



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 4/21/2020

DEPARTMENT: Resource Management

STAFF CONTACT: Dianna Wright/Amy Tharnish

SUBJECT: Consideration of renewal of contract with Marathon Health, Inc. for the management of the Olathe Wellbeing Center.

ITEM DESCRIPTION:

Consideration of renewal of contract with Marathon Health, Inc. for the management of the Olathe Wellbeing Center.

SUMMARY:

In 2015, City staff conducted a Request for Proposal to review the City's health management program and solicited proposals from qualifying vendors to manage the on-site employee Health and Wellness Center. The contract was awarded to Marathon Health, Inc. for a 3-year contract with an option for 2 additional years. On June 5, 2018, the council agreed to the 2-year extension of the Marathon Health, Inc. contract.

The Olathe Wellbeing Center serves over 2,400 employees, retirees and dependents with a variety of services that saves both employee time and City money. The staff have become an integral part of the health and wellness initiatives provided by the City for our employees and dependents. City staff and Marathon staff work collaboratively to foster a culture of wellness for our employees which helps us to deliver the level of service that the citizens of Olathe have come to expect.

Marathon Health, Inc. has offered to extend the current contract at the current rate for three additional years without annual increases. In addition, they will be adding behavioral health therapy at an amount not to exceed \$40,000 per year. The City has reviewed potential Olathe vendors to determine if any would be interested and/or qualified to participate in submitting a proposal to provide the on-site wellbeing program for the City. None has indicated an interest or ability to provide the service model the City requires.

FINANCIAL IMPACT:

Operating costs for 2020 is \$509,063, which will remain for the next three years from June 3, 2020 through June 3, 2023. The additional cost for the behavioral counseling services is not to exceed \$40,000 per year. The funds are budgeted in the Risk Management Fund, Health and Dental division.

ACTION NEEDED:

Staff recommends extension of the Marathon Health, Inc. contract for three (3) years.

ATTACHMENT(S):

Addendum #2 to Professional Services Agreement
