
Setting the Standard in Health Care Excellence

October 11, 2022

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject:

Approval of, and Authorization for the Purchasing Agent or Designee to Execute, Sales Order OPT-0450193, Pursuant to the Existing Master Business Agreement with Cerner Corporation, to Increase the Scope of Use on Various Sales Orders at a Total Cost of \$292,064.

Recommendation:

That your Board approve, and authorize for the Purchasing Agent or designee to sign, sales order OPT-0450193 (Exhibit 1), pursuant to the existing Master Business Agreement with Cerner Corporation (Cerner), to increase the scope of use on various sales orders at a total cost of \$292,064.

Fiscal Impact:

Mandatory:	No
Source of Funding:	VCMC Operating Revenues
Funding Match Required:	No
Impact on Other Departments	N/A

Summary of Annual Revenues and Costs Under this Agreement:

	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Revenue:	\$211,224	\$80,840
Direct Cost:	\$211,224	\$80,840
Indirect Cost:	\$0	\$0
Net County Cost	\$0	\$0

Current Fiscal Year Budget Projections:

Current FY 2022-23 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated (Savings/Deficit)
Expenditures	\$597,277,305	\$597,277,305	\$597,277,305	\$0
Revenue	\$597,588,755	\$597,588,755	\$597,588,755	\$0
Operational Income/(Loss)	\$311,450	\$311,450	\$311,450	\$0

Adopted Budget includes sufficient Revenues and Expenditures.

The operational income includes "Operating Transfers In" that is primarily attributed to County contributions.

Discussion

Schedule 1 of the Cerner Business Agreement dated October 4, 2011, includes scopes of use which determine the licensing fees for various Cerner products. Subsequent schedules, amendments and sales orders have all included scope of use maximums and potential overages. The licensing fees increase if the number of persons using the products or the number of emergency room visits exceed a fixed amount. In May of 2022, Cerner conducted a scope of use audit and found the Health Care Agency (HCA) had exceeded the user limits in several areas. The limits were exceeded because of growth in HCA's business and increased use of the electronic health record system.

Exhibit 1 contains the applicable sections from Schedule 1, Schedule 16, Schedule 19, Amendment 3 and sales order 1-6ALJJ52 pertaining to scope of use and licensing fees. The total cost of the increase through June 30, 2024 is \$292,064.

This letter has been reviewed by the County Executive Office, County Counsel, Auditor-Controller's Office, IT Services and General Services Agency Procurement Services. If you have any questions regarding these recommendations, please contact Bach Nguyen, HCA Chief Information Officer, at 805-652-5762.


Barry L. Zimmerman
Health Care Agency Director

Exhibit 1– Cerner Sales Order OPT-0450193