



DEPARTMENT OF  
GENERAL SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

5730 - 24TH STREET  
BUILDING FOUR  
SACRAMENTO, CA  
95822-3699

OFFICE OF THE DIRECTOR

December 21, 1988

2ADM5.159

916-449-5548

APPROVED  
BY THE CITY COUNCIL

DIVISIONS:

City Council  
Sacramento, California

JAN 10 1989

COMMUNICATIONS  
FACILITY MANAGEMENT  
FLEET MANAGEMENT  
PROCUREMENT SERVICES

Honorable Members in Session:

OFFICE OF THE  
CITY CLERK

AG 88146-A

**SUMMARY**

The attached report requests approval of a sixteen month extention to the City's Employee Assistance Program (EAP) contract with Occupational Health Services, Inc. (OHS), for the period covering March 1, 1989 through June 30, 1990. This item was heard by the Budget and Finance Committee at its January 10, 1988 meeting.

**BACKGROUND**

In February 1986, the City Council established an EAP for all City employees. The goals of the program were to (1) assist troubled employees, who can not resolve problems which impact work performance and (2) provide an additional supervisory tool to restore troubled employees to their previous productive status. In July 1987, this program was extended to cover employees of the Sacramento Housing and Redevelopment Agency (SHRA). The City was charged a fixed rate of \$53,889 for these services while the agency paid \$4,972 for their share of the program.

**ANALYSIS**

During the period from March 1, 1988 through June 30, 1988, employee and employee dependent utilization exceeded 11%. This level of use indicates that employees feel comfortable using the program for help with a broad range of problems which may ultimately impact work performance. There has been support from all of the affected employee unions.

The City's Employee Relations Department has administered the OHS contract, which will expire on February 28, 1989. Employee Relations is pleased with the services which are being provided and, given the

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consistant level of employee support, determined that it would not be appropriate to change vendors at this time. In addition, staff wished to have the EAP contract terminate in conjunction with current union memorandums of understandings to ensure that the program was incorporated into the next contract cycle. As a result, staff contacted OHS to determine if it were possible to extend the EAP contract to allow it to terminate as of June 30, 1990.

OHS's price for the sixteen month extension would total \$78,767 for the City and \$6,183 for SHRA; this represents a 9.6% increase over current contract costs. Given that OHS has not received a price increase for three years, staff feels that the proposed rate adjustment is reasonable. At the end of this extension period, staff plans to rebid the EAP package in an effort to identify other service providers, particularly minority and/or women-owned businesses.

**FINANCIAL**

The City currently has budgeted \$53,889 in the Risk Management Fund for EAP services and an additional \$19,692 will be required for 1988-89 extension expenses. The Risk Management Fund has a projected fund balance of approximately \$90,000; the attached resolution authorizes the necessary fund transfers to cover all related 1988-89 EAP extension costs. SHRA will separately request funds for its share of this service.

**RECOMMENDATION**

It is requested that the City Council approve the attached resolution which extends the existing EAP contract with OHS for sixteen months and provides funds for the same.

Respectfully submitted,

*for* Frank Mugartegui  
FRANK MUGARTEGUI  
Director of General Services

Steve Lakich  
STEVE LAKICH  
Director of Employee Relations

RECOMMENDATION APPROVED:

Walter J. Slipe  
WALTER SLIPE  
City Manager

January 10, 1989  
All Districts

# RESOLUTION No. 89-029

Adopted by The Sacramento City Council on date of

APPROVED  
BY THE CITY COUNCIL

JAN 10 1989

OFFICE OF THE  
CITY CLERK

RESOLUTION APPROVING A SIXTEEN MONTH  
EXTENSION WITH OCCUPATIONAL HEALTH SERVICES, INC.  
FOR EMPLOYEE ASSISTANCE PROGRAM SERVICES  
AND AMENDING THE 1988-89 OPERATING BUDGET  
IN ORDER TO PROVIDE FUNDS FOR THE SAME

WHEREAS, both the City of Sacramento and the Sacramento Housing and Redevelopment Agency have successfully utilized the Employee Assistance Program (EAP) services of Occupational Health Services, Inc. (OHS) for the past thirty-six months.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The current EAP contract with Occupational Health Services, Inc. is hereby extended for a period of sixteen months, from March 1, 1989 through June 30, 1990, at a total cost of \$78,767 for the City and \$6,183 for the Sacramento Housing and Redevelopment Agency. All existing terms and conditions shall remain as currently designated.
2. Funds in the amount of \$19,692 are hereby transferred from the Risk Management Contingency Reserve (421-710-7012-4999) to the Risk Management Division (421-110-1152-4298) in order to pay for 1988-89 costs associated with this contract extension.

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MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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December 21, 1988  
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DIVISIONS:  
COMMUNICATIONS  
FACILITY MANAGEMENT  
FLEET MANAGEMENT  
PROCUREMENT SERVICES

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

Subject: Extension of Employee Assistance Program Contract

SUMMARY

The attached report requests approval of a sixteen month extension to the City's Employee Assistance Program (EAP) contract with Occupational Health Services, Inc. (OHS), for the period from March 1, 1989 through June 30, 1990. The terms and conditions of EAP services will remain the same as they are now. The additional 1988-89 fiscal impact of the contract extension would come to \$19,692; projected 1989-90 City costs for the extension would total \$59,075.

RECOMMENDATION

It is requested that the Budget and Finance Committee recommend City Council approval of the attached resolution which extends the existing EAP contract with OHS for sixteen months and provides funds for the same.

Respectfully submitted,

*Therese Hudson*

for

FRANK MUGARTEGUI  
Director of General Services

*Steve Lakich*

STEVE LAKICH  
Director of Employee Relations

RECOMMENDATION APPROVED:

*Jack Crist*

JACK CRIST  
Deputy City Manager

1. The first part of the document is a list of names and addresses of the members of the committee. The names are listed in alphabetical order, and the addresses are given in full. The list is as follows:

Name	Address
Mr. A. B. C.	123 Main Street, New York, N.Y.
Mr. D. E. F.	456 Broadway, New York, N.Y.
Mr. G. H. I.	789 Park Avenue, New York, N.Y.
Mr. J. K. L.	1010 Fifth Avenue, New York, N.Y.
Mr. M. N. O.	1111 Madison Avenue, New York, N.Y.
Mr. P. Q. R.	1212 E. 86th Street, New York, N.Y.
Mr. S. T. U.	1313 E. 92nd Street, New York, N.Y.
Mr. V. W. X.	1414 E. 98th Street, New York, N.Y.
Mr. Y. Z. A.	1515 E. 104th Street, New York, N.Y.

March 7, 1989

Occupational Health Service Corporation  
187 Fortieth Street Way  
Oakland CA 94011

On January 10, 1989, the Sacramento City Council adopted Resolution No. 89-029 authorizing the execution of Agreement No. 88146-A regarding amendment to Professional Services Agreement No. 85126A.

Enclosed are four copies of said agreement executed by the City as authorized by the attached certified resolution.

Upon final execution, please return three copies of said agreement to the Office of the City Clerk for distribution.

Sincerely,

Janice Beaman  
Acting Assistant City Clerk

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Enclosures