

**CITY OF SAN ANTONIO**  
**INTERDEPARTMENTAL MEMORANDUM**  
**PURCHASING & GENERAL SERVICES DEPARTMENT**

AGENDA ITEM NO.

40

**TO:** Mayor and City Council

**FROM:** Janie B. Cantu, Director of Purchasing & General Services;  
Dennis J. Campa, Director Community Initiatives Department

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Erik J. Walsh, Assistant to the City Manager;  
Frances A. Gonzalez, Assistant City Manager; Finance Department; City Attorney's Office; Office of Management and Budget; Purchasing and General Services Department; Economic Development Department; File

**SUBJECT:** In-Home Personal Assistance Services

**DATE:** May 20, 2004

**SUMMARY & RECOMMENDATION:**

This ordinance accepts the best value bid of Chartwell Community Services, Inc. to provide in-home personal assistance services in support of the City Homemaker Program in an amount not to exceed \$400,000.00. Additionally, this ordinance authorizes up to two additional one-year renewals, subject to appropriation, and amends Ordinance No. 98181 to revise the budget, and repeals Ordinance No. 98645. Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION:**

Under Ordinance No. 98645, dated December 18, 2003, City Council accepted the best value bid of Chartwell Community Services, Inc. to provide in-home, personal assistance services in support of the City Homemaker Program, administered by the Department of Community Initiatives (DCI), Elderly and Disabled Services. DCI sought to outsource City Homemaker Program direct service care to deliver additional elderly services in support of a priority recommendation made by the City/County Joint Commission on Elderly Affairs. Subsequent to acceptance, Chartwell Community Services' bid was disqualified, as the company did not provide proof of required insurance coverage, within 10 days of the City's request, according to the Invitation for Bids (IFB).

The IFB required successful bidders to carry Texas Worker's Compensation, however, a review of bidders indicated none subscribed to Texas Worker's Compensation. Further investigation uncovered that a substantial number of home health industry companies do not subscribe to Texas Worker's Compensation, choosing rather to self-insure and/or establish its own employee injury benefit plans. For example, some of the largest home health agencies in Texas, such as Girling Home Health, Outreach Health Services, and Methodist Home Health, do not subscribe to Texas Worker's Compensation.

On January 14, 2004, the City issued another Best Value Bid for in-home, personal assistance services tailored more to the insurance structures of the home health industry, thus creating more opportunity for home health agencies to submit qualified bids. In addition to the standard worker's compensation requirements, the bid allowed for alternate insurance plans comparable to worker's compensation, upon the approval of Risk Management. In addition, certificates of insurance were required at the time of bid submission allowing sufficient review by Risk Management, prior to contract award.

### **POLICY ANALYSIS**

The Purchasing and General Services Department City advertised the best value bid through various media venues (Attachment A). On January 30, 2004, the City received a total of three bids. Bids were submitted by Family Services Association, MedTeam, Inc. and Chartwell Community Services, Inc. A listing of the bidders and each bidder's final score tabulations are noted in Attachment B. The evaluation team (Attachment C) recommends accepting the bid of Chartwell Community Services, Inc. (Attachment D), which scored 74.5 out of a possible 100 points, as it represents the best value to the City. The anticipated contract start date is June 28, 2004. The City will obtain up to 34,782 hours of service for approximately 160 unduplicated clients annually. There are currently 94 active City Homemaker Program participants (Attachment E).

Attachment F provides additional information relating to this procurement and its evaluation, Homemaker Program budget and in-home personal care options, and an affordability analysis of MedTeam, Inc.'s offer, in its bid, to pay 50% of personal attendant medical insurance.

As in the earlier procurement, outsourcing direct service care for the City Homemaker Program is a viable solution. First, the City can obtain direct service care for program participants at a reduced cost, thus serving more participants. Second, outsourcing significantly reduces City legal liability. Third, outsourcing allows displaced City employees increased work opportunities and expanded benefits to create comparable earning power. Urging bidders to give the 21 current personal attendants right of first refusal of employment and strongly encouraging personal attendant compensation enhancements (such as an above average salary, access to a 401(k), and a 39.5 hour work week) will afford displaced City employees the opportunity to maintain comparable earning power. Finally, savings from outsourcing will be reinvested to provide \$60,000 in emergency assistance, such as prescription assistance for needy elderly citizens.

