

CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Human Resource/Risk Management

AGENDA DATE: December 14, 2010

CONTACT PERSON(S) NAME(S)

AND PHONE NUMBER(S): Linda Ball Thomas, 541-4102, Irene Y. Morales, 541-4448
Bruce D. Collins, Purchasing Manager, 541-4308

DISTRICT(S) AFFECTED: All

SUBJECT:

Approve the award for the management and operation of the City's Wellness Clinics to H2U Wellness Centers LLC d/b/a/ First Onsite for an initial contract period of January 15, 2011 through January 14, 2016 with two (2) two-year extensions.

BACKGROUND / DISCUSSION:

Request for Qualifications #2010-100R was released seeking proposals for the management and operation of the four (4) City on-site Wellness Clinics. There were five proposals received: Concentra Health Services, Inc. dba Concentra Medical Center, El Paso Med Partners, P.A., First Onsite, LLC, Marathon Health, Inc. and El Paso County Hospital District dba University Medical Center of El Paso. During the review process for this solicitation, First Onsite, LLC changed their legal name to H2U Wellness Centers, LLC. Crest Benefits assisted the City with the evaluation of the proposals. A six-member employee committee reviewed the proposals. The committee evaluation was a blind evaluation. The members of the committee were Jose Acosta, Sun Metro Transit Safety Officer, Angela Mora, Public Health Deputy Director, Andres Rodriguez, El Paso Municipal Police Officers Association representative, Linda Ball Thomas, Human Resources Director, Paul Thompson, El Paso Association of Firefighters Local 51 representative and Jeff Tepsick, El Paso Water Utilities Accounting Manager. The evaluation criteria and weight of each is attached. Cost of services is not a criterion in requests for proposals; the committee ranked each proposal based on qualifications.

In the request for qualifications process, the committee ranks the vendors based solely on qualifications. After the ranking is done, negotiations begin with the highest ranked proposer. If both parties cannot reach agreement, negotiations cease with the highest ranked proposer and begin with the next highest ranked proposer.

The overall committee ranking is attached. Concentra Health Services, Inc. dba Concentra Medical Center received the highest ranking. Personnel from Crest Benefits and Irene Morales, City of El Paso Risk Manager, proceeded to negotiate pricing and services with Concentra. The parties could not reach agreement on the payment of laboratory expenses, indemnity provisions required by Concentra, payment by the City of a penalty in case of termination for convenience before the expiration of the initial contract term and Concentra's hourly rate. Concentra was notified that since agreement could not be reached on these points, negotiations would terminate.

The City proceeded to negotiate with the second highest ranked proposer, H2U Wellness Centers LLC d/b/a First Onsite. After various negotiation meetings with H2U Wellness Centers LLC d/b/a/ First Onsite, they agreed to all the requirements in the request for qualifications and lowered their hourly rate from \$182.20/hour for the first year to \$116.00/hour for the first year with a 3% increase for years two through five. The approximate savings to the health plan would be \$175,000.00/year during the initial five year contract period.

The City is currently paying \$105.00/hour for clinic management and operation of the clinics; an average of \$262,080.00/year. The new rate of \$116.00/hour is a 11% increase to the present hourly rate.

PRIOR COUNCIL ACTION:

In January 2002 the City approved a license agreement with Physicians Healthcare Associates PA to operate wellness clinics for City employees and retirees. This is the first time the City has released a request for qualifications for these services.

AMOUNT AND SOURCE OF FUNDING:

Health Benefit Fund, 502111-45121-09100248-09000

BOARD / COMMISSION ACTION: NA

DEPARTMENT HEAD:

Linda Ball Thomas, Human Resources Director

**COUNCIL PROJECT FORM
(RFQ)**

*******POSTING LANGUAGE BELOW*******

Please place the following item on the **REGULAR** agenda for the Council Meeting of **December 14, 2010**.

