



DATE: FEBRUARY 12, 2014

FROM: HUMAN RESOURCES

SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT 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 occupational medical services for a three-year period at a total not-to-exceed amount of \$183,000. The services will consist primarily of pre-employment and annual medical examinations, and treatment of initial workplace injuries. Additional services will include providing first aid treatment and ensuring medical 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 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 Agreement with Western Medical Group for a total not-to-exceed amount of \$183,000 and a term of three years;
3. Authorize the Executive Director to execute and Board Secretary to attest to said Agreement; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On December 16, 2010, the Board approved Agreement No. 2934 with Western Medical Group to provide occupational medical services to the Harbor Department at an amount not to exceed \$183,000 for a three-year term.

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Western Medical Group has provided medical services to the Harbor Department since 2003.

Required Continuous Medical Services – The Harbor Department requires occupational medical services consisting primarily of examinations of prospective and current employees to determine their physical abilities to perform job duties, medical examinations for reasonable suspicion and federally mandated drug testing, and first aid treatment of minor workplace injuries. There were a total of 266 pre-employment medical screenings performed from 2011 through 2013, with an annual average of 87. On a monthly basis, the Harbor Department requires three Coast Guard exams and two Department of Transportation screenings. In addition, annual physicals are required for the 136 Port Police Officers and 15 Port Pilots. All the physical examinations are administered by a medical services provider.

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 (Medical Services Division), 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. Since the Personnel Department is located 25 miles from the Harbor Department, it is more feasible for the Harbor Department to contract with a local provider for medical services.

Each of the City's proprietary departments handles its medical services differently. Los Angeles World Airports (LAWA) uses the Medical Services Division for pre-employment screenings and drug testing only. For injuries and first-aid treatment, LAWA uses medical facilities close to the airport. The Medical Services Division contracts with these facilities and is reimbursed by LAWA for their services. The Los Angeles Department of Water and Power has its own medical services section that provides medical services.

Selection Process – On October 29, 2013, 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 City's Los Angeles Business Assistance Virtual Network database. Two firms submitted a proposal, Western Medical Group and CareOnSite Medical Services.

A three-member selection committee comprised of staff from the Harbor Department's Human Resources and Risk Management Divisions, as well as the Personnel Department's Medical Services Division reviewed the submitted proposals. The proposals were evaluated and rated in five areas: Firm qualifications and experience; Organization, Personnel and Staffing; Services and Availability; Rates and Fees; and Quality and Responsiveness of the Proposal. The evaluation criteria included the capability of the firm to provide all required medical examinations and evaluations, and the quality of occupational medicine practiced; the capability of administering multiple

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drug testing programs; the overall qualifications of staff in the field of occupational medicine; as well as cost.

Western Medical Group received the highest score and was deemed to be the most qualified firm to provide the services (Transmittal 1). Currently, Western Medical Group's two physicians and 25 medical personnel treat patients from various local companies. We have been very pleased with the occupational medical services provided. The proposed agreement is for a total not-to-exceed amount of \$183,000 for a period of three years (Transmittal 2).

Small Business Enterprise and Local Business Enterprise Preference Programs – Since there are no subcontracting opportunities under this Agreement, there was no Small Business Enterprise (SBE) participation requirement. Although there was no SBE participation requirement, Western Medical Group is a qualified SBE and Very Small Business Enterprise (VSBE); therefore, 100% of the proposed Agreement will contribute towards the Harbor Department's SBE/VSBE objectives. The contract opportunity was eligible for the Local Business Enterprise Preference Program which provides for an eight percent (8%) preference for qualifying Local Business Enterprises (LBE). Western Medical, located in the County of Los Angeles, is a qualified LBE. Both proposers are LBEs; therefore, the preference did not impact the final results.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an agreement with Western Medical Group for occupational medical services. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have minor employment impact (less than 1) for the five-county region.

FINANCIAL IMPACT:

To date, of the current agreement authority amount of \$183,000, \$118,003 has been expended, leaving a balance of \$64,997 through the end of the existing Agreement termination date of February 10, 2014. The average annual expenditure for the last three fiscal years is \$47,604. The annual authority amount is \$61,000, which is higher than average expenditures, as a contingency measure for unforeseen needs such as employee related incidents requiring medical attention that are difficult to predict.

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The financial impact of the proposed Agreement is that the Harbor Department will commit a total of \$61,000 during FY 2014/15. FY 13/14 funds in the amount noted below are available and are expected to be expended as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Account</u>	<u>Center</u>	<u>Program</u>
2013/14	\$35,000	51790	0530	000
2014/15	\$61,000	51790	0530	000
2015/16	\$61,000	51790	0530	000
2016/17	\$26,000	51790	0530	000
Total	\$183,000			

Any future fiscal year funds will be requested as part of the annual budget adoption process, upon Board approval. A funding out clause has been included in the proposed agreement.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the agreement as to form and legality.

TRANSMITTALS:

1. Proposal Scoring Matrix
2. Proposed Agreement with Western Medical Group

FIS Approval:  (initials)
 CA Approval:  (initials)



TISH LORENZANA
 Director of Human Resources



MOLLY CAMPBELL
 Deputy Executive Director

APPROVED:



GARY LEE MOORE, P.E.
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TL/DG
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