



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.