



**THE PORT  
OF LOS ANGELES**

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*Executive Director*

June 6, 2012

Empathia Pacific, Inc.  
31416 Agoura Road, Suite 180  
Westlake Village, CA 91361

**SUBJECT: AGREEMENT NO. 12-6585-A – FIRST AMENDMENT TO  
AGREEMENT NO. E6585 BETWEEN THE CITY OF LOS  
ANGELES AND EMPATHIA PACIFIC, INC.**

At its meeting held May 17, 2012, the Board of Harbor Commissioners approved the above-subject agreement with Empathia Pacific, Inc, assigned Harbor Department Agreement No. 12-6585-A.

Enclosed is an executed original of Agreement No. 12-6585-A.

Very truly yours,

KORLA G. TONDREAULT  
Commission Secretary

Enc.

RECOMMENDATION APPROVED;  
RESOLUTION NO. 12-7311 ADOPTED; AND  
AGREEMENT NO. 12-6585-A APPROVED  
BY THE BOARD OF HARBOR COMMISSIONERS

May 17, 2012

*Karla G. Tordella*  
SECRETARY



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: MAY 8, 2012**

**FROM: HUMAN RESOURCES**

**SUBJECT: RESOLUTION NO. 12-7311 - FIRST AMENDMENT TO  
AGREEMENT NO. E6585 BETWEEN THE CITY OF LOS ANGELES  
HARBOR DEPARTMENT AND EMPATHIA PACIFIC, INC.**

**SUMMARY:**

The Human Resources Division requests approval of the First Amendment to Agreement No. E6585 with Empathia Pacific, Inc. (Empathia), located in Westlake Village, California, to provide Employee Assistance Program (EAP) services to City of Los Angeles Harbor Department (Harbor Department) employees. On June 2, 2011, Agreement No. E6585 was approved as a one-year Executive Director agreement in the amount of \$40,000. The proposed First Amendment would extend the term of the agreement, which expires on June 1, 2012, one year with a new expiration date on June 1, 2013. The proposed First Amendment would also increase the total agreement amount by \$40,000, for a new total not-to-exceed \$80,000. The recommendation to select Empathia Pacific, Inc. is based on the Request for Proposals (RFP) performed by the Harbor Department in 2011.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that in accordance with the City Charter Section 1022, the City does not employ personnel with the required expertise nor is it feasible to do so on a temporary or occasional basis;
2. Approve the First Amendment to Agreement No. E6585 with Empathia Pacific, Inc. for employee assistance program services to increase the total agreement amount by \$40,000 from \$40,000 to \$80,000 and extend the agreement term an additional year for a total term of two years;
3. Authorize the Executive Director to execute the proposed First Amendment for and on behalf of the Board; and
4. Adopt Resolution No. 12-7311.

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SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. E6585 WITH EMPATHIA

DISCUSSION:

Background- The City of Los Angeles (City) has an EAP as part of its comprehensive benefits package. The EAP is a resource for employees struggling with work/life balance, family and relationship issues, stress and anxiety, alcohol and drug dependency, and other emotional health issues. The City's EAP is administered by Managed Health Network (MHN). Empathia (formerly known as NEAS and prior to that, Dorris & Associates) has provided EAP services to Harbor Department employees since 1985. Empathia provides quality services that have been both sensitive and responsive to our employees' needs. The fully subsidized Harbor Department's EAP meets the same goals as the City's program and provides additional sessions as well as immediate training as need arises.

Forty Thousand Dollars is budgeted annually for EAP services. Actual spending for EAP services in fiscal year (FY) 09/10 was \$24,190, and in FY 10/11 it was \$26,540. Year-to-date spending for the current fiscal year is \$27,824. The increased spending is due to an increase of the number of Harbor Department employees over the last three fiscal years and due to a service fee increase. The Harbor Department is charged a monthly fee per employee for EAP services, and charged per incident for training and other as-needed services. The Harbor Department's utilization rate for EAP services in FY 09/10 was 13.6%, and in FY 10/11 it was 9.5%, which is above the government entity average of 8.6%. Utilization rates are not reflective of the EAP provider's service quality or availability. Employees' utilization of EAP services are unpredictable because the choice to use them is personal in nature and may be prompted by unknown factors. Although past expenditures have been under \$30,000, the funding level is kept at \$40,000 as a contingency to ensure that enough money is available for this important employee benefit.

In January 2011, a Request for Proposals (RFP) was sent to 34 companies who identified themselves as providing EAP services. Only three proposals were received. One proposal was deemed non-responsive because it did not meet the 25% Small Business Enterprise (SBE) requirement. The remaining two accepted proposals were from Empathia and The Holman Group. Due to the low responsiveness of the RFP, staff contacted MHN to find out why a proposal was not submitted. MHN stated that they did not respond because they could not meet the SBE requirement or comply with insurance requirements because their insurer would not furnish the requested information. After proposal evaluations and interviews, Empathia was selected. On June 2, 2011, the Harbor Department entered into a one-year agreement with Empathia for an agreement amount not-to-exceed \$40,000 (Transmittal 1).

