MEMORANDUM

TO: Mayor and City Council

FROM: Ed Van Eenoo, Deputy Chief Financial Officer
Byron Johnson, Purchasing Officer

DATE: October 1, 2012

SUBJECT: Recommendations on Resolution No. 20120405-054

Attached, please find the Report on Insourcing Select Service Contracts. This report is the final outcome of the direction in Council Resolution No. 20120405-054 for staff to gather data and explain the rationale for utilizing a contractor to perform various non-professional services.

The analysis in this report includes:

- The estimated City annual operating costs for five years,
- Start-up costs such as capital equipment,
- The number of full-time positions the City would need to hire,
- The estimated annual contract costs for five years,
- The difference between the City and the contract in additional costs or savings over the 5-year period.

There is also a factor for inflation applied in the out years to both the contract costs and the City's projected costs. The analysis does not include the cost to buy land, build or rent additional facilities to house staff and equipment. If Council chooses to insource contracts with space needs, this significant impact will require a separate facility assessment.

Of the 54 contracts that were part of this review, only one is recommended for insourcing. The Parks and Recreation Department's Millennium Youth Entertainment Center contract analysis estimates savings of $1.7 million over the five-year period as a result of insourcing. However, the Center is currently under review for a program assessment and development of a long-term strategic plan. This independent examination should be completed before Council makes a final decision about insourcing the service.

More detail on the scope, methodology and recommendations follows in the Executive Summary and in the detailed attachments for each contract. Each of the contracts in this report will be brought to Council for further consideration and direction in the coming months. If you have any questions about the results of this analysis please contact Ed Van Eenoo at 974-2638 or Byron Johnson at 974-2050.

CC: City Manager
Assistant City Managers
Chief Financial Officer
Deputy Chief Financial Officers

City of Austin
Report on Insourcing Select Service Contracts

Contract versus City Source

October 1, 2012

Prepared by:
Financial Services Department

REPORT SUMMARY

Over the last six months, staff has systematically reviewed 48 service contracts to document the rationale for utilizing a contractor to provide the services instead of City staff. The review included a comprehensive fiscal analysis of operations and maintenance costs along with a thorough examination of non-financial reasoning for outsourcing. The analysis shows, while there are individual cases in which transitioning to in-house service provision would result in a net benefit to the City, overall, it would result in increased operating cost to the City, require significant investments in equipment, and, in many cases, result in diminished service provision as a result of reduced flexibility in the City's ability to adapt to situational operational fluctuations which is a major advantage to and rationale for utilizing contractors.

As this report is examined, it is important to note that staff cannot corroborate the assumption that contract staff does not have access to good, affordable benefits—which was the driving force behind the recommendation for analysis—since a review of the existing benefit levels of contracted staff has not been performed. Therefore, it also cannot be concluded that the additional cost associated with shifting the employment status from private to public would result in a net benefit to the community. Other factors to consider, but which are not included in the analysis, are the substantial investment in facilities that would be required to bring a number of the contracts in-house and the lifecycle costs associated with start-up capital equipment. If the City moves forward with transitioning to provide certain services in-house, a more detailed, department-specific analysis of resulting facility needs would need to be conducted to ensure the most efficient use of space and to leverage economies of scale. A detailed analysis of the replacement cost of start-up equipment has been excluded due to the myriad categories of such equipment discussed in the individual contract analyses and the associated variability in the useful life of the equipment.

For informational purposes, the report includes, under Background, a summary of the actions that have occurred since March that have precipitated the comprehensive analysis contained herein. Within the Objectives, Scope and Methodology section is a thorough discussion of the process used to choose which contracts would be reviewed and the process staff undertook to estimate the cost of insourcing and compare the contract cost to the City costs. The underlying assumptions used are also provided.

While each contract was reviewed individually—and those results can be found in the main body of the report—for discussion purposes, they have been combined into ten categories which are based on the types of services provided. The Results and Recommendation section provides the outcomes of the review process, including the fiscal analysis, summarized by these major service categories along with staff's recommendations, which are based on the data presented within this report.

BACKGROUND

In March of 2012, Austin Energy brought forward a Request for Council Action to approve a two-year janitorial services contract for multiple facilities. Council postponed the item and directed staff to explore available options with respect to how janitorial services are provided to its facilities. Specifically, Austin Energy staff was directed to review whether the City of Austin's Building Services Department (BSD) would be a viable alternative to using a contractor for Austin Energy's janitorial needs.

Staff's report, presented two weeks later, found that over the five-year term of the proposed contract period, it would cost the City significantly more to utilize BSD. The main factor in the cost differential is the City's higher labor costs for permanent employees. At that time, Council voted to reject the contract.

