



Office of the City Manager

CONSENT CALENDAR
February 9, 2021

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: LaTanya Bellow, Director of Human Resources

Subject: Contract No. 081263-1 Amendment: Claremont Behavioral Services for Employee Assistance Program Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 081263-1 with Claremont Behavioral Services (Claremont) in order to provide continued services for the Employee Assistance Program (EAP) by increasing expenditure authority in an amount not to exceed \$500,000, for a total contract amount of \$1,635,000, through December 31, 2025.

FISCAL IMPACTS OF RECOMMENDATION

Health care premiums are quoted on a calendar year based on standard industry practices. The City budgets are on a fiscal year basis so half of the premium cost is known and the remainder is estimated based on Budget procedures and trends in medical premium costs.

Funding for this amendment is available from fringe benefit accounts in departmental budgets and will be paid out of the Payroll Deduction Trust Fund, budget code: 013-99-900-900-0000-000-000-201599.

Funding for the health plan premium increase is included in the Fiscal Year (FY) 2021 adopted budget. Premiums are paid one (1) month in advance; e.g., the January 2021 premium is paid in December 2020.

Original contract amount	\$320,000
July 1, 2012 increase	\$315,000
July 1, 2015 increase	\$500,000
January 1, 2021 increase	\$500,000
Total new contracts amount	\$1,635,000
Budget code:	
013-99-900-900-0000-000-000-201599	\$320,000
Original amount	

The Contract Management System number is CMS No. UKMLA.

CURRENT SITUATION AND ITS EFFECTS

The City has a contract with Claremont through December 31, 2021, for administration of the City's Employee Assistance Program. Under this contract, the City's current cost is \$1.95 Per-Employee Per-Month plus \$92 per clinical visit for Calendar Year 2021. The contract also includes an annual maximum expenditure amount of \$110,000 per fiscal year to avoid a potential unlimited liability. Annual costs for Fiscal Year 2021 are estimated to be \$89,880.

To maintain budgeted costs, staff, with the assistance of Keenan & Associates the City's benefits insurance broker, have negotiated with Claremont to offer a rate pass, \$1.95 Per-Employee Per-Month and \$92 per clinical visit, for each of the five (5) new contract years (Fiscal Year 2021 through Fiscal Year 2025). Claremont has also increased the annual maximum expenditure amount from \$105,000 to \$110,000 per fiscal year. Meaning that even if the City increases the number of benefitted employees, the City's maximum is capped at \$110,000. The increase in the annual maximum will cost approximately \$25,000 in budgeting costs over the next five (5) years.

BACKGROUND

Since 1986 the City has provided an Employee Assistance Program for all benefitted employees and their eligible dependents. The purpose of the program is to provide confidential professional counseling services for employees and their dependents in the areas of mental health and substance abuse, as well as family, financial and legal related problems. Moreover, the services may include employee and supervisory orientations, management referrals, critical incident debriefings, and specialized workshops on a variety of topics.

The City selected Claremont to administer the EAP through a competitive bid process and has been using Claremont since November 1, 2002. On June 12, 2012, City Council approved Resolution No. 65,767-N.S. that authorized the City Manager to execute and implement a contract with Claremont through June 30, 2015. Claremont has provided outstanding EAP services over the years, including lunch "Brown Bag" seminars and onsite "Critical Incident" debriefings. Employees have responded well to the services provided by Claremont, averaging a 16% utilization rate, compared to a national average utilization rate of 4-6%.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

This contract amendment will benefit the City in continuing to provide excellent EAP services. The Employee Assistance Program is a mandated employee benefit under the collective bargaining agreements between the City and the employee organizations, and

equally important, we believe utilization of EAP services has a positive impact on employee morale, attendance, and job performance.

ALTERNATIVE ACTIONS CONSIDERED

City staff worked with benefit broker Keenan & Associates to seek out competitive offers for the administration of the Employee Assistance Program. Staff estimates a potential \$25,000 budgeted increase over the next five (5) fiscal years by accepting the rate pass with Claremont Behavioral Services.

CONTACT PERSON

LaTanya Bellow, Director of Human Resources, Human Resources, (510) 981-6807.

Attachments:

1. Resolution

RESOLUTION NO. -N.S.

AUTHORIZING RATE CHANGES FOR THE CLAREMONT BEHAVIORAL SERVICES FOR EMPLOYEE ASSISTANCE PROGRAM ADMINISTRATION EFFECTIVE JANUARY 1, 2021 THROUGH DECEMBER 31, 2025

WHEREAS, on March 9, 2010, by Resolution No. 64,788-N.S., the City Council authorized Contract No. 8287 with Claremont Behavioral Services to administer the City's Employee Assistance Program in an amount not to exceed \$320,000 for the period from July 1, 2008 through June 30, 2012; and

WHEREAS, this contract was previously amended on June 12, 2012, to increase the total contract amount by \$315,000 for a total contract amount of \$635,000 and to extend the expiration date to June 30, 2015; and

WHEREAS, this contract was previously amended on June 30, 2015, to increase the total contract amount by \$500,000 for a total contract amount of \$1,135,000 and to extend the expiration date to June 30, 2020; and

WHEREAS, this contract was previously amended on December 31, 2020 to extend the expiration date to December 31, 2021; and

WHEREAS, the City pays for the full premium for all benefited employees and their dependents eligible to participate in the Employee Assistance Program; and

WHEREAS, funds are available in the current budget in the Payroll Deduction Trust Fund, budget code 013-99-900-900-0000-000-000-201599, and the contract has been entered into the City Contract database and assigned CMS No. UKMLA.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley hereby authorizes the City Manager to execute an amendment to Contract No. 081263-1 with Claremont Behavioral Services to administer the City's Employee Assistance Program from January 1, 2021, to December 31, 2025, by increasing the contract amount \$500,000, for a total contract amount of \$1,635,000.

BE IT FURTHER RESOLVED that the rates are guaranteed through Calendar Year 2025.

BE IT FURTHER RESOLVED that a record signature copy of said contract and any amendments reflecting this rate increase to be on file in the Office of the City Clerk.