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**Title:** CONSIDER AN AWARD OF CONTRACT FOR A MEDICAL SERVICES PROVIDER FOR EMPLOYMENT AND PRE-EMPLOYMENT RELATED EXAMINATIONS AS WELL AS WORK RELATED INJURIES AND ILLNESSES TO SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP, A PARTNERSHIP WITH KAISER FOUNDATION HEALTH PLAN, KAISER FOUNDATION HOSPITALS (CITY COUNCIL)

**Sponsors:**

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**Attachments:** 1. Request for Proposal No. 21-045.pdf, 2. KP Cost Proposal.pdf, 3. KPOJ Contract.pdf

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, February 01, 2022

Consent

**SUBJECT:**

**CONSIDER AN AWARD OF CONTRACT FOR A MEDICAL SERVICES PROVIDER FOR EMPLOYMENT AND PRE-EMPLOYMENT RELATED EXAMINATIONS AS WELL AS WORK RELATED INJURIES AND ILLNESSES TO SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP, A PARTNERSHIP WITH KAISER FOUNDATION HEALTH PLAN, KAISER FOUNDATION HOSPITALS (CITY COUNCIL)**

**I. SUMMARY**

A Request for Proposal, RFP No. 21-045 (Exhibit No. 1), was released on October 28, 2021 for a medical services provider for work related injuries, illnesses and pre-employment examinations. The City’s current contract for a work-related medical services provider expires on February 28, 2022. In response to the RFP, staff received one (1) proposal. After careful analysis and evaluation of the proposal, staff is recommending the City Council award a three-year contract to Southern California Permanente Medical Group, a partnership with Kaiser Foundation Health Plan, Kaiser Foundation Hospitals (KP) to commence on March 1, 2022 with two one-year options to extend.

## **II. RECOMMENDATION**

TAKE the following actions:

1. AWARD a three-year contract for a work-related medical services provider in an amount not to exceed \$105,000.00, to Southern California Permanente Medical Group, a partnership with Kaiser Foundation Health Plan, Kaiser Foundation Hospitals (KP) for the period of March 1, 2022 through February 28, 2025 with two one-year extension options.
2. AUTHORIZE the Mayor to execute the contract, following approval as to form by the City Attorney.

## **III. ALTERNATIVES**

TAKE any other action the City Council deems appropriate.

## **IV. BACKGROUND**

The City contracts with a medical facility to provide pre-employment physicals, drug screenings, fitness-for-duty examinations and treatment for employees for workers' compensation injuries. The current contract expires February 28, 2022.

The City issued an RFP for a medical services provider on October 28, 2021, and received one acceptable and responsive proposal from Southern California Permanente Medical Group, a partnership with Kaiser Foundation Health Plan, Kaiser Foundation Hospitals (KP). Attached is the cost proposal from KP. The cost proposals (Exhibit No. 2) is based upon individual patient visits for medical services required by the City.

Per CMC 2611(c) award "shall be based on demonstrated competence, the professional qualifications necessary for satisfactory performance of the required services, and a fair and reasonable price." To ensure the selection met the criteria specified in the Carson Municipal Code, staff evaluated KP's qualifications to provide the requested services including medical staff, quality of the facilities, pricing and references.

Despite the fact that KP was the sole proposer, staff believes that it is well suited to meet the City's medical service needs due to its staffing, equipment, multiple locations and significant experience in the field.

The KP services contract does contain a noteworthy deviation from City's standard indemnity provisions, as KP has insisted that the parties utilize its requested indemnity language; otherwise, KP would need to escalate contract review from its regional team to its legal team which process could last several weeks. While City's standard indemnity language requires indemnity for simple negligence, recklessness, and willful misconduct, KP seeks to indemnify only where there's gross negligence or willful misconduct. Therefore, City would not be indemnified if KP were to engage in simple negligence but its conduct falls just shy of gross negligence. In light of City's current medical services contract expiration being slated for February 28, 2022 and KP being the sole proposer, City's hands are somewhat tied with regards to KP's requested language.

## **V. FISCAL IMPACT**

No impact. Funds for Employment and Pre-Employment medical services are included in the FY 2021-2022 Human Resources and Risk Management Department budget. Funds for workers compensation related medical services are budgeted as part of the FY 2021-2022 non-departmental self-insured claims reserves.

## **VI. EXHIBITS**

1. Request for Proposal No. 21-045 (pg. 4-40)
2. Costing Breakdowns (pg. 41-46)
3. Partially Signed Contract Agreement (pg. 47-84)

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