On April 5, 2012, Council passed a resolution directing the City Manager to gather data and develop a report on all current contracts for services, excluding contracts for professional services, and the rationale for utilizing a contractor to perform the services. The report was due to Council on June 28, 2012; however, the reporting deadline was extended until October 1, 2012, through Council Action in May. Over the past six months, City staff has diligently worked to identify applicable contracts, devise costing standards, establish reasonable assumptions where necessary, examine contract scopes, develop cost estimates, document rationale for outsourcing and prepare a cohesive document Council can use to guide their policy decisions.

On August 23, 2012, Building Services brought forward a Request for Council Action authorizing Building Services to add the 28 positions required to provide Austin Energy with janitorial services and fulfill Council's direction from March 22nd. After considerable discussion, the item failed on a 3-3 vote, with those opposed indicating they would prefer the opportunity to make their decision within the context of fully-discussed and overarching Council policy regarding the City's use of contract staff.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objective of this report is to comply with Council Resolution #20120405-054 directing the City Manager to gather data and develop a report on existing service contracts, excluding contracts for professional services, and the rationale for utilizing a contractor to perform the services.

Scope

Purchasing staff initially identified approximately 1,000 contracts which appeared to fall under the direction of the resolution. With City Manager support, staff narrowed the scope of the review by excluding contracts that were temporary or seasonal in nature, required a high degree of specialization, or fell under the City Manager's administrative authority of $55,000, and included only contracts that expired before January 1, 2013. A list of the resulting 54 contracts—provided to Council on June 1st—was reviewed by departments and further scrutinized for relevance. Five contracts were identified as expired with no intention for renewal and have been removed from this review. Another eleven were exempted from the analysis after the initial departmental evaluation identified factors that were incongruent with Council's stated reasoning for examining the potential to insource. For instance, two contracts are currently being performed by other municipal entities so staff providing the services have a comparable benefits and pay package to City employees. In other cases, the amount of work being provided did not require more than a 1/2-time position so benefits would not be available to the position. There were also cases where the nature of the work was sporadic, dependent upon situational factors, or the work being performed was subject to propriety information and therefore City staff would not have access to the information. While these eleven contracts have been exempted from fiscal analysis, the information sheets are included and contain the explanation for exemption. A handful of contracts were merged together reducing the total

count by three. Finally, two contracts related to electrical line clearing services and one related to tree trimming in the right of way have been added to the list.

A final discrepancy from the original list provided to Council is due to one contract requiring additional time for analysis resulting from the exceptionally complex nature of the contract. The Contract and Management Department created a job order contract with multiple vendors for a wide array of general construction services. This contract—with a total multiyear authorization of $7.5 million and total to-date expenditures of $5.5 million—is eligible for use by all City departments and over the past year has provided services for numerous projects. To properly assess the resources that would be required if a contract of this nature were to be brought in-house, each project needs to be analyzed individually. Given the extensive review process currently underway and the magnitude of this contract alone, staff will require additional time to conduct an accurate analysis. This analysis will be included as part of the Request for Council Action when the contract is brought forward for renewal.

The remaining 37 contracts are the subject of the comprehensive analysis that follows. As these contracts encompass a wide variety of services, they have been organized into ten general categories: Fleet Services, Security Services, Janitorial/Custodial, General Facility Maintenance, Facility Management, General Construction Services, Temporary Staffing Services, Landscaping/ Grounds Keeping, Line Clearing/Tree Trimming, and Light Concrete/Pavement Work.

Methodology

The contract analysis compares the contract price to the estimated cost of bringing the service in-house over a five-year period. A three-percent annual growth in the contract cost is generally assumed to account for cost escalators such as inflation, personnel and fuel and maintenance. A few of the contracts were recently renewed, with set contract prices for the next five years; in these cases, the contract cost reflects these numbers rather than a built-in three-percent inflation factor. Additionally, in several instances, it was deemed more accurate to base analysis on actual costs recently incurred under the contract than on the total authorized contract amount. In these instances, historical spending was used to determine projected fiscal year 2013 cost, which was then inflated by three percent annually for the remainder of the five-year analysis.

