



Agenda Report

20-563

Agenda Date: 8/18/2020

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 2 to the Agreement for Performance of Services with The Permanente Medical Group, Inc. [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

BACKGROUND

Since 1999 the Santa Clara Fire Department has had an agreement with The Permanente Medical Group, Inc. for professional medical services for public safety employees. The Occupational Health and Safety Services Division of the Permanente Medical Group, Inc. has extensive experience and knowledge of the Occupational Safety and Health Administration (OSHA) Standard 190.156 - Fire Brigades, OSHA Standard 1910.134 - Respiratory Protection, and the National Fire Protection Agency (NFPA) Standard on Comprehensive Occupational Medical Program for Fire Departments (NFPA 1582). These guidelines and standards outline the required medical services for public safety employees.

The Permanente Medical Group, Inc. has been providing services, which include approximately 150 annual or periodic physical exams, evaluations, vaccinations, as well as respirator evaluations, mandated under OSHA Standard 1910.134, for sworn Fire Department employees and members of the Volunteer Reserve Division. In addition, The Permanente Medical Group, Inc. also provides new hire physical clearances for firefighter candidates. The services provided to the City each year can vary greatly based on the number and the extent of on-duty injuries, staffing, and clinical indications; therefore, the not-to-exceed amount included in the agreement is based on an average of expenditures in recent fiscal years plus an allowance for additional procedures that are frequently added due to State and Federal regulatory requirements.

DISCUSSION

The original agreement was for a three-year term ending on August 31, 2020. Kaiser has agreed to lock in current rates for five years, therefore staff recommends extending the agreement by five years, ending on August 31, 2025 and increasing maximum compensation by \$266,000 for a revised maximum compensation of \$600,000. The maximum compensation amount is an estimate based on the anticipated usage of services over the life of the agreement.

The services provided by The Permanente Medical Group, Inc. are specialized services from licensed professionals. This recommendation meets the competitive proposal exception in Section 2.105.330 (e)(1) of the City Code, which states "Regardless of contract value, competitive proposals are encouraged but not required for contracts for specialized services from licensed professionals

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California

Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5), in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes to the environment.

FISCAL IMPACT

Amendment No. 2 extends the term of the agreement by five years ending on August 31, 2025 and increases the maximum compensation by \$266,000 for a revised not-to-exceed maximum compensation of \$600,000, subject to the appropriation of funds. Annual funding is included in the Fire Department's General Fund operating budget for this service.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

1. Authorize the City Manager to execute Amendment No. 2 to the Agreement with The Permanente Medical Group, Inc. for Professional Medical Services for Public Safety Employees to increase the amount of the agreement by \$266,000 and to extend the term of the agreement through August 31, 2025 for a revised not-to-exceed maximum compensation of \$600,000; and
2. Authorize the City Manager to execute amendments over the term of the agreement in the event that the demand for services is greater than anticipated, or additional services are required, subject to the same terms and conditions of the Agreement and the appropriation of funds.

Reviewed by: Ruben Torres, Fire Chief

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 2
2. Amendment No. 1
3. Original Agreement for Performance of Services with The Permanente Medical Group, Inc.

**AMENDMENT NO. 2
TO THE AGREEMENT FOR THE PERFORMANCE OF SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
THE PERMANENTE MEDICAL GROUP, INC**

PREAMBLE

This agreement ("Amendment No. 2") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and The Permanente Medical Group, Inc., a California corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Agreement for the Performance of Services by and between the City of Santa Clara, California, and the Permanent Medical Group, Inc.", dated September 14, 2017 (Agreement);
- B. The Agreement was previously amended by Amendment No. 1, dated November 18, 2019 and is again amended by this Amendment No. 2. The Agreement and all previous amendments are collectively referred to herein as the "Agreement as Amended"; and
- C. The Parties entered into the Agreement as Amended for the purpose of having Contractor provide professional medical services for public safety employees, and the Parties now wish to amend the Agreement as Amended to extend the term for an additional five (5) years through August 31, 2025 for a revised not-to-exceed compensation of \$600,000 and revise the schedule of fees.

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

1. Section 5 of the Agreement as Amended, entitled "Term of Agreement" is amended to read as follows:

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement as Amended shall begin Effective Date of this Agreement and terminate on August 31, 2025.

2. Section 11 of the Agreement as Amended, entitled "Compensation and Payment" is amended to read as follows:

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and services rendered by Contractor at the rate per hour for labor and rate per unit for materials as outlined in Second Revised Exhibit B, entitled "Schedule of Fees."

Contractor will bill City on a monthly basis for Services provided by Contractor during the preceding month, subject to verification by City. City will pay Contractor within thirty (30) days of City's receipt of invoice.

3. Section 12 of the Agreement as Amended, entitled "Termination of Agreement" is amended to read as follows:

- A. Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than thirty (30) days' prior written notice to Contractor.

