

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 12/11/2019

Staff Report No. 17-333b

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Contract Assignment

ACTION ITEM

RECOMMENDED ACTION(S):

Consider approving Contract Assignment from US HealthWorks to Concentra as of February 1, 2019 for Contracts 2018-1424B and 2017-10344A.

STRATEGIC IMPORTANCE:

The act of assigning a contract to Concentra has no strategic importance.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

U.S. HealthWorks and AC Transit entered into the Drug and Alcohol Screening and Medical Examinations services Contract No. 2017-10344A on January 1, 2017, and the Contract No. 2018-1424B on December 1, 2018.

On November 5, 2019, the District's Procurement Department was informed that Concentra acquired all outstanding shares of U.S. HealthWorks through an Equity Purchase and Contribution Agreement on February 1, 2018. Concentra has integrated all existing U.S. HealthWorks clinics into Concentra's network of occupational medicine and urgent care clinics.

As part of the integration of U.S. HealthWorks into Concentra, all U.S. HealthWorks clinics in the Oakland area commenced operations as Concentra Medical Centers on April 29, 2019. In order to reflect this change, the Agreements must be assigned from U.S. HealthWorks Medical Group, Professional Corporation to Occupational Health Centers of California, a Medical Corporation, a managed professional entity of Concentra, which will perform the contracted services. All services previously provided by U.S. HealthWorks under the agreements will be performed by Occupational Health Centers of California, a Medical Corporation at facilities branded as Concentra Medical Centers.

Concentra agrees to be bound by, and will perform all terms, covenants, and conditions contained in the Contracts. Concentra assumes all obligations and liabilities of, and all claims and demands against, Concentra

under the Contracts as if Concentra were the original party to the Contract.

ADVANTAGES/DISADVANTAGES:

Concentra will continue to provide Drug and Alcohol Screening and Medical Examinations services under Contract 2017-10344 and 2018-1424. The District will stay compliant with the statutory requirements required by The Department of Transportation (DOT), Federal Transit Authority (FTA) and Federal Motor Carrier Safety Administration (FMCSA) regulations.

Staff has not identified any disadvantages to the Contract Assignment from US Healthworks to Concentra.

ALTERNATIVES ANALYSIS:

Staff did not consider any alternatives, as no alternatives exists.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy 465 - Procurement Policy

Staff Report 17-333a - Contract Awards for Drug and Alcohol Screening and Medical Examinations

ATTACHMENTS:

1. Assignment and Consent Agreement for Contract No. 2018-1424B and 2017-10344A.

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Approved/Reviewed by:

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