

COUNTY OF SAN MATEO
Departmental Correspondence

DATE. **FEB 21 2001**
HEARING DATE: **MAR 06 2001**

~~TO~~ Honorable Board of Supervisors
~~FROM~~ Timothy B. McMurdo, Director, Hospital & Clinics Division
SUBJECT Agreement with SoftMed Systems, Inc

RECOMMENDATION

Adopt a resolution waiving the Request for Proposals process and authorizing the President of the Board to execute an agreement with SoftMed Systems, Inc to provide software applications for Quality Management, Utilization Review and Medical Staff Credentialing

Background

The Division of Hospital and Clinics has used the MIDAS program for quality management, utilization management and medical staff credentialing since the early 1990's. This system historically has served as a database and tracking mechanism for quality of care reviews and some limited medical staff credentialing. Since its installation, MIDAS system has never been upgraded to a window-based product. It is limited in its function, has difficulty extracting information, and has no capability for reporting or sharing medical staff information with other departments.

Eight months ago, MIDAS notified the hospital that they will no longer support the old version of the MIDAS program after the year 2000. With this notification, Hospital Administration began to evaluate other vendors that provide software applications for quality management, utilization review and medical staff credentialing.

Discussion

In September 2000, Materials Management formed a group to evaluate these software application needs of Hospital and Clinics. The group consisted of representatives from Administration, Quality Management, Medical Staff, Nursing and ISD. Proposals were requested from MIDAS and SoftMed Systems, Inc. MIDAS and SoftMed both conducted demonstrations of their systems.

SoftMed is currently used in the Medical Records Department and the demonstration of this system and its application to quality management, utilization and credentialing programs received favorable reviews from the group. With the hospital already using this application, there will be better data coordination and system integration. The SoftMed interface with the Medical Records Department is already in place and should not present any installation problems for the Information Systems Department. Although both SoftMed and MIDAS are of comparable cost, SoftMed Systems was determined the better system for its ease of use, quality of reporting, and product support. Because a SoftMed application is already in use at the hospital and interfaces have already been developed, purchasing additional SoftMed functionality is more cost-effective than purchasing new software applications for which new interfaces must be built. For this reason, a waiver of the RFP process is requested. ISD Management has reviewed and approved this agreement.

A full accreditation survey by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) will occur in June 2001. Last year's mock JCAHO survey revealed a need for better data collection in these areas. The SoftMed System is essential for ensuring accurate data are obtained to meet the accreditation standards.

Term and Fiscal Impact

The term of this agreement is one year, from February 12, 2001 through February 11, 2002. The total cost of this agreement is \$137,655. This includes a one-time fee of \$116,551, a yearly fee of \$11,104 for maintenance and support, and \$10,000 for miscellaneous expenses. Funds for FY 2000-01 are included in the Hospital and Clinics FY 2000-2001 budget, funds for FY 2001-02 will be included in the proposed budget.

RECOMMENDED

HEALTH SERVICES

RESOLUTION NO _____
BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION WAIVING THE REQUEST FOR PROPOSALS PROCESS AND
AUTHORIZING EXECUTION OF AN AGREEMENT WITH
SOFMED SYSTEMS, INC

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that,

WHEREAS, Ordinance Code Section 2 92 160 authorizes the Board of Supervisors to waive the Request for Proposals process in any situation where the Board of Supervisors determines that the best interest of the county could be served without the necessity of proposals, and

WHEREAS, the Director of Hospital and Clinics has asked the Board to waive the Request for Proposals requirements for the provision of software applications for Quality Management, Utilization Review and Medical Staff Credentialing, and

WHEREAS, this Board has determined that the best interest of the county would be served by waiving the Request for Proposals process for the purpose of better data collection, and

WHEREAS, there has been presented to this Board of Supervisors for its consideration and acceptance an agreement reference to which is hereby made for further particulars, whereby SoftMed Systems, Inc will provide software applications for Quality Management, Utilization Review and Medical Staff Credentialing, and

WHEREAS, this Board has been presented with a form of the Agreement and has examined and approved it as to both form and content and desires to enter into the Agreement

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Request for Proposals process is waived, and the Board hereby authorizes the President of this Board of Supervisors to execute said Agreement for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto

AGREEMENT WITH SOFTMED SYSTEMS, INC
FOR SOFTWARE APPLICATIONS
FOR QUALITY MANAGEMENT, UTILIZATION REVIEW
AND MEDICAL STAFF CREDENTIALING

THIS AGREEMENT, entered into this _____ day of
_____, 2000, by and between the COUNTY OF SAN MATEO,
hereinafter called County, and SOFTMED SYSTEMS, INC, hereinafter called Contractor,

W I T N E S S E T H

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for the Health Services Agency, Division of Hospital and Clinics, and

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof,

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS

1 Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Health Services, or her designee, with respect to the product or result of Contractor's services, shall provide software applications for Quality Management, Utilization Review, and Medical Staff Credentialing as described in Schedule A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner

2 Payments

A Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE HUNDRED THIRTY-SEVEN THOUSAND, SIX HUNDRED FIFTY-FIVE DOLLARS (\$137,655) for the contract term

B Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Director of Health Services or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that the maximum County obligation shall exceed the total specified in paragraph 2A above. Each payment shall be conditioned on the performance of the services described in Schedule A to the full satisfaction of the Director of Health Services or her designee.

C Time Limit for Submitting Invoices. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3 Relationship of Parties

It is expressly understood that this is an agreement between two (2) independent contractors and that no agency, employee, partnership, joint venture or other relationship is

established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Service Rules.

4 Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this Agreement, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

5 Insurance

Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the Director of Health Services. Contractor shall furnish the Health Services Agency with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the Health Services Agency of any pending change in the limits of liability or of any cancellation or modification of the policy.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

A Workers Compensation and Employer Liability Insurance Contractor shall have in effect during the entire life of this Agreement, Workers Compensation and Employer Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

B Liability Insurance Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include

- | | | |
|----|-----------------------------------|--------|
| 1) | Comprehensive General Liability | \$ -0- |
| 2) | Motor Vehicle Liability Insurance | \$ -0- |
| 3) | Professional Liability | \$-0- |

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving sixty (60) days notice to Contractor.

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and

employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment II (and III)

6 Non-Discrimination

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein

Contractor shall comply with County admission and treatment policies which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation

7 Assignments and Subcontracts

A Without the written consent of the Director of Health Services or her designee, this Agreement is not assignable in whole or in part Any assignment by Contractor without the written consent of the Director of Health Services or her designee is a breach of this Agreement and shall automatically terminate this Agreement.

B Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this contract without the written consent of the Director of Health Services or her designee

C All assignees, subcontractors, or consultants approved by the Director of Health Services or her designee shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and Contractor shall be liable for the assignee s, subcontractor s or consultant s acts and/or omissions

D All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County

8 Amendment of Agreement

This Agreement is complete and contains all the terms and conditions agreed upon by the parties. No amendment shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

9 Records

A. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

10 Compliance with Applicable Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and

activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11 Interpretation and Enforcement

A Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed.

1) In the case of County, to

San Mateo County
San Mateo County General Hospital
222 39th Avenue
San Mateo, CA 94403

or to such person or address as County may, from time to time furnish to

Contractor

2) In the case of Contractor, to

SoftMed Systems, Inc
Attn: Dawn Weatherington
160 Blue Ravine Road, Suite A
Folsom, CA 95630

B Controlling Law The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12 Term of the Agreement

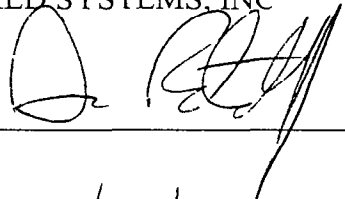
Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from February 12, 2001 through February 11, 2002. This Agreement may be terminated by Contractor, Director of Health Services or her designee at any time upon thirty (30) days written notice to the other party.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands

COUNTY OF SAN MATEO

SOFTMED SYSTEMS, INC

By _____
President, Board of Supervisors

By  _____

Date _____

Date 2/15/01 _____

ATTEST

By _____
Clerk of Said Board

Date _____

SCHEDULE C

Contract between County of San Mateo and SoftMed Systems, Inc , hereinafter called Contractor

- a No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement
- b Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract Contractor s personnel policies shall be made available to County upon request
- c Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement

Attachment I

(Required only from Contractors who provide services directly to the Public on County's behalf.)

