



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 15, 2022

Subject: Proposed Sales Order (OPT-0297289) with Cerner Corporation for the purchase of the Cerner/Tonic Patient Intake solution.

Recommended Action: Approve; Authorize Chairman to sign

Attached is the Board memo and supporting documentation that was not included in the Board packet.



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Subject: Proposed Sales Order (OPT-0297289) with Cerner Corporation for the purchase of the Cerner/Tonic Patient Intake solution.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Sales Order Agreement (OPT-0297289) with Cerner Corporation for the purchase of the Cerner/Tonic Patient Intake solution. From July 2019, Kern Medical has directly contracted with Tonic Solutions for the services required for patient intake. Tonic Solutions is now a Cerner certified partner; therefore, the current Tonic Solutions agreement will transition to this proposed Cerner Sales Order in order for Kern Medical to continue use the product and receive operational support.

Cerner Corporation's fees for this 66-month engagement is \$879,978, as outlined below.

Year 1 maximum payable - \$159,996

Year 2 maximum payable - \$159,996

Year 3 maximum payable - \$159,996

Year 4 maximum payable - \$159,996

Year 5 maximum payable - \$159,996

Year 6 maximum payable - \$ 79,998

The Agreement contains non-standard terms and conditions that cannot be approved as to form by Counsel including a self-renewing term and pass-through third-party terms.

Even with this non-standard term, the need for this product to insure accurate patient registration outweighs the issue of counsel being unable to approve as to form. Therefore, it is recommended that your Board approve the Cerner Corporation Sales Order for the Cerner/Tonic Patient Intake solution, with a not-to-exceed amount of \$879,978, for a term of sixty-six (66) months, and authorize the Chairman to sign.



CERNER SALES ORDER

This Cerner Sales Order is made on June 15, 2022 (“Effective Date”), between

Kern County Hospital Authority (“Client”)

a local unit of government with its principal place of business at

1700 Mount Vernon Ave
Bakersfield, CA 93306-4018, United States
Telephone: (661) 326-2000

and **Cerner Corporation (“Cerner”)**

a Delaware corporation with its principal place of business at

2800 Rock Creek Parkway
North Kansas City, MO 64117, United States
Telephone: (816) 221-1024

Cerner Sales Contact: Matthew Wilson
matthew.wilson2@cerner.com

Client agrees to purchase the specific products and services set forth herein, and Cerner agrees to furnish such products and services upon the terms and conditions of this Cerner Sales Order and the Cerner Business Agreement No. 1-3H7XXBV (Client Reference HA # 2016-36), dated July 01, 2016, between Client and Cerner (the “Agreement”).

Client understands that hand-written changes to this Cerner Sales Order will not be accepted. Client will engage their Cerner Sales Contact to request any revisions.

KERN COUNTY HOSPITAL AUTHORITY

Authorized signatory: _____

(signature)

Russell Bigler

(printed name)

Title: Chairman, Board of Governors

CERNER CORPORATION

Authorized signatory: _____

Teresa Waller

Title: Sr. Director, Contract Management

CLIENT WILL COMPLETE THE FOLLOWING UPON EXECUTION OF THIS CERNER SALES ORDER:

Client Invoice Contact: _____

Contact Phone #: _____

Contact Email Address: _____

Client's account can be managed online at cerner.com by registering for Cerner eBill. To gain access to eBill, contact the Cerner Client Care Center at 866-221-8877 or e-mail ClientCareCenter@cerner.com.

**REVIEWED ONLY
NOT APPROVED AS TO FORM**

By [Signature]
Legal Services Department



Kern County Hospital Authority
OPT-0297289_Q-111315.1_LA-0000320304
June 8, 2022

FINANCIAL OVERVIEW

Description	One-Time Fees	Monthly Fees
SOLUTIONS		
Shared Computing Services	--	13,333.00
TOTALS:	0.00	13,333.00

All prices in this Cerner Sales Order are shown in USD. Pricing is valid until September 06, 2022. If this Cerner Sales Order is not executed on or before such date, this pricing is considered null and void and will be subject to revision.

Not applicable is indicated by "--".

PAYMENT TERMS

MONTHLY RECURRING FEES		
Description	Percent (%) Of Total Due	Payment Due
Shared Computing Services	100%	Annually beginning on July 1, 2022

TERM AND TERMINATION

Other Services. Unless otherwise set forth herein, all other recurring Services (such as subscription services, application services, shared computing services, employer services, recurring professional services, and managed services) begin July 1, 2022 and continue for the term set forth in the "Solutions", "Professional Services", or "Managed Services" sections.

