



City Council Report

City Council Meeting: February 25, 2020
Agenda Item: 3.E

To: Mayor and City Council
From: Gigi Decavalles-Hughes, Director, Finance Department, Risk Management
Subject: Award Request for Proposal and enter into Agreement with USMD Direct Inc. for On-Site Occupational Medical Testing Services

Recommended Action

Staff recommends that the City Council:

1. Award RFP# 244 to USMD Direct Inc. ("USMD"), a California-based company for on-site occupational medical testing services
2. Authorize the City Manager to negotiate and execute an agreement with USMD, in an amount not to exceed \$400,000 over a five-year period, with future year funding contingent on Council budget approval.

Summary

Staff recommends that the City enter into an agreement with USMD Direct Inc. (USMD) to provide legally mandated occupational medical testing (OMT) services to City employees on-site in a mobile medical unit at various locations throughout the City, such as the Big Blue Bus (BBB) Yards, City Yards, etc. A provider performing these services on-site as opposed to off-site in a medical office will result in the City reclaiming an estimated 900 hours annually in lost productivity.

Discussion

In order to comply with state and federal regulations, the City is required to provide employees in certain classifications with the following OMT services: Department of Transportation (DOT) commercial driver medical certification testing, tuberculosis screenings, and various vaccinations. Historically, OMT providers performed these services in their offices located outside the City limits. Consequently, an employee can miss several hours of work due to an OMT appointment, resulting in lost productivity and possible overtime costs.

After exploring different options to combat this issue, staff determined that a mobile medical unit providing OMT services on-site was the best solution, as it could be achieved without significant changes to the City's existing processes and minimal, if any, additional costs. To ascertain its feasibility and cost-effectiveness, a pilot program was conceived for BBB employees to obtain the most frequently used OMT service, commercial driver medical certification testing, on-site at the BBB Yard. Staff engaged in finding local medical providers that could participate in the pilot and found just one, USMD, that could administer the testing in the desired manner – in a mobile medical unit on-site. As a result, City Manager approved the contract with USMD per the exception to competitive bidding provision (Municipal Code 2.24.250) with a commencement date of October 15, 2018.

The results from the nine-month long pilot were very encouraging. BBB staff scheduling the commercial driver medical certification testing and the employees being tested both expressed satisfaction with the ease and convenience of the service provided by USMD. The City was able to recoup an estimated 558 hours in productivity that would be lost if each of the 223 participants was paid for two and half hours of travel and wait time, as was customary when utilizing brick-and-mortar medical providers for the testing. In addition, due to its lower overhead costs, USMD is less costly than the City's OMT providers and as a result, BBB saved \$20,895 in testing fees.

The pilot program results provided the data to support changing the delivery method for OMT services from medical facilities located outside the City limits to a mobile medical unit on-site. As such, staff decided to pursue a contract for a vendor to administer all OMT services, including vaccinations and TB tests, to all qualified employees on-site at the City's various locations. This broader scope of work necessitated a much higher funding level than the amount included in the contract with USMD already in place. To ensure that every qualified consultant was considered for the city-wide program, staff issued a Request for Proposal (RFP) for an operator of mobile medical unit(s) to provide on-site OMT services to City employees.

Consultant Selection

Bidder Recommendation	
Best Qualified Person/Firm	USMD Direct Inc.
Evaluation Criteria (include all that apply)	Experience, quality of mobile medical unit, compliance with service standards, cost, references.
Municipal Code	SMMC 2.24.190

RFPs Received
USMD Direct Inc.

RFP Data				
Date Posted	Posted On	Advertised In (City Charter & SMMC)	Vendors Downloaded	Date Publicly Opened
10/17/2019	City's Online Bidding Site	Santa Monica Daily Press	6	11/07/2019

Additional Vendor Outreach & Justification to Award
Given the specific nature of the request for a medical provider to administer OMT services on-site in a mobile unit, staff was satisfied that reissuing the RFP would not attract additional responses. A selection panel composed of staff from Human Resources and Finance was convened to evaluate USMD's proposal. Based on this review, the selection panel determined that USMD satisfied the requirements set in the City's RFP. Further, USMD's performance during the pilot program demonstrated that it can provide high quality, timely, and cost-effective OMT services in compliance with service standards. As a result, staff recommends USMD as the best bidder.

Financial Impacts and Budget Actions

Staff seeks authority to approve funding from the Self-Insurance, Workers' Compensation Fund to award an agreement with USMD Direct Inc. for on-site occupational medical testing services.

Contract/Agreement/Purchase Order Request		
Request Amount	FY 2019-20 Budget Department/CIP Account #	Total Contract Amount
\$40,000	74800002.552010	\$400,000

Future year funding is contingent on Council budget approval.

Prepared By: Oles Gordeev, Risk Manager

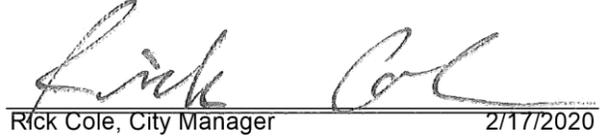
Approved

Forwarded to Council



Gigi Decavalles-Hughes, Director

2/12/2020



Rick Cole, City Manager

2/17/2020

Attachments:

- A. USMD Oaks Initiative Form