\$264,000
Totals	\$264,000	\$264,000	\$264,000	\$264,000	\$132,000	\$1,188,000

This Fifth Amendment allocates \$264,000, including all expenses, for the period of January 1, 2020 through December 31, 2020 for an aggregate maximum contract amount of \$1,188,000.

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 through December 31, 2016 for a project budget amount of \$132,000. On November 8, 2016, Agenda Item 3.15, the Board approved a First Amendment to the Professional Services Agreement extending the agreement for one additional year and increasing the maximum contract by \$264,000. Polaris work consisted of multiple services for assessment, with focus on cost savings, full project guidance, coaching, and consultation. The hourly rate began at \$125.00 per hour and well below market standards as it relates to consulting services. On January 9, 2018, Agenda Item 3.23, the Board approved a Second Amendment which extended the Services of the Agreement through December 31, 2018 in turn, requiring \$264,000 in additional funds to cover the period of performance. On January 29, 2019, Agenda Item 15.2, the Board approved a Third Amendment which extended the period of performance for six months effective January 1, 2019 through June 30, 2019, with the option to renew for an additional six months, increasing the aggregate amount from \$660,000 to \$924,000. On July 15, 2019, the Purchasing Agent executed a Fourth Amendment which RUHS-Medical Center exercised the option to renew the

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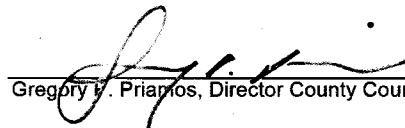
Agreement by extending the period of performance effective July 1, 2019 through December 31, 2019.

This Fifth Amendment to the Professional Services Agreement will continue the services through December 31, 2020. RUHS-MC continues to experience difficulties in successfully hiring a qualified individual to fill the position of Director of Performance and Service Excellence through County Human Resources. RUHS desires to retain Polaris Lean Consulting to continue with process improvements at the same hourly rate of \$125.00 per hour. Additionally, RUHS-MC will work with Central Purchasing and examine the need to solicit this service through a competitive bid process while working simultaneously with County Human Resources for a possible permanent candidate to fill the position.

ATTACHMENTS:

Attachment A: FIFTH AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR PROCESS IMPROVEMENT MANAGEMENT CONSULTING AND TRAINING SERVICES BETWEEN COUNTY OF RIVERSIDE AND POLARIS LEAN CONSULTING


Teresa Summers, Director of Purchasing 11/25/2019


Gregory L. Priamos, Director County Counsel 12/4/2019



Date: November 25, 2019

From: Jennifer Cruikshank, RUHS CEO

To: Board of Supervisors/Purchasing Agent

Via: Naomi Santos, RUHS Contracts Administration / 951.486.4411

Subject: Sole or Single Source Procurement; Request for Request for Process Improvement Management Consulting and Training Services

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

1. **Supplier being requested:** Polaris Lean Consulting, Inc.
2. **Vendor ID:** 212777
3. **Single Source** **Sole Source**
4. **Have you previously requested and received approval for a sole or single source request for this vendor for your department?**

 Yes **No**
SSJ# 19-099
- 4a. **Was the request approved for a different project?**

 Yes **No**
5. **Supply/Service being requested:** Process Improvement Management Consulting and Training Services
6. **Unique features of the supply/service being requested from this supplier.** Polaris Lean Consulting assists clients in improving financial performance and competitive positions by incorporating methods to reduce waste, increase efficiency, and enhance the customer experience. Polaris helps engage frontline staff to lead the effort to address the causes of variability and make meaningful changes. Additionally, Polaris has been a partner to help improve Riverside University Health System since May, 2016.

