

CITY OF OAKLAND

AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Mary Hao
Director of Human
Resources Management

SUBJECT: Occupational Medical Services
Extension Of Contract End Date

DATE: April 7, 2025

City Administrator Approval


Jestin Johnson (Apr 10, 2025 00:03 PDT)

Date: Apr 10, 2025

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Extend The Professional Services Agreement Contract End Date With Occupational Health Centers of California, A Medical Corporation, dba Concentra Medical Centers To Provide Occupational Medical Services For The Period Of July 1, 2025, To June 30, 2030.

EXECUTIVE SUMMARY

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 Occupational Health Centers of California, A Medical Corporation, dba Concentra Medical Centers (hereinafter, "Concentra"). That contract began on April 1, 2018, and was "capped" at an amount not to exceed \$250,000.00.

Staff completed a Request for Proposal (RFP) on April 2, 2018, to solicit qualified vendors to provide occupational medical services. Occupational Health Centers of California, A Medical Corporation, dba Concentra Medical Centers, was the only respondent to this RFP. Based on the RFP results, staff recommended that the City Council authorize the City Administrator to negotiate and execute an agreement with Concentra to provide occupational medical services for the remainder of the 2018-2019 fiscal year.

Staff further recommended that the City Council authorize the City Administrator to exercise up to three options to extend this contract for three additional two-year terms, provided that the recommended contractor continues to demonstrate acceptable performance in the delivery of the contracted services. Acceptable performance of an occupational medical services provider is marked by their ability to provide quality care, ensure legal compliance, foster a healthy and productive workforce, respond to emergencies, and maintain strong communication and positive employee relations.

Finance and Management Committee
April 22, 2025

On October 30, 2018, Council signed Resolution [87396 C.M.S.](#) authorizing the City Administrator to negotiate and execute an agreement with Concentra Health Services to provide 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.

BACKGROUND / LEGISLATIVE HISTORY

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;
- Medical evaluations and determinations governed pursuant to the Americans with Disability Act/Fair Employment and Housing Act (ADA/FEHA);
- 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 (e.g., Tuberculosis tests, vision and hearing tests);
- Cal/OSHA Medical Surveillance and Services (e.g., 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 provide these services in a cost-effective manner, the City should contract for these services through a competitive bid process. A competitive bid process allows the City to select a City Physician that demonstrates a high level of technical knowledge and relevant experience. Moreover, following this process ensures that the City can provide outstanding medical services to all employees and has an effective medical advocate for occupational medicine and workers' compensation related issues.

In April of 2018, an RFP (Request for Proposal) for Occupational Health Service Providers was published in various Bay Area newspapers, including some with nationwide distribution. Concentra was the only vendor that submitted a proposal in response to the RFP. Prior to publishing the RFP, our Contracting department, which at the time included DWES, conducted a thorough search of local providers to identify potential candidates who might submit a proposal. However, we are unable to provide an explanation as to why these local providers did not choose to submit a bid.

Here, generally, the RFP asked for the following services:

1. ADMINISTRATIVE RESPONSIBILITIES - including medical advisory and expert witness services in the areas of occupational medicine, disability retirement, Americans with Disability Act (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 the collection of specimens, producing a random testing schedule, performing onsite collections and after-hours collections, coordination of laboratory analysis, interpretations of laboratory results, consultation with impacted employees, maintenance of mandated records, and production of mandated reports.

On March 23, 2018, the Human Resource Management Department (HRM) issued an RFP to provide occupational medical services. Invitations to participate in the process were sent to local occupational medical service providers¹, who had previously expressed interest in participating in the RFP process.

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 who requested to receive a hard copy. A mandatory Bidders' Conference was held on March 30, 2018, and only Concentra attended. Subsequently, when the RFP closed, Concentra was the only company to submit a proposal. This Proposal underwent review by staff, meetings with Concentra (the only respondent), and site inspections by staff.

On April 1, 2018, the City entered into a contract agreement with Concentra through October 31, 2018, for a contract amount of \$250,000.00.

On October 31, 2018, the City entered into a one-year contract amendment with Concentra for a contract amount of \$350,000.00.

¹ The providers contacted were Concentra, Kaiser Foundation Health, US Health Works Medical Group, and Emeryville Occupational Medical Center.

On July 1, 2019, the City amended the contract agreement with Concentra for an additional two years, adding \$1,200,000.00 in funding.

On July 1, 2021, the City amended the contract agreement with Concentra for an additional two years, adding \$1,200,000.00 in funding.

On June 30, 2023, the City amended the contract agreement with Concentra for an additional two years, adding \$1,200,000.00 in funding.

As of March 19, 2025, the total contract amount with Concentra is \$4,200,000.00. Of this amount, \$884,521.00 has been spent, leaving \$3,315,479.00 of funding available in the contract.

ANALYSIS AND POLICY ALTERNATIVES

Since contracting with Concentra, Concentra has demonstrated its ability to provide qualified Occupational Medical Services to City employees. Concentra's performance can be effectively measured through several key indicators that reflect their consistent commitment to providing high-quality occupational health services. These include: responsiveness and communications, minimal disruption to work, compliance with legal and regulatory requirements, and employee satisfaction.

Staff is confident that Concentra will continue to provide quality and economical services to the City in support of the City's Occupational Medical mandates. Furthermore, Concentra's consistent responsiveness, adherence to industry standards, and focus on transparency in their services foster a sense of trust and reliability. By ensuring timely medical assessments and care, Concentra actively contributes to responsive, trustworthy government by being accountable and reinforcing the City's commitment to serving its employees and the public with integrity and professionalism.

FISCAL IMPACT

The proposed contract amendment with Concentra to provide Occupational Medical Services extends the contract end date and does not require any additional funding. The contract amount, total with the original agreement and all amendments combined, is \$4,200,000.00. As of the writing of this Agenda Report, \$884,521.00 has been used from the contract funding. We 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

Funding for these contract services is contained in the associated fiscal year's Proposed Budget in the Workers' Compensation Insurance Claims Fund (1150), Risk Management Org (05621), Administrative Project (1000005), Medical and Veterinarian Services (54311), and Financial Management Program (IP59). 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.

PUBLIC OUTREACH / INTEREST

There are no public outreach opportunities associated with this report beyond the required publication on the City's website.

COORDINATION

Development of this report was coordinated with internal staff in the Human Resource Management Department.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

Race & Equity: There are no 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 Extend The Professional Services Agreement With Occupational Health Centers of California, A Medical Corporation, dba Concentra Medical Centers To Provide Occupational Medical Services For The Period of July 1, 2025, To June 30, 2030.

For questions regarding this report, please contact LARA WILLIAMS, ADMINISTRATIVE SERVICES MANAGER, at (510) 238-6676.

Respectfully submitted,

Mary Hao

Mary Hao (Apr 7, 2025 17:34 PDT)

MARY HAO
Director/Human Resources Management
Department

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Human Resources Management Department