

REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 4 | 12/13/10 | Open | Action | 11/17/10 |

Subject: Awarding a Contract to MHN, Inc. for Employee Assistance Program (EAP) Services

ISSUE

Whether or not to award a Contract to MHN, Inc. for Employee Assistance Program (EAP) Services.

RECOMMENDED ACTION

Adopt Resolution No. 10-12-____, Awarding a Contract to MHN, Inc. for Employee Assistance Program (EAP) Services.

FISCAL IMPACT

| | | | |
|-----------------|------------|---------------|------------|
| Budgeted: | Yes | FY11: | \$ 25,500 |
| Budget Source: | Operating | FY12: | \$ 51,000 |
| Funding Source: | Local | FY13: | \$ 51,000 |
| Cost Cntr/GL | 42 | FY14: | \$ 25,500 |
| Acct(s): | 630014 | | |
| Total Budget: | \$ 153,000 | Total Amount: | \$ 153,000 |

DISCUSSION

Regional Transit first established an Employee Assistance Program (EAP) in 1984. The program provides confidential counseling and referral services to employees and dependents on matters that may affect job performance. Services include counseling for alcohol and drug abuse, gambling, marital, family, medical, emotional, financial and legal problems. The EAP also provides guidance and training for supervisors and managers on handling difficult problems. The current contract for EAP services with Horizon EAP ends on December 31, 2010.

On September 13, 2010, the Board authorized the release of a Request for Proposals (RFP) for Employee Assistance Program (EAP) Services. Staff released the RFP on September 15, 2010 and was advertised in publications of general circulation. Twelve firms received a copy of the RFP. A pre-proposal meeting was held on September 28, 2010 and one addendum and letter of clarification was issued. RT received 2 responsive proposals on October 18, 2010 from Claremont EAP, and MHN, Inc. The qualifying criteria included the Proposer's understanding of the project, staffing and experience, project work plan, and competitiveness of price. The Selection Committee scored the written proposals and based on the rankings, oral presentations were not required. Both firms were highly qualified to provide EAP Services; however, MHN, Inc. ranked the highest and had the most competitive pricing.

Approved:

Presented:

FINAL 12/7/10

General Manager/CEO

Director, Human Resources

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The scores are as follows:

| <u>Proposer</u> | <u>Total Score</u> |
|-----------------|--------------------|
| MHN, Inc. | 409.5 |
| Claremont EAP | 364 |

MHN, Inc. is Knox-Keene licensed, a requirement of the State of California. EAPs that are delivering actual counseling services on a pre-paid (or capitated) basis for more than 3 sessions within any 6-month period must have a Knox-Keene license. MHN provides management consultation services for managers, supervisors and Human Resources, and has a department that specializes in critical incident stress management. MHN will provide employees with communication pieces on various topics related to health and well-being; will provide RT access to its comprehensive website; provide training and seminars on a number of relevant topics, and will provide written reports to management in a very user-friendly and comprehensive format. MHN has a good public sector client base including the City of Sacramento, Sacramento County, and the State of California. MHN has a large provider network including 490 providers in Sacramento County and over 550 more in the surrounding Counties. MHN intends to retain RT's current on-site counselor, Marilyn Stalians as RT's on-site counselor. Ms. Stalians is a licensed marriage and family therapist, and has established a good rapport with RT employees.

The RFP was structured to request pricing for Alternative A which includes 5 short-term counseling sessions per contract year; and for Alternative B which includes 10 short-term counseling sessions per contract year. These alternative pricing measures were used to give staff cost-saving choices. Staff communicated with RT's employee bargaining units and considered their input before choosing the best alternative pricing for RT. MHN's price per employee per month (PEPM) for Alternative A is \$1.98 and for Alternative B is \$3.51. Claremont's price for Alternative A is \$3.45 and for Alternative B is \$5.95. Staff recommends Alternative A as the best choice for RT. MHN's pricing is fair and reasonable in comparison to current market estimates and in comparison to historical prices for EAP services.

RT established a 25% participation goal of the total proposed price for small business enterprises (SBE) for this contract. To be eligible for a 10% point preference, Proposers were required to submit with its proposal, an SBE Participation Certification form certifying at least 25% SBE participation by the prime and/or subconsultants. MHN submitted a SBE Participation Certification form certifying 23% SBE subconsultant participation in their proposal. MHN was not eligible for the 10% point preference, but was none-the-less the highest-ranked firm in the scores of the evaluation committee.

Staff recommends the Board award a Contract to MHN, Inc. for Employee Assistance Program (EAP) Services for an amount not to exceed \$153,000 for a 3-year term with an option for RT to renew for years 4 and 5.

RESOLUTION NO. 10-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 13, 2010

**AWARDING A CONTRACT TO MHN, INC. FOR EMPLOYEE ASSISTANCE
PROGRAM (EAP) SERVICES**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and MHN, Inc., therein referred to as "Consultant," whereby Consultant agrees to provide employee assistance program services, as specified, for an amount not to exceed \$153,000, for a 3-year Contract term, with option for RT to renew for years 4 and 5, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary