



## PHASE III Vendor Evaluation and Selection

In Phase III, Vendor Evaluation and Selection, your organization will assemble an evaluation team with the purpose of scoring the vendors' RFP responses. Invite a wide range of internal stakeholders, including those who will be

using the EHR product on a daily basis, to be part of the selection process. At the end of this phase, the team will select the EHR vendor and product(s).



Invite a wide range of internal stakeholders to be a part of the selection process.

### KEY STEPS

- 1 Perform due diligence
- 2 Score vendor proposals
- 3 Conduct site visits of vendor finalists for final selection
- 4 Negotiate the vendor contract



# 1 Perform Due Diligence

The due diligence process ensures that your organization has a consistent and reasonable approach to vetting the EHR vendor finalists. The organization should:

- Participate in product demonstrations.
- Conduct reference checks.

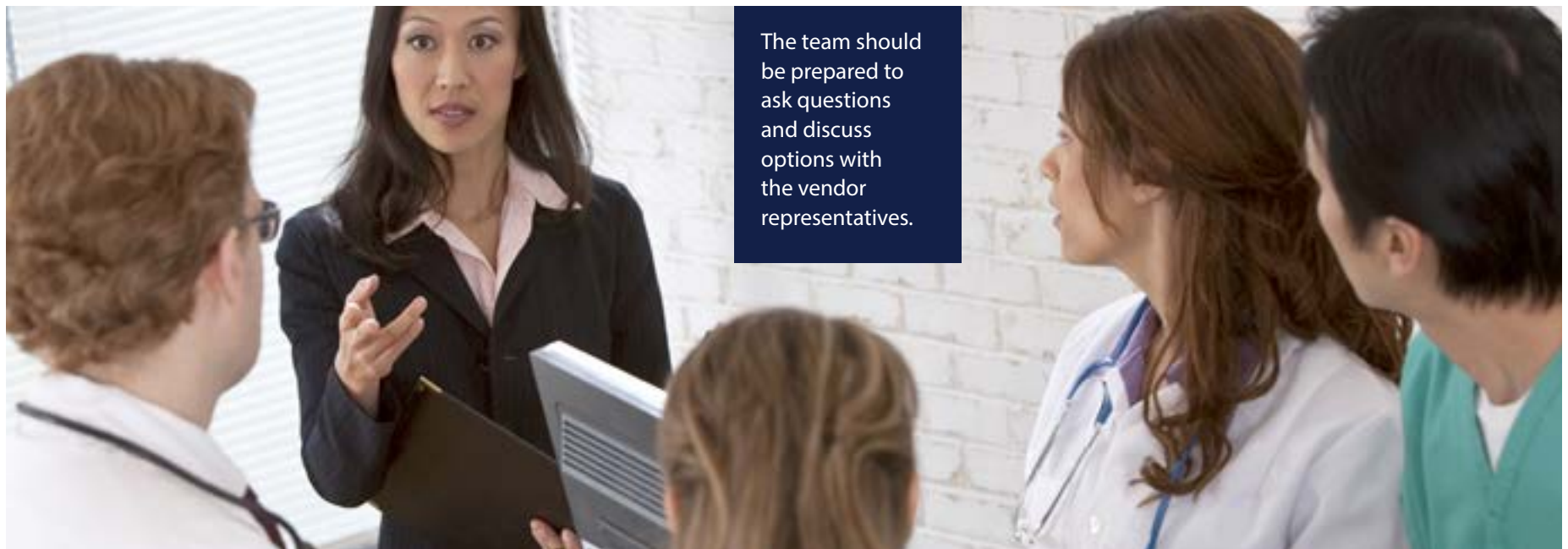
## Participate in Product Demonstrations

Arrange for product demonstrations to get a sense of how the features are used. The team should be prepared to ask questions and discuss options with the vendor representatives. Some organizations will create scenarios of existing clinical and administrative work-flows for the vendors to demonstrate. This provides an opportunity to see the system in relation to everyday organizational tasks. Ask to see how

the product works for your specialty and your organizational requirements.

## Conduct Reference Checks

After narrowing your decision to two or three vendors, conduct a background reference check. A quality vendor will provide you with the host's site project manager, preferably in your geographic region, to help build local user support.





## The following list of questions offers best practices for eliciting critical information as part of conducting reference checks.



### Why did you purchase this product?

- You will want to identify how relatable the organization is to yours to see if they had the same issues or challenges they were trying to solve with the procurement of the product. Are these reasons the same as your organization's needs?

### Did you feel the vendor negotiated your contract fairly?

- You will want to identify the feasibility of negotiating with the vendor. Will the vendor negotiate?

### What kind of technical support did you get when installing the system at your location?

- You will want to gain a sense of the level of support you will need or that will be required of your organization for technical aspects, including network, servers, encryption requirements, and additional software licenses.

### About how much time did it take to customize the system? Who did the customization?

- You will want to identify the resources that will be required of your organization to customize the system as well as resources provided by the vendor. This is a valuable lesson learned! You want high-level support during customization and a clinician at the helm.

### How did you plan out your training?

By department; Super users only; In person; Online?

