

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	06/22/15	Open	Action	06/15/15

Subject: Repeal Resolution 15-06-0054 and Award a Contract for Pre-Employment, DMV Certification and Disability Medical Examinations to Sutter Medical Foundation

ISSUE

Repeal Resolution 15-06-0054 and approve a new contract with Sutter Medical Foundation.

RECOMMENDED ACTION

Adopt Resolution Number 15-06-____, Repealing Resolution 15-06-0054 and Awarding a Contract for Pre-Employment, DMV Certification and Disability Medical Examinations to Sutter Medical Foundation.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

On June 8, 2015, the Board awarded a contract for Pre-Employment, DMV Certification and Disability Medical Examinations to Sutter Medical Foundation. On June 10, 2015, Sutter Medical Foundation representatives informed RT staff that they wanted to add a clause to the contract, allowing Sutter Medical Foundation to terminate the contract for convenience. Sutter Medical Foundation proposed to give RT 180 days' notice of a termination for convenience.

To avoid late requests such as this, RT requires all proposers to identify proposed exceptions or changes to the contract terms in the initial proposal and the RFP specifically states that no other exceptions or changes will be considered. Sutter failed to include the request for a bilateral termination for convenience clause in its proposal.

Unfortunately, because Sutter was the only responsive proposer for this procurement and the existing contract expires on June 30, 2015, RT's options at this juncture are limited:

- (1) Accede to Sutter's late request, which creates risks to RT of being without services if more than 180 days are required to re-solicit for a new service provider and exposes RT to future increases in cost (if Sutter opts to terminate the Contract and the re-solicitation results in higher rates for services); or
- (2) Attempt to locate another provider that could provide the services on a short-term basis while Staff re-solicits for a longer-term contract.

Approved:

Presented:

Final 06/17/15
General Manager/CEO

Director, Human Resources

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	06/22/15	Open	Action	06/15/15

Subject: Repeal Resolution 15-06-0054 and Award a Contract for Pre-Employment, DMV Certification and Disability Medical Examinations to Sutter Medical Foundation

Staff has reached out to the other planholders for the procurement to determine why they did not submit proposals; however, it is doubtful that RT could have another vendor in place by July 1, 2015 and the medical examination services are necessary to ensure that RT operators obtain DMV medical certifications needed to maintain the commercial driver's license.

To provide greater protection for RT, Staff made attempts to negotiate a 270-day advance notice of termination with Sutter; however, Sutter remains firm on the 180-day clause.

Due to the fact that the current contract for these services will expire on June 30, 2015, Staff recommends adding this clause to the contract. Staff will then review our options and decide if it would be in RT's best interest to begin a new procurement.

RESOLUTION NO. 15-06-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

June 22, 2015

REPEALING RESOLUTION 15-06-0054 AND AWARDING A CONTRACT FOR PRE-EMPLOYMENT, DMV CERTIFICATION AND DISABILITY MEDICAL EXAMINATIONS TO SUTTER MEDICAL FOUNDATION.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, Resolution 15-06-0054 is repealed.

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Sutter Medical Foundation, therein referred to as "Contractor," whereby Contractor agrees to provide pre-employment, DMV certification and disability retirement medical examinations, for an amount not to exceed \$384,978, and Contractor has the right to terminate the Contract on 180 days' advance notice, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary