

1 [Agreement Amendment - Cerner Health Services, Inc. - Clinical and Financial Software
2 Services to Facilitate a New Electronic Health Record System - Not to Exceed \$87,478,859]

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 \$35,183,879 for a total agreement**
8 **amount not to exceed \$87,478,859.**

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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, Cerner owns the proprietary rights to the software and maintenance of the
14 current EHR system, and is the sole source provider under Administrative Code Section
15 21.30(d);

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

19 RESOLVED, That the Board of Supervisors hereby authorizes the Department of
20 Public Health and The Office of Contract Administration on behalf of the City and County of
21 San Francisco to amend the agreement with Cerner Health Services, Inc., as a sole source
22 provider, extending the agreement for three years through June 30, 2020, and adding Thirty-
23 five Million, One Hundred Eighty-three Thousand, Eight Hundred Seventy-nine Dollars
24 (\$35,183,879) for a new amount of Eighty-seven Million, Four Hundred Seventy-eight
25

1 Thousand, Eight Hundred Fifty-nine Six Dollars (\$87,478,859), for clinical and financial
2 software applications; and, be it

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

6 APPROVED:

APPROVED:

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9 Barbara A. Garcia, MPA

Health Commission

10 Director of Health

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