In evaluating the impact to the City, the contracting departments were directed to provide an analysis of the cost of insourcing the services provided for in the contracts, meeting the specifications of each contract with regard to work objectives, standard of performance, and qualifications. This analysis encompasses the costs of personnel, contractuals and commodities, training, and capital start-up required for equipment purchases. Departments were instructed to evaluate the level of staffing that would be required to maintain continuity of service; this includes all supporting contractuals and commodities and equipment expenses. Staffing was calculated using market wages with an annual three percent wage adjustment and ten percent annual inflation for health insurance costs. In order to fulfill the intent of providing full benefits to the employees providing these services, departments included positions at .75 FTE or higher, regardless of the actual amount of work these positions would perform. The cost estimates also included contractuals and commodities costs where appropriate, including fleet fuel and maintenance expense inflated at three percent annually. Capital investment for equipment is also calculated; financial staff provided the standardized pricing on capital equipment in order to maintain consistency. The departments then evaluated their needs to execute the contract service for five years, including the addition of any new personnel and equipment. The final step in the analysis was the creation of a transition plan for each contract that would minimize disruption of service during the in-housing process.

It is important to note that the analysis of each contract does not account for the lifecycle costs of capital assets. Managing these lifecycles and replacing these capital assets will require additional financial investment in later years. Moreover, this analysis does not reflect any expenses related to building or leasing new facilities or buying land; the included contract analyses simply note the presence or absence of facility limitations. As noted above, if the City moves forward with transitioning to provide certain services in-house, a more detailed, department-specific analysis of resulting facility needs would need to be conducted to ensure the most efficient use of space and to leverage economies of scale. The foregoing analysis does not incorporate the costs of conducting such a study or of implementing its findings.

RESULTS AND RECOMMENDATIONS

In the aggregate, transitioning to in-house provision of the services encompassed by the 37 analyzed contracts would require an additional $169 million over a five-year period and 687.5 full-time equivalent positions. For reasons of cost-effectiveness, concerns about facility limitations, and other considerations, staff recommends continuing to outsource the services provided for by 36 of the contracts.

Of the 37 contracts analyzed, only two would provide a cost savings to the City were the services entailed by the contracts to be brought in-house:

- The Watershed Protection Department's contract with Texas Industries for the Blind and Handicapped (TIBH) for vegetation control and debris removal. Savings from insourcing are projected at approximately $1 million over five years.
- PARD's contract with SMG to manage the Millennium Youth Entertainment Complex (MYEC). Savings from insourcing are projected at approximately $1.7 million over five years.

In light of the cost savings, staff recommends insourcing the contract for the operation of the MYEC. Not only will this change benefit the City financially, it will enable the department to better meet the desires of the community by offering enrichment opportunities and holistic youth development programs. The Center is currently under review for a program assessment and development of a long-term strategic plan. This independent examination should be completed before Council makes a final decision about insourcing the service.

With respect to the TIBH contract, staff's recommendation is that the City continue to outsource these services through the same vendor. While insourcing these services would generate a cost savings, it would also require ending a 22-year relationship with TIBH and reduce job opportunities for blind and handicapped Austinites.

The tables below display the projected fiscal year 2013 operating costs of maintaining existing contracts versus transitioning to providing services in-house, the start-up costs and FTE impact of such a transition, the projected cumulative five-year comparative cost or savings to the City from insourcing, and the existence of any facility limitations, as well as staff's recommendation as to whether or not to insource the contracted services.

Fleet Services

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/ (Savings)	FTEs	Facility Limitations	Staff Rec.
FR-1	Retread Tire Services	$417,897	$490,286	$685,000	$291,912	4.00	Yes	No
FR-2/ FR-3	Vehicle Cleaning and Washing Services	$1,333,676	$113,280	$7,000,000	$13,332,850	20.00	Yes	No
FR-4	Vehicle tire repair & replacement services	$83,308	$78,850	$102,780	$123,650	1.00	No	No
FR-6	Repair Services for Ford Trucks	$173,034	$80,328	$25,000	$526,923	2.00	Yes	No
FR-7	Repair Services for Dodge Trucks	$78,267	$10,572	$15,000	$379,183	1.00	Yes	No
Total		**$2,086,182**	**$773,316**	**$7,827,780**	**$14,654,518**	**28.00**		

Security Services

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-6	Security Guard Services	$2,021,210	$1,009,100	$5,000	$5,357,600	32.50	No	No
FM-17	Unarmed Uniformed Security Guard Services	$3,433,721	$1,478,110	$128,000	$10,726,823	54.00	No	No
Total		**$5,454,931**	**$2,487,210**	**$133,000**	**$16,084,423**	**86.50**		

Janitorial/Custodial

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
JC-1	Custodial service for various AE facilities	$1,368,610	$883,100	$196,497	$3,310,947	28.00	No	No
Total		**$1,368,610**	**$883,100**	**$196,497**	**$3,310,947**	**28.00**		

General Facility Maintenance

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-1	Fencing Repair and Installation	$505,507	$225,000	$75,000	$1,291,198	6.00	Yes	No
FM-2	Hydroblasting	$174,027	$175,450	$519,500	$511,757	2.00	No	No
FM-3	HVAC	$954,892	$116,125	$104,000	$3,904,311	6.00	No	No
FM-4	Plumbing Maintenance & Repair	$857,298	$121,730	$130,000	$3,749,615	8.00	No	No

