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OFFICE OF THE CITY CLERK
OAKLAND

2015 APR 29 PM 12:53

AGENDA REPORT

TO: John A. Flores
INTERIM CITY ADMINISTRATOR

FROM: Anil Comelo

SUBJECT: Occupational Medical Services Contract **DATE:** April 20, 2015

City Administrator
Approval

Date

4/28/15

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt:

Resolution Authorizing The City Administrator To Negotiate and Execute An Agreement With Emeryville Occupational Medical Center (EOMC) For The Provision Of Occupational Medical Services For A Contract Amount Not To Exceed \$600,000 For Contract Year 2015-16 and \$600,000 for Contract Year 2016-17, and With Acceptable Performance, Options To Extend The Agreement For Three Additional Two-Year Terms For A Total Not To Exceed Amount Of \$600,000 Per Contract Year For Contract Years 2017-19, 2019-21, And 2021-23 For A Total Not To Exceed Amount Of \$4,800,000

OUTCOME

As a result of the City Council approval of this resolution, the City will negotiate and enter into a contract with Emeryville Occupational Medical Center for the provision of occupational medical services.

EXECUTIVE SUMMARY

The City of Oakland is required to provide a specific level of Occupational Medical Services for employees. Federal, State and Local regulations mandate the services provided through the contract proposed herein. The occupational medical service provider under contract for these services is commonly referred to as the "City Physician." The current City Physician contract expires on June 30, 2015. The incumbent under the expiring contract is Kaiser On The Job (KOJ). KOJ has been under contract for occupational medical service since July 1, 2014.

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Staff recently completed a Request for Proposal (RFP) process soliciting qualified vendors for the provision of Occupational Medical Services. As a result of that RFP process, staff recommends that Council authorize the City Administrator to negotiate and execute a two-year agreement for the provision of Occupational Medical Services with Emeryville Occupational Medical Center (EOMC). EOMC was one of two who responded to the RFP, which has demonstrated their ability to provide qualified occupational medical services as specified by the City.

Staff further recommends that the City Council authorize the City Administrator to exercise up to three options to extend this contract for three additional two-year terms should the recommended contractor continue to demonstrate acceptable performance in the delivery of the contracted services.

BACKGROUND/LEGISLATIVE HISTORY

Federal, State, and local regulations mandate the City to provide specific Occupational Medical Services unrelated to its' Workers' Compensation Program. These services include, but are not limited to:

- Pre-placement physical and psychological examinations;
- Employee (Course of Employment) & Medical Surveillance Services;
- Americans with Disability Act/Fair Employment and Housing Act (ADA/FEHA) governed medical evaluations and determinations;
- Federally mandated Alcohol and Controlled Substance Testing Programs;
- Vaccines and Immunizations;
- Fitness for Duty and Threat Assessment Evaluations;
- Public Safety Employment Qualifications tests (including psychological screening);
- Diagnostic testing/screening (i.e. Tuberculosis tests, vision and hearing tests);
- Cal/OSHA Medical Surveillance and Services (i.e. respiratory fitness review, Hepatitis B Vaccinations, asbestos workers physicals, exposure related evaluations, etc.);
- Onsite employee health/wellness services;
- Medical File Repository for non-workers compensation records; and,
- Medical Consultation Services (i.e. Police/Fire Retirement Board, Disability Review Committee).

To meet these mandates in a cost-effective manner, it is in the City's best interest to contract for these services through a competitive bid process. Through a RFP process, the City would ensure that the most current medical practices are made available to our departments and employees and that the City has a strong medical advocate to represent it in the highly specialized areas of occupational medicine and workers' compensation.

The RFP process allows for the selection of an Occupational Medical Service Provider that demonstrates a high level of knowledge, experience, and ability regarding the ever-changing

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Disability mandates all employers must meet. This type of Disability Management Program is essential to successfully defend the City in labor relations and litigation arenas. Mandated disability benefits and considerations continue to evolve on the regulatory and legal front, and the City's medical advocate must have the resources and ability to change protocols and methods of service delivery.

The RFP indicated that the City was seeking the services of a qualified Medical Service Provider for the provision of Occupational Medical Services in accordance with regulatory mandate. The areas of service to be provided under this contract include:

