



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 10
AGENDA DATE: Thu 02/02/2006
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SUBJECT: Authorize ratification of Amendment No. 3 to the contract with MEDICAL STAFFING NETWORK, INC., STAFF SEARCH HEALTHCARE and SILVER AND ASSOCIATES, INC., Austin, TX, for temporary medical support staffing services for use at numerous Community Care Services Department, Community Health Center clinic locations, in an amount not to exceed \$284,693.08, for a revised total contract amount not to exceed \$367,193.07.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Approved Operating Budget of the Community Care Services Department.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing	DIRECTOR'S
DEPARTMENT: for Community Care	AUTHORIZATION:
Services;	

FOR MORE INFORMATION CONTACT: Barbara McConnell, Buyer I, 972-4009; Roger Stricklin, Contract Administrator, 972-5491.

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Public Health and Safety

MBE / WBE: N/A

An October 20, 2005 memo advised Council of an upcoming agenda item concerning ratification of expenses incurred for temporary medical support staffing at the Community Health Center clinics. The final invoices have been paid and the Purchasing Office has completed a review of contract and payment history to confirm the amount. The Community Care Services Department (CCSD) is now requesting ratification of these payments with this contract amendment in the amount of \$284,693. This amount is \$18,000 less than the amount reported in the October memo.

On October 27, 2003, the City administratively awarded a 12-month services agreement, with three 12-month extension options to Medical Staffing Network, Inc., Staff Search Healthcare, and Silver and Associates, Inc., to provide temporary medical support staff for CCSD Community Health Centers (CHC). The temporary medical staff support consisted of administrative associates, patient account representatives, and medical assistants. This support was used on an as needed basis when CHC patient demand exceeded existing staffing levels or when interim staffing was needed to cover for existing staff on vacation or out sick.

In the fall of 2004, CCSD expanded its CHCs, to provide critical primary care services to CHC patients by opening two additional CHCs. The Austin Resource Center for the Homeless (ARCH) opened in October 2004 and Montopolis in November 2004. CCSD also experienced substantial growth in the number of encounters provided at the CHCs with no corresponding increase in regular staff. At the same

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Published:

Disposition:

Adjusted version published:



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time, the CHCs were experiencing a high turnover in its medical staffing.

In order to meet the increased demand and continue providing critical public health services to patients, CCSD needed additional temporary medical support staffing. This staffing was used to perform insurance verification, patient intake, medical clerical services, and research. In addition, medical assistants were used to fill the gap when there was a shortage of City staff due to vacation and illness.

As the demand for those services showed no sign of lessening, CCSD decided to re-bid the requirement for temporary medical support staffing services, with an estimated annual utilization that better reflected its requirements. That solicitation was issued in February 2005, with contract award made in May 2005.

Once award of the new contract was made in May 2005, CCSD ceased obtaining services under the old contract, and began compiling data to obtain Council's approval for the public health and safety purchases. The last invoices related to the old contract were not received by CCSD until late August 2005. As mentioned previously, after CCSD processed final payment, the Purchasing Office then completed a review of the contract and payment history to confirm the amount.

CCSD's Human Resources Unit is currently developing plans to reduce CCSD's reliance on temporary staffing provided by vendors through implementing the following improvements:

- Restricting use of temporary staff at the CHC level
- Forming a pool of "floating" City temps to fill short-term CCSD staffing needs
- Preparing salary adjustments based on market surveys, to promote retention of permanent staff
- Concerted efforts to recruit healthcare professionals

History:

<u>Description</u>	<u>Action</u>	<u>Amount</u>	<u>Date</u>
Original contract	12-month service agreement with three 12-month extension options (\$37,500 per extension option)	\$ 37,500.00	(10/03)
Amendment No. 1	Administrative increase	\$ 7,499.99	(8/04)
Amendment No. 2	Exercised 1 st extension option	\$ 37,500.00	(10/04)
New contract solicitation	Request for Proposals issued		(02/05)
New Contract	Began utilizing new contract and ceased purchasing services under old contract		(05/05)

Proposed Amendment No. 3 Ratification of payment of final invoices \$284,693.08*

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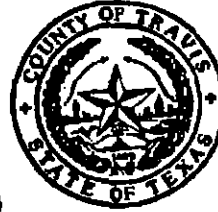


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Total Revised Contract Amount \$367,193.07

*** Amount paid for additional services in excess of the approved contract amount.**



Community Health Centers (CHC)

DATE: October 20, 2005

TO: Mayor and Council Members

FROM: David B. Vilet, CEO, Community Care Services Department

RE: Ratification of Expenses Incurred for Temporary Medical Support Staffing

The purpose of this memorandum is to advise you of an upcoming agenda item concerning ratification of expenses incurred for temporary medical support staffing. The RCA is scheduled for a forthcoming agenda.

On September 15, 2003, the City of Austin Purchasing Office issued an Invitation for Bid (IFB) on behalf of the Community Care Services Department (CCSD), for temporary medical support staff for the Community Health Centers (CHC). The staff support job types requested were: administrative associates, patient account representatives (PAR), and medical assistants (MA). These positions would be used when CHC patient demand exceeded existing staffing levels, or when CHC staff used leave or vacation time.

Contract award for a twelve (12) month contract term with three (3) twelve (12) month extension options was made, effective October 27, 2003, to three vendors, Silver and Associates, Staff Search and Medical Staffing Network, for a total annual not-to-exceed contract amount of \$37,500.

CCSD has experienced a substantial annual growth in the number of medical encounters. 2003 statistics show a 6.4% increase over 2002. Fiscal Year 2004 statistics show an increase of 6.0% over 2003. The CHCs have been operating at capacity for the last two years, with virtually no staffing increases. Additionally, CCSD's clinics experienced permanent staff turnover in the range of 11% to 31% for MAs, PARs and administrative associates during Fiscal Years 2004 and 2005.

The first contract extension option was exercised in June 2004 for all three vendors, increasing the total not-to-exceed contract amount to \$75,000. Due to the continued high demand for temporary staffing, after the first extension option was exercised, CCSD had made a number of administrative increases to the contract between October 2004 and August 2005 to continue paying invoices for services rendered. These increases cumulatively raised the total contract amount from \$75,000 to \$377,206.07. As the need for those services showed no sign of lessening, a solicitation was issued by the Purchasing Office on CCSD's behalf in February 2005, with contract award made effective May 2, 2005.

Once performance of the new contract began in May 2005, CCSD started purchasing and paying for services under the new contract and ceased purchasing services under the old contract. CCSD continued to receive and pay invoices from vendors for services provided under the old contract (i.e. prior to May 2, 2005). The last invoices related to the old contract were not received by CCSD until September 2005.

In summary, CCSD is requesting Council's ratification of expenses incurred above the not-to-exceed contract amount of \$75,000. The expenses incurred above the not-to-exceed amount total \$302,206.07.

Community Care Services Department
18 Waller Street, 5th Floor
Austin, TX 78702
512-972-4028
david.vilet@cityofaustin.tx.us

Thank you for your consideration regarding this matter. Should you have any further questions, please feel free to contact me.

CC: Toby Hammett Futrell, City Manager
Michael McDonald, Acting Assistant City Manager

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