

**Metro**

Metropolitan Transportation Authority

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metro.net**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
JUNE 16, 2004****SUBJECT: CONTRACT NUMBER PS4625-1522
EMPLOYEE ASSISTANCE PROGRAM****ACTION: AWARD PROFESSIONAL SERVICES CONTRACT FOR EMPLOYEE
ASSISTANCE PROGRAM SERVICES****RECOMMENDATION**

Authorize the Chief Executive Officer to award a five-year firm fixed unit rate contract, Contract No. PS4625-1522, to ComPsych Corporation for Employee Assistance Program Services in an amount not to exceed \$794,052 inclusive of two one-year options effective October 1, 2004.

RATIONALE

Metro is committed to providing a safe and healthy work environment for its employees. Our Employee Assistance Program (EAP) is a business tool designed to assist employees to resolve personal or family concerns that could potentially impair their job performance. The program offers a friendly, accessible and confidential forum wherein licensed professionals identify stressors, explore behavioral change, and provide support and resources that enable the employee to solve personal problems. The program is a benefit available to all employees and their immediate family members on a voluntary basis, unless the employee is referred on a mandatory basis after a major violation of a Metro policy. Metro and its predecessor agencies have continuously provided an EAP since 1981.

EAP also serves as a resource to managers in dealing with employees experiencing personal problems affecting job performance, conduct, and reliability. EAP interventions act to reduce distress and provide the skills necessary to handle personal and work-related problems more effectively. This comprehensive service also includes crisis management counseling for traumatic events, including immediate intervention following serious bus and rail accidents, and other tragic events impacting the workforce. Assistance also includes child and elder care referrals as well as legal and financial guidance.

EAP is a vital component of Metro's overall efforts to comply with Federal regulations governing the prevention of drug abuse and alcohol misuse in transit operations. Specifically, our EAP provider includes the FTA mandated services of a Substance Abuse Professional (SAP) that are required when employees test positive for drugs or alcohol. The primary role of the SAP is to evaluate the employee and coordinate rehabilitation in order to ensure the safety of the traveling public.

FINANCIAL IMPACT

The funding of \$170,000 for EAP services is included in the FY 2005 budget in cost center 6250, Human Resources Department, as follows:

ACCOUNT	PROJECT	TASK
50316	100030	06.06
50316	100040	06.06
50316	100060	06.06
50316	100070	06.06
50316	100080	06.06

Since this is a multi-year contract, the Cost Center Manager and Executive Officer will be accountable for budgeting the costs in future years. In FY 2004, approximately \$180,000 will have been expended for these services.

ALTERNATIVES CONSIDERED

Perform services in-house. An in-house EAP staffed by Metro employees could only provide a limited portion of the needed services and expertise. Contracted services of professionally certified counselors with diverse backgrounds and specializations also would need to be obtained. Difficulties would be encountered in serving multiple locations and family members as well as overcoming employee concerns about confidentiality issues. Metro has no history or experience with an internal EAP. Therefore, this is not a feasible alternative and is not being recommended.

ATTACHMENTS

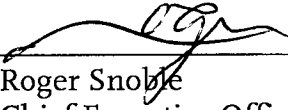
- A. Procurement Summary
- A-1. Procurement History

Prepared by:

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Don Ott
Executive Officer, Administration



Roger Snoble
Chief Executive Officer

BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY

EMPLOYEE ASSISTANCE PROGRAM SERVICES

1.	Contract Number: PS4625-1522		
2.	Recommended Vendor: ComPsych Corporation		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$756,240	Recommended Price: \$756,240	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Unit Rate		
5.	Procurement Dates:		
	A. Issued: February 13, 2004		
	B. Advertised: February 20, 2004		
	C. Pre-proposal Conference: February 25, 2004		
	D. Proposals Due: March 29, 2004		
	E. Pre-Qualification Completed: March 26, 2004		
	F. Conflict of Interest Form Submitted to Ethics: May 12, 2004		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 10% DBE	Date Small Business Evaluation Completed: May 12, 2004	
	Small Business Commitment: 10.18% of the total NTE amount, including all exercised options (Attachment A-2)		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 23	Bids/Proposals Picked up: 27	Bids/Proposals Received: 7
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	ComPsych	\$ 756,240	\$
	Holman	\$ 841,248	
	PacifiCare	\$ 939,504	
	MHN	\$1,080,816	
	Value Options	\$1,225,440	
	ESSCO	\$1,324,800	
	Cigna	Incomplete (did not provide pricing for years 4 and 5.)	
	B. Evaluation Methodology: Weighted Guidelines. Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: June 22, 2004		
	B. Protest Receipt Date:		
	C. Disposition of Protest Date:		
10.	Contract Administrator: Pat Lane-Goodson	Telephone Number: 213-922-4639	
11.	Project Manager: Carol Holben	Telephone Number: 213-922-4867	

BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY

EMPLOYEE ASSISTANCE PROGRAM SERVICES

A. Background on Contractor

ComPsych has been in business for 20 years and is currently the largest provider of Employee Assistance Program services in the United States. The firm is headquartered in Chicago, Illinois and currently serves more than 5,600 organizations, covering more than 21 million individuals. The firm has experience in providing EAP for Chicago Transit Authority and serves a number of government entities ranging from the City of Palo Alto to the Baltimore County Government to the Internal Revenue Service (IRS). Among its clients with large employee populations in Southern California are Safeway, Hilton & Co., Target, and Grubb & Ellis.

B. Procurement Background

Under this procurement, Metro solicited proposals for a Contractor to provide an Employee Assistance Program. Proposals were evaluated on the basis of minimum qualifications and weighted guidelines. All proposals received met the minimum qualifications of the solicitation. Proposals were then evaluated and scored based upon their proposed Service Delivery Plan, Project Management and Administration, and Contractor Experience, Qualifications, and Price.

The initial contract period of performance begins October 1, 2004 and will continue for a term of five years, inclusive of two one-year options.

The Diversity and Economic Opportunity Department (DEOD) recommended a Disadvantaged Business Enterprise (DBE) participation goal of 10% for this procurement.

C. Evaluation of Proposals

A Source Selection Committee (SSC) was assembled to evaluate the proposals. The SSC consisted of a diverse group of Metro staff members from varied departments.

The SSC recommends award to ComPsych, the proposer with the highest combined technical and pricing scores.

D. Cost/Price Analysis Explanation of Variances

Effective competition was obtained with proposals from seven companies and a price analysis was performed. The recommended price has been determined to be fair and reasonable based upon adequate price competition.

Bid/Proposal Amount	Metro Estimate	Recommended/Negotiated Amount
\$ 756,240	\$ 900,000	\$ 756,240

Metro's estimate was based on the current contract rate of \$1.61 and approximately 9,300 employees for 5 years. That total, \$898,380 was rounded to \$900,000. The cost presumption was based on current literature and a published article from a benefit consulting firm indicating pricing for EAP's had not increased over the last few years.

The Not to Exceed (NTE) contract amount of \$794,052 includes a 5% contingency to allow for any fluctuations in Metro employee levels over the five year contract.

BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS

EMPLOYEE ASSISTANCE PROGRAM SERVICES

PRIME CONTRACTOR – COMPSYCH CORPORATION

Small Business Commitment

Other Subcontractors

Saundra J. Edwards, LMFT 4.89%

None

TMB Print Technology 5.29%

Total DBE Commitment 10.18%