



Council Communication No. 97-256

SYNOPSIS –

Approving selection of the successful bidder and authorizing the City Manager to prepare a contract with Concentra Medical Centers, an Affiliate of OccuSystems, Inc. for the staffing of a City-operated employee health clinic.

FISCAL IMPACT –

The total cost of operating an employee health clinic for one year, including professional services from Concentra, facility rental, start-up and operating costs, is projected at \$279,467. Currently budgeted for FY1997-98 is \$188,000; the remaining portion of \$91,467 will be derived from a reduction of physical therapy expenditures, which are paid directly by affected operating departments, and funded from the Trust and Agency Levy as part of our annual appropriation for Worker's Compensation and Chapter 411 medical and indemnity costs.

RECOMMENDATION –

Approving selection of successful bidder and authorization for the City Manager to proceed with contract preparation.

BACKGROUND –

In December 1996, Council approved assignment of the occupational health service contract to Concentra Medical Centers until a new Request for Proposals (RFP) process could be completed. The assignment was necessitated by the sudden announcement that our former provider, Mercy Occupational Medical Clinic, was closing its operation effective December 23, 1996. Proposals from seven vendors were received on February 17, 1997.

Vendors were invited to bid in a variety of ways to give the City the most flexibility in providing quality services. These included either an on-site (City-owned) or off-site (vendor-owned) clinic, physical therapy, and full or partial capitation, or fee-for-service pricing.

An evaluation committee, with representatives from the City Manager's Office, Legal, Finance, Police, Fire, and Personnel/Civil Service, evaluated all proposals and narrowed the list to three firms. Interviews were then conducted with these firms, with each team member scoring the vendors independently against criteria identified in the RFP. Based on the final scores, the committee recommends the contract be awarded to Concentra Medical Centers.

Under the provisions of this contract, the City will operate an in-house clinic similar to that operated prior to 1992, but with contract personnel rather than City staff. The City clinic will be located at a site deemed most acceptable to the evaluation committee and within the scope of the total cost proposal.

It is anticipated that this option, along with several additional steps, including contracting for emergency and hospital services, pharmacy and medical supplies, and bill review, will provide the City the best overall control of future worker's compensation costs.

The cost for the clinic and total points, by vendor, are attached.

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