

**Board Report**

---

**File #:** 2022-0866, **File Type:** Contract**Agenda Number:** 22.

---

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
FEBRUARY 16, 2023****SUBJECT: DRUG TESTING LABORATORY SERVICES****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a five-year, firm fixed unit rate Contract No. PS75883000 to Phamatech, Inc. (Phamatech) to provide drug testing laboratory analysis services in an amount not-to-exceed \$377,025 for a base term of three years, plus \$135,675 for each of the two, one-year option terms for a combined not-to-exceed amount of \$648,375, effective April 1, 2023, subject to the resolution of any timely protest(s), if any.

**ISSUE**

The existing contract for drug testing laboratory services expires on March 31, 2023. Approval of this contract award will allow drug testing laboratory services to continue the administration of Metro's substance abuse testing program, which includes drug testing laboratory analysis.

**BACKGROUND**

The substance abuse testing program is a requirement of the regulations set forth under the U.S. Department of Transportation (DOT) 49 CFR Part 40 (Part 40) and the Federal Transit Administration (FTA) 49 CFR Part 655 (Part 655). FTA requires the following drug tests to be administered to all safety-sensitive employees: pre-employment, post-accident, random, reasonable suspicion, return-to-duty and follow-up testing. Random testing is the most utilized drug test as the FTA requires that Metro test a minimum of 50% of the safety-sensitive work force each calendar year. Random selections are conducted using a scientifically valid method that gives each safety-sensitive employee an equal chance of being selected each time a selection is made. Management has no discretion regarding selection. Additionally, the substance abuse testing program conducts additional testing, outside of the DOT and FTA regulations, under Metro's Drug & Alcohol-Free Work Environment Policy (HR-46). The tests authorized under the authority of HR-46 include post-accident, post-incident, periodic, reasonable suspicion return-to-duty and follow-up. For consistency testing conducted under the authority of HR-46 follows the same analysis protocols as described in the regulations.

---

Failure to comply with the requirements of DOT and FTA regulations may result in suspension of Metro's eligibility to receive FTA funding.

## **DISCUSSION**

Metro, as a public transit agency, conducts drug testing of safety-sensitive employees (approximately 8,130 out of approximately 11,180) and job candidates in order to promote and increase safety. Safety-sensitive employees/candidates are those who perform safety-sensitive functions within the scope of their job. These functions include, but not limited to, operating a revenue service vehicle, maintaining a revenue service vehicle, controlling dispatch or movement of a revenue service vehicle, carrying a firearm for security purposes, etc. Additionally, under the authority of

HR-46, Metro conducts additional testing of safety-sensitive and non-safety-sensitive employees using the same analysis protocols as described in the regulations.

Under DOT and FTA regulations, drug testing must be performed using the procedures outlined in Part 40, which require that collected specimens be processed by laboratories certified by the U.S. Department of Health and Human Services (HHS), of which there are only 18 nationwide. A laboratory participating in DOT drug testing must comply with the requirements in the HHS Mandatory Guidelines for Federal Workplace Drug Testing, as amended, and Part 40, as amended, as well as all other applicable HHS requirements.

DOT and FTA mandated drug testing numbers and results must be reported to the FTA for review on an annual basis, by calendar year. Additionally, the Drug & Alcohol Program is subject to various state and federal audits including California Highway Patrol, California Public Utilities Commission, FTA Triennial Audits, FTA National D&A Program audits.

## **DETERMINATION OF SAFETY IMPACT**

These services are necessary to ensure Metro continues to remain in compliance with DOT and FTA regulations, which promotes safety for our passengers, the public at large, as well as our workforce. Additionally, compliance with these regulations allows Metro to continue receiving FTA funding.

## **FINANCIAL IMPACT**

The funding of \$150,000 is allocated in the FY23 Budget within cost center 2311, Helping Employees Access Resources & Well Being Services Office under the Chief People Office, Account 50316, under Project 100001. The cost center manager and the Chief People Officer will be responsible for budgeting the cost in future years, including any options exercised.

### **Impact to Budget**

The source of funds for this contract is Project 100001 General Overhead and is comprised of

---

Federal, State, and local funds. These funds are eligible for these services.

### **EQUITY PLATFORM**

The services provided by the contract will ensure Metro's continued compliance with DOT and FTA regulations pertaining to drug testing laboratory analysis, which promotes safety for our passengers, the public at large, as well as our workforce. Additional benefits of drug testing include enhanced health of our employees, increased productivity and decrease absenteeism. All safety-sensitive employees are subject to drug testing as required under DOT and FTA regulations. Additionally, all Metro employees are subject to testing under HR-46; no employee is exempt from drug testing.

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this solicitation.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Board action supports **Strategic Goal 5**: Provide responsive, accountable, and trustworthy governance within the Metro organization. Providing these services will ensure that Metro maintains and nurtures a diverse, inspired, and high-performance workforce.

### **ALTERNATIVES CONSIDERED**

The Board may decline to approve the contract; however, this is not recommended as this alternative would result in Metro's non-compliance with DOT and FTA regulations and would impact funding received from the FTA.

### **NEXT STEPS**

Upon approval by the Board, staff will execute Contract No. PS75883000 with Phamatech, Inc. to provide drug testing laboratory analysis services.

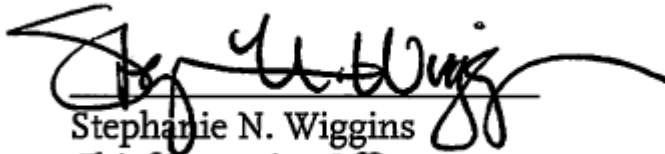
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Mary Ahumada, Manager, Human Resources (213) 922-7172  
Dawn Jackson-Perkins, Deputy Executive Officer, Human Resources (Interim)  
(213) 418-3166  
Debra Avila, Deputy Chief Vendor/Contract Management Officer (213) 418-3051

Reviewed by: Robert Bonner, Chief People Officer (213) 922-3048



Stephanie N. Wiggins  
Chief Executive Officer