



# County of Santa Cruz

## HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE  
SANTA CRUZ, CA 95061  
(831) 454-4066 FAX: (831) 454-4770

### HEALTH SERVICES AGENCY ADMINISTRATION

August 3, 2001

**AGENDA: August 28, 2001**

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

**RE: Approval of Contract with ECG Consultants, Inc.**

Dear Members of the Board:

During 2001-2002 budget hearings your Board authorized funding for various information technology projects for the Health Services Agency (HSA). One of the highest priority projects among this funding was a needs assessment for updating the Clinical Practice Management System. This project is necessary to comply with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and to modernize and upgrade the system to meet the requirements of managed care, along with improving the efficiency and delivery of health care services. The Clinical Practice Management System is a sub-system of the existing COSTAR system, which has served as HSA's enterprise medical records/billing system since the early 1980s.

HSA is recommending the hiring of a specialized health care consultant, ECG Management Consultants, Inc. (ECG), to assist the Agency in its analysis. ECG has broad-based expertise in management consulting and information technology in the health care industry and has provided services to health care organizations around the country, including several health clinics and hospital systems in California. This specialized experience makes ECG uniquely qualified to assist HSA on this important information technology upgrade project.

It is, therefore, RECOMMENDED that your Board:

1. Approve the attached agreement with ECG Consultants, Inc. (Budget Index 361 100, Subobject 3665), in an amount not to exceed \$130,000 for management consultant services in assessing the needs for updating the clinic practice management system in the Health Services Agency and authorize the Health Services Administrator to sign; and

COUNTY OF SANTA CRUZ  
REQUEST FOR APPROVAL OF AGREEMENT

0129

TO: Board of Supervisors  
County Administrative Officer  
County Counsel  
Auditor-Controller

FROM: **Health Services Agency**

(Dept.)

SR Velly (Signature) 8-7-01 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

**County of Santa Cruz Health Services Agency**

(Agency)

1. Said agreement is between the ECG Management Consultants, Inc., 1111 Third Ave., Ste 2700, Seattle, WA 98101-3201  
and, \_\_\_\_\_ (Name & Address)

2. The agreement will provide management consultant services to the Health Services Agency  
related to development, analysis, evaluation and selection of a clinical practice  
management information system for HSA Clinics.

3. The agreement is needed to facilitate replacement of the existing nearly 20-year old system  
with a modern system that complies with HIPAA regulations and meets clinical needs

4. Period of the agreement is from August 28, 2001 to project completion

5. Anticipated cost is \$ not to exceed \$130,000.00 (Fixed amount; Monthly rate; Not to exceed)

6. Remarks: \_\_\_\_\_

7. Appropriations are budgeted in 361100 (Index#) 3665 (Subobject:)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations (are) available and have been encumbered. Contract No. 12576 Date 8.16.01  
are not will be

GARY A. KNUTSON, Auditor - Controller

By Adam J. Velly Deputy.

W9 ON

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the  
\_\_\_\_\_ to execute the same on behalf of the \_\_\_\_\_  
\_\_\_\_\_ (Agency).

Remarks: \_\_\_\_\_  
\_\_\_\_\_ (Analyst)

County Administrative Officer  
By [Signature] Date 8/17/01

Agreement approved as to form. Date \_\_\_\_\_

**Distribution:**

Bd. of Supv. • White  
Auditor-Controller • Blue  
County Counsel • Green •  
Co. Admin. Officer • Canary  
Auditor-Controller • Pink  
Orig noting Dept. • Goldonrod

\*To Orig. Dept. if rejected.

ADM - 29 (6/95)

State of California )  
County of Santa Cruz ) ss

I \_\_\_\_\_ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz.

