



July 24, 2019

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for Medical Clinic Services

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Overview

Medical services are required to ensure compliance with the State of California Department of Motor Vehicles commercial driver certifications, the Federal Transit Administration drug and alcohol testing, and the California Occupational Safety and Health Administration's medical evaluation requirements.

Recommendations

- A. Approve the selection of Cheshire Medical Corporation, doing business as ProCare Work Injury Center & Urgent Care, as the medical clinic to provide medical services to ensure compliance with the State of California Department of Motor Vehicles, Federal Transit Administration, and California Occupational Safety and Health Administration regulations.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1165 between the Orange County Transportation Authority and Cheshire Medical Corporation, doing business as ProCare Work Injury Center & Urgent Care, in the amount of \$573,000, for a three-year initial term, effective August 1, 2019 through July 31, 2022, with one, two-year option term, to provide medical services.

Discussion

The Human Resources and Organizational Development Division oversees the medical evaluations for new and existing employees requiring the State of California Department of Motor Vehicles (DMV) medical examinations (exams) and driver certifications, the Drug and Alcohol compliance program in accordance with the Federal Transit Administration (FTA), and medical evaluations required for safety-sensitive employees that are in the Orange County Transportation Authority's (OCTA) Hearing Conservation Program, Respiratory Protection

Program, and/or the Bloodborne Pathogens Program as required under the California Occupational Safety and Health Administration (Cal/OSHA) regulations.

To comply with DMV requirements for a commercial driver's license, coach operators, mechanics, service workers, supervisors, and other employees required to hold a commercial driver's license must undergo a physical exam and functional capacity test to ensure they are medically fit to operate a bus. Physical exams must be performed by a medical professional certified by the National Registry of Certified Examiners in order to certify and sign the appropriate DMV forms. Cal/OSHA requires audiometric evaluations, medical clearances for respirator use, and Hepatitis B vaccination services for safety-sensitive employees to mitigate exposure to harmful levels of noise or risk of hearing loss, airborne contaminants, and bloodborne pathogens.

Under the Department of Transportation (DOT) and the FTA rules, OCTA is required to conduct drug and alcohol tests for its safety-sensitive employees throughout the employment process, including pre-employment testing, random testing, post-accident testing, and testing in the case of reasonable suspicion. Above and beyond the FTA rules, OCTA enforces its drug and alcohol-free workplace commitment by requiring non-safety-sensitive employees to go through probable cause drug and alcohol testing if there is reason to believe a non-safety-sensitive employee is impaired by, or under the influence of, alcohol or any other controlled substance. With the largest concentration of OCTA's employees being safety-sensitive, it is critical that OCTA maintain compliance with the FTA rules and have capabilities to perform evidential breath testing, specimen collection, and test analysis as required, 24 hours a day, seven days a week (24/7).

Currently, medical services are provided using two different scopes of work through Golden West Medical Center (Golden West) and Gary A. Linnemann, MD, Inc., doing business as (dba) Pacific Medical Clinic (Pacific Medical). Each clinic has been utilized with an emphasis on certain services. For example, Pacific Medical has been the primary provider for DOT physical exams and Golden West has been the primary provider for drug and alcohol testing and fit-for-duty exams. For the new procurement, the two scopes of work were consolidated into one scope of work to make administering the program more manageable, as well as more convenient for employees to get all services from one clinic. With this new approach, an employee will only be required to visit a single provider for all their medical exams, as well as drug and alcohol screening requirements.

Procurement Approach

The procurement was handled in accordance with OCTA’s Board of Directors (Board)-approved procedures for professional and technical services. Various factors were considered in the award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On April 15, 2019, Request for Proposals (RFP) 9-1165 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on April 15 and 22, 2019. A pre-proposal conference was held on April 22, 2019, with attendees representing two clinics. Two addenda were issued to make available the pre-proposal conference registration sheets and presentation and to respond to written questions.

On May 20, 2019, two proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, Human Resources, Safety and Environmental Compliance, Risk Management, Bus Operations-Administration, and Maintenance-Administration departments met to review all proposals received.

The proposals were evaluated based on the following evaluation criteria and weightings:

- Qualifications of the Firm 20 percent
- Staffing and Project Organization 25 percent
- Work Plan 35 percent
- Cost and Price 20 percent

Several factors were considered in developing the evaluation criteria weightings. Staff assigned the highest weighting to work plan as the clinic must demonstrate its ability to perform all the services specified in the scope of work, as well as comply with the procedures and forms developed by OCTA, DOT, and DMV. The clinic must describe how it will process the requested services, certify and train its personnel, and communicate information in a time-sensitive manner. Staffing and project organization was weighted at 25 percent as the clinic’s staff must demonstrate extensive experience and knowledge to ensure the quality of services provided, as well as compliance with DOT and FTA by providing proof of required certifications and licenses. Additionally, the clinic must demonstrate that it has adequate staff to provide medical services in a timely manner. Qualifications of the firm was weighted at 20 percent to emphasize the importance of the medical clinic’s relevant experience and compliance with regulations set by DOT and FTA for all parties involved. Cost was weighted at

20 percent to ensure competitiveness in pricing and that OCTA receives value for the services provided.

On May 30, 2019, the evaluation committee reviewed the proposals based on the evaluation criteria and conducted interviews with both clinics listed below in alphabetical order:

Firm and Location

Cheshire Medical Corporation dba ProCare Work Injury Center &
Urgent Care (ProCare)
Irvine, California

Pacific Medical
Santa Ana, California

On June 11, 2019, the evaluation committee conducted interviews and site visits with both clinics. The interviews were conducted at each clinic's facility and consisted of a site tour, as well as a mock physical exam and drug and alcohol test for a new employee, followed by a question and answer segment. The firms' primary physicians, project managers, and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Questions were related to functional capacity testing, respiratory protection medical evaluations, audiometric testing equipment, sleep apnea assessments, turnaround time for drug and alcohol tests, and patient wait times. In addition, each team was asked specific clarification questions related to its proposal.

At the conclusion of the interviews, the clinics were requested to submit a best and final offer (BAFO) as the descriptions of the required services were revised for clarification. In addition, the clinics were asked to provide clarification regarding the specimen testing and vision tests. Each firm made adjustments to its rates at this time.

After considering the responses to the questions asked during the interviews and the information provided in the BAFOs, the evaluation committee reviewed the preliminary ranking and made adjustments to individual scores. As a result, the rankings changed.

Based on the evaluation of the written proposals and the information obtained from the interviews and BAFOs, the evaluation committee recommends ProCare for consideration of the award. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

ProCare and Pacific Medical have experience providing occupational medical services as required by the scope of services. Both clinics have designated areas and equipment for physical exams and audiometric, vision, and breath alcohol tests. In addition, both facilities provide 24/7 service for drug and alcohol tests and are properly equipped and organized in accordance with FTA regulations. Furthermore, both clinics have processes in place to ensure proper handling of the specimens when they are sent to the laboratories for analysis.

ProCare has been providing occupational medical services since 1983 and has offices in the cities of Huntington Beach and Irvine with 27 employees. The location proposed for this effort is the City of Irvine office, with the office in the City of Huntington Beach as a backup. The clinic has provided medical services to FedEx, City of Santa Ana Police Department, City of Tustin, and Orange County Sanitation District, and currently provides worker injury care as a subcontractor to OCTA's contract for workers' compensation administration services. ProCare utilizes a web portal, which is accessible to clients 24/7, to ensure accurate and prompt reporting. With the web portal, ProCare can electronically send DOT exam results directly to the DMV, which results in a more streamlined process, quicker turnaround, and eliminates the need for coach operators, mechanics, service workers, supervisors, and other employees required to hold a commercial driver's license to go to the DMV themselves. In addition, the web portal will eliminate the need for OCTA to rely solely on the clinic's emails for drug and alcohol and physical exam results, resulting in a more streamlined and efficient process. The clinic also has a physical therapy room to accommodate the coach operator's chair for functional capacity exams. ProCare proposed three subcontractors for sleep apnea and laboratory drug testing services.

Pacific Medical was originally founded in 1982 and was later incorporated in 1993. The clinic has a single location in the City of Santa Ana with 17 employees and provides industrial injury care and occupational health screening services. The clinic's clients include the City of Santa Ana, County of Orange, City of Westminster Police Department, and United States Postal Service. In addition, Pacific Medical has been providing medical clinic services to OCTA since 1997. Although Pacific Medical mentioned implementing an occupational practice management software and updated website, it did not elaborate on the benefits of these improvements. As one of the incumbent clinics, Pacific Medical has a coach operator's chair, provided by OCTA, on site to conduct functional capacity exams. The clinic proposed a subcontractor for laboratory drug testing services.

Staffing and Project Organization

Both clinics proposed medical teams with relevant experience and provided copies of current certifications and licenses. Additionally, each clinic's medical staff responded to the evaluation committee's questions and demonstrated an understanding of OCTA's requirements and knowledge of applicable regulations and procedures.

ProCare's chief medical officer and owner is proposed as the primary physician with over 36 years of experience. In addition, the medical director is proposed as a backup to provide additional physician care. Prior to joining ProCare in 2006, the medical director founded St. Jude's Fullerton Hospital Occupational Medicine Department. Both physicians are authorized to sign the Medical Examination Report and Medical Examiner's Certificate. The proposed project manager has been with the clinic for six years and will handle day-to-day management and communications. The key medical staff will also be supported by two physician assistants who are licensed health care providers that are able to diagnose and treat patients under the supervision of a physician. Additionally, the physician assistants are authorized to sign the Medical Examination Report and Medical Examiner's Certificate. Having multiple individuals authorized to sign the medical reports and certificates will ensure that the medical services are performed and completed in a timely manner so that OCTA employees can efficiently start or return to work with the proper required documentation.

Pacific Medical's medical director and owner has over 30 years of experience and is proposed as the primary physician to administer the physical exams and is authorized to complete and sign the Medical Examination Report and Medical Examiner's Certificate. A per diem physician is proposed to provide backup to the primary physician; however, the per diem physician is utilized no more than 40 hours a year and is not authorized to sign medical reports and certificates. Pacific Medical did not offer a contingency plan if the primary physician becomes unexpectedly unavailable and how the clinic would ensure no delay in services. The proposed project manager has been with the clinic for two years and will be responsible for ensuring all medical assistants are fully trained and certified and that OCTA's requirements are met. The proposed medical staff also includes eight medical assistants that handle entry-level administrative and clinical tasks.

Work Plan

ProCare and Pacific Medical discussed their approaches for providing the required medical clinic services. During the site visits, both clinics demonstrated the steps involved in performing physical exams, as well as drug and alcohol tests in accordance with DMV, FTA, and Cal/OSHA requirements, which included collecting samples, administering the breath alcohol test, and conducting hearing and vision tests. Each clinic maintains records of the annual

calibration certificates of its equipment. For physical exams, both clinics indicated that they follow proper protocols to ensure patient safety.

ProCare discussed its methods for meeting the requirements of the scope of work. While the clinic provided a general overview in its written proposal, ProCare was more detailed about its approach during the site visit. Along with ensuring that its equipment is calibrated and certified annually, the clinic's staff regularly calibrates the breath alcohol machine every month and audiometric machine every day. The clinic recently updated its audiometric machine to a computerized system last year, which reduces human error. For physical exams, ProCare indicated that it would use the job descriptions provided by OCTA as a checklist to conduct the functional capacity tests. The clinic also mentioned that it already has job descriptions for safety-sensitive employees as part of providing work injury care for OCTA. For the drug tests, ProCare securely stores samples in a designated refrigerator located in a designated area clearly marked as a restricted area. ProCare indicated that the average wait time for a patient to be seen is five to ten minutes and that the overall examination and testing process is approximately one hour.

