

RESOLUTION 2019-116
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROVING THE PURCHASE OF HEALTH SERVICES FROM MARATHON HEALTH,
INC. AS AN EXCEPTION TO THE COMPETITIVE PURCHASING PROCESS

WHEREAS, Section 8-161(d)(1)(b) of the City Code authorizes the Purchasing Agent to negotiate purchases of materials, professional services and services without utilizing a competitive bidding or proposal process when the Purchasing Agent determines that although there may be more than one source, the competitive process cannot reasonably be used, or if used will result in a substantially higher cost to the City, will otherwise injure the City's financial interests or will substantially impede the City's administrative functions or the delivery of services to the public; and

WHEREAS, the City has offered employees and their families health services at an onsite wellness clinic provided by Marathon Health, Inc. ("Marathon") since August 8, 2014; and

WHEREAS, the City's current agreement with Marathon will expire on January 14, 2020; and

WHEREAS, in coordination with Marathon and the City's benefit consultant, HUB International, City staff has undertaken a review of the costs and return on investment with respect to the wellness clinic, and identified opportunities to enhance clinical outcomes, increase capabilities, and align the clinic more closely with the City's health and wellness programs; and

WHEREAS, this collaborative process has resulted in a defined roadmap for the clinic into 2020 and 2021; and

WHEREAS, Marathon has agreed to waive its right to an annual 2% increase on its annual service fee, meaning Marathon will provide services in 2020 at its 2019 rates, and is willing to negotiate its fees for 2021; and

WHEREAS, the anticipated total expenditure for Marathon's services in 2020 are anticipated to be \$850,000; and

WHEREAS, City staff is recommending that Council grant the Purchasing Agent authority to extend Marathon's agreement for two additional one-year terms, which will allow City staff the time to properly evaluate the value of the wellness clinic in meeting the City's benefits strategy and employee needs; and

WHEREAS, the Purchasing Agent has determined that, although there may be more than one responsible source for health services at the wellness clinic, the competitive process, if used will result in substantially higher costs to the City, would injure the City's financial interests by interfering with the City's ability to fully evaluate the clinic in light of its costs and the City's employee wellness goals, and would otherwise substantially impede the City's administrative functions as the City's benefits team undertakes the development of competitive processes for identifying providers for other employee health and retirement benefits; and

WHEREAS, Section 8-161(d)(3) of the City Code requires City Council's prior approval for this purchasing approach when the procurement exceeds \$200,000.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby approves the purchase of health services from Marathon Health, Inc., as an exception to the City's competitive purchasing process requirements for the reasons set forth herein, and authorizes the Purchasing Agent to extend the current agreement for up to two (2) one-year terms.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 17th day of December, A.D. 2019.



Mayor

ATTEST:



City Clerk

