

STAFF REPORT

Date: August 10, 2022

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of joinder to Master Service Agreement #3086-19 between Washoe County and ARC Health and Wellness for employee physical exams for the period of July 1, 2022 through June 30, 2023 with the option to renew for one additional year in an annual amount not to exceed \$400,000. (Self-Funded Workers' Compensation Fund)

From: Michael Payne

Department: City Manager's Office – HR

Summary:

The City of Reno (City) has used ARC Health and Wellness (ARC) to provide the NRS-mandated workers' compensation "heart and lung" annual exams and other medical services under the joinder provision of the Master Service Agreement between Washoe County and ARC in order to take part in the discounted fee schedule for these and other medical services.

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

December 11, 2019 - Council approved the joinder provision to the Master Service Agreement 3086-19 between Washoe County and ARC. for the period of January 1, 2020 through June 30, 2022 with two additional one-year renewal options, in an annual amount not to exceed \$280,681.

Background:

The City provides annual physical exams to all public safety employees covered by NRS Chapter 617 regarding presumptive workers' compensation claims. The NRS requires annual physicals with specific testing and other medical services to be provided and paid for by the City. ARC has been the provider for the City for approximately 15 years through joinder agreements between both State of Nevada and Washoe County.

The current contract approved by the Council December 11, 2019 allowed for annual extensions through June 30, 2024 with an annual cost not to exceed \$280,681. Due to medical inflation and the increase in Police and Fire Personnel covered by the provisions of NRS Chapter 617, the annual costs for these physical is expected to exceed \$280,681.

Discussion:

The City will be using this joinder provision, allowed under NRS 332.195, to participate in the contract extension awarded to ARC by Washoe County. The discounted rates available through Washoe County with ARC are significantly lower than the rates the City could achieve contracting directly with ARC.

The City's joinder will be effective July 1, 2022 through June 30, 2023 with one additional one-year renewal option. The changes to the contract include price increases for various services and tests that are not expected to increase through June 30, 2024.

Financial Implications:

The NRS requirement for these tests and medical services is unchanged. Sufficient funds for this contract are budgeted in FY 22/23 (Self-funded Workers' Compensation Fund).

Legal Implications:

Legal review completed for compliance with City procedures and Nevada Law. NRS 332.195 allows this joinder without observing an individualized bidding process. Approval of the joinder will obligate the City to perform in accordance with the requirements of the Joinder and will keep the City in compliance with NRS Chapter 617.

Recommendation:

Staff recommends Council approval of the joinder to Master Service Agreement #3086-19 with Washoe County for physical exam services from ARC Health and Wellness for an amount not to exceed \$400,000 with the option for a one year renewal and authorize the City Manager, or designee, to sign.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Joinder Letter 2022 Extension - Final