



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/19/2026

ITEM NO: 13

DATE: May 19, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute an Agreement with Kaiser Permanente On-the-Job to Continue to Provide Pre-Employment Medical Screening Services Retroactive to August 1, 2025, with Automatic Renewals Every 12 Months**

RECOMMENDATION: Authorize the Town Manager to execute an agreement with Kaiser Permanente On-the-Job to continue to provide pre-employment medical screening services retroactive to August 1, 2025, with automatic annual renewals every 12 months.

FISCAL IMPACT:

The cost for these services are included in the FY 2025-2026 Operating Budget and FY 2026-27 Proposed Budget.

STRATEGIC PRIORITY:

The Council action supports the Town's strategic priority of prudent financial management.

BACKGROUND:

The Town of Los Gatos requires specialized pre-employment medical screenings for prospective police officers, public safety dispatchers, maintenance workers, and other selected classifications as part of the background investigation and hiring process. These exams ensure compliance with the Peace Officer Standards and Training (POST) and verify that candidates can meet the physical demands of their roles.

PREPARED BY: Vilcia Rodriguez
Human Resources Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

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In addition to pre-employment medical screenings, the Town requires Department of Transportation (DOT) medical examinations and recertifications for employees in safety-sensitive positions who operate commercial vehicles. These evaluations are conducted in accordance with Federal Motor Carrier Safety Administration (FMCSA) regulations to ensure employees are medically qualified to safely perform their job duties. Kaiser Permanente On-the-Job has the capability to provide DOT-compliant physical examinations, including initial certifications and periodic recertifications, supporting the Town's ongoing compliance with federal safety requirements and helping to maintain a safe and reliable workforce.

DISCUSSION:

Kaiser Permanente On-the-Job (KPOTJ) has been the primary provider of pre-employment medical screening services since July 31, 2024. This agreement expired on July 31, 2025, and due to KPOTJ staff turnover, the renewal process was delayed, resulting in a lapse of the contract. Despite the expired agreement, KPOTJ has continued to provide uninterrupted, pre-employment medical screenings for new hires, which has helped the Town avoid hiring delays.

To comply with procurement policies and formalize the vendor relationship, retroactive approval is required for services rendered from August 1, 2025, to the present. To avoid future lapses in service, staff recommend transitioning this contract into an automatic annual renewal agreement.

This approach is beneficial because it ensures there is no disruption in service that could delay hiring, and it reduces the administrative burden associated with formal renewals for routine and high-performing services. The Town retains the right to terminate the contract at any time, for any reason, with 30 days' notice, ensuring the Town is not locked into the agreement should service quality decline, budgetary or other needs change.

CONCLUSION:

Staff recommends authorizing the Town Manager to execute an agreement with Kaiser Permanente On-the-Job to continue providing pre-employment medical screenings and DOT medical exam services retroactive to August 1, 2025, with automatic annual renewals every 12 months.

COORDINATION:

This report has been coordinated with the Town Attorney.

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ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. The Kaiser Permanente On-The-Job Draft Agreement