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-15	Graffiti Removal Services	$283,071	$130,027	$50,000	$681,207	4.00	No	No
FM-18	Electrical Maintenance, Repair & Renovation Services	$1,008,443	$120,533	$104,000	$4,430,049	7.00	No	No
Total		**$3,783,238**	**$888,865**	**$982,500**	**$14,568,137**	**33.00**		

Facility Management

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-14	Millennium Youth Entertainment Complex	$509,374	$814,648	$56,000	($1,679,071)	6.00	No	Yes
Total		**$509,374**	**$814,648**	**$56,000**	**($1,679,071)**	**6.00**		

General Construction Services

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-8	Demolition, reconstruction, repair and new construction	$6,393,950	$5,139,269	$1,875,000	$9,899,275	60.00	Yes	No
Total		**$6,393,950**	**$5,139,269**	**$1,875,000**	**$9,899,275**	**60.00**		

Light Concrete/Pavement Work

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
LCC-1	ADA Sidewalk & Ramp Improvements	$2,172,607	$1,371,400	$1,929,964	$6,434,446	11.00	Yes	No
LCC-4	ADA Sidewalk & Ramp Improvements	$518,404	$515,000	$430,600	$436,891	5.00	Yes	No
LCC-2	Annual Service Agreement for Wastewater Manhole Rehabilitation	$65,882	$22,658	$880,000	$1,109,481	0.00	Yes	No
LCC-3	Road Milling Services	$4,673,551	$2,737,110	$3,321,030	$13,578,832	21.00	Yes	No
Total		**$7,430,444**	**$4,646,168**	**$6,561,594**	**$21,559,650**	**37.00**		

Temporary Staffing Services

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
GL-2	Temporary Staffing Services	$7,012,310	$4,500,000	$0	$14,956,588	99.00	No	No
GL-4	Temporary Employment Services	$605,443	$241,229	$25,000	$1,960,198	8.00	Yes	No
Total		**$7,617,753**	**$4,741,229**	**$25,000**	**$16,916,786**	**107.0**		

Landscaping/Groundskeeping

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
LGK-2	Mowing	$483,943	$203,344	$255,500	$1,761,441	7.00	No	No
LGK-3	Neighborhood tree planting program	$784,121	$166,080	$219,000	$3,561,319	9.75	Yes	No
LGK-4	Grds Maint for Pump, Lift Stations & Pkg Plants	$186,501	$133,212	$70,432	$363,041	2.00	No	No
LGK-5	Grds Maint for Pump, Lift Stations & Pkg Plants	$186,501	$45,965	$70,432	$826,247	2.00	No	No
LGK-6	Grds Maint for Pump, Lift Stations & Pkg Plants	$186,501	$43,737	$70,432	$838,075	2.00	No	No
LGK-7	Weed & Lot Mowing/Clearing/ Tire Disposal/ROW/ Prop Maint Svcs	$820,653	$232,759	$346,025	$3,512,462	11.00	Yes	No
LGK-8	Mowing services for Circle C	$359,621	$17,600	$96,000	$1,920,445	5.00	No	No
LGK-10	Vegetation Control Program	$1,608,648	$1,800,000	$574,182	($1,007,372)	18.00	Yes	No
LGK-11	Landscaping Services	$102,102	$69,812	$75,400	$579,869	2.25	No	No
LGK-12	Landscaping of Medians for North, South, and Central Zones	$383,160	$211,153	$188,567	$1,053,341	5.00	Yes	No
LGK-13	Landscape Maintenance Services	$1,035,170	$328,360	$380,672	$3,980,008	13.00	No	No
LGK-14	Landscaping and Grounds Maintenance Decker & SHEC	$230,220	$74,630	$47,000	$886,585	3.00	No	No
Total		**$6,367,141**	**$3,326,652**	**$2,393,642**	**$18,275,461**	**80.00**		

Line Clearing/Tree Trimming

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
TT-1	Energized Transmission Utility Line Clearance Agreement	$19,867,962	$16,000,000	$8,340,000	$35,674,587	165.0	Yes	No
TT-2	Energized Distribution Utility Line Clearance Agreement	$3,343,869	$2,000,000	$3,050,000	$10,758,340	25.00	Yes	No
TT-3	Citywide tree trimming in the right-of-way	$2,745,173	$1,160,000	$484,138	$9,400,394	32.00	Yes	No
Total		**$25,957,004**	**$19,160,000**	**$11,874,138**	**$55,833,321**	**222.0**		