- You will want to gain a sense of the level of training that will be required of your organization. This helps you plan your resources for training. Online is least expensive, but it can also net the weakest results, depending on the learning styles of your clinicians and other staff.

### Was the vendor sensitive to your lost productivity concerns? How did they help you manage this?

- You will want to identify how disruptive the installation will be to workflows and patient flows, which may require temporary bed closures and/or other measures to implement the system. How will you manage a prompt return to productivity?

### Were you aware of all the interfaces you needed?

- You will want to ensure you will not be surprised by needed interfaces. Estimate interface costs, preparedness, and issues management.

### How does the vendor help you keep current on regulatory and compliance systems?

- You will want to gain a sense of how responsive the vendor is in providing updated product modules to help you stay in compliance with regulations and program requirements. How does the vendor manage upgrades, the timeliness of those upgrades, and when they occur?

### Would you purchase this system again?

- You will want to identify lessons learned from their experience to help in your organization's decision-making process.

If possible, limit the call to about 30 minutes.

If the reference site invites you to visit, take them up on the offer!

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Use this tool to help check EHR vendor references:



[Reference Checking Worksheet for EHR Vendors](#)

## 2

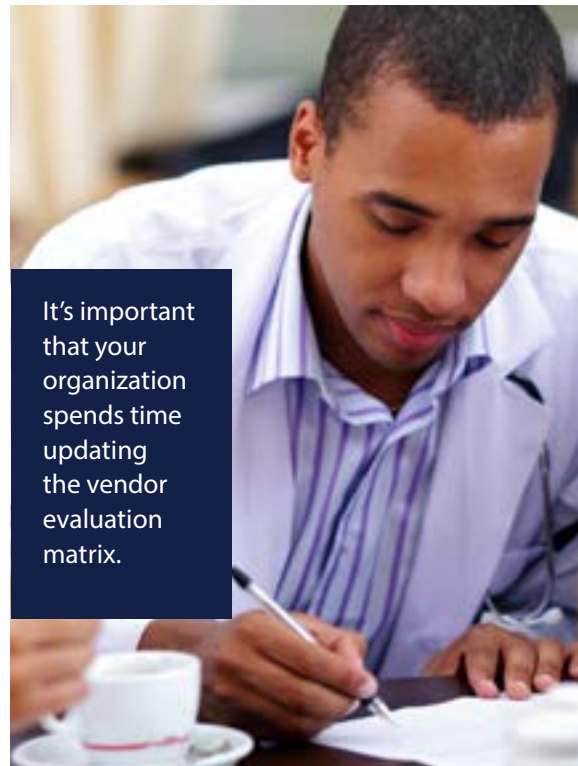
# Score Vendor Proposals



Once proposals or information are received from the vendors, your organization will need to compare and score responses. Based on the RFP outline and the requirements you identified as most important, you can use a vendor evaluation matrix to organize and score the information you have received. Each vendor is evaluated based on a set of criteria that were defined in the RFP. Your organization should have a standard scoring method or scorecard to:

- Encourage accurate comparison of vendors against the individual RFP criteria;
- Enable criteria to be weighted since not all criteria are of equal importance; and
- Allow scores of multiple evaluators to be aggregated.

Ask your evaluation team to review the RFP responses and to use the scorecard to evaluate each vendor. After the evaluation team completes an initial evaluation, use the information in the scorecard to rank the vendors as described in the next step. Consider adding extra points if the vendor points out features you hadn't considered in the RFP.



It's important that your organization spends time updating the vendor evaluation matrix.

The Vendor Evaluation Matrix tool provided is a starting point, or a template, to help organize your organization's requirements into a standardized format to help quickly evaluate your vendor choices. While some of the evaluation metrics may be relevant or useful, it is important that your organization spends time updating the Vendor Evaluation Matrix based on the RFP vendors responded to.

Use this tool as a template and guideline for evaluating vendor RFP information and responses:



[Vendor Evaluation Matrix Tool](#)

# 3

## Conduct Site Visits of Vendor Finalists for Final Selection



Onsite visits are a great way to see how other colleagues and health care organizations use the vendor software product in a live patient setting. We recommend that you visit a site that is using one of the EHR products that has made the final selection list to get a feel for how the EHR product is used in other organizations. Your vendor finalists will provide a list of organizations that are willing to host a site visit. If possible, select sites that are:

- The same size and configuration of your organization;
- In your geographic area; and
- Using the exact product versions being considered.

A variety of potential users and decision-makers should be invited to the site visit. After the site visit, have a debriefing session with the team to discuss what was learned. Compare notes from the initial vendor demonstration to the notes from the site visit. Contact the vendor if you notice any discrepancies.

The Vendor Selection Site Visit Checklist and Questionnaire provides a set of common questions that can be asked during site visits.

