



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Ian Appleyard  
Director, HRM

**SUBJECT:** Claremont Behavioral Services Inc.  
Contract

**DATE:** June 22, 2022

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City Administrator Approval 

Date: Jun 28, 2022

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## RECOMMENDATION

**Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute An Agreement With Claremont Behavioral Services, Inc. ("Claremont") For Employee Assistance Program ("EAP") And Related Services For: (1) All Non-Sworn City Employees And Their Respective Eligible Dependents And (2) Sworn Employees Of The Oakland Fire Department ("OFD") And Their Respective Eligible Dependents In An Amount Not To Exceed A Total Amount Of Four Hundred Thousand Dollars (\$400,000) (Two Hundred Thousand Dollars Per Contract Year 2022-2023; And 2023-2024) With Options To Extend the Agreement In One Or Two Year Increments Through Fiscal Year 2029 In Amounts Not To Exceed Two Hundred Eight Thousand Dollars (\$208,000) In Contract Year 2024-2025, Two Hundred Sixteen Thousand Dollars (\$216,000) In Contract Year 2025-2026, Two Hundred Twenty-Two Thousand Dollars (\$222,000) In Contract Year 2026-2027, Two Hundred Thirty Thousand Dollars (\$230,000) In Contract Year 2027-2028, And Two Hundred Forty Thousand Dollars (\$240,000) In Contract Year 2028-2029 For A Total Amount Not To Exceed One Million Five Hundred Sixteen Thousand Dollars (\$1,516,000), And (3) Waiving The Local And Small Local Business Enterprise (L/SLBE) Participation Requirements.**

## EXECUTIVE SUMMARY

On April 15, 2022, the City of Oakland issued a request for proposal for EAP and related services (**Attachment A**). Claremont Behavioral Services, Inc. ("Claremont"), the City's long-time provider of EAP and related services, was selected as the most qualified proposer. Accordingly, the City should move forward with a contract award. The amounts budgeted per year cover the base price per eligible employee and include a flexible amount to be used for fee-for-service services as needed. All of Claremont's services have been both acceptable and economical over its long partnership with the City, and employees will benefit from extending this partnership.

## BACKGROUND / LEGISLATIVE HISTORY

Before the City's agreement with Claremont, the City provided EAP services to non-sworn City employees through a combination of in-house professional staff and a provider panel comprised of Request for Proposal ("RFP")-selected contractors. However, in-house attrition left the City

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July 19, 2022

without the capacity to effectively manage and monitor EAP services. Because of this deficiency, the City compared services provided by the City's traditional internal program and associated cost against the services and cost of a third-party provider. Based on that comparison, the City concluded that converting to a third-party provider would be more cost-effective and provide better services than restructuring and rebuilding the City's internal capacity. Subsequently, the City conducted an RFP and selected Claremont through City Council action. The initial Council item authorized an agreement with Claremont through June 30, 2020. In 2020, the City Council extended the agreement for an additional two years. In April of 2022, the City conducted another RFP. Although Claremont was the only respondent, the City found Claremont qualified and deserving of the contract award. A council item is needed to award the contract and continue services for City employees.

### **ANALYSIS ANDY POLICY ALTERNATIVES**

Claremont provides several services that are instrumental in maintaining a healthy, informed, and productive work force. While services are provided because they increase the productivity of City employees, some services are also provided because they satisfy compliance requirements and/or constitute bargained for benefits. Services include, but are not limited to:

- Counseling Visits
- Legal/Financial Services
- Elder/Child Care Referrals
- School/College Assistance
- Pet Care Referrals
- Adoption Assistance
- Free Brown Bag Seminars
- Onsite for Critical Incident Stress Debriefings (CISD's)
- Unlimited HR & Management Consultations
- Unlimited Onsite Employee Orientations
- Unlimited Onsite HR/Manager Orientations
- Unlimited Access to Claremont Personal Advantage (CPA) Enhanced Web Site

Informal employee and management surveys indicate regular use of Claremont's services. Additionally, Utilization Reports show how important Claremont's services are to City employees. A Utilization report from 1/1/2022 through 4/30/2022 is attached (**Attachment B**).

Overall Claremont provides exceptional services to City employees and has done so since being retained.

Moreover, those services come at a reasonable cost:

City of Oakland Claremont Cost History					
Fiscal Year	2017/18	2018/19	2019/20	2020/21	2021/22
Annual Cost	\$168,800	\$174,353	\$180,127	\$180,127	\$180,127

**\*Budgeted Amount. The annual Claremont Cost has never surpassed the budgeted amount. Budget amounts based on 4,288 non-sworn and 486 sworn employees. Base pricing and budgeted amount remained constant over the last few years due to conditions caused by the COVID-19 pandemic.**

Claremont provides an indispensable service at a reasonable price. Analysis by staff indicates that Claremont's agreement should be extended so that quality and fiscally responsible services will be maintained for City employees, so that the City remains compliant with applicable regulations, and so that the City fulfills its responsibilities to its labor partners.

