

05/25/2018

Ed Smith
DRAFT
JUDGE OF THE SUPREME COURT
STATE OF MONTANA

Case Number: AC 17-0694

LITIGATION ABSTRACT, INC.OFFICES IN
MISSOULA
AND SEATTLE

VIA E-MAIL

To: Dustin Leftridge and Vernon McFarland**Date: May 7, 2018****From: Susan Mayer****Re: Cost Estimate for Medical Records Repository**

Dustin and Vernon,

Thank you so much for the opportunity to make this revised proposal. The pricing below is based on using Catalyst as the hosting repository and having all work with the repository done by Litigation Abstract, Inc. Our hourly rates are significantly lower than Catalyst's and we have been hosting projects with them for a number of years.

Assumptions

Based on our conversation today, I am revising the estimate. Vernon mentioned 1800+ plaintiffs, so I am using 1900 as the base number of plaintiffs. Assuming that each plaintiff will average 6 records (3 medical providers and 3 non-medical sources), we have 11,400 records. The \$500 monthly minimum will cover hosting for all 11,400 records. If I assume that the files average about 500 pages per plaintiff, we are looking at 950,000 pages. However, we do not know how much of that is already electronic and how much may need to be scanned. Nor do we know how much additional processing will be required for the electronic files before being loaded to Catalyst.

Our past experience with similar records is that we will receive hard copy, standard (PDF, JPG, TIF) image files and proprietary electronic files. Processing the proprietary files can be a slow and costly undertaking, depending on the proprietary software itself. I have increased our estimate of time for working with such files.

Assuming that initially there will be at least one hard copy and one electronic file per plaintiff, the most cost-effective pricing is still Catalyst's per record pricing. Once the number of records exceeds 50,000, the monthly hosting cost goes to a straight per record charge of \$0.01, meaning that the monthly hosting fee for 50,001 records is \$500.01.

Litigation Abstract's work will be billed on a time and materials basis and will vary depending on what we are asked to do. I have provided estimates for time, but they are only estimates. I have tried to at least provide a line item for the anticipated tasks.

I divided the costs into two categories: First Six Months and Subsequent Monthly estimate. We have not discussed how long the project might be active. My expectation is that there will be a lot of time initially getting the repository up and running, followed by months (or years) of user access and specific user requests, with periodic updates to the repository contents. If the repository is to be updated periodically, there will be occasional increases in the Subsequent Monthly costs, depending on how much new material there is to incorporate. Based on nothing specific, I recommend updates

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be limited to every 6 or 12 months to minimize costs. The frequency will be at the parties' discretion and need. I have also included line items for Site Shutdown. Litigation Abstract costs for closing out the project will be time and materials.

First Six Months

Task	Rate	Total
Project Setup on Catalyst	One time fee	\$1,000.00
Monthly Hosting	Per month minimum	\$500.00
Importing	12,000 records @ \$0.01/record (one time fee)	\$120.00
Catalyst User Training	2 hours	NC
Project Manager	40 hours @ \$120.00/hour/month	\$4,800.00
Operations Supervisor	120 hours @ \$87.00/hour/month	\$10,440.00
Processing Native Files	40 hours @ \$87.00/hour/month	\$3,480.00
Uploading, user management, special requests	40 hours @ \$87.00/hour/month	\$3,480.00
Pickup and delivery of hard copy in northwest Montana	\$1,000/roundtrip	
Scanning hard copy	100,000 pages @ \$0.13/page/month	\$13,000.00

Subsequent Monthly Charges

Task	Hourly Rate	Total
Monthly Hosting	Per month minimum	\$500.00
Project Manager	10 hours @ \$120.00/hour/month	\$1,200.00
Operations Supervisor	10 hours @ \$87.00/hour/month	\$870.00
Scanning hard copy	5,000 pages or more @ \$0.13/page Under 5,000 pages @ \$35.00/hour	
Processing Native Files (includes time for proprietary file conversions)	8 hours @ \$87.00/hour/month	\$696.00
Uploading, user management, special requests	20 hours @ \$87.00/hour/month	\$1,740.00
Production from Catalyst	\$0.05/record produced	

Project Shutdown

Task	Hourly Rate	Total
Export/Archiving	50,000 records @ \$0.01/record	\$500.00
Site Shutdown	One time fee	\$500.00
Project Manager	8 hours @ \$120.00/hour	\$960.00
Operations Manager	10 hours @ \$87.00/hour	\$870.00

The Catalyst setup and hosting fees assume up to 25 users with a customizable level of access to the data. The monthly hosting fee may be negotiable depending on how long the repository is expected to be online.

I anticipate that the Litigation Abstract labor costs will decrease over the First Six Months, resulting in the a lower per month estimate, but there are still enough unknowns that I would rather estimate high and invoice less than the other way around.

The hourly costs are still estimates, but much more realistic. Assuming that we can get the bulk of the data within the first six months, the processing costs go down substantially. Scanning and processing are both one-time charges, not recurring ones. However, I have included time for each process as potentially recurring in the Subsequent Monthly Charges estimate. This allows for the possibility that there will be records that are continually updated, even once the repository is established. If this is not likely, we can remove the line items.

You can learn more about Catalyst at <https://catalystsecure.com>. They are an international leader in secure online repositories. I have attached a copy of their Security Overview. Litigation Abstract, Inc. employees have all passed the US Department of Justice's National Agency Check with Inquiries and Credit (NACIC) and have signed Confidentiality Agreements in force both during and after their employment with Litigation Abstract, Inc.

Again, thank you for the opportunity to make this proposal. We would love to work with you on this project. Please let me know if you need further information or have any questions.

Sincerely,

Susan Mayer

From: [Susan Mayer](#)
To: "[Dustin Leftridge](#)"; [Vernon M. McFarland](#)
Cc: [Clark Chatlain](#)
Subject: RE: Revised Cost Estimate for Libby Medical Records Repository
Date: Tuesday, May 08, 2018 4:22:12 PM

Roughly, I estimate that the project setup, hammering out details, making sure everyone has correct access and understands how to use the system, and working out wrinkles and protocols will be a one-time cost in the neighborhood of:

Project Manager = 30 - 40 hours @ \$120/hour
Operations Supervisor = 40 hours @ \$87.00/hour
Programmer I = 4 hours @ \$87.00/hour

Once the project is up and running, the Collecting, Scanning, Processing, and Loading Data over months 2 – 6 will probably be more like:

Project Manager = 5 hours/month @ \$120.00/hour
Operations Supervisor = 100 hours/month @ \$87.00/hour

Programmer I = 40 hours/month @ \$87.00/hour. This is the hardest one to estimate since we really do not know how much and what kind of electronic documents we might be getting and how much work it will take to get them into a useable format.

My expectation is that the first month will be fairly heavy on management time. Once we have hard copy and images coming in, the work will go to less expensive people for scanning, indexing, QC and loading. Processing of electronic files is the big unknown as we do not know what we are likely to get. Once the bulk of the documents are loaded into the system, I anticipate very little time for the project manager and less than I have estimated for the operations supervisor. There is likely to be little or no time for processing files, scanning, loading, etc. once the documents are in the repository. There is usually some technical support as users get familiar with the repository, but most users can function independently very quickly.

Once the repository is functional, there should be little project management time, some operations time and little to no additional processing and loading time, except for periodic updates, if needed. Our experience has been that once the repository is functioning, our involvement can be very minimal, but that varies significantly depending on the number of end users and their database abilities.

We can always put a not-to-exceed on any pieces of the process that is billed hourly that you have specific concern about.

Thank you.
Susan

From: Dustin Leftridge [mailto:dleftridge@mcarveylaw.com]
Sent: Tuesday, May 8, 2018 1:39 PM
To: Susan Mayer
Subject: Re: Revised Cost Estimate for Libby Medical Records Repository

Thanks Susan. Can you offer an estimate on how much of the project manager and operations

supervisor time will be required for set-up of the system vs. the time required for the upload of documents? I'm attempting to parse out the cost associated with document production and upload vs the cost associated with setting up and managing the system. This can be a rough estimate.

Thanks,

Dustin

On May 8, 2018, at 1:24 PM, Susan Mayer <smayer@litigationabstract.com> wrote:

Dustin and Vernon,

First, thank you so much for your time yesterday. Attached is a draft of a revised cost estimate based on the numbers we discussed. I believe this is a much more realistic estimate. Without knowing the level of maintenance, updates, and participation you are expecting from Litigation Abstract once the repository is up and running, the on-going monthly cost estimate is probably a little high. However, no one ever complains if a project comes in under estimated budget. I have tried to cover the things we know will occur with a project like this and most of the things that we do not know. That is why the estimate may be high.

Please let me know if this is sufficiently detailed for you. I can provide more detail, if you wish.

I did confirm with Catalyst that the monthly hosting fee is a \$500 minimum. This hosts up to 50,000 records. If we eventually have more than 50,000 records, the hosting cost is calculated on \$0.01/record to the total number of records. On similar work we have done, the number of records has been well under 50,000, so I think we are good.

This is a draft document. Please feel free to suggest changes, provide comments and ask questions.

Thank you again. We look forward to working with you on this project.

Susan

Susan B. Mayer

President and CEO

Litigation Abstract, Inc.

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please contact Litigation Abstract, Inc., immediately at LAdmin@litigationabstract.com or 406.728.3830. Thank you.

<0507LeftridgeMcFarland.doc>