

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

September 15, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Agreement with Soft Computer Consultants, Inc. dba SCC Soft Computer for Blood Bank Software compatible with the new Electronic Health Record system

RECOMMENDATION(S)

Approve **Agreement No. 20-875** with Soft Computer Consultants, Inc. dba SCC Soft Computer, for blood bank software compatible with the new Electronic Health Record system, in the total amount of \$596,938.08, effective January 1, 2021 through December 31, 2025.

(Presenter: William L. Gilbert, Director, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of the agreement with SCC Soft Computer will not result in the use of Discretionary General Funding (Net County Cost). The total cost of \$596,938.08 for blood bank software compatible with the new Electronic Health Record system is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue are included in the Arrowhead Regional Medical Center (ARMC) 2020-21 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The agreement with SCC Soft Computer will improve ARMC operations by providing the standalone blood bank software necessary to function with the new Electronic Medical Records (EMR), Epic - Beaker module, that was approved by the board August 6, 2019 (Item No. 9), that is slated for project initiation in January 2021. This software will allow ARMC Clinical Laboratory - Blood Bank to continue to provide optimal transfusion services with seamless transition.

The current system for the blood bank is provided via the Meditech - Laboratory Information System (LIS) module (current EMR system), which has been used since 2001. ARMC will transition from Meditech to Epic. The Epic - Beaker module does not provide the blood bank software for transfusion service. Therefore a standalone blood bank software is needed to function with Epic-Beaker.

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It is essential for ARMC's patients to receive accurate blood bank test results and blood products under FDA, Joint Commission, State of California, College of American Pathologists (CAP), and American Association of Blood Banks (AABB) guidelines and regulations.

The agreement with SCC Soft Computer is based on the County's standard contract, with terms negotiated by the parties, including the following non-standard County terms:

Termination

After the system goes live, either party may terminate the agreement immediately upon a material breach by the other party that has not been cured within 90 days after receipt of notice of the breach. In the event of a breach by the County or early termination by the County, SCC Soft Computer reserves the right to require the County to immediately pay all amounts then due prior to the date of termination and the remaining balance of all license fees to be payable for the remaining term of the contract, but for such termination.

- The County standard contract provides that either party may terminate the contract without cause with 30 days written notice.
- Potential Implications: The County cannot terminate this agreement prior to the "Go Live" date and thereafter, it can only terminate the agreement if SCC Soft Computer fails to cure a breach after 90 days of notice of the breach.

Payment

The payment terms are net 45 days.

- The County's standard payment term is net 60 days.
- Potential Implications: The County will need to make payment within 45 days of the invoice date.

Indemnification

The County is required to defend and indemnify SCC Soft Computer for any claim that the County content, provided to SCC Soft Computer, infringes any patent, copyright or trademark, or misappropriates any trade secret, provided that SCC Soft Computer provides County with written notice of the claim within 30 days.

- The County's standard contract does not require the County to indemnify the vendor under any circumstances.
- Potential Implications: By agreeing to indemnify SCC Soft Computer, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited, or expense limited could be brought against SCC Soft Computer without such limitations and the County would be responsible to defend and reimburse SCC Soft Computer for costs, expenses, and damages, which could exceed the total contract amount.

Limitations of Liability

Neither party is liable to the other for indirect, incidental, special or consequential damages.

- The County's standard contract does not limit the vendor's liability.
- Potential Implications: By agreeing to this, the County is waiving the potential recovery of any indirect, incidental, special or consequential damages in any claim against SCC Soft Computer.

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Except for claims relating to the indemnification of the County for the improper disclosure of protected health information (PHI), neither party's aggregate liability for damages under the agreement will exceed \$1,124,360.40.

- The County's standard contract does not limit the vendor's liability.
- Potential Implications: By agreeing to this, SCC Soft Computer is capping its liability to the County for all claims (except claims for indemnification for improper disclosure of PHI) at \$1,124,360.40. Claims could exceed this cap and the contract amount, leaving the County financially liable for the excess.

As to claims relating indemnification of the County for SCC Soft Computer's improper disclosure of PHI, SCC Soft Computer limits its liability to \$5 million.

- The County's standard contract does not limit the vendor's liability.
- Potential Implications: By agreeing to this provision, the County is agreeing to cap SCC Soft Computer's liability for improper disclosure of PHI to \$5 million. Claims could exceed this cap and the contract amount, leaving the County financially liable for the excess.

ARMC recommends approval of the contract with the Soft Computer Consultants, Inc. dba SCC Soft Computer, including the non-standard terms, which will allow ARMC to operate in a fiscally-responsible and business-like manner while providing optimal transfusion services that increases the safety, health and social service needs of County residents.

PROCUREMENT

On January 8, 2019, ARMC released a Request for Proposal for a stand-alone blood bank software system (Transfusion Service) that would be compatible with the new Epic Electronic Health Record system to replace the Meditech system. Two vendors responded and a weighted best value evaluation was conducted based on qualifications and experience, a financial review, a technical review, cost and revenue, references and interview, and presentation or demonstration. As the result of a competitive process, SCC Soft Computer was awarded the contract on April 2, 2020, without protest from the competing vendor.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel) on July 21, 2020; Purchasing Department (Ariel Gill, Buyer, 777-0722) on July 22, 2020; ARMC Finance (Chen Wu, ARMC Finance Budget Officer, 580-3165) on July 23, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on August 18, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on August 28, 2020.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Josie Gonzales Seconded: Janice Rutherford
Ayes: Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales
Absent: Robert A. Lovingood

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 15, 2020



cc: ARMC - Gilbert w/agree
 Contractor - C/O ARMC w/agree
 File - w/agree

CCM 09/17/2020