This ordinance reflects a continuation of existing City policy to provide services that improve the quality of life for senior citizens in San Antonio by assisting them in maintaining independent living.

### **FINANCIAL IMPACT:**

Funding for this \$400,000.00 annual program will come from the City's General Fund. Since initial funding will be for a program period of slightly more than three months, a total of \$100,000.00 has been earmarked for the first year contract, which will commence upon award through September 30, 2004. Full funding will provide up to 34,782 hours of service annually at \$11.50 per service hour for each year of the contract.

### **COORDINATION:**

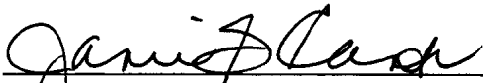
The Department of Community Initiatives has coordinated activities with the Finance Department, City Attorney's Office, Office of Management and Budget, Risk Management, Purchasing and General Services Department, Economic Development Department, City/County Joint Commission on Elderly Affairs and the Alamo Area Council of Governments (AACOG)/Bexar Area Agency on Aging.


**SUPPLEMENTARY COMMENTS:**

- A listing of best value bid advertising media sources is included as Attachment A.
- A bidder listing and final bid calculation table is included as Attachment B.
- A listing of evaluation committee members is included as Attachment C.
- A company profile of Chartwell Community Services, Inc. is included as Attachment D.
- A table outlining the number of active City Homemaker Program participants per Council District is included as Attachment E.
- A listing of questions and answers relating to procurement and evaluation is included as Attachment F.
- The required City of San Antonio Discretionary Contracts Disclosure form is included as Attachment G.

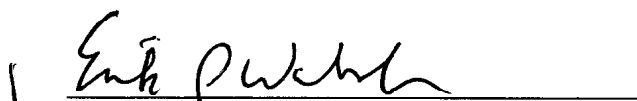
**ADDITIONAL INFORMATION:**


The City of San Antonio Purchasing Department advertises bids in the Daily Commercial Recorder, La Prensa and the San Antonio Observer. This office also advertises bids on Public Access Channel 21, the Purchasing Website and utilizes the services of Demandstar.com to notify registered vendors of City bids.

  
Janie B. Cantu, C.P.M., Director  
Purchasing & General Services

  
Dennis J. Campa, Director  
Community Initiatives

Approved:

  
Erik J. Walsh  
Assistant to the City Manager

  
Frances A. Gonzalez  
Assistant City Manager

**IN-HOME PERSONAL ASSISTANCE SERVICES  
BEST VALUE BID A-942-04**

**LISTING OF ADVERTISING MEDIA SOURCES**

The In-Home Personal Assistance Services Best Value Bid # A-942-04 was advertised through the following media venues:

- Commercial Recorder
- La Prensa
- San Antonio Observer
- City of San Antonio Website
- Public Access Cable Channel 21
- DemandStar Online Bid Notification System

**IN-HOME PERSONAL ASSISTANCE SERVICES  
BEST VALUE BID A-942-04**

**EVALUATION COMMITTEE  
FINAL SCORES**

<b>Evaluation Criteria</b>	<b>Max Scores</b>	<b>Family Services Association</b>	<b>Med Team, Inc.</b>	<b>Chartwell Community Services, Inc.</b>
History, Experience & Past Performance	10	8	9	8.5
Service Delivery Plan	25	15	20	20
Quality Assessment & Performance Improvement	10	6	8	7
Attendant Compensation	5	2	4	3
Pricing	30	26.203	23.793	30.000
Local Business Enterprise Participation	10	10	6	6
Historically Underutilized Enterprise	5	0	0	0
Small Business Economic Development Advocacy	5	0	0	0
<b>Totals</b>	<b>100</b>	<b>67.203</b>	<b>70.793</b>	<b>74.500</b>

**IN-HOME PERSONAL ASSISTANCE SERVICES  
BEST VALUE BID A-942-04**

**EVALUATION COMMITTEE COMPOSITION**

Voting Members:

Ms. Laura Cisneros, Social Services Manager  
City of San Antonio, Department of Community Initiatives

Mr. Alfonso Benavides, Long Term Care Contract Specialist  
Texas Department of Human Services, Region 8, Long Term Care Contracting Division