Discussion and action on the award of Solicitation No. 2010-100R On-Site Wellness Clinics to H2U Wellness Centers, LLC d/b/a/ First Onsite for an initial term estimated award of \$1,537,185.94.

| | |
|-----------------------------------|----------------------------------------------------|
| Department: | HR-Risk Management |
| Award to: | H2U Wellness Centers, LLC d/b/a First Onsite |
| Vendor Location: | Nashville, TN |
| Item(s): | All |
| Option: | Two Options of two years each |
| Payment Terms: | 3%-10 Days, 2%-20 Days, 1%-30 days |
| Year One Amount: | Estimated Amount: \$289,536.00 |
| Year Two Amount: | Estimated Amount: \$298,222.08 |
| Year Three Amount: | Estimated Amount: \$307,168.74 |
| Year Four Amount: | Estimated Amount: \$316,383.80 |
| Year Five Amount: | Estimated Amount: \$325,875.32 |
| Total Initial Term Award: | Estimated Amount: \$1,537,185.94 (5 years) |
| 1 st Two- Year Option: | Estimated Minimum Amount: \$651,750.64 (2 years) |
| 2 nd Two-Year Option: | Estimated Minimum Amount: \$651,750.64 (2 years) |
| Total Estimated Award: | Estimated Minimum Amount: \$2,840,687.22 (9 years) |
| Funding Source: | Health Benefit Fund– Health Care Providers Account |
| District(s): | All |

This is a Request for Qualifications, Professional Services Agreement.

The cost under this Professional Services Agreement is only an estimated minimum value. The actual cost of this contract may be higher or lower than the total estimated minimum value and will be the sum total at the end of the contract term, so long as increased funds are appropriated in the budget.

Additionally, it is requested that the City Attorney's Office review and that the City Manager be authorized to execute any related contract documents and agreements necessary to effectuate this award.

The Financial Services - Purchasing Division and Human Resource Department-Risk Management Division recommend award as indicated to H2U Wellness Centers, LLC d/b/a/ First Onsite, the highest ranked qualifier.

*******ADDITIONAL INFO BELOW*******

The City formally ended negotiations with the highest ranked qualifier, Concentra Health Services, Inc. d/b/a/ Concentra Medical Center on August 17, 2010 and entered into negotiations with H2U Wellness Centers LLC d/b/a First Onsite on August 19, 2010.

COMMITTEE SCORE SHEET

SOLICITATION TITLE: ON-SITE WELLNESS CLINICS
SOLICITATION NO: 2010-100R

| RFQ SCORING CRITERIA | MAX POINTS | CONCENTRA HEALTH SERVICES, INC. DBA CONCENTRA MEDICAL CENTER | EL PASO MED PARTNERS, P.A. | H2U WELLNESS CENTERS, LLC DBA FIRST ONSITE | MARATHON HEALTH, INC. | EL PASO COUNTY HOSPITAL DISTRICT DBA UNIVERSITY MEDICAL CENTER OF EL PASO |
|--------------------------------------------|------------|--------------------------------------------------------------|----------------------------|--------------------------------------------|-----------------------|---------------------------------------------------------------------------|
| Scope of Services and Capabilities Offered | 30 | 27 | 19 | 26 | 24 | 21 |
| Personnel Qualifications and Credentials | 25 | 23 | 15 | 22 | 16 | 18 |
| Demonstrated Experience | 25 | 23 | 16 | 23 | 17 | 13 |
| Return on Investment Guarantees | 20 | 15 | 4 | 16 | 12 | 7 |
| GRAND TOTAL | 100 | 88 | 54 | 87 | 69 | 59 |
| (Maximum 100 points) | | | | | | |

