



## County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

WILLIAM T FUJIOKA  
Chief Executive Officer

**REVISED**

**DATE:** July 19, 2012  
**TIME:** 1:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

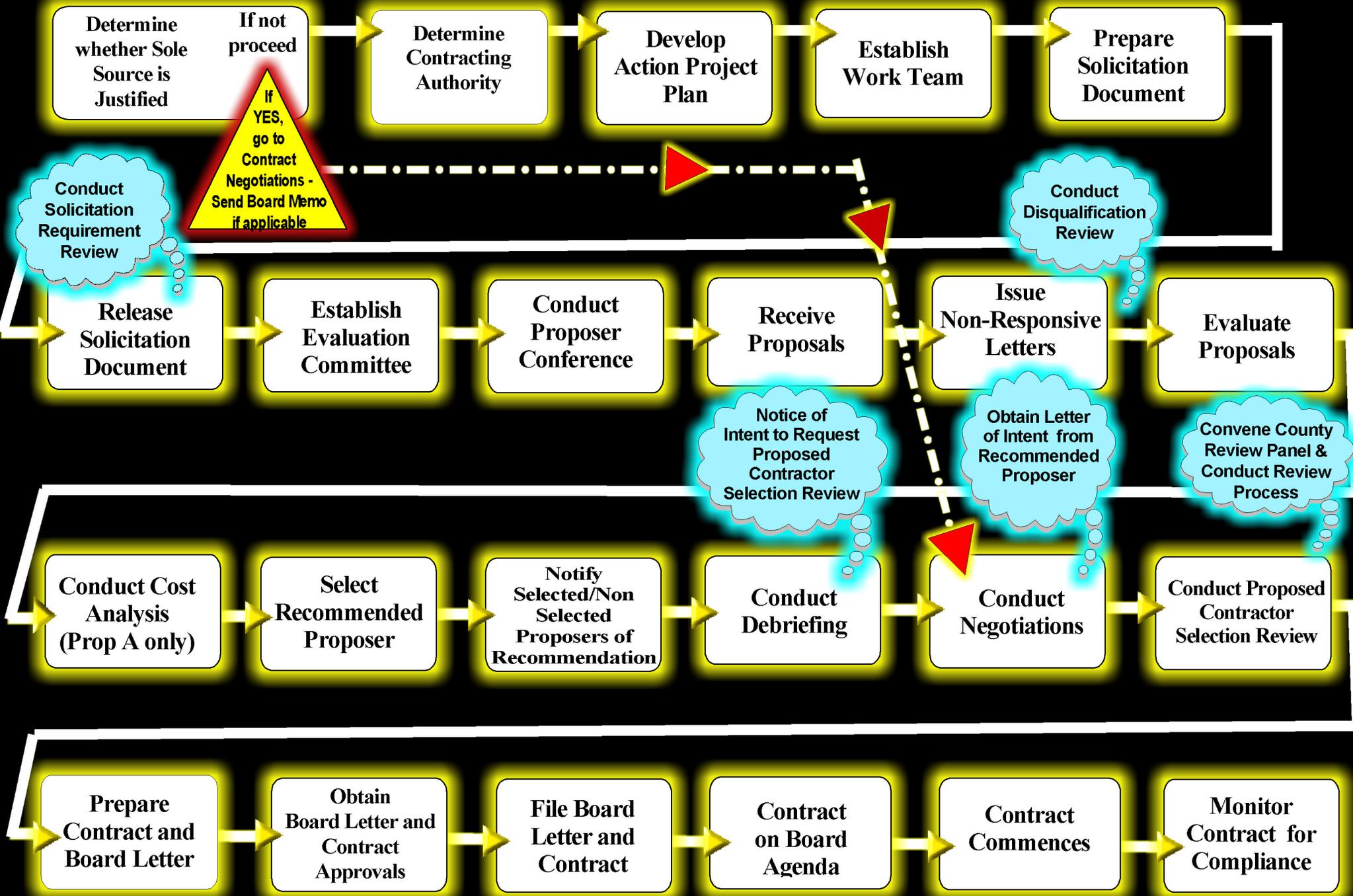
### **AGENDA**

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Three (3) minutes are allowed for each item.

