



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 21, 2016

FROM: HUMAN RESOURCES

SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND EMPATHIA PACIFIC, INC.

SUMMARY:

The Human Resources Division staff requests approval of an Agreement 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 May 2, 2013, Agreement No. 13-3118 for EAP services was approved for three years in the amount of \$120,000 and expires on May 1, 2016. The proposed Agreement would be for a period of three years for an amount not-to-exceed \$120,000. The recommendation to select Empathia is based on the Request for Proposals (RFP) performed by the Harbor Department in February 2016. EAP services under the proposed Agreement are the financial responsibility of the Harbor Department.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action is exempt for the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with the City Charter Section 1022, the services required can be performed more feasibly by an outside contractor than by City employees;
3. Approve the Agreement with Empathia for EAP services in an amount not-to-exceed \$120,000 for a total term of three years;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Agreement; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Background and Context - 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, grief and loss, domestic violence, 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) 12/13 was \$30,091, in FY 13/14 it was \$29,480, and in FY 14/15 it was \$32,060. Year-to-date spending for the current fiscal year is \$22,051. The Harbor Department is charged a monthly fee of \$2.20 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 12/13 was 11.6%, in FY 13/14 it was 8.4%, and in FY 14/15 it was 6.6% which, according to the Employee Assistance Professional Association, is above the government entity average of 5.0%. Utilization rates are based on employee usage of the services and 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 \$35,000, the funding level is kept at \$40,000 as a contingency to ensure that enough money is available for this important employee benefit.

Request for Proposal (RFP) – An RFP was released on February 22, 2016, and posted on the Port of Los Angeles website and the Los Angeles Business Assistance Virtual Network (LABAVN). The Harbor Department received a proposal from one company by the March 17, 2016 deadline. The proposal was from Empathia.

The proposal was evaluated by a selection committee of three individuals: a Personnel Director II (Department of Transportation), a Senior Personnel Analyst I (Human Resources), and a Secretary (Human Resources).

The proposal was scored based on the following criteria:

- Firm Qualifications, Experience and References;
- Organization, Personnel and Staffing;
- Approach, Work Plan and Management;
- Rates and Fees; and
- Clarity and Comprehensiveness of the Proposal

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All three members of the selection committee, including an evaluator from outside the Harbor Department, independently reviewed and rated Empathia's proposal and determined that their proposal would be an excellent selection.

Due to the low responsiveness of the RFP, staff contacted the companies that viewed and downloaded the opportunity from the LABAVN, but did not submit a RFP, requesting that they take the time to send an email advising as to why they did not submit a proposal. Two companies responded and stated that although the RFP is within the scope of their business, they did not submit a proposal because of the Knox-Keene requirement. 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 standards and gives them the right to conduct business in the state of California.

Proposed Agreement - The proposed Agreement (Transmittal 1) will ensure the continuity of EAP services to Harbor Department employees for three more years. The proposed Agreement will be for an amount not-to-exceed \$120,000.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with Empathia for EAP services for Harbor Department employees, which is an administrative activity. As such, 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.

FINANCIAL IMPACT:

Approval of the proposed Agreement for a total of three years will commit the Harbor Department to funding the Agreement with Empathia in the amount of \$40,000 in FY 16/17 in Account 51790, Center 0530, Program 000. The total authority amount of the proposed Agreement will be \$120,000 through FY 18/19. Funds for future fiscal years 17/18 and 18/19 in the amount of \$40,000 in each year will be requested to be budgeted as part of the annual budget adoption process, upon Board approval.

CITY ATTORNEY:

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

TRANSMITTAL:

1. Agreement with Empathia Pacific, Inc.

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FIS Approval: *MB* (initials)
CA Approval: *J* (initials)

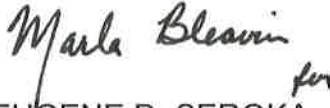


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Director of Human Resources



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Deputy Executive Director

APPROVED:



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Executive Director

TL/rg
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