QTC MEDICAL GROUP/MANAGEMENT INC.
ATTN: ELEANOR KAY
1350 SOUTH VALLEY VISTA DR
DIAMOND BAR, CA 91765

COLUMBIA LIFECARE CENTER
ATTN: DOUG PARK
3333 N MESA STREET
EL PASO, TX 79902

ATTN: CHRIS ESTRADA
LAS PALMAS LIFECARE CENTER
3333 N. MESA
EL PASO, TX 79902

MEDICAL EXAMS WALK-IN CLINIC
ATTN: CARLOS M. GARCIA MD
1550 HAWKINS BLVD, SUITE #16
EL PASO, TX 79925

COMMUNITY MEDICAL CLINIC
ATTN: HECTOR LOPEZ, D.O.
9955 DYER ST
EL PASO, TX 79924

FAMILY MEDICAL ASSOCIATION
ATTN: BOBBI GONZALEZ
10555 VISTA DEL SOL DR., STE. 200
EL PASO, TX 79925

ACCLAIM RESOURCE SERVICES
ATTN: WILLIAM LEE HIGAR
10501 BIRTHSTONE DR
EL PASO, TX 79925

EL PASO MEDICAL LABORATORY
ATTN: DR. HABIL ASPFANI
2616 N OREGON ST
EL PASO, TX 79902

LAS PALMAS MEDICAL CENTER
3333 N MESA
EL PASO, TX 79902

PROFESSIONAL HEALTH SERVICES
ATTN: MATHEW JOHNSON
83 S EAGLE RD
HAVERTOWN, PA 19083

CONCENTRA MEDICAL CENTER
ATTN: RANDAL A. BECKER
6320 GATEWAY BLVD EAST
EL PASO, TX 79905

CONCENTRA MEDICAL CENTER
ATTN: GARY DEL PALACIO
6320 GATEWAY BLVD EAST
EL PASO, TX 79905

PROVIDENCE MEMORIAL HOSPITAL
ATTN: IRENE CHAVEZ
2001 N OREGON ST
EL PASO, TX 79902

MONTANA MEDICAL CLINIC
ATTN: MAURICE MODAUI
2415 MONTANA AVE.
EL PASO, TX 79903

ATTN: DR. VEMOY WALKER
PHYSICIANS HEALTHCARE ASSOCIATES
7430 REMCON CIRCLE
BLDG. B. SUITE 150
EL PASO, TX 79912

ATTN: ANNA M. MCGREGOR
HEALTH SCIENCES CENTER
TEXAS TECH INTERNAL CLINIC
4800 ALBERTA AVE.
EL PASO, TX 79905

FRANKLIN MEDICAL CENTER
836 E REDD RD
EL PASO, TX 79932

MICHELLE ROMAGLINO
2ND FL OCCUPATIONAL HLTH ANNEX BLDG
THOMASON HOSPITAL
4815 ALAMEDA AVE.
EL PASO, TX 79905

MESA MEDICAL CLINIC
2030 N. MESA ST
EL PASO, TX 79902

JULIE MILLER, R.D., L.D., CDE, DIRECTOR
DEL SOL DIABETES TREATMENT CENTER,
LIFE CARE CENTER, INPATIENT & OUTPATIENT
CARDIAC REHABILITATION
7878 GATEWAY EAST SUITE 301
EL PASO, TX 79915
DU-ANK

ATTN: HECTOR LOPEZ D.O.
COMMUNITY MEDICAL CLINIC
9955 DYER ST
EL PASO, TX 79924

ATTN: RANDAL A. BECKER
CONCENTRA MEDICAL CENTERS
6320 GATEWAY EAST BLVD
EL PASO, TX 79905

LAS PALMAS DIAGNOSTIC CENTER
1700 N. OREGON ST.
EL PASO, TX 79902

ATTN IRENE CHAVEZ HOSPITAL
SIERRA PROVIDENCE MEMORIAL
2001 N OREGON ST
EL PASO, TX 79902

ATTN CARLOS M. GARCIA MD
MEDICAL EXAMS WALK-IN CLINIC
1550 HAWKINS BLVD STE #S16 & 17
EL PASO, TX 79925
AI-NDA

DEL SOL DIAGNOSTIC CENTER
10420 VISTA DEL SOL DR.
EL PASO, TX 79925

RIO GRANDE HEALTH CENTER
OF EL PASO INC
7230 GATEWAY EAST BLVD STE E
EL PASO, TX 79915

DR. T. P. INDIRA M. D.
ASWINGROUP LLC
2623 PENNINGTON DR
WILMINGTON, DE 19810

ATTN: PAUL WILLEMS
H P I
16 CAMERAY HEIGHTS
LAGUNA NIGUEL, CA 92677

SELENE QUINTANA, CAO
EL PASO MHMR
1600 MONTANA VENUE
EL PASO, TX 79902

ATTN: SCOTT OMERNICK
LOGISTICS HEALTH, INC.
328 FRONT STREET - SUITE 500
LAS CROSSE, WI 54601

KRISTI D. DAUGHERTY, DIRECTOR
SUN CITY BEHAVIORAL HEALTH CARE
616 N. VIRGINIA SUITE B
EL PASO, TX 79902

RANDY JACKSON, DIRECTOR
MATERIALS MANAGEMENT/PURCHASING
UNIVERSITY MEDICAL CENTER
4815 ALAMEDA
EL PASO, TX 79905