



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No.: A-11891

Upon motion of Supervisor Salinas, seconded by Supervisor Parker and carried by those members present, the Board of Supervisors hereby:

Approved the correct term of November 1, 2010 through June 30, 2015 for the Agreement between Natividad Medical Center (NMC) (A-11891) and Versaworks Inc. for Professional Information Technology (IT) Services at NMC.

PASSED AND ADOPTED on this 29th day of July 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on July 29, 2014.

Dated: July 30, 2014
File Number: A 14-204

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy



COUNTY OF MONTEREY - BOARD OF SUPERVISORS

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File #:	A 13-088	Name:	Versaworks Amendment #3
Type:	BoS Agreement	Status:	Consent Agenda
File created:	5/18/2013	In control:	Board of Supervisors
On agenda:	6/18/2013	Final action:	
Title:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology (IT) Services at NMC, extending the Agreement to June 30, 2014 and adding \$3,750,724 for a revised total Agreement amount not to exceed \$8,829,374 in the aggregate.		
Sponsors:	Sid Cato		
Attachments:	1. Versaworks Inc Amendment #3 , 2. VERSAWORKS Attachment A Accomplishments to Date , 3. Completed Board Order		

[History \(0\)](#)
[Text](#)

Title

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology (IT) Services at NMC, extending the Agreement to June 30, 2014 and adding \$3,750,724 for a revised total Agreement amount not to exceed \$8,829,374 in the aggregate.

Report

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology (IT) Services at NMC, extending the Agreement to June 30, 2014 and adding \$3,750,724 for a revised total Agreement amount not to exceed \$8,829,374 in the aggregate.

SUMMARY/DISCUSSION:

As NMC continues to enhance its information technology capabilities in the Electronic Medical Record and IT infrastructure, a need has been identified for additional technical clinical and non-clinical resources. The recommendation is to engage Versaworks, a company with a strong reputation for providing highly competent information technology services. Versaworks was first contracted by NMC in November of 2010. For a list of *Accomplishments' to Date* please see Attachment A.

Over the next year, Versaworks will provide both clinical and non-clinical technical resources which will include but not be limited to: principle solutions architect, clinical IT project manager, data center implementation engineer, network & security architect, data warehouse engineer and IT systems implementation specialist - please see attached Statement of Work (SOW) for more detail.

Versaworks is committed to NMC's long range IT roadmap and by engaging Versaworks, important strategies and goals will be met.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 3 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment No. 3 as to fiscal provisions. The Amendment No. 3 has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Amendment No. 3 is \$3,750,724 and is included in the Fiscal Year 2013/2014 Recommended Budget. There is no impact to the General Fund.

Prepared by: Jim Fenstermaker, Senior IT Strategist, 783-2559

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Amendment No. 3 with SOW, Attachment A; *Accomplishments' to Date* , Original Agreement, Amendments 1 and 2
Attachments on file with the Clerk to the Boards Office



Monterey County

Board Order

168 West Alisal Street,
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Salinas, CA 93901
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Agreement No. A-11891

Upon motion of Supervisor Salinas, seconded by Supervisor Parker and carried by those members present, the Board of Supervisors hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology (IT) Services at NMC, extending the Agreement to June 30, 2014 and adding \$3,750,724 for a revised total Agreement amount not to exceed \$8,829,374 in the aggregate.

PASSED AND ADOPTED on this 18th day of June 2013, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 76 for the meeting on June 18, 2013.

Dated: June 20, 2013
File Number: A 13-088

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By 
Deputy

**AMENDMENT NO. 3
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN Versaworks Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Professional Information Technology Services**

This Amendment No. 3 to Professional Services Agreement ("Agreement"), dated November 1, 2010, is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Versaworks Inc. (Contractor), with respect to the following:

RECITALS

WHEREAS, the County and Contractor amended the Agreement previously on July 1, 2011 via Amendment No. 1, and on July 1, 2012 via Amendment No. 2; and

WHEREAS, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue; and

WHEREAS, the County and Contractor wish to amend the Agreement to increase the amount of the Agreement because of the term extension and the amount payable for services rendered.

AGREEMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. Exhibit A to the Agreement is replaced with Amendment-3 to Exhibit A, attached to this Amendment. All references in the Agreement to Exhibit A shall be construed to refer to Amendment-3 to Exhibit A.
2. Section 2. "PAYMENTS BY NMC" shall be amended by removing, "*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$832,900.*" and replacing it with "*The total amount payable by County to CONTRACTOR under Agreement No. (MYA524) shall not exceed the total sum of \$8,829,374 for the full term of the Agreement*".
3. Section 2. "TERM OF AGREEMENT" shall be amended by removing, "*The term of this Agreement is from November 1, 2010 to June 30, 2011 unless sooner terminated pursuant to this Agreement*" and replacing it with "*The term of this Agreement is November 1, 2010 to June 30, 2015 unless sooner terminated pursuant to this Agreement*".
4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment Nos. 1 and 2 are unchanged and unaffected by this Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement.
5. A copy of this Amendment No. 3 and all previous amendments shall be attached to the original Agreement (No. MYA524).
6. The effective date of this Amendment is July 1, 2013.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

Natividad Medical Center

By: Sid Cato
Sid Cato, NMC Contracts Manager

Date: 7-1-13

By: Harry Weis
Harry Weis, NMC Chief Executive Officer

Date: 5/1/13

APPROVED AS TO LEGAL PROVISIONS

By: Anne Brauer
Anne Brauer
Monterey County, Deputy County Counsel

Date: May 6, 2013

APPROVED AS TO FISCAL PROVISIONS

By: Gary Giboney
Gary Giboney
Monterey County Auditor/Controller's Office

Date: 5-6-13

Contractor

Versaworks, Inc
Contractor's Business Name*** (see instructions)

Johnson Kit San Sun
Signature of Chair, President, or Vice-President

Johnson Kit San Sun, President
Name and Title

Date: 4/26/2013

By: Wil Wong
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Wil Wong, VP + Secretary
Name and Title

Date: 4/26/2013

***Instructions

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required)



Amendment-3 to Exhibit A

Consulting and Software Services Proposal and Statement of Work

Natividad Contact:

Jim Fenstermaker
Tel: (831) 783-2559

Submitted by:

Versaworks, Inc.
2560 Mission College Blvd. Ste 140
Santa Clara, CA 95054

Contact: Ronda Carlson
Tel: (408) 780-0230 ext 210
Cel: (415) 306-1426

Created: April 24, 2013
Revised:
Version: 1.0

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1 EXECUTIVE SUMMARY

Versaworks is a specialized health information technology solutions and services firm, serving hospitals and acute care facilities throughout the U.S. The name, Versaworks, reflects the versatility of its approach and the breadth of its services to hospitals. Fusing expertise in leading-edge technology and in clinical operations, Versaworks' enterprise solutions meet a full range of customer needs. Versaworks is a recognized thought leader in the issues most important to the healthcare industry, from meaningful use of electronic medical records to data security and system interoperability. Versaworks applies its creative thinking to find innovative solutions for its clients' most pressing technical and business challenges.

2 PROPOSAL

Versaworks is pleased to present this proposal and Statement of Work (SOW) which defines the services and deliverables that Versaworks shall provide to Natividad Medical Center ("Customer") under the terms of the Professional Services Agreement (the "Agreement") made between Natividad Medical Center ("Customer") and Versaworks, Inc. ("Versaworks").

2.1 CONSULTING SERVICES PROJECT AND PRICING SUMMARY

This section describes the scope of work for Consulting Services to support the projects listed below.

Year 1: July 2013 to June 2014

ID	Project	Resource	Hourly Rate	Estimated Hours	Total
1	Hospital Computing Systems Upgrade and Implementation	Sr. Systems Engineer	\$175	1,800	\$315,000
2	Clinical Systems Project Management	Principal Project Manager	\$175	1,800	\$315,000
3	Network Infrastructure and Security	Sr. Network Engineer	\$175	1,800	\$315,000
4	IT Operations Management	Sr. Management Consultant	\$190	1,500	\$285,000
5	Clinical and Enterprise Systems Integration	Sr. Implementation Specialist	\$175	1,500	\$262,500
6	Enterprise Database Management	Sr. Database Administrator	\$175	1,000	\$175,000
Year 1 total					\$1,667,500

Year 2: July 2014 to June 2015

ID	Project	Resource	Hourly Rate	Estimated Hours	Total
1	Hospital Computing Systems Upgrade and Implementation	Sr. Systems Engineer	\$175	1,800	\$315,000
2	Clinical Systems Project Management	Principal Project Manager	\$175	1,800	\$315,000
3	Network Infrastructure and Security	Sr. Network Engineer	\$175	1,800	\$315,000
4	IT Operations Management	Sr. Management Consultant	\$190	1,500	\$285,000
5	Clinical and Enterprise Systems Integration	Sr. Implementation Specialist	\$175	1,500	\$262,500
6	Enterprise Database Management	Sr. Database Administrator	\$175	1,000	\$175,000
Year 2 total					\$1,667,500
Consulting Services 2 year Subtotal					\$3,335,000

2.1.1 HOSPITAL COMPUTING SYSTEMS UPGRADE AND IMPLEMENTATION

<u>Project ID</u>	1
<u>Project Name</u>	Hospital Computing Systems Upgrade and Implementation
<u>Resource</u>	Senior Systems Engineer

Project Description

As Natividad continues to pursue its EMR initiative, further optimization and upgrade of its enterprise computing systems and clinical IT systems are necessary to meet the needs of the hospital. The **“Senior Systems Engineer”** will be responsible for implementing and supporting a large number of hospital wide computing systems and mission critical enterprise applications.

Project Scope

- Deploy and upgrade all hospital workstations to Microsoft Windows 7 Operating Systems
- Deploy and configure Microsoft SharePoint enterprise collaboration application
- Deploy and build out Computing Servers for the new remote datacenter
- Provide systems administration support for the Picture Archiving and Communication System (PACS)

- Provide advanced systems administration and optimization for all windows computing servers
- Manage and support security patching for all enterprise wide computing systems

2.1.2 CLINICAL SYSTEMS PROJECT MANAGEMENT

<u>Project ID</u>	2
<u>Project Name</u>	Clinical Systems Project Management
<u>Resource</u>	Principle Project Manager

Project Description

Natividad Medical Center is currently on its path to upgrade and expand its clinical systems and capabilities in order to further improve the quality of patient care. There are number of new clinical systems planned to be deployed in the coming years. The “**Principle Project Manager**” will be responsible for managing the implementation and rollout of a number of mission critical clinical systems and initiatives.

Project Scope

- Develop project plan and milestone deliverables for the assigned clinical systems and initiatives.
- Manage requirement gathering, identify system capabilities and document feature requirements and workflow changes.
- Manage vendor(s) to ensure accurate systems setup and configurations.
- Manage production rollout schedule and coordinate end user training.
- The following is a list of Clinical systems and initiatives scheduled to be implemented in the coming years:
 - Tele-Neurology
 - Echo Cardio
 - OBIX and Meditech ADT Integration
 - Meaningful Use Stage 2
 - Clinical Data Analytics and Reporting
 - Patient Portal and Physician Portal

2.1.1.3 NETWORK INFRASTRUCTURE AND SECURITY

<u>Project ID</u>	3
<u>Project Name</u>	Network Infrastructure and Security
<u>Resource</u>	Sr. Network Engineer

Project Description

Network infrastructure and security is the critical backbone of the hospital operation. As NMC continues to deploy more advanced clinical and enterprise systems, its network infrastructure and computing environment have grown further and become more complex and sophisticated. The **“Senior Network Engineer”** will be responsible for implementing and supporting the following network and infrastructure enhancement and security projects.

Project Scope

- Build out and implement new core network infrastructure for the remote datacenter
- Build, implement and update network infrastructure (Switching, routing, voice, data, wireless) for new hospital construction including Building 400 3rd floor remodeling, Emergency Department remodeling, IT Trailer build out and move.
- Deploy and implement network and telecommunication infrastructure for the Tele-neurology project.
- Design, implement and support the on-campus datacenter power upgrade
- Manage and support hospital wide network infrastructure and Information Systems security
- Manage and support Cisco UC Voice-Over-IP (VoIP) network telephony computing systems.

2.1.1.4 IT OPERATIONS MANAGEMENT

<u>Project ID</u>	4
<u>Project Name</u>	IT Operations Management
<u>Resource</u>	Sr. Management Consultant

Project Description

Service Operation has been a key component of the IT mission in providing best in class services to all users in the hospital. The function of the **“IT Operations Management”** role is to augment the IT leadership team in guiding the IT Operations and Business Applications teams on infrastructure build out and Clinical Applications implementations to support the EMR initiatives. The **“Sr. Management Consultant”** will be delivering the following services defined in the project scope.

Project Scope

- Provide day-to-day guidance and oversight on all network infrastructure, systems computing and IT Service Delivery Operations
- Provide strategic guidance and oversight on clinical and non-clinical application-related projects
- Develop and implement a disaster recovery and business continuity plan for MEDITECH and other mission critical business applications
- Establish IT Service Delivery Operational standards; implement and monitor service level metrics
- Establish and implement Information Security standards and policies
- Develop Service Excellency methodology in providing Service Delivery and Support to all hospital users
- Develop a strategy and road map to elevate the skills and competencies of the in-house IT staff

2.1.1.5 CLINICAL AND ENTERPRISE SYSTEMS INTEGRATION

<u>Project ID</u>	5
<u>Project Name</u>	Clinical and Enterprise Systems Integration
<u>Resource</u>	Sr. Implementation Specialist

Project Description

Over the past 2 years, Natividad has added a number of new clinical and enterprise systems and there are additional clinical systems such as an Ambulatory EMR and Cardio-PACS scheduled to be implemented in the coming year. It is essential that the newly implemented systems can integrate with the hospital’s core EMR systems, Meditech. The **“Senior Implementation Specialist”** will implement and support a number clinical and enterprise systems integration projects and also provide operational support to existing systems and application optimization projects.

Project Scope

- Develop and implement integration capability between Meditech and QS1
- Develop and implement integration capability between Meditech and OBIX
- Develop and implement integration capability between Meditech and PACS
- Develop and implement integration capability between Meditech and Cardio-PACS
- Develop and implement integration capability between Meditech and Ambulatory EMR
- Develop and implement ADT and clinical messaging interfaces between Meditech and external data sources to support Health Information Exchange (HIE).
- Develop Meditech NPR reports to meet operational requirements

2.1.1.6 ENTERPRISE DATABASE MANAGEMENT

<u>Project ID</u>	6
<u>Project Name</u>	Enterprise Database Management
<u>Resource</u>	Sr. Database Administrator

Project Description

Natividad is currently running a large number of mission critical SQL database instances among various clinical and enterprise applications. The “**Senior Database Administrator**” will be responsible for managing and supporting multiple SQL database instances among various clinical and enterprise applications.