1. ADMINISTRATIVE RESPONSIBILITIES – including medical advisory and expert witness services in the areas of occupational medicine, disability retirement, Americans with Disability (ADA), and Fair Employment and Housing Act (FEHA) cases, Fitness for Duty cases, etc.
2. PRE-PLACEMENT PHYSICAL AND PSYCHOLOGICAL EXAMINATIONS SERVICES – including pre-employment drug testing, functional capacity evaluations, and human performance assessments for sworn and non-sworn personnel. Many aspects of these exams are governed by Federal regulations and guidelines.
3. OCCUPATIONAL MEDICAL SERVICES – including post-injury/illness return to work examinations, retirement board advisory services, health/wellness advisory services, fitness for duty, and threat assessment evaluations, as-needed drug screening, psychological and specialty medical referral assistance, Health Insurance Portability and Accountability Act (HIPAA) compliance administration services, health/wellness services, etc.
4. ALCOHOL/CONTROLLED SUBSTANCE TESTING AND MEDICAL REVIEW OFFICER (MRO) SERVICES - including all services associated with regulated and non-regulated alcohol and controlled substances collections and testing services. This involves collection of specimens, producing random testing schedule, performing onsite collections and after-hours collections, coordination of laboratory analysis, interpretations of laboratory results, consultation with impacted employee, maintenance of mandated records, and production of mandated reports.

On January 28, 2015, the Human Resource Management Department (HRM) issued a RFP for the provision of Occupational Medical Services. Invitations to participate in the process were sent to four local Occupational Medical Service providers who had previously expressed interest in participating in the RFP process. These firms were Concentra Health Services, Kaiser Foundation Health, US Health Works Medical Group, and Emeryville Occupational Medical Center.

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The City also advertised in local papers and made the RFP document available on the City's website. Hard-copies of the RFP were made available to all parties requesting such. A mandatory Bidders' Conference was held on February 11, 2015. Three medical service providers attended the Bidders' Conference. These firms were Concentra Health Services, US Health Works, and Emeryville Occupational Medical Center. Kaiser Permanente issued a formal notice of withdrawing from the RFP process. In order to accommodate specified timelines in the City's Professional Services Program, the published submission deadline was set for March 11, 2015.

At the specified closing time on March 11, a total of two proposals were received from the interested firms. To date, no other proposals have been received. These proposals were from Concentra Health Services (CHS) and Emeryville Occupational Medical Center (EOMC). To date, no other proposals have been received. All qualified bidders participated throughout the review process, which included staff review of the submitted proposal documents, oral presentations/interviews, and site visits.

The oral interview panel consisted of representatives from Oakland Police Department, Oakland Fire Department, and Public Works Agency as well as HRM staff. Oral presentations/interviews were conducted on March 18, 2015, and site visits were conducted on March 26, 2015. Following each review phase, the panel made recommendations identifying the ranking of the vendors for the City's consideration.

ANALYSIS

Based on the review process, the vendors were scored as indicated in *Table 1* below.

Table 1: Vendor Scores and Ranking

<i>Occupational Medical Provider</i>	<i>Interview Presentation (40 pts)</i>	<i>RFP Submitted (25 pts)</i>	<i>Interview Questions (35 pts)</i>	<i>Site Visit (70 pts)</i>	<i>Total Points (170 pts)</i>	<i>Pricing Differential</i>	<i>Overall Ranking</i>
Emeryville Occupational Medical Center	37	24	30.19	57.17	148.35	22% higher on per item basis	1
Concentra Medical Centers	33.5	23	29.90	34.83	121.23	Maintain 2007 pricing	2

The panel collectively identified a number of key benefits with the selection of EOMC. Included in the services offered are a paperless records management system, online scheduling, tele-doc services, free parking/adequate parking, real-time tracking of patient intake and release, etc. These services were not available through Concentra.

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Concentra held City contract for several years during early 2000 through 2014. The City elected to end the contract early due to performance issues. No significant efforts were made to correct the performance issues cited. The company recently sold to new corporate owner, which creates potential instability in the corporate design and ultimate service delivery structure.

EOMC was one of two medical providers that responded to the RFP. EOMC has demonstrated their ability to provide qualified Occupational Medical Services as specified by the City and provided competitive pricing as compared to that of the expiring contract. They have also demonstrated their ability to successfully perform in an acceptable manner given their current contract with another City of Oakland department (Oakland Fire Department) for contracted medical services. EOMC proposes to provide enhanced clinical and on-site services above the current expiring contract. They propose to provide cohesive services which under the current contract is either outsourced or not available (including Fitness for duty testing, drug testing, and medical retirement evaluations). They are committed to maintaining and facilitating the drug and alcohol screening for all departments. EOMC utilizes advanced technology and patient scheduling systems, which gives the City the enhanced ability to interface with the medical provider directly as well as maintain all medical files electronically. EOMC has the ability to have a web based medical conferencing system, which would allow some medical visits to be done electronically from a remote location.

An extensive exploration was done by City staff to ensure that the City could identify the most qualified Occupational Medical Services provider available. Staff is confident that EOMC will provide quality and economical services in the Occupational Medical Services area as well as develop into a cohesive team member for our Disability Management Program.

PUBLIC OUTREACH/INTEREST

The RFP process was fully advertised through Bay area newspapers and other media to solicit participation from qualified vendors.

COORDINATION

The evaluation process leading to the recommendation was completed including representatives from Oakland Fire Department, Oakland Police Department, and Office of Public Works.

