

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

December 17, 2019

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Agreement with Park Place International, LLC dba Cloudwave for service, support and licenses related to the MediTech server environment.

RECOMMENDATION(S)

Approve **Agreement No. 19-842** with Park Place International, LLC dba Cloudwave for service, support and licenses related to the MediTech server environment in the amount of \$900,322, for the period from December 17, 2019 through December 31, 2022.

(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.

FINANCIAL IMPACT

Approval of the recommendation with Park Place International, LLC dba Cloudwave (Cloudwave) will not result in the use of Discretionary General Funding (Net County Cost) as the cost of \$900,322 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. Sufficient appropriation and revenue are included in the Arrowhead Regional Medical Center (ARMC) 2019-20 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

As ARMC begins the implementation and conversion to a new Electronic Health Record, it must maintain the existing server environment and licenses for the MediTech system. The MediTech System is the Health Care Information System utilized by ARMC for the integration of electronic medical records, physician orders, laboratory, pharmacy, billing, and supply change management, and provides for the health and social service needs of County residents by ensuring efficient patient care.

On March 25, 2014 (Item No. 78), the Board of Supervisors (Board) approved Agreements No. 14-152 and 14-153 with Park Place International, LLC (Park Place) to provide equipment, software, and professional services for the update of the MediTech system infrastructure refresh for the period April 1, 2014 through March 31, 2019. Based on the agreement with Park Place for support of the existing MediTech system, any additions to the MediTech server environment are handled by Park Place as they currently control access to this server environment in order to maintain and provide applicable support. On July 21, 2015 (Item No. 6) the Board approved a purchase order with Park Place for additional services, support, and licenses for the MediTech server environment for period July 21, 2015 through March 31, 2019.

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The Park Place agreement includes the Hewlett Packard Enterprise (HPE) Customer Terms – Portfolio, which govern the purchase of products and services from HPE. This is HPE's standard commercial license which contains terms that differ from the standard County contract. The non-standard terms include the following:

1. Limitations of liability to the County of the greater of \$1,000,000 or the amount payable by Customer to HPE for the relevant Order excluding HPE's liability for unauthorized use of intellectual property, death or bodily injury caused by negligence; acts of fraud; willful repudiation of the Agreement; and any liability which may not be excluded or limited by applicable law.
 - The County standard contract does not include a limitation of liability.

Potential impact of this non-standard term includes:

1. HPE caps its liability to the County at the greater of \$1,000,000 or the amount payable by Customer to HPE for the relevant Order for all claims arising under the contract HPE's liability for unauthorized use of intellectual property, death or bodily injury caused by negligence; acts of fraud; willful repudiation of the Agreement; and any liability which may not be excluded or limited by applicable law. Claims could exceed the liability cap and the contract amount leaving the County financially liable for the excess.

Approval of this agreement will provide for services, support, and licenses needed for the continued use of the MediTech system, until the new Electronic Health Record has been fully installed and all necessary information has been moved into the new system.

PROCUREMENT

The service, support and licenses to be provided by Park Place dba Cloudwave are a non-competitive procurement, based on the existing agreements with and specialized credentials of Park Place. Park Place is the contracted vendor for support of the existing MediTech system, and in turn the associated server environment, which is required to ensure continuity of services in support of the MediTech System and compliance with the Health Information Technology for Economic and Clinical Health Meaningful Use and operational requirements. County Purchasing recognizes an existing agreement and specialized credentials as justifiable non-competitive reasons and supports this procurement of the service, support, and licenses related to the addition of new software into the MediTech server environment based on the current agreements with and specialized credentials of Park Place for support of the MediTech system and this server environment.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, County Counsel, 387-5455) on November 27, 2019; Purchasing Department (Jacqueline Ambrose, Lead Buyer, 387-2060) on December 3, 2019; Finance (Amanda Trussell, Principal Administrative Analyst, 387-4773) on December 6, 2019; and County Finance and Administration (Katrina Turturro, Deputy Executive Officer, 387-5423) on December 6, 2019.

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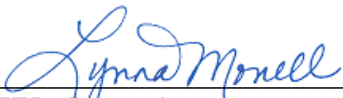
Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 17, 2019



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

la 12/20/2019