State of California, do hereby certify that the foregoing request for approval of agreement was approved by  
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered  
in the minutes of said Board on \_\_\_\_\_

By \_\_\_\_\_ County Administrative Officer  
Deputy Clerk

29

**COUNTY OF SANTA CRUZ**  
REQUEST FOR TRANSFER OR REVISION  
OF BUDGET APPROPRIATIONS AND/OR FUNDS

0130

Department: HEALTH SERVICES AGENCY

Date: 8/14/01

TO: Board of Supervisors / County Administrative Officer / District Board

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending June 30, ~~XX~~ 2001

AUDITORS USE ONLY			
DOCUMENT #	AMOUNT	L/N	T/C HASH
JE 6			

BATCH #	
DATE	Keyed By:

	T/C	INDEX	SUBJECT	USER CODE	AMOUNT	ACCOUNT DESCRIPTION *
T O	0 2 1	3 6 1 1 0 0	3 6 6 5		1 3 0 0 0 0 0 0	Professional Services
F R O M	0 2 2	1 9 0 5 0 0	9 6 9 5		1 3 0 0 0 0 0 0	Appropriation for contingencies

Explanation: **Transfer of appropriations of professional services for HSA Clinical Practice Management System.**

Name 

Title Director of Administration

**Auditor-Controller's Action:** I hereby certify that unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated above.

Audit x-Controller, by Adrian J. Velazquez, Deputy Date 8/16/01

**County Administrative Officer's Action:** ☒ Recommended to Board | ☐ Approved | ☐ Not Recommended or Approved

County Administrative Officer  Date \_\_\_\_\_

State of California } As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing request for  
County of Santa Cruz } ss. transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order  
duly entered in the minutes of said Board on

**29** \_\_\_\_\_, 19\_\_\_\_, By \_\_\_\_\_, Deputy Clerk

(A-C)\* Desc: \_\_\_\_\_ Item: - Budget Transfer

Distribution: BRD. NAME AGENDA DATE ITEM NO.  
Write-Board of Supervisors Green-County Administrative Officer Goldenrod-Departmental Control Copy  
Yellow-Auditor-Controller Pink-Originating Department

A-C Review		

**SANTA CRUZ COUNTY HEALTH SERVICES AGENCY  
INDEPENDENT CONTRACTOR AGREEMENT**

THIS AGREEMENT is entered into this 28th day of August, 2001, by and between the COUNTY OF SANTA CRUZ, hereinafter called COUNTY, and ECG Management Consultants, Inc., hereinafter called CONTRACTOR. The parties agree as follows:

1. DUTIES. CONTRACTOR agrees to exercise special skill to accomplish the following result: Provision of management consultation services to the Health Services Agency in the development, analysis, evaluation and selection of a clinical practice management information system per the attached Exhibit A - Project Objective and Scope of Work which is hereby incorporated by reference into this agreement.

2. COMPENSATION. In consideration for CONTRACTOR accomplishing said result, COUNTY agrees to pay CONTRACTOR up to the following rates:

Project Officer	\$330/hour
Project Manager	\$270/hour
Project Staff (various)	\$185/hour

Total contract amount is not to exceed \$130,000.00. Compensation includes all private mileage and per diem necessary to accomplish the result contracted for.

CONTRACTOR shall submit periodic itemized invoices on a not more than monthly basis in arrears for professional fees and project related expenses incurred.

3. TERM. The term of this contract shall be: from August 28th, 2001 until terminated in accordance with Paragraph 4.

4. EARLY TERMINATION. Either party hereto may terminate this contract at any time by giving thirty (30) days written notice to the other party.

5. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS. CONTRACTOR shall exonerate, indemnify, defend, and hold harmless COUNTY (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

a. Any and all claims, losses, damages, defense costs, or liability of any kind or nature which COUNTY may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this agreement, excepting any liability arising out of the sole negligence of the COUNTY. Such indemnification includes any damage to the person(s), or property (ies) of CONTRACTOR and third persons.

b. Any and all Federal, State, and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. INSURANCE. CONTRACTOR, at its sole cost and expense, and for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COUNTY and any insurance or self-insurance maintained by COUNTY shall be excess of CONTRACTOR'S insurance coverage and shall not contribute to it.

0132

If CONTRACTOR utilizes one or more subcontractors in the performance of this Agreement, CONTRACTOR shall obtain and maintain Independent Contractor's Insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CONTRACTOR in this Agreement, unless CONTRACTOR and COUNTY both initial here

a. Types of Insurance and Minimum Limits

1. Worker's Compensation in the minimum statutorily required coverage amounts.
2. Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Agreement, including owned, non-owned (e.g., owned by CONTRACTORS employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage.
3. Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

b. Other Insurance Provisions

1. If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees to maintain the required coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. CONTRACTOR may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonable affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed reasonable.

2. All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause:

"The County of Santa Cruz, its officials, employees, agents and volunteers are added as additional insureds as respects the operations and activities of, or on behalf of, the named insured performed under Agreement with the County of Santa Cruz."

3. All required insurance policies shall be endorsed to contain the following clause:

"This insurance shall not be canceled until after thirty (30) days prior written notice has been given to : County of Santa Cruz, Health Services Agency, Fiscal/Claims, 1080 Emeline Avenue, Santa Cruz, CA 95060."

4. CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COUNTY on or before the effective date of this Agreement with Certificates of Insurance for all required coverages. All Certificates of Insurance shall be delivered or sent to: County of Santa Cruz, Purchasing/ Claims, 1080 Emeline Avenue, Santa Cruz, CA 95060.

7. EQUAL EMPLOYMENT OPPORTUNITY. During and in relation to the performance of this Agreement, CONTRACTOR agrees as follows:

a. CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, disability, medical condition (cancer related and genetic characteristics), marital status, sex, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to the following: recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

b. If this Agreement provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:

1. CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, disability, medical condition (cancer related and genetic characteristics), marital status, sex, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR'S solicitations of goods and services. Definitions for Minority/Women/Disabled Business Enterprises are available from the COUNTY General Services Purchasing Division.

2. CONTRACTOR shall furnish COUNTY Equal Employment Opportunity Office information and reports in the prescribed reporting format (PER 4012) identifying the sex, race, physical or mental disability, and job classification of its employees and the names, dates and methods of advertisement and direct solicitation efforts made to subcontract with Minority/Women/Disabled Business Enterprises.

3. In the event of CONTRACTOR'S non-compliance with the non-discrimination clauses of this Agreement or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further Agreements with the COUNTY.

4. CONTRACTOR shall cause the foregoing provisions of Subparagraph 6b. to be inserted in all subcontracts for any work covered under this Agreement by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. NONASSIGNMENT OF AGREEMENT. CONTRACTOR shall not assign this Agreement to a third party without the written consent of COUNTY. Any assignment without such written consent shall automatically terminate this Agreement.

9. PRESENTATION OF CLAIMS. Presentation and processing of any or all claims arising out of or related to this Agreement shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.

10. RETENTION AND AUDIT OF RECORDS. CONTRACTOR shall retain records pertinent to this Agreement for a period of not less than five (5) years after final payment under this Agreement or until a final audit report is accepted by COUNTY, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Agreement,

11. ATTACHMENTS. This agreement includes the following attachment: Exhibit A - Project Objective and Scope of Work.

12. ACKNOWLEDGMENT. CONTRACTOR shall acknowledge in all reports and literature that the Santa Cruz County Board of Supervisors has provided funding to the CONTRACTOR.

13. INDEPENDENT CONTRACTOR STATUS FACTORS. CONTRACTOR and COUNTY have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of COUNTY. CONTRACTOR is responsible for all insurance (worker's compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. COUNTY agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

0134

PRINCIPAL TEST: The CONTRACTOR rather than COUNTY has the right to control the manner and means of accomplishing the result contracted for.

SECONDARY: (a) The extent of control which, by agreement, COUNTY may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) in the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) the skill required in the particular occupation is substantial rather than slight; (e) the CONTRACTOR rather than the COUNTY supplies the instrumentalities, tools and workplace; (f) the length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) the method of payment of CONTRACTOR is by the job rather than by the time; (h) the work is part of a special or permissive activity, program or project, rather than part of the regular business of COUNTY; (i) CONTRACTOR and COUNTY believe they are creating an independent relationship rather than an employer-employee relationship; and (j) the COUNTY conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors which indicate that CONTRACTOR is an independent contractor.

By their signatures to this Agreement, each party certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Agreement is in fact an independent contractor.

In witness whereof, the parties hereto have set their hands the day and year first above written.

HEALTH SERVICES AGENCY

CONTRACTOR

By: \_\_\_\_\_  
Rama Khalsa, HSA Administrator

By: Mark F. Smith  
ECG Management Consultants, Inc.  
Address: 1111 Third Ave Suite 2700  
Seattle WA 98101  
Telephone: 206-689-2200  
Tax ID number: 91-1072663

Approved as to insurances:

Antonia G. Galt 8/15/01  
Chief, Risk Management Division

Approved as to form:

D. M. Rae 8-15-01

## **EXHIBIT A: PROJECT OBJECTIVE AND SCOPE OF WORK**

### **A. PROJECT OBJECTIVE AND SCOPE**

#### **1. Objective**

The objective of the project is to assist **HSA** in its process to select a vendor solution for a core PMS to replace the existing system, CoStar. The selection process will be structured to leverage input and participation by **HSA** management and staff, and to stay within a moderately aggressive timeline for implementation.

#### **2. Scope**

The project scope will include developing the guidelines, parameters, and requirements for selecting the preferred system and conducting the analysis for evaluation and selection. Our role is to not only assist with the selection process but to also ensure the project is managed efficiently and kept on track. We will work closely with your project team to establish **HSA** requirements, including those unique and specific to public health providers, and develop a Request for Proposal (**RFP**) tailored to yield a high number of vendor responses. In addition, we will participate in and facilitate the dialogue with the vendors to adequately communicate **HSA**'s vision and desirability, as well as to evaluate and advise **HSA** on the components and terms of an optimal agreement.

The project scope will include establishing a calendar of activities and communicating this calendar throughout **HSA**. ECG will develop documents or provide samples of documents for input by **HSA** management and the project team, which will shorten the time frame for completing necessary materials such as the RFP, evaluation methodology, and demonstration scenarios. ECG will conduct the tasks and activities to support **HSA** management in its evaluation process and facilitate the selection based on market and vendor knowledge, as well as the **HSA** priorities and requirements.

In general, the project scope will include ECG involvement and activities, balanced with adequate participation and ownership by **HSA** management and staff, to stay on course for a mid-2002 conversion.



## B. WORK PLAN

We intend our approach to ~~be~~ collaborative with HSA's leadership and project team members. ECG firmly believes in working closely with our clients to achieve the following objectives with every engagement:

- Fully understand the client's unique environment, issues, and considerations.
- Ensure that the recommendations or solutions we propose are logical and practical within the client's environment.
- Openly share our methodology and approach so our clients can clearly understand them and facilitate knowledge transfer to internal resources.

We will work closely with HSA throughout the project to ensure that our involvement promotes long-term organizational buy-in, as well as assurances that the project is kept focused and on pace with the proposed schedule.

The remainder of this section describes the specific activities we are proposing to HSA to achieve the objectives of this engagement.

### Task 1 – Develop Framework for System Selection

In this task, we will develop the framework for the system selection, which will include the scope and objective of a preferred vendor solution. Portions of the information will be internal to HSA for communication among project team members, and other components will be shared with prospective vendors to adequately describe HSA and its initiatives. We will develop this framework collaboratively with the project team through the compilation of existing information and development of new components. Samples of the information to be included are:

- Profiles of the **HSA** clinics and satellite care units.
- Goals and objectives of HSA.
- Goals and objectives for the selected PMS.
- Core requirements for HSA clinics and satellite care units.
- Public health specific requirements including FQHC, sliding scale discount, etc.
- Critical issues for HSA/vendor agreement.

- Technical and infrastructure requirements.

Once we have initiated the process, we will work with you and the project team to define components of the framework and identify sources of information. The deliverable for this task will be an informative document to guide the overall selection process and facilitate communications internally and externally.

#### Task 2 – Develop Estimated Funding Requirements

Given the required investment for a new system, we will develop a cost analysis to provide estimation of funding requirements. This analysis will be at a high level and include cost components directly related to the new **PMS** such as application software licenses and maintenance, interface and conversions, hardware requirements, connectivity, and implementation services. The result of this task will assist **HSA** management in developing a realistic budget for the system conversion.

#### Task 3 – Identify Potential Vendors

During this task, we will identify appropriate vendors that will effectively support the operations of a community health clinic. ECG is very familiar with the vendor market and can identify several products that would fit the size, scope, and complexity of HSA. Further, we will highlight a “top” list of those we believe have superior products, services, or development initiatives. We will also assist with defining the process and appropriate approach in establishing communication with the vendors, which will be critical to developing a meaningful dialogue with those who are selected.