- B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice to Contractor.

- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

4. Exhibit B of the Agreement as Amendment, entitled "First Amended Fee Schedule" is hereby amended to read as show in Second Revised Exhibit B, attached hereto and incorporated into this Amendment No. 2.

5. Except as set forth herein, all other terms and conditions of the Agreement as Amended shall remain in full force and effect. In case of a conflict in the terms of the Agreement as Amended and this Amendment No. 2, the provisions of this Amendment No. 2 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 2 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated:


BRIAN DOYLE
City Attorney


DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

THE PERMANENTE MEDICAL GROUP
a California corporation

Dated: 06/17/2020

By (Signature): 

Name: Lavanya Kailar, MD

Title: Medical Director KPOJ Occupational Health &
Safety Services - NCAL

1800 Harrison Street, 9th Floor

Principal Place of Oakland, CA 94612

Business Address: Attention: Sales Manager

Email Address: Shawn.L.Wiley@kp.org

Telephone: (510)625-4143

Fax: () N/A

"CONTRACTOR"

SECOND REVISED EXHIBIT B
SCHEDULE OF FEES

Consultant shall provide a schedule of rates and fees which includes all billing amounts and costs as follows (if applicable), such as:

OCCUPATIONAL HEALTH AND SAFETY SERVICES TO BE PROVIDED TO THE CITY OF SANTA CLARA FIRE DEPARTMENT.

FIREFIGHTER PREPLACEMENT EXAM (FFPP)		
Code #	Description of Service	Price
300398	Firefighter Physical Exam	\$127.00
92552	Audiogram, screening	\$54.00
94010	Spirometry	\$60.00
85025	CBC with automated differential	\$20.00
80053	Chem Comprehensive Panel	\$41.00
36415	Venipuncture	\$15.00
71046	Chest X-Rays (2 views, PA & Lateral)	\$75.00
300422	PPD, 2 step, 2 placements and readings	\$30.00
	-OR-	
86480	QuantiFERON	\$145.00
93000	EKG, resting	\$50.00
93015	Cardiac Stress Test with Treadmill	\$230.00
86706	Titer: Hepatitis B Surface Antibody (HBsAb)	\$35.00
86704	Titer: Hepatitis B Core Antibody (HBcAb)	\$31.00
86803	Titer: Hepatitis C Antibody Screen	\$56.00
As Employer Requested:		
300413	Form completion (2 or more pages for DMV/DOT Exam If done in conjunction with the Firefighter Physical Exam during the same visit)	\$25.00
300420	Collection for Drug Scree Preferred Alliance "Quick Test"	Billed by Preferred Alliance
As Clinically Indicated:		
90746	Vaccine: Hepatitis B, may need series of 3 injections	\$130.00/injection
90632	Vaccine: Hepatitis A, may need series of 2 injections	\$114.00/injection
90636	Twinrix (Hep B and Hep A combo), series of 3 injections	\$191.00/injection
90707	Vaccine: Measles Mumps Rubella (MMR), may need series of 2 injections	\$103.00/injection
90716	Vaccine: Varivax (Varicella or Chickenpox), may need series of 2 injections	\$152.00/injection
90715	Vaccine: Tdap	\$63.00
	-OR-	

Code #	Description of Service	Price
90714	Vaccine: Td	\$34.00
90658	Vaccine: Influenza (when seasonally available)	\$20.00
86735	Titer: Mumps Antibody Screen	\$35.00
86762	Titer: Rubella Antibody Screen (German Measles)	\$35.00
86765	Titer: Rubeola Antibody Screen (Measles)	\$35.00
86787	Titer: Varicella (Varicella or Chickenpox) Antibody Screen	\$35.00
86708	Titer: Hepatitis A IgG Antibody (HAAb)	\$40.00
81001	Urinalysis with microscopy	\$16.00
86580	PPD, 1 step, placement and reading	\$20.00
71045	Chest X-Ray, 1 view	\$55.00
71046	Chest X-Ray, 2 views	\$75.00
300408	Physician Consultation, each 15 minutes	\$64.00/15 mins
FIREFIGHTER ANNUAL/PERIODIC EXAM (FFANN)		
Code #	Description of Service	Price
300398	Firefighter Physical Exam	\$127.00
92552	Audiogram, screening	\$54.00
94010	Spirometry	\$60.00
85025	CBC with automated differential	\$20.00
80053	Chem Comprehensive Panel	\$41.00
36415	Venipuncture	\$15.00
86480	QuantiFERON	\$145.00
93000	EKG, resting	\$50.00
93015	Cardiac Stress Test with Treadmill	\$230.00
As Employer Requested:		
300413	Form completion (2 or more pages for DMV/DOT Exam If done in conjunction with the Firefighter Physical Exam during the same visit)	\$25.00
As Clinically Indicated:		
71045	Chest X-Ray, 1 view	\$55.00
71046	Chest X-Ray, 2 views	\$75.00
81001	Urinalysis with microscopy	\$16.00
86580	PPD, 1 step, placement and reading	\$20.00
86706	Titer: Hepatitis B Surface Antibody (HBsAb)	\$35.00
90746	Vaccine: Hepatitis B, may need series of 3 injections	\$130.00/injection
90632	Vaccine: Hepatitis A, may need series of 2 injections	\$114.00/injection
90636	Twinrix (Hep B and Hep A combo), series of 3 injections	\$191.00/injection
90707	Vaccine: Measles Mumps Rubella (MMR), may need series of 2 injections	\$103.00/injection

