

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

June 10, 2025

FROM

ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center

SUBJECT

Contract with Nuance Communication, Inc., for Software, Service, and Equipment

RECOMMENDATION(S)

Approve **Agreement No. 25-364** with Nuance Communications, Inc., including non-standard terms, for clinical medical dictation and voice recognition software, services, and equipment at Arrowhead Regional Medical Center in the amount not-to-exceed \$4,200,000 for the period of July 1, 2025 and expires sixty months thereafter.

(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost) as the cost of \$4,200,000 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 will be included in the Arrowhead Regional Medical Center (ARMC) 2025-26 recommended budget and future recommended budgets.

BACKGROUND INFORMATION

Approval of the agreement with Nuance Communications, Inc. (Nuance) will provide ARMC with voice recognition software and equipment utilized daily by practitioners throughout ARMC inpatient and outpatient settings for documentation of patient encounters into patient's electronic health record. It also provides the option to use medical dictation/transcription services as a backup during system downtimes or emergencies. The voice recognition software product will allow practitioners to view and edit documents immediately, rather than dictating at one time and waiting to review the document once it is completed.

The agreement is based on the standard County contract, negotiated by the parties, that include the following non-standard contract terms:

1. The County must notify Nuance of any legally required disclosure of confidential information.
 - The County standard contract does not require notice.

- Potential Impact: The County will need to be aware of its obligation to notify Nuance prior to any disclosure, including in response to a Public Records Act request.
2. The County does not have the right to terminate the agreement for convenience, but may terminate it in the event funds are not appropriate for fees due to Nuance under the agreement upon thirty (30) days written notice.
 - The County standard contract gives the County the right to terminate the contract, for any reason, with a 30-day written notice of termination without any obligation other than to pay amounts for services rendered and expenses reasonably incurred prior to the effective date of termination.
 - Potential Impact: The County is bound by the terms of the agreement and may not terminate the agreement for convenience. However, it may terminate it where there is no appropriation of funds for the agreement.
 3. Nuance limits its general indemnity obligation to claims that Nuance or its personnel or subcontractors caused physical injury, death, or property damage while on County premises. Additionally, Nuance disclaims liability for indemnity where (a) the claim would have arisen due to County's business activities without use of the particular technology employed by the Nuance Software and/or Hosted Services, or (b) any claim or action resulting from any of the following: (i) modifications to the Nuance Software and/or Hosted Services nor performed or authorized by Nuance, (ii) the combination of the Nuance Software and/or Hosted Services with other products, processes, or materials not provided by Nuance if the Nuance Software and/or Hosted Services itself would not infringe, (iii) specifications or requirements supplied by County that were used for the configuration of the Nuance Software and/or Hosted Services, or (iv) where County continues allegedly infringing activities after being provided with modifications that would have avoided the alleged infringement.
 - The County standard contract general indemnity provision requires the Contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors or omissions of any person.
 - Potential Impact: Nuance's indemnity obligation is more limited compared to the standard County general indemnity obligation. In the event a claim arises that falls outside the scope of Nuance's limited indemnity obligation, the County could be financially responsible for the defense of the claim and any resulting judgment/settlement.
 4. Nuance is not required to comply with some of the standard County insurance requirements, including additional insured status, acceptability of insurance carrier, deductibles and self-insured retention, and waiver of subrogation.
 - The County standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department.
 - Potential Impact: Without all of the standard county insurance requirements, the County has no assurance that Nuance will be financially responsible for claims that may arise under the Agreement, which could result in expenses to the County that exceed the total agreement amount.
 5. Except for claims based on fraud or fraudulent misrepresentation, intentional/criminal misconduct, its negligence which causes personal injury or property damage, Nuance

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June 10, 2025**

caps its liability to the total contract amount. Additionally, Nuance caps its indemnity obligation under the Business Associate Agreement to \$2,060,000.

- The County standard contract does not include a limitation of liability.
- Potential Impact: Claims could exceed the liability cap and the agreement amount leaving the County financially liable for the excess

ARMC recommends approval of the agreement, including the non-standard terms, to provide for the safety, health and social needs of County residents by improving the availability of a completed patient electronic health record, which also allows for efficient and accurate treatment, payment and operations.

PROCUREMENT

On September 17, 2024, Request for Proposal (RFP) No. ARMC125-ARMC-5621 to solicit proposals from interested and qualified vendors to provide clinical medical dictation and speech recognition services was posted on the County's Electronic Procurement Network (ePro).

Four proposals were received by the established deadline in response to the RFP. Proposals from the four vendors listed below met the minimum requirements and continued through the evaluation process.

Agency	Agency Address
Core Mobile Networks, Inc. DBA Core Mobile, Inc.	900 E. Hamilton Ave. Suite #100, Office 267 Campbell, CA 95008
Nuance Communications, Inc.	1 Wayside Road Burlington, MA 01803
OnPoint Healthcare Partners, Inc	125 E John Carpenter FWY, Suite 900 Irving, TX 75062
Voice Products, Inc.	8555 E. 32 nd St N Wichita, KS 67226

The evaluation committee reviewed and evaluated the proposals based on the criteria released in the RFP. The criteria included: Qualifications and Experience, Technical Review, Reference, and Cost.

Based on the evaluation criteria, the evaluation committee determined that Nuance met the needs of ARMC and are being recommended for award to provide clinical medical dictation and speech recognition services. Award and denial letters were sent to all bidders, advising the non-selected bidder of the opportunity to submit a formal written protest based on the criteria in the RFP. No protests were received by the deadline.

The Purchasing Department supports this competitive procurement based on the solicitation mentioned above.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387- 5466) on May 8, 2025; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on May 1, 2025; Innovation and Technology Department (Lynn Fyhrlund, Chief

**Contract with Nuance Communication, Inc., for Software, Service, and
Equipment
June 10, 2025**

Information Officer, 388-5501) on May 28, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on May 8, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on May 16, 2025; Finance (Jenny Yang, Administrative Analyst, 387-4884) on May 19, 2025; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387- 5423) on May 20, 2025.

**Contract with Nuance Communication, Inc., for Software, Service, and
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 10, 2025



cc: ARMC - Goldfrach w/agree
Contractor - c/o ARMC w/agree
File - w/agree
MBA 06/17/2025