Pacific Medical presented a work plan that addressed all the elements of the scope of work. The clinic detailed its approach step-by-step from the time a patient arrives to when OCTA is notified of the results. In addition to the annual certified calibrations of its equipment, Pacific Medical regularly calibrates the breath alcohol machine every two weeks and audiometric machine every week. Physical exams must include functional capacity testing to ensure that new and existing employees meet the minimum physical requirements of a particular position. Although patients are asked to squat, bend, and turn, they are not asked to kneel, which is a requirement in the specified job descriptions. In addition, the clinic did not indicate that it refers to a checklist or the job descriptions provided by OCTA to ensure a patient meets the functional capacity requirements. Pacific Medical has a designated refrigerator to store samples, which is located in the front office; however, there was no clear signage that it was a restricted area. Pacific Medical indicated that patients wait approximately ten to 15 minutes before being seen and that the entire examination and testing process takes about one hour.

Cost and Price

Cost was weighted at 20 percent of the overall score. Both firms provided itemized pricing for services as requested for the entire term of the agreement. Price scores were based on a formula which assigned the higher score to the clinic with the lower average per unit cost and scored the other clinic's total average per unit cost based on its relation to the lower average per unit cost. The average per unit cost is based on various itemized services, which were refined through the BAFO request.

Although ProCare did not propose the lower rates, ProCare's proposed rates are within industry standards as determined through market research conducted by OCTA staff with various clinics and agencies to establish average industry rates. As an example, the cost of a physical exam ranges from \$100 to \$150 and ProCare's proposed rate for a physical exam is \$95, while Pacific Medical proposed \$38 per physical exam.

While both firms proposed to comply with the scope of work requirements, the value-added benefits and efficiencies resulting from ProCare's technology solutions, availability of a wider pool of medical professionals, and the clinic's streamlined approach to servicing clients outweigh the higher price.

Procurement Summary

Based on the evaluation of the written proposals, the firms' qualifications, and the information obtained from the interviews and BAFOs, the evaluation committee recommends the selection of ProCare as the top-ranked firm to provide medical clinic services.

Fiscal Impact

The project was approved in OCTA's Fiscal Year 2019-20 Budget, Human Resources and Organizational Development, Account No. 1141-7519-A2312-DWA, and is funded with local funds.

Summary

Staff is recommending the Board authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1165 between the Orange County Transportation Authority and Cheshire Medical Corporation, doing business as ProCare Work Injury Center & Urgent Care, in the amount of \$573,000, for a three-year initial term, with one, two-year option term, for medical clinic services.

Attachments

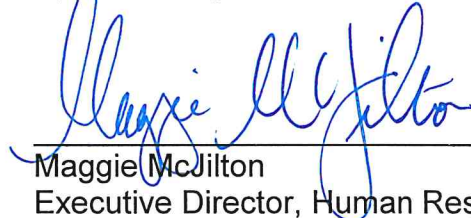
- A. Review of Proposals, RFP 9-1165 Medical Clinic Services
- B. Proposal Evaluation Criteria Matrix, RFP 9-1165 Medical Clinic Services
- C. Contract History for the Past Two Years, RFP 9-1165 Medical Clinic Services

Prepared by:



Karen DeCrescenzo
Department Manager,
Human Resources
714-560-5547

Approved by:



Maggie McJilton
Executive Director, Human Resources
and Organizational Development
714-560-5824



Matt DesRosier
Department Manager, Safety and
Environmental Compliance
714-560-5854



Virginia Abadessa
Director, Contracts Administration
and Materials Management
714-560-5623