Since May, 2016 Riverside University Health System has accomplished:



- ✓ **Arlington ETS Project:** 70% reduction in door to doctor; 40% reduction in Left Without Being Seen (LWBS); 11% reduction in discharge length of stay; 37% reduction in assaults; 1,875 nursing hours saved by reducing waste; The Joint Commission Best Practice Library Nomination.
- ✓ **5S Projects:** 94
- ✓ **Number of RUHS Employees Training in Lean Methodology:** 1400
- ✓ **A3 Coaching Sessions:** 85 projects
- ✓ **Medical and Surgical Center:** Assist in operationalizing the new Medical and Surgical Center; Internal Medicine and Specialty Clinics, Women's Health Clinic, Pediatric Clinic, Orthopedics and Neurology Clinic, Laboratory, Imaging, Diagnostics, Pharmacy, Rehabilitation, Registration Department, and the Ambulatory Surgery Center.
- ✓ **Strategy Deployment:** Facilitated strategic visioning session, created and deployed RUHS strategy alignment tool. Successfully aligned 106 departments to the RUHS strategic goals.

7. **Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:** Due to unforeseen difficulties hiring a qualified individual to fill the position of Director of Performance and Service Excellence through County Human Resources, Polaris continues to be a viable partner to provide business process improvement for the organization with the objectivity in assessing current processes, identifying and prioritizing opportunities for improvement, and designing and implementing solutions. Polaris drills down on key areas within the Medical Center that need improvement and help create sustainable solutions that can be tested and improved upon. Since the inception of the agreement, Polaris helped Riverside University Health System achieve many projects such as the ED Throughput Project, Lab Project and facilitating projects with the Community Health Centers.

8. **Period of Performance:** January 1, 2020 through December 31, 2020
(1 year)

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

9. **Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. You do not need to include previous fiscal year amounts. 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.**



**Riverside
University
HEALTH SYSTEM**

Fiscal Year	FY 2016/2017	FY2017/2018	FY2018/2019	FY2019/2020	FY2020/2021	TOTAL
Board Approved Amount	\$264,000	\$264,000	\$264,000	\$132,000		\$924,000
Requested Increase Amount				\$132,000	\$132,000	\$264,000
Totals	\$264,000	\$264,000	\$264,000	\$264,000	\$132,000	\$1,188,000

This Fifth Amendment allocates \$264,000, including all expenses, for the period of January 1, 2020 through December 31, 2020 for an aggregate maximum contract amount of \$1,188,000.

- 10. 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 through December 31, 2016 for a project budget amount of \$132,000. On November 8, 2016, Agenda Item 3.15, the Board approved a First Amendment to the Professional Services Agreement extending the agreement for one additional year and increasing the maximum contract by \$264,000. Polaris consisted of multiple services for assessment, with focus on cost savings, full project guidance, coaching, and consultation. The hourly rate began at \$125.00 per hour and well below market standards as it relates to consulting services. On January 9, 2018, Agenda Item No. 3.23, the Board approved a Second Amendment which extended the Services of the Agreement through December 31, 2018 in turn, requiring \$264,000 in additional funds to cover the period of performance. On January 29, 2019, Agenda Item No. 15.2, the Board approved a Third Amendment which extended the period of performance for six months effective January 1, 2019 through June 30, 2019, with the option to renew for an additional six months, increasing the aggregate amount from \$660,000 to \$924,000. On July 15, 2019, the Purchasing Agent executed a Fourth Amendment which RUHS-Medical Center exercised the option to renew the Agreement by extending the period of performance effective July 1, 2019 through December 31, 2019.

This Fifth Amendment to the Professional Services Agreement will continue the services through December 31, 2020. RUHS-MC continues to experience difficulties in successfully hiring a qualified individual to fill the position of Director of Performance and Service Excellence through County Human Resources. RUHS desires to retain Polaris Lean Consulting to continue with process improvements at the same hourly rate of \$125.00 per hour. Additionally, RUHS-MC will work with Central Purchasing and examine the need to solicit this service through a competitive bid process while working simultaneously with County Human Resources for a possible permanent candidate to fill the position.

