



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JULY 1, 2025

DEPARTMENT: HUMAN RESOURCES

FROM: MARINA HORTA-GALLEGOS, HUMAN RESOURCES DIRECTOR

BY: VENISSA ROSA, RISK & BENEFITS ANALYST

TITLE: APPROVAL OF AGREEMENTS FOR OCCUPATIONAL MEDICINE SERVICES

RECOMMENDED MOTION:

A motion to approve a Resolution delegating authority to the City Manager to execute contracts with Agile Occupational Medicine (“Agile”) and ProActive Work Health Services (“ProActive”) for provision of occupational medical services from August 1, 2025 to June 30, 2027 in an amount not to exceed \$90,000 per contract.

BACKGROUND:

Occupational medical services are a critical component of the City of Salinas health and safety programs. These services include evaluation and treatment of job-related injuries and illnesses, fit-for-duty examinations, drug and alcohol testing, Department of Motor Vehicles (DMV) commercial driver physicals, pre-employment physicals (including physicals for Police Officers compliant with the Commission on Peace Officer Standards and Training (POST)), tuberculosis (TB) screening, and other related employment requirements.

Beginning in 2007, the City utilized the services of Pinnacle HealthCare (“Pinnacle”). In 2023 Pinnacle merged with Agile Occupational Medicine and consolidated under the Agile name. No new contract was executed at that time and services continued based on the legacy agreement with Pinnacle. In order to align contracts with current City standards, the Human Resources Department issued a formal Request for Proposals (RFP) for occupational medical services in early 2025.

Submitted proposals were reviewed by a committee consisting of Human Resources, Fire Department, and Library and Community Services Department staff who either routinely work with existing medical service providers or have experience participating in an occupational medicine RFP process. Proposals were evaluated on provider qualifications, service capacity, clinic locations, and references from local agencies. Following proposal evaluation, site tours and interviews were also conducted with prospective clinics. After evaluation the two providers were selected for contract award:

- Agile Occupational Medicine is a large provider with 15 locations throughout northern and central California, including two Salinas locations. Agile offers several in-house services

such as physical therapy, drug and alcohol testing, acupuncture, vaccinations, x-rays, and DOT physicals. Their size, availability of on-site services, and convenient locations make Agile the city's primary provider for occupational medical services.

- ProActive Work Health Services is a newly established provider in Salinas, managed by the former clinic manager of Pinnacle who is familiar with the City's services needs and protocols. Their single Salinas location provides workers' compensation evaluations, pre-employment physicals, vaccinations, and drug and alcohol testing. While ProActive's current size and in-house service offerings are more limited than Agile's, ProActive coordinates with outside facilities to ensure access to services that they do not currently offer on-site. This includes partnerships to fulfill imaging, specialty evaluations, and other medically necessary services, allowing for a high level of care while they continue to develop and expand their in-house abilities. The City will make ProActive available as an alternate option, allowing injured workers to choose their preferred provider.

Staff recommends that both contracts begin on August 1, 2025 and continue through June 30, 2027, concurrently. This allows for flexibility for the duration of the contracts and improved employee experience and access to care.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

GOVERNMENT CODE SECTION 84308 APPLIES:

No, as these contracts were competitively bid.

STRATEGIC PLAN INITIATIVE:

This item relates to the City Council's Strategic Goal of providing effective and culturally responsible government.

DEPARTMENTAL COORDINATION:

The Human Resources Department led the RFP process and worked with the Fire Department, and Library and Community Services Department to evaluate responses. The providers will work closely with the City's Workers' Compensation Third Party Administrator, CorVel, and City departments to coordinate care.

FISCAL AND SUSTAINABILITY IMPACT:

The costs associated with this contract are covered by an established Internal Services Insurances Fund. Each contract is not to exceed \$90,000 over the two-year term, with services billed in accordance with each provider's submitted fee schedule. There are no fee increases during the term of either contract.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 25-26 Operating Budget Page	Last Budget Action (Date, Resolution)*
7102	64.4530	Biennial Physicals	\$5,000	\$5,000	175	6/17/25, 23269
7102	64.4550	Employee Physicals	\$20,000	\$20,000	175	6/17/25, 23269
7102	64.4560	DMV & Immunizations	\$10,000	\$10,000	175	6/17/25, 23269
7102	64.4570	DOT Testing	\$10,000	\$10,000	175	6/17/25, 23269
7103	64.4600	Workers Comp Claims	\$5,000,000	\$45,000	175	6/17/25, 23269

* The FY 2025-26 Adopted Budget was adopted on June 17, 2025.

ATTACHMENTS:

Resolution

Professional Services Agreement – Agile Occupational Medicine

Professional Services Agreement – Proactive Work Health Services