Renewal. Unless otherwise set forth herein, at the end of the applicable term, each recurring Service will automatically renew for additional 12 month periods at the rate charged in the final period of the then-current term, unless either party provides the other party with written notification of its intent to terminate the relevant Service no less than 60 days prior to the expiration of the applicable then-current term.

FEE INCREASES

Cerner may increase the monthly fee for Support services and each recurring service (such as managed services, application services, subscription services, application management services, employer services, transaction services, and Shared Computing Services) any time following the initial twelve (12) month period after such recurring service fees begin (but not more frequently than once in any twelve (12) month period) by giving Client sixty (60) days prior written notice of the price increase. The amount of any increase in the fees shall not exceed the previous calendar year's percentage increase in CPI, plus 1% per annum. Cerner may also increase the fees at any time during the term if a Cerner third party increases the fees to be paid by Cerner, with such increase being limited to the amount of increase in Cerner's fee to the third party.

SOLUTIONS

SHARED COMPUTING SERVICES

Mfg. Part No.	Solution Detail Description	Scope of Use Metric	Qty./ Scope of Use Limit	Term (Mo.)	Monthly Range	Extended One-Time Fees	Extended Monthly Fees	Solution Description Code	Third-Party Component(s)	Pass-Through Code	Per Unit Monthly Expansion Fees
R1T-803201	Tonic Patient Intake	Scheduled Appointments	250,000	66	1-66	--	13,333	--	✓	100092_002	--
TOTAL:						--	13,333	--	--	--	--

SCOPE OF USE

Client will use the solutions set forth in this Cerner Sales Order in accordance with the Documentation and subject to the scope of use limits set forth in the Solutions section. If a scope of use limit is exceeded, Client agrees to pay the applicable expansion fees set forth in the Solutions section, which are valid for 2 year(s) after the Effective Date, and thereafter increase at a rate of 5% per year. In the event Client requests additional scope beyond the limits set forth in the Solutions section and no Per Unit Expansion Fees are referenced therein, Client must execute a new Ordering Document setting forth the additional scope and fees at Cerner's then-current rates.

Scope of use will be measured periodically by Cerner's system tools, or, for metrics that cannot be measured by system tools or obtained through industry available reporting sources (e.g. FTEs or locations), Client will provide the relevant information (including records to verify the information) to Cerner at least once per year. Client agrees that if an event occurs that will affect Client's scope of use (such as the acquisition of a new hospital or other new facility), Client will notify Cerner in writing of such event no later than 30 days following the effective date of such event so that Client's scope of use can be reviewed. Any additional fees due under this Section will be payable within 60 days following Client's receipt of an invoice for such fees. Any additional monthly fees will begin on the date the limit was exceeded and shall be paid annually (pro-rated for any partial month).

The pricing in the Solutions section of this Cerner Sales Order is based on the following scope of use metrics, which are defined as follows.

Scope of Use Metric	Scope of Use Definition
Scheduled Appointments	The total combined number per annum of booked healthcare events among patients, practitioners, related persons, and/or devices for a specific date/time.

FACILITIES

Permitted Facilities. For use and access by these facilities:

Name	Address	City	State/Province	Zip/Postal Code	Country
Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306-4018	United States

The parties may add or substitute Permitted Facilities by amending this section.

PASS-THROUGH PROVISIONS

Where pass-through provisions are applicable to third-party products and services, these provisions are referenced by a pass-through code in the "Solutions", "Equipment/Sublicensed Software", "Professional Services", "Application Management Services", or "Managed Services" sections of this Cerner Sales Order, and that code can be entered at <https://passthroughprovisions.cerner.com> to view the pass-through provisions. These pass-through provisions are incorporated into this Cerner Sales Order by reference, and may also be attached as an exhibit to this Cerner Sales Order.

QUOTE ASSUMPTIONS

The following are general assumptions regarding the solutions, services, and project set forth in this Cerner Sales Order.

In the event that Client elects to enable our FHIR-based integrations, we will scope the corresponding implementation and fees

ADDITIONAL TERMS AND PROVISIONS**THIRD-PARTY SERVICES**

Certain Services have been developed by Cerner's third-party suppliers (the "Third-Party Services"). The Third-Party Services may be provided under the required terms of the applicable supplier, which will be available on Cerner's website. Cerner is not liable under this Cerner Sales Order for any damages of any kind or nature related to or arising out of Third-Party Services. Cerner does not warrant or provide any indemnities on Third-Party Services. To the extent that any third-party pass-through provisions contain liability limitations with respect to the Third-Party Services, such limitations state the total maximum liability of Cerner (and then only to the extent that Cerner can collect from the supplier for Client's benefit) and each supplier with respect to the Third-Party Services.