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OFFICE OF THE CITY CLERK
OAKLAND

2017 JUN 28 PM 3:57

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ian Appleyard
Human Resources Director

SUBJECT: Occupational Medical Services
Contract

DATE: June 5, 2017

City Administrator Approval

Date:

6/28/17

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator Exercise The City's Option To Extend The Professional Services Agreement With Emeryville Occupation Medical Center (EOMC) To Continue Provision Of Occupational Medical Services To Employees For An Additional Two-Year Term For The Period Of July 1, 2017 Through June 30, 2019, In An Amount Not To Exceed \$1,200,000 For A Total Amount Over The Four Year Term Of The Contract Of \$2,400,000.

EXECUTIVE SUMMARY

This report and the accompanying resolution authorize the City Administrator to extend the Professional Services Agreement with Emeryville Occupational Medical Center (EOMC) for an additional two-year term as originally authorized by the Oakland City Council in Resolution No. 85607 C.M.S., dated May 19, 2015.

Pursuant to the original legislation, the City may extend the contract provided performance has been acceptable and subject to Council approval, three times in two-year increments to 2023, for an amount not to exceed \$600,000.00 for each year of extension. The current Occupational Medical Services contract expires on June 30, 2017. Staff is recommending that the Council grant authorization to exercise the first of three possible contract extensions for the period of July 1, 2017 through June 30, 2019.

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;

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- 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 was in the City's best interest to contract for these services through a competitive bid process. Through a formal RFP process, the City ensured 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.

EOMC was selected by the City following a formal Request for Proposal (RFP) process that took place in the spring of 2015. The Council approved the awarding of the contract to EOMC on May 19, 2015, and authorized a two-year contract with options to renew for three additional two year terms. (Resolution No. 85607 C.M.S.)

The criteria adopted to justify the contract extensions stipulated that it would be granted upon "acceptable performance and with City Council approval". The original contract term was July 1, 2015, through June 30, 2017.

ANALYSIS AND POLICY ALTERNATIVES

The following performance measures are incorporated into the existing agreement with EOMC. Based on metrics data provided by EOMC and outcomes monitored by Human Resources Management (HRM), the overall rating by EOMC is 85%, which was the targeted acceptable rating. The performance measures monitored, with their associated score is listed in Table 1.

Table 1 – EOMC Performance Measures Results

| PERFORMANCE MEASURE | PM DESCRIPTION | TARGETED SCORE | ACTUAL SCORE |
|----------------------------|---|-----------------------|---------------------|
| A. ACCESS TO CARE | Initial Treatment within 24 hours post injury | 80% | 100% |
| | Initial Evaluation within 30 minutes after check-in, with appt. | 100% | 25.00% |

| | | | |
|---|--|------|--------|
| B. PRIMARY PREVENTION | Notification of Occ Health Events through web portal or direct contact to employer | 80% | 100% |
| C. PRE-PLACEMENT EXAM COORDINATION | Pre-Placement Exams completed as scheduled | 80% | 80% |
| | Results reported to employer w/in 72 hrs of receipt from labs | 80% | 73% |
| | Requests for exams responded to w/in 48 hrs | 80% | 80% |
| | Paperless database with records accessible by clinic and designated City personnel | 95% | 95% |
| D. DRUG/ALCOHOL TESTING RESULTS MGMT/MEDICAL REVIEW OFFICER (MRO) SERVICES | Specimen collections processed w/out error | 90% | 90% |
| | Accurate/timely reporting of results through electronic database | 90% | 73% |
| E. FITNESS FOR DUTY/MEDICAL ADVISORY SERVICES | Prompt scheduling of Fitness for Duty examinations | 100% | 100% |
| | Availability for Consultation/Advisory | 100% | 100% |
| F. RECOGNITION/DIAGNOSIS OF WORK RELATED INJURY/ILLNESS | Occupational history taken as part of evaluation | 85% | 86.67% |
| J. MANAGING RISK AND IMPROVING PRODUCTIVITY | Appointment Status updated in Web Portal within 24 hrs | 100% | 100% |
| Total Score | Totals: | 85% | 85% |

Based on the analysis of the Performance Measures, EOMC met their contract obligation of an overall score of 85% or greater. EOMC has either met or exceeded the targeted score in 10 of the 14 performance measures. Areas resulting in lower scores will be addressed directly with EOMC in the upcoming service period, with expectations that the performance will improve demonstrably in the next reporting cycle.

