



**Contract and Award Letter
Purchase Resolution – Exhibit “A”**

TO: Board of Contracts and Awards
FROM: Laurie Hardie, Director, Office of Health and Safety
Milton Eng, Senior Safety Consultant, Office of Health and Safety
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, and
Hailey Erichsen, Senior Buyer, Finance/Procurement
SUBJECT: Medical Provider Services and Deliverables
Direct Negotiation Waiver, Contract No. CW2270638 – November 12, 2025 City
Council
DATE: October 23, 2025

RECOMMENDATION SUMMARY:

The Office of Health and Safety recommends awarding a contract to MultiCare Health Systems, Tacoma, WA, in the amount of \$3,900,000, plus applicable taxes, budgeted from funds of various departments, for an initial contract term of four years, for a projected contract amount of \$3,900,000, plus applicable taxes, for occupational medical services. This recommendation would also ratify the retroactive effective date of January 1, 2025.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- Ensure all Tacoma residents are valued and have access to resources to meet their needs.

BACKGROUND: MultiCare Occupational Medicine has been a reliable partner with the City of Tacoma for the past 15 years. Leaders of MultiCare Occupational Medicine notified the City of Tacoma that they were no longer engaging in customized pricing contracts for services with employers and would be transitioning to standard pricing.

MultiCare’s occupational medical services are essential to City operations. Pre-employment physicals support consistent and effective hiring practices, while Department of Transportation (DOT) medical examinations ensure the City remains in full compliance with federal and state regulations.

MultiCare Occupational Medicine provides City of Tacoma employees with the best and most convenient access to employer medical services in the service territories we support across Washington. Our reliable relationship with MultiCare provide City employees access to any of MultiCare’s 14 Occupational Medicine clinics or 49 Indigo Urgent Care clinics for treatment of minor illnesses or injuries.

A renewed partnership has the following positive impacts for the City:

Administrative support for City Departments are not increased as departmental contacts and relationships are preserved with clinics and medical personnel since there are no interruptions to services. More importantly, the continued partnership allows for the continuance of the trust built between our workforce and the doctors that have been providing care and evaluation to them for years. Lastly, operational efficiency is maintained across the organization as our workforce is already familiar with occupational medicine locations they are asked to use for services.



ISSUE: The purpose is to continue doing business with MultiCare Occupational Medicine contract who provide occupational medical services to City of Tacoma employees. The previous contract has lapsed, and the city needs to reestablish a contract for occupational medical services.

ALTERNATIVES: If not implemented, a new Request for Proposals (RFP) would have to take place leaving a potential for a gap with federal and state DOT compliance, and delay hiring of new employees.

In the absence of this directly negotiated contract, the city would need to issue a request for proposals for the services which would further delay the execution of a contract.

COMPETITIVE ANALYSIS: When the current contract expired, and the Office of Health and Safety was negotiating with MultiCare, we reached out to other providers to compare pricing. We found MultiCare’s rates did align industry wide.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Sustainability factors were considered, per the Sustainability-Related Resolutions, Proclamations, and Ordinances.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - EIC Exception: Direct Negotiation Waiver

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not applicable

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Departmental Funds			\$3,900,000
TOTAL			Up to \$ 3,900,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Department Funds			(\$3,900,000)
TOTAL			Up to (\$3,900,000)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,800,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A