Ms. Nellie Garay, Caregiver Support Specialist  
Alamo Area Council of Governments, Bexar Area Agency on Aging

Ms. Estella Tyson, Bexar County Precinct 2 Representative  
City/County Joint Commission on Elderly Affairs

Mr. Don Smith, Buyer  
City of San Antonio, Department of Purchasing and General Services

Mr. Courtney McClure, Senior Economic Development Specialist  
City of San Antonio, Department of Economic Development

Non-voting Advisors:

Ms. Peggy Riley, Senior Buyer  
City of San Antonio, Department of Purchasing and General Services

Mr. D.J. Calkins, Special Projects Coordinator  
City of San Antonio, Department of Community Initiatives

**COMPANY PROFILE  
CHARTWELL COMMUNITY SERVICES, INC.**

**Licensing:** Licensed by TDHS as a Home and Community Support Service Agency (HCSSA) #007419

- Home Health Services Category
- Personal Assistance Services Category

**Parent Company:** Chartwell Diversified Services, Inc., Addison, Texas  
Mr. Roy Serpa, President

**Number of Field Offices:** 10

**Size/Scope:** Third largest Medicaid home health care provider in Texas

**Texas Service Areas:** All Texas Counties

**Services Provided:** Primary Home Care  
Family Care  
Community Based Alternatives  
Private Pay Home Care

**# of Employees:** Approximately 7,000

**Area Administrator:** Ms. Nercida Karosi

**San Antonio Programs:** Clinical Services  
Non-skilled Attendant Services

**TDHS Contracts:** Numerous TDHS Regions 1-11  
San Antonio – Community Based Alternatives  
Primary Care/Family Care

**Contract Compliance:** In 2001 & 2003 scored 100% on both San Antonio contracts  
10 Field Locations – No contract holds/No licensure penalties

**COUNCIL DISTRICT BREAKDOWN OF  
CURRENT CITY HOMEMAKER PARTICIPANTS**

<b>Council District</b>	<b>Number of Participants</b>
1	17
2	10
3	13
4	8
5	26
6	7
7	7
8	3
9	2
10	1
Total	94



**FORMAL INVITATION FOR BEST VALUE BIDS  
IN-HOME PERSONAL ASSISTANCE SERVICES  
#A-942-04**

Question: How were history, experience and past performance evaluated?

Answer: History, experience and past performance was broken down into two subsets: History/Experience (5 pts) & Past Performance (5 pts) for total of 10 points.

Evaluation committee members considered the history of the company and years of experience in performing the type of service requested. Bidders demonstrating 10 years or more history and experience received 5 pts.

Evaluation committee members rated bidders' past performance by reviewing long term care survey reports, state contract monitoring reports and other materials submitted by bidders to fully describe past performance.

Question: How was Chartwell's initial bid allowed if it did not subscribe to Texas Worker's Compensation?

Answer: According to the Terms and Conditions of the bid, the acceptance of any bid was contingent upon the successful bidder submitting an original, certified copy of an insurance certificate meeting bid specifications within 10 days of request.

Question: Why didn't Chartwell's past bid play into the scoring of the 2<sup>nd</sup> bid?

Answer: Each bid submission was evaluated solely on the basis of its individual merits and without consideration to any other proposals.

Question: What did we ask for in the employee compensation plan? Did we ask for salary per hour?

Answer: The bid document stated, "Describe what types of compensation enhancements and other incentives will be offered to personal attendants." " Describe how compensation enhancements and incentives will be used to enhance recruitment and retention of qualified attendants and their impact on continuity of care." The bid document did not specifically ask for salary per hour.

Question: What enhancements were submitted in the bids and post bid?

Answer: Attendant enhancements submitted with bids and post bid are outlined below.

Included with initial bids:

The MedTeam, Inc.	Chartwell Community Services, Inc.
Additional \$ .50 for special cases	Special attendant opportunities
Agency pays 50% of medical insurance	No equivalent
4% vacation bonus, with restrictions	No equivalent
No cost in-service programs	No cost in-service programs
No cost Hepatitis immunizations; TB tests	No cost Hepatitis immunizations; TB tests
401(k) available, with restrictions	401(k) available, with restrictions
Merit increase after 1 year	No equivalent
\$50 recruitment bonus	No equivalent
Experienced-based pay rate	Multiple work availability at different pay rates; weekend/night shift
Tuition reimbursement, with restrictions	No equivalent
No equivalent	Up to 39.5 hours weekly; overtime available
No equivalent	Annual awards program (gifts, monies, etc.)