Total

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
ALL	**Total**	**$66,968,627**	**$42,860,457**	**$31,925,151**	**$169,423,447**	**687.5**		

OTHER CONSIDERATIONS

Facility Limitations

In many cases consideration has not been given to where additional staff would be located. For some contracts, like the temporary staffing for the call centers, City space is currently utilized by temporary personnel. Changing the staff status from temporary to permanent would not require additional workspace. However, the more common situation is that work done by contracted labor is officed out of a location owned or controlled by the vendor. In those cases, staff will need to identify options for housing the new employees. For example, supervisors hired to manage the new custodial, fleet or grounds maintenance staff will need office space. With existing facilities at capacity, it is likely that the City's inventory of office space will need to be increased, as well as its storage capacity for vehicles and equipment. Of the 37 contracts reviewed, 18 cannot be done within our existing facilities and would require the leasing or construction of new facilities and potentially the purchase of land. However, the substantial investment in facilities that would be required to bring a number of the contracts in-house has not been included in the analysis and would substantially and significantly alter the cost to the City. As noted above, in the event of a transition to provide many of these services in-house, a more detailed, department-specific analysis of facility needs would have to be conducted.

Affordable Care Act

One of the stated reasons for the Council resolution directing the City Manager to conduct the foregoing study is that "City of Austin temporary employees do not receive healthcare and retirement benefits." While information regarding the impact of the Act is speculative at this point, given that the most impactful aspects of the law do not become effective until January 1, 2014, it is important to consider the Act's potential outcome.

According to the Federal government's Website, Heathcare.gov, the following conditions of the Affordable Care Act are scheduled to be effective January 1, 2014 (see: http://www.healthcare.gov/law/timeline/index.html).

- Starting in 2014 if your employer doesn't offer insurance, you will be able to buy it directly in an Affordable Insurance Exchange. An Exchange is a new transparent and competitive insurance marketplace where individuals and small businesses can buy affordable and qualified health benefit plans. Exchanges will offer you a choice of health plans that meet certain benefits and cost standards. Starting in 2014, Members of Congress will be getting their health care insurance through Exchanges, and you will be able buy your insurance through Exchanges too.
- Under the new law, most individuals who can afford it will be required to obtain basic health insurance coverage or pay a fee to help offset the costs of caring for uninsured Americans. If affordable coverage is not available to an individual, he or she will be eligible for an exemption.
- Workers meeting certain requirements who cannot afford the coverage provided by their employer may take whatever funds their employer might have contributed to their insurance and use these resources to help purchase a more affordable plan in the new Affordable Insurance Exchanges. These new competitive marketplaces will allow individuals and small businesses to buy qualified health benefit plans.
- Americans who earn less than 133% of the poverty level (approximately $14,000 for an individual and $29,000 for a family of four) will be eligible to enroll in Medicaid. States will receive 100% federal funding for the first three years to support this expanded coverage, phasing to 90% federal funding in subsequent years.
- Tax credits to help the middle class afford insurance will become available for those with income between 100% and 400% of the poverty line who are not eligible for other affordable coverage. (In 2010, 400% of the poverty line comes out to about $43,000 for an individual or $88,000 for a family of four.) The tax credit is advanceable, so it can lower your premium payments each month, rather than making you wait for tax time. It's also refundable, so even moderate income families can receive the full benefit of the credit. These individuals may also qualify for reduced cost-sharing (copayments, co-insurance, and deductibles).
- The law implements the second phase of the small business tax credit for qualified small businesses and small non-profit organizations. In this phase, the credit is up to 50% of the employer's contribution to provide health insurance for employees. There is also up to a 35% credit for small non-profit organizations.

The Medicaid expansion described above is contingent on individual states agreeing to participate. Texas has not yet and appears unlikely in the near future to expand its Medicaid participation (cf. "Protesters take fight over Medicaid expansion to Gov. Perry," *Austin-American Statesman*, September 21, 2012, http://www.statesman.com/news/texas-politics/protesters-take-fight-over-medicaid-expansion-to-gov-2464518.html). Even acknowledging this caveat, the Affordable Care Act is likely to have a significant effect on the availability and affordability of health insurance in the greater Austin area.

Transforming Regional Health Care Delivery

The community is currently exploring options for transforming health care delivery in the region. If approved, Central Health's five-cent property tax rate increase included on November's ballot, "will be used for improved healthcare in Travis County, including support for a new medical school consistent with the mission of Central Health, a site for a new teaching hospital, trauma services, specialty medicine such as cancer care, community-wide health clinics, training for physicians, nurses and other healthcare professionals, primary care, behavioral and mental healthcare, prevention and wellness programs, and/or to obtain federal matching funds for

healthcare services." While the outcome of the election will be decided soon, the impacts on the community should tax increase be approved and the related project be funded could take years to decipher.