One area is the "initial evaluation within 30 mins after check-in, with appointment." HRM will work with EOMC to determine how to best meet this goal.

If contract extension is not authorized, the City will not have a necessary resource to perform employee occupational medical services and medical surveillance services.

FISCAL IMPACT

The contract extension with Emeryville Occupational Medical Center (EOMC) would provide Occupational Medical Services for the period of July 1, 2017 through June 30, 2019 in an annual amount not to exceed \$1,200,000. The total amount authorized for the first four-year term of the contract would be \$2,400,000. 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. The actual amount expended under this agreement for Fiscal Year 2015-16 was \$378,940 and for Fiscal Year 2016-17 (through March 2017) was \$216,282.

Source of Funding

Funding for these contract services is contained partially in the Workers' Compensation Fund (1150), City-wide Activities Org (90591), Workers' Compensation Project (WCME). Additional funding, to cover the expense of Police Academy Pre-Placement Exams will be contained in the monies allocated to the individual academy budgets.

SUSTAINABLE OPPORTUNITIES

Economic: No economic opportunities are identified in this report.

Environmental: No environmental opportunities are identified in this report.

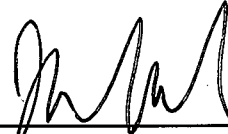
Social Equity: No social equity opportunities are identified in this report.

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 Emeryville Occupation Medical Center (EOMC) to continue provision of Occupational Medical Services to employees for an additional two-year term for the period of July 1, 2017 through June 30, 2019, in an amount not to exceed \$1,200,000 for a total amount over the four year term of the contract of \$2,400,000.

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

Respectfully submitted,



IAN APPIEYARD
Director, Human Resources

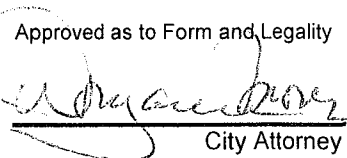
Reviewed by: (If applicable)
Deborah Grant, Risk Manager

Prepared by:
Michael Bailey, Administrative Analyst II
HRM/Risk & Benefits Division

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2017 JUN 28 PM 3:57

Approved as to Form and Legality


City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXERCISE THE OPTION TO EXTEND THE PROFESSIONAL SERVICES AGREEMENT WITH EMERYVILLE OCCUPATION MEDICAL CENTER (EOMC) TO CONTINUE PROVISION OF OCCUPATIONAL MEDICAL SERVICES TO EMPLOYEES FOR AN ADDITIONAL TWO-YEAR TERM FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2019, IN AN AMOUNT NOT TO EXCEED \$1,200,000 FOR A TOTAL AMOUNT OVER THE FOUR-YEAR TERM OF THE CONTRACT OF \$2,400,000

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 Council authorized the awarding of the occupational medical services contract to Emeryville Occupational Medical Center (EOMC) in Resolution No. 85607 C.M.S., dated May 19, 2015; and

WHEREAS, in addition to awarding the contract to EOMC for the initial term of two years, 2015-2017, in the amount of \$1,200,000.00, Resolution No. 85607 C.M.S. authorized extending the contract with acceptable performance and subject to Council approval three times in two-year increments to 2023, for an amount not to exceed \$600,000.00 for each year of extension; and

WHEREAS, the City Council desired that the contract for services include performance measures for meeting goals specified in the contract to qualify for ongoing renewal of the contract within the specified terms of the contract; and

WHEREAS, the agreement provides that for the performance of the services EOMC will be paid an amount based on services provided and contract renewal is based on acceptable performance as reported in agreed upon performance measures; and

WHEREAS, the City determined that EOMC has demonstrated their ability to provide efficient, effective and qualified Occupational Medical Services and the City Administrator recommends that the contract be extended for two years for the term July 1, 2017 through June 30, 2019; 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 a contract extension is awarded to Emeryville Occupational Medical Center to provide Occupational Medical Services for the period of July 1, 2017 through June 30, 2019 in an amount not to exceed \$1,200,000 for a total not to exceed amount over the four-year term of the contract of 2,400,000; and be it

FURTHER RESOLVED: That funding for these contract services is contained in the FY2017-19 Proposed Budget in the Workers' Compensation Insurance Claims Fund (1150) and in the monies allocated for Police Officer Training Academies; and be it

FURTHER 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.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

AYES -

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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