Project Scope

- Perform all aspects of SQL database administration and management including: building database servers, applying necessary hot fixes and/or service packs, provisioning and upgrading the SQL servers, configuring server parameters, backing up and restoring system and user databases.
- Provide technical analysis of existing database design and performance
- Perform SQL tuning analysis, implement performance enhancements and conduct database capacity monitoring and planning
- Configure log shipping, database mirroring and replication; optimize, update, and maintain existing software and reporting applications
- Implement SQL database disaster recovery and fail-over capability
- Advise, implement and maintain change control procedures for database and applications interface in both the production and test environments
- Develop Ad-hoc reports for hospital business units to meet the needs of compliance, financial performance and operational management

2.2 BUSINESS INTELLIGENCE SOFTWARE SERVICES

Project Background

Natividad Medical Center (NMC) is a 172-bed acute care hospital owned and operated by Monterey County. As the safety-net hospital providing healthcare to the residents of Monterey County for over 125 years, Natividad provides healthcare access to all patients regardless of their ability to pay. NMC is currently running the Meditech Client Server EHR software and the hospital is in the process of pursuing Meaningful Use attestation for Stage 1. The need has been identified to implement a Business Intelligence solution to meet the reporting and data analytics needs of the hospital including: (a) maintain Meaningful Use compliance and prepare to meet Stage 2 requirements; (b) consolidate and transform exiting ad-hoc and manual reporting process to an integrated enterprise reporting platform, and (c) automatically calculate and submit the Clinical Quality Measures (CQM) and provide on-demand access to their CQM data for continuous performance monitoring and quality improvement.

Project Description

Versaworks is pleased to propose the use of NAAVIS Healthcare Business Intelligence software suite for NMC to meet its enterprise reporting and data analytics needs. Included in the NAAVIS suite is (a) NAAVIS Compliance Manager; the Drummond certified modular EHR software that enables healthcare provider to keep track of Meaningful Use Stage 1 Clinical Quality Measures (CQM) data and meet Stage 2 reporting requirements, and (b) NAAVIS Enterprise Manager; an integrated healthcare business intelligences solution that gives organizations on-demand access to key performance indicators (KPI) of their financial, operational and clinical data.

2.2.1 NAAVIS COMPLIANCE MANAGER

NAAVIS Compliance Manager is a Drummond certified modular EHR software enabling healthcare providers to qualify for funding under the American Recovery and Reinvestment Act (ARRA). The Compliance Manager Software is a cloud based on-demand reporting solution specifically designed for Meaningful Use Stage 1 Clinical Quality Measures. NAAVIS automatically collects daily CQM data from Meditech and transforms the data into actionable dashboards and interactive reports, providing you with instantaneous access to all your Meaningful Use CQM compliance data from any secured device, anywhere.

2.2.2 DESCRIPTION OF NAAVIS COMPLIANCE MANAGER FEATURES

Meaningfully Certified

As part of the federal meaningful use mandate, hospitals are required to adopt certified EHR technology and use it to achieve meaningful use objectives. NAAVIS is qualified to help hospitals meet these objectives because it has successfully completed EHR modular certification testing in the areas of privacy, security, and calculating and submitting clinical quality measures and has been certified by the Drummond Group, Inc., an approved ONC-ATCB for Complete EHR and/or EHR Modules.*



NAAVIS includes dashboards that will allow you to spot trends and analyze your meaningful use data, empowering your organization to make actionable and strategic decisions.

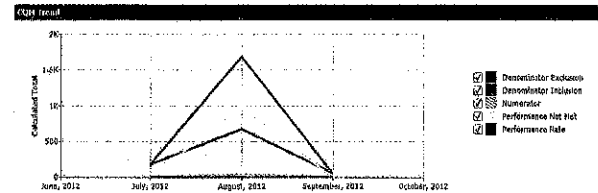


Figure 2: Clinical Quality Measure Trend

This chart displays the key performance indicators (KPI) for a measure, and how the KPIs are trending over time

Useful Features

Interactive Reports

Visual analytics is at the core of NAAVIS. The NAAVIS experience includes reports and dashboards that offer rich, intuitive, and interactive data visualization, allowing users to drill-down, filter, aggregate, and analyze their organization's meaningful use data.

Unlike other reporting tools, NAAVIS includes interactive tabular reports, allowing you to filter, aggregate, search, and explore your meaningful use data with just a few clicks or a simple drag and drop.

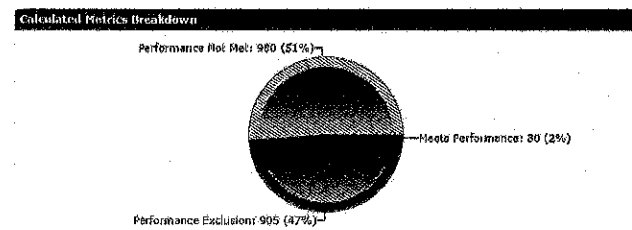


Figure 1: Calculated metrics breakdown pie chart

This chart offers a visual representation of patients included in the denominator of a measure, and whether they fall into the categories of being excluded, not meeting the numerator criteria, or meeting the overall criteria for the measure

File Number	Create Date	Create Time	Created By	Version	IsActive
350	10-01-2012	08:02	vvdar		
359	10-01-2012	07:41	vvdar		
358	09-30-2012	22:47	vvdar		
357	09-19-2012	17:39	vvdar		
staff					
admin					

Figure 3: Tabular Reports

NAAVIS tabular reports includes filtering, grouping, sorting, and aggregation capabilities, providing you with the tools to conduct an in-depth analysis of your organization's meaningful use data

Export Data and Charts

NAAVIS charts and gauges can be exported into an image, which can then be embedded into documents to help improve collaboration and enhance presentations. NAAVIS also provides users with the ability to export meaningful use data to Excel and CSV, further enabling them to conduct additional investigation and analysis.

* This EHR Module is 2011/2012 compliant and has been certified by Drummond Group, an ONC-ATCB approved to certify any complete or modular EHR both ambulatory and inpatient, in accordance with the applicable certification criteria adopted by the Secretary of Health and Human Services. This certification does not represent an endorsement by the U.S. Department of Health and Human Services or guarantee the receipt of incentive payments. Versaworks, Inc. received Modular certification on 9/20/2012 for NAAVIS Compliance Manager 1.0. Certificate Number 09202012-1630-5 was issued for the following Clinical Quality Measures Certified: NQF0371, NQF0372, NQF0373, NQF0374, NQF0375, NQF0376, NQF0435, NQF0436, NQF0437, NQF0438, NQF0439, NQF0440, NQF0441, NQF0495, NQF0497

2.2.3 DESCRIPTION OF NAAVIS BUSINESS INTELLIGENCE PLATFORM FEATURES

Customized Data-Driven Alerts

Timing is crucial, especially when it comes to ensuring the quality of care for patients. When it comes to NAAVIS Compliance Manager, being informed of notable changes in your organization’s data does not have to be a manual process. This is because NAAVIS’ alerting feature enables you to configure notifications to be sent to team members and decision-makers on a scheduled or even data-driven basis, such as when a particular threshold is reached. NAAVIS’ alerting capabilities are designed to give your team advanced notice of trends or limits that have been reached, allowing your team to be proactive rather than reactive to patterns and changes in your organization’s activity.

Mobile

Everyone is on the go these days, whether it be working remotely or moving from one meeting to the next. This means the need to receive insight and answers via a mobile device can only continue to grow. NAAVIS addresses this need by offering the ability to view, interact with, and perform your analysis via a tablet or mobile device, such as the iPad. With NAAVIS it is possible to conduct reporting from your MEDITECH and ancillary systems using a mobile device, and with the growing demands of healthcare the need for immediate access to your data makes NAAVIS the ideal solution for your organization’s reporting requirements.

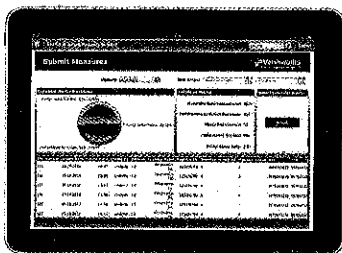


Figure 4: Analytics and Reporting on Mobile Devices

NAAVIS delivers interactive reports through mobile devices, providing you with immediate access to information even if you're on the go

In the Cloud

NAAVIS is a Software-as-a-Service (SaaS) solution which enables organizations to quickly adopt and gradually expand the use of NAAVIS without the significant IT footprint and upfront investments typically associated with traditional on-premise software. With on-premise software, the organization generally purchases the software upfront, and in many cases, there can be additional hardware costs that are also required to make the software operational. In addition, the organization’s staff must have the expertise or be trained in supporting the on-premise software, which invariably leads to an increase in the number of applications that needs to be monitored and maintained. The end result is less time and fewer resources that are dedicated to strategic projects and supporting other critical software applications. In every organization, resources are valuable but limited, and this is why many healthcare organizations are adopting the use of cloud-based solutions, such as NAAVIS.

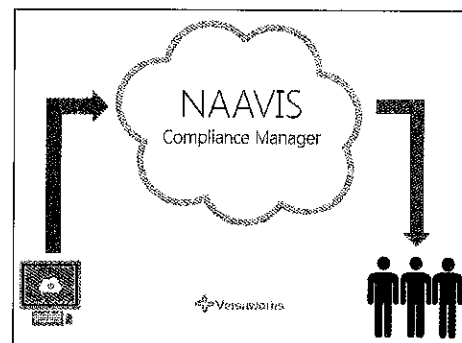


Figure 5: NAAVIS Cloud-based Clinical and Business Intelligence

The NAAVIS Software-as-a Service (SaaS) model provides the organization with an opportunity to use and experience the benefits of NAAVIS without the substantial upfront financial and resource costs that are typically associated with on-premise software

2.2.4 DESCRIPTION OF NAAVIS BUSINESS INTELLIGENCE SECURITY FEATURES

Security

It is not uncommon to see security as one of the top priorities for an organization’s IT department, but when it comes to healthcare the security and privacy of electronic protected health information (ePHI) is of the utmost importance. This is precisely why NAAVIS was designed with an elevated level of security, on top of an already proven and secured leading technology.

End-to-End Data Encryption

NAAVIS ensures the security of data by encrypting patient data throughout all phases of the reporting lifecycle. In the NAAVIS reporting lifecycle, data is encrypted once it is retrieved from the source system, securely transmitted to the NAAVIS cloud, stored in NAAVIS where the data is encrypted at rest, and remains encrypted until the data is presented to the viewer in a dashboard or report. This end-to-end data encryption ensures the data is carefully safeguarded right at the start and remains this way until an authorized user accesses it in NAAVIS.

Access to the NAAVIS Application

The NAAVIS application can be accessed via a secured website at: <https://sitename.naavis.com/>

Application access includes:

- 24/7 access to the NAAVIS application
- Unlimited number of Viewer licenses
- 2 Administrator licenses

Site ID and User Credential:

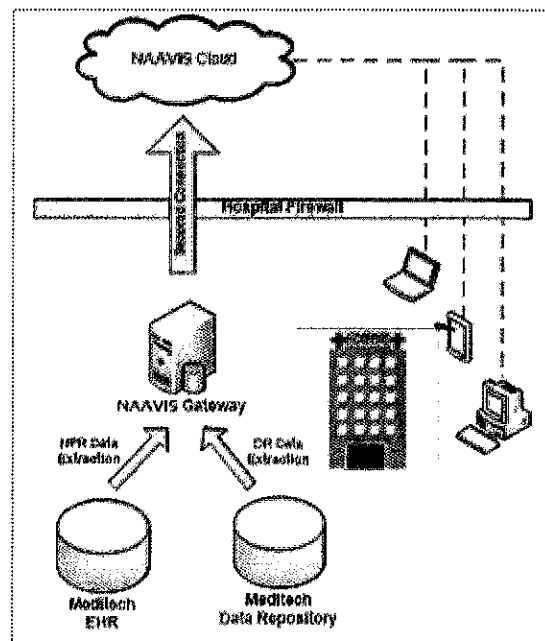
Each customer will have a unique organization Site ID. Organization users will each have their individual account credential (user name and password).

Tested and Certified

NAAVIS is a HIPAA compliant reporting platform and is Drummond certified in ensuring the privacy and security of patient health records. The certified security features include access control, authentication, detection and audit logging, integrity, encryption, and exchanging electronic health information.

Security Dashboards and Reports

NAAVIS Compliance Manager not only reports meaningful use data, but also includes security dashboards and reports which will offer insight and historical details of user activity within NAAVIS. These security dashboards and reports retrieve monitoring and auditing activity collected by the NAAVIS system, and will allow administrators to trace and analyze user activity, such as logins, patient views, and patient data modifications.



2.2.5 NAAVIS ENTERPRISE EDITION

The Versaworks NAAVIS Enterprise Edition is a web-based Healthcare Business Intelligence platform that gives organizations on-demand access to key performance indicators (KPI) of their financial, operational and clinical data. The system is built on a private cloud platform that serves as an integrated framework for aggregating financial, operational and clinical events from disparate systems and transforming the data into actionable dashboards, benchmarks and scorecards to support decision-making at the enterprise, department, care provider and patient levels. NAAVIS Enterprise is built on the same platform as the NAAVIS Compliance Manager and offers the same platform level features and security with the same look and feel for ease of use across all NAAVIS reporting modules.