Code #	Description of Service	Price
90716	Vaccine: Varivax (Varicella or Chickenpox), may need series of 2 injections	\$152.00/injection
90715	Vaccine: Tdap	\$63.00
	-OR-	
90714	Vaccine: Td	\$34.00
90658	Vaccine: Influenza (when seasonally available)	\$20.00
86735	Titer: Mumps Antibody Screen	\$35.00
86762	Titer: Rubella Antibody Screen (German Measles)	\$35.00
86765	Titer: Rubeola Antibody Screen (Measles)	\$35.00
86787	Titer: Varicella (Varicella or Chickenpox) Antibody Screen	\$35.00
86708	Titer: Hepatitis A IgG Antibody (HAAb)	\$40.00
82274	Fecal Immunochemical Test – FIT Test	\$35.00
84152	PSA; Prostate Specific Antigen	\$71.00
300408	Physician Consultation, each 15 minutes	\$64.00/15 mins
DMV/DOT EXAM (DMV/DOT)		
Code #	Description of Service	Price
300390	DMV/DOT Physical Exam	\$115.00
RESPIRATOR BASELINE/PERIODIC (RESP)		
Code #	Description of Service	Price
300415	Review of OSHA Respirator Questionnaire by MD/NP/RN	\$35.00
As Clinically Indicated:		
300391	Respirator Clearance Physical Exam	\$64.00
94010	Spirometry	\$60.00
71046	Chest X-Ray (2 views)	\$75.00
93000	EKG, resting	\$50.00
93015	Cardiac Stress Test with Treadmill	\$230.00
300408	Physician Consultation, each 15 minutes	\$64.00/15 mins
FITNESS FOR DUTY/RETURN TO WORK (FFD/RTW)		
Code #	Description of Service	Price
300397	Fitness for Duty Exam	\$115.00
As Clinically Indicated:		
300408	Physician Consultation, each 15 minutes	\$64.00/15 mins

VACCINATION ONLY (VAX)		
Code #	Description of Service	Price
300406	History/Review of Tests/Brief Screen - No Physical Exam	\$42.00
90746	Vaccine: Hepatitis B, may need series of 3 injections	\$130.00/injection
90632	Vaccine: Hepatitis A, may need series of 2 injections	\$114.00/injection
90636	Twinrix (Hep B and Hep A combo), series of 3 injections	\$191.00/injection
90707	Vaccine: Measles Mumps Rubella (MMR), may need series of 2 injections	\$103.00/injection
90716	Vaccine: Varivax (Varicella or Chickenpox), may need series of 2 injections	\$152.00/injection
90715	Vaccine: Tdap -OR-	\$63.00
90714	Vaccine: Td	\$34.00
90658	Vaccine: Influenza (when seasonally available)	\$20.00
LABORATORY ONLY (LAB)		
Code #	Description of Service	Price
300406	History/Review of Tests/Brief Screen - No Physical Exam	\$42.00
86706	Titer: Hepatitis B Surface Antibody (HBsAb)	\$35.00
86708	Titer: Hepatitis A IgG Antibody (HAAb)	\$40.00
86735	Titer: Mumps Antibody Screen	\$35.00
86762	Titer: Rubella Antibody Screen (German Measles)	\$35.00
86765	Titer: Rubeola Antibody Screen (Measles)	\$35.00
86787	Titer: Varicella (Varicella or Chickenpox) Antibody Screen	\$35.00
36415	Venipuncture	\$15.00
TB CLEARANCE QUANTIFERON (PPD/TB CLEARANCE)		
Code #	Description of Service	Price
86480	QuantIFERON	\$145.00
36415	Venipuncture	\$15.00
As Clinically Indicated:		
71045	Chest X-Ray, 1 view	\$55.00
71046	Chest X-Ray, 2 views	\$75.00
99211	Brief encounter with non-MD Provider (PPD-Review of Symptoms Form)	\$25.00

In no event shall the amount billed to City by Contractor for services under this Agreement exceed **Six Hundred Thousand Dollars (\$600,000)** for the term of this Agreement, subject to the appropriation of funds.