Included post bid:

The MedTeam, Inc.	Chartwell Community Services, Inc.
Base salary of \$7.00 per hour	Base salary of \$7.00 per hour
No equivalent	Paid travel time between clients

Question: What is the cost of Homemaker Program overhead?

Answer: FY2004 Homemaker Program budget detailed below.

Administrative Costs		
Salaries, FICA, Fringe, etc.		\$ 33,996.00
Overhead		1,015.23
Sub-Total		\$ 35,011.23
Direct Service-Related Costs		
Salaries, FICA, Fringe, etc.		\$ 644,833.00
Overhead		48,119.77
Sub-Total		\$ 692,952.77
GRAND TOTAL		\$ 727,964.00

## OPTIONS

Option 1: Accept Best Value Bid submitted by Chartwell Community Services, Inc.

### Impact:

- Presents best value to City; highest score in competitive bid process
  - Homemaker Program costs constant over 3 year term of contract
  - 3% discount on payments made within 29 days
    - Potential savings of \$12,000 annually
    - Pays for over 1,000 additional service hours (4 additional seniors)
- Allows redirection of current City resources to provide additional services to seniors
  - Elderly Resource and Referral Services at 10 One Stop Centers across City
  - \$60,000 in emergency assistance for seniors, such as prescription drug assistance
  - Funds Office of Elderly Affairs (2 positions)
- Increases service hours to Homemaker Program participants at reduced cost
  - Chartwell - \$11.50 per service hour vs City - 15.88 per service hour
  - 28% increase in service hours through contract 34,782-Chartwell vs 25,188-City
  - Removes 31 seniors from Homemaker Program waiting list

Option 2: Continue City operation of Homemaker Program

### Impact:

- Homemaker Program
  - Annual cost increases to City's General Fund
  - Decreased cost efficiencies in program operations
  - Diminished service hours for needy seniors
  - Increases to Homemaker Program waiting lists
- Additional Services for Seniors
  - Minimal (once per month) contact with One Stop Centers
  - No additional emergency assistance funds for seniors
  - Office of Elderly Affairs expenditure restrictions

DEPARTMENT OF COMMUNITY INITIATIVES  
MEDTEAM, INC. Medical Insurance  
Affordability Analysis

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Monthly Wages Based on 35 Hour Work Week @ \$7.00 per hour

Wages		\$ 1,061.67
Required Deductions:		
Withholding	\$ 96.63	
Fica	81.22	
	Deductions Sub-Total	177.85
	Net Pay	\$ 883.82
Less: Monthly Medical Insurance		190.60
	Net Monthly Discretionary Income	\$ 693.22
	Annual Discretionary Income	\$ 8,318.63
	100% FY 2004 HHS Poverty Guidelines Comparison	\$ 9,310.00

Medical Options for Current Attendants

Average age of current attendants: 50

16 of 21 subscribe to CareLink  
 3 of 21 are Medicare-eligible  
 1 of 21 receives care through VA  
 1 of 21 has private pay coverage

CareLink monthly co-pay determined by income/resources

CareLink minimum monthly payment: \$5.00

None currently qualify for Medicaid (None disabled or seniors below income eligibility)

Those over 65 (3) would qualify with \$7.00 p/hr salary

None have children under 19; therefore, wouldn't qualify for CHIP

**City of San Antonio**  
**Discretionary Contracts Disclosure\***

Attachment G

*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:

Nereida "Nettie" Karosi

(2) the identity of any **business entity**<sup>1</sup> that would be a party to the discretionary contract:

Chartwell Community Services, Inc.

**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

<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.

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(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

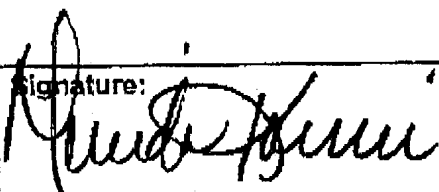
**Political Contributions**

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: 	Title: Administrator Company: Chartwell Community Services	Date: 01/27/04
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<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.