1. Call to order – Ellen Sandt
  - A) **Internal Services Department Risk Management Presentation**  
ISD – Tom Tindall or designee
  - B) **Improving the County's RFP and Contracting Processes**  
CEO – Ellen Sandt
  - C) **Board Letter – APPROVE AMENDMENT NUMBER EIGHT TO AGREEMENT NUMBER 71710 WITH CERNER CORP. TO CONTINUE PROVIDING REMOTE HOSTING PREPARATION AND READINESS SERVICES OF THE JAIL HEALTH INFORMATION SYSTEM**  
CIO – Rich Sanchez or designee
  - D) **ASM III Pilot Project Discussion**  
CEO/DHR – Ellen Sandt/Lisa Garrett or designee(s)
2. Public Comment
3. Adjournment



# CONTRACTING PROCESS WORK FLOW



## **Request for Proposals (RFP) Work Flow**

The timeframes associated with the tasks listed below are averages that apply to routine solicitations (RFPs). These timeframes will vary considerably (from 41 to 49 weeks or longer) based on the complexity of the solicitation, number of proposals received, and number of protests submitted by vendors.

1. Strategic Acquisition Planning: 3-4 weeks
  - Establish work team, identify timelines, objectives, responsibilities, service requirements
  - Perform necessary market research
  - Identify potential vendors and prepare bidder's list
  - Identify evaluators
2. RFP Development: 5-6 weeks
  - Draft RFP (Evaluation criteria, modify sample contract, develop Statement of Work, Appendices, etc.)
  - Identify appropriate insurance requirements
  - Identify date and time for Proposer's Conference – work out details for the conference (i.e., location, sound, recording, etc.)
  - Develop evaluation document and instructions
  - Internal and external review of RFP (County Counsel, CEO Risk Management, applicable labor unions, etc.)
  - Release RFP
  - Start drafting power point presentation for Proposer's Conference
3. Solicitation Requirements: 2 weeks
  - First step of the Protest Policy process. If request is received, conduct review and respond to contractor in writing.
  - Make modifications to RFP if warranted after review is conducted.
4. Vendor Questions: 2 weeks
  - Receive questions from vendors and send to appropriate subject matter expert for research and response.
5. Proposer's Conference: 2 weeks
  - Develop and finalize Power Point Presentation for Proposer's Conference.
  - Identify individuals that will be presenting information and answering questions.
  - Conduct conference.
6. Addendums to RFP: 2 weeks
  - Identify the need to issue addendums and prepare them, as needed.
  - Prepare and issue questions and answers, in writing, to all vendors that attended the Proposer's Conference, if it was mandatory, or post the document as an addendum on the County's website.
7. Receive Proposals: 1 – 3 weeks
  - Conduct initial review of proposals received for compliance with minimum requirements.
  - Contact references to confirm compliance with minimum requirements and check the County's website for debarred vendors.
  - Identify disqualified vendors and send out disqualification letters. Allow reasonable amount of time for responses.

8. Disqualification Review: 2 weeks

- Next step of the Protest Policy process. If request is received, conduct review and respond to contractor in writing.

9. Evaluation of Proposals: 4-6 weeks

- Hold pre-evaluation meeting with evaluators.
- Distribute proposals, evaluation worksheets, and instructions to evaluators.
- Complete reference checks and Contractor Alert Reporting Database (CARD).
- Perform analysis of financial statements.
- Perform Living Wage analysis, if applicable.
- Facilitate evaluation meeting to discuss ratings/scores.
- Coordinate oral presentations or site visits, if applicable.
- Prepare final evaluation scoring worksheet to summarize scores.
- Work with appropriate staff to prepare cost analysts for Prop A contracts only (i.e., internal finance staff, Auditor-Controller, etc).
- Identify highest rated proposal and make selection/non-selection notifications.

10. Debriefings: 2 weeks

- Offer and conduct debriefings for non-selected vendors. Explain scores and available protest process.

