## SUPPLEMENT B DEPARTMENT OF BUDGET AND MANAGEMENT ACTION AGENDA

## **SERVICES CONTRACT**

ITEM: 1-S Agency Contact: Margaret Embardino

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**DEPARTMENT/PROGRAM:** Budget and Management (DBM)

Office of Personnel Services & Benefits (OPSB)

**CONTRACT ID:** 050B0400001A;

State Medical Director & Occupational Medical

Services for Maryland State Agencies

ADPICS NO. 050B0400001

**CONTRACT DESCRIPTION:** Contract to provide State agencies with a comprehensive network of professional medical services for the proper management of the occupational medical aspects of the State workforce. The contract provides for up to 19 services on a Statewide basis, as well as six other services that apply specifically to Maryland Department of Transportation agencies.

**AWARD:** Occupational Health Centers of the Southwest, P.A.

dba Concentra Medical Centers

Addison, TX

(Local Office in Elkridge, MD)

**TERM:** 9/8/2011 - 9/30/2016

**AMOUNT:** \$10,000,000 Est. (Approx. 5 Years)

**PROCUREMENT METHOD:** Competitive Sealed Proposals

BIDS OR PROPOSALS: Only One Acceptable Offeror

(See Requesting Agency Remarks below)

**MBE PARTICIPATION:** 15.2% (See Requesting Agency Remarks below)

**INCUMBENT:** Same (See Requesting Agency Remarks below)

## SUPPLEMENT B DEPARTMENT OF BUDGET AND MANAGEMENT ACTION AGENDA

**ITEM:** 1-S (Cont.)

**REQUESTING AGENCY REMARKS:** A notice of the availability of the Request for Proposals (RFP) was advertised on *eMarylandMarketplace.com* and the DBM website. Copies of the RFP were emailed to nine vendors, seven of which are Maryland firms and one is a MBE.

Two proposals were received in response to the RFP. One of the Offerors was determined to be not responsible and was so notified. Its financial proposal was returned unopened.

The remaining Offeror's proposal was determined to be reasonably susceptible of being selected for award. In addition, the Offeror was determined to be responsible and its financial offer was considered fair and reasonable. It was also determined that other potential offerors had a reasonable opportunity to respond to the solicitation. Therefore, award is recommended to Occupational Health Centers of the Southwest, P.A. dba Concentra Medical Centers (Concentra), the incumbent. On 12/21/2010, Concentra (pursuant to an Agreement and Plan of Merger) became a wholly owned subsidiary of Humana Inc. Concentra continues to operate in the same manner, serving patients and clients, with the same leadership team under the Concentra brand.

The purpose of this Contract is to provide occupational medical services for applicants and employees in State agencies for up to 25 services. All services are available during normal working hours and on a limited basis on weekends and evenings. Certain services are also available on a 24-hour-a-day, 7-day-a-week basis. The services range from pre-employment physicals to drug and alcohol tests for commercial drivers governed by US Department of Transportation regulations.

Agencies are under no obligation to use the services under this Contract. They can elect to use one, all or none of the services, as their respective needs dictate. As agencies use the services under the contract, they are billed directly by the Contractor. This Contract is also available for use by county, municipal and other non-State of Maryland governments and non-profit organizations within Maryland and agencies of governments in states adjoining Maryland, including Washington, DC.

The \$10,000,000 requested approval amount for this contract is based on fixed unit prices for each service times an estimated (but not guaranteed) number of services to be performed, as per a pricing model contained in the RFP, rounded up to the closest million. Under this Contract, the recommended Contractor is not guaranteed any amount of business. Agencies will determine not only which employees will be referred for service(s), but also whether this contract is the most appropriate means of obtaining the needed medical services.

## SUPPLEMENT B DEPARTMENT OF BUDGET AND MANAGEMENT ACTION AGENDA

**ITEM:** 1-S (Cont.)

As the incumbent, Concentra has provided occupational medical services for State agencies for the past eleven years, and has done so in a professional and efficient manner. Concentra has also established itself as the dominant provider of occupational medical services in the Baltimore area and throughout much of Maryland. It operates a network of 270 owned and managed occupational healthcare centers in 84 markets in 34 states, including nine centers in Maryland. In addition, Concentra has subcontracted with a number of medical providers in various areas of the State to provide many of the services available under this contract to augment its nine locations. These additional subcontracted locations help make the usage of this Contract more convenient to State employees and applicants for employment.

A 10% MBE participation goal was established for this solicitation based upon the determination that subcontracting opportunities were available to provide medical staffing, physician assistance, vocational services, medical records documentation, medical information technology, facility support services and occupational rehabilitation support. However, Concentra has committed to a 15.2% MBE participation goal for staffing for physical therapy services, medical transcription services, occupational health care services, janitorial services, mental health physician services and telephone answering services.

**FUND SOURCE:** Various

**APPROP. CODE:** Various

**RESIDENT BUSINESS:** Yes

**MD TAX CLEARANCE:** 11-2040-0111

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

APPROVED DISAPPROVED DEFERRED WITHDRAWN

WITH DISCUSSION WITHOUT DISCUSSION