



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Behavioral Wellness  
**Department No.:** 043  
**For Agenda Of:** August 22, 2023  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Antonette Navarro, LMFT, Director  
Director(s) Behavioral Wellness, (805) 681-5220  
Contact Info: Marshall Ramsey, CHCIO, CDH-E, Chief Information Officer  
Behavioral Wellness, (805) 681-5220  
**SUBJECT:** Alcor Solutions, Inc. FY 23-26 Agreement for ServiceNow software as a service workflow platform subscription products and FY 23-26 Agreement for ServiceNow implementation, support, and maintenance services and ServiceNow, Inc. Business Associate Agreement

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**County Counsel Concurrence:**

As to form: Yes

**Auditor-Controller Concurrence:**

As to form: Yes

**Other Concurrence:**

Risk Management

As to form: Yes

**Other Concurrence:**

Information Technology Department

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute an Agreement with **Alcor Solutions, Inc.** for ServiceNow software as a service (SaaS) workflow platform subscription products for a total maximum contract amount not to exceed **\$334,836**, inclusive of \$111,612 per fiscal year, for the period of July 1, 2023 through June 30, 2026 (SaaS Agreement) (Attachment A);
- b) Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with **Alcor Solutions, Inc.** for the provision of ServiceNow platform implementation, support, and maintenance services for a total maximum contract amount not to exceed **\$540,000**, inclusive of \$180,000 per fiscal year, for the period of July 1, 2023 through June 30, 2026 (Managed Services Agreement) (Attachment B);

- c) Delegate to the Director of the Department of Behavioral Wellness or designee the authority to suspend, delay, or interrupt the services under the SaaS and Managed Services Agreements for convenience per Section 20 of the Agreements and make immaterial changes to the Agreements per Section 26, all without altering the maximum contract amounts and without requiring the Board's approval of an amendment of the Agreements, subject to the Board's ability to rescind this delegated authority at any time;
- d) Approve, ratify, and delegate to the Director of the Department of Behavioral Wellness or designee the authority to execute a **Business Associate Agreement** under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) with **ServiceNow, Inc.**, effective August 1, 2023 to allow for the exchange of protected health information between Behavioral Wellness and ServiceNow, Inc. that may occur during Behavioral Wellness' business operations involving usage of ServiceNow SaaS subscription products; and
- e) Determine that the above action is a government funding mechanism or other government fiscal activity, which does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment, and is an organizational or administrative activity of the government that will not result in direct or indirect physical changes in the environment and is therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) and (b)(5) of the CEQA Guidelines.

**Summary Text:**

This item is on the agenda to request approval of two Agreements with **Alcor Solutions, Inc.** (Alcor) for FY 2023-2026. These include an Agreement for ServiceNow software as a service (SaaS) workflow platform subscription products for a total maximum contract amount not to exceed \$334,836 for FY 2023-2026 and an Agreement for the provision of ServiceNow platform implementation, support, and maintenance services for a total maximum contract amount not to exceed \$540,000 for FY 2023-2026.

Additionally, the Department of Behavioral Wellness (BWell) requests approval to execute a Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) with **ServiceNow, Inc.** (ServiceNow), effective August 1, 2023, to allow for the exchange of protected health information between BWell and ServiceNow, Inc. that may occur during BWell's business operations involving usage of ServiceNow SaaS subscription products. Approval of the recommended actions will allow BWell to maintain its ServiceNow licensing and continued ServiceNow platform implementation, support, and maintenance. Since BWell implemented the ServiceNow tool in 2017, additional departments have also begun using this business tool. It is anticipated that in the future, the Crossfuse/ServiceNow and Alcor/ServiceNow contracts will be evaluated towards a single contract for use by any of the SBC departments and managed by the newly formed Information Technology Department.

**Background:**

ServiceNow is a digital workflow platform that improves employee and customer workflows. ServiceNow, Inc. is a cloud-based company that provides software as a service for technical management support. The company specializes in Information Technology (IT) service management, IT operations management, and IT business management, allowing users to manage projects, teams and customer interactions via a variety of apps and plugins.

BWell's utilization of the ServiceNow platform includes, but is not limited to:

- A portal to track requests, streamline communication, and share information;

- Access to knowledge articles with training materials and videos;
- Connection to BWell IT staff, Contracts staff, and Quality Care Management staff;
- Manage staff access to BWell supported software; and
- Communicate and track the status of requests.