Assurance of Compliance with Section 504 of the
Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the Contractor(s)) hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s)

The Contractor(s) (Check a or b)

- a employs fewer than 15 persons
- b employs 15 or more persons and, pursuant to Section 84 7 (a) of the regulation (45 C F R 84 7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation

Deb Gran

Name of 504 Person - Type or Print

SoftMed Systems, Inc

Name of Contractor(s) - Type or Print

160 Blue Ravine Road, Ste A

Street Address or PO Box

Folsom

City

CA

State

95630

Zip Code

I certify that the above information is complete and correct to the best of my knowledge

2/15/01

Date

[Signature]
Signature and Title of Authorized Official

*Exception DHHS regulations state that

If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations) other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible

SCHEDULE A

In consideration of the payments described in Schedule B, Contractor shall provide the following services

SoftMed will provide County the ability to upgrade to the corresponding Platform 6.0 versions of their applications as part of the Enhancement and Support agreement.

System Modules

- ChartFact/ChartLocator Platform 6.0 Upgrade
- ChartStat to ClinTrac Clinical Abstracting Module Upgrade¹
- Network Version Licenses - Platform 6.0 Upgrade
- Total One-time Other Software Fees**

1 This product requires an NT Server running MS SQL Server database

Other Software

- Provider ID Platform 6.0 Upgrade
- Crystal Reports Version 8 Professional (1 user)

Implementation Services

The following SoftMed Implementation Services are the minimum required for implementation of the systems proposed.

- Conversion Management (@ \$1,200/day) - 1 day
- ClinTrac Conversion Management - Standard (@ \$1,200/day) - 13 days**
- ClinTrac Onsite Training (@ \$1,200/day) - 4 days**

Technical Consulting Services

The following SoftMed Technical Consulting Group services are the minimum required for implementation of the systems proposed

- SQL Visit - 2 days

System Modules

- ProviderCV License
- Network Version License - 2 concurrent users
- ClinTrac Utilization Management Module License
- Network Version License - 2 concurrent users
- ClinTrac Quality Assurance Module License
- Network Version License - 2 concurrent users
- Barcode Software

Please note the products shown above require a Windows NT Server running MS SQL Server database software

Implementation Services

We recommend the following services for implementation of the systems proposed

Project Management
Onsite Training - 12 days*

Barcode Equipment

SoftMed will provide the following Intermec barcode equipment Barcode labels and printer ribbons must be ordered prior to system installation, please contact your SoftMed sales representative for pricing and additional information

1 Intermec 3440 Thermal Transfer Barcode Printer (specifically for Windows 95 or NT environments)

5 Intermec 9730 Barcode Readers

Available Add-On Barcode Equipment*

SoftMed can provide the following Intermec barcode equipment Client is responsible for the shipping expense Barcode labels and printer ribbons must be ordered prior to system installation, please contact your SoftMed sales representative for pricing and additional information

Intermec 2410 Portable Barcode Trakkers
Intermec 9730 Laser-Gun Readers, no stand
Intermec 9730 Laser-Gun Readers, with document stand

SCHEDULE B

In consideration of the services described in Schedule A, County shall reimburse Contractor as follows

SoftMed offers existing Platform 5.1 customers the ability to upgrade to the corresponding Platform 6.0 versions of their applications as part of the Enhancement and Support agreement. Fees associated with this upgrade are outlined below. The pricing information below is valid through 1/31/01. Please note that the client is responsible for applicable local, state, and federal taxes.

System Modules

ChartFact/ChartLocator Platform 6.0 Upgrade	No charge
ChartStat to ClinTrac Clinical Abstracting Module Upgrade ¹	No charge
Network Version Licenses - Platform 6.0 Upgrade	<u>No charge</u>
Total One-time Other Software Fees	No Charge

¹ This product requires an NT Server running MS SQL Server database

Other Software Fees

Provider ID Platform 6.0 Upgrade	No charge
Crystal Reports Version 8 Professional (1 user)	\$ 395
Total One-time Other Software Fees	\$ 395

8% Tax	31.60
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Implementation Services

The following SoftMed Implementation Services are the minimum required for implementation of the systems proposed

Conversion Management (@ \$1,200/day) - 1 days	\$ 1,200
ClinTrac Conversion Management - Standard (@ \$1,200/day) - 13 days**	\$ 15,600
ClinTrac Onsite Training (@ \$1,200/day) - 4 days**	<u>\$ 4,800</u>
Subtotal Implementation Services Fees	\$ 21,600
Less 25% Special ChartStat to ClinTrac Upgrade Discount**	<u>\$ - 5,100</u>
Total Implementation Services Fees*	\$ 16,500

* Travel expenses are additional

****Please Note:** Fees quoted above assume that the client is upgrading from a standard ChartStat system to a standard ClinTrac system (no user customization). As part of each ChartStat to ClinTrac Upgrade, SoftMed will perform a site systems assessment. If it is determined during the assessment that customization is required, a revised proposal will be provided to the client. A 25% discount on professional services specifically related to ChartStat to ClinTrac upgrade services is available to clients who provide a valid purchase order before 1/31/01. Additionally, to be eligible for the discount, the customer must begin implementation within 12 months of placing the order.

Technical Consulting Services

The following SoftMed Technical Consulting Group services are the minimum required for implementation of the systems proposed

SQL Visit (@ \$2,000/day) - 2 days*	\$ 4,000
Subtotal Technical Consulting Services Fees	\$ 4,000
Less Special ChartStat to ClinTrac Upgrade Discount**	\$ - 1,000
Total Technical Consulting Services Fees*	\$ 3,000

Please Note: A 25% discount on professional services specifically related to ChartStat to ClinTrac upgrade services is available to clients who provide a valid purchase order before 1/31/01. Additionally, to be eligible for the discount, the customer must begin implementation within 12 months of placing the order.

* *Travel expenses are additional*

System Modules

ProviderCV - one-time license fee	\$ 17,500
Network Version License (@\$2,150/concurrent user per module)-2 concurrent users	\$ 4,300
ClinTrac Utilization Management Module-one-time license fee	\$ 19,500
Network Version License (@\$2,150/concurrent user per module)-2 concurrent users	\$ 4,300
ClinTrac Quality Assurance Module - one-time license fee	\$ 19,500
Network Version License (@\$2,150/concurrent user per module) - 2 concurrent users	\$ 4,300
Barcode Software	\$ 3,400
Sub-total One-time License Fees	\$ 72,800
Less Special One-time Discount*	\$ - 10,000
Total One-time License Fees	\$ 62,800

8% Tax 5,024

Please note the products shown above require a Windows NT Server running MS SQL Server database software

* *Special One-time Discount shown above requires receipt of a valid order on or before 1/31/01. A valid order consists of an executed contract addendum, valid purchase order and the first payment per the terms of the addendum.*

Implementation Services

We recommend the following services for implementation of the systems proposed

Project Management (@ \$1,500/day) - 6 days*	\$ 9,000
Onsite Training (@ \$1,200/day) - 12 days*	\$ 14,400
Total Implementation Service Fees*	\$ 23,400

* *Travel expenses are additional*

Barcode Equipment

SoftMed will provide the following Intermec barcode equipment. Client is responsible for the shipping expense Barcode labels and printer ribbons must be ordered prior to system installation, please contact your SoftMed sales representative for pricing and additional information

1 Intermec 3440 Thermal Transfer Barcode Printer (@\$3,400 each)**	\$ 3,400
5 Intermec 9730 Barcode Readers (@\$320 each)	\$ 1,600
Total Barcode Equipment Fees*	\$ 5,000

8% Tax **400**

* *This total excludes the cost of shipping All orders must be marked FOB shipping point*

** *The Intermec 3440 printer is specifically for Windows 95 or NT environments*

Available Add-On Barcode Equipment*

SoftMed can provide the following Intermec barcode equipment. Client is responsible for the shipping expense Barcode labels and printer ribbons must be ordered prior to system installation, please contact your SoftMed sales representative for pricing and additional information

Intermec 2410 Portable Barcode Trakkers (@\$2,360 each)
Intermec 9730 Laser-Gun Readers, no stand (@\$1,700 each)
Intermec 9730 Laser-Gun Readers, with document stand (@\$2,114 each)

* *This total excludes the cost of shipping All orders must be marked FOB shipping point*

COUNTY shall pay SOFTMED the LICENSE FEE and OTHER SOFTWARE FEES stated in SCHEDULE B as follows 50% is due upon execution of this Agreement and 50% is due upon completion of installation of PROGRAMS at COUNTY site COUNTY shall pay 100% of system hardware upon receipt of hardware Payments will be made within 30 days of receipt of invoice All payments are due within one year of the signing of this Addendum

The term of this agreement is one year, from February 12, 2001 through February 11, 2002. The total cost of this agreement is \$137,655. This includes a one-time fee of \$116,551 including taxes for software licensing (perpetual) and implementation, a yearly fee of \$11,104 for maintenance, support and enhancement and \$10,000 for travel and miscellaneous expenses related to training and system implementation.

**ADDENDUM A TO SOFTWARE LICENSE AGREEMENT
SOFTMED SYSTEMS, INC.**

The following terms are an Addendum to the original SOFTWARE LICENSE AGREEMENT between SoftMed Systems Inc., 6610 Rockledge Drive Suite 500 Bethesda, MD 20817 (hereinafter SOFTMED) and San Mateo County, Hospital and Clinics, 222 W. 39th Avenue, San Mateo, CA 94408 (hereinafter COUNTY), dated April 1, 1994.

I. FEES

COUNTY shall pay SOFTMED the LICENSE FEE and OTHER SOFTWARE FEES stated in SCHEDULE B as follows: 50% is due upon execution of this Agreement and 50% is due upon completion of installation of PROGRAMS at COUNTY site. COUNTY shall pay 100% of system hardware upon receipt of hardware. Payments will be made within 30 days of receipt of invoice. All payments are due within one year of the signing of this Addendum.

II. BARCODE EQUIPMENT

COUNTY shall pay to SOFTMED the barcode equipment fees listed in SCHEDULE B, within 30 days of receipt of invoice. COUNTY will include the barcode equipment on the COUNTY purchase order.

III. IMPLEMENTATION SERVICES

SOFTMED shall provide Implementation Services as specified in SCHEDULE A. COUNTY shall reimburse SOFTMED, for Implementation Services, as incurred, within 30 days of receipt of invoice. COUNTY shall reimburse SOFTMED for all reasonable travel and living expense.

IV. MAINTENANCE, ENHANCEMENT AND SUPPORT

COUNTY shall pay \$11,104 (standard coverage) 90 days from Delivery of the PROGRAMS to COUNTY. All payments are due within 30 days of receipt of invoice.

IN WITNESS WHEREOF, the parties hereto have set their hands and have caused this Agreement to be executed by their authorized officers on the date first written above.

SOFTMED SYSTEMS, INC.

COUNTY

By _____

By _____

Title Executive Vice President

Title _____

Date _____

Date _____

ATTACHMENT A

SoftMed Hardware and Software Recommendations

SoftMed requires computers with Intel Pentium microprocessors to run our Windows products. Because of the rapid advancements in computer technology, we ask that clients with questions about our hardware and software recommendations contact us before ordering computer equipment.

