

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



**ITEM: 3.23
(ID # 13770)**

MEETING DATE:
Tuesday, May 11, 2021

FROM: (RUHS) RIVERSIDE UNIVERSITY HEALTH SYSTEM:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM: Ratify and Approve Addendum No. 5 to the Software Use Agreement with Strata Decision Technology, LLC for StrataJazz Cost Accounting Consulting Services without seeking competitive bids, effective March 2, 2021 through August 29, 2022, All Districts. [Total Cost \$96,048; up to \$9,604 in additional compensation; [100% Hospital Enterprise Fund – 40050]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and Approve Addendum No. 5 to the Software Use Agreement with Strata Decision Technology, LLC, for StrataJazz Cost Accounting Consulting Services without seeking competitive bids, to increase the aggregate contract amount by \$96,048 from \$2,718,537 to \$2,814,585, extend the contract term through August 29, 2022 and authorize the Chair of the Board to sign the Addendum on behalf of the County.
2. Authorize Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved by County Counsel to: sign amendments that exercise the options of the agreement including modifications of the statement of work that stay within the intent of the Agreement; and sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the total annual cost of the contract.

ACTION:



Jennifer Crutshank, Chief Executive Officer – Health System 4/8/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Hewitt, seconded by Supervisor Spiegel 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: May 11, 2021
xc: RUHS

Kecia R. Harper
Clerk of the Board

By 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 48,024	\$ 48,024	\$ 96,048	\$0
NET COUNTY COST	\$ 0	\$0	\$ 0	\$0
SOURCE OF FUNDS: 100% - Hospital Enterprise Fund 40050			Budget Adjustment:	
			No	
			For Fiscal Year: 20/21- 22/23	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested board action will approve Addendum No. 5 to the Software Use Agreement with Strata Decision, LLC and Sole Source Approval #21-064. The Decision Support department at Riverside University Health System (RUHS) is required to give the hospital data required to manage employee labor. The consulting services and software solutions provided by the vendor will help to manage labor productivity by combining hospital census (number of patients), staffing, and costs to allow management to make informed staffing decisions. This request will provide two (2) years maintenance support for the data integration services throughout the term of the Decision Support license and provide Decision Support Cost Model and Monthly Cost and Margin Reporting maintenance services.

The work involves collecting data in the system and reviewing every single charge code entered in EPIC Electronic Medical Records (EMR) to determine the cost. Data in the system is collected from EPIC, General Ledger and Payroll. Strata uses cost allocation methodologies practiced in the industry to determine the cost of every EPIC charge code at RUHS.

This level of analysis requires data and systems capabilities enabling Strata to quickly load the data on a monthly basis and produce results used for patient and service line reporting. Using this costing information, The Decision Support department at RUHS is able to report the cost of services provided such as Procedures, Diagnosis-Related Groups (DRG), Current Procedural Terminology (CPT) and Service Lines. The reports show revenue earned and cost incurred.

Impact on Residents and Businesses

These labor productivity services allow for RUHS to make informed operational decisions on labor and staffing to insure the performance and delivery of patient care.

The Cost Accounting system will give hospital decision makers very detailed information of the cost of services provided thus enabling them to make more informed decisions on services provided and the reimbursement made by payers.

Additional Fiscal Information

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

Description:	FY20/21	FY21/22	Total
One-time Costs:			
StrataJazz Cost Accounting Consulting Services	\$48,024	\$48,024	\$96,048

Contract History and Price Reasonableness

On August 29, 2017, Agenda Item No. 3.89, the Board approved a sole source (approval #18-043) multi-year Software Use Agreement with Strata Decision Technology, LLC to provide a cost accounting and performance measurement software system effective August 29, 2017 through June 30, 2022 for a total amount of \$2,491,960, which includes contingency fees of \$71,060.

On December 17, 2019, Agenda Item No. 15.4, the Board approved Addendum No. 1 to the Software Use Agreement, effective December 31, 2019 through June 30, 2022, to increase the total contract amount by \$168,113 from \$2,491,960 to \$2,660,073.

Addendum No. 2 was executed under the Purchasing Agent's Authority to establish authorized uses of Customer Data exchanged under this Agreement. On June 23, 2020, Addendum No. 3 was executed using the Purchasing Agent's Authority for additional consulting services for StrataJazz Operating Budget. Addendum No. 4 was executed on September 24, 2020, under Purchasing Agent's Authority for additional consulting services for StrataJazz Data Integration.

Additional services executed under Addenda's 3 and 4 have exhausted the board approved contract contingency amount of \$71,060. This Addendum No. 5 requires board approval as the additional maintenance support services for the Decision Support Cost Model exceed the amended aggregate contract amount and contingency.

Strata has extended a 10% discount to this Addendum No. 5 which is consistently offered with their specialty services since the commencement of their 2017 Software Use Agreement. This is a cost savings of \$10,672 to RUHS.

