

CONSENT AGENDA
ITEM NO. **23**

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

TO: Mayor and City Council

FROM: Fernando A. Guerra, MD, MPH, Director of Health

THROUGH: Terry M. Brechtel, City Manager

COPIES: Frances A. Gonzalez, Assistant City Manager; City Attorney's Office; Human Resources Department; Finance Department; Economic Development Department; Project; File

SUBJECT: ORDINANCE AUTHORIZING RENEWAL OF AGREEMENT WITH CONCENTRA HEALTH SERVICES, INC.

DATE: June 10, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the City Manager to execute a six month renewal of the professional services agreement with Concentra Health Services, Inc. to provide drug and alcohol testing for prospective non-uniformed City employees and City employees operating commercial vehicles for the period July 1, 2004 through December 31, 2004. In addition, this ordinance authorizes payments to Concentra Services, Inc. on a fee-for-service basis.

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. Moreover, 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 requires that all applicants for City employment and City employees whose positions require Commercial Driver's Licenses (CDLs) submit to drug and alcohol testing. On June 13, 2002, the City contracted with Healthmaster Services, a subsidiary of Baptist Health System, to provide comprehensive alcohol and drug screening services. This Professional Services Agreement also provided the City with renewal options for three additional years. After the option was renewed last year, Healthmaster Services merged with Concentra Health Services Inc. whereupon the City Council approved assignment of this agreement to Concentra. The current agreement expires on June 30, 2004. The table below lists the history of this service agreement:

Contractor	Purpose	Ordinance	For The Period
Healthmaster Services	Selected through RFP Process	95897	07/01/02 – 06/30/03
Healthmaster Services	Renewal (Second Year)	97931	07/01/03 – 06/30/04
Concentra Health Services	Assignment due to Merger	98341	09/01/03 – 06/30/04
Concentra Health Services	Proposed Renewal (Third Year)		07/01/04 – 12/31/04

The proposed ordinance will exercise the option to renew the agreement with Concentra Health Services, Inc. for a period of six months ending December 31, 2004. An RFP is now in process to select a new contractor to begin January 1, 2005 to provide these services on a calendar-year basis.

POLICY ANALYSIS

Execution of this agreement will allow the City to remain 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 that began with Healthmaster Services. The total six month cost for this service is budgeted not to exceed \$95,000.00.

COORDINATION

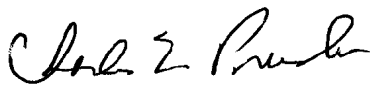
The Human Resources Department and the City Attorney's Office have reviewed the professional services agreement renewal with Concentra Health Services, Inc. The Finance Department has been apprised of this action. The Economic Development Department also concurs.

SUPPLEMENTARY COMMENTS

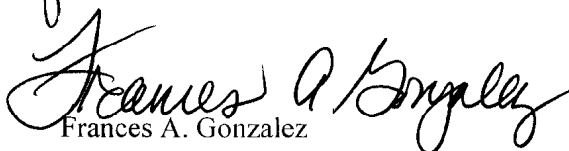
The required City of San Antonio Discretionary Contracts Disclosure form from Concentra is attached (See Attachment II).

Attachments:


- Attachment I: Professional Services Agreement Renewal for Drug and Alcohol Screening "Third Year"
- Attachment II: Discretionary Contracts Disclosure


Fernando A. Guerra, MD, MPH
Director of Health


Sharon De La Garza
Director of Human Resources


Frances A. Gonzalez
Assistant City Manager

APPROVED:


Terry M. Brechtel
City Manager

**PROFESSIONAL SERVICES AGREEMENT RENEWAL
FOR DRUG AND ALCOHOL SCREENING
"THIRD YEAR"**

WHEREAS, THE CITY OF SAN ANTONIO, ("CITY") a Texas municipal corporation, and HEALTHMASTER SERVICES, a subsidiary of Baptist Health System, ("HEALTHMASTER") entered into a Professional Services Agreement dated June 25, 2002 concerning Drug and Alcohol Screening Services in connection with the CITY'S Pre-employment and Transportation Worker Drug Testing Program; and

WHEREAS, this agreement was consummated pursuant to City Council Ordinance No. 95897 passed and approved on June 13, 2002; and

WHEREAS, this ordinance also provided that the CITY and HEALTHMASTER 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; and

WHEREAS, Ordinance Number 98341 authorized the assignment of this contract from HEALTHMASTER to CONCENTRA HEALTH SERVICES, INC. ("CONCENTRA") on October 23, 2003; and

WHEREAS, CITY and CONCENTRA now mutually desire to exercise the option to renew this Agreement for a third renewal period of six (6) months, beginning on July 1, 2004 and ending on December 31, 2004, the last of the three subsequent renewals, in accordance with the terms of this Agreement; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CITY and CONCENTRA hereby agree as follows:

1. The Term of the Agreement is hereby extended for six (6) months (the "Agreement Term") to be effective July 1, 2004 (the "Effective Date") and shall terminate on December 31, 2004. References in the Agreement to the "Agreement Term" shall refer to the Agreement Term as extended and modified by this Agreement renewal.
2. Except as expressly modified by this Agreement renewal, all the terms, covenants and conditions of the Agreement shall remain in full force and effect and are hereby reaffirmed, restated and ratified. In the event any of the terms of the Agreement conflicts with the terms of this Agreement renewal, the terms of this Agreement renewal shall prevail. All terms defined in the Agreement, unless otherwise defined in this Agreement renewal, shall have the same meaning as in the Agreement renewal.
3. All the terms of this Agreement renewal shall inure to the benefit of and be binding upon CITY and CONCENTRA and their respective personal representatives, administrators, heirs, successors and permitted assigns.

EXECUTED this _____ day of June, 2004.

CONCENTRA HEALTH SERVICES, INC.

By: _____
Ben Breier
Senior Vice President of Operations

Date: _____

CITY OF SAN ANTONIO

By: _____
Frances A. Gonzalez
Assistant City Manager

Date: _____

ATTEST:

Leticia Vacek
City Clerk

APPROVED AS TO FORM:

Andrew Martin
City Attorney

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

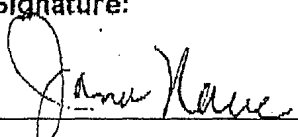
Political Contributions

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 question² 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: Administrative SA Company: Concunia Downtown	Date: 10/13/03