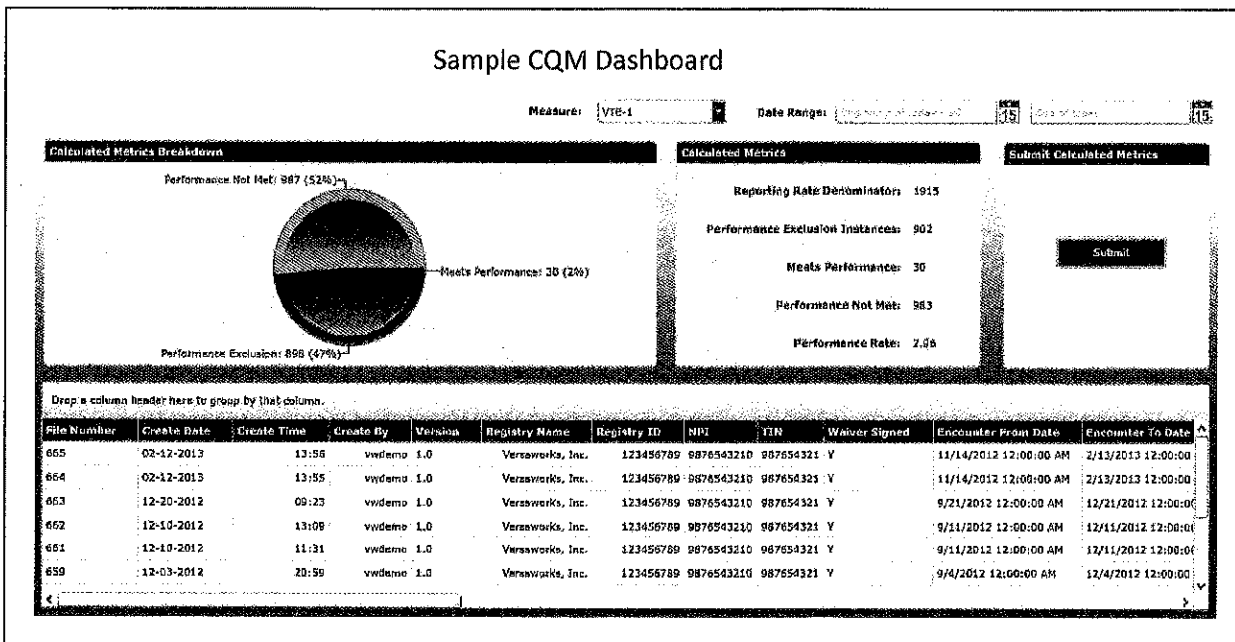
2.2.6 NAAVIS ENTERPRISE DASHBOARD MODULES

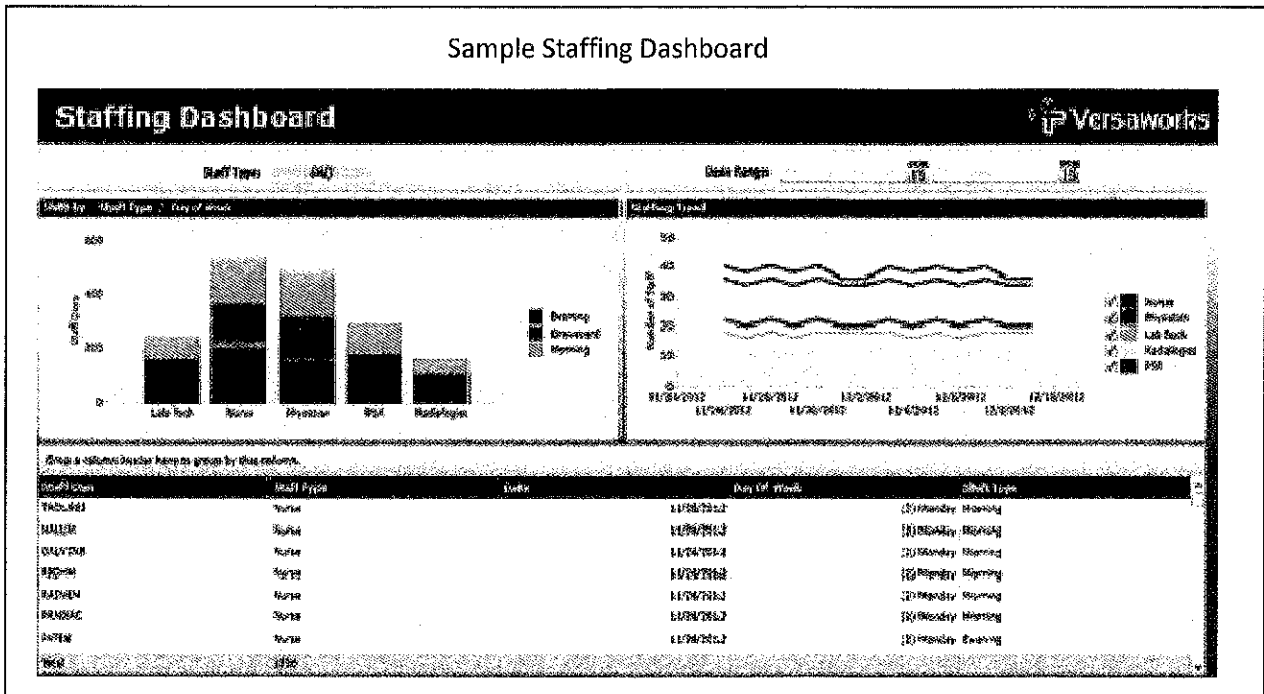
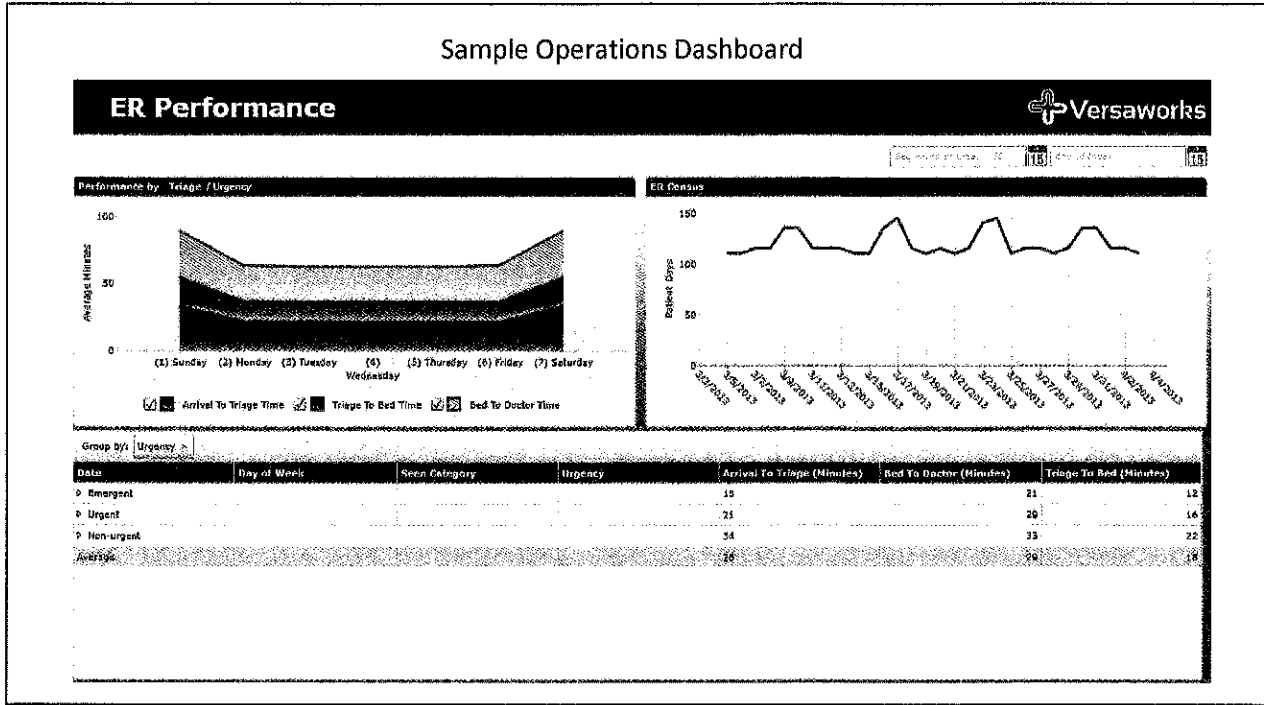
The NAAVIS Enterprise application offers a number of Operational, Clinical and Financial dashboards and reports, collectively known as Dashboard modules. NAAVIS Enterprise Edition supports data extraction from up to 3 additional data sources in addition to Meditech.

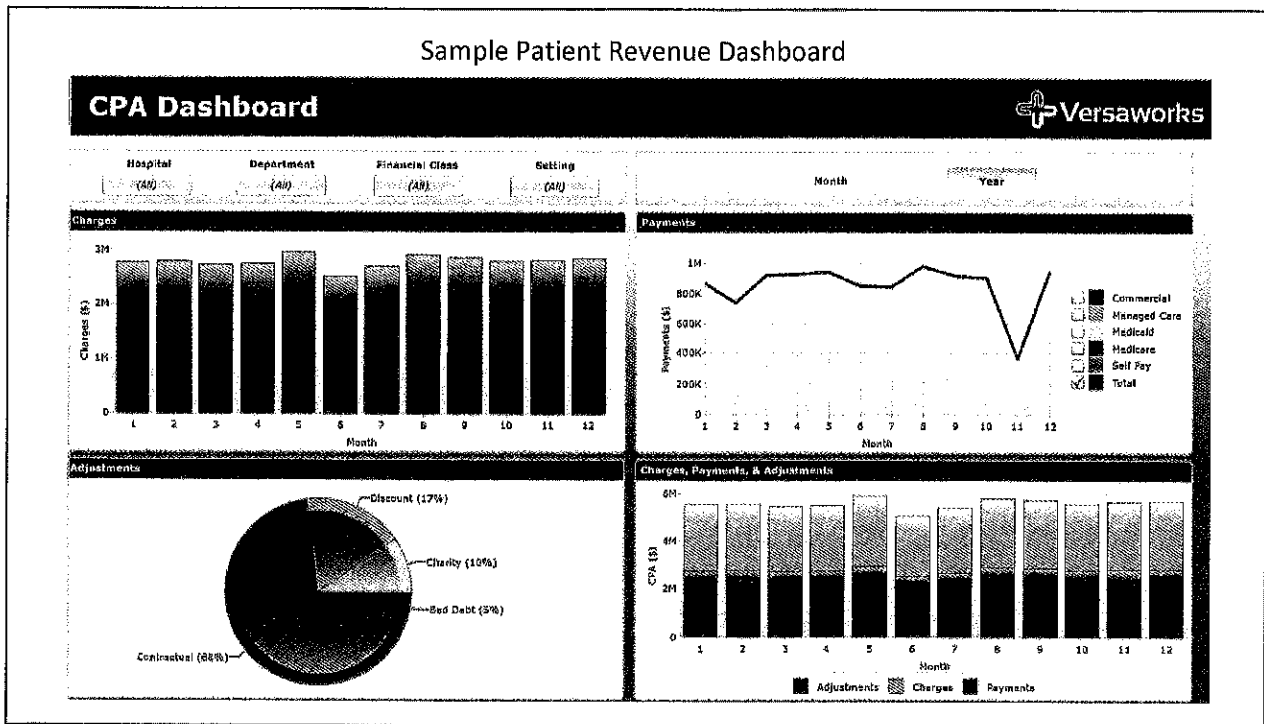
- Each dashboard module corresponds to a department or functional area within the hospital.
- Each hospital departmental/functional area Dashboard module includes a number of standard and User-defined dashboards and reports with drill down capabilities.

The following Dashboard modules are included in the NAAVIS Enterprise Edition:

- Daily Census and historical trending
- Clinical Quality Measure Dashboard
- Department Productivity
- Staffing Summary
- Patient Revenue dashboard
- Aged Trial Balance Report
- Budget Income Summary
- Consolidated P&L
- Department Rollup by Account
- Pay Period Productivity







2.2.7 DESCRIPTION OF NAAVIS ENTERPRISE LICENSE ESSENTIALS

Features and Services included in the Enterprise license:

- 10 NAAVIS Dashboard Modules
- Data extraction from Meditech Data Repository or Meditech NPR plus up to 3 additional data sources
- NAAVIS Gateway software deployed at customer site
- Secured SFTP data transfer
- Nightly sync of data between customer data source and NAAVIS platform

2.2.8 BUSINESS INTELLIGENCE SOFTWARE SERVICE PRICING SUMMARY
Year 1: July 2013 to June 2014

ITEM	DESCRIPTION	TERM	ANNUAL PRICE	DISC %	UNIT PRICE	# of LICENSED BEDS	EXTENDED PRICE
1	NAAVIS Enterprise Professional Platform License	Year 1	\$30,000.00	-	\$30,000.00	-	\$30,000.00
2	NAAVIS Compliance Manager	Year 1	Included	-	-	-	Included
3	NAAVIS Enterprise Professional Application License	Year 1	\$350.00	25%	\$262.50	172	\$45,150.00
4	Initial Implementation	-	-	-	\$10,000.00	-	\$10,000.00
5	Professional Service for customization on Meaningful Use Stage 1 CQM reporting and 10 dashboard modules	800 hours	-	-	\$150.00	-	\$120,000.00
NOTE: Applicable sales tax is the purchaser's responsibility and will be added to this quote when invoiced. If applicable, all travel and incidental expenses are included in the pricing proposal.						Subtotal	\$205,150.00
						Sales Tax	16,412.00
						Year 1 Total	\$221,162.00

Year 2: July 2013 to June 2014

ITEM	DESCRIPTION	TERM	ANNUAL PRICE	DISC %	UNIT PRICE	# of LICENSED BEDS	EXTENDED PRICE
1	NAAVIS Enterprise Professional Platform License	Year 2	\$30,000.00	-	\$30,000.00	-	\$30,000.00
2	NAAVIS Compliance Manager	Year 2	Included	-	-	-	Included
3	NAAVIS Enterprise Professional Application License	Year 2	\$350.00	25%	\$262.50	172	\$45,150.00
4	Professional Service for customization on Meaningful Use Stage 2 CQM reporting and electronic submittal	700 hours	-	-	\$150.00	-	\$105,000.00
NOTE: Applicable sales tax is the purchaser's responsibility and will be added to this quote when invoiced. If applicable, all travel and incidental expenses are included in the pricing proposal.						Subtotal	\$180,150.00
						Sales Tax	14,412.00
						Year 2 Total	\$194,562.00
Business Intelligence Software Services 2 year subtotal							\$415,724.00

2.3 TWO YEAR CONSULTING AND SOFTWARE SERVICES PRICING SUMMARY

DESCRIPTION	TERM	ANNUAL PRICE	EXTENDED PRICE
Consulting Services	Year 1 (July 2013 to June 2014)	\$1,667,500	\$1,667,500
Business Intelligence Software Services	Year 1 (July 2013 to June 2014)	\$221,162	\$221,162
		Year 1 Subtotal	\$1,888,662
Consulting Services	Year 2 (July 2014 to June 2015)	\$1,667,500	\$1,667,500
Business Intelligence Software Services	Year 2 (July 2014 to June 2015)	\$194,562	\$194,562
		Year 2 Subtotal	\$1,862,062
		TOTAL	\$3,750,724

Exhibit #1

This Agreement is made by and between Versaworks, Inc., a California corporation having a principal place of business at 2560 Mission College Boulevard, Suite 140, Santa Clara, California 95054 (“Versaworks”) and Natividad Medical Center having its principal offices at 1441 Constitution Blvd, Salinas, CA 93906 (“Client”). Client desires to access and use Versaworks NAAVIS Software, upon the terms and conditions of this agreement which includes the Monterey County PSA, the Proposal incorporated herein and Scope of Work.