Based on an Availability Analysis from the Department of Workforce & Employment Standards, the Local and Small Local Business Enterprise Program's 50% requirement should be waived (**Attachment C**). The Analysis concluded that no local certified firms conducted EAP services.

### **FISCAL IMPACT**

The contract with Claremont is capitated. This means it functions like a health-care contract in which a medical provider is given a set fee per patient regardless of treatment required. Here, the City pays a contracted rate per eligible employee, referred to as a "per-employee-per-month" rate for services. Capitated fees are billed monthly based on a headcount provided by the City. Accordingly, there may be monthly fluctuations in cost. In addition to capitated fees, Claremont is sometimes owed a fee for clinical visits or other fee-for-service services. Such fees are paid based on employee utilization and vary over time.

In prior contracts Claremont quoted different prices for Sworn and Non-sworn personnel, with slightly different services provided for each category of employee. However, in this Contract Claremont quoted a common price while maintaining required services for each employee type. Claremont quoted in this manner to offer cost savings and promote administrative efficiency. Claremont proposed a monthly fee of \$3.00 per eligible employee per month plus a \$95 cost for clinical visits beyond the base visits included. This pricing will cover the first two-year contract period subject to renegotiation before contract extension. While the actual fiscal impact will vary depending on future employee count and clinical visit usage, HRM budgeted conservatively to account for both ongoing service cost possible fee-for-service needs.

Total EAP Program fiscal impact – Estimated

Amount Budgeted by Fiscal Year	
Fiscal Year	Budget
2022/23	\$200,000
2023/24	\$200,000
2024/25	\$208,000
2025/26	\$216,000
2026/27	\$222,000
2027/28	\$230,000
2028/29	\$240,000

Funding for EAP services for non-sworn employees is contained within the Fringe Benefits Fund (1300), Undetermined Organization (00000), Accrued Health/FICA/Medicare Account (21516), Undetermined Project (0000000), Undetermined, Program (0000). No additional budgetary adjustment is necessary.

Funding for EAP services for sworn employees of the Oakland Fire Department is contained within the General Purpose Fund (1010), Fire Human Resources Organization (20811), Miscellaneous Contract Services Account (54919) Undetermined Project (0000000) Personnel Resource Management Program (PS16). No additional budgetary adjustment is necessary.

The contract year for this contract runs from July 1 through June 30 for all contracted years.

### **PUBLIC OUTREACH / INTEREST**

There are no public outreach opportunities associated with this report further than the required publication on the City's website.

### **COORDINATION**

Development of this report was coordinated with internal staff in Human Resource Management, Oakland Fire Department, Budget Bureau, City Attorney's Office, and City Administrator's Office.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** *There are no economic, environmental, or social equity opportunities associated with this report.*

***Environmental:*** *There are no economic, environmental, or social equity opportunities associated with this report.*

***Race and Equity:*** *There are no economic, environmental, or social equity opportunities associated with this report.*

**ACTION REQUESTED OF THE CITY COUNCIL**

Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute An Agreement With Claremont Behavioral Services, Inc. ("Claremont") For Employee Assistance Program ("EAP") And Related Services For: (1) All Non-Sworn City Employees And Their Respective Eligible Dependents And (2) Sworn Employees Of The Oakland Fire Department ("OFD") And Their Respective Eligible Dependents In An Amount Not To Exceed A Total Amount Of Four Hundred Thousand Dollars (\$400,000) (Two Hundred Thousand Dollars Per Contract Year 2022-2023; And 2023-2024) With Options To Extend the Agreement In One Or Two Year Increments Through Fiscal Year 2029 In Amounts Not To Exceed Two Hundred Eight Thousand Dollars (\$208,000) In Contract Year 2024-2025, Two Hundred Sixteen Thousand Dollars (\$216,000) In Contract Year 2025-2026, Two Hundred Twenty-Two Thousand Dollars (\$222,000) In Contract Year 2026-2027, Two Hundred Thirty Thousand Dollars (\$230,000) In Contract Year 2027-2028, And Two Hundred Forty Thousand Dollars (\$240,000) In Contract Year 2028-2029 For A Total Amount Not To Exceed One Million Five Hundred Sixteen Thousand Dollars (\$1,516,000), And (3) Waiving The Local And Small Local Business Enterprise (L/SLBE) Participation Requirements.

For questions regarding this report, please contact ANDREW LATHROP, RISK MANAGER, at (510) 238-7165.

Respectfully submitted,

Digitally signed by Andrew S. Lathrop  
Date: 2022.06.27 15:39:25 -07'00'

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IAN APPLEYARD  
Director, Human Resources Management  
Department

Prepared by:  
Andrew S. Lathrop, Risk Manager

Attachments (3):

- A: RFP for EAP and related services
- B: City of Oakland Utilization Report 1/1/2022 – 4/30/2022
- C: Availability Analysis dated 4/8/2022

