

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE DIRECTOR OF HUMAN RESOURCES TO ENTER INTO AN AGREEMENT WITH MARATHON HEALTH TO AMEND THE HEALTH SERVICES AGREEMENT WHICH CHANGES THE SECOND RENEWAL PERIOD FROM TWELVE (12) MONTHS TO SIXTEEN (16) MONTHS, IN THE AMOUNT OF NINE HUNDRED NINETY-FOUR THOUSAND FIVE HUNDRED DOLLARS (\$994,500.00).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby authorizing the Director of Human Resources to enter into an agreement with Marathon Health to amend the Health Services Agreement which changes the second renewal period from twelve (12) months to sixteen (16) months, in the amount of \$994,500.00.

ADOPTED: _____, 2016

/mem

City of Chattanooga



Resolution Request Form

(This form is only required for resolutions requiring expenditure of City funds)

Date Prepared: 4-11-2016

Preparer: Madeline Green

Department: Human Resources

Brief Description of Purpose for Resolution:

Resolution Number (if approved by Council):

A resolution authorizing the Director of Human Resources to enter into an agreement with Marathon Health to amend the Health Services Agreement which changes the second renewal period from twelve months to sixteen months.

Name of Vendor/Contractor/Grant, etc.	<u>Marathon Health</u>	New Contract/Project? (Yes or No)	<u>No</u>
Total project cost \$	<u>994,500.00</u>	Funds Budgeted? (YES or NO)	<u>yes</u>
Total City of Chattanooga Portion \$	<u>994,500.00</u>	Provide <u>Fund</u>	<u>6523</u>
City Amount Funded \$	<u>994,500.00</u>	Provide <u>Cost Center</u>	<u>10301</u>
New City Funding Required \$	_____	Proposed Funding Source if not budgeted	_____
City's Match Percentage %	_____	Grant Period (if applicable)	_____

List all other funding sources and amount for each contributor.

<u>Amount(s)</u>	<u>Grantor(s)</u>
\$ _____	_____
\$ _____	_____
\$ _____	_____

Agency Grant Number _____

CFDA Number if known _____

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

Approved by: _____

Reviewed by: FINANCE OFFICE

DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, accounting, City Attorney, City Finance Officer and Deputy Administrator Finance

**AMENDMENT TO
HEALTH SERVICES AGREEMENT**

Extension of Renewal Period through August 31, 2016

This First Amendment to Health Services Agreement (the "Amendment") is made and entered into as of the 31st day of March, 2016, by and between the City of Chattanooga ("Client") and Marathon Health, Inc. ("Marathon") (Client and Marathon are collectively referred to as the Parties). The Parties agree as follows:

RECITALS

- A. Client and Marathon entered into that certain Health Services Agreement dated March 2, 2011 (the "Original Agreement").
- B. The Parties entered into an Addendum to the Original Agreement effective March 16, 2012.
- C. The Parties entered into a second Addendum to the Original Agreement effective July 1, 2014.
- D. The Parties now desire to amend the Original Agreement as provided herein.

**SECTION ONE
AMENDMENT**

Section 3.2 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

3.2 Renewal Terms. This Agreement shall automatically renew for two (2) consecutive additional terms (each a "Renewal Term" and together, the "Renewal Terms"), the first of which shall be for one (1) year and the second of which shall be for sixteen (16) months, unless either party terminates this Agreement by giving written notice not less than three (3) months prior to the expiration of the then current Renewal Term. Such Renewal Term(s) shall be subject to the termination provisions set forth in Article VIII below. Failure to provide timely written notice shall act as a party's intent to automatically renew the Agreement at the end of the then current Renewal Term. The parties agree that they shall begin good faith negotiations regarding any material changes to the terms of this Agreement no later than six (6) months prior to the end of the then current Renewal Term. The Parties agree that they may pursue an additional extension period beyond September 2, 2016 (the expiration date of the second Renewal Term). Any such additional extension agreed to by the Parties will be subject to approval by the Chattanooga City Council.

**SECTION TWO
AMENDMENT**

Schedule B, Services Fees, is hereby amended by deleting the last sentence reading as follows: *"First-year fee only; first year annual fee of \$2,142,630 increases by 5% in subsequent years. \$149,760 due at contract signing" and replacing this sentence with the following: *"First-year fee only; first year annual fee of \$2,142,630 increases by 5% in subsequent years during the term of this Agreement and each Renewal Term."

NO OTHER AMENDMENTS

Except as expressly amended herein, the Original Agreement and all subsequent Addendums remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the day and year first above written.

CITY OF CHATTANOOGA

MARATHON HEALTH, INC.

By: _____

By: Jerry Ford
CEO