



## Legislation Text

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**File #:** 2019-0625, **Version:** 1

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**To:** Sonoma County Board of Supervisors, Sonoma County Water Agency Board of Directors, Sonoma County Agricultural Preservation and Open Space District Board of Directors Community Development Commission

**Department or Agency Name(s):** Human Resources

**Staff Name and Phone Number:** Lynne Durrell, 565-6089

**Vote Requirement:** Majority

**Supervisory District(s):** All

**Title:**

Occupational Health Agreement with The Permanente Medical Group, Inc.

**Recommended Actions:**

Authorize the Director of Human Resources to execute a new agreement with The Permanente Medical Group, Inc. for occupational health services in an amount not to exceed \$600,000 for a three year term from July 1, 2019 through June 30, 2022, with an option to renew for an additional two year term at the discretion of the Human Resources Director.

**Executive Summary:**

The Permanente Medical Group, Inc. has provided occupational health services to the County since 2003. Following a Request for Proposal in March 2019, The Permanent Medical Group was selected again due to the wide scope of occupational health services, proximity to County operations, and to other health prevention wellness efforts they provide. The Permanente Medical Group, Inc. is a subsidiary of Kaiser Permanente providing occupational health services, including: exams and treatment of work related injuries and illness in support of the County's self-insured workers' compensation program, pre-employment physical examinations, employee Tuberculosis (TB) testing and vaccinations, seasonal influenza vaccination clinics, medical surveillance and other annual examinations, fitness-for-duty and return-to-work examinations, pre-placement and reasonable suspicion drug testing, and on-site training and consultation in areas of occupational health and safety as requested by the County.

The proposed agreement is for a three year term, July 1, 2019 through June 30, 2022, with no rate increases from existing rates during the three year term.

**Discussion:**

As a part of the County's commitment to ensure a competitive process in contract awards, a Request for Proposal (RFP) was conducted in February 2019. Proposals were solicited from 9 providers (and was publicly advertised on the County's Supplier Portal), and two proposals were received. The proposals were evaluated by staff in Human Resources, Sheriff, Human Services, and Transportation & Public Works. The Permanent Medical Group proposal provides the most depth scope of services as well as well the closest proximity to

County operations. Pricing remains consistent with the prior agreement, with only minor adjustments reflecting minimal pass-through cost increases for drug screen collections. Based upon these elements, the consensus of the evaluation team is to recommend The Permanente Medical Group, Inc.

As a result of the selection process, HR recommends the County execute a new agreement with The Permanente Medical Group, Inc. for a three-year term from July 1, 2019 through June 30, 2022, for a total contract amount of up to \$600,000, with an option to renew for an additional two year term at the discretion of the Human Resources Director. Services are only provided upon direction of the County, and County staff conduct quarterly meetings with Kaiser representatives to ensure service delivery standards are met and quality of services meet the County's expectations.

**Prior Board Actions:**

6/6/2017: Authorized the Human Resources Director to execute a new agreement with The Permanente Medical Group, Inc. for a two year term through 6/30/19.

5/20/2014: Authorized the Human Resources Director to execute a new agreement with The Permanente Medical Group, Inc. for a three year term through 6/30/17.

6/19/12: Permanent Medical Group, Inc. agreed to continue the Voluntary Vendor Cost Reduction

7/9/2010: The Permanente Medical Group, Inc. agreed to the Voluntary Vendor Cost Reduction Initiative and reduced costs 20% for the term July 1, 2010 through June 30, 2012.

04/01/03: Authorized Human Resources Director to execute an initial agreement with The Permanente Medical Group, Inc., and has authorized annual renewals through 6/30/2010.

**FISCAL SUMMARY**

| <b>Expenditures</b>                | <b>FY 18-19<br/>Adopted</b> | <b>FY19-20<br/>Projected</b> | <b>FY 20-21<br/>Projected</b> |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|
| Budgeted Expenses                  | \$200,000                   | \$200,000                    | \$200,000                     |
| Additional Appropriation Requested |                             |                              |                               |
| <b>Total Expenditures</b>          | <b>\$200,000</b>            | <b>\$200,000</b>             | <b>\$200,000</b>              |
| <b>Funding Sources</b>             |                             |                              |                               |
| General Fund/WA GF                 |                             |                              |                               |
| State/Federal                      |                             |                              |                               |
| Fees/Other                         | \$200,000                   | \$200,000                    | \$200,000                     |
| Use of Fund Balance                |                             |                              |                               |
| Contingencies                      |                             |                              |                               |
| <b>Total Sources</b>               | <b>\$200,000</b>            | <b>\$200,000</b>             | <b>\$200,000</b>              |

**Narrative Explanation of Fiscal Impacts:**

Services provided are preventive in nature, to ensure workers' compensation loss prevention and are funded

through the Self-Insured Workers' Compensation Program Department budget # 23021500.

| Staffing Impacts:     |                                   |                       |                       |
|-----------------------|-----------------------------------|-----------------------|-----------------------|
| Position Title (Payro | Monthly Salary Range (A - I Step) | Additions<br>(number) | Deletions<br>(number) |
|                       |                                   |                       |                       |
|                       |                                   |                       |                       |
|                       |                                   |                       |                       |

**Narrative Explanation of Staffing Impacts (If Required):**

NA

**Attachments:**

None

**Related Items "On File" with the Clerk of the Board:**

Agreement for services with The Permanente Medical Group, Inc. for term 7/1/19 to 6/30/22.