Detail by Contract

Grouped by Major Service Category

Fleet Services

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FR-1	Retread Tire Services	$417,897	$490,286	$685,000	$291,912	4.00	Yes	No
FR-2/ FR-3	Vehicle Cleaning and Washing Services	$1,333,676	$113,280	$7,000,000	$13,332,850	20.00	Yes	No
FR-4	Vehicle tire repair & replacement services	$83,308	$78,850	$102,780	$123,650	1.00	No	No
FR-6	Repair Services for Ford Trucks	$173,034	$80,328	$25,000	$526,922	2.00	Yes	No
FR-7	Repair Services for Dodge Trucks	$78,267	$10,572	$15,000	$379,183	1.00	Yes	No
Total		**$2,086,182**	**$773,316**	**$7,827,780**	**$14,654,517**	**28.00**		

REF NUMBER FR-1

Contract Description:
Purchase of services to retread tires.

Contract Scope:
The contract provides for the purchase of services to retread tires. Retreading is a process whereby worn tires, called casings, receive a new tread. The cost of a retread tire is approximately 50% less than that of a new tire and provides approximately the same length of service when used on the rear axle. Retread tires are primarily used on the rear axles of the City's fleet of heavy-duty vehicles, trucks, trailers, and off-road equipment. This contract also provides for the contractor to pick up City-owned tire casings and deliver recapped City tires on a weekly basis, ensuring a regular supply of retread tires. The current contractor utilizes a technology known as Michelin Retread Technologies (MRT) which has been tested and used successfully by Fleet Services for a number of years.

Primary Department:
Fleet Services

Current Vendor:
Strouhal Tire Recapping Plant, Inc.

Contract Length:
Fleet Services has always contracted for these services. With respect to the current vendor, the original contract period was from March 8, 2012 to May 31, 2012 with two twelve (12) month renewal periods. The current contract is in the first renewal period.

MBE/WBE:
No

Staff Recommendation:
Staff recommends continuing to outsource this service.

The retreading process requires specialized equipment, training, a facility large enough to accommodate the staff, equipment and supplies needed for the retreading process (e.g., raw rubber, retread material), and storage space for casings (tires that have worn through all of their usable tread) and retread tires. Additionally, a vehicle (either a medium-duty truck with gooseneck trailer or a 20' Box truck) would be required to transport casings and retread tires to and from the tire shop in order to maintain the integrity of the tire inventory process. Fleet does not have the resources or capability to provide this service.

Additionally, given the legal requirements governing the disposal of waste materials from the retreading process, staff would require significant training and guidance from

the Texas Commission on Environmental Quality (TCEQ) to ensure compliance with environmental rules, policies and regulations.

Finally, given the current demand for retread services—the City currently retreads approximately 140 casings per month through the contract—a City-run tire retreading facility might lay idle on a periodic basis. Alternatively, with a limited number of trained technicians, if City employees were absent and work could not be completed, vehicles/equipment might not have retread tires available in a timely fashion.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to the transition occurring.

Fiscal Analysis:
Fiscal year 2013 contract costs have been projected by calculating the average actual monthly expenditures to date under the current contract and multiplying this figure by twelve. An annual inflation adjustment of 3% has then been applied to determine estimated contract costs for the out years.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$490,286	$504,994	$520,144	$535,748	$551,821	$2,602,993
City Operating	$417,897	$422,753	$438,931	$456,072	$474,252	$2,209,905
City Start-up*	$685,000	$0	$0	$0	$0	$685,000
Difference	**$612,611**	**($82,241)**	**($81,213)**	**($79,676)**	**($77,569)**	**$291,912**
FTEs	4.0	0.0	0.0	0.0	0.0	4.0

***Start-up costs include:**
Specialized recapping equipment required for a 10-station operation: electronic liner inspection; tread cutting and buffering; advanced X-ray system; buffering station; small-cut repair station; hole repair; pre-mold cushion extrusion and tread building; vacuum system; curing station; and final inspection. A 20' Box truck would also be required to transport the tires to and from the new recapping facility.

Transition Plan:
The City must determine if there is a City-owned building that can be used for the purpose of retreading tires. If no City-owned building is available, the City must purchase land and construct a building or rent a facility suitable for this purpose. Once the City has identified or acquired a facility that will accommodate the equipment, supplies, personnel and storage space necessary to provide retreading services, Fleet could complete the necessary solicitations, purchasing, installation, and hiring within approximately one year.