1. **DEFINITIONS.** For purposes of this Agreement, the terms below shall have the meanings defined below. Additional terms are defined in the preamble above and throughout this Agreement.
 - 1.1. “Client Data” means any data, information, trademarks, logos, files, images, text or other content that may be provided by Client or its authorized users for use in conjunction with the Software or Services.
 - 1.2. “Subscription Term” means the period during which the Services and access to the Software will be provided by Versaworks to Client, including the Initial Term (as defined in Section 6.1).
 - 1.3. “Services” means the hosting, maintenance, support, email and other services provided by Versaworks pursuant to this Agreement.
 - 1.4. “Software” means the software specified as a “subscription” on the Proposal.
 - 1.5. “User Documentation” means the Versaworks user documentation relating to the Software.
2. **WEB-BASED LICENSE.** Versaworks grants to Client, and Client accepts, a nontransferable, nonexclusive license and right to access the Software via the Internet and use the Software and the User Documentation only as authorized in this Agreement, for its own internal purpose and operations, during the Subscription Term. Client acknowledges that its access to and use of the Software will be web-based only and the Software will be hosted by Versaworks (as described in Section 3) and accessed and used by Subscriber through the use of the Internet and Subscriber’s computers.
3. **ACCESSIBILITY.** Versaworks will make the Software available for Client’s use during the Subscription Term on Client’s computer systems that meet the Software System Recommendations set forth in the User Documentation. Versaworks will provide Client with secure access to the latest supported version of the Software via the Internet from the hosting facility that Versaworks leases from a third-party hosting vendor (the “Hosting Site”) on a 24x7 basis, except for scheduled system back-up or other on-going maintenance as required and scheduled in advance by Versaworks. Versaworks will provide a single administrator user account and a backup administrator user account for secure administrator access. Versaworks will also provide this administrator user the necessary tools to create other users for access to the Software.
4. **LIMITATIONS.** The maximum number of Client’s employees, contractors, volunteers, and other agents that are simultaneously accessing or using the Software at any given time shall not exceed the “User Limit” specified on the Proposal. Client’s use of the Software may not exceed the scope of the use provisions above without Versaworks’ express written consent and Client’s payment of an increased Subscription Fee (based on the then-current list price).
5. **FEES AND PAYMENT.** Client shall pay a “Subscription Fee” on an annual basis during the Subscription Term as described in the Proposal. The Subscription Fee is fixed for the Initial Term.
6. **TERM AND TERMINATION.**
 - 6.1. **Initial Term.** The Subscription Term will commence on the “Commencement Date” indicated in the Notice of Commencement delivered by Versaworks to Client when Versaworks begins making the Software available to the Client via the Internet as contemplated by Section 2 above. The Subscription Term shall continue in effect for a period of twenty-four (24) months (the “Initial Term”), unless sooner terminated as provided in this Agreement.
 - 6.2. **Termination for Breach.** Notwithstanding Section 6.1, either Client or Versaworks may terminate this Agreement in the event of a material breach of this Agreement by the other party, if (a) such party provides written notification to the other party of the material breach, and (b) such material breach is not cured within thirty (30) days of notification.

- 6.3. Termination for Convenience. Notwithstanding Section 6.1, either Client or Versaworks may terminate this Agreement without cause upon thirty (30) days prior written notice to the other party.
- 6.4. Effect of Termination. In the event the Agreement is terminated by Client prior to the completion of the Initial Term or any Renewal Term, Client shall pay Versaworks any unpaid balance of Subscription Fees owed for the period of the Initial Term prior to the effective termination date. In the event of termination of the Agreement for any reason, Client's access and use of the Software shall cease immediately, Versaworks will transmit a copy of the Client's database file to Client, and the provisions of Sections 14, 16, and 18 shall survive.
7. **MAINTENANCE WINDOWS.** Versaworks and/or its hosting or telecommunications vendor(s) may perform system maintenance during the planned "Maintenance Windows", and Versaworks will announce all planned upgrades and outages in advance. Notifications of planned system maintenance and upgrades shall be delivered to Client's primary contact via electronic mail fifteen (15) days prior to the scheduled maintenance window. Client understands and agrees that there may be instances where Versaworks needs to interrupt access to the Software without notice to protect the integrity of the Software or Services due to security issues and other unforeseen circumstances.
8. **AVAILABILITY.**
- 8.1. Commitment Level. Versaworks will provide 99.9% "availability" to the Software during the Subscription Term, calculated on a monthly basis. If Versaworks provides 99.7% or less availability in any given calendar month, Versaworks shall refund ten (10%) percent of the Subscription Fee for such month. If Versaworks provides 99.5% or less availability in any given calendar month, Versaworks shall refund twenty (20%) percent of the Subscription Fee for such month. For purposes of this Agreement, "availability" exists unless the Software is not accessible to Client due to (i) a hardware failure of the server at the Hosting Site, or (ii) a connection failure between the server hosting the Software and the closest Internet router, in each case excluding Maintenance Windows defined above.
- 8.2. System Monitoring. Versaworks will monitor performance indicators on the systems and network infrastructure (its own and that of third party suppliers) to gauge the overall performance of its hosting services, and will take reasonable steps to address systems and network infrastructure as required to maintain application performance. Versaworks will use an internal system to measure whether the Software is available, and Client agrees that this system will be the sole basis for resolution of any dispute that may arise between Client and Versaworks regarding this Agreement.
9. **SUPPORT.** Versaworks will provide telephone and e-mail support to Client during the Subscription Term. Versaworks Product Support is available from 8:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday excluding holidays. Support outside of these hours is only provided for down or mission critical cases (for example: unable to access software).
10. **UPGRADES.**
- 10.1. Minor Upgrades. Versaworks will install minor upgrades/releases of the Software which are generally made available to its other subscribers, including patches and/or fixes, as they are made available at no charge during the Subscription Term. Versaworks will determine and announce all planned upgrades as described in Section 7 of this Agreement.
- 10.2. Major Upgrades. Upgrades to major releases and related conversions require careful planning and data decisions that must be managed jointly by Client and Versaworks, and may require the engagement of Versaworks consulting services which will be contracted via separate agreement. Software installation of major releases will be performed by Versaworks on a mutually agreed upon schedule not to exceed one (1) year after a major release of the Software at no charge for the Subscription Term. Additional services related to conversions to major releases (e.g. data conversion, report and software customizations, data cleanup) are outside the scope of the Services and this Agreement.
11. **CLIENT PRIMARY CONTACT.** Client shall identify, and name, an appropriate individual, with corresponding contact information, including electronic mail address, as the "Primary Contact" with whom Versaworks should

communicate matters regarding the Software and Services, such as maintenance notifications, and who has the authority to make Services requests including release of Client data, both internally to Versaworks and to the Client, restoration of data, and other configuration changes. By default, the individual who signs the Proposal becomes the Primary Contact.

- 12. CLIENT RESPONSIBILITIES.** Client shall abide by all laws, rules and regulations applicable to its performance under this Agreement. Client will retain responsibility for administering security within the Versaworks applications (e.g., the granting of rights to a user for a specific report or dashboard in the application). Client is responsible for maintaining its user desktops and providing user's network access to the Software. Client is also responsible for ensuring that its users comply with this Agreement with respect to use of the Software and Services. Client shall provide connectivity and security to the Internet for its location(s) for purposes of providing adequate access to Software hosted at the Versaworks Hosting Site. Versaworks shall not be responsible for the reliability or continued availability of the communications lines, or the corresponding security configurations, used by Client in accessing the Internet to access the Software. Client shall provide adequate industry "best practice" standards to ensure reasonable security for integration between applications at the Client site and Software hosted by Versaworks. Client shall provide accurate input information in the manner reasonably prescribed by Versaworks in connection with the Software and Services provided under this Agreement. Client shall advise Versaworks of any changes to Client's operations, Primary Contact, or other information that would require a change in the support, operation, or configuration of the hosted Software. Client shall configure necessary user accounts via the administrator account provided by Versaworks.
- 13. VERSAWORKS' OBLIGATIONS.** Versaworks shall abide by all laws, rules and regulations applicable to its performance under this Agreement. Versaworks shall have no right, title or interest in or to the Client Data, except that Versaworks may capture and maintain the Client Data in connection with Versaworks' provision of Services to Client subject to the Confidentiality provisions in this Agreement.
- 14. INTELLECTUAL PROPERTY RIGHTS.** Client agrees that the Software, User Documentation and Services are proprietary products and services of Versaworks and that all right, title and interest in and to the Software, User Documentation and Services, including all associated intellectual property rights, are and shall at all times remain with Versaworks and its third party licensors. The Software contains trade secret and proprietary information owned by Versaworks or its third party licensors and is protected by United States copyright laws and international trade provisions. Client must treat the Software like any other copyrighted material and Client may not copy or distribute the Software or the User Documentation, electronically or otherwise, for any purpose. Client hereby grants to Versaworks a nonexclusive right to use all Client Data as necessary solely for the purposes of providing the Software and Services to Client and its authorized users pursuant to this Agreement.
- 15. RESTRICTIONS.** Use of the Software, Services and User Documentation is restricted to use by the specific licensing entity only, and only for Client's internal business purposes. Client may not use the Software for the benefit of any third parties or provide service bureau or other access or use of the Software to third parties. Client may not, directly or indirectly, sublicense, assign, transfer, sell, rent, lend, lease or otherwise provide the Software, Services or the User Documentation, or any portions thereof, to any third party, and any attempt to do so is null and void. Client may not reverse engineer, disassemble, decompile or make any attempt to ascertain, derive or obtain the source code for the Software. Software shall not be used for any commercial purpose beyond the functionality driven by the Software.
- 16. INDEMNIFICATION.** Per Versaworks-Natividad Medical Center PSA
- 17. WARRANTIES AND LIABILITIES.**

 - (a) Versaworks warrants that each of the Software and Services will conform materially to the specifications set forth in the User Documentation. Client's remedy for Versaworks' breach of warranty shall be as set forth in this Agreement. EXCEPT AS PROVIDED IN THIS AGREEMENT, ALL SERVICES AND SOFTWARE ARE PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTY OF ANY KIND. EACH PARTY HEREBY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND

FITNESS FOR A PARTICULAR PURPOSE OR WARRANTIES AS TO ANY RESULTS TO BE OBTAINED FROM ANY USE OF THE SERVICES OR DATA DERIVED THEREFROM.

(b) EXCEPT FOR THE PARTIES' OBLIGATIONS OF 18 (CONFIDENTIALITY), 16 (INDEMNIFICATION), AND CLIENT'S OBLIGATIONS PURSUANT TO SECTIONS 14 (INTELLECTUAL PROPERTY RIGHTS) AND 15 (RESTRICTIONS), IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, LOST BUSINESS, LOST DATA, OR LOSSES FROM INTERRUPTION, TERMINATION, OR FAILED OPERATION OF THE INTERNET OR THIRD-PARTY TELECOMMUNICATION SERVICES INCURRED BY THE OTHER PARTY OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT OR TORT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) If the Software fails to comply with the Software Warranty set forth above, Versaworks' entire liability and Client's exclusive remedy will be either a) repair or replacement of the Software, or if in Versaworks' opinion such repair or replacement is not possible, then b) termination of the Agreement and a pro rata refund of the Subscription Fees paid for the Software. Except pursuant to a party's obligations set forth in sections 16 and 18 above or for any breach of Client's obligations under sections 5 (Fees and Payment), 12 (Client's Responsibilities), 14 (Intellectual Property Rights) or 15 (Restrictions) of this Agreement, neither party's aggregate and cumulative liability for damages under this Agreement shall exceed the amount paid of payable by Client to Versaworks in the twelve month period immediately preceding the cause of action giving rise to the cause of action. This limited warranty is void if failure of the Software has resulted from accident, abuse, misuse or negligence of any kind in the use, handling or operation of the Software, including any use not consistent with the User Documentation or Versaworks training. Versaworks' entire liability and Client's exclusive remedy for any breach of warranty with respect to the Services as described above shall be Versaworks repeating the Services performed.

18. CONFIDENTIALITY.

(a) "**Confidential Information**" shall mean: (i) any and all information which is disclosed by either party, either directly or indirectly, verbally, electronically, visually, or in a written or other tangible form which is either identified or should be reasonably understood to be confidential or proprietary; and (ii) the terms, including without limitation, the pricing, of the Services and any proposals or other documents that preceded these Terms and Conditions. Confidential Information may include, but not be limited to, trade secrets, computer programs, software, source code, documentation, formulas, customer data (including Client Data), inventions, techniques, algorithms, business plans, customer lists, customer names, engineering information, hardware configuration information, know-how, ideas, inventions, processes, products, product plans, research, specifications, or any other information which is designated as "confidential", "proprietary" or some similar designation (collectively, the "**Disclosed Materials**").

(b) Confidential Information shall not, however, include any information that (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party as shown by the receiving party's files and records immediately prior to the time of disclosure; (iv) is obtained by the receiving party from a third party lawfully in possession of such information and without a breach of such third party's obligations of confidentiality; or (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party's possession.

(c) The obligations set forth in this section 18 shall not apply to the extent that the other party's Confidential Information is required to be disclosed by law, subpoena, court order or other governmental authority; provided, however, that the disclosing party shall (i) deliver prompt written notice of such requirement so that the other party may seek a protective order or other appropriate relief; (ii) use commercially reasonable efforts to cooperate with such other party's attempt to obtain a protective order; and (iii) shall disclose only that information required to be disclosed by law, subpoena, court order or other governmental authority.

(d) Each party will use commercially reasonable efforts to maintain in confidence and to not disclose or disseminate to any third party, or use except as permitted herein any Confidential Information of the other party after its receipt of such Confidential Information provided, however, that Client may use such consultants and contractors as are reasonably

necessary for Client to implement and make use of the Services provided further, however, that (i) any such consultants and contractors shall have executed a confidentiality agreement with Client that is substantially similar to this section 18; and

(e) Notwithstanding anything else in this Agreement, in no event shall Client knowingly provide any Versaworks' competitor with access to the Services or Versaworks' NAAVIS Software.

(f) **Confidentiality and Disclosure of Protected Health Information.** The Parties will enter into a Business Associates Agreement ("BAA") that will govern the disclosure and use of Protected Health Information ("PHI") as defined in the Health Insurance Portability and Accountability Act ("HIPAA") in connection with its Services.

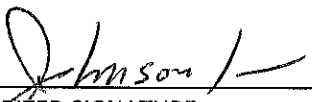
19. RIGHTS TO DERIVATIVE WORKS OF THE SOFTWARE OR SERVICE. Any expression or result of Versaworks' Services, such as findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, tools, applications, interfaces, enhancements, software (object code only), and other technical information (collectively "Derivatives") created by Versaworks in the course of performing the Services hereunder are the property of Versaworks and are licensed to Client, without further license fees, pursuant to the license in this Agreement, provided, however, Derivatives do not include, and Client shall retain title to (i) Confidential Information of Client, (ii) all Client Content, including without limitation all proprietary rights of Client. Client shall have no right to sublicense, transfer, assign, convey or permit any third party to use or copy any Derivatives.

20. INDEPENDENT CONTRACTOR STATUS. Versaworks performs the Services as an independent contractor, not as an employee of Client. Nothing in this Agreement is intended to construe the existence of a partnership, joint venture, or agency relationship between Client and Versaworks.

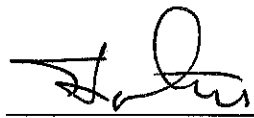
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

VERSAWORKS, INC.

