

1 [Agreement Amendment - Cerner Health Services, Inc. - Clinical and Financial Software  
2 Services to Facilitate a New Electronic Health Record System - Not to Exceed \$88,585,606]

3 **Resolution approving a second amendment to the agreement between the Department**  
4 **of Public Health and Cerner Health Services, Inc., for clinical and financial software**  
5 **applications to facilitate the transition to a new Electronic Health Record system, to**  
6 **extend the contract by three years for a total term of July 1, 2010, through**  
7 **June 30, 2020, with a corresponding increase of \$36,290,626 for a total agreement**  
8 **amount not to exceed \$88,585,606.**

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10 WHEREAS, Board of Supervisors Resolution No. 318-10 authorized the Department of  
11 Public Health (“DPH”) to enter into an agreement with Siemens Medical Solutions USA, Inc.  
12 (Siemens) as the principal vendor of clinical and financial software applications for the DPH  
13 Electronic Health Record (EHR) system; and

14 WHEREAS, Board of Supervisors Resolution No. 261-13 authorized a First  
15 Amendment to that agreement; and

16 WHEREAS, Cerner Corporation acquired the health services business of Siemens,  
17 and, in connection with that acquisition, Siemens assigned the agreement to Cerner, effective  
18 April 1, 2015; and

19 WHEREAS, Any contract that does not fully comply with the requirements of  
20 Administrative Code, Section 21.21 requires a resolution from the Board of Supervisors  
21 approving such agreements; and

22 WHEREAS, With Resolutions Nos. 318-10 and 261-13, the Board of Supervisors also  
23 approved under that agreement the use of certain third party software that does not offer full  
24 protection against infringement or intellectual property claims to users as required by  
25 Administrative Code, Section 21.21; and

1           WHEREAS, In order to continue the full functionality of the installed EHR system,  
2 Cerner will continue to use certain third party software that is needed but does not fully  
3 comply with Administrative Code, Section 21.21; and

4           WHEREAS, DPH requests approval of a Second Amendment to extend the current  
5 agreement for an additional three years, to include products and services needed for  
6 decommissioning the current systems and transitioning DPH to a new EHR system; and

7           WHEREAS, San Francisco Charter, Section 9.118(b) requires that agreements with  
8 anticipated expenditures in excess of \$10,000,000 or amendments to such contracts or  
9 agreements having an impact of more than \$500,000, shall be subject to approval of the  
10 Board of Supervisors by resolution; and

11           WHEREAS, The current EHR system supports patient care records and billing  
12 services, generating annual revenue of over \$500,000,000; and

13           WHEREAS, A copy of the second amendment to the agreement is on file with the Clerk  
14 of the Board of Supervisors in File No 170266, which is hereby declared to be a part of this  
15 resolution as if set forth fully herein; now, therefore, be it

16           RESOLVED, That the Board of Supervisors hereby authorizes the Department of  
17 Public Health and The Office of Contract Administration on behalf of the City and County of  
18 San Francisco to amend the agreement with Cerner Health Services, Inc. extending the  
19 agreement for three years through June 30, 2020, and adding Thirty-six Million, Two Hundred  
20 Ninety Thousand, Six Hundred Twenty-six Dollars (\$36,290,626) for a new amount of Eighty-  
21 eight Million, Five Hundred Eighty-five Thousand, Six Hundred and Six Dollars (\$88,585,606),  
22 for clinical and financial software applications; and, be it

23           FURTHER RESOLVED, That within thirty (30) days of the Second Amendment being  
24 fully executed by all parties, the Department of Public Health shall provide the final Second  
25 Amendment to the Clerk of the Board for inclusion into the official file.

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APPROVED:

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Barbara A. Garcia, MPA

Director of Health

APPROVED:

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Health Commission