#### Task 4 – Facilitate Activities to Broaden Exposure to Vendors and Solutions on the Market

We will participate with the project team in the preliminary vendor discussions and demonstrations to familiarize **HSA** management and staff with various practice management products on the market today. We anticipate that these vendor introductions will be conducted in one or more of the following ways:

- On-site vendor information presentations.
- Peer organization site visits.
- Trade show or conference attendance.

Preliminary vendor discussions will allow management and staff to understand vendors' corporate structure and stability, product and service offerings, and general approach to a vendor-client agreement as well as give HSA the opportunity to heighten vendor interest in an agreement. We will assist HSA in optimizing the benefit of the presentations by advising the project team on the critical elements to take into consideration. To get a complete and well-rounded view of products on the market, vendor presentations should include traditional as well as more recent application service provider solutions. The outcome of this task is greater exposure to practice management solutions, which will allow the project team to better evaluate vendors and conduct an objective selection based on HSA needs and requirements.

As discussed previously, an opportunity to obtain exposure to vendors and solutions on the market is available by attending the Medical Group Management Association 75th Annual Conference on October 21–24, 2001 in San Antonio, Texas. The event will be attended by a wide range of vendors that offer practice management solutions. We will work with the project team to facilitate vendor meetings at this conference if HSA representatives are able attend.

#### Task 5 – Develop and Distribute RFP Documents

Using the framework previously established, we will develop a set of RFP documents for distribution to vendors. In general, the RFP process will consist of general information and a description of the requirements for **HSA**, the process for vendor selection, a list of vendor-focused narrative questions, a features function checklist, and a request for cost. We will prepare the documents to be issued so that the process yields the greatest number of vendor responses and the information gathered is tailored to facilitate an efficient evaluation process. Due to HSA requirements and software application needs and the lack of vendors that could offer the complete suite of products to meet all of the requirements, we will work with the project team to revise the current RFP to target specific vendors for specific solutions as well as divide the **RFP** into multiple components. In the initial step, we will ask vendors to respond to a general request for information that includes a list of narrative questions indicating the vendor's level of interest, corporate information, relevant experience, products and services, and cost proposal. The result of this step will be a qualifying document to determine a preliminary list of vendors validated by the project team and **HSA** leadership. The selected vendors on this list will then be asked to submit detailed information on product features and functions. We will incorporate the requested information with the experiences and results from the previous tasks to conduct the next steps of the process.

### Task 6 – Conduct Detailed Evaluations

With this task, ECG will develop an approach and participate in conducting detailed evaluations of the vendors' offered solutions. We will structure demonstrations to assess the core functionality of the practice management applications and develop a process to evaluate the vendors' proposed approaches to addressing the unique public health requirements of **HSA**. We will work with the project team to establish an evaluation methodology that supports quick decision making yet still affords adequate attention for due diligence and evaluation. We assume that the detailed evaluations will be conducted with no more than two or three vendors and will encompass multiple sources of information. Vendors will be evaluated on the following information:

- RFP responses.
- Reference checks.
- Detailed product demonstrations.
- Detailed discussions on functionality and requirements.
- Cost analysis and comparison.
- Technical architecture options.
- Corporate visit.
- Peer organization site visits.
- Contract terms and conditions.
- Other.

We will tailor these activities with the project team to ensure that an informative and thorough evaluation process is conducted.

### Task 7 – Select Preferred Vendor Solution

In this task, we will facilitate the process to select a preferred solution. We will assist you in evaluating the RFP, cost proposal, and all other information collected throughout the process. In addition, we will assess the potential cost implications to **HSA** outside of the vendor's proposal to evaluate the overall total cost of ownership associated with the solutions. We will summarize our analysis to facilitate a clear understanding by the project team and **HSA** leadership and provide oversight of the

process to facilitate an objective and thoughtful evaluation and selection of a preferred vendor. Further, we will review with you the results of each evaluation step to provide our input and advice throughout the process.