CLIENT



AUTHORIZED SIGNATURE



AUTHORIZED SIGNATURE

Johnson Kit Son Sun, President

PRINT NAME AND TITLE

Henry Weis CEO

PRINT NAME AND TITLE

4/26/2013

DATE

5/1/13

DATE

Exhibit #2

BUSINESS ASSOCIATES ADDENDUM

This Business Associate Addendum (“BAA”) is made effective as of the ___ day of _____ 2013, by and between Versaworks, Inc. (“Versaworks”) and Natividad Medical Center (“Client”) and is an addendum to the existing License Agreement dated _____ between Versaworks and Client (“License Agreement”). (Versaworks and Client may be referred to herein as a “Party” or the “Parties”).

Both Parties shall meet the requirements of this BAA and the business associate requirements of Title 45, Parts 160 and 164 of the Code of Federal Regulations (the “CFR”) and, regarding contracts specifically, 45 CFR §164.504(e).

1. **Definitions.** Capitalized terms not otherwise defined in the BAA shall have the meanings given to them in Title 45, Parts 160 and 164 of the CFR and are incorporated herein by reference.
2. **Use and Disclosure of Protected Health Information.** Each Party shall use and/or disclose Protected Health Information (“PHI”) only to the extent necessary to satisfy that Party’s obligations under this BAA, the License Agreement, the agreements that each Party may have with a Covered Entity, or as required by law. Each Party acknowledges that Sections 164.308, 164.310, 164.312, 164.316, and 504(e)(2) of Title 45 of the Code of Federal Regulations, shall apply to it in the same manner in which such sections apply to Covered Entity. The additional requirements of Title XIII of the HITECH Act, that relate to security and are made applicable to Covered Entity, shall also be applicable to each Party herein and are incorporated into this BAA. In the case of a violation of said provisions, each Party acknowledges that 42 U.S.C. §§ 1320d-5 and 1320d-6 shall apply to it with respect to said violation in the same manner in which such sections apply to Covered Entity.
3. **Data Aggregation Services.** Either Party may use PHI to provide Data Aggregation Services to its customers in accordance with each Party’s agreements with their respective covered entities, as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
4. **PHI Safeguards.** Each Party shall develop, implement, maintain and use appropriate administrative, technical and physical safeguards to prevent the improper use or disclosure of any PHI received from or on behalf of the other Party.
5. **Electronic Health Information Security and Integrity.** Each Party shall develop, implement, maintain and use appropriate administrative, technical and physical security measures in compliance with Section 1173(d) of the Social Security Act, Title 42, Section 1320d-2(d) of the United States Code and Title 45, Part 162 and Part 164 of the CFR to preserve the integrity and confidentiality of all electronically maintained or transmitted Health Information received from the other Party. Each Party shall document and keep these security measures current.
6. **Reporting.** Both Parties shall report to their respective covered entities, in writing, following the discovery of a breach of unsecured PHI or the discovery of any use or disclosure of PHI not authorized by their respective agreements with the covered entities, by law, or in writing by their respective covered entities. Both Parties agree to report to the other Party following the discovery of a breach of unsecured PHI or the discovery of any use or disclosure of the PHI obtained or maintained for mutual customers not provided for by this BAA or any Security Incident of which it becomes aware of pertaining to any of the Parties’ mutual customers. Upon discovery of a breach of the security of PHI or a Security Incident, the Party discovering the breach shall notify the other Party within five (5) business days. Such notification will contain the elements required in 45 C.F.R. § 164.410. However, for the purpose of this BAA, Security Incident shall not include “trivial incidents” that occur

on a daily basis, and that do not represent a material threat to the confidentiality, integrity, or availability of Protected Health Information (such as scans, “pings,” or unsuccessful attempts to penetrate computer networks or servers maintained by either Party).

7. **Obligations of the Parties.**

- a. *Revocation of Consent.* A Party shall notify the other Party in writing of any changes in, or revocation of, permission by covered entity or Individual to use or disclose PHI, to the extent that such changes may affect the other Party’s use or disclosure of PHI and to the extent that one of the Parties has knowledge of the revocation.
- b. *Restrictions on Use of Protected Health Information.* A Party shall notify the other Party in writing of any restriction to the use or disclosure of PHI that one of the Parties has agreed to in accordance with the HIPAA Privacy Rule, to the extent that such restriction may affect the other Party’s use or disclosure of PHI and the Party has knowledge of the restriction.
- c. Both Parties shall coordinate to ensure they each can appropriately access the PHI as needed to allow each Party to perform services for its customers. The Parties each agree not to access any PHI that is not permitted by HIPAA.

8. **Indemnification.** Each Party hereby agrees to indemnify, defend and hold harmless the other Party and its shareholders, directors, officers, partners, members, employees, agents and/or contractors against any fines, penalties, costs or expenses (including reasonable attorneys’ fees) which may be imposed upon such Party by reason of any third party claim or proceeding by a government body, which results from the Party’s breach of this BAA, including, but not limited to failure to comply with the terms and requirements of the Privacy Regulations. This indemnification obligation shall survive the termination of this BAA for any reason.

9. **Termination.**

- a. This BAA shall become effective upon commencement of the Parties’ relationship and shall continue in effect so long as either Party continues to perform certain functions under the License Agreement and/or provides certain services that qualify it as Covered Entity’s “business associate” pursuant to 45 C.F.R. § 160.103, unless terminated as provided in this Section 10.
- b. A material breach by either Party of this BAA shall provide grounds for termination of this BAA or if said Party fails to cure such breach within thirty (30) days after written notice of such breach by the other Party, which shall state with particularity the nature of the alleged breach. If the alleged breaching Party has not cured the material breach within such reasonable period of time after such notification, or if cure is not possible, the non-breaching Party shall either: (a) terminate this BAA, if feasible; or (b) if termination of this BAA is not feasible, shall report the breach to the Secretary.
- c. Upon termination of this BAA, both Parties shall return or destroy all Protected Health Information received from or created or received by the other Party pursuant to the License Agreement that Business Associate still maintains in any form. If such return or destruction is not feasible, each Party will extend the protections of this BAA to such PHI and limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible. The duties hereunder to maintain the security of PHI shall survive the discontinuance of this BAA.

10. Miscellaneous.

- a. *Amendment.* This BAA may be amended or modified only in writing signed by the Parties.
- b. *Assignment.* Except as provided below, neither Party may assign (by operation of law or otherwise) this BAA (or any of its rights and obligations hereunder) without the written consent of the other Party.
- c. *Governing Law.* The laws of the State of California, excluding that body of law known as conflicts law, will govern all disputes arising out of or relating to this BAA.
- d. *Waiver of Breach.* The waiver by either Party hereto of a breach or violation of any provision of this BAA shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.
- e. *Notices.* All notices and other communications required or permitted to be given hereunder shall be given in writing and shall be delivered personally, mailed by U.S. registered or certified mail, postage prepaid, return receipt requested, or sent by nationally recognized overnight courier service, addressed to either Party at its then principal place of business. Notice shall be deemed to have been duly given on the date of delivery (if delivered personally or by nationally recognized overnight courier service) to the Party whom notice is to be given or as of the date indicated on the return receipt if delivered by U.S. registered or certified mail (or, if such notice is refused, on the date when delivery of such notice is first refused). All notices will be sent to the following addresses:

If to Client:

Natividad Medical Center
Attn: CEO
1441 Constitution Blvd
Salinas, California 93906

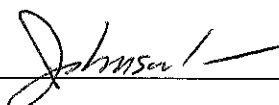
If to Versaworks:

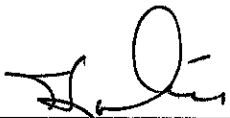
Versaworks, Inc.
Attn: President & CEO
2560 Mission College Blvd. Suite 140
Santa Clara, California 95054

IN WITNESS WHEREOF, the Parties have hereunto set their hands as of the day and year first above written.

Versaworks, Inc.

Client

By: 

By: 

Name: Johnson Kit Son Sun

Name: Henry Ho

Title: President

Title: CEO

Appendix A

REFERENCES



Mitchell County Hospital, Beloit, KS
David Dick
Administrator
(785) 738-2266
administrator@mchk.com



Children's Hospital Central California
Kirk Larson
Vice President & Chief Information Officer
(559) 353-7375
klarson@childrenscentralcal.org



City of Santa Cruz
Dan Seidel
Superintendent
(831) 420-6044
dseidel@cityofsantacruz.com



Monterey County

Board Order

BoS Agreement: A 12-099

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Agreement No. A-11891

Upon motion of Supervisor Salinas, seconded by Supervisor Armenta, and carried by those members present, the Board of Supervisors hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 2 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC, extending the Agreement to June 30, 2013 and adding \$1,845,750 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$5,078,650 in the aggregate.

PASSED AND ADOPTED on this 12th day of June 2012, by the following vote, to-wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, and Potter

NOES: None

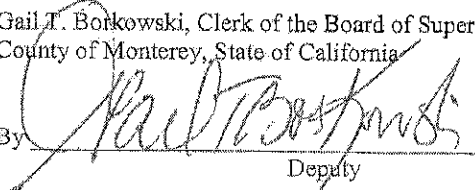
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 76 for the meeting on June 12, 2012.

Dated: June 25, 2012
File Number: A 12-099

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By


Deputy

MCA JZL *WJ SUBMITTED*



COUNTY OF MONTEREY - BOARD OF SUPERVISORS

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File #: A 12-099 **Version:** 1 **Name:** Versaworks Amendment #2
Type: BoS Agreement **Status:** Consent Agenda
File created: 5/18/2012 **In control:** Board of Supervisors
On agenda: 6/12/2012 **Final action:**

Title: Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 2 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC, extending the Agreement to June 30, 2013 and adding \$1,845,750 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$5,078,650 in the aggregate.

Attachments: [Versaworks Inc](#)

[History \(0\)](#) [Text](#)

Title

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 2 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC, extending the Agreement to June 30, 2013 and adding \$1,845,750 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$5,078,650 in the aggregate.

Body

RECOMMENDATION:

It is recommended the Board of Supervisors Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 2 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC, extending the Agreement to June 30, 2013 and adding \$1,845,750 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$5,078,650 in the aggregate.

SUMMARY/DISCUSSION:

As NMC continues to enhance its information technology capabilities in the Electronic Medical Record and IT infrastructure, a need has been identified for additional technical clinical and non-clinical resources. The recommendation is to engage Versaworks, a company with a strong reputation for providing highly competent information technology services. Versaworks was first contracted by NMC in November of 2010. Accomplishments' to date include.

Business Applications Interoperability & Integration

- * Picis reconfiguration and optimization for Inpatient, Outpatient and Moderate Sedation redesign. Implemented e-signature for Case Records, created custom reports and new case record. Working on process development for materials to interface into Picis where they can be tracked and transmitted back to Meditech for billing: (July 2011-current)
- * Streamlined CGI Advantage ERP notification process for Accounting and Material Management (July 2011)
- * Implemented backup solution for Blood Bank History (March, 2012 - April, 2012)
- * Configured Nighthawk VPN tunnel for direct PACS study access bypassing SVR as a dependency to Nighthawk for third party viewing of radiology images. Established direct connectivity with SVR and NMC PACS systems through a site to site VPN tunnel. This allows NMC and SVR to send and receive studies between NMC and SVR bypassing

Radworks when situations require such as Radworks outages. (July 2011 - Aug 2011)

- * Deployed PICIS OR manager to 74 mobile workstations (Oct 2011)

Clinical Business Applications Implementation & Rollout

- * Implemented HIPAA 5010 Standard for electronic transmission of health care transactions - Prerequisite for ICD-10.
- * ICD-10 project preparation and planning - Formed project team, currently performing vendor analysis for documentation, financial impact, education assessments and training tools. (Feb 2012 to On-going)
- * Complete Ambulatory Management RFP including vendor analysis and vendor selection process (Aug 2011 - March 2012)
- * Meaningful Use (Stage 1) - On track to complete 14 Core Measure and 5 Menu Set Measures which includes 15 Clinical Quality Measures - Goal is to attest to Medicaid Meaningful Use Stage 1 in June 2012. (July 2011 to Current)
- * Rolled out Pre-Newborn registration to ensure newborns have an assigned account number prior to birth. (Aug 2011 - Feb 2012)

IT Infrastructure and Business Applications Implementation

- * Migrated entire NMC virtual infrastructure and virtual desktop infrastructure (VDI) to HP Blade Environment. New blade environment provides highly available and redundant computing capacity for 240 CPUs and 1.4TB of RAM. NMC is currently running over 250+ Virtual machines, and decommissioned over 4 full server rack cabinets, 300 pieces of copper Ethernet, and 80 physical servers. (July 2011 to current)
- * Upgraded NMC virtual infrastructure and virtual desktop infrastructure from vSphere 4 to vSphere 5. NMC's internal CLOUD environment now uses the latest and most advanced cloud computing product available worldwide. vSphere 5 brings a whole host of new features including support for windows 7 aero for VDI, Storage DRS for real-time storage resource load balancing, and enhanced security such as built-in hypervisor firewalls. (July 2011 to current)
- * Finished Wireless deployment of Cisco Wireless Control System, 4 wireless controllers, 1 wireless guest anchor controller, 1 mobility services engine, and over 176 lightweight wireless access points. Implemented to scale building diagrams for wireless coverage tracking with heatmaps. Implemented location services for real-time tracking of all wireless devices. Resolved all major interference issues in clinical areas such as ER and LDU. (Jan 2011 to Nov 2011)
- * Managed the roll out of OnBase enterprise content management systems at BAR, Admin and Records & Retention (July 2011 - on-going)
- * Managed and supported with building the new Records and Retention function at Natividad (July 2011 - on-going)
- * Managed the Implementation of Virtual Desktop Infrastructure (VDI) for workstation hardware refresh project. Replaced and virtualized 130 workstations across various departments such as SPC, ADM, BAR, LDU, OPT, MDR and training rooms (July 2011 to on-going)
- * Managed the upgrade of the Kronos Timekeeping to version 6.2 (July 2011)

Datacenter Implementation

- * Implemented Meditech IDR backups. Reduced recovery point objective "RPO" from 24 hours to 4 hours on all Meditech systems. (July 2011 to current)
- * Deployed redundant storage area network (SAN) for fiber channel connectivity and Netapp FAS3140 Filers providing 64 TB of usable storage. (July 2011 - Sept 2011)
- * Configured new T1 circuit and T1 extension for HCIN (Health Care Interpreter Network) MPLS network upgrade. Provided NMC remote connectivity to the HCIN network. Configured T1 crossover for HCIN to NMC's new VOIP System for incoming interpreter calls. (Jan 2012 - Mar 2012)
- * Reconfigured NMC Wireless infrastructure to support VOIP. Provided wireless connectivity and voice connectivity for over 70x 7925 Cordless/wireless Phones.
- * Stood up and configured 2x HP C7000 Blade chassis for future virtual infrastructure and virtual desktop infrastructure clusters. (Nov 2011 - Dec 2011)
- * Configured multicast routing across the enterprise to support features such as UCS music on hold, cisco video conferencing, Tandberg video conferencing and multicast software deployment (Oct 2011 - Dec 2011)

