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DEPARTMENT OF
PERSONNEL

DONNA L. GILES
DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

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DIVISION:
ADMINISTRATION
PERSONNEL SERVICES
OCCUPATIONAL HEALTH
SAFETY & RETIREMENT

August 21, 1990

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: EMPLOYEE ASSISTANCE PROGRAM CONTRACT WITH OCCUPATIONAL HEALTH
SERVICES, INC.

SUMMARY

The attached report requests approval of a twenty-seven month extension to the Employee Assistance Program (EAP) contract with Occupational Health Services, Inc. (OHS). The extension is for the period July 1, 1990 through September 30, 1992.

The terms and conditions of EAP services will remain the same as they are presently. The additional 1990-91 fiscal impact of the contract extension would come to \$14,497, an increase of 23.4% from the previous fiscal year. The projected 1990-91 City cost for the one-year extension would total \$76,497.

BACKGROUND AND ANALYSIS

In February 1986, the City Council established an EAP for all City employees. The EAP is designed to help employees and their dependents who cannot resolve problems which may impact the employee's work performance. The program also provides an additional tool for supervisors to use to return troubled employees to their former productive state.

In July 1987, this program was expanded to cover employees of the Sacramento Housing and Redevelopment Agency (SHRA). Beginning October 1, 1990, this program will also be extended to employees of the Sacramento Employment and Training Agency (SETA). The City, SHRA, and SETA will each be charged a fixed fee for EAP services and each entity will pay for its share of the program.

During the one year ending February 28, 1990, more than 500 employees and their dependents used the EAP. This level of use indicates the employees are comfortable using the program. There has been support from all the recognized employee groups.

The Department of Employee Relations administered the program until January 1, 1990, when the program was transferred to the Department of Personnel. The Departments of Personnel and Employee Relations are pleased with the services provided by OHS and, based on the consistent level of employee support, believe that continuing with OHS is desirable.

The City and OHS have agreed to a monthly fee of \$5,750 for the months of July, August, and September 1990. This rate reflects an increase of 16.8% above the previous fee. Beginning October 1, 1990, the monthly fee will increase to \$6,583, which is an additional increase of 14.5%. OHS has offered to continue this rate through September 30, 1992.

These rate increases are a result of the increase in fees charged OHS by the service providers (licensed counselors, psychologists, psychiatrists, clinical social workers, attorneys, etc.). Since 1986, OHS's rates have only increased 9.6%. The 16.8% and 14.5% increases will bring the annual cost of the EAP to \$78,996, which is considerably less than EAP fees paid by other jurisdictions. The total cost for the twenty-seven month extension period is \$175,242.

FINANCIAL

The City currently has budgeted \$62,000 in the Risk Management Fund for EAP services and an additional \$14,497 will be required for the 1990-91 fiscal year. The Risk Management Contingency Fund has a fund balance of approximately \$2,391,000. The attached resolution authorizes the necessary fund transfers to cover all related 1990-91 EAP extension costs for City employees. SHRA and SETA will be billed separately.

POLICY CONSIDERATIONS

None.

MBE/WBE EFFORTS

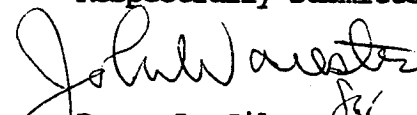
MBE/WBE efforts were not made since this is an extension of a contract with a firm with which we are very satisfied.

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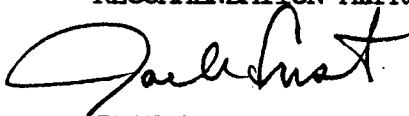
RECOMMENDATION

I request that the Budget and Finance Committee recommend City Council approval of the attached resolution that extends the existing EAP contract with OHS for twenty-seven months.

Respectfully Submitted,


Donna L. Giles
Director of Personnel

RECOMMENDATION APPROVED:



JACK R. CRIST
Deputy City Manager

Contact Person: June Niigata, 449-5665
Benefits Officer

August 21, 1990
All Districts

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVING A TWENTY-SEVEN MONTH EXTENSION
WITH OCCUPATIONAL HEALTH SERVICES, INC. FOR
EMPLOYEE ASSISTANCE PROGRAM SERVICES AND AMENDING
THE 1990-91 OPERATING BUDGET IN ORDER TO PROVIDE FUNDS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The current Employee Assistance Program contract with Occupational Health Services, Inc. is hereby extended for a period of twenty-seven months, from July 1, 1990 through September 30, 1992, at a total cost of \$175,242 for the City. All existing terms and conditions shall remain as currently designated.
2. Funds in the amount of \$14,497 are hereby transferred from the Risk Management Contingency Reserve (421-710-7012-4999) to the Risk Management Division (421-110-1152-4298) in order to pay for 1990-91 costs associated with this contract extension.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____