

MEETING DATE: April 6, 2005

SUBJECT: Services For Pre-Placement Medical Program

RECOMMENDATION

It is recommended that the Commission authorize proceeding with the option to extend the contract with MDS Executive Health Services (MDS) for the provision of Pre-placement Medical Assessments for a two year period from May 1, 2005 to April 30, 2007; and increase the upset limit amount by \$352,000 to \$507,000.

FUNDING

Sufficient funds are included in the 2005 TTC Operating Budget to cover the cost of this service and will be included in future Operating Budgets as required.

BACKGROUND

The Human Resources Department – Occupational Health and Claims Management Section initiated a request for the services of a company to perform pre-placement medical assessments for all external Operator candidates and other positions, e.g. Janitor, Trackmaintainer, Serviceperson, Mechanic, etc. on an as required basis. The purpose of job match pre-placement medical screening is to ensure that those candidates applying for specific positions within the TTC are both medically and functionally capable of performing all aspects of the essential duties of the job, thereby reducing their risk of an occupational injury.

In November 2003 a Request for Proposal for the provision of pre-placement medical assessments was issued to six companies in addition to the public advertisement on the TTC Web site, out of which six companies submitted proposals as detailed in Appendix A. In February 2004 staff approved awarding a contract to MDS on the basis of lowest proposed price for a term of one year for \$125,000 (\$114,000 plus 10% contingency), with the option for an additional two years of service which could be exercised at the TTC's sole discretion pending demonstration of satisfactory performance by MDS. MDS had the lowest price for the first year as well as the optional two additional years of the contract. They did not state any exceptions or qualifications and their submission is considered commercially acceptable.

An interim Purchase Order Amendment was approved by staff to extend the expiry date for year one of the contract from February 28, 2005 to April 30, 2005 and to increase the upset limit by an additional \$30,000 in order to continue with the contract while requesting Commission approval to extend the contract for the next two years.

The contract status is as follows:

Original Upset Limit Amount \$125,000
Purchase Order Amendment \$ 30,000
This Amendment \$352,000
Revised Upset Limit Amount \$507,000

DISCUSSION

In October of 2004, Occupational Health and Claims Management Section evaluated the performance of MDS and concluded that MDS provided satisfactory performance for the first year of the contract. Therefore, it is recommended that the option to extend the contract for year 2 and year 3 be exercised with MDS Executive Health Services.

The original proposal stated that an estimated 600 pre-placement medical assessments were anticipated for each year. The actual number of assessments conducted by MDS in the first year of the contract was 591. In addition the TTC's Occupational Health and Claims Management Section conducts approximately 270 in-house assessments annually, which are less comprehensive than those performed by MDS under the contract. It is recommended that these in-house assessments will now be included in the assessments to be performed by MDS in years 2 and 3 of the contract to the standards specified in the Request For Proposal document which requires an increase to the upset limit.

Currently, the TTC in-house assessment completed by the Occupational Health Nurse does not meet these same criteria and this should be rectified in order to provide a consistent approach for all pre-placement assessments and to ensure the candidate is both medically and functionally capable of performing all aspects of the essential duties of the job, thereby reducing their risk of an occupational injury. To have these same criteria of assessment completed in-house, the Occupational Health Nurse and the on-site physiotherapy provider would be required to meet with the candidate resulting in a less cost effective assessment than can be provided by MDS as well as a decrease in flexibility of appointment times, which may potentially result in hiring delays. Also, by outsourcing all of the pre-placement assessments the TTC would be providing the opportunity for both the Medical Consultant and the Occupational Health Nurse to better concentrate their attentions on managing the disabilities and absence for those employees who are unable to attend work due to an illness or injury which may result in a decrease of lost days worked.

As a result it is recommended that the original \$250,000 which was based on 600 assessments in each of the optional 2 years (inclusive of a 10% allowance) be increased by a total of \$102,000 to cover the cost of the approximately 270 additional medical assessments that will be performed by MDS in the 2nd and 3rd year of the contract.

JUSTIFICATION

The award of the optional year 2 and year 3 of this contract and the increasing of the upset limit is required in order to allow uninterrupted pre-placement medical assessments for the next two years.

February 28, 2005

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Appendix A

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Pre-Placement Medical Assessments

Summary of Original Proposal Pricing

Company	MDS Executive Health Services	Medisys Health Group	Evans Occupational Health Clinic	Sibley Associates Inc.	The Clinic for Optimal Health Rejuvenation
Year 1 Total	\$ 114,000.00	\$ 120,050.00	\$ 160,440.00	\$ 162,300.00	\$ 225,000.00
Optional 2 Year Extension	<u>\$ 228,000.00</u>	<u>\$ 243,100.00</u>	<u>\$ 320,880.00</u>	<u>\$ 324,600.00</u>	<u>\$ 450,000.00</u>
Total Price 3 Years	\$ 342,000.00	\$ 363,150.00	\$ 481,320.00	\$ 486,900.00	\$ 675,000.00

