

APPROVED
BY THE CITY COUNCIL

MAY 11 1999

OFFICE OF THE
CITY CLERK



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DEPARTMENT OF
ADMINISTRATIVE SERVICES

ADMINISTRATION
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

April 21, 1999

921 TENTH STREET
ROOM 401
SACRAMENTO, CA
95814-2713

916-264-5270

AG 99-080
CC 99-216

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: CONTRACT APPROVAL FOR EMPLOYEE ASSISTANCE PROGRAM

LOCATION AND COUNCIL DISTRICT:

City

RECOMMENDATION:

Staff recommends that the City Council adopt the attached Resolution which approves a contract with Managed Health Network Inc. (MHN) and authorizes the City Manager to enter into a contract with MHN to provide an employee assistance program (EAP) to employees and their qualified dependents for a total amount not to exceed \$156,250.

CONTACT PERSON:

LaVera J. Gaston, Training Manager, 264-5270

FOR COUNCIL MEETING OF:

May 11, 1999

SUMMARY:

This memorandum proposes the City Council approve a contract with Managed Health Network to provide EAP services to employees and dependents of the City. The contract request is for one (1) year with an option to extend the contract for up to two additional years for a total of three (3) years. The term of the contract is from April 1, 1999 and ending March 30, 2000.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND:

The Employee Assistance Program for City employees and their dependents was established by the City Council in February 1986. The program includes counseling for: marriage, family and relationship problems; alcohol and drug abuse; emotional, personal and stress-related concerns; financial and credit problems; child care matters; elder care matters; legal problems; federal tax problems; pre-retirement planning; and organizing life's affairs.

In addition, the program assists supervisors and managers by providing management referral and consultation when they encounter emotional, behavioral and performance problems with employees. Another important component of the Employee Assistance Program is critical incident debriefing, which is counseling for employees and management when crises of an extreme nature occurs in the workplace.

Since its inception, the program has been expanded to cover employees of Sacramento Housing and Redevelopment Agency (SHRA), Sacramento Employment and Training Agency (SETA), League of California Cities (LEAGUE), Capitol Area Development Authority (CADA), and Sacramento Public Library Authority. Each entity is charged a fixed fee per covered employee for EAP services and each pays its share of the program.

Satisfaction surveys for the City, both for the most recent year, and for the entire time period since the City began its relationship with MHN in 1986 reveals employees and their families have been very pleased with the services they received through MHN.

For both time periods, over 96% of the respondents rated MHN as good-to-excellent in overall quality, and 98.5% said that they would use the MHN services again. The survey also ranked quality of life before and after receiving MHN services; 88% of the respondents in the survey said that the quality of their lives improved from "poor" to "good" or "excellent" after using MHN.

The City of Sacramento has had a contract with MHN since 1986. The Administrative Services Department conducted an informal bid process in 1995 with MHN receiving the highest rating. The contract was extended for three years. In 1998 the Administrative Services Department conducted a formal bid process prior to contract renewal. Staff received bids from eleven companies. Seven proposals were reviewed by the Training Manager, Director of Labor Relations, and Risk Manager, along with a representative from SPOA, Local 39, Local 522, and WCE. The consensus to award the contract to Managed Health Network was unanimous based on quality, quantity and price.

FINANCIAL CONSIDERATIONS:

The total cost of the contract is \$156,250 for the one-year term. The Risk Management fund has budgeted \$118,080. An additional \$38,170 from the Risk Management contingency fund is necessary to cover the increase in costs.

ENVIRONMENTAL CONSIDERATIONS:

The subject of this report does not involve a project that requires compliance with the California Environmental Quality Act (CEQA), nor does it involve an activity which may cause a direct or indirect change in the environment (Public Resources Code Section 21065).

ESBD CONSIDERATIONS:

Not applicable

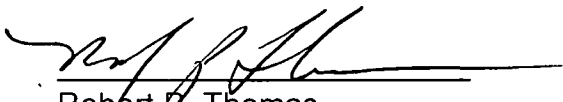
Respectfully submitted,



LA VERA J. GASTON
Training Manager

Recommendation Approved:

Approved:



Robert P. Thomas
City Manager



Ken Nishimoto
Director of Administrative Services

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MAY 11 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 99-214

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING CONTRACT EXTENSION
FOR EMPLOYEE ASSISTANCE PROGRAM**

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

1. That the City Manager is hereby authorized and directed to contract with Managed Health Network for the period April 1, 1999 and ending March 30, 2000.
2. For billing commencing on April 1, 1999 Managed Health Network is to perform all services offered in this contract. The rate for the term of this contract shall be \$3.05 per employee.
3. The Risk Management operating budget line, 421-150-1546-4298 be increased \$38,170 from the Risk Management contingency fund, budget line 421-710-7012-4999 to cover the additional costs associated with this contract.
4. The Administrative Services Department is authorized and directed to pay fees for said services from the Risk Management operating budget.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ **4**