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COST SUMMARY/IMPLICATIONS

Fiscal impact

The proposed two-year contract with EOMC would provide Occupational Medical Services for an annual amount not to exceed \$600,000 per contract year with three options to extend two additional years for a total potential contract price not to exceed \$4,800,000 through Fiscal Year 2023. Note that this amount does not include Workers' Compensation medical services, which are billed to the City as medical costs against individual workers' compensation claims and at rates governed by the State of California.

Extension of this contract for three additional two-year terms, upon satisfactory performance, would be in amounts not to exceed \$600,000 for Fiscal Years 2015-2017, and the same amount for Fiscal Years 2017-19, Fiscal Years 2019-21 and Fiscal Years 2021-23.

Source of Funding

Funding for these contract services is contained partially in the Workers' Compensation Insurance Fund (1150), Citywide Activities Org (90591), Workers' Compensation Miscellaneous Project (WCME). Additional funding to cover the expense of Police Academy Preplacement Exams, at a rate of \$1350 per screened candidate, will be contained in the funding for the individual academy funding.

SUSTAINABLE OPPORTUNITIES

Economic: No economic opportunities are identified in this report.

Environmental: No environmental opportunities are identified in this report.


Social Equity: No social equity opportunities are identified in this report.

CEQA

This report is not a project under CEQA.

For questions regarding this report, please contact Deborah Grant, Risk Manager, at (510) 238-7165.

Respectfully submitted,



Anil Comelo
Director, Human Resource Management

Reviewed by:
Deborah Grant, Risk Manager
HRM/Risk & Benefits Division

Prepared by:
Greg Elliott, Employee & Fleet Safety Coordinator
HRM/Risk & Benefits Division

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OAKLAND CITY COUNCIL

Approved as to Form and Legality


City Attorney

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND AWARD A TWO-YEAR AGREEMENT TO EMERYVILLE OCCUPATIONAL MEDICAL CENTER (EOMC) FOR OCCUPATIONAL MEDICAL SERVICES IN AN AMOUNT NOT TO EXCEED \$1,200,000, ALLOCATED AS \$600,000 FOR CONTRACT YEAR 2015-16 AND \$600,000 FOR CONTRACT YEAR 2016-17, AND, WITH ACCEPTABLE PERFORMANCE, TO EXTEND THE AGREEMENT FOR THREE ADDITIONAL TWO-YEAR TERMS IN THE NOT TO EXCEED AMOUNT OF \$600,000 PER CONTRACT YEAR FOR YEARS 2017-19, 2019-21 AND 2021-23, FOR A TOTAL NOT TO EXCEED CONTRACT AMOUNT OF \$4,800,000

WHEREAS, the City is required by applicable law and regulations to provide occupational medical services and workers' compensation medical services to City employees; and

WHEREAS, the City has determined that it is advisable to obtain this services at the most cost effective rate; and

WHEREAS, the City prepared and distributed a request for proposal to obtain the best overall qualified firm to provide Occupational Medical Services for the City; and

WHEREAS, the City conducted a competitive selection process pursuant to section 2.04.051A of the Oakland Municipal Code (Purchasing Ordinance) and 2 firms responded to the request for proposal and subsequently met minimum qualifications and participated throughout the review process; and

WHEREAS, the City determined that the incumbent, Emeryville Occupational Medical Center, has demonstrated their ability to provide efficient, effective and qualified Occupational Medical Services; and

WHEREAS, the City Council finds that this contract is for services of a professional and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore be it

RESOLVED: That the City Administrator is authorized to negotiate and award a with a contract to Emeryville Occupational Medical Center for Occupational Medical Services for a period of two-years commencing on July 1, 2015, in an amount not to exceed \$1,200,000, allocated as \$600,000 for the first contract year 2015-2016, and \$600,000 for the second contract year 2016-2017; and be it

FURTHER RESOLVED: That funding for these contract services is contained partially in the FY 2015-17 Proposed Policy Budget in the Workers' Compensation Insurance Fund (1150), Citywide Activities (90591), Workers' Compensation Miscellaneous Project (WCME) and partially in the funding provided for ongoing Police Academies in the amount of \$1350 per screened recruit; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to exercise up to three (3) options to extend the term of the contract with Emeryville Occupational Medical Center upon acceptable performance for three (3) additional two-year terms in a contract amount not to exceed \$600,000 per year for fiscal years 2015-2017, the same amount for fiscal years 2017-2019, fiscal years 2019-21 and fiscal years 2021-2023; and be it

FURTHER RESOLVED: That the City Administrator is authorized to complete all contract negotiations and execute all necessary amendments, modifications and extensions; and be it

FURTHER RESOLVED: That the contract shall be approved as to form and legality by the City Attorney and a copy of contract will be filed in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and
PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California