- * Staged/configured/built all UCS hardware for VOIP deployment. Performed datacenter consolidation and cleanup of MDF and Datacenter for VOIP project. (July 2011 - current)
- * Information Systems Security
- * Implemented enterprise wide Quality of Service (QOS) across 150 network infrastructure devices and over 2000+ switch ports. Ensured mission critical performance guarantees for critical voice traffic. (Aug 2011 - Dec 2011)
- * Configured Application and service level monitoring through Orion Server & Application Monitor. NMC now proactively monitors over 50 network applications running on application servers, database servers, and web servers. This enables NMC IT to respond to application outage conditions before the customer reports errors. (Jan 2012 - April 2012)
- * Built and configured Infant Security private network for new Infant security system (July 2012)
- * Coordinated an external IT security assessment being conducted by RedSpin (Jan 2012 - on-going)

IT Operations Management

- * Provided day-to-day operational guidance and oversight on all infrastructure and hardware-related projects (July 2011 to current)
- * Provided strategic guidance and oversight on clinical and non-clinical application-related projects (July 2011 to current)
- * Completed remote data center technical architecture and vendor selection process (July 2011 to current)
- * Implemented new Tiered-level Helpdesk support structure and process (July 2011 - Sept 2011)
- * Led IT team to achieve high customer satisfaction scores from NMC internal survey. (July 2011 - January 2012)

Clinical Reporting platform development

- * Built new Meditech Data Repository (DR) server. Provided highly scalable and highly available SQL database server environment for Meditech data warehousing purposes. Reduced query time from minutes to seconds. (July 2011 - April 2012)
- * Rolled out new Contract Management Dashboard and data entry tool for contract tracking (Dec 2011 - March 2012)
- * Developed new report dashboard for Daily Census (July - Sep 2011)
- * Develop custom reports for Picis
- * Develop custom reports dashboard for ATB (Aged Trial Balance) for BAR (Mar 2102 - April 2012)
- * Develop new Report dashboard for Admitting (July 2011 - Sept 2011)
- * Completed the software development for porting EPIC/Meditech Lab interface backend to Microsoft SQL (Oct 2011 - Dec 2011)
- * Systems and Application Monitoring
- * Systems and Application Monitoring was not implemented as NMC decided to delay the purchase and implementation of the Microsoft System Center Operations Manager (SCOM) software.

IT Infrastructure Implementation

- * Deployed LANDesk imaging and operating system deployment software. Helpdesk technicians can now reimage or provision any machine whether a workstation or a laptop from anywhere on our network. This greatly reduced the manual intervention required to bring machines into compliance or provisioning new hardware for all departments. (July 2011 - Current)
- * Implemented and deployed additional Numara instances for Admin Rounding and Records & Retention (July 2011 - Jan 2012)
- * Implemented LANDesk system management software on over 1000 workstations. Provided asset/inventory management, license management, software management, and security remediation. (July 2011 - Aug 2011)

Over the next year, Versaworks will provide both clinical and non-clinical technical resources which will include but not be limited to: principle solutions architect, clinical IT project manager, data center implementation engineer, network &

security architect, data warehouse engineer and IT systems implementation specialist - please see attached Statement of Work (SOW) for more detail.

Versaworks is committed to NMC's long range IT roadmap and by engaging Versaworks, important strategies and goals will be met.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Amendment is \$1,845,750 and is included in the Fiscal Year 2012/2013 Recommended Budget. There is no impact to the General Fund.

Prepared by: Jim Fenstermaker, Chief Information Officer, 783-2559

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Agreement, Amendments 1 and 2.

**AMENDMENT NO. 2
FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN Versaworks Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Professional Information Technology Services**

THIS AMENDMENT NO. 2 to the Professional Services Agreement (“Agreement”), dated November 1, 2010 between the County of Monterey, on behalf of Natividad Medical Center (“NMC”), and Versaworks Inc. (Contractor), is hereby entered into agree to amend their Agreement (No. A-11891) on the following terms and conditions:

WHEREAS, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue and to add additional services requested by County.

WHEREAS, the County and Contractor wish to amend the Agreement to increase the amount of the Agreement because of the term extension and the increase in the amount payable for services rendered.

WHEREAS, the County and Contractor amended the Agreement previously on July 1, 2011 via Amendment No. 1.

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. Exhibit A to the Agreement is replaced with Amendment-2 to Exhibit A, attached to this Amendment. All references in the Agreement to Exhibit A shall be construed to refer to Amendment No. 1 to Exhibit A.
2. Section 2. “PAYMENTS BY NMC” shall be amended by removing, “*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$832,000.*” and replacing it with “*The total amount payable by County to CONTRACTOR under Agreement No. A-11891 shall not exceed the total sum of \$5,078,650 for the full term of the Agreement and \$1,845,750 for fiscal year 2012-2013.*”
3. Section 3. “TERM OF AGREEMENT” shall be amended by removing, “*The term of this Agreement is from November 1, 2010 to June 30, 2011 unless sooner terminated pursuant to this Agreement*” and replacing it with “*The term of this Agreement is from November 1, 2010 to June 30, 2013 unless sooner terminated pursuant to this Agreement.*”
4. **New Section: 1.1. Section 1.1 is hereby added to the Agreement to read in its entirety as follows:**

“**1.1 Time of Work.** CONTRACTOR shall provide such services as CONTRACTOR deems necessary and reasonable to complete the specific services described in **Exhibit A** but is not required to perform services at any particular time. NMC shall not have first right to CONTRACTOR’s time.”
5. **New Section: 1.2. Section 1.2 is hereby added to the Agreement to read in its entirety as follows:**

“**1.2. Method of Performing Services.** CONTRACTOR will determine the method, details, and means of performing the services described in **Exhibit A** by CONTRACTOR or any of CONTRACTOR’s employees. NMC shall have no right to, and shall not, control the manner or determine the method of accomplishing CONTRACTOR’S services.”
6. **New Section: 5.4. Section 5.4 is hereby added to the Agreement to read in its entirety as follows:**

“**5.4 Performance Requirements.** The services must be performed in full compliance at all times with the requirements of this Agreement and to the satisfaction of NMC.”
7. **New Section: 5.5. Section 5.5 is hereby added to the Agreement to read in its entirety as follows:**

“**5.5 Violation of Performance Requirements.** NMC will be obligated to pay CONTRACTOR only for services actually performed. If CONTRACTOR fails to perform any services in accordance with this Agreement, CONTRACTOR shall, if practicable, re-perform the services at no cost to NMC, or if the services cannot practicably be re-performed, then NMC shall be entitled to deduct from CONTRACTOR’S invoice an amount equal to the equitable difference in value to NMC between the required services and the services actually performed by

Contractor. NMC's remedies set forth in this Section 5.5 shall be in addition to any other remedies available to NMC pursuant to this Agreement or otherwise available pursuant to applicable law or in equity. At any time that CONTRACTOR does not or is unable to perform the services in full compliance, NMC shall have the right to provide any services with its own employees or by the engagement of another vendor regardless of whether NMC elects to terminate this Agreement. If NMC deems it necessary to provide services by use of its employees or another vendor, CONTRACTOR shall reimburse NMC's actual expenses for providing such services if CONTRACTOR was required to provide the services under the terms of the Agreement."

8. New Section: 5.6. Section 5.6 is hereby added to the Agreement to read in its entirety as follows:

"5.6 Contractor Staff Approval. NMC shall have the right to disapprove of any member of CONTRACTOR'S staff assigned to perform services under this Agreement."

9. New Section: 13.1. Section 13.1 is hereby added to the Agreement to read in its entirety as follows:

"13.2 Employment Related Claims. CONTRACTOR agrees that it shall be solely responsible for the direction, supervision, counseling and discipline of its employees, including the conducting of informal and formal performance evaluations. CONTRACTOR agrees to be solely responsible for all matters relating to compensation of its employees, subcontractors, agents, partners or consultants including but not limited to compliance with federal and state and local wage and hours laws, laws governing workers' compensation, Social Security, lay-off or termination compensation, withholding and payment of any and all federal, state and local personal income taxes, disability/death insurance, unemployment, and any other taxes for such persons, including any related employer assessment or contributions required by law, and all other regulations governing such matters, and the payment of all salary, vacation and other employee benefits. At CONTRACTOR'S expense as described herein, Contractor agrees to defend, indemnify, and hold harmless NMC, its officers, agents, employees, members, subsidiaries, parent, affiliates, and successors in interest from and against any claim, demand, action, proceeding, threatened or actual, judgment, liability, loss, damage, cost, or expense, including, without limitation, attorneys' fees as provided herein arising out of CONTRACTOR's or NMC's alleged failure to pay, when due, all such compensation, premiums, taxes and obligations and including any claim of whatever nature brought by any employee of CONTRACTOR of applicant for employment, arising out of the hiring, or failure to hire the employee/applicant, or arising out of any aspect of his/her employment by CONTRACTOR and the termination thereof (collectively referred to for purposes of this Section as "Employment Claim(s)"). Contractor shall pay to NMC any expenses or charges relating to or arising from any such Employment Claim(s) as they are incurred by NMC."

10. New Section: 13.2. Section 13.2 is hereby added to the Agreement to read in its entirety as follows:

"13.3 Common-Law Employees. The foregoing shall apply to CONTRACTOR and CONTRACTOR's employees and agents even if CONTRACTOR or any of CONTRACTOR's employees or agents is subsequently reclassified by any court or governmental agency as a common-law employee for periods during which services were performed under this Agreement."

11. Section 15.7 to the Agreement is hereby amended to read in its entirety as follows:

"15.7 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs. Any purported assignment or delegation not consented to by NMC shall be void at NMC's option and shall constitute a material breach of this Agreement."

12. New Section: 15.17. Section 15.17 is hereby added to the Agreement to read in its entirety as follows:

"15.17 Authority. CONTRACTOR has the full power, capacity and authority to enter into and perform this Agreement and to make the grant of rights contained herein, and CONTRACTOR'S performance of this Agreement does not violate or conflict with any agreement to which CONTRACTOR is a party; Contractor further represents that there is no pending or threatened litigation that would have a material adverse impact on its performance under this Agreement."

13. All other terms and conditions of the Agreement shall continue in full force and effect. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment No. 1 are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.

14. A copy of this Amendment and all previous amendments shall be attached to the original Agreement (No. A-11891).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

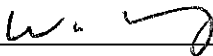
CONTRACTOR

Signature 1 

Dated 3/29/2012

Printed Name Johnson Kit Son San

Title President

Signature 2 

Dated 3/29/2012

Printed Name Wilson Wong

Title VP of Engineering

****INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.*

NATIVIDAD MEDICAL CENTER

Signature 
Purchasing Manager

Dated 6-14-12

Signature 
NMC - CEO

Dated 4/3/12

Approved as to Legality and Legal Form:

Charles J. McKee, County Counsel

By _____

Stacy Saetta, Deputy
Attorneys for County and NMC

Dated: _____, 2012

15. The effective date of this Amendment is July 1, 2012.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

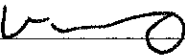
CONTRACTOR

Signature 1 

Dated 5/14/2012

Printed Name Johnson Kit Son Sun

Title President

Signature 2 

Dated 5/14/2012

Printed Name Wilbur Wong

Title VP of Engineering

***INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.

NATIVIDAD MEDICAL CENTER

Signature 
Purchasing Manager


Dated 7-22-12

Signature _____
NMC - CEO

Dated _____

Approved as to Legality and Legal Form:

Charles J. McKee, County Counsel

By 
Stacy Saetta, Deputy
Attorneys for County and NMC

Dated: 5/15, 2012



Natividad Medical Center

Amendment-2 to Exhibit A

(Statement of Work)

Submitted by:

Versaworks, Inc.
2560 Mission College Blvd. Ste 140
Santa Clara, CA 95054

Tel: (408) 780-0230

Created: March 29, 2012

Revised:

Version: 2.0

Versaworks

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1 EXECUTIVE SUMMARY

Versaworks, Inc. (“Versaworks”) is pleased to present this Statement of Work (SOW) proposal which defines the services and deliverables that Versaworks shall provide to Natividad Medical Center (“Customer”) under the terms of the Professional Services Agreement (the “Agreement”) made between Natividad Medical Center (“Customer”) and Versaworks, Inc. (“Versaworks”).

2 SCOPE OF WORK

This section describes the scope of work for Professional Services to support the projects listed below in section 2.1

2.1 PROJECT AND PRICING SUMMARY

ID	Project	Resource	Hourly Rate*	Estimated Hours	Total
1	Meditech Disaster Recovery and Datacenter Implementation	Sr. Systems Engineer	\$175	1,500	\$262,500
2	Data Analytics and Platform Integration	Principal Project Manager	\$175	1,200	\$210,000
3	Authority Model	Principal Project Manager	\$175	250	\$43,750
4	Network Security and Infrastructure	Sr. Network Engineer	\$175	1,500	\$262,500
5	IT Operations Management	Sr. Management Consultant	\$200	1,600	\$320,000
6	Quality and Compliance Reporting Development	Software Engineer	\$150	1,500	\$225,000
7	MEDITECH Financial and Operational Reporting Development	Software Engineer	\$150	1,500	\$225,000
8	Systems and Applications Implementation and Support	IT Implementation Specialist	\$165	1800	\$297,000
				Total	\$1,845,750

2.2 SCOPE OF SERVICES

2.2.1 MEDITECH Disaster Recovery and Datacenter Implementation

<u>Project ID</u>	1
<u>Project Name</u>	MEDITECH Disaster Recovery and Datacenter Implementation
<u>Resource</u>	Senior Systems Engineer

Project Description

Natividad’s current HCIS system, MEDITECH is hosted in its own datacenter on campus. As the hospital continues to pursue its EMR initiative, it is imperative to implement a complete restoral and recovery mechanism for the MEDITECH system; including the ability to fail over to a remote disaster recovery datacenter in the event of a major failure at its primary on campus datacenter. To achieve full business continuity, the failover and recoverability requirements will need to include other major mission critical applications such as Picis, Corepoint, SoftMed, Kronos, Email and OnBase. The “**Senior Systems Engineer**” will be responsible for developing a disaster recovery mechanism for the following mission critical applications.

