



**Board Report**

**File #:** 2020-0264, **File Type:** Contract

**Agenda Number:** 30.

**EXECUTIVE MANAGEMENT COMMITTEE  
MAY 21, 2020**

**SUBJECT: MEDICAL CLINIC SERVICES**

**ACTION: APPROVE CONTRACT MODIFICATION FOR MEDICAL SERVICES**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to increase Contract Modification Authority (CMA) specific to the contracts listed below to continue providing medical examinations and drug and alcohol collections for employees and job candidates, increasing the total cumulative not-to-exceed contract amounts by \$850,000 from \$5,321,075 to \$6,171,075:

<b>Contract No.</b>	<b>Contractor</b>
PS62402786A	Concentra Medical Center - Commerce (formerly U.S. Healthworks Commerce)
PS62402786B	Concentra Medical Center - Los Angeles (formerly U.S. Healthworks - Los Angeles)
PS62402786C	Concentra Medical Center - Van Nuys (formerly U.S. Healthworks - Van Nuys)
PS62402786E	ProHealth-Glendale Occupational Medical Group (formerly Glendale Memorial Occupational Medical Group)
PS62402786F	CareOnSite

**ISSUE**

Effective January 1, 2019 the Federal Transit Administration (FTA) increased its annual random drug testing rates from 25% to 50%, thereby increasing the cost to the contracts. Metro conducts physical examinations and drug and alcohol specimen collections for employees and job candidates in safety sensitive positions. These physical examinations and specimen collections are mandated by various regulatory agencies. Recently, safety has become increasingly scrutinized under the DOT and DMV which increased the frequency of special examinations to be conducted to assess fitness, such as potential safety risk and medication evaluations. The term of the contract is from January 19, 2012 through February 28, 2021 and staff is currently working with Vendor/Contract Management to issue an RFP and award a new contract in January 2021 for these services.

## **BACKGROUND**

Effective January 1, 2019 the FTA increased its annual random drug testing rates from 25% to 50%, thereby increasing the cost to the contracts. In addition, safety has become increasingly scrutinized under the DOT and DMV which increased the frequency of special examinations to be conducted to assess fitness, such as potential safety risk and medication evaluations.

On January 19, 2012, Metro awarded nine-year, fixed unit rate contracts (inclusive of three two-year options) to medical clinics to provide various medical examinations and drug and alcohol specimen collections, for employees and job candidates. These contracts were awarded to multiple clinics covering Metro's five service areas: Downtown, Downtown/San Gabriel Valley, West Los Angeles, South Bay/Long Beach, and San Fernando Valley.

The physical examinations and specimen collections are mandated by various funding and regulatory agencies including the DOT, FTA, DMV, and California Division of Occupational Safety and Health (Cal/OSHA).

Under Metro's Fitness for Duty Policy, Metro conducts medical examinations to ensure individuals can perform the duties of their positions in a safe and competent manner and meet the applicable commercial driver license holder requirements. As a larger emphasis is placed on public safety, we have observed an increase in Commercial Driver's License Holder examinations and Medication Evaluations. Commercial driver's license holders are required by law to have periodic physical examinations to recertify their medical cards. The maximum certification period is two years, but drivers with medical conditions such as hypertension, diabetes or sleep apnea, to name a few, are required to recertify on a more frequent basis. This recertification can be anywhere from one month to one year, which increases the number of examinations performed.

In addition, safety-sensitive employees are required to report medications on the Medication Evaluation Form. To better align our processes with medical confidentiality, staff will work directly with our contracted physician who will review and make a safety determination. The Policy also requires Periodic drug testing in conjunction with the Commercial Driver's License Holder examinations. Due to the increase in examinations, there is also an increase in the corresponding drug screen.

## **DISCUSSION**

Currently, Metro utilizes five medical clinics to perform physical exams and drug and alcohol testing. Talent Acquisition staff coordinates pre-employment examinations and corresponding drug and alcohol testing to a selected clinic. Metro Divisions assign random and incident-based drug and alcohol testing to the clinic designated for their division or nearest to the site of the incident. Employees select a clinic of their choice to complete a commercial driver license renewal examination and the corresponding drug test.

Under Metro's Fitness for Duty policy, Metro requires completion of a medical examination prior to an employee returning to work following a medical event that suggests serious potential safety risk. During the last several years, there has been a gradual increase in Return to Work exams. This is partially due more stringent physical requirements in light of public safety and enhanced medical

oversight of physical examinations completed by DOT-certified providers.

Medical examinations are also required when advised by a Health Care Provider (HCP) or public health official that an employee may pose a risk of spreading a highly contagious, serious disease to co-workers or public. In early 2020, amid the global pandemic crisis of COVID-19 which substantially impacted the Los Angeles County area, resulted in numerous employees with the need to complete an exam as part of the return to work process.

Based on the needs of the agency, and new Federal random drug testing requirements, there is a need to continue the services of existing medical providers until new contracts are issued in January 2021.

### **DETERMINATION OF SAFETY IMPACT**

The medical clinics provide the capability for Metro to meet federal requirements for fitness for duty examinations ensuring improved safety for our employees and patrons.

### **FINANCIAL IMPACT**

The funding for medical clinic services is included in cost center 6240, Talent Acquisition Department under project 100001, General Overhead.