REF NUMBER FR-2/FR-3

Contract Description:
Vehicle car wash and interior cleaning services

Contract Scope:
This is for two contracts that provide full-service and self-service vehicle cleaning and washing services for City-owned vehicles. There are four car wash locations available for use by the City; two in South Austin, one in Central Austin, and one in North Austin. The Central Austin area is that portion of the City from the Colorado River north to Highway 290 East/FM2222 and the South Austin area is that portion of the City south of the Colorado River to the Travis/Hays County line. The North Austin area is that portion of the City from Highway 290 East/FM 2222 north to the Travis/Williamson County line. The contractors' car washing facilities must be open a minimum of eight hours a day, six days per week, normally excluding Sundays and holidays. The majority of these contracts will be used for police patrol sedans and will require special interior cleaning services on vehicles that have been soiled from routine transportation of alleged offenders.

The self-service washing is used for large utility vehicles while the full-service washing is used for the sedans, vans and pickups up to ¾-ton capacity. The self-service wash is provided to allow City employees to wash the exterior of the vehicles and vacuum the interior of medium to heavy vehicles. Vehicles included for this service are from the City's electric, wastewater, and Public Works departments. Other heavy trucks include street sweepers, refuse trucks, aerial tower units, crane trucks, hole digger derricks, dump trucks, sludge trailers and others. These vehicles may leave considerably more residue at the car wash due to the nature of their operation. The car wash facilities must be a minimum of 45 feet long, 14 feet tall and 8 feet wide to accommodate the large vehicles.

The full-service wash is performed by contractor-supplied attendants, and will include interior cleaning such as vacuuming, cleaning of windows and mirrors, and exterior cleaning such as wiping and hand drying of the vehicles. City vehicles are delivered by City employees who will remain on site until vehicle is complete. Services must be completed within twenty minutes of the arrival of the vehicle except for police vehicles. Interior cleaning of police sedans includes removal of human body fluids, including vomit, blood, urine, mucous, excrement, and spittle from the vehicles. Removal of patrol sedan's back bench seat may be required to thoroughly clean the vehicle. The interior is to be treated with a deodorant or air freshener to remove residual smells. All services must be completed within 90 minutes of the arrival of the police vehicle.

Primary Department:
Fleet Services Department

Current Vendors:
H2O Car Express, LLC and Jollyville Car Wash, Inc. dba Arbor Car Wash

Contract Length:
Fleet has contracted for vehicle washing services since 2004.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service. This recommendation is based on the large capital investment required to purchase the car wash equipment and facility and the significantly higher operating costs the City would incur if these services were provided through City staff.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the city to bring to this service in house. The projected expenditures below are the combined costs for Fleet's two car washing contracts. The contracts' expenditures are based on the signed contract amount and as such do not include a three percent inflationary factor. The current contracts allow for option periods in years 3, 4 and 5; these options are assumed to be accepted in this projection and correspond to FY15, FY16, and FY17.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$113,280	$146,040	$146,040	$201,624	$238,949	$845,933
City Operating	$1,333,676	$1,381,685	$1,432,601	$1,486,668	$1,544,152	$7,178,783
City Start-up*	$7,000,000	$0	$0	$0	$0	$7,000,000
Difference	**$8,220,396**	**$1,235,645**	**$1,286,561**	**$1,285,044**	**$1,305,203**	**$13,332,850**
FTEs	20.0	0.0	0.0	0.0	0.0	20.0

***Start-up costs include:**
Car wash equipment and the specialized buildings to house the car wash.

Transition Plan:
The City must determine if there are City-owned properties that can be used for the purpose of car washing. If no City-owned properties are available, the City must purchase land for this purpose. The facilities must then be built and staffed up as appropriate. The insourcing process is projected to require significant time, potentially a year or longer.

REF NUMBER FR-4

Contract Description:
Tire repair and replacement services.

Contract Scope:
The contract provides for tire repair and replacement services for City vehicles and equipment. Tire repair and replacement are provided on an as-needed basis, twenty-four hours a day, seven days a week. The Contractor maintains a small inventory of City-owned tires and repair supplies for use on road calls to service City vehicles and equipment. This ensures a continuous supply of tires and repair materials needed for repairs during non-regular hours, weekends, and holidays.

Primary Department:
Fleet Services

Current Vendor:
Southern Tire Mart, LLC

Contract Length:
Fleet Services has always contracted for these services. With respect to the current vendor, the original contract period was from June 25, 2009 to June 24, 2012 with three (3) twelve month renewal periods. The current contract is in its first renewal period.

MBE/WBE:
No

Staff Recommendation:
Staff recommends continuing to outsource this service.

