



DATE: DECEMBER 9, 2010

FROM: HUMAN RESOURCES

SUBJECT: RESOLUTION NO. _____: AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND WESTERN MEDICAL GROUP FOR OCCUPATIONAL MEDICAL SERVICES

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) is requesting approval to award an agreement to Western Medical Group to provide professional medical services for a three-year period commencing on February 20, 2011, through February 19, 2014. The services will consist primarily of pre-employment and annual medical examinations, and treatment of initial workplace injuries. Additional services will provide for first aid treatment and compliance with state and federal medical requirements for occupational licenses. Western Medical Group is located in Torrance, California.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

- 1) Find that in accordance with the Los Angeles City Charter Section 1022, it is more feasible for this work to be performed by an independent contractor than by City employees due to the unique experience, expertise, and license necessary to provide medical services;
- 2) Approve the proposed Agreement with Western Medical Group for a not-to-exceed amount of \$183,000 and a term of three years (See Transmittal 1);
- 3) Authorize the Executive Director to execute and Board Secretary to attest to said Agreement; and
- 4) Adopt Resolution No. _____ .

DISCUSSION:

Background - On, February 7, 2008, the Board approved Agreement No. 2621 with Western Medical Group to provide occupational medical services to the Harbor Department at an amount not to exceed \$120,000 for a three-year term. On September 27, 2010, the Board approved the First Amendment to Agreement No. 2621, which

SUBJECT: AGREEMENT WITH WESTERN MEDICAL GROUP

increased the total compensation amount by \$17,900 from \$120,000 to \$137,900. The term expiration date remained unchanged at February 19, 2011. Additional funds for First Amendment were needed due to (a) specialized creation of Port Police Units requiring a Mariners License and a Hazardous Materials Unit, and (b) increased size of the SCUBA Team. Additionally, the Harbor Department initiated a number of short term construction projects utilizing hiring hall employees.

Required Continuous Medical Services - The Harbor Department requires professional occupational medical services consisting primarily of examinations of prospective and current employees to determine their physical abilities to perform job duties, administration of pre-employment, reasonable suspicion and federally mandated drug testing, first aid treatment of minor workplace injuries, and compliance with federal regulations.

These services have historically been provided by a medical firm in the local area. The medical firm that is selected to provide these services actually serves as an extension of the Medical Services Division of the City's Personnel Department, which is responsible for conducting all City medical examinations. The City's Personnel Department, located in downtown Los Angeles, employs medical personnel who conduct examinations. Due to the medical personnel geographic location, it is more feasible for the Harbor Department to contract with a local provider for the required medical services.

In addition to providing the professional occupational medical services required, this proposed Agreement will support the new occupational health surveillance programs being created by the Risk Management and Construction and Maintenance Divisions.

Selection Process – On April 26, 2010, a Request for Proposal (RFP) was advertised on the Port of Los Angeles' website and was electronically disseminated to contractors that met the criteria for medical services in the Harbor Department's DiversityXchange and City's Business Assistance Virtual Network databases. Seven firms expressed initial interest. After extensive Harbor Department's outreach, only one firm, Western Medical Group, submitted a proposal. Reasons provided for non participation, included: (a) the Harbor Department was not large enough of an organization to be profitable; (b) vendors did not want to include an affirmative action plan as part of their proposal; or (c) medical clinic(s) was unable to provide 24 hour medical services.

A selection committee comprised of staff from the Harbor Department's Risk Management and Human Resources Divisions reviewed the proposal. It was determined Western Medical Group met the RFP criteria in all respects and that Western Medical Group is qualified to provide the variety of occupational services required by the Harbor Department.

The RFP evaluation criteria included the capability of the firm to provide all required medical examinations and evaluation, and the quality of occupational medicine practiced; the capability of administering multiple drug testing programs; the overall qualifications of staff in the field of occupational medicine; and cost.

SUBJECT: AGREEMENT WITH WESTERN MEDICAL GROUP

Currently, Western Medical Group’s seven physicians and 15 medical personnel treat 1500 patients, from various local companies, per month. Last month, Human Resources staff polled those divisions that are primary users of their medical services. All of them, including the Port Police, Port Pilots, and Construction and Maintenance divisions indicated that they are satisfied with the occupational medical services provided by the Western Medical Group. Human Resources staff will administer a formal survey to all users to ensure that they are satisfied with the responsiveness and quality of services.

ECONOMIC BENEFITS:

This Board action will have a minimal job impact (less than one job) in the 5-county region.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an Agreement between the Harbor Department and Western Medical Group for professional medical services. As an administrative action, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

To date, of the current agreement authority amount of \$137,900 (including the First Amendment allocation), \$129,651 has been expended, leaving a balance of \$8,249 through the end of the existing agreement termination date of February 19, 2011.

The financial impact of the proposed Agreement is that the Harbor Department will commit a total of \$22,900 (=\$16,150 HR + \$6,750 Risk) during FY 2010/11 to fund this proposed Agreement. Funds for FY 2010/11 in the amounts noted below are available and are expected to be expended as follows:

Fiscal Year	Amount	Accounts	Centers	Program
2010/11	\$16,150 HR / \$6,750 Risk	51790 / 54290	0530 / 0550	000/000
2011/12	\$43,000 HR / \$18,000 Risk	51790 / 54290	0530 / 0550	000/000
2012/13	\$43,000 HR / \$18,000 Risk	51790 / 54290	0530 / 0550	000/000
2013/14	\$26,850 HR / \$11,250 Risk	51790 / 54290	0530 / 0550	000/000
Total	\$183,000			

Funds for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. A provision for Non-Appropriation of Funds Clause (also known as a funding out clause) is included in the Agreement.

DATE: DECEMBER 9, 2010

PAGE 4 OF 4

SUBJECT: AGREEMENT WITH WESTERN MEDICAL GROUP

CITY ATTORNEY:

The Office of the City Attorney has prepared and reviewed the proposed Agreement and approved as to form.

TRANSMITTAL:

- 1) Proposed Agreement with Western Medical Group

FIS Approval: mcc (initials)



TISH LORENZANA
Director of Human Resources



MOLLY CAMPBELL
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director



GK: MC: TL: MC

Author: Chavez, Martin