11. Protest, Negotiations and Release of Public Records: 12 weeks

- Receive and file any Notices of Intent to Request a Proposed Contractor Selection Review (PCSR) (next step in Protest Policy process).
- Conduct negotiations, explain expectations of contractual and operational contractual terms to selected vendor.
- Finalize negotiations, obtain Letter of Intent from recommended vendor(s) and send out PCSRs with any appropriate documents to vendors who submitted Intents to Protest.
- Receive, review and respond to PCSRs within identified timeframes.
- Issue written response to vendors.
- Offer County Review Panel meeting to vendors not satisfied with PCSR results.
- Prepare documents for CRPs requested, meet with County Counsel and internal departmental staff to respond to CRP assertions.
- Attend CRP to represent department on assertions made by vendor(s).
- Receive CRP final report (ten days after meeting) and forward copy to protesting vendor.
- Review recommendations and take appropriate actions based on results.

12. Contract Preparation: 6 weeks

- Prepare final contract
- Prepare and finalize Board letter with applicable attachments.
- Obtain internal and external (i.e., County Counsel, CEO Risk Management, etc.) departments of Board letter and proposed contract.
- Prepare briefing documents for Department Head and Cluster Agenda Review meeting.
- Review final contract with proposed vendor and obtain signatures.
- Attend Cluster Agenda Review meeting, if applicable.
- File Board letter and contract
- If delegated authority requested, finalize and execute contracts.

July 31, 2012

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT NUMBER EIGHT  
TO AGREEMENT NUMBER 71710 WITH CERNER CORPORATION TO CONTINUE  
PROVIDING REMOTE HOSTING PREPARATION AND READINESS SERVICES  
OF THE JAIL HEALTH INFORMATION SYSTEM  
(ALL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE ( ) APPROVE WITH MODIFICATION ( )  
DISAPPROVE ( )**

**SUBJECT**

The Los Angeles County Sheriff's Department (Department) is seeking your Board's approval and execution of Amendment Number Eight (Amendment) to extend Agreement Number 71710 (Agreement) with Cerner Corporation (Cerner) for a Jail Health Information System (JHIS) which will extend the term of the Agreement to allow for the completion of remote hosting preparation and readiness services until a replacement agreement has been negotiated and adopted as noticed to your Board on June 21, 2012, and the continuation of maintenance services, and will increase the maximum contract sum by \$1,452,173.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chairman of the Board to sign the attached Amendment which will extend the term of the Agreement for a period not to exceed twelve (12) months to allow the completion of remote hosting preparation and readiness services and the continuation of maintenance services.

2. Delegate authority to the Sheriff or his designee to terminate the Agreement, in whole or in part, once the Board has adopted a replacement agreement.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will allow the Department to continue to engage Cerner to perform work necessary in order to transition JHIS from being locally hosted at the Department's Data Center to being remotely hosted by Cerner at its data centers to support an upgraded JHIS application and meet the evolving business needs of the Department. JHIS is a mission-critical application that is currently at risk for failure in the Department's Data Center's outdated hardware and software environment. Additionally, this outdated environment is not capable of handling implementation of several JHIS software releases, which the County pays for and is entitled to under the Agreement, and the additional functionality necessary to meet the evolving business needs of the Department.

In addition, the proposed Amendment will allow the Department to complete the negotiation of a replacement agreement with Cerner to provide remote hosting services, significant new application functionality (including external interfaces), sublicense software, application management services, as well as maintenance services for Cerner's proprietary JHIS software. An Advance Notification was submitted to your Board on June 21, 2012 indicating the Department's intent to negotiate a replacement agreement with Cerner.

### **Implementation of Strategic Plan Goals**

The services provided under this Amendment support the County's Strategic Plan, Goal 1, Operational Effectiveness; and Goal 5, Public Safety, by enabling the Department to provide an improved level of inmate medical services.

### **FISCAL IMPACT/FINANCING**

Cerner has agreed to provide all work under the Amendment for a maximum amount of \$1,452,173, which is allocated for Maintenance Services for the twelve-month term for a total contract sum of \$41,844,209. The Department has identified sufficient funding within the Inmate Welfare Fund and Department's budget for the proposed Amendment. The Department will continue to allocate the funds required to continue the services throughout the duration of the Agreement as extended by the proposed Amendment.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On August 11, 1998, your Board approved the Agreement with Cerner to develop, implement, and maintain JHIS for the Department for a five-year time period and a maximum total contract sum of \$20,141,006. JHIS addressed the concerns and mandates of the Department of Justice for improved efficiencies and effectiveness within the inmate health care delivery system.