While Fleet has the expertise and equipment to perform some of the services required under this contract, Fleet currently does not have the staffing and resources to provide all of the required services. Therefore, this contract is used primarily to supplement tire repair and replacement services performed by Fleet technicians.

A new position, Tire Technician, was approved in the fiscal year 2010-11 budget for the tire shop. Part of this position's responsibilities consists of responding to customer calls for immediate roadside assistance replacing and remounting tires during regular business hours. However, this one position cannot provide all of the required services. Fleet relies on the contract to guarantee tire repair and replacement services for all City vehicles and equipment during regular, non-regular, weekends and holidays.

Fleet's primary concern with potential insourcing is the cost of purchasing a fully equipped truck, tools, equipment and supplies, and funding the salary (with on-call pay) for one additional fulltime employee, which would be necessary to have a completely functional service unit to provide these services twenty-four hours a day,

seven days a week. In light of a relatively low rate of utilization, Fleet cannot recommend funding an additional FTE or incurring the substantial costs of the associated vehicle, tools, equipment, and supplies. The benefits of insourcing to obtain minimal improvement in controls on tire replacements are not justifiable.

Facility Limitations
None

Fiscal Analysis
Fiscal year 2013 contract costs have been projected by calculating the average actual monthly expenditures under the contract for the trailing 35 months and multiplying this figure by twelve. An annual inflation adjustment of 3% has then been applied to determine estimated contract costs for the out years.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$78,850	$81,216	$83,652	$86,162	$88,747	$418,628
City Operating	$83,308	$85,460	$87,749	$90,189	$92,792	$439,498
City Start-up*	$102,780	$0	$0	$0	$0	$102,780
Difference	**$107,238**	**$4,244**	**$4,097**	**$4,027**	**$4,045**	**$123,650**
FTEs	1.0	0.0	0.0	0.0	0.0	1.0

***Start-up costs include:**
Cost of one vehicle and all required equipment totaling $102,780.

Transition Plan:
The process would take a minimal amount of time since the only delays would be to purchase the service vehicle and hire a qualified employee. Fleet anticipates that all solicitation, purchasing, and hiring could take place within approximately nine months.

REF NUMBER FR-5

Contract Description:
This contract provides vehicle inspection and emission testing services for the Vehicles for Hire Program.

Contract Scope:
An independent vehicle inspections company currently conducts third party vehicle inspections and emissions testing on behalf of the Austin Transportation Department as a means to ensure consumer safety. As a part of the Vehicles for Hire program all taxi cabs, limousines, electric low speed vehicles, charter vehicles and airport shuttles are inspected to pass State of Texas vehicle and emission testing guidelines.

Primary Department:
Austin Transportation Department

Current Vendor:
Groovy Automotive

Contract Length:
The contractor has provided vehicle and emission inspections testing since August 2008.

MBE/WBE:
No

Staff Recommendation:
Staff recommends continuing to outsource this service. The legal aspect of insourcing this service still needs to be determined.

ATD's current rationale for contracting a third party vehicle and emission testing is primarily one of cost to the City. Between June 2011 and May 2012, Groovy Automotive conducted 978 total inspections. The average unit cost per inspection is $28.75 for a total spent of $28,120. In comparison, in order to facilitate this operation within the City of Austin, an initial investment of $94,628 would be required to hire the personnel and purchase the supplies and equipment needed. Some costs could be recouped through inspection fees, approximately $29,000, charged to the respective end users receiving the testing, but not enough to cover the annual cost as outlined.

Separately, the vendor is currently responsible for any liabilities or inaccuracies in the vehicle inspection process, which helps provide a second party 'check' on any maintenance and emissions work that may already be done in-house. This check, while not a calculable cost or savings, may also be reason to not bring the service in- house.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current usage of this contract and the cost to the City to bring this service in house. The FY13 contract cost is the amount spent over the past 12 months inflated by 3%. The subsequent years include a 3% cost escalator.

Annual costs for the in-house service include 1.5 FTEs in fleet technicians, space rental, training and education for equipment and testing certification, hand tools, and work clothes. Potential revenue from market rate fees that would be charged is deducted from the shown operating amount.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$26,800	$27,600	$28,400	$29,300	$30,200	$142,300
City-Operating	$72,628	$75,343	$78,250	$81,366	$84,710	$392,297
City-Start-up*	$22,000	$0	$0	$0	$0	$22,000
Difference	**$67,828**	**$47,743**	**$49,850**	**$52,066**	**$54,510**	**$271,997**
FTEs	1.5	0.0	0.0	0.0	0.0	1.5

***Start-up costs include:**
One emission testing machine at $18,000, one lift (single-state air/hydraulic jack) at $1,800 and two computers for Fleet Tech and Admin Associate for $