Recommended Hardware and Software to Be Provided by Client

SoftMed File Server:

- 1 Pentium III or XEON 500+ MHz server-class computer, 1+ GB RAM, RAID 5 hot pluggable disk array (9 GB capacity or greater), 4X bootable CD-ROM, floppy drive, SVGA 15+ color monitor, Novell IntranetWare 4.2.5 or Windows NT Server 4.0 operating system with latest patches, 100-Base-T, FDDI or ATM network interface card or cards, Tape drive and software as certified by network operating system vendor, Uninterruptible power supply and monitoring software required.

SoftMed Windows Workstation PC:

- 15+ Pentium III or Celeron computer workstations, 450+ MHz, 128+ MB RAM (256+ MB if running Windows NT), 10+ GB hard drive, CD-ROM drive or access to CD-ROM drive across network, floppy disk drive, Windows 95, 98 or Windows NT, SVGA 19+ color monitor (1024x768 resolution), keyboard, mouse, and appropriate network interface card and cabling.

Miscellaneous Hardware and Software:

- 3+ HP Laser printers (4 4si, 5 5si, 2000 or 4000) with Jet direct cards
Uninterruptible power source for the workstation(s) - recommended
U S Robotics 33.6+ Modem and pcANYWHERE/32 for remote diagnostics
Latest service packs and patches for desktop, server, and network operating systems.

MS SQL Server

- 1 Pentium II SMP capable server-class computer (tower model), 500+ MHz, 512+ MB RAM, RAID 5 hot pluggable disk array (3 x 9 GB disks), CD-ROM, 10/100 Base-T Ethernet network interface card, SVGA 15+ color monitor, MS SQL Server with 5 full licenses, WinNT 4.0 Server operating system with 10 concurrent licenses, Compaq AIT tape drive (plus 5 tapes), ARCserveIT and ARCserve SQL Backup Agent, pcANYWHERE/32 and a 33.6k+ internal modem. *Client is responsible for the network interface card (if 10/100-Base-T Ethernet NIC is not used), cabling, shipping expense and onsite hardware hookup. Use of a UPS is highly recommended.*

ATTACHMENT B

Project Management Professional Services

Per Schedules A and B of this Agreement, Project Management Professional Services will be provided to assist with the installation management of the SoftMed PROGRAMS. Project Management is defined as the process to organize, direct, track, and motivate a team for a specific time period, to meet predefined and mutually agreed upon project objectives. The Installation Management department follows the industry standard in defining projects via the five-phase project life cycle which includes the following phases: definition, planning, organization, control, and closing.

Once a SoftMed project manager is assigned, the services rendered will include, but are not limited to: (1) The identification of project goals, objectives, milestones, and critical path activities; (2) The development of a formal statement of work that will be used to define a project work; (3) The determination, allocation, and assignment of SoftMed project resources; (4) The definition and coordination of project organization, reporting, status calls, and status meetings; (5) The coordination of onsite visits (optional) by project managers starting with a kick-off meeting and ad-hoc status meetings, as required.

Project Management Professional Services quoted in this contract are estimated. SoftMed will provide a detailed accounting of Project Management Professional Service hours with a summary of work completed throughout the course of the project. The accounting invoices will be provided monthly (in arrears of the work performed).

It is expected that the COUNTY will also assign a project manager. The COUNTY project manager will serve as the primary contact to the SoftMed Project Manager.

To validate the estimated Project Management Professional Service hours listed in this contract, the COUNTY Project Manager and the SoftMed Project Manager will further refine the scope of the project work plan. Once the project work plan has been agreed to, a revised estimate will be provided to the COUNTY. This revised estimate will be based on the number of hours required to complete the assigned tasks as projected in the project work plan. The accounting invoice will define the total number of hours (one project management day equals eight hours) used per month. If the number of hours required to complete the project exceeds the number of estimated Project Management hours quoted, then a revised estimate will be provided to the COUNTY.

