



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: June 17, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Primary Health Physicians, PLLC dba CareNow, for the supply of Drug, Alcohol, and Physical Testing Services for the Human Resources Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8792 – awarded to Primary Health Physicians, PLLC dba CareNow, for three (3) years, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$425,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

INFORMATION/BACKGROUND

The City of Denton Human Resource Department solicited bids for Drug, Alcohol, and Physical Testing Services. These services are required by City policy No. 108.11, referenced as “Standard of Conduct for Employees, Drug and Alcohol-Free Workplace.”. Additionally, the testing services ensure compliance with mandated laws, such as the Federal Department of Transportation’s regulations and the Omnibus Drug Initiative Act of 1988, which requires the City to establish a Drug and Alcohol-Free Workplace policy and take steps to ensure the workplace is drug and alcohol-free. This contract will be utilized for testing new and current employees based on essential job responsibilities (e.g., safety-sensitive positions or positions that require a Commercial Driver’s License). CareNow has provided the services for the City since December 2015.

CareNow’s proposal demonstrated the ability to provide all required services without the need to subcontract. CareNow has multiple locations in Denton and the surrounding area to meet the City’s requirement for extended, flexible hours, including evenings and weekends. CareNow has multiple public sector clients and is accustomed to the specific needs of a public sector agency. Additionally, CareNow uses eScreen, the vendor that manages out-of-state testing and random pool lists for the City of Denton. These factors, in addition to the City’s previous experience working with CareNow for these services, provide confidence that performance expectations will be met. Based upon this evaluation, Primary Health Physicians, PLLC dba CareNow, ranked the highest and was determined by staff to provide the best value for the City.

Based on a historical spend and future projections, the recommended Not to Exceed amount for this contract is \$425,000 for a total potential five (5) year contract.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Drug Test (Non-DOT)	\$22,500.00	\$23,625.00	\$24,806.25	\$26,046.56	\$27,348.89	\$124,326.70
Drug Test (Non-DOT) - Random	\$2,250.00	\$2,362.50	\$2,480.63	\$2,604.66	\$2,734.89	\$12,432.68
Drug Test (DOT)	\$2,400.00	\$2,520.00	\$2,646.00	\$2,778.30	\$2,917.22	\$13,261.52
Drug Test (DOT) - Random	\$2,700.00	\$2,835.00	\$2,976.75	\$3,125.59	\$3,281.87	\$14,919.21
Testing Split Specimen	\$1,500.00	\$1,575.00	\$1,653.75	\$1,736.44	\$1,823.26	\$8,288.45
EBT Alcohol Testing	\$1,750.00	\$1,837.50	\$1,929.38	\$2,025.84	\$2,127.14	\$9,669.86
Post-Offer Physical	\$33,000.00	\$34,650.00	\$36,382.50	\$38,201.63	\$40,111.71	\$182,345.84
Post-Offer Physical (Recheck)	\$3,000.00	\$3,150.00	\$3,307.50	\$3,472.88	\$3,646.52	\$16,576.90
Audiogram	\$525.00	\$551.25	\$578.81	\$607.75	\$638.14	\$2,900.95
Contingency	\$7,323.63	\$7,671.77	\$8,037.29	\$8,421.10	\$8,824.10	\$40,277.89
Yearly Estimate	\$76,948.63	\$80,778.02	\$84,798.86	\$89,020.75	\$93,453.74	
NTE						\$425,000.00

Request for Proposals was sent to 229 prospective suppliers, including 27 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Two (2) proposals were received, references were checked, and proposals were evaluated based upon published criteria including price, compliance with specifications, and probable performance. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Primary Health Physicians, PLLC dba CareNow was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	952 - (Service Only)-Human Services
Notifications sent for Solicitation sent in IonWave:	229
Number of Suppliers that viewed Solicitation in IonWave:	21
HUB-Historically Underutilized Business Invitations sent out:	50
SBE-Small Business Enterprise Invitations sent out:	91
Responses from Solicitation:	2

RECOMMENDATION

Award a contract with Primary Health Physicians, PLLC dba CareNow, for the supply of Drug, Alcohol, and Physical Testing Services for the Human Resources Department, in a three (3) year, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$425,000.

PRINCIPAL PLACE OF BUSINESS

Primary Health Physicians, PLLC dba CareNow,
Coppell, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial three (3) year contract with options to extend the contract for two (2) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These services will be funded from Human Resources operating account 150001.7888. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is \$425,000. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Pricing Evaluation

Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Crystal Babcock, 940-349-7766.

Legal point of contact: Marcella Lunn at 940-349-8333.