



## ADMINISTRATIVE REPORT

Report Date: September 23, 2013  
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Meeting Date: October 9, 2013

TO: Standing Committee on Planning, Transportation and Environment

FROM: General Manager of Human Resource Services, General Manager of Financial Services and Chief Procurement Official

SUBJECT: Contract Awards for the Provision of Disability Management and Occupational Health Services

### **RECOMMENDATION**

THAT Council authorize City staff to negotiate and enter into three separate contracts (as described below) for the procurement of Disability Management and Occupational Health Services, with the estimated values as shown below for each contract, plus applicable taxes, each for a three-year term (with the City's option to extend for an additional two one-year terms), funded through the annual operating budget process, subject to the conditions set out in this Recommendation and the preparation of legal agreements satisfactory to the General Manager of Human Resource Services, Director of Legal Services and the Chief Purchasing Official.

List of Contracts: (Estimated contract amounts are for the initial three-year term and are based on projected utilization and claims):

Contract No. 1: Cira Medical Services Inc. ("Cira") - \$493,146;

Contract No. 2: Centric Health Corporation ("Centric") - \$899,460; and

Contract No. 3: Organizational Solutions Inc. ("OSI") - \$897,360.

FURTHER THAT the Director of Legal Services be authorized to execute and deliver, on behalf of the City, all legal documents required to implement this Recommendation;

AND FURTHER THAT no legal rights or obligations will be created by Council's adoption of this Recommendation above unless and until such legal documents are executed and delivered by the Director of Legal Services.

## ***REPORT SUMMARY***

The City's current contracts for Adjudication, Disability Management and Occupational Health Services will expire on December 31, 2013. To ensure that these services continue uninterrupted, Request for Proposals PS20130566 "Provision of Disability Management and Occupational Health Services" (the "RFP") was advertised on the City of Vancouver's website and BC Bid on June 24. City staff on the RFP evaluation committee, and subsequently the Bid Committee, have considered the proposals received and on that basis, recommend that the City negotiate and, if such negotiations are successful, enter into three separate contracts as described above with Cira Medical Services Inc., Centric Health Corporation and Organizational Solutions Inc.

## ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

The City's Procurement Policy requires that contracts with values over \$2 million must be approved by Council following review and recommendation by the Bid Committee. None of these contracts on their own have a value over \$2 million; however the overall value is in excess of \$2 million. Given the strategic importance in providing this complex array of services to both exempt and unionized staff across the City of Vancouver employees, staff are bringing forward this report to Council for approval.

Bid Committee has considered and approved Cira Medical Services Inc., Centric Health Corporation and Organizational Solutions Inc. as the successful proponents.

## ***REPORT***

### ***Background/Context***

The specialized services considered under the RFP included: adjudication, disability management, workers' compensation and occupational health services to meet current and future requirements. These services form the complex array of benefits provided to both exempt and unionized staff.

The recommended proponents are expected to perform all or a portion of the following services:

- Occupational Health Services:
  - Pre-Placement Health Evaluations for Vancouver Fire & Rescue Services, Vancouver Police Department and labourer / outside workers
  - Special Health Evaluations related to strenuous and potentially hazardous work for employees across the organization
  - Annual Hazmat Evaluation for Vancouver Fire & Rescue Services
  - Respirator Protection Evaluation for employees across the organization
  - Periodic Health Evaluations for Vancouver Fire & Rescue Services & Vancouver Police Department
  - Hepatitis B Immunization Program for at-risk employees across the organization

- Blood and Body Fluid Exposure Program for at-risk employees across the organization
- After Hours Emergency Consultative Services
- Adjudication and disability case management services in accordance with the Administrative Services Only (ASO) Disability Plan Document for CUPE Local 1004.
- Assessment and disability case management services for all employees other than members of Canadian Union of Public Employees Local 1004.
- Adjudication and Assessment of Permanent Accommodation Cases for employees across the organization.
- Independent Medical Examinations / Medical Opinions / Assessments for employees across the organization.
- Professional Addictions Assessment & Monitoring Services for employees across the organization.

### *Strategic Analysis*

This complex RFP was issued in accordance with the terms and conditions of the City's Procurement Policy. The City received proposals from 18 service providers in response to the RFP. The proposals were evaluated by a team under the stewardship of Supply Chain Management to ascertain which offered the best overall value to the City. The evaluation team was comprised of representatives from Human Resources, Engineering, Supply Chain Management, Vancouver Public Library, and Vancouver Police Department. Members of the unions and employee associations that represent staff from across the whole city were invited to meet with the short-listed proponents, ask questions and provide feedback to the evaluation team for consideration prior to recommendations being made. In determining which proposals offered the best overall value to the City, both quantitative and qualitative factors such as price, product and service offerings, and sustainability, were considered, among other factors.

Some of the criteria considered in the overall evaluation process included:

- 1) Financial offerings;
- 2) Dedicated customer service providing timely, efficient, transparent, consistent and accurate adjudication and communication with the City and its employees.
- 3) Ability to match current plan design for CUPE 1004 employees.
- 4) Dedicated customer service providing timely, efficient, transparent, consistent and accurate disability management and defensible occupational health services.
- 5) Ability to meet the City's administrative requirements and work with the City's administration team to ensure a smooth transition.

- 6) Demonstrated ability to adhere to the City's values, including sustainability.

Based on this evaluation, the evaluation team concluded that the proposals submitted by Cira Medical Services Inc., Centric Health Corporation and Organizational Solutions Inc. provided best overall value to the City in respect of particular services, as described below.

### ***Financial***

Finance has reviewed the financial information and Finance confirms that funding is available from the current approved budgets.

As a result of the RFP process, the City is able to achieve price certainty during the contract term which will result in forecasted savings of approximately \$100,000 per year based on projected utilization.

Actual costs and savings may vary, depending on the actual services requested and usage volume. The costs under the new contracts will be less than they would have been had those same services been requested through the arrangements currently in place.

### ***Human Resources/Labour Relations***

The following unions and associations are affected by the recommendations in this report and will be provided with a copy of the report:

- 1) Canadian Union of Public Employees Local 15
- 2) Canadian Union of Public Employees Local 1004
- 3) Canadian Union of Public Employees Local 391
- 4) Vancouver Firefighters Union Local 18
- 5) Teamsters' Local 31
- 6) Vancouver Police Union
- 7) International Brotherhood of Electrical Workers Local 213
- 8) International Alliance of Theatrical Stage Employees Local 118
- 9) Vancouver Police Officers' Association

### ***CONCLUSION***

In summary, City staff recommends that the City of Vancouver negotiate and enter into three separate, three-year contracts, each with the option to extend for two additional one-year terms, with the following;

- 1) Cira Medical Services Inc., for the provision of:
  - a) Occupational Health Services

- 2) Centric Health Corporation, for the provision of:
  - a) Assessment and disability case management services for all employees other than members of Canadian Union of Public Employees Local 1004.
  - b) Adjudication and Assessment of Permanent Accommodation Cases
  - c) Independent Medical Examinations / Medical Opinions / Assessments
  - d) Professional Addictions Assessment & Monitoring Services
  
- 3) Organizational Solutions Inc., for the provision of:
  - a) Adjudication and disability case management services in accordance with the Administrative Services Only (ASO) Disability Plan Document for Canadian Union of Public Employees Local 1004
  - b) Adjudication and Assessment of Permanent Accommodation Cases
  - c) Independent Medical Examinations / Medical Opinions / Assessments
  - d) Professional Addictions Assessment & Monitoring Services