- 11. Projected Board of Supervisor Date (if applicable):** December 10, 2019



[Signature Page Follows]

**FIFTH AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
PROCESS IMPROVEMENT MANAGEMENT CONSULTING AND TRAINING SERVICES
BETWEEN COUNTY OF RIVERSIDE AND POLARIS LEAN CONSULTING**

This Fifth Amendment to the Professional Service Agreement for Process Improvement Management Consulting and Training Services (herein referred to as "Fifth Amendment") is entered into by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, (herein referred to as "COUNTY") on behalf of Riverside University Health System (herein referred to as "RUHS") and **POLARIS LEAN CONSULTING**, a Nevada corporation, (herein referred to as "CONTRACTOR"), sometimes collectively referred to as the "Parties" or individually referred to as a "Party."

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional Service Agreement for Process Improvement Management Consulting and Training Services, approved May 24, 2016, Agenda Item No. 3-24, and effective June 1, 2016 through December 31, 2016 (herein referred to as "Agreement"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain First Amendment to the Agreement, approved November 8, 2016, Agenda Item No. 3-15, to extend the period of performance for one (1) year commencing January 1, 2017 through December 31, 2017, increase the maximum compensation amount by \$264,000 from \$132,000 to \$396,000, and delete Exhibit B (herein referred to as "First Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Second Amendment to the Agreement, approved January 9, 2018, Agenda Item No. 3-23, to extend the period of performance for one (1) year commencing January 1, 2018 through December 31, 2018, increase the maximum compensation amount by \$264,000 from \$396,000 to \$660,000 (herein referred to as "Second Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Third Amendment to the Agreement, approved January 29, 2019, Agenda Item No. 15.2, to extend the period of performance for six (6) months commencing January 1, 2019 through June 30, 2019, and increase the maximum compensation amount by \$264,000 from \$660,000 to \$924,000 (herein referred to as "Third Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Fourth Amendment to the Agreement, executed July 15, 2019, to extend the period of performance for six (6) months commencing July 1, 2019 through December 31, 2019 (herein referred to as "Fourth Amendment"); and

WHEREAS, COUNTY and CONTRACTOR desire to amend the Agreement again to extend the period of performance for one (1) year commencing January 1, 2020 through December 31, 2020 and increase the maximum compensation amount by \$264,000 from \$924,000 to \$1,188,000;

NOW THEREFORE, the Parties agree as follows:

1. **Period of Performance.** The first sentence of Subsection 2.1 of Section 2. **Period of Performance** is hereby amended to extend the period of performance for one (1) year commencing upon January 1, 2020 through December 31, 2020 as follows:

"This Agreement shall be effective upon signature of this Agreement by both parties and continues in effect through December 31, 2020, unless terminated earlier."

2. **Compensation.** Subsection 3.1 of Section 3. **Compensation** is hereby amended to increase the maximum compensation amount by \$264,000 from \$924,000 to \$1,188,000 as follows:

"The COUNTY shall pay the CONTRACTOR one hundred twenty-five dollars (\$125.00) per hour for services performed. Maximum payments by COUNTY to CONTRACTOR shall not exceed two hundred sixty-four thousand dollars (\$264,000) annually, including all expenses, for an aggregate maximum compensation amount of one million one hundred eighty-eight thousand dollars (\$1,188,000). 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. COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement."

3. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.

4. **Effective Date.** This Fifth Amendment to the Agreement shall become effective upon signature of both Parties or January 1, 2020, whichever should come first.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Fifth Amendment.

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

By: [Signature]

Name: Kevin Jeffries

Title: Chairman, Board of Supervisors

Date: DEC 10 2019

POLARIS LEAN CONSULTING, a Nevada corporation

By: [Signature]

Name: Michelle Kimbro

Title: Chief Executive Officer, Secretary, and Chief Financial Officer

Date: 11/14/2019

ATTEST:

Kecia R. Harper
Clerk of the Board

By: [Signature]
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: [Signature]

Name: Danielle Maland

Title: Deputy County Counsel

Date: 12/3/19