

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> May 24, 2010
	<b>Agenda Item No.</b> 64 <b>Roll Call No.</b> <u>10-859</u> <b>Communication No.</b> <u>10-302</u> <b>Submitted by:</b> Tom Turner, Human Resources Director

**AGENDA HEADING:**

Approval of agreement with Safe Works of Iowa, P.L.L.C., Sunil Bansal, M.D., M.P.H., Medical Director, 13375 University Ave., Suite 100, Clive, Iowa 50325, to provide occupational health services to City employees for the period of July 1, 2010 through June 30, 2013.

**SYNOPSIS:**

Recommend acceptance of the committee’s recommendation by authorizing the Mayor to execute an agreement with Safe Works of Iowa for clinic services as defined in the request for proposals (RFP) for the period from July 1, 2010 through June 30, 2011, with an additional two one-year renewal options. Award of contract is subject to Safe Works opening their Des Moines clinic at Mercy hospital.

**FISCAL IMPACT:**

Amount: \$314,317. Budgeted amount for employee health clinic is \$460,720. (\$94,000 of budgeted amount is allocated for physical therapy services with Accelerated Rehabilitation Centers).

Funding Source: 2010-2011 Operating Budget, Human Resources Department, Employee Health Clinic, GE001 HRS070000, page 148.

**ADDITIONAL INFORMATION:**

Since March of 2003, Des Moines University (DMU) has provided occupational health services for City of Des Moines employees, including clinic and physical therapy services. DMU’s current contract was to expire June 30, 2012, but in January DMU notified the City that they would discontinue providing occupational health services as of June 30, 2010. Subsequently, a RFP for occupational health services was conducted for a three year period beginning July 1, 2010. Clinic services include pre-employment physicals, drug and alcohol tests, post-injury care, hearing tests and return-to-duty evaluations.

A committee representing Police, Fire, Public Works, Parks, Engineering and Human Resources reviewed all proposals and toured prospective clinics. Proposals were evaluated using five criteria. Thirty percent of the scoring was devoted to cost and the remainder to qualitative criteria.

Concentra Health Centers, Iowa Methodist Occupational Clinic (IMOC) and Safe Works of Iowa submitted proposals. The RFP solicited both fee-for-service and capitated (one flat fee for all services, regardless of use) cost quotes. Safe Works of Iowa was the only proposer to submit a capitated and a fee-for-service quote for clinic services other than radiology. Concentra and IMOC submitted fee-for-

service cost quotes only. The total cost for the fee-for-service bids were estimated by multiplying each fee quoted by the average of each service provided over the last three years.

Safe Works' capitated quote was the lowest of the four proposals. Safe Works capitated proposal with radiology is estimated at \$314,317. IMOC's, Concentra's and Safe-Works' fee-for-service estimates totaled \$392,125, \$400,577 and \$543,279 respectively. Safe Works' proposal includes a 4% capitated rate increase in years two and three. Safe Works' year three cost is \$53,000 less than IMOC's year one cost proposal.

The Committee conducted on-site clinic tours and interviewed staff at Safe Works and IMOC. Human Resources also conducted reference checks. Concentra was not considered a finalist due to their uncompetitive price. The Safe Works' clinic proposed for City employees is located in Mercy Hospital in Des Moines and is expected to open mid-June. IMOC's occupational health clinic is located in the Penn Avenue Medical Clinic near Lutheran Hospital.

Following site tours, staff interviews and reference checks, the committee gave Safe Works of Iowa the highest score. The Committee agreed that all three clinics were qualified to provide occupational health services to City employees. Ultimately, the Committee believes that Safe Works can provide these services in the most efficient manner. Safe Works' proposal states that City employees will be treated immediately allowing employees to return-to-work sooner. Safe Works has also promised that they can efficiently and accurately track and monitor medical surveillance testing, such as audiograms, fire physicals and even random DOT drug and alcohol testing.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: June 22, 2009

Roll Call Number: 09-1092; 09-1093

Action: (A) [Accelerated](#) Rehabilitation Centers for Physical Therapy Services. Moved by Vlassis to adopt. Motion Carried 7-0. (B) [Des](#) Moines University for Occupational Health Services. ([Council Communication No. 09-406](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

#### **BOARD/COMMISSION ACTION(S): NONE**

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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