The COUNTY Project Manager and the SoftMed Project Manager have joint responsibility to ensure a smooth and successful implementation. In the event issues may arise that must be escalated, the COUNTY Project Manager will escalate issues to the SoftMed Project Manager and then to SoftMed's Director of Installation Management. For significant unresolved issues, the COUNTY may then escalate to SoftMed's Vice President of Client Relations.

Our goal is to maximize the effectiveness to you, our client, of the SoftMed PROGRAMS while minimizing the overall costs of implementation through a smooth implementation process.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
12/13/00

PRODUCER
 Armfield Harrison & Thomas Inc
 20 South King Street
 Leesburg, VA 20175
 703 777-2341

INSURED
 Softmed Systems Inc
 6610 Rockledge Drive
 Sulte 500
 Bethesda, MD 20817

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

INSURERS AFFORDING COVERAGE

INSURER A Chubb Group of Insurance Companies
 INSURER B _____
 INSURER C _____
 INSURER D _____
 INSURER E _____

COVERAGES

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	35349636	11/10/00	11/10/01	EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$750,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP ACC \$2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	73235443	11/10/00	11/10/01	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC \$ AGG \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	79727659	11/10/00	11/10/01	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS LIABILITY OTHER	71646589	11/10/00	11/10/01	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER EL EACH ACCIDENT \$500,000 EL DISEASE - EA EMPLOYEE \$500,000 EL DISEASE - POLICY LIMIT \$500,000

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

CERTIFICATE HOLDER Softmed Systems, Inc. 6610 Rockledge Drive, #500 Bethesda, MD 20817	ADDITIONAL INSURED, INSURER LETTER	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, TRACANTS OR REPRESENTATIVES AUTHORIZED REPRESENTATIVE <i>[Signature]</i>
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**REPORT OF
INDEPENDENT CONTRACTOR(S)**



05420700

See detailed instructions on reverse side Please type or print

SERVICE-RECIPIENT (BUSINESS OR GOVERNMENT ENTITY)

DATE	FEDERAL ID NO	CA EMPLOYEE ACCOUNT NO	SOCIAL SECURITY NO	NO OF FORMS NEEDED
	19 4 6 0 0 1 0 5 1 3 1 2	8 0 0 9 5 1 9 4 6		

SERVICE RECIPIENT NAME BUSINESS NAME	CONTACT PERSON
C O U N T Y O F I S A N J U A N I T A S	A I L A N A T U G A D I

ADDRESS	TELEPHONE NO
3 5 5 C O U N T Y C E N T E R	6 5 0 5 9 9 1 1 5 5

CITY	STATE	ZIP
R E D W O O D C I T Y	C A	9 4 0 6 3

SERVICE-PROVIDER (INDEPENDENT CONTRACTOR)

FIRST NAME	LAST NAME		
G O F I T M E D I S Y S T E M S I N C			
SOCIAL SECURITY NO	STREET NO	STREET NAME	CITY
5 1 2 3 2 2 0 0 9	6 6 1 0	R O C K L E D G E D R I V E	S T E 5 0 0
CITY	STATE	ZIP	
B I E T H E S D A	M D	2 0 8 1 7	
START DATE OF CONTRACT	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE	CHECK HERE IF CONTRACT IS ONGOING
0 2 7 2 8 1	1 3 7 6 5 5 0 0	0 2 7 2 8 2	

FIRST NAME	LAST NAME		
SOCIAL SECURITY NO	STREET NO	STREET NAME	CITY
CITY	STATE	ZIP	
START DATE OF CONTRACT	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE	CHECK HERE IF CONTRACT IS ONGOING
M M D C V V		M M D C V V	

FIRST NAME	LAST NAME		
SOCIAL SECURITY NO	STREET NO	STREET NAME	CITY
CITY	STATE	ZIP	
START DATE OF CONTRACT	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE	CHECK HERE IF CONTRACT IS ONGOING
M M D C V V		M M D C V V	