### Task 8 – Finalize Funding Requirements

Once the preferred vendor is selected, we will revisit the initial cost analysis developed in Task 2, combined with the vendor's proposed solution and pricing, and will finalize the anticipated funding requirements for the implementation. This information can then be used by HSA leadership in securing financial and organizational commitments to the selected vendor and products.

## **C. SCHEDULE, STAFFING. AND BUDGET**

### 1. Schedule

We are prepared to initiate this project immediately after your authorization to proceed and estimate that these activities will take approximately 4 to 5 months to complete, assuming reasonable availability and participation of HSA leadership and project team members.

### 2. Staffing

We will continue the assignment of experienced consultants to this engagement. Key members of the project team are as follows:

#### ■ Project Officer

Mr. Karl F. Schmitt, a principal at ECG, will be the project officer. Mr. Schmitt will be responsible for overall project quality assurance and oversight. He will conduct periodic internal reviews to ensure that deliverables and project activities take into consideration HSA's unique needs and requirements.

#### ■ Project Manager

Ms. Kathy A. Kearney, a senior manager at ECG, will serve as the project manager. Ms. Kearney has extensive experience with practice management and medical records implementations, as well as project management. She will be responsible for overseeing day-to-day activities, ensuring timely completion of deliverables, and managing ECG's engagement

within established timeline and budget parameters. Ms. Kearney will be the primary contact for HSA leadership and the project team.

■ Project Staff

Ms. Cindy Chin, an associate at ECG, will serve as a project staff member. Ms. Chin will assist Ms. Kearney in the day-to-day activities of the project and generate the deliverables for evaluation and analysis.

ECG has more than 50 other consultants who are able to assist with this project as necessary. We will assign resources as appropriate to complete the activities for this engagement.

3. Budget

Based on the work plan described above, we have summarized the estimated hours and associated costs of our proposed approach. We charge for our services based on the professional fees and project-related expenses incurred. Our professional fees will be determined by the actual hours worked on the engagement at our standard hourly rates. Project-related expenses will include travel, document preparation, telephone, and other out-of-pocket expenses. We estimate that the cost of this engagement (Phase I only) will range from \$10,000 to \$130,000, based upon the following assumptions:

	Hours	Rate
Project Officer	20 to <b>24</b>	\$330
Project Manager	160 to 180	\$270
Project Staff	320 to 400	\$185

It is our practice to bill for our services monthly, in arrears, for the professional fees and project-related expenses incurred. If we are able to complete this assignment in fewer professional hours than anticipated, you will be billed a correspondingly lesser amount.

\* \* \* \* \*

ACORD

## CERTIFICATE OF LIABILITY INSURANCE

POLICY NO. 42

DATE (MM/DD/YY)

06/20/01

PRODUCER  
Marsh Advantage America/Seat  
52-819941-NP-OC-XSA  
P O Box 33015  
San Antonio TX 78255  
Phone: 877-616-7474 Fax: 210-738-1743

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION  
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE  
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR  
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

## INSURERS AFFORDING COVERAGE

INSUREE

ECG Mgmt Consultants, Inc  
MTG Mgmt Consultants, LLC  
1111 3rd Ave Ste 2700  
Seattle WA 98101

INSURER A: Hartford Casualty Ins Co

INSURER B: Twin City Fire Ins Co

INSURER C:

INSURER D:

INSURER E:

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING  
ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR  
MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH  
POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	52SBAKI2480	04/01/01	04/01/02	EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 300000 MED EXP (Any one person) \$ 10000 PERSONAL & ADV INJURY \$ 1000000 GENERAL AGGREGATE \$ 2000000 PRODUCTS - COM/PROP AGG \$ Excluded
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	52SBAKI2480	04/01/01	04/01/02	COMBINED SINGLE LIMIT (Ea accident) \$ 1000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				ALTO ONLY, EA ACCIDENT \$ EA ACC \$ BOTH/OWN/AGG \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	52SBAKI2480	04/01/01	04/01/02	EACH OCCURRENCE \$ 2000000 AGGREGATE \$ 2000000 \$ \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY OFFICERS ARE INCLUDED	52WECJH1219	04/01/01	04/01/02	WC STATUTORY LIMITS <input checked="" type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500000 E.L. DISEASE - EA EMPLOYEE \$ 500000 E.L. DISEASE - POLICY LIMIT \$ 500000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

\*Except for 10 days non-payment. For inquiries call 1-877-616-7474.

CERTIFICATE HOLDER: N, ADDITIONAL INSURED: INSURER LETTER:

COUSANT

County of Santa Cruise  
Health Services Agency  
Attn: Rob Luchessi  
P O Box 952  
Santa Cruise CA 95061-0962

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION  
DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL \*45 DAYS WRITTEN  
NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO DO SO SHALL  
IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR  
REPRESENTATIVES.

0143

# CERTIFICATE OF COVERAGE



EMPLOYER: This is your official certificate of industrial insurance coverage. You are required by law to post this certificate in a copy of the poster listed below. You will not be receiving a copy of this poster. If you require additional copies, call Labor Industries at 1-800-547-8367.

• Job Safety and Health Protection (available in Spanish)  
• Your Rights as a Worker/Family Care  
• Notice to Employees

Industrial Services Division  
Policy Management Services

Department of Labor & Industries

PO Box 44144

Olympia, WA 98504-4144

WORKER: The employer named below is an insured policyholder with the Washington State Industrial Insurance Trust Fund.

UB : 000 514 648

Policy E80428749

LOUIS MANAGEMENT CONSULTANTS

1111 3RD AVE STE 2700

SEATTLE WA 98101-3201

EMERGENTIVE CONSULTING GROUP INC

ECG MANAGEMENT CONSULTANTS

1111 3RD AVE STE 2700

SEATTLE WA 98101-3201

Your Unified Business Identifier is the only number you need when conducting business with the Washington State Department of Licensing, Employment Security, Labor and Industries and the Office of the Secretary of State.



Received: 8/6/2001 1:51PM; -&gt; Santa Cruz Co. GSD Purchasing; #563; Page 1

Sent by: S. C. CO. H. S. A.

831 454 4770;

08/06/01 11:12AM; JetFax #921; Page 1/1

Received: 6/20/01 4:10PM;

206 689 2209 -&gt; HSA RECPT; Page 3

06/20/01 WED 15:52 FAX 206 689 2209

E C G  
031 454 4488;

06/19/01 2:45PM, JETFAX #203, Page 6/6

<b>Form W-9</b> (Rev. December 2000) Department of the Treasury Internal Revenue Service		<b>Request for Taxpayer Identification Number and Certification</b>		Give form to the requester. Do not send to the IRS.
Name (See Specific Instructions on page 2)				
Business name, if different from above. (See Specific Instructions on page 2) <b>EP 6 MANAGEMENT CONSULTANTS</b>				
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other				
Address (number, street, and apt. or suite no.) <b>1111 Third Avenue Suite 2700</b>			Requester's name and address (optional)	
City, state, and ZIP code <b>Seattle, WA 98101-3201</b>				
<b>Part I Taxpayer Identification Number (TIN)</b> Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see below to get a TIN on page 2. Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.			List account number(s) here (optional)	
Social security number <div style="border: 1px solid black; width: 150px; height: 20px; margin: 5px auto;"></div> or Employer identification number <div style="border: 1px solid black; width: 150px; height: 20px; margin: 5px auto; text-align: center;">91-1072663</div>			<b>Part II For U.S. Payees Exempt From Backup Withholding</b> (See the instructions on page 2.)	
<b>Part III Certification</b> Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. person (including a U.S. resident alien). Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, or contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)				
Sign Here	Signature of U.S. person <b>Pardeep Singh</b>		Date <b>6/20/01</b>	
<b>Purpose of Form</b> A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA. Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to: 1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued). 2. Certify you are not subject to backup withholding, or 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If you are a foreign person, use the appropriate Form W-8. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations. Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.				
<b>What is backup withholding?</b> Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding. If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. Payments you receive will be subject to backup withholding if: 1. You do not furnish your TIN to the requester, or 2. You do not certify your TIN when required (see the Part III instructions on page 2 for details), or 3. The IRS tells the requester that you furnished an incorrect TIN, or 4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or 5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only). Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate instructions for the Requester of Form W-9. <b>Penalties</b> Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect. Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty. Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment. Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.				