



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 OCT 11 PM 3:41

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ian Appleyard
Director, HRM

SUBJECT: Occupational Medical Services
Contract

DATE: October 8, 2018

City Administrator Approval

Date:

10/11/18

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute An Agreement With Concentra Health Services For The Provision Of Occupational Medical Services For A Contract Amount Not To Exceed \$600,000.00 For Contract Year 2018-19, And With Acceptable Performance, Options To Extend The Agreement For Three Additional Two-Year Terms For A Total Not To Exceed \$600,000.00 Per Contract Year For Contract Years 2019-21, 2021-23, And 2023-25 For A Total Amount Not To Exceed \$4,200,000.00.

EXECUTIVE SUMMARY

Approval of the proposed resolution will allow the City Administrator to negotiate and execute an agreement with Concentra to provided necessary Occupational Medical Services for City employees and employment candidates.

Staff completed a Request for Proposal (RFP) process soliciting qualified vendors for the provision of Occupational Medical Services. Concentra was the only respondent to this RFP and Concentra demonstrated its ability to provide qualified occupational medical services as specified by the City. Based on the RFP results, staff recommends that the City Council authorize the City Administrator to negotiate and execute an agreement with Concentra for the provision of Occupational Medical Services, for the remainder of the 2018-2019 fiscal year.

Staff further recommends that the City Council authorize the City Administrator to exercise up to three (3) options to extend this contract for three additional two-year terms provided that the recommended contractor continue to demonstrate acceptable performance in the delivery of the contracted services.

Item: _____
Finance & Management Committee
October 23, 2018

BACKGROUND/LEGISLATIVE HISTORY

Federal, State, and Local regulations mandate that the City of Oakland provide Occupational Medical Services for employees. The occupational medical service provider under contract for these services is commonly referred to as the "City Physician." The current City Physician is Concentra, which is providing services under an emergency contract. That contract was approved by the City Administrator on March 13, 2018, and is capped as not to exceed \$250,000.00.

ANALYSIS AND POLICY ALTERNATIVES

Federal, State, and local regulations require the City to provide specific Occupational Medical Services. 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 determination;
- 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).

The RFP generally ask for the Occupational Medical Services, including the following:

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.

In January 2018, 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 local Occupational Medical Service providers that previously expressed interest in participating in the RFP process. The providers contacted were as follows: Concentra, Kaiser Foundation Health, US Health Works Medical Group, and Emeryville Occupational Medical Center.

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 March 30, 2018. Only Concentra attended the mandatory conference. When the RFP closed, Concentra was the only company to submit a proposal. This Proposal underwent review by staff, meetings with Concentra and site inspections by staff. Additionally, the City has, and continues to meet, with its labor partners [International Firefighters Associate (IAFF) Local 55, and Service Employees International Union (SEIU) Local 1021] to discuss and address concerns with Concentra and the company's service.

Although Concentra was the only respondent, staff thoroughly reviewed all aspects of Concentra's proposal as well as many aspects of Concentra itself. Throughout this review, Concentra demonstrated its ability to provide qualified Occupational Medical Services for competitive pricing (as compared to the City's previous long-term provider). Concurrently, Concentra also demonstrated its ability to adequately perform Occupational Medical Services by way of its current interim contract with the City.

Staff is confident that Concentra will provide adequate and economical services to the City in support of the City's Occupational Medical mandates.

FISCAL IMPACT

The proposed contract with Concentra would provide Occupational Medical Services for an annual amount not to exceed \$600,000.00 per contract year with three options to extend two additional years for a total potential contract price not to exceed \$4,200,000.00 through Fiscal Year 2025. 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.

Source of Funding

The funding for these services is contained in the associated fiscal year's Adopted Budget in the Workers' Compensation Insurance Claims Fund (1150), City-Wide Activities Org (90591), Project TBD, Contract Contingencies (54011), Citywide Activities Program (IP50).

PUBLIC OUTREACH/INTEREST

Staff advertised the associated RFP through diversified Bay Area media outlets to solicit participation from qualified vendors.

COORDINATION

The evaluation process leading to the recommendation to contract with Concentra included certain City departments and labor unions. The Budget Bureau and City Attorney's Office were consulted in preparation of this report.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic, environmental, or social equity opportunities associated with this report.

Environmental: There are no economic, environmental, or social equity opportunities associated with this report.

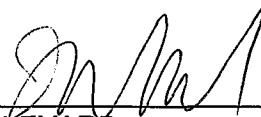
Social Equity: There are no economic, environmental, or social equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute An Agreement With Concentra Health Services For The Provision Of Occupational Medical Services For A Contract Amount Not To Exceed \$600,000.00 For Contract Year 2018-19, And With Acceptable Performance, Options To Extend The Agreement For Three Additional Two-Year Terms For A Total Not To Exceed \$600,000.00 Per Contract Year For Contract Years 2019-21, 2021-23, And 2023-25 For A Total Not To Exceed \$4,200,000.00.

For questions regarding this report, please contact ANDREW S. LATHROP, RISK MANAGER, at (510) 238-7165.

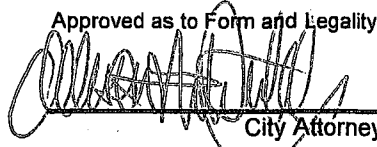
Respectfully submitted,



IAN APPELYARD
Director/Human Resources Management
Department

Reviewed by:
Andrew S. Lathrop, Risk Manager

Prepared by:
Risk Management


City Attorney

2018 OCT 11 PM 3:41 RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH CONCENTRA HEALTH SERVICES FOR THE PROVISION OF OCCUPATIONAL MEDICAL SERVICES FOR A CONTRACT AMOUNT NOT TO EXCEED \$600,000 FOR CONTRACT YEAR 2018-19, AND WITH ACCEPTABLE PERFORMANCE, OPTIONS TO EXTEND THE AGREEMENT FOR THREE ADDITIONAL TWO-YEAR TERMS FOR A TOTAL NOT TO EXCEED \$600,000 PER CONTRACT YEAR FOR CONTRACT YEARS 2019-21, 2021-23, AND 2023-25 FOR A TOTAL NOT TO EXCEED \$4,200,000.

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 these 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 only one (1) firm responded to the request for proposal and subsequently met minimum qualifications and participated throughout the review process; and

WHEREAS, the City determined that Concentra Health Services has demonstrated its ability to provide efficient, effective, and qualified Occupational Medical Services and the City Administrator recommends contracting with Concentra for the remainder of the 2018-19 FY with options to extend; 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 persons having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the City Administrator is authorized to complete all negotiations and execute all contracts, amendments, modifications, and extensions consistent with this resolution and its basic purposes and be it;

FURTHER RESOLVED: That funding for these services is contained in the associated fiscal year's Proposed Budget in the Workers' Compensation Insurance Claims Fund (1150), City-Wide Activities Org (90591), Project TBD, Contract Contingencies (54011), Citywide Activities Program (IP50).

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California