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CONTRACT AWARD EMPLOYEE ASSISTANCE PROGRAM

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated December 22, 2009, from the Commissioner of Corporate Services, subject to the Police Services Board's acceptance of the contract.

1. RECOMMENDATIONS

It is recommended that:

1. York Region enter into a contract with Shepell.fgi for the provision of the York Region Employee Assistance Program.
2. The contract for services should commence on February 1, 2010 for a period of two years in the amount of \$354,144, with an option of a third year, if services are satisfactory.
3. The Commissioner of Corporate Services be authorized to sign the contract with Shepell.fgi, subject to review by Legal Services.
4. The Commissioner of Corporate Services be authorized to extend the contract for the optional third year if service proves satisfactory.

2. PURPOSE

The purpose of this report is to inform the Finance and Administration Committee and Regional Council of the results of the Request for Proposal for the provision of the Region's Employee Assistance Program and to recommend Shepell.fgi as the service provider. The report is required because, although Shepell.fgi was the proponent with the highest overall score, they were not the lowest bidder.

3. BACKGROUND

The Region has provided an Employee Assistance Program since 1988

York Region has engaged the services of FGI for provision of its EAP counselling since 2001. The service provided has been very satisfactory, well received and well utilized by staff. Utilization over the eight years with Shepell.fgi has averaged 18%, although more recently it has been higher, 24% in 2008 and trending toward 30% in 2009.

Employee Assistance Programs provide a financial return on investment. Research indicates that for every dollar spent on an Employee Assistance Program, there is a return to the plan sponsor through reduced costs in employee absenteeism and improved productivity. The Employee Assistance Program is a key element of York Region's Benefit program and the Workplace Wellness program. York Region has recognized the value of providing an EAP for its staff since 1986.

York Region and York Regional Police combined their Request for Proposal

The Region's Purchasing By-law necessitates a review of ongoing service provisions on a three year basis. Accordingly, a request for proposal was issued in October 2009. For the first time, York Region and York Regional Police combined their RFP as each organization's EAP contract was due for renewal. Submissions were received from three service providers. The submissions were reviewed and evaluated by representatives of York Region and York Regional Police.

4. ANALYSIS AND OPTIONS

Comprehensive evaluation of each proposal conducted

Representatives from the Region and York Regional Police together with members of Supplies and Services for each organization evaluated the proposals in a two step process according to the following criteria:

- Qualifications
- Relevant experience on similar projects
- References
- Responsiveness and completeness of the submission
- Demonstrated understanding of Regional requirements
- Administrative capabilities
- Location/geographic ability to deliver services
- Demonstrated client-centred approach
- Capacity to protect confidentiality
- Demonstrated ability to refer clients to professionals
- Innovation of solution offered (value added)
- Price

Step 1

The initial evaluation was conducted individually by the members of the evaluation team. Each committee member ranked the submissions based on their personal review and evaluation.

Step 2

The evaluation team as a whole performed the secondary evaluation in order to arrive at a consensus. A weighted point system, based on the importance of each criterion, was used in the evaluation of the submissions. After reviewing each proposal as a team, the three submissions were ranked based on their technical merit. The technical scores are outlined in the table below.

After the technical evaluation was completed, the price envelopes were opened. The weighting for the RFP was 70% for technical merit and 30% for the price. Each proponent provided several variations in their pricing submission making a 1:1 comparison quite difficult. After careful review and consideration of each price submission the evaluation team looked at the price quoted by each proponent based on 17% utilization, which enabled an authentic price comparison. The 17% utilization rate was chosen as the comparator as it was a baseline set-out and priced specifically in each submission.

RFP Evaluation Results

Proponent	Technical Rating	Price Comparison (2 years)	Total Points Technical & Price Combined
Shepell.fgi	55.9	\$297,228	83.9
Homewood Employee Health	48.7	\$316,404	75.0
Human Solutions Inc.	47.0	\$278,052	77.0

Shepell.fgi is recommended as the successful proponent as the combination of the technical and price points resulted in the highest score.

5. FINANCIAL IMPLICATIONS

Savings realized by combining the Region and York Regional Police

The annual cost for the Region's portion for the provision of the Employee Assistance Program will be \$177,072. This cost is based on a fixed utilization rate of 17% for the first two years of the contract and will not fluctuate based on higher utilization.

The increased staff size realized by combining the York Region and York Regional Police groups results in a per employee price decrease from what has been paid in the last three years for the two EAP programs. In the 2006-2009 contract period the annual rate per employee for York Region was \$68.36 compared to \$63.24 for the new contract period. This lower per employee rate represents annual savings of \$10,756.

Other than in the ranking table above, all dollar figures quoted in this report are for the Regional portion alone. A requirement of the RFP was that separate prices be provided for both the Region and the Police. The Police will do a separate report for the Police Services Board to obtain approval to award the contract.

Sufficient funds have been included in the Human Resource Services budget to cover the costs of the Employee Assistance Program.

6. LOCAL MUNICIPAL IMPACT

The Region's choice of an EAP provider will have no impact on the local municipal partners.

7. CONCLUSION

Under the authority of the Commissioner of Corporate Services the contract for provision of the Employee Assistance Program should be awarded to Shepell.fgi. All those who participated in the evaluation concluded that the Shepell.fgi submission most closely matched the requirements set out in the RFP. Awarding the contract to Shepell.fgi will allow for continuity in service provision and preclude any time and effort costs for start-up of the EAP program with a new provider.

For more information on this report, please contact Nancy Paterson, Manager, Employee Services at Ext. 1264.