

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	12/14/15	Open	Action	12/01/15

Subject: Awarding a Contract for Employee Assistance Program (EAP) Services

ISSUE

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

RECOMMENDED ACTION

Adopt Resolution No. 15-12-_____, Awarding a Contract for Employee Assistance Program (EAP) Services to MHN, Inc.

FISCAL IMPACT

Budgeted:	Yes	FY16:	\$28,830.00
Budget Source:	Operating	FY17:	\$57,660.00
Funding Source:	Local	FY18:	\$57,660.00
Cost Cntr/GL Acct(s) or	42	FY19:	\$28,830.00
Capital Project #:	630014		
Total Budget:	\$172,980.00		

DISCUSSION

Regional Transit first established an Employee Assistance Program (EAP) in 1984. The program provides confidential counseling and referral services to employees and their 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 Managed Health Network, Inc. (MHN) ends on December 31, 2015.

On August 10, 2015, the Board authorized the release of a Request for Proposals (RFP) for Employee Assistance Program (EAP) Services. Staff released the RFP on August 31, 2015 and advertised it on RT's website and in publications of general circulation. Nine firms received a copy of the RFP. A pre-proposal meeting was held on September 14, 2015 and one addendum and letter of clarification was issued. RT received one responsive proposal on September 30, 2015 from MHN, Inc. The following five firms declined to bid and they provided the following reasons why: 1) ComPsych Corporation – no Knox-Keene License; 2) Concern EAP – no reason given; 3) Claremont EAP – no Knox-Keene License; 4) The Holman Group – RT's utilization rate is above the industry norm; also, rate of current contract is below market pricing; and, 5) Magellan Healthcare – only offers a standard EAP sales proposal for RT's market size.

Approved:

Presented:

Final 12/01/15

General Manager/CEO

Director, Human Resources

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December

14,

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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 proposal and based on the fact that only one firm submitted a proposal, oral presentations were not required; instead, contract negotiations commenced.

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. In addition to counseling services for employees, MHN also 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; and will provide training and seminars on a number of relevant topics. MHN’s wellness offerings combine telephonic, on-site and online resources that members can use to meet a variety of wellness needs. MHN has a strong local public sector client base including the City of Sacramento, Sacramento County, and Sacramento City Unified School District. 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. MHN’s price per employee per month (PEPM) for Alternative A is \$1.90 and for Alternative B is \$2.85 in Years 1 through 3. Staff recommends Alternative A as the best choice for RT. The on-site counselor’s rates are consistent with the current contract, with a reasonable cost of living increase. 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 2% SBE subconsultant participation in their proposal but MHN was not eligible for the 10% point preference.

Staff recommends the Board award a Contract to MHN, Inc. for Employee Assistance Program (EAP) Services for an amount not to exceed \$172,980.00 for a 3-year term with an option for RT to renew for years 4 and 5.

RESOLUTION NO. 15-12-_____

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

December 14, 2015

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

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 \$172,980, 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.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary