FOR THE RECORD CORRECTION SUPPLEMENTAL 78B BPW 12/12/2007

DEPARTMENT OF BUDGET AND MANAGEMENT ACTION AGENDA

SERVICES CONTRACT

ITEM: 23-S Agency Contact: Margaret Embardino

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DEPARTMENT/PROGRAM: Department of Budget and Management (DBM)

CONTRACT ID: Specimen Collection Contract

ADPICS NO. F10B8200005

CONTRACT DESCRIPTION: Contract for the collection of urine specimens from applicants for employment for certain State job categories and State employees in certain job classifications or under certain circumstances. The collected specimens are then sent to a State contracted laboratory for testing to detect the presence of illegal drugs.

AWARD: Capital MRO, Inc.

Annapolis, MD

TERM: 1/1/2008 - 12/31/2012

AMOUNT: \$500,000 Est.

PROCUREMENT METHOD: Competitive Sealed Bidding

BIDS OR PROPOSALS: See Attachment

MBE PARTICIPATION: 0% (see Requesting Agency Remarks)

INCUMBENT: Chesapeake Occupational Health Services, Inc.

Baltimore, MD

REQUESTING AGENCY REMARKS: A notice of the availability of the Invitation for Bids (IFB) was advertised on *eMarylandmarketplace.com* and on DBM's Procurement web site. Copies of the solicitation notice were mailed directly to 66 prospective vendors, of which 33 were Maryland firms and 6 were MBEs. A copy of the IFB was also sent to the Governor's Office of Minority Affairs.

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Six bids were received in response to the IFB. Capital MRO, Inc. submitted the lowest bid price and its bid was determined to be responsive. Capital MRO, Inc has also been deemed a responsible bidder. Therefore, Capital MRO, Inc. is recommended for contract award.

There is no MBE goal established for this contract for two reasons: (1) there are no sub-contracting opportunities. The specimen shipping kit used for each collection is supplied by the State's contracted testing laboratory and the collection sites are on State or local government premises. Accordingly, aside from very minimal supplies such as bluing agent, specimen cups, tape, signs, etc., virtually the entire expense of this contract is for the salaries of the certified personnel who monitor the collection process and travel expenses for these personnel between the approximately 80 established collection sites; and (2) there is a need to strengthen the legal defensibility of the chain of custody of the samples being collected and tested by having as few vendors as possible involved in this contract.

The State of Maryland has been testing applicants and employees for the illegal use of drugs since 1990 to assure its citizens that State employees are not impaired by the illegal use of drugs in the workplace. This practice ensures compliance with the Federal Omnibus Drug Abuse Act of 1988 ("Federal Act") which requires any State receiving Federal funds to establish a drug-free workplace.

The Federal Act also requires the State to have a policy on the use of substances, an employee awareness program and a procedure for employees to report their own convictions. The State conducts testing in seven different situations and for a panel of seven illegal drugs. The contractor will provide all labor on-site at State specified locations and the very minimal materials mentioned above necessary for the collection of urine specimens. The contractor then sends the collected specimens to the State's contracted testing laboratory in pre-paid shipping kits provided by the testing laboratory.

In accordance with Executive Order 01.01.1991.16 and Code of Maryland Regulations (COMAR) 17.04.09, all applicants for employment in designated sensitive State job categories, as well as State employees in the same sensitive categories, must be tested to detect the presence of illegal drugs in their urine. In addition, any employee for which there is reasonable suspicion of using illegal drugs must be tested. The bulk of the sensitive positions that require testing are Correctional Officers and other personnel of the Department of Public Safety and Correctional Services (DPSCS).

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An estimated 6,900 specimen collections and subsequent drug tests will be performed each year. In addition, it is possible that contractor officials will have to appear at legal proceeding to testify as to the circumstances pertaining to a particular urine collection or the "chain of custody" of that urine specimen. The price bids were evaluated based upon a model used in the IFB for evaluation purposes. The bid price evaluation model included estimates of the number of regular and emergency (incident related) collections and of preparation time and attendance (testimony) at legal proceedings. The *Award Amount* above is estimated based on the projected amount of collections and testimony used in the financial evaluation model. Since this is an indefinite quantity, fixed unit price contract, the contractor will be paid for collection services and testimony based on the actual amount and type of services provided at the unit prices that are fixed in the contract.

The source of funds for this contract comes from reimbursable funds through a transfer from the Employees' and Retirees' Health Insurance Non-Budgeted Accounts.

FUND SOURCE: 100% Non-budgeted

APPROP. CODE: F10A0203

RESIDENT BUSINESS: Yes

MD TAX CLEARANCE: 07-2726-0001

Board of Public Works Action - The above referenced Item was:

APPROVED DISAPPROVED DEFERRED WITHDRAWN

WITH DISCUSSION WITHOUT DISCUSSION

ITEM: 23-S (Cont.) ATTACHMENT

BID OR PROPOSALS (Cont):

<u>Bidder</u>	5 Year Price*
Capitol MRO, Inc. Annapolis, MD	\$450, 825
National Safety Compliance, Inc. Laguna Hills, CA	\$542,500
Prudential Associates Rockville, MD	\$588,547
Chesapeake Occupational Health Services, Inc. Baltimore, MD	\$657,775
Occupational Medical Services Baltimore, MD	\$659,500
Alcohol & Drug Testing Services, LLC Las Vegas, NV	\$851,500

*Note: The price bids were evaluated based upon a model used in the IFB for evaluation purposes. The bid price evaluation model included estimates of the number of regular and emergency (incident related) collections and of preparation time and attendance (testimony) at legal proceedings. Since this is an indefinite quantity, fixed unit price contract, the contractor will be paid for collection services and testimony based on the actual amount and type of services provided at the unit prices that are fixed in the contract.