

## AGENDA



Thursday, August 26, 2010

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 38**

---

**Subject:** Authorize award and execution of a 36-month service contract with ALLIANCE WORK PARTNERS, Austin, TX, to provide an employee assistance program in an amount not to exceed \$740,046, with two 12-month extension options in an amount not to exceed \$259,016 for the first extension option and \$271,967 for the second extension option, for a total contract amount not to exceed \$1,271,029.

**Amount and Source of Funding:** Funding in the amount of \$185,011 is contingent upon the approval of the proposed Fiscal Year 2010-2011 Operating Budget of the Employees Benefits Fund of the Human Resources Department. Funding for the remaining 27 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Brenda Helgren, Sr. Buyer, 974-9141

**Purchasing Language:** Best evaluated proposal of two proposals received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

---

This replacement Employee Assistance Program (EAP) contract will provide services to City of Austin employees and anyone living in their household. Services included in this contract are short-term counseling, employee and supervisor training, critical incident stress debriefings, mandatory substance abuse referral counseling, commercial driver's license alcohol and drug training, smoking cessation, and an at risk youth mentoring program.

The cost for these EAP services will be paid entirely by the City as an available benefit to City employees.

The EAP rates are guaranteed for the first 36-months. The EAP rate increase is capped for the first and second year extension options. The total not to exceed amount for the 5-year term is \$1,271,029. The annual EAP cost increased approximately 41% over the current contract due to the high utilization of employee counseling services. National benchmarking data for EAP programs reports 4% of employees utilize their EAP, while the City's EAP program reports 9% of employees utilize the EAP. The current 3-year contract had guaranteed rates; therefore, it was expected that with high utilization a new contract would result in higher rates.

The initial term of the contract is January 1, 2011 through December 31, 2013. The two-extension options, if exercised, will extend the term through December 31, 2015.

Experienced and knowledgeable personnel from the Benefits, Wellness, and Employee Relations Division of the Human Resources Department evaluated the proposals. The evaluation panel recommended Alliance Work Partners based on the company's experience, personnel qualifications, responsiveness to the scope of work, program design, acceptance of the City's contract terms, and total 5-year cost.

MBE/WBE solicited: 12/8

MBE/WBE bid: 0/0

#### PROPOSAL ANALYSIS

- a. Adequate competition.
- b. One hundred and sixty-three notices were sent, including 12 MBEs and eight WBEs. Two proposals were received, with no response from the MBE/WBEs
- c. The pricing offered represents a 41% increase to the last contract award in September 2007. This increase is expected due to the high utilization of employee counseling services and that the contractor held prices firm over the previous 3-year contract period.

#### APPROVAL JUSTIFICATION

- a. Best evaluated proposal received. Alliance Work Partners is the current provider of these services.
- b. The Purchasing Office concurs with the Human Resources Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.