ATTACHMENTS: ADDENDUM NO. 5 TO THE SOFTWARE USE AGREEMENT WITH STRATA DECISION TECHNOLOGY, LLC., SOLE SOURCE JUSTIFICATION FORM

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



Suzanna Hackley, Assistant Director of Purchasing and Fleet Service

4/23/2021



Gregory V. Priamos, Director County Counsel

4/28/2021

21-064



Date: January 29, 2021

From: Frederick Drewette, Chief Financial Officer

To: Board of Supervisors/Purchasing Agent

Via: John Jabbour, Decision Support Department, (951) 486-4847

Subject: Sole Source Procurement; Request for Strata Consulting Services for Cost Model Maintenance and Monthly Cost & Margin Reporting

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:** STRATA Decision Technology, LLC

2. **Vendor ID:** 213713

3. **Single Source** ~~**Sole Source**~~
(Single Source - is a purchase of a commodity or service without obtaining competitive bids although more than one source is available)

(Sole Source - is a purchase of a commodity or service that is proprietary or no other vendor is qualified or willing to meet the county specified requirements)

4. **Have you previously requested and received approval for a sole or single source request for this vendor for your department?** *(If yes, please provide the approved sole or single source number).*

Yes **No**
 SSJ# 18-043

4a. **Was the request approved for a different project?**

Yes **No**

5. **Supply/Service being requested:**

RUHS has engaged Strata Decision Technology, LLC (Strata) to provide consulting services for the Stratajazz Cost Accounting Model. These services will help to backfill a vacated position within the Decision Support department at RUHS. Additionally, this request will provide support for the Data Integration maintenance services throughout the extension of the Decision Support license for 2 years. StrataJazz will also provide Decision Support Cost

Model and Monthly Cost and Margin Reporting maintenance services throughout the extension of the Decision Support license.

6. Unique features of the supply/service being requested from this supplier.

Strata has the leading integrated software solution that combines budget, financial analysis, performance monitoring, cost accounting and reporting models into one software platform. Other software providers would package these services into separate applications. Strata Decision services has the expertise to help maintain the system and train existing staff for future assignments. Strata will maintain daily patient data, payroll biweekly and general ledger monthly.

7. Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:

The Decision Support department at RUHS is required to give RUHS data required to manage labor. The consulting services and software solutions provided by the vendor will help to manage labor productivity by combining hospital census (number of patients), staffing, and costs to allow management to make informed staffing decisions. The decision support product requires specialized knowledge of data management and analytics. The continuity of these services is critical for hospital operations, therefore an outsource solution is required to avoid interruption of business operations. Given the time constraints of recruitment and the depth of internal training required for this service this interim option will allow RUHS to benefit from the expertise and knowledge of Strata professionals and leverage off the vendors existing operational knowledge of RUHS.

8. Period of Performance: From: March 2, 2021 – August 29, 2022
(total number of years) 2

Is this an annually renewable contract? No Yes

Is this a fixed-term agreement: No Yes

(A fixed-term agreement is set for a specific amount of time; it is not renewed annually. Ensure multi-year fixed-term agreements include a cancellation, non-appropriation of funds, or refund clause. If there is no clause(s) to that effect, then the agreement must be submitted to the Board for approval. No exemptions shall apply.)

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. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)


Description:	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Total
One-time Costs:						
StrataJazz Cost Accounting Consulting Services				\$48,024	\$48,024	\$96,048
Previous SSJ Approved Amounts:	\$1,078,556	\$346,086	\$332,086	\$332,086	\$332,086	\$2,420,900
Total Costs				\$380,110 ✓	\$380,110 ✓	\$2,516,948 ✓

Note: Insert additional rows as needed

10. Price Reasonableness: (Explain why this price is reasonable or cost effective – were you provided government discounted pricing? Is this rate/fee comparable to industry standards?)

Strata has consistency offered their specialty services at a 10% discount since the commencement of their 2017 Software Use Agreement. The vendor has extended the same discount offer for these additional services which will result in a saving cost of \$10,672. Lastly, with Strata's tenured knowledge of RUHS-MC operations and the County's policies the County saves additional dollars and time.

11. Projected Board of Supervisor Date (if applicable): March 2, 2021
 (Draft Form 11s, service agreement and or quotes must accompany the sole source request for Purchasing Agent approval.)

DocuSigned by:
 Jennifer Cruikshank 02/02/2021 | 7:57 AM PST
 Department Head Signature (or designee) Print Name Date

The section below is to be completed by the Purchasing Agent or designee.

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

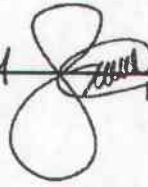
Condition/s:

Add Prior to next renewal RUHS should validate that no other vendors can perform this service. Prefer Recomend RFP.

Not to exceed:

- One-time \$ _____
- Annual Amount \$ _____ / per fiscal year through _____ (date)
(If Annual Amount Varies each FY)
 - FY 2021 : \$ 380,110
 - FY 2122 : \$ 380,110
 - FY _____ : \$ _____
 - FY _____ : \$ _____
 - FY _____ : \$ _____

Suzanna Hinckley
Purchasing Agent
ASST Director


Date

2/16/21

21-064
Approval Number
(Reference on Purchasing Documents)



ADDENDUM NO. 5 TO SOFTWARE USE AGREEMENT

This is Addendum No. 5, effective as of the date of the last signature below, is entered into by and between Strata Decision Technology, LLC ("Strata Decision") and the County of Riverside, a political subdivision of the State of California, on behalf of Riverside University Health System ("Customer"), collectively referred to as the "Parties".

WHEREAS, the Parties entered into that certain Software Use Agreement, effective August 29, 2017 (the "Agreement"), to purchase a cost accounting and performance measurement system.

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

- 1. The above recitals are true and correct, and are incorporated herein by reference.
2. Customer shall purchase and Strata Decision shall provide additional consulting services for StrataJazz Cost Accounting as a Service as set forth in Addendum Exhibit A, which is attached hereto and incorporated herein by this reference.
3. The following fee structure for the consulting services is applicable to the consulting services only, and is incremental to fee structures outlined in the Agreement between Customer and Strata Decision.

Consulting services fee schedule for StrataJazz Cost Accounting as a Service:

Table with 2 columns: Description, Billed upon execution. Rows include Consulting Services Fee (\$106,720), Discount (\$10,672), and Total (\$96,048).


- 4. This Addendum No. 5 is effective upon signature by all parties. This Addendum may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party to this Addendum agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Addendum. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.



Addendum to Software Use Agreement
with the County of Riverside, a political subdivision of
the State of California,
on behalf of Riverside University Health System

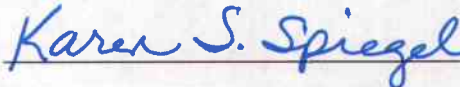
IN WITNESS WHEREOF, the Parties have executed this Addendum No. 5.

STRATA DECISION TECHNOLOGY, LLC

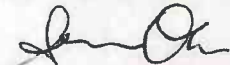
By: 
Name: John Martino
Title: COO/CFO
Date: November 24, 2020

CUSTOMER:

COUNTY OF RIVERSIDE, a political subdivision of the
State of California, on behalf of Riverside University Health System

By: 
Name: _____
Title: Chair, Board of Supervisors
Date: May 11, 2021

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

By: 
Susanna Oh
Deputy County Counsel

ATTEST:

KECIA R. HARPER, Clerk
By: 
DEPUTY



ADDENDUM EXHIBIT A

Strata Decision Services: Each of the services below will be delivered in accordance with a monthly calendar established at the beginning of the project

Cost Model Maintenance:

1. Cost Model Configuration - Configuration of new accounts, department, job codes, pay codes, and charge codes leveraging Strata Decision best practices, the existing DS data model, and Customer specific nuances outlined by your Accounting Subject Matter Expert.
2. Cost integrity Assessment – identification of cost outliers based on cost to charge ratios and % of cost ratios. Strata Decision will incorporate configuration changes each month based on Customer feedback and current cost accounting methodologies.
3. Monthly Cost Summary Report - Delivery of monthly cost summary report outlining cost model changes, cost outliers, and opportunity areas.
4. Monthly Cost Summary Call – Review of cost summary report to discuss updates, accuracy, and opportunities for improvement with Decision Support Director and Team

Monthly Cost & Margin Reporting:

1. Dashboard and Report Maintenance - Monthly monitoring and maintenance of 2 StrataJazz starter set or Customer defined dashboards to ensure accurate DS data and reporting.
2. Patient Categorization Maintenance - Monitoring and maintenance of service lines and patient population definitions to ensure accurate reporting.
3. Lump Sum Allocation Maintenance - Monitoring and maintenance of lump sum allocations for extended profitability reporting.
4. Monthly Summary Report - Delivery of monthly summary report outlining system changes and opportunity areas.
5. Monthly Insights Meeting – Dashboard review with Customer to discuss decision support data insights based on the dashboards identified. Conversation will be focused around data integrity to ensure confidence in DS reporting as well as general DS insights into trends, outliers, and opportunities.

Customer Responsibilities: The Customer is responsible for providing timely feedback and signoffs based on timelines established in a monthly calendar.

- Accounting SME – Provide insights into unique financial system and accounting configuration to increase cost accuracy. Consistent participation in monthly summary meeting and follow-ups. <6hours/month
- Decision Support Director – Consistent participation in monthly summary meetings. Signoff on cost model outputs prior to cost being published and feedback on monthly report insights prior to monthly signoff <2 hours/month
- Patient Data SME – Provide insights into unique EHR configuration in order to increase cost accuracy. <4 hours/month

Patient Data Extract IT SME: Provide insights and resolutions to resolve issues with data integrity. Time varies based on data extract integrity

StrataJazz to provide Decision Support Cost Model and Monthly Cost & Margin Reporting maintenance services throughout the extension of the Decision Support license (8/29/2022) starting in Q4 2020.