

CONSENT AGENDA  
ITEM NO. 15

**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; Finance Department; Human Resources Department; Economic Development Department; Project; File

**SUBJECT:** ORDINANCE AUTHORIZING ASSIGNMENT OF CONTRACT WITH HEALTHMASTER SERVICES TO CONCENTRA HEALTH SERVICES, INC.

**DATE:** October 23, 2003

**SUMMARY AND RECOMMENDATIONS**

This ordinance authorizes the assignment of the City alcohol and drug screening contract that is currently with Healthmaster Services to Concentra Health Services, Inc. The original contract began July 1, 2002. The contract amendment began July 1, 2003 and will continue through June 30, 2004. The contract has two subsequent one-year renewal options. The ordinance also approves payments to Concentra for services to be rendered under the contract.

Staff recommends approval.

**BACKGROUND INFORMATION**

Ordinance No. 95897, passed and approved on June 13, 2002, authorized the City Manager to execute a contract with Healthmaster Services to provide alcohol and drug screening services for prospective non-uniformed City employees and City employees operating commercial vehicles. This contract was achieved after a formal RFP process and yielded testing fees that were below those charged by the previous contractor. To "lock-in" this fee structure the City obtained options for three (3) one-year renewals at level rates.

During the first year of the contract Healthmaster Services performed satisfactorily and was subsequently provided a one-year renewal through Ordinance No. 97931 passed and approved on August 7, 2003. However, via a letter dated August 26, 2003 (See Attachment I), Healthmaster Services announced that it has merged with Concentra Health Services, Inc., a well-known national company that specializes in employee health services with over 200 service locations throughout the United States, five in San Antonio. The letter from Healthmaster requested that the City agree to assign the contract to Concentra. By assignment, the contract provisions and rates remain the same.

The City has contracted with Concentra in previous years for this service and has been satisfied with the work provided. Execution of the offer to accept assignment will allow the terms, conditions and fee structure of the current contract to continue with a proven company.

Approximately 3,500 pre-employment applicants are processed annually. In addition, 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 follows the routine business practice of accepting a contract assignment when the new contractor can and will provide the same product or service at the same price.

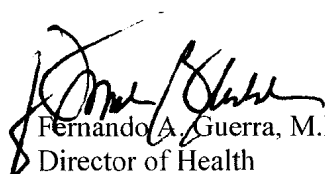
### **COORDINATION**

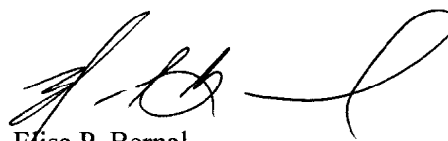
The Human Resources Department, the City Attorney's Office and the Office of Management and Budget, Risk Management Division, have reviewed the professional services agreement, "Second Year" renewal, and consent letter with Healthmaster Services. The Finance Department has been apprised of this action.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


### **SUPPLEMENTARY COMMENTS**

The required City of San Antonio Discretionary Contracts Disclosure form from Concentra is attached (See Attachment II).

Attachments: Attachment I: Healthmaster Services Consent Letter Dated August 26, 2003  
Attachment II: Concentra Discretionary Contracts Disclosure

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

  
Elisa P. Bernal  
Director of Human Resources

  
Frances A. Gonzalez  
Assistant to the City Manager

APPROVED:

  
Terry M. Brechtel  
City Manager

**Discretionary Contracts Disclosure\***

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

\* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

**Disclosure of Parties, Owners, and Closely Related Persons**

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract:

N/A

(2) the identity of any business entity that would be a party to the discretionary contract:

Concentra Medical Center

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

N/A

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

N/A

(3) the identity of any **lobbyist** or **public relations firm** employed for purposes relating to the

discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

|     |
|-----|
| N/A |
|-----|

### Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current or former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

| To Whom Made: | Amount: | Date of Contribution: |
|---------------|---------|-----------------------|
| N/A           |         |                       |

### Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question<sup>2</sup> as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

|                          |   |                   |
|--------------------------|---|-------------------|
|                          |   |                   |
| Signature:<br>Jana Kline | Title:<br>Administrative SA<br>Company:<br>Concentra Mountain | Date:<br>10/13/03 |

## **Discretionary Contracts Disclosure\***

*For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2*

*Attach additional sheets if space provided is not sufficient.*

*State "Not Applicable" for questions that do not apply.*

***\* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.***

<sup>1</sup> A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

<sup>2</sup>For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.



## ATTACHMENT I

### HEALTHMASTER SERVICES

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615 SOLEDAD

SAN ANTONIO, TEXAS 78205-1225

210/297-1500

FAX 210/297-0155

August 26, 2003

Fernando A. Guerra M.D. , MPH  
Director of Health  
San Antonio Metropolitan Health District  
332 West Commerce, #307  
San Antonio, Texas 78205-2489

Dear Mr. Guerra:

Healthmaster Services will be merging our operations with a well known national company, Concentra Health Services, Inc. ("Concentra") on September 1, 2003. Concentra is a nationally known company that specializes in employee health services with over 200 service centers throughout the United States. Concentra has 5 service centers in the San Antonio sector. We are confident that Concentra and the staff from Healthmaster Services (HMS) will provide you with the quality random drug screen program that HMS has provided to you and your employees over the years. We are excited to be working with Concentra, a company with a national reputation for innovation, quality and service.

The purpose of this letter is to obtain your consent to assign our contractual obligations per our contract. Please indicate your approval by signing below. If you have any questions please don't hesitate to contact me to discuss them at (210) 297-1518.

Sincerely,

Jana Nave  
Director

By signing below, I hereby agree to the assignment of the contract with Healthmaster Services to Concentra Health Services, Inc. ("Concentra").

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Authorized Signature

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Print Name / Title

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Date