

ORDINANCE NUMBER O- 20479 (NEW SERIES)

DATE OF FINAL PASSAGE MAY 05 2015

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE AMENDMENT TO THE 2010 CONTRACT WITH SHARP REES-STEALY MEDICAL GROUP AND THE 2010 CONTRACT WITH U.S. HEALTHWORKS MEDICAL GROUP FOR THE PROVISION OF INDUSTRIAL MEDICINE SERVICES.

WHEREAS, the City of San Diego (City) has a commitment to provide a safe working environment for all of its employees; and

WHEREAS, when a City employee is injured, his or her Worker's Compensation claim is processed by the Risk Management Department in accordance with the laws of the State of California for self-insured and self-administered agencies; and

WHEREAS, in order to provide the best medical care available to its injured workers and to comply with Workers' Compensation benefit mandates and California Occupational Safety and Health Administration required testing, the City issued a Request for Proposals (RFP) in July 2009 for industrial medical providers; and

WHEREAS, the RFP resulted in a contract award to Sharp Rees-Stealy Medical Group (SRSMG) and U.S. Healthworks Medical Group (USHWMG), who were the top two candidates in the competitive RFP bid process; and

WHEREAS, in order to provide a robust medical panel and ensure the availability of specialty physicians, both SRSMG and USHWMG were selected to provide industrial medicine services and serve as the City's Medical Provider Network (MPN); and

WHEREAS, the California Labor Code and California Code of Regulations allow for insurers and employers to create an MPN consisting of a variety of physicians where injured workers can be directed for treatment of industrial injuries; and

WHEREAS, on May 11, 2010, the San Diego City Council (City Council) approved a two-year contract with SRSMG and a two-year contract with USHWMG with three one-year extension options (R-305787); and

WHEREAS, on May 29, 2012, the City Council approved the exercise of the first and second one-year extensions (R-307436); and

WHEREAS, on May 20, 2014, the City Council approved the exercise of the third and final one-year extension (R-308950); and

WHEREAS, the contracts with SRSMG and USHWMG resulted in cost containment for the City while allowing the City's injured employees to have a wide choice of healthcare providers in the San Diego region; and

WHEREAS, the third and final extension is set to expire on May 20, 2015; and

WHEREAS, the City has commenced the Request for Proposal (RFP) process for a new contract for the provision of industrial medicine services; and

WHEREAS, due to changes to State regulations governing MPNs, which required their re-approval by the State, the City had to await this re-approval process prior to conducting the RFP process; and

WHEREAS, the State recently re-approved the City's MPN; and

WHEREAS, amending the contract with SRSMG and amending the contract with USHWMG extending their term on a month-to-month basis pending completion of the RFP

process for an award of a new contract is necessary in order to continue to provide without interruption industrial medicine services to City of San Diego employees; and

WHEREAS, as the exact date of completion of the RFP process and resulting award of a new contract is not known at this time, month-to-month extensions of the present contracts are necessary; and

WHEREAS, the month-to-month extensions will not exceed one year from expiration of the previously authorized extensions, or May 20, 2016; and

WHEREAS, because these contract extensions will result in the present contracts with SRSMG and USHWMG extending beyond five years, San Diego Charter section 99 requires that the Council approve these extensions by a two-thirds majority vote; and

WHEREAS, funding is available in Fund 720044; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor or his designee is authorized and directed to enter into a month-to-month contract extension with Sharp Rees-Stealy Medical Group, not to exceed one year or May 20, 2016, to provide industrial medicine services to City employees. This extension of the term of the contract between the City of San Diego and Sharp Rees-Stealy Medical Group for the provision of industrial medicine services is on file with the Office of the City Clerk as Document No. 20479-1

Section 2. That the Mayor or his designee is authorized and directed to enter into a month-to-month contract extension with U.S. Healthworks Medical Group, not to exceed one year or May 20, 2016, to provide industrial medicine services to City employees. This extension of the term of the contract between the City of San Diego and U.S. Healthworks Medical Group

for the provision of industrial medicine services is on file with the Office of the City Clerk as

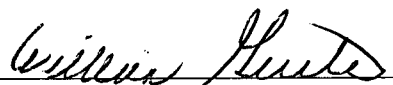
Document No. 20479-2

Section 3. That the Chief Financial Officer is authorized and directed to appropriate and expend up to a total of \$500,000 for fiscal year 2015 and \$4,500,000 in fiscal year 2016 from the Workers' Compensation Fund 720044, contingent upon the Chief Financial Officer first furnishing one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

Section 4. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
William Gersten  
Deputy City Attorney

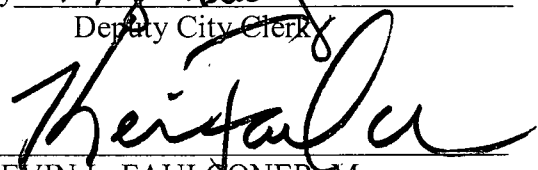
WG:hm  
3/12/2015  
Or.Dept:Risk Management  
Doc. No.: 971732

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of APR 21 2015.

ELIZABETH S. MALAND  
City Clerk

By Sty Reed  
Deputy City Clerk

Approved: 4/29/15  
(date)

  
KEVIN L. FAULCONER, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 21 2015, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 05 2015

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By *Sty Brady*, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

APR 07 2015, and on APR 21 2015

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

By *Sty Brady*, Deputy

Office of the City Clerk, San Diego, California  
Ordinance Number O- 20479