



AGENDA MEMORANDUM
Action Item for the City Council Meeting August 18, 2026

DATE: August 18, 2026

TO: Peter Zanoni, City Manager

FROM: Rebecca Castillo, Director of Human Resources
RebeccaC@corpuschristitx.gov
(361) 826-3314

Sergio Villasana, Director of Finance & Procurement
sergiov2@corpuschristitx.gov
(361) 826-3227

Concentra Health Services, Inc Service Agreement Amendment No. 2

CAPTION:

Resolution authorizing execution of Amendment No. 2 to the service agreement with Concentra Health Services, Inc., to continue providing services for the City-sponsored employee Wellness Clinic for up to an additional five months, if necessary, from August 1, 2026, through December 31, 2026, for a total amount up to \$365,053.75, with FY 2026 funding of \$146,021.50 from the Fire, Police, and Citicare Health Benefits Funds, with the remaining amount subject to sufficient appropriation in the FY 2027 budget.

SUMMARY:

This resolution approves authorizing the execution of Amendment No. 2 to the service agreement with Concentra Health Services, Inc., to continue providing services for the City-sponsored employee Wellness Clinic for up to an additional five months from August 1, 2026, through December 31. Amendment No. 1 provided an additional staff member to ensure office efficiency on April 30, 2024.

BACKGROUND AND PURPOSE:

Concentra has provided Wellness Clinic Services for the City of Corpus Christi for the past five years. The on-site clinic serves the Civilian, Police, and Fire population, as well as their covered dependents seeking primary care services. The contract term was for three years beginning August 1, 2021, to July 31, 2024, with two one-year extensions from August 1, 2024, to July 31, 2026. The full contract amount was up to \$4,598,999 and total expenses to date are \$4,210,043. The initial contract term and extensions have been fully exhausted, and the City wishes to continue a short month to month arrangement to bridge primary care coverage to the City employees and dependents. This month-to-month request will not extend beyond December 31, 2026. A new primary care provider is expected to be operational and ready to serve the City of Corpus Christi employees beginning October 1, 2026; therefore, services with Concentra may terminate as early as September 30, 2026.

The Wellness Clinic will continue to provide primary care and urgent care health management, lab work, vaccinations, flu testing, and pharmacy prescriptions. By continuing this direct access to health care services, the City integrates a collaborative health and wellness strategy to improve employees' health and productivity, which includes our medical insurance plan designs, pharmacy management, biometric screenings, wellness programs, and wellness incentives. Employees are engaged in a continuum of care, making the clinic the primary care facility for many.

ALTERNATIVES:

City Council could choose not to approve the resolution for Amendment No. 2 to the City-sponsored employee wellness clinic. This could potentially leave some employees without a primary care provider, and they would need to seek out a new health provider. The City could potentially be in violation of the Collective Bargaining Agreements with Fire and Police as well if there is no primary care provider.

FISCAL IMPACT:

The Fiscal impact for FY 2026 will be for two months of services for a total amount of \$146,021.50 from the Fire, Police, and Citicare Health Benefits Funds, with the remaining amount subject to appropriation in the FY 2027 budget.

FUNDING DETAIL:

Fund:	5608
Organization/Activity:	40606
Dept:	16
Project # (CIP Only):	N/A
Account:	537360
Amount:	\$24,314.32

Fund:	5609
Organization/Activity:	40605
Dept:	16
Project # (CIP Only):	N/A
Account:	537360
Amount:	\$23,591.22

Fund:	5610
Organization/Activity:	40600
Dept:	16
Project # (CIP Only):	N/A
Account:	537360
Amount:	\$23,274.86

Fund:	5610
Organization/Activity:	40601
Dept:	16
Project # (CIP Only):	N/A
Account:	537360
Amount:	\$74,841.10

Total Amount for Fiscal Year 2026: \$146,021.50

RECOMMENDATION:

Staff recommends approval of this resolution authorizing execution of Amendment No. 2 to the service agreement with Concentra Health Services, Inc., as presented.

LIST OF SUPPORTING DOCUMENTS:

Amendment No. 2