Use this checklist for each visit:



### Vendor Selection Site Visit Checklist and Questionnaire

Your organization's key decision-makers should be able to narrow the selection to one or two EHR vendors after evaluating the RFPs and completing at least one site visit. Include the following steps in the final selection process:

- Gather the organization's decision-makers and review the scores;
- Discuss additional considerations and gather any additional questions for the EHR vendor;
- Compare the requests you made in your RFP with vendor responses;
- Contact the vendor finalists with any questions or concerns;
- Review any additional information with the selection team;
- Select the top vendor and consider selecting a runner-up as a contingency; and

- Enter into contract negotiations and consider having legal representation.

You may want to reuse the Vendor Evaluation Matrix tool as a guideline for narrowing down the selection to one or two finalists.



After the site visit, have a debriefing session with the team to discuss what was learned.

# 4

## Negotiate the Vendor Contract



Now that you have selected the preferred vendor, it is time to negotiate a contract. Vendors typically have their own contract—keep in mind that the vendor’s contract was developed by the EHR vendor’s legal team with the intent of protecting the vendor. Most terms in the vendor contract are negotiable. You may want to consider securing the services of a health law attorney with knowledge of your specialty to account for specific contract terms and conditions you may not have anticipated. The vendor contract will set expectations about the EHR vendor relationship—it is important to establish a shared understanding of the contract terms and conditions and navigate the negotiation process for mutual benefit. Development of the vendor contract involves two key activities:

- Understanding EHR Contract Terms
- Navigating the Negotiation Process

### Understanding EHR Contract Terms

Prior to negotiating a contract, you will need to understand the common key terms and conditions utilized in standard contracts. Take the time to fully understand each element and its impact, not only on the purchase of the software product, but also on the installation, implementation, utilization, maintenance, and support of the product as well. Common terms in EHR contracts include:

- Indemnification and hold harmless clauses
- Confidentiality and non-disclosure agreements
- Warranties and disclaimers
- Limitation of liability
- Dispute resolution
- Termination and wind down
- Intellectual property disputes

The tool titled Key Contract Terms for Users to Understand provides details about each of the above terms, and offers guidance on conditions and terms to review and incorporate into your own vendor contract.

Use this tool to help you understand and review the terms and conditions commonly used in EHR contracts:



[Key Contract Terms for Users to Understand](#)



Establish a shared understanding of the contract terms and conditions and navigate the negotiation process for mutual benefit.



# Negotiate the Vendor Contract

## Navigating the Negotiation Process

Once you have selected your preferred vendor and have an understanding of the contract terms, you are now ready to begin the contract and negotiation process. You will want to cover various aspects related to EHR adoption, including:

- Payment and fee structures
- Software functionality
- Hardware and system infrastructure
- Maintenance and support
- Interfaces
- Training
- Implementation

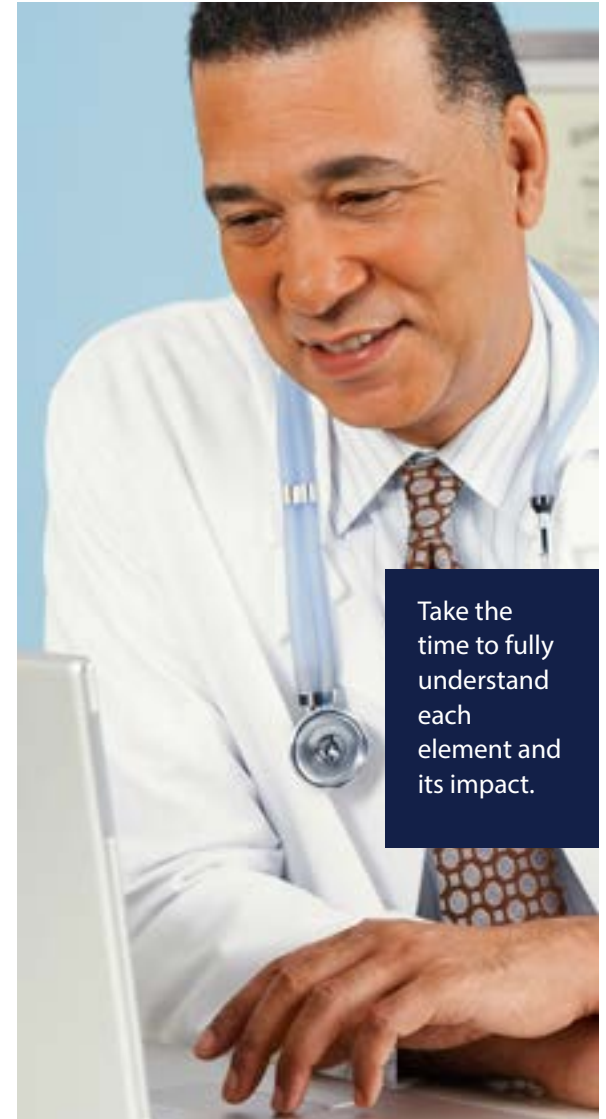
The Contracting Guidelines and Checklist for EHR Vendor Selection tool will help ensure that your organization reviews specific contract clauses and items and incorporates them prior to contract execution.

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Use this tool to structure and negotiate an EHR contract with the vendor:



[NLC Contracting Guidelines and Checklist for EHR Vendor Selection](#)



Take the time to fully understand each element and its impact.