

1 [License Support, and Hosting Agreement - Epic City Government, LLC - Electronic Health
2 Records System - \$167,384,597

3 **Resolution approving an Agreement between Epic City Government, LLC, and the City**
4 **and County of San Francisco, acting by and through the Department of Public Health**
5 **(DPH), for the delivery of software, services, and hosting for an electronic health**
6 **records system, for a ten-year term from the effective date following Board approval, in**
7 **the amount of \$167,384,597 including a DPH contingency amount of \$17,934,064.**

8 WHEREAS, The San Francisco Health Network (SFHN) of the Department of Public
9 Health (DPH) provides direct health services to thousands of insured and uninsured residents
10 of the San Francisco bay area, including those most socially and medically vulnerable; and

11 WHEREAS, The SFHN includes primary care, regional emergency and trauma
12 treatment, medical and surgical specialties, diagnostic testing, skilled nursing and
13 rehabilitation, dental care, comprehensive behavioral health and substance abuse treatment
14 services, and jail health services; and

15 WHEREAS, This network of health care is an essential component of the San
16 Francisco safety net; and

17 WHEREAS, The SFHN needs a modern, secure, and fully-integrated electronic health
18 record (EHR) system to improve patient safety and care coordination to better protect and
19 promote the health of all San Franciscans, fulfill the federal requirements of EHR “meaningful
20 use,” and help achieve the aims of health care reform; and

21 WHEREAS, In 2016, by Ordinance No. 41-16, the Board of Supervisors authorized
22 DPH to enter into negotiations directly with the Regents of the University of California (UCSF)
23 for a contract to allow DPH’s shared use of UCSF’s EHR system, under UCSF’s sublicensing
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1 accreditation agreement with Epic Systems Corporation as an Epic Community Connect
2 Partner; and

3 WHEREAS, Within six months of negotiations with UCSF, if the Director of Health
4 (Director) and UCSF were unable to reach a fair and reasonable agreement and as a result, in
5 accordance with Ordinance No. 41-16, DPH commenced a competitive solicitation process to
6 procure an EHR system; and

7 WHEREAS, DPH issued a Request for Proposal (“RFP”) on January 17, 2017, and
8 selected Epic Systems Corporation, and various of its wholly-owned subsidiaries, as the
9 highest qualified scorer pursuant to the RFP; and

10 WHEREAS, Epic City Government, LLC, is a wholly owned subsidiary of Epic Systems
11 Corporation; and

12 WHEREAS, Epic Systems Corporation has provided a full Parent Guarantee of Epic
13 City Government, LLC’s (collectively Epic) obligations under the Agreement, not subject to
14 Board of Supervisors approval and effective as of the date signed, attached as Exhibit 7 to the
15 Agreement; and

16 WHEREAS, Subject to the Parent Guarantee, Epic City Government, LLC, will provide
17 those EHR software, support, and hosting services required by DPH, as set forth in the RFP,
18 under an Agreement negotiated by the City and Epic for a guaranteed maximum price of
19 \$167,384,597, including a DPH contingency amount of \$17,934,064, for a ten-year term with
20 the parties’ right to extend the term as mutually agreed in a formal amendment to the
21 Agreement, subject to Board of Supervisors’ approval; and

22 WHEREAS, In order to prevent delayed resolution of any dispute that may arise under
23 the Agreement, it provides that DPH must commence any action in a court of law for any
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1 matter arising out of or relating to the Agreement within two years of the date DPH becomes
2 aware of the cause of action; and

3 WHEREAS, Charter, Section 9.118 requires that contracts with anticipated
4 expenditures of the City and County in excess of Ten Million (\$10,000,000) Dollars, or with a
5 term exceeding ten years, shall be subject to approval of the Board of Supervisors by
6 resolution; and

7 WHEREAS, Epic and DPH have negotiated a Public Meeting and Public Records
8 Disclosure Process agreement, not subject to Board of Supervisors approval and effective as
9 of the date signed, attached as Exhibit 8 to the Agreement, governing the disclosure of those
10 portions of the Agreement and other material that Epic asserts constitute, contain, or reveal
11 valuable trade secrets or other information belonging to Epic that is exempt from disclosure
12 under the California Public Records Act and Administrative Code, Chapter 67; and pursuant to
13 which the Clerk of the Board of Supervisors has placed a redacted copy of the Agreement in
14 the file available to the public, and an unredacted copy of the Agreement in the Board of
15 Supervisor's confidential file for review in its entirety by the Board of Supervisors and any
16 advisors to the Board (Sunshine Agreement); and

17 WHEREAS, The redacted copy the Agreement, on file with the Clerk of the Board of
18 Supervisors in File No. 171135, including all of the terms of the unredacted Agreement
19 subject to the disclosure requirements of the Sunshine Agreement, is hereby declared to be a
20 part of this resolution as if set forth fully herein; now, therefore, be it

21 RESOLVED, That the Board of Supervisors hereby authorizes the Director of Health
22 and the Office of Contract Administration, on behalf of the City and County of San Francisco,
23 to enter into an Agreement with Epic City Government, LLC, for those EHR software, support,
24 and hosting services required by DPH, for a guaranteed maximum price of \$167,384,597, with
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1 a DPH contingency amount of \$17,934,064, for a ten-year term, with the parties' right to
2 extend the term as mutually agreed in a formal amendment to the Agreement, subject to
3 further Board of Supervisors' approval, including authorization for the following:

- 4 1. The form of Agreement, including all of its parts; and
- 5 2. DPH's obligation under the Agreement to commence any action in a court of law
6 for any matter arising out of or relating to the Agreement within the two-year
7 period after the date DPH becomes aware of the cause of action;
- 8 3. Anticipated expenditures under the Agreement in excess of Ten Million
9 (\$10,000,000) Dollars and a ten-year term with the parties' right to extend the
10 term as mutually agreed in a formal amendment to the Agreement, subject to
11 Board of Supervisors' approval.

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