



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 24-550

Board Meeting Date: 6/25/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kiryczun, Human Resources Director
Zhanna Abuel, Deputy Director, Human Resources

Subject: Authorize agreement with The Permanente Medical Group (dba Kaiser On-the-Job) for occupational health services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with The Permanente Medical Group (dba Kaiser On-the-Job (KOJ)) to conduct pre-placement and Occupational Safety and Health Administration (OSHA) mandated physical examinations for a new three-year term from July 1, 2024 through June 30, 2027 in an amount not to exceed \$2,200,000, with one two-year option to extend in an amount not to exceed \$1,480,000, for a total amount not to exceed \$3,680,000.

BACKGROUND:

The County has collaborated with Kaiser On-the-Job since June 2014 to establish an Occupational Health Service program in which KOJ provides Occupational Health Services to County Departments, employees, and applicants. KOJ has effectively administered this program by working closely with the County's Occupational Health Coordinator and County employees and applicants.

KOJ provides health examinations for certain job positions to determine job applicants' current limitations in relation to the essential job tasks identified by the County, employee annual health surveillance examinations, and employee vision testing and hearing screenings. KOJ also provides fitness for duty, return to work examinations, and other occupational health services upon the County's request. KOJ is staffed with skilled health professionals who respond quickly and efficiently to the needs that arise from work-related health issues.

DISCUSSION:

In order to ensure the County is receiving the best value available for occupational health services, Risk Management conducted an RFP in April 2024. KOJ was the sole proposer. When the Risk Management division previously conducted an RFP for these services in 2014, other responders included a one-location clinic in Millbrae and a mobile medical bus service.

Since becoming the County’s provider for pre-placement and OSHA-mandated physical examinations in June of 2014, KOJ has provided excellent service at a reasonable cost. In addition, KOJ’s size and multiple Bay Area locations make the examinations convenient for County employees and applicants. KOJ has delivered timely and accurate evaluations relating to occupational health. Furthermore, because 66% of County employees select Kaiser as their HealthCare Provider, if an occupational health exam indicates a potential medical condition, the employee can more easily be referred to their primary care physician for consultation.

For these reasons, the Human Resources Department recommends the Board authorize the attached agreement with KOJ.

We are also seeking Board approval of the modification of the County’s service contract requirements relating to non-discrimination enforcement. These changes are at KOJ’s request due to the size and scope of its corporate structure. KOJ is the sole proposer offering to provide the critical occupational health services for the County and requires these modifications.

This resolution contains the County’s standard provision authorizing the Director of Human Resources or designee to execute contract amendments that modify the County’s maximum fiscal obligation under the proposed agreement by no more than \$25,000 and/or modify the term and/or services as long as the modified term or services is/are within the current or revised fiscal provisions.

County Counsel has reviewed and approved the resolution and agreement as to form.

PERFORMANCE MEASURE:

Measure	FY 2024-2025 Actual	FY 2025-2026 Projected
Pre-placement Physicals	1,100	1,000
Health Surveillance	3,600	3,600

FISCAL IMPACT:

Funding for Occupational Health costs are offset by the Risk Management Workers’ Compensation Trust Fund. The fee for the initial three-year term of the contract is not to exceed \$2,220,000, and the fee for the optional fourth and fifth years is not to exceed \$1,480,000, for a new total fiscal obligation of \$3,700,000. There is no impact to net County cost associated with this amendment.