Project Scope

- Develop and implement a full MEDITECH Restoral and Recovery mechanism
- Design and validate the recovery and failover capability of MEDITECH to a remote datacenter
- Design and validate the recovery and failover capability of the following mission critical applications:
 - SoftMed
 - Picis
 - Kronos
 - Microsoft Exchange Email
 - OnBase
 - Corepoint Interface Engine

2.2.2 Data Analytics and Platform Integration

<u>Project ID</u>	2
<u>Project Name</u>	Data Analytics and Platform Integration
<u>Resource</u>	Principle Project Manager

Project Description

2.2.2a Natividad Medical Center is currently on its path to pursue EMR Meaningful Use. Today, the sources of patient data (that do exist) reside on many disparate systems and databases. The Clinical Quality

Measure (CQM) is a key component of the EMR Meaningful Use requirement in Stage 1 and Stage 2. The number of Clinical Quality Measures will increase significantly going into Stage 2. In order to prepare the hospital to meet the CMS reporting requirements, a Data Analytics platform must be developed. The purpose of the Data Analytics platform is to enable the aggregation of all patient data from disparate sources into a single data repository. The “**Principle Project Manager**” will be responsible for managing all phases of the Data Analytics platform and Report development.

2.2.2b Over the past 2 years, Natividad has significantly expanded its network infrastructure and upgraded many of its legacy IT systems. The hospital IT system is shifting from a decentralized model to a centralized model to enable interoperability, improve efficiency and reduce cost. The hospital is in the process of integrating existing systems and new systems that are being planned for next year. The “**Principle Project Manager**” will be responsible for managing all systems integration projects.

Project Scope

2.2.2c Data Analytics

- Each Data Analytics platform development cycle/iteration will consist of the following phases:
 - Requirement Phase
 - Inception Phase
 - Elaboration and Construction Phase
 - QA and UAT Phase
 - Completion
- Requirement Phase Project Management - Identify business requirement, document User Story and develop Feature Brief documentation
- Inception Phase Project Management – Develop Scope definition, identify project resources and establish milestones and timeline
- Elaboration and Construction Phase Project Management – Managing Coding and Testing schedule
- QA and UAT Phase Project Management – Coordinate User Testing and Acceptance
- Completion Phase Project Management – Obtain business stake holder sign off, coordinate production rollout and end user training

2.2.2d Platform Integration

- Proposed Integration projects:
 - Kronos Workforce TimeKeeper and CGI Advantage ERP
 - OnBase Enterprise Content Management and Microsoft SharePoint Collaboration platform
 - OnBase Enterprise Content Management and MEDITECH
 - Nurse Call System and Cisco VoIP Phone System
 - Vocera Voice Badge System and Cisco VoIP Phone System
- Develop project plan and milestone deliverables for all identified systems and application integration projects

- Manage requirement gathering, identify system capabilities and document feature requirements and workflow changes
- Manage production rollout schedule and coordinate end user training
- Manage vendor(s) to ensure accurate configurations of integrated systems

2.2.3 Authority Model

<u>Project ID</u>	3
<u>Project Name</u>	Authority Model
<u>Resource</u>	Principle Project Manager

Project Description

NMC has received approval in principle to move to become a Public Hospital Authority. There is significant amount of due diligence to be conducted in order to develop a plan that would support a new business model as a public hospital authority. The **“Principle Project Manager”** will support the project team in managing the project deliverables and milestones and facilitating the communication amongst all internal and external departments and key stake holders.

Project Scope

- Develop and maintain a master project schedule
- Document and manage departmental deliverables and milestones
- Provide regular updates to senior leadership team on the project status and progress
- Manage and coordinate regular and ad-hoc meetings with internal and external departments and key stake holders

2.2.4 Network Security and Infrastructure

<u>Project ID</u>	4
<u>Project Name</u>	Network Security and Infrastructure
<u>Resource</u>	Sr. Network Engineer

Project Description

Security is a critical component of supporting a Hospital grade network environment and is paramount to ensure continuous high availability of services and to safeguard Protected Health Information (PHI). As NMC continues to upgrade its legacy systems and implement new business applications, its network infrastructure and computing environment have grown further and become more sophisticated. With the adoption of

Electronic Medical Record, more and more patient information is being stored electronically; and therefore, its Information Security needs to be further enhanced in order to provide the necessary protection for the hospital network and data. The “**Senior Network Engineer**” will be responsible for implementing the following network and infrastructure enhancement and security remediation.

Project Scope

- Develop and implement regular security patching process
- Develop and implement a mobile device management process
- Develop and implement 2-factor VPN authentication process
- Review and optimize MEDITECH remote access management process
- Work with third party Security Audit vendor(s) to conduct risk and vulnerability assessment
- Review and monitor network security logs and implement remediation measure

2.2.5 IT Operations Management

<u>Project ID</u>	5
<u>Project Name</u>	IT Operations Management
<u>Resource</u>	Sr. Management Consultant

Project Description

Service Operation has been a key component of the IT mission in providing best in class services to all users in the hospital. The function of the “IT Operations Management” role is to augment the IT leadership team in guiding the IT Operations and Business Applications teams on infrastructure build out and Clinical Applications implementations to support the EMR initiatives. The “**Sr. Management Consultant**” will be delivering the following services defined in the project scope.

Project Scope

- Provide day-to-day guidance and oversight on all network infrastructure, systems computing and IT Service Delivery Operations
- Provide strategic guidance and oversight on clinical and non-clinical application-related projects
- Develop and implement a disaster recovery and business continuity plan for MEDITECH and other mission critical business applications
- Establish IT Service Delivery Operational standards; implement and monitor service level metrics
- Establish and implement Information Security standards and policies
- Develop Service Excellency methodology in providing Service Delivery and Support to all hospital users
- Develop a strategy and road map to elevate the skills and competencies of the in-house IT staff

2.2.6 Quality and Compliance Reporting Development

<u>Project ID</u>	6
<u>Project Name</u>	Quality and Compliance Reporting Development
<u>Resource</u>	Software Engineer

Project Description

Build and implement a Data Analytics platform in order to produce Clinical Quality Measure (CQM) and Compliance Reports for CMS, CDC, LIHP, OSHA, CDPH and other regulatory bodies. The **“Software Engineer”** will be delivering the following services defined in the project scope below.

Project Scope

- Develop Clinical Quality Measure (CQM) reports for Meaningful Use stage 1
- Develop Clinical Quality Measure (CQM) reports for Meaningful Use stage 2
- Develop program reports for LIHP
- Develop Compliance reports for CDC, OSHA, CDPH and other regulatory bodies

2.2.7 MEDITECH Financial and Operational Reporting Development

<u>Project ID</u>	7
<u>Project Name</u>	MEDITECH Financial and Operational Reporting Development
<u>Resource</u>	Software Engineer

Project Description

Build and implement a Data Analytics platform in order to produce Financial and Operational reports from MEDITECH. The **“Software Engineer”** will be delivering the following services defined in the project scope below.

Project Scope

- Develop Financial Reports for Material Management
- Develop Financial Reports for Revenue Cycle
- Develop Financial Reports for Accounts Payable
- Develop Operational Reports for various Clinical and Business units

2.2.8 Systems and Applications Implementation and Support

<u>Project ID</u>	8
<u>Project Name</u>	Systems and Applications Implementation and Support
<u>Resource</u>	IT Implementation Specialist

Project Description

Natividad currently has approximately 700 workstations with 1000+ users. The hospital is in the process of integrating existing systems and new systems that are being planned for next year. The **“IT Implementation Specialist”** will implement and support a number IT systems integration projects and also provide operational support to existing systems and application optimization projects.

Project Scope

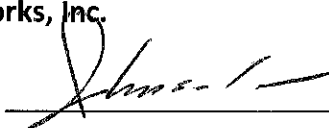
- Implement and support Microsoft SharePoint integration with OnBase
- Implement and support Nurse Call integration with Cisco VoIP phone system
- Implement and support Vocera voice badge system integration with Cisco VoIP phone system
- Implement and support RFID system integration with Cisco VoIP phone system
- Implement and support Kronos TimeKeeper integration with CGI Advantage ERP
- Implement and support Numara Service Desk upgrade and new department rollout

Appendix A

Customer Acceptance

The customer, by signing below, indicates that the Statement of Work (SOW) has been read and the terms outlined within have been accepted. Upon acceptance of this Statement of Work (SOW), Customer shall issue a written Purchase Order to Versaworks, for the total amount of **\$1,845,750**.

Versaworks, Inc.

Signature: 

Name: Johnson Kit Son Sun

Title: President

Date: 3/29/2012

Customer

Signature: 

Name: Henry Wei

Title: CEO

Date: 4/3/12

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	July 12, 2011	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement (#A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC in an amount not to exceed \$3,232,900 in the aggregate and \$2,400,000 for the period July 1, 2011 to June 30, 2012.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement (#A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC in an amount not to exceed \$3,232,900 in the aggregate and \$2,400,000 for the period July 1, 2011 to June 30, 2012.

SUMMARY/DISCUSSION:

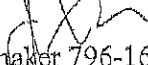
As NMC continues to enhance its information technology capabilities in the Electronic Medical Record and IT infrastructure, a need has been identified for additional technical clinical and non-clinical resources. The recommendation is to engage Versaworks, a company with a strong reputation for providing highly competent information technology services. Over the next year, Versaworks will provide both clinical and non-clinical technical resources which will include but not be limited to: principle solutions architect, clinical IT project manager, data center implementation engineer, network & security architect, data warehouse engineer and IT systems implementation specialist - please see attached Statement of Work (SOW) for more detail. Versaworks is committed to NMC's long range IT roadmap and by engaging Versaworks, important strategies and goals will be met.

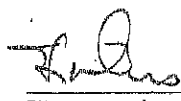
OTHER AGENCY INVOLVEMENT:

The Amendment has been reviewed and approved by County Counsel, the Auditor/Controller's office, and the Natividad Medical Center Board of Trustees' Finance Committee.

FINANCING:

The cost for this Amendment is \$2,400,000 and is included in the Fiscal Year 2011/2012 Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by: 
Jim Fenstermaker 796-1647
Interim Chief Information Officer
May 23, 2011



Harry Weis
Chief Executive Officer

Attachments: Amendment #1, Revised SOW, Agreement, Board Order
Attachments are on file with the Clerk of the Board

Before the Board of Supervisors in and for the
County of Monterey, State of California

Agreement No. A-11891
Authorize the Purchasing Manager for Natividad)
Medical Center (NMC) to execute Amendment No. 1)
to the Agreement No. A-11891 with Versaworks Inc.)
for Professional Information Technology Services at)
NMC in an amount not to exceed \$3,232,900 in the)
aggregate and \$2,400,000 for the period July 1, 2011 to)
June 30, 2012.....)

Upon motion of Supervisor Calcagno, seconded by Supervisor Armenta, and carried by those
members present, the Board hereby;

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to
execute Amendment No. 1 to the Agreement No. A-11891 with Versaworks Inc.
for Professional Information Technology Services at NMC in an amount not to
exceed \$3,232,900 in the aggregate and \$2,400,000 for the period July 1, 2011 to
June 30, 2012.

PASSED AND ADOPTED on this 12th day of July, 2011, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby
certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the
minutes thereof of Minute Book 75 for the meeting on July 12, 2011.

Dated: July 13, 2011

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Christ A. Mue
Deputy

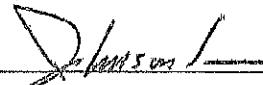
**RENEWAL AMENDMENT NO. 1
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Versaworks Inc AND
THE NATIVIDAD MEDICAL CENTER
FOR
Professional Information Technology Services**

The parties to Professional Service Agreement, dated November 1, 2010 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Versaworks Inc (Contractor), hereby agree to renew their Agreement No. (A-11891) on the following terms and conditions:



1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-11891). Additionally, the Contractor will provide the services described in Attachment A attached to this Amendment #1.
2. This Amendment shall become effective on July 1, 2011 and shall continue in full force until June 30, 2012.
3. The total amount payable by County to Contractor under Agreement No. (A-11891) shall not exceed the total sum of \$3,232,900 for the full term of the Agreement and \$2,400,000 for fiscal year 2011-2012.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-11891).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

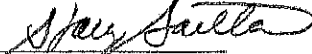
Signature  Dated 6/7/2011
 Printed Name Johnson Kit Son Sun Title President

NATIVIDAD MEDICAL CENTER

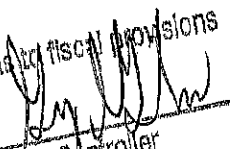
Signature  Dated 6-29-11
 Purchasing Manager
 Signature  Dated 6/7/11
 NMC - CEO

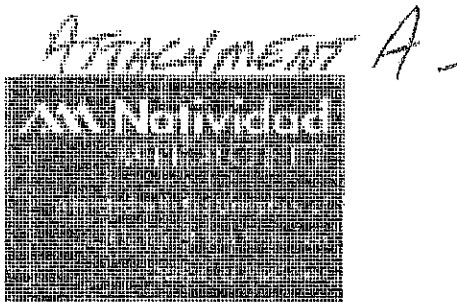
Approved as to Legal Form:

Charles J. McKee, County Counsel

By 
 Stacy Saetta, Deputy
 Attorneys for County and NMC

Dated: 6/10, 2011

Reviewed as to fiscal provisions

 Auditor-Controller
 County of Monterey
 6-10-11



Natividad Medical Center
IT Consulting Services

Statement of work

Submitted by:

Versaworks, Inc.
2946 Monte Cresta Dr
Belmont, CA 94002
(650) 489-6114

Created: March 20, 2011

Revised:

Version: 1.0



Versaworks

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1 EXECUTIVE SUMMARY

Versaworks, Inc. ("Versaworks") is pleased to present this Statement of Work (SOW) proposal which defines the services and deliverables that Versaworks shall provide to Natividad Medical Center ("Customer") under the terms of the Professional Services Agreement (the "Agreement") made between Natividad Medical Center ("Customer") and Versaworks, Inc. ("Versaworks").

2 SCOPE OF WORK

This section describes the scope of work for Professional Services to support the projects listed below in section 2.1

2.1 PROJECT AND PRICING SUMMARY

ID	Project	Resource	Hourly Rate	Estimated Hours	Total	Notes	
1	Business Applications Interoperability & Integration (Picis, Pyxis, OBIX, Advantage, Meditech, Patient Keeper, SoftMed)	Principle Solution Architect	\$175	1880	\$329,000	40 hr/wk	12 month
2	Clinical Business Applications Implementation & Rollout (PatientKeeper, SoftMed, Ambulatory Practice Mgmt, Zynx, Dr. First)	Clinical IT Project Manager	\$165	1880	\$310,200	40 hr/wk	12 month
3	IT Infrastructure and Business Applications Implementation (Datacenter, VDI, OnBase, Records & Retention, Kronos, Windows 7 Migration)	Sr. IT Project Manager	\$165	1880	\$310,200	40 hr/wk	12 month
4	Datacenter Implementation (Primary and DR)	Datacenter Implementation Engineer	\$165	1880	\$310,200	20 hr/wk	12 month
5	Information Systems Security (Penetration Testing & Vulnerability Assessment, Network Access Control, Remote Access Management, HIPAA Security Compliance)	Network & Security Architect	\$175	600	\$105,000	20 hr/wk	8 month
6	IT Strategist & Operations Management	Sr. Management Consultant	\$200	1,500	\$300,000	30 hr/wk	12 month
7	Clinical Reporting platform development (Meditech Data warehouse reporting, Quality Reporting, KPI Reporting)	Data Warehouse Engineer	\$165	1880	\$310,200	20 hr/wk	12 month
8	Systems and Application Monitoring	Systems Architect	\$175	600	\$105,000	20 hr/wk	8 month
9	IT Infrastructure Implementation (Desktop Management, Inventory Management, Change Management, Windows 7 Migration)	IT Implementation Specialist	\$165	1880	\$310,200	40 hr/wk	12 month
Total					\$2,390,000		

* The pricing is based on actual time and material. Hourly rates are fully loaded covering all applicable travel expenses.

