



Office of the City Manager

CONSENT CALENDAR

October 14, 2025

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Janelle Rodrigues, Director of Human Resources

Subject: Contract: Preferred Alliance, Inc. for Drug and Alcohol Testing Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to increase the amount of the current contract and any amendments with Preferred Alliance Inc., to continue to provide third party administration of the City's Random Drug and Alcohol Testing Program which expires at the end of 2025. An extension is necessary through June 30, 2027. A contract cap increase is required in an amount not to exceed \$100,000 to continue services.

FISCAL IMPACTS OF RECOMMENDATION

The cost for third-party administrative services provided by Preferred Alliance, Inc. is expected to total approximately \$25,000 per fiscal year. An increase of \$51,000 is required for FY 2026 - FY 2027. Expenditures for these services are paid from a variety of funding sources in budgets of individual operating departments. Primary users of this service are Public Works, Health Housing and Community Services, Parks, Recreation and Waterfront departments.

CURRENT SITUATION AND ITS EFFECTS

In order to continue drug and alcohol testing of safety-sensitive transportation employees an increase in contract allocation is necessary. The current contract is capped at \$49,000 which has been expended through services from 2022-2025. Additional funds are needed to cover the remainder of 2025 through June 30, 2027.

BACKGROUND

The Omnibus Transportation Employee Testing Act of 1991 requires drug and alcohol testing of safety-sensitive transportation employees. The Federal Department of Transportation (DOT) and the Federal Motor Carriers Safety Administration (FMCSA) publishes rules under the Code of Federal Regulations (CFR 49Part 382 and 49 CFR Part 40 respectively). The City employs approximately 185 federally regulated commercial drivers and is required to effectively conduct a Drug and Alcohol random selection testing program that is compliant with regulatory requirements. The rules specifically require the City to conduct pre-employment, reasonable suspicion, random selection, post-accident, return to duty, follow up drug testing, and supervisor training.

As the City's current drug and alcohol testing third-party administrator, Preferred Alliance, Inc. has performed very well and has been responsive to the needs of the City. They continue to provide the City with outstanding technical and administrative support including training and certification of the City's supervisors as well as interpreting regulations to develop policy updates and procedures that meet regulatory requirements.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

The additional funding is necessary to continue administering the City's drug and alcohol testing program (A.R. 2.13). The City will benefit by meeting our regulatory obligations and maintain the ability to carry out administrative regulation A.R.2.13. Additionally, the increase in funding will keep key interdepartmental functions ongoing i.e., new hire process, for employee classifications that require a commercial drivers' license and ensure that multiple operational processes are not interrupted or negatively impacted.

ALTERNATIVE ACTIONS CONSIDERED

A Request for Proposals is underway.

CONTACT PERSON

Janelle Rodrigues, Director of Human Resources 510-981-6807
Kevin Walker, Safety Officer 510-981-6825

ATTACHMENT:

Resolution

RESOLUTION NO. ##,###-N.S.

Third Party Administration of Department of Transportation Drug and Alcohol Testing

WHEREAS, the Department of Transportation (DOT) and the Federal Motor Carrier Safety Administration (FMCSA) requires the City to conduct drug and alcohol testing of safety-sensitive transportation employees; and

WHEREAS, Article XI, Section 67.5 of the Charter of the City of Berkeley and Section 7.18.010 of the Berkeley Municipal Code requires City Council approval of contracts that exceed \$50,000; and

WHEREAS, the City entered into a Contract No. 32400109 in the amount not to exceed \$49,000 with Preferred Alliance Inc. to provide third party administration; and

WHEREAS, it is important that third party services continue without negative impacts to internal operations and support of the ongoing drug and alcohol program covered under the Federal Department of Transportation Guidelines; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager, or designee, is authorized to execute an increase in funding for Contract No. 32400109 with Preferred Alliance Inc. to increase the contract cap for a total not to exceed \$100,000. Expenses to be paid by departments utilizing the services from a variety of funding sources in budgets previously adopted by the departments of Public Works; Health Housing and Community Service; and Parks, Recreation and Waterfront.

