

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a personal service contract with Cascade Health Solutions for Recruitment, Hiring, Safety, Health, and Wellness Program Services.

Board Meeting Date: 12/4/2018

Project Name/Contract #: Recruitment, Hiring, Safety, Health, and Wellness Program Services / PSC 18-2715

Primary Contact: Lena Kostopulos Ext. 7466

Contract Amount:

Original Contract Amount: \$400,000 over 5 years

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$400,000

Resulting Cumulative Total: \$400,000 over 5 years

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: Rule 3-0275 Sole-Source Procurements

Term of Agreement: **5 years**

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): \$400,000 (five years)

Selection Basis: Sole Source

Narrative:

Operational Requirement and Alignment with Strategic Plan

In 2001, EWEB established an integrated safety, health and wellness model, a proven best-practice in the safety & compliance arena and equally effective in managing other health-related aspects of employment. Contracting with Cascade Health Solutions (CHS) aligns directly with EWEB's Strategic Plan's Core Values pertaining to workforce safety. The profile of combined services provided by CHS fully supports EWEB's integrated plan which has reliably delivered positive outcomes in safety and regulatory compliance. Further, the CHS service profile offers efficiencies which limit operational disruption and enables immediate early interventions which contribute to EWEB's ability to control costs related to employee absence and limit workers' compensation insurance premium escalation.

Contracted Goods or Services

CHS remains the only provider of integrated occupational health services in Lane County, with the closest alternative being Good Samaritan Hospital in Corvallis.

EWEB requires the following list of services which must be performed under the direction of a Medical Advisor (MA), a practicing qualified physician.

- A MA provides medical expertise and consulting for EWEB and communicates with employees' private physicians and SAIF contractors in the case management of health matters including: ADA/OFLA/FMLA, occupational and non-occupational disability and other safety and work-related health issues. Considering the nature and variety of work performed by EWEB employees, the MA must be an Occupational Health Physician.
- A medically-qualified Medical Review Officer (MRO) is a requirement of the federally-mandated DOT drug testing program, to interpret and advise regarding drug testing results.
- Clinic services to include: pre-employment physical exams, DOT/CDL physical exams & qualification certifications, and return-to-work certifications.
- Nursing services to include on-site bio-metric clinics, vaccinations & immunizations, and health screening.

- Drug testing, collection, laboratory analysis and administration services (pre-employment, random DOT*, reasonable suspicion*, OSHA & DOT post-incident*) **denotes time-sensitive collection.*
- An Occupational Physical Therapist to perform job-specific physical function analysis and testing, work-site ergonomics analysis, and ergonomics evaluation for symptomatic employees.
- Medical personnel equipped and certified to perform on-site injury evaluation, administer first aid, and patient transport for minor injuries.
- Preventative training and educational programming services.

Prior Contract Activities

In 2001, EWEB entered into a negotiated (sole-sourced) agreement with McKenzie Willamette Hospital (MWH), the only provider of the integrated occupational health services required to support EWEB's model. The occupational health business line eventually split from MWH, becoming Cascade Health Solutions (CHS), EWEB's occupational health services contractor for the last 16 years.

Both EWEB and CHS have invested significant resources in the creation, implementation and continuing development of an integrated Safety, Health & Wellness Program. Those efforts have evolved over 16 years and continue to contribute to EWEB's success in the areas of safety, compliance, disability management, and employee health.

Purchasing Process

This agreement is the outcome of a Direct Negotiation with a sole source provider.

EWEB surveyed all local public agencies and several other notable local employers known to use occupational health care services to determine if there were other qualified and recommended providers in the area. That inquiry confirmed CHS as a sole source. CHS's current client list includes but is not limited to: all area public employers, both hospitals, large private employers, and neighboring utilities.

Bidder Information

Cascade Health Solutions

Bidder Location

Eugene, OR

Competitive Fair Price (If less than 3 responses received)

As established above, CHS is the only local provider capable of delivering a suite of services sufficient to support EWEB's integrated program. EWEB Human Resources (HR) staff partnered with Purchasing staff to explore unbundling some services as a means to identify additional local provider options.

Purchasing was unable to identify other vendors for isolated health services with the exception of DOT drug testing. This provider, a State contractor, does not offer mobile testing services, now available to us through CHS.

Considering only direct costs, there appears to be an opportunity for a savings of approximately 25% or \$14 per drug test. However, when indirect costs are added, the cost of using the other vendor is actually much higher since the new service would require EWEB employees to travel to their collection site for the tests. The to-and-from travel time between ROC (not considering other EWEB work locations) and the collection site is approximately 30 minutes and check-in and test administration time would average approximately 30 minutes for a total of 60 minutes per test. Through CHS, there is no travel time and administration times averages no more than 15 minutes, since MedExpress is serving only EWEB's scheduled employees. When EWEB's average 2019 loaded hourly pay rate, approximately \$67, is added as a factor of indirect cost, incurring 45 minutes of additional unproductive time actually adds approximately \$50 to the per-test cost of the other provider.

Further, access to CHS MedExpress also enables our ability to respond to for-cause drug testing at work or accident sites, as well as performing workplace or accident-site injury triage, first-aid, and transport to emergency and urgent care centers.. CHS is an all-in-one solution that EWEB can rely on to provide quality healthcare services, including case management, for its employees while mitigating unnecessary administrative inefficiencies.

ACTION REQUESTED:

Staff believes any benefit that may be derived from unbundling the services is outweighed by indirect costs such as process inefficiencies, loss in continuity of services and the administration of multiple agreements. Therefore, management requests the Board approve a personal service contract with Cascade Health Solutions for Recruitment, Hiring, Safety, Health, and Wellness Program Services. Funds for these services were budgeted for 2018 and are included in the proposed 2019 budget. The proposed department budget for 2019 is \$2.7M.