2.2 SCOPE OF SERVICES
2.2.1 Business Application Interoperability & Integration

<u>Project ID</u>	1
<u>Project Name</u>	Business Application Interoperability & Integration (PICIS, PYXIS, OBIX, CGI/ADVANTAGE, MEDITECH, PATIENT KEEPER, SOFTMED)
<u>Resource</u>	Principal Solution Architect

Project Description

Natividad Medical Center is currently on its path to pursue EMR Meaningful Use. Today, the sources of patient data (that do exist) reside on many isolated data repositories amongst various proprietary clinical software applications. A key component of the EMR Initiative is to develop the capability to aggregate and exchange clinical information about patients between key clinical business applications and Natividad's core HCIS systems, MEDITECH. The EMR adoption also requires adjustments to the existing paper based workflow process to facilitate the migration to electronic based medical record keeping and retention.

This Integration and Interoperability capabilities can be achieved through custom Interface development utilizing the CorePoint HL7 Interface Engine and available API and middleware to enable bi-directional data flow between MEDITECH and critical applications including PICIS, PYXIS, SoftMed, Patient Keeper, OBIX, and CGI/Advantage. The "Principle Solutions Architect" will develop Integration & Interoperability capabilities and custom workflow automation based on agreed upon specifications defined by the Customer.

Project Scope
2.2.1.1 PICIS

Natividad went live with the OR Manager application from PICIS (acquired by Ingenix) on November 17, 2009. Since that time, gaps have been identified with the current implementation that needs to be addressed in order for the application to function fully as designed. A comprehensive assessment of the PICIS optimization project was completed in Phase 1 of the engagement during the first half of 2011. The next phase of the Project (phase 2) is to develop and execute a detailed plan for building, testing and implementing the new vision based on the Phase 1 results and findings incorporating both processes and system improvements.

- o Implement Comprehensive Electronic Charting for OR nurses
- o Optimize accurate centralized scheduling and enable remote reservations
- o Automate accurate supply management
- o Develop Comprehensive and Accurate Preference Cards
- o Develop Interface to enable Electronic Patient dataflow to PICIS from MEDITECH
- o Develop Interface to enable Electronic Patient dataflow to MEDITECH from PICIS
- o Develop Automated Billing interface to BAR

2.2.1.2 PYXIS

Natividad is currently using PYXIS System from CareFusion for automated medication and supply management. Gaps have been identified with the current Implementation that needs to be addressed in order for the PYXIS system to function fully as designed. One major goal will be to increase the accuracy of patient lists on the MedStations in order to ensure patient safety and reduce billing errors.

- o Develop and implement Outbound Interface from Meditech
- o Develop and implement Inbound Interface (filters) on Pyxis procar
- o Develop and Implement Outbound Interface (Pyxis to BAR)
- o Develop and implement process Improvement changes as necessary

2.2.1.3 OBIX

Natividad is in the process of purchasing OBIX Fetal Monitoring Systems to replace the existing Phillips Systems. Fetal Monitoring is a critical application in the Labor & Delivery department which is a significantly clinical operation at NMC. It is essential to enable the integration and interoperability capabilities between OBIX and the MEDITECH HCIS systems.

- o Develop interface to enable Electronic Patient dataflow to OBIX from MEDITECH
- o Develop interface to enable Electronic Patient dataflow to MEDITECH from OBIX

2.2.1.4 SOFTMED

Natividad is planning to upgrade the existing SOFTMED application to the latest revision as well as implementing additional modules. It is essential to enable the integration and interoperability capabilities between SOFTMED and the MEDITECH HCIS systems.

- o Develop interface to enable Electronic Patient dataflow to SOFTMED from MEDITECH
- o Develop interface to enable Electronic Patient dataflow to MEDITECH from SOFTMED

2.2.1.5 PATIENT KEEPER

Natividad is planning to implement a new Physician HIS systems, PatientKeeper. It is essential to enable the integration and interoperability capabilities between PatientKeeper and the MEDITECH HCIS systems.

- o Develop interface to enable Electronic Patient dataflow to PatientKeeper from MEDITECH
- o Develop interface to enable Electronic Patient dataflow to MEDITECH from PatientKeeper

2.2.1.6 CGI/Advantage

Natividad's current Material Management (Procurement) and Account Payable functions rely on using the Monterey County Advantage ERP systems. Natividad is also required to enter all Procurement information into its HCIS systems, MEDITECH. There are currently no interface or interoperability capabilities between the two systems. It is essential to develop an interface to streamline the workflow and enable interoperability between MEDITECH and Advantage.

- o Develop interface to enable electronic dataflow to CGI/Advantage from MEDITECH
- o Develop interface to enable electronic dataflow to MEDITECH from CGI/Advantage

2.2.2 Clinical Business Applications Implementation & Rollout

<u>Project ID</u>	2
<u>Project Name</u>	Clinical Business Applications Implementation & Rollout (PatientKeeper, SoftMed, Ambulatory Practice Mgmt, Zynx, Dr. First)
<u>Resource</u>	Clinical IT Project Manager

Project Description

Natividad currently uses MEDITECH HCIS systems in conjunction with many other clinical applications for both In-Patient and Out-Patient healthcare services. In supporting the initiative to pursue EMR meaningful use, Natividad has the need to streamline the workflow and the interoperability of all the clinical applications to improve quality of care service and patient safety. The "Clinical IT Project Manager" will manage the implementation and rollout of key EMR applications to ensure meeting the Meaningful Use objectives and timeline. This role will also project manage the development and implementation of workflow optimization and integration amongst various clinical applications to improve interoperability in order to support the EMR initiatives.

Project Scope

- o Manage the implementation and rollout of PatientKeeper Physician HIS systems
- o Manage the implementation and rollout of Ambulatory Practice Management systems
- o Manage the implementation and rollout of Dr. First E-Prescribing systems
- o Manage the implementation and rollout of Zynx, Evidence-based clinical decision support systems
- o Manage the interoperability requirements amongst various clinical applications
- o Coordinate the assessment and development of clinical application workflow optimization
- o Develop project plan and milestone deliverables for the rollout of all identified integration and interface modules
- o Manage vendor(s) to ensure accurate configurations of clinical applications

2.2.3 IT Infrastructure and Business Applications Implementation

<u>Project ID</u>	3
<u>Project Name</u>	IT Infrastructure and Business Applications Implementation (Datacenter, VDI, OnBase, Records & Retention, Kronos, Windows 7 Migration)
<u>Resource</u>	Sr. IT Project Manager

Project Description

Natividad has a number of IT Infrastructure and Back office application Implementations planned for the 2nd half of 2011. In order to ensure on-time and on-budget delivery of these projects, it is essential to follow Industry best practices in project management function during the plan, design and implementation phases. The "Sr. IT Project Manager" will manage the implementation and rollout of the following projects.

Project Scope

- o Manage the roll out of OnBase enterprise content management systems at various departments
- o Manage the implementation and rollout of the new OnBase modules
- o Manage and coordinate with building the new Records and Retention function at Natividad
- o Manage the rollout of the VDI zero client workstations in the clinical and business office areas
- o Manage the build out and implementation of the new offsite collocation datacenter
- o Manage the implementation of the new Kronos Workforce HR systems
- o Manage the rollout of the workstation migration to Windows 7

2.2.4 Datacenter Implementation
--

<i>Project ID</i>	4
<i>Project Name</i>	Datacenter Implementation (Primary and DR)
<i>Resource</i>	Datacenter Implementation Engineer

Project Description

Natividad's existing on-campus datacenter has reached its maximum capacity and is not adequate to accommodate all the new systems required in order to support the EMR initiative. A decision has been made to implement a new datacenter at an offsite collocation facility. The new offsite datacenter will be built from scratch and will be provisioning a number of key clinical and non-clinical applications for hospital users. The "Datacenter Implementation Engineer" will be responsible for building and implementing the entire Core Networking and Computing Infrastructure as well as the Applications and management Server farms.

Project Scope

- o Implement and configure Cisco Nexus 7K series Core Network Switches
- o Implement and configure HP Blade Server Infrastructure
- o Develop and implement data storage, backup and replication solutions
- o Implement and configure NetApp Storage Area Network (SAN)
- o Implement and configure Remote Access Management Interfaces

2.2.5 Information Systems Security

<u>Project ID</u>	5
<u>Project Name</u>	Information Systems Security (Penetration Testing & Vulnerability Assessment, Network Access Control, Remote Access Management, HIPAA Security Compliance)
<u>Resource</u>	Network & Security Architect

Project Description

Security is a critical component of supporting a Hospital grade network environment and is paramount to ensure continuous high availability of services and to safeguard Protected Health Information (PHI). Last year, Natividad had completed an infrastructure upgrade by implementing state-of-the-art Cisco Medical grade network equipment along with several security appliances. The objective of the Information Systems Security project is to implement additional security devices and software to expand the level of coverage in protecting the hospital from any malicious attempt and un-authorized access. The "Network & Security Architect" will be responsible for conducting risk and vulnerability assessment and implement additional security appliances and measures to further harden the security level in the hospital network environment.

Project Scope

- o Conduct external Network Security Penetration Test against the existing hospital network Infrastructure
- o Conduct Internal Network Vulnerability assessment from within the hospital campus
- o Implement Network Access Control (NAC) Security Appliances and Management Interfaces
- o Implement RSA SecurID VPN authentication Appliance
- o Develop detailed Security Vulnerability Assessment report based on the results
- o Develop and Implement any agreed upon changes to further harden the Hospital network security
- o Establish and formalize Information Security Policies and Procedures
- o Establish Standard Operation Procedures for security incident response and reporting

2.2.6 IT Strategist & Operations Management

<u>Project ID</u>	6
<u>Project Name</u>	IT Strategist & Operations Management
<u>Resource</u>	Sr. Management Consultant

Project Description

Service Operation has been a key component of the IT mission in providing best in class services to all users in the hospital. The function of the "IT Strategist & Operations Management" role is to augment the IT leadership team in guiding the IT Operations and Business Applications teams on infrastructure build out and Clinical Applications implementations to support the EMR Initiatives. The "Sr. Management Consultant" will be delivering the following services defined in the project scope.

Project Scope

- o Provide strategic guidance and oversight on clinical and non-clinical application-related projects
- o Develop and Implement a sound data center management strategy for a new co-location production facility with disaster recovery capabilities
- o Develop data storage architecture best practices and data retention policies and procedures consistent with state and regulatory body requirements.
- o Provide day-to-day operational guidance and oversight on all infrastructure and hardware-related projects
- o Implement and adopt ITIL based best practices within NMC IT
- o Develop Service Excellency methodology in providing Service Delivery and Support to all hospital users
- o Assist in building IT Operations competencies to support the EMR initiative

2.2.7 Clinical Reporting platform development

<u>Project ID</u>	7
<u>Project Name</u>	Clinical Reporting platform development (Meditech Data warehouse reporting, Quality Reporting, KPI Reporting)
<u>Resource</u>	Data Warehouse Engineer

Project Description

Build and implement a Data Warehouse reporting framework that covers Census, Compliance, infrastructure monitoring and uptime. The "Data Warehouse Engineer" will be delivering all the services defined in the project scope below.

Project Scope

- o Develop custom reports for Census and Compliance
- o Develop custom reports for Network monitoring and Service uptime
- o Develop custom reports for IT Service Level Metrics
- o Develop custom reports for Critical Application monitoring
- o Develop custom reports for EMR Meaningful Use
- o Develop custom reports for Quality Measurement

- o Migrate Kazimera application to a new SQL based Medical Record validation Application

2.2.8 Systems and Application Monitoring

<u>Project ID</u>	8
<u>Project Name</u>	Systems and Application Monitoring
<u>Resource</u>	Systems Architect

Project Description

Natividad is on its path to pursue EMR Meaningful Use. The availability and performance of its HCIS systems and key clinical applications become increasingly critical to the success of achieving Meaningful Use. The need for a cross-platform datacenter management server for operating systems and hypervisors (Virtual Machine Monitor) becomes obvious and necessary. The "Systems Architect" will be responsible for implementing the Microsoft System Center Operations Manager (SCOM) application to monitor the state, health and performance information of computer systems and provide alerts generated according to the availability, performance, configuration or security situation being identified.

Project Scope

- o Implement and configure Microsoft System Center Operations Manager (SCOM)
- o Develop Design and Testing plans for System Center Operations Manager
- o Plan, Implement and configure the Deployment of System Center Operations Manager
- o Monitor and fine-tune the System Center Operations Manager post deployment
- o Develop operational and support documentation

2.2.9 IT Infrastructure Implementation

<u>Project ID</u>	9
<u>Project Name</u>	IT Infrastructure Implementation (Desktop Management, Inventory Management, Change Management, Windows 7 Migration)
<u>Resource</u>	IT Implementation Specialist

Project Description

Natividad currently has approximately 700 workstations with 1000+ users. The management of desktop systems lifecycle is a critical component of IT Service Delivery to ensure systems and software are functioning at the desired level; and resolve any degradation in performance before it impacts productivity, patient care and safety. The "IT Implementation Specialist" will implement and deploy a number of IT Systems Lifecycle Management tools, Virtual Desktop Infrastructure and Windows 7 migration.

Project Scope

- o Implement and deploy Numara IT Change Management system
- o Optimize and deploy Numara Service Desk Self Service portal
- o Implement and deploy LANDesk Desktop Management system
- o Implement and deploy LANDesk Inventory Management system
- o Implement and deploy LANDesk Security Suite
- o Implement and support Windows 7 migration
- o Implement and deploy Virtual Desktop Infrastructure (VDI)

Appendix A

Customer Acceptance

The customer, by signing below, indicates that the Statement of Work (SOW) has been read and the terms outlined within have been accepted. Upon acceptance of this Statement of Work (SOW), Customer shall issue a written Purchase Order to Versaworks, for the total amount of \$2,390,000.

Versaworks, Inc.

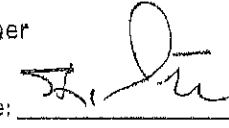
Signature: _____

Name: _____

Title: _____

Date: _____

Customer

Signature:  _____

Name: Mark Davis

Title: CEO

Date: 5/9/11