THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: March 10, 2026

Subject: Extension of Employee Health Services

Staff Resource(s): Emily Provance, Director of Human Resources

Action Requested: Adoption of resolution authorizing an amendment to the contract with Marathon Health Parent, LLC. for oversight and management of Employee Health Services through June 30, 2026.

Background:

- The City of Asheville contracts with Marathon Health Parent, LLC for oversight and management of the Employee Health Services clinic for employees and their eligible dependents.
- The current contract expired in February 2026 so the City followed procurement protocols and released an RFP for these services.
- The process of receiving and evaluating RFP submissions to select a vendor through the competitive bidding process has been completed and the inter-departmental review committee selected Marathon to continue delivering these services.
- The City of Asheville and Marathon are working to ensure that the deliverables of the new contract meet employee and organizational needs with no disruption to current programs and services. This amendment will extend the current contract through June 30, 2026 and allow those discussions and negotiations to continue. In addition, it will align the new contract with other benefits contracts and the City's fiscal year.
- The amendment will increase the total contract amount by $534,202.72 to $5,031,202.72. The funds are budgeted in the Health Insurance Fund for this year.

Vendor Outreach Efforts:

- Current Contract - N/A

Council Goal(s):

- Clean, Safe & Healthy Environment

Committee(s):

- N/A

Pro(s):

- Fulfills employee and employee family benefit needs.

Con(s):

- None

Fiscal Impact:

- Funding for this contract is available in the Health Fund operating budget.

Suggested Motion:

- Motion to approve a resolution authorizing the City Manager to approve an amendment to the contract with Marathon Health Parent, LLC. to extend the oversight and management of the City's Employee Health Center through June 30, 2026 and to increase the current contract by $534,202.72 for a total contract amount not to exceed amount by $5,031,202.72.

Attachment(s):

- Resolution

RESOLUTION NO. 26-____

RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND AN EXISTING CONTRACT WITH MARATHON HEALTH PARENT, LLC FOR OVERSIGHT AND MANAGEMENT OF THE CITY'S EMPLOYEE HEALTH CENTER BY EXTENDING THE CONTRACT THROUGH JUNE 30, 2026 AND INCREASING THE CONTRACT

WHEREAS, the City of Asheville has authority pursuant to Article 3 of Chapter 160A of North Carolina General Statutes to enter into contracts for services with other entities; and

WHEREAS, the City has a current contract with Marathon Health Parent, LLC; and

WHEREAS, employees and their families have utilized the contracted services and a new Request for Proposal process resulted in the continuation of these services; and

WHEREAS, City staff recommends the execution of a contract amendment to extend the current contract through 6-30-26 and to increase the current contract amount by $534,202.72 to allow such services to continue until a new contract is negotiated:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to amend the current contract on behalf of the City of Asheville with Marathon Health Parent, LLC to continue oversight and management of the Employee Health Services clinic and is further authorized to execute said contact amendment for an additional $535,202.72, bringing the total expenditure under this contract to $5,031,202.72 and to execute any necessary change order to said contract.

Read, approved and adopted this the 10th day of March, 2026.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney