



Date: January 12, 2021
Current Meeting: January 21, 2021
Board Meeting: January 28, 2021

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Vice President for Human Resources Jeff Brown
SUBJECT: Consideration and Approval of Option Year with Everside Health (Formerly Activate) for On-Site Clinic and Wellness Program

ACTION ITEM A – 7

RECOMMENDATION:

In a manner consistent with IPTC procurement and contract award standards, we request that the Board authorize the President/CEO to exercise the final one (1) year option in its contract with Everside Health (formerly Activate Health) to manage the on-site clinic and wellness program utilized by represented and non-represented employees.

BACKGROUND:

IPTC has developed a comprehensive wellness program that focuses on the health of our workforce. IPTC wants its employees to lead balanced lives and commit to developing lifelong habits of wellness. Promoting health and reducing healthcare costs is also a priority for IPTC. On-site health and wellness clinics help control today's healthcare costs. These clinics provide preventive care and treatment to employees, thus increasing their attendance at work. And on-site clinics are particularly beneficial for decreasing the number of off-site, health-related, patient care visits.

To this end, IPTC engaged Everside Health (formerly the Activate Health) to provide an on-site health and wellness clinic available to all employees. In 2016, the Board approved contract with Everside Health in the amount of \$2,291,051. The approved contract was for three years and included two option years. When the contract was approved in 2016, the fiscal impact was based on an employee headcount of 540 FTE and a price per member. Given IPTC's service expansion goals, the number of employees, however, increased significantly since 2016 and was not accounted for in the approved contract amount. Today, IPTC now has an employee headcount of 845 FTE, well above the initial figure contemplated in the contract. Because employee headcount has grown each year, the cost to IPTC has gradually increased. By way of illustration, in November 2017 the total expenditures were \$252,178. That cost grew to \$694,462 in 2019 and roughly \$625,000 in 2020, all of which was due to an increase in employee headcount. Collectively over the four-year duration of the contract, IPTC has expended approximately \$2,212,820, which is slightly less than the approved contract price with the one-year option remaining.

DISCUSSION:

Additional funding is necessary to fulfil the contractual terms of the final option year. The increase in costs is directly related to the increase in employee headcount. By way of comparison, in 2016 the employee headcount was 540 FTE compared to an 845 FTE in 2021, an increase of just over 300. Based on invoices from 2020 and current employee headcount, IPTC anticipates the expenses for 2021 to be approximately \$700,000, which will raise the five-year total expenditures to approximately \$2,900,000 which well exceeds the Board approved amount. Exercising the final option will exceed the Board approved amount by over \$100,000, and for that reason, Board approval is necessary. For this reason, and additional \$700,000 is requested.

ALTERNATIVES:

The Board could choose to not exercise the final option year. However, at this time, there is no viable alternative because IPTC is required to provide an on-site clinic and wellness program to represented employees pursuant to the collective bargaining agreement with the ATU, Local 1070. Human Resources will work with Finance to manage the budget to pay for the additional cost. Please know, however, that Human Resources may request additional funding later in the fiscal year.

FISCAL IMPACT:

The total cost of this procurement for the on-site clinic and wellness program is projected to be \$700,000, subject to increase or decrease based on future enrollments.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Service Committee on January 21, 2021.