Alcor is a team of experienced consultants who advise leading businesses on cloud platforms, architecture, enterprise service management and integrating IT service delivery, with expertise in the ServiceNow platform. BWell has contracted with Alcor since FY 2016-2017, when Alcor implemented BWell's initial ServiceNow instance. Since then, Alcor has continued to provide IT consulting services to BWell and implemented multiple ServiceNow modules, including IT service management, the Contract Management Module, Community-Based Organizations (CBO) Portal, AccessFlow, Knowledge Base, and ServiceNow upgrades.

After ServiceNow, Inc. ceased to provide direct licensing for its platform in December 2021, BWell also selected Alcor as an authorized reseller of ServiceNow licenses. Although BWell contracts with Alcor for the license subscriptions to the ServiceNow products, ServiceNow, Inc. still remains the owner and provider of the software. As a result, ServiceNow, Inc. may have access to BWell clients' protected health information. To ensure secure storage of sensitive data and compliance with Health Insurance Portability and Accountability Act (HIPAA) regulations, the County and ServiceNow, Inc. must enter into a Business Associate Agreement.

Approval of the recommended actions will allow Alcor to continue providing BWell with ServiceNow licenses and ongoing ServiceNow platform support and maintenance.

**Performance Measures:**

Alcor's performance will be measured through the following metrics contained in the agreement:

- Upgrades: Successful completion of up to one (1) major ServiceNow environment upgrade.
- Reporting: Alcor will report on hours consumption monthly. These hours will be reported to BWell stakeholders by the Alcor Engagement Manager to ensure future work and enhancements are triaged and scheduled in a manner which matches BWell's desired budget and timelines.
- Human Resources (HR) Module Enhancements: Alcor will complete and resolve a target of 2 Medium or 6 Small enhancement requests monthly as part of development of the HR Module.
- Quarterly Business Review: Alcor and BWell may elect to conduct a formal Quarterly Business Review to assess the quality and quantity of service delivery, mutually exchange feedback, discuss key milestones or project goals, and determine whether adjustments are needed to the scope of work or hours allocation.

**Contract Renewals and Performance Outcomes:**

Alcor is achieving the outcomes to the required standards set forth in the Agreements within the allocated budget. Alcor has implemented multiple ServiceNow modules for BWell, including IT service management, the Contract Management Module, CBO Portal, AccessFlow, Knowledge Base, and ServiceNow upgrades. In FY 22-23, Alcor implemented the Request-to-Fill process and began implementation of Asset Management, which is in the process of completion. Alcor continues to assist with change requests for the CBO Portal, AccessFlow, Contract Management, and Incidents.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>FY 23-24 Cost</b>	<b>FY 24-25 Cost</b>	<b>FY 25-26 Cost</b>	<b>Total</b>
General Fund				
State	\$ 145,806	\$ 145,806	\$ 145,806	\$ 437,418
Federal	\$ 145,806	\$ 145,806	\$ 145,806	\$ 437,418
Fees				
Other:				
<b>Total</b>	<b>\$ 291,612</b>	<b>\$ 291,612</b>	<b>\$ 291,612</b>	<b>\$ 874,836</b>

Narrative: The above-referenced SaaS and Managed Services agreements are funded by State and Federal funds. The funding sources were included in the FY 23-24 Adopted Budget. The backdated portion of the SaaS and Managed Services agreements (from July 1, 2023 through August 22, 2023) will be funded by State funds. Funding for FY 24-25 and FY 25-26 will be included in the department’s requested budget and will be contingent on Board approval.

**Key Contract Risks:**

Due to the nature of the consulting services provided, Alcor and ServiceNow, Inc. may have access to BWell employees’ and clients’ personally identifiable information when this information is shared in everyday business processes via ServiceNow (e.g. within the CBO Portal and HR Module). As a result, Alcor and ServiceNow, Inc. are each considered a Business Associate per the Health Insurance Portability and Accountability Act (HIPAA) regulations. The County Business Associate Agreement is attached and made part of the Agreement for Services of Independent Contractor with Alcor. A breach by Alcor of any provision of the Business Associate Agreement constitutes a material breach of the Agreement and is grounds for immediate termination of the Agreement. BWell requests Board approval of a Business Associate Agreement between County and ServiceNow, Inc. which specifies each party’s responsibilities to maintain Protected Health Information security and compliance with HIPAA regulations.

**Special Instructions:**

Please email one (1) of each complete executed contract and one (1) minute order to [bethle@sbcbswell.org](mailto:bethle@sbcbswell.org) and [bwelcontractsstaff@sbcbswell.org](mailto:bwelcontractsstaff@sbcbswell.org).

**Attachments:**

- Attachment A: Alcor Solutions, Inc. SaaS Agreement FY 23-26
- Attachment B: Alcor Solutions, Inc. Managed Services Agreement FY 23-26

**Authored by:**

Bethany Le