There have been seven prior amendments to the Agreement. Amendment Number 1 was approved on July 15, 2003, reflecting changes to system components and extending maintenance services and increasing the maximum contract sum by \$5,933,299 to \$26,074,305. Amendment Number 2 was approved on March 21, 2006, providing expanded functionality, extending maintenance services, and increasing the maximum contract sum from \$26,074,305 to \$37,211,098. Amendment Number 3 was approved on March 18, 2008, providing for an assessment of the JHIS application's ability to support the needs of the County's Probation Department, an upgrade of JHIS, and increasing the maximum contract sum by \$950,000 to \$38,161,098.

Amendment Number 4, effective as of February 17, 2010, incorporated revisions to the Health Insurance Portability and Accountability Act (HIPAA) by the Health Information Technology for Economic and Clinical Health Act (HITECH). Amendment Number 5 was approved on June 1, 2010, and transferred 800 licenses to the Probation Department's Probation Electronic Medical Records System (PEMRS). There was no increase to the maximum contract sum for either Amendment Number 4 or Amendment Number 5.

Amendment Number 6, effective as of August 2, 2011, added remote hosting preparation and readiness services, continued maintenance service, and added an extension period that increased the maximum contract sum by \$1,526,000 to \$39,687,098. Amendment Number 7, effective February 11, 2012, extended the Agreement for six months, and increased the maximum contract sum by \$704,938 to \$40,392,036.

The proposed Amendment will allow Cerner to continue providing preparatory services in advance of the transition to Cerner's remote hosting environment, which will be executed under the replacement agreement; and continue Maintenance Services. Currently, Cerner provides remote hosting services to over 250 of their worldwide clients representing 65 percent of the client base. The Probation Department's PEMRS, approved by your Board on June 1, 2010, is a remote-hosted Cerner system. Remote hosting provides the Department with a number of advantages among which are: a more predictable level of annual expenditures and avoidance of periodic capital investments to upgrade the Department's Data Center to accommodate new releases,

additional application modules and operating platform obsolescence, improved disaster recovery capability from what is currently available in the Department's Data Center with less planned downtime, avoidance of ongoing operational costs associated with staff training and technical support of this complex health care system, the ability of the Department to more readily take advantage of new software upgrades and additional application modules, and improved scalability to support more users.

### **CONTRACTING PROCESS**

In October 1997, the Department issued a Request for Proposals for a JHIS, under which Cerner was the selected vendor. On August 11, 1998, your Board approved the Agreement with Cerner. JHIS was subsequently implemented in three phases and has been successfully operating for over ten years.

County Counsel has reviewed and approved the Amendment as to form.

The Chief Information Officer recommends approval of Amendment Number 8 (CIO Analysis attached).

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

If the Amendment is not approved, the JHIS software will not have maintenance services beyond August 11, 2012.

### **CONCLUSION**

Upon approval by your Board, please return two adopted copies of this Board letter and two original executed copies of the Amendment to the Department's Contracts Unit.

Sincerely,

LEROY D. BACA  
SHERIFF

LDB:IS:is  
(Fiscal Administration – Contracts Unit)

- c: Board of Supervisors, Justice Deputies  
Sachi A. Hamai, Executive Officer, Board of Supervisors  
William T Fujioka, Chief Executive Officer  
Brence Culp, Chief Deputy, Chief Executive Officer  
Georgia Mattera, Senior Assistant Chief Executive Officer  
Sheila Williams, Manager, Chief Executive Office (CEO)  
Jocelyn Ventilacion, Senior Analyst, CEO  
Michael Iwanaga, Analyst, CEO  
Brian Lew, Public Affairs Office  
John F. Krattli, County Counsel  
Richard Sanchez, Chief Information Officer (CIO)  
Paul K. Tanaka, Undersheriff  
Marvin O. Cavanaugh, Assistant Sheriff  
Cecil W. Rhambo, Assistant Sheriff  
David R. Betkey, Chief, Technical Services Division (TSD)  
Victor Rampulla, Division Director, Administrative Services Division (ASD)  
Alexander R. Yim, Chief, Correctional Services Division (CSD)  
Glen Dragovich, Assistant Division Director, ASD  
Earl M. Shields, Commander, TSD  
Paul E. Drake, Captain, Data Systems Bureau  
Glen Joe, Director, Fiscal Administration  
Kevin R. Kuykendall, Captain, Medical Services Bureau (MSB)  
Susie Cousins, Assistant Director, Fiscal Administration  
Richard C. Myers, Lieutenant, Data Systems Bureau  
Scott Goodwin, Information Technology Manager III, CSD  
Angelo Faiella, Contract Manager, ASD  
Laura E. Lecrivain, Sergeant, ASD  
Kevin R. Percy, Deputy, ASD  
Kimberly J. Saucedo, Staff Analyst, MSB  
Irma Santana, Contract Analyst, ASD  
Chrono File  
(Contracts – Cerner Corp. Amendment #8 07-31-12)



