

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
SAN ANTONIO METROPOLITAN HEALTH DISTRICT**

TO: Mayor and City Council

FROM: Fernando A. Guerra, M.D., M.P.H., Director of Health

THROUGH: Terry M. Brechtel, City Manager

COPIES: Frances A. Gonzalez, Assistant to the City Manager; City Attorney's Office; Office of Management and Budget, Risk Management Division; Finance Department; Human Resources Department; Economic Development Department; Project; File

SUBJECT: ORDINANCE AUTHORIZING RENEWAL OF AGREEMENT WITH HEALTHMASTER SERVICES

DATE: August 7, 2003

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the City Manager to execute a one-year renewal of the professional services agreement with Healthmaster Services, a subsidiary of Baptist Health System, to provide drug and alcohol testing for prospective non-uniformed city employees and city employees operating commercial vehicles. This supports the City's drug free workplace guidelines for the period July 1, 2003 through June 30, 2004. In addition, this ordinance authorizes reimbursement payments to Healthmaster Services on a fee-for-service basis in an amount not to exceed \$240,167.00.

Staff recommends approval.

BACKGROUND INFORMATION

The City of San Antonio has utilized an independent laboratory since the inception of its alcohol and drug-testing program in January 1995. Furthermore, the City has conducted alcohol and drug testing of newly hired non-uniformed employees since March 1997. The purpose of these activities is to conform with federal transportation and drug-free workplace guidelines and comply with City Administrative Directive 4.3, "Alcohol and Controlled Substances Testing."

Administrative Directive 4.3, *Alcohol and Controlled Substance Testing*, requires that all applicants for city employment and city employees whose positions require Commercial Driver's Licenses (CDLs) submit to drug and alcohol testing. Ordinance Number 95897, passed and approved on June 13, 2002, authorized the execution of a Professional Services Agreement with Healthmaster Services to provide comprehensive alcohol and drug screening services for the period July 1, 2002 through June 30, 2003 in connection with the City's Pre-Employment and Transportation Worker Drug Testing Program. Said ordinance also provided that the city and contractor could renew the agreement for three (3) subsequent one (1) year renewals, at City's option, contingent upon funding and subject to City Council approval. This ordinance would exercise the first option to renew said agreement with Healthmaster Services.

Approximately 3,500 pre-employment applicants are processed annually. The City anticipates 900 random, pre-employment, reasonable suspicion, post-accident, return-to-duty and follow-up urine drug tests annually and 450 random, reasonable suspicion, post-accident, return-to-duty and follow-up alcohol breathalyzer tests annually.

POLICY ANALYSIS

The purpose of these activities is to be in compliance with federal transportation and drug-free workplace guidelines. This ordinance follows past City policy in outsourcing specialized services to companies that can perform them more efficiently and effectively.

FISCAL IMPACT

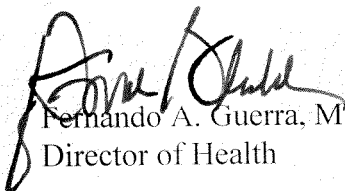
This ordinance authorizes payments at a rate of \$24.00 per pre-employment drug screen, \$24.00 per CDL drug screen and \$10.00 per intoxilyzer screen. These rates are the same as paid during the first year of the agreement. The total annual cost for this service is budgeted not to exceed \$240,167.00.

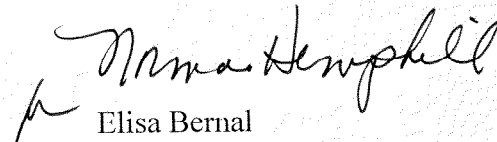
COORDINATION

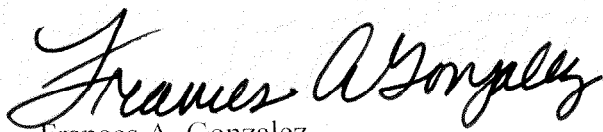
The Human Resources Department, the City Attorney's Office and the Office of Management and Budget, Risk Management Division, have reviewed the professional services agreement renewal with Healthmaster Services. The Finance Department has been apprised of this action. The Economic Development Department also concurs.

SUPPLEMENTARY COMMENTS


Provisions of the Ethics Ordinance do not apply.


Fernando A. Guerra, M.D., M.P.H.
Director of Health


Elisa Bernal
Director of Human Resources


Frances A. Gonzalez
Assistant to the City Manager

APPROVED:


Terry M. Brechtel
City Manager