The original intent was to enter into a three-year agreement with Empathia for EAP services. However, staff decided on an Executive Director agreement for one year in order to conduct outreach to attract more EAP providers to respond to our next RFP. During the past year, research was conducted by contacting other EAP providers. Only four companies were responsive to our request for information, including MHN. One company, that is Knox-Keene licensed, stated that the Harbor Department's employee count of 951 is below their threshold for contracting. One company, also Knox-Keene

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**SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. E6585 WITH EMPATHIA**

licensed, said the Harbor Department's employee count was too large for it to be able to adequately provide EAP services. The last EAP respondent was not Knox-Keene licensed. A Knox-Keene license is a requirement for EAP providers in order to provide mental health counseling services to employees in the state of California. This license ensures that these organizations meet certain minimum standard and gives them the right to conduct business in the state of California. A RFP was not conducted this year after receiving feedback from EAP providers and receiving such a low response in 2011. However, a RFP will be issued prior to the expiration of the First Amendment. It is hoped that there will be more qualified EAP providers who will submit proposals at that time.

Proposed First Amendment- The proposed First Amendment (Transmittal 2) will ensure the continuity of EAP services to Harbor Department employees for one more year. The new expiration date would be revised from the current date of June 1, 2012 to June 1, 2013. The proposed First Amendment would also increase the maximum amount payable by \$40,000, from \$40,000 to \$80,000.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an amendment to an agreement with Empathia for EAP services to increase the total agreement amount and extend the length of the agreement by one year. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

This Board action will have minimal economic impact (less than one job) in the five-county region.

**FINANCIAL IMPACT:**

Approval of the proposed First Amendment extending the term of the existing one-year Agreement by one additional year for a total of two years, will commit the Harbor Department to funding the Agreement with Empathia Pacific, Inc. in the amount of \$40,000 each fiscal year for a total of \$80,000 over the current and next fiscal year. The total authority amount of the proposed Agreement will be \$80,000 over the total two-year term of the Agreement through FY 12/13.

Funds for FY 2011/12 have been budgeted in the amount of \$40,000 in Account 51790, Center 0530, Program 000. Total expenditures to date during FY 11/12 total \$27,824. Funds for FY 12/13 in the amount of \$40,000 have been requested to be budgeted as part of the proposed FY 12/13 budget, subject to Board approval.

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SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. E6585 WITH EMPATHIA

CITY ATTORNEY:



The Office of the City Attorney has reviewed and approved the Amendment as to form and legality.

TRANSMITTALS:

1. Agreement No. E6585
2. First Amendment to Agreement No. E6585



TISH LORENZANA  
Director of Human Resources

FIS Approval:  (initials)  
CA Approval:  (initials)



for MOLLY CAMPBELL  
Deputy Executive Director

APPROVED



GERALDINE KNATZ, Ph.D.  
Executive Director

TL/dg  
Author: D. Gray

FIRST AMENDMENT TO AGREEMENT NO. E6585  
BETWEEN THE CITY OF LOS ANGELES  
AND  
EMPATHIA PACIFIC, INC.

Agreement No. E6585 between the CITY OF LOS ANGELES and EMPATHIA PACIFIC, INC. is hereby amended a first time as follows:

1. Section III is amended to read:

This Agreement shall be in full force and effect commencing from the date of execution and shall continue until the earlier of the following occurs:

1. Two (2) years from the date of execution of this Agreement by Executive Director;

or

2. The Board of Harbor Commissioners, in its sole discretion, terminates and cancels all or part of this Agreement for any reason upon giving to Consultant ten (10) days' notice in writing of its election to cancel and terminate this Agreement.

2. Section V.B is amended to read:

The maximum payable under this Agreement, including reimbursable expenses (see Exhibit B), shall be Eighty Thousand (\$80,000).

Except as amended herein, all remaining terms and conditions of Agreement No. E6585 shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties have executed this First Amendment to Agreement No. E6585 on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

Dated: 5/30/12

By [Signature]  
Executive Director

Attest [Signature]  
Board Secretary

EMPATHIA PACIFIC, INC

Dated: 5/1/12

By: [Signature]  
Barbara Weir, CEO  
(Print/type name and title)

Attest [Signature]  
Patti Ackermann, CFO  
(Print/type name and title)

APPROVED AS TO FORM  
5/9, 2012  
CARMEN A. TRUTANICH, City Attorney

By [Signature]  
Simon Kann, Deputy

Account#	51790	W.O. #	
Ctr/Div#	0530	Job Pac.#	
Proj/Prog#	000		
Budget FY:		Amount:	
	FY 2011/12		\$5,000
	FY 2012/13		\$35,000
	TOTAL		\$40,000

For Aect/Budget Div. Use Only

Verified by: [Signature]  
Verified Funds Available: [Signature]  
Date Approved: 5/03/2012