**BUSINESS DRIVERS:**

JHIS is used to support the delivery of inmate health services by the Sheriff's Medical Bureau. The Sheriff has been operating JHIS for over 11 years and has not been able to keep current with the system operating environment and has been unable to implement additional application modules without significant hardware and database upgrades.

To address these issues, the Sheriff is planning to transition JHIS for Sheriff's Data Center to Cerner's remote hosting environment. The Sheriff is migrating JHIS to Cerner's environment to:

- Mitigate the risk of system failure due to the Department's obsolete hardware and software environment;
- Avoid expenditures for hardware and software upgrades required to maintain operating system currency, accommodate new system releases, and add new application modules;
- Improve system disaster recovery capability.

This Amendment will allow more time to complete preparation for this migration.

**PROJECT ORGANIZATION:**

The governance and management of the proposed contract is consistent with LASD's role in supporting the justice community

**PERFORMANCE METRICS:**

The services under this contract include ongoing maintenance and support of JHIS applications, applying software updates, minor software enhancements and changes, and performing system support.

**STRATEGIC AND BUSINESS ALIGNMENT:**

Cerner contract was selected In October 1997, via RFP open competitive bid process. JHIS was subsequently implemented in three phases and has been successfully operating for over ten years and this application is strategically aligned with the county technology direction.

**PROJECT APPROACH:**

If the Amendment is not approved, the JHIS software will not have maintenance services beyond August 11, 2012.

**ALTERNATIVES ANALYZED:**

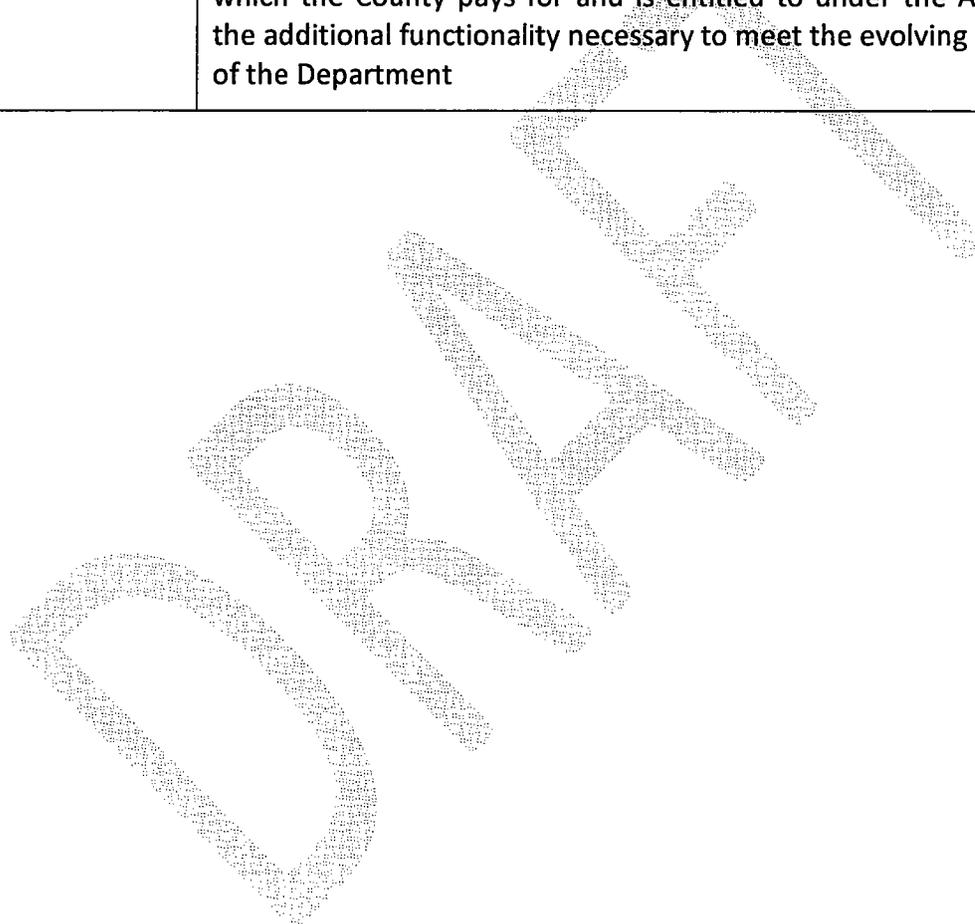
If the Amendment is not approved, the JHIS software will not have maintenance services beyond August 11, 2012.

**Technical Analysis**

ANALYSIS OF PROPOSED IT SOLUTION:

Approval of the recommended actions will allow the Department to continue to engage Cerner to perform work necessary in order to transition JHIS from being locally hosted at the Department's Data Center to being remotely hosted by Cerner at its data centers to support an upgraded JHIS application and meet the evolving business needs of the Department. JHIS is a mission-critical application that is currently at risk for failure in the Department's Data Center's outdated hardware and software environment. Additionally, this outdated environment is not capable of handling implementation of several JHIS software releases, which the County pays for and is entitled to under the Agreement, and the additional functionality necessary to meet the evolving business needs of the Department

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<b>Financial Analysis</b>	<p><b>BUDGET:</b></p> <p>Contract costs</p> <p>One-time costs:</p> <p>Hardware..... \$ Enter amount.</p> <p>Software ..... \$ Enter amount.</p> <p>Services ..... \$ Enter amount.</p> <p>Ongoing annual costs:</p> <p>Hardware..... \$ Enter amount.</p> <p>Software ..... \$ Enter amount.</p> <p>Services ..... \$ Enter amount.</p> <p><b>Sub-total Contract Costs: \$ Enter amount.</b></p> <p>Other County costs:</p> <p>One-time costs:</p> <p>Hardware ..... \$ Enter amount.</p> <p>Software ..... \$ Enter amount.</p> <p>Services (ISD) ..... \$ Enter amount.</p> <p>County staff (existing) ..... \$ Enter amount.</p> <p>County staff (net new) ..... \$ Enter amount.</p> <p><b>Sub-total one-time County costs: \$ Enter amount.</b></p> <p>Ongoing annual costs:</p> <p>Hardware..... \$ Enter amount.</p> <p>Software ..... \$ Enter amount.</p> <p>Services (ISD) ..... \$ Enter amount.</p> <p>Services (Contractor) ..... \$ Enter amount.</p> <p>County staff (existing) ..... \$ Enter amount.</p> <p>County staff (net new) ..... \$ Enter amount.</p> <p><b>Sub-total ongoing County costs: \$ Enter amount.</b></p> <p><b>Total one-time costs: \$ Enter amount.</b></p> <p><b>Total ongoing annual costs: \$ Enter amount.</b></p> <p>Describe assumptions and financing methods, as applicable.</p>
<b>Risk Analysis</b>	<p><b>RISK MITIGATION:</b></p> <p>1. Describe risks (e.g. impact &amp; probability) and mitigation measure(s).</p> <p>The Chief Information Security Officer (CISO) has reviewed the <b>(Amendment, Agreement, Contract)</b>, and at this time did not identify any security risks or issues.</p>

AMENDMENT NUMBER EIGHT TO AGREEMENT NUMBER 71710 WITH CERNER CORPORATION  
TO CONTINUE PROVIDING REMOTE HOSTING PREPARATION AND READINESS SERVICES FOR THE  
JAIL HEALTH INFORMATION SYSTEM CA 12-00

***CIO Approval***

PREPARED BY:

Fred Nazarbegian

\_\_\_\_\_  
Name, Sr. Associate CIO

\_\_\_\_\_  
Date

APPROVED:

\_\_\_\_\_  
Richard Sanchez, County CIO

\_\_\_\_\_  
Date

Please contact the Office of the CIO (213.253.5600 or [info@cio.lacounty.gov](mailto:info@cio.lacounty.gov)) for questions concerning this CIO Analysis. This document is also available online at <http://ciointranet.lacounty.gov/>