



Administrative Report

Date: April 3, 2019
To: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Three-Year Term Contract with up to Two-Year Renewal Options for Executive Physical Examination Services for Citywide Departments (as requested by the Human Resources Department) **(Citywide)**

Recommendation

Management is requested to approve the contract renewal as recommended.

A committee representing the Human Resources Department and Purchasing evaluated the proposal responses. The evaluation committee recommends awarding the contract to the highest scored proposal from Banner Occupational Health Arizona, LLC (a Mesa business) at \$95,120 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

Annual executive physical examinations are comprised of a core of tests and procedures that every executive receives. These tests have been chosen carefully to assure a thorough, comprehensive examination; specific tests are added to the basic physical that are recommended for reasons of age or medical history, or are requested by a company. Each executive receives an individual evaluation, consultation, and review of tests with the physician to discuss their health history, and any health problems or concerns.

The City provides and pays for annual physical examinations for its executive employees. Expenditures for calendar year 2017 were \$13,495, which represents approximately 23% of the employees currently eligible for the program. Eligible employees include department directors and above, as approved by the City Manager. Currently there are 58 positions eligible to participate in this program.

On 1/22/2019, the City issued a Request for Proposal to all registered and known professional medical providers. The City received two proposals, of which both met the minimum qualifications. The evaluation committee then evaluated the responses based on the scoring criteria in the solicitation. Award is being recommended to the highest scored respondent, Banner Occupational Health Arizona, LLC. The evaluation committee unanimously agreed on the recommendation.

This purchase is considered a professional service as defined in the City Code and does not require Council award approval but will be reported to them as required on the next quarterly report.

Purchase Information

Action: Award

Procurement Type: Request for Proposals

Contract Number: 2019096

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Up to a maximum of two years, renewals subject to Administrative review and approval

Funding Source: Each individual Department's operating budget and available annually

Proposal Responses

Banner Occupational Health Arizona, LLC - Mesa, AZ

Cigna HealthCare of Arizona, Inc. dba Cigna Medical Group – Phoenix, AZ

No Bid Response received from:

Gilsbar Marketing

Final Scoring

| Respondent | Total Points Possible / 1,000 |
|---|-------------------------------|
| Banner Occupational Health Arizona, LLC (Recommended) | <u>983</u> |
| Cigna HealthCare of Arizona, Inc. dba Cigna Medical Group | 917 |