In FY20 there is \$730,000 budgeted for these services. Since this is a multi-year contract, the cost center manager and Chief, Human Capital & Development Officer will be responsible for budgeting the cost in future years, including any options exercised.

#### **Impact to Budget**

The source of funds for this contract is General Overhead funds, comprised of Federal, State and local funds. These funds are eligible for bus and rail operating costs.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommendation supports Strategic Plan Goal #5: To provide responsive, accountable, and trustworthy guidance within the Metro Organization; Initiative 5.6: As Metro will foster and maintain a strong safety culture for all. By approving this recommendation Metro will be able to ensure the safety for Metro's patrons and employees.

### **ALTERNATIVES CONSIDERED**

The Board of Directors may choose not to authorize the increase to Contract Modification Authority. This alternative is not recommended because Metro does not have specialized staff that can capably perform these examinations, nor does Metro have the facility and equipment that meet regulatory and certification standards. Non-compliance with mandatory requirements of regulatory agencies such as FTA, DOT, DMV, and Cal OSHA, will result in loss of federal funding.

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Additionally, Talent Acquisition is in the process of exploring other drug and alcohol testing options which could impact the amount of drug and alcohol collections conducted at the medical clinics.

**NEXT STEPS**

Upon approval by the Board, staff will continue to manage the contracted medical clinics to provide critical medical examinations, drug and alcohol testing for Metro employees and job candidates.

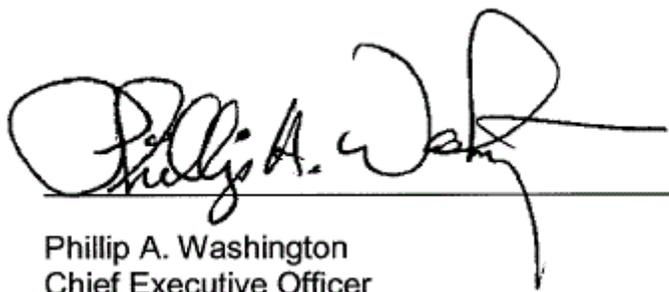
**ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## MEDICAL CLINIC SERVICES/PS62402786

1.	<b>Contract Number:</b> PS62402786A, PS62402786B, PS62402786C, PS62402786E, PS62402786F		
2.	<b>Contractor:</b> PS62402786A, Concentra Medical Center - Commerce (formerly U.S. Healthworks – Commerce) PS62402786B, Concentra Medical Center- Los Angeles (formerly U.S. Healthworks – Los Angeles) PS62402786C, Concentra Medical Center – Van Nuys (formerly U.S. Healthworks – Van Nuys) PS62402786E, ProHealth Glendale Occupational Medical Group (formerly Glendale Memorial Occupational Medical Group) PS62402786F, CareOnSite		
3.	<b>Mod. Work Description:</b> Increase contract modification authority to continue to provide medical services		
4.	<b>Contract Work Description:</b> To provide medical services including medical examinations; drug and alcohol testing for Metro employees and job candidates.		
5.	<b>The following data is current as of:</b> 4/20/20		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	1/19/12	<b>Contract Award Amount:</b> \$5,321,075
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b> 0
	<b>Original Complete Date:</b>	2/28/21	<b>Pending Increase Contract authority (including this action):</b> \$850,000
	<b>Current Est. Complete Date:</b>	2/28/21	<b>Current Contract Value (with this action):</b> \$6,171,075
7.	<b>Contract Administrator:</b> Marc Margoni		<b>Telephone Number:</b> (213) 922-1304
8.	<b>Project Manager:</b> Don Howey		<b>Telephone Number:</b> (213) 922-8867

**A. Procurement Background**

This Board Action is to approve an increase in contract modification authority in support of critical medical examinations, and mandated drug and alcohol testing for Metro employees and job candidates.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed, unit rate.

In January 2012, the Board approved nine-year contracts (inclusive of three, two-year option periods), in the total not to exceed amount of \$5,321,075.

Refer to Attachment B – Contract Modification/Change Order Log.

**B. Cost/Price Analysis**

The recommended price has been determined to be fair and reasonable based upon rates that were established as part of the competitive contract award in January 2012 and during the ensuing option periods.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
\$850,000	\$850,000	\$850,000

**CONTRACT MODIFICATION/CHANGE ORDER LOG**  
**MEDICAL CLINIC SERVICES/ PS62402786**

<b>Mod. No.</b>	<b>Description</b>	<b>Date</b>	<b>\$ Amount</b>
<b>1</b>	Increase in Contract Modification Authority	<b>PENDING</b>	<b>\$850,000</b>
	<b>Modification Total:</b>		<b>\$850,000</b>
	<b>Original Contract:</b>		<b>\$5,321,075</b>
	<b>Total:</b>		<b>\$6,171,075</b>

## DEOD SUMMARY

## MEDICAL CLINIC SERVICES/PS62402786

**A. Small Business Participation**

These contracts were awarded in April 2012, when the Disadvantaged Business Enterprise (DBE) Program was a race-neutral program, where meeting the DBE goal was not a condition of award. None of the medical clinics that were awarded contracts made a DBE commitment. However, Metro continues to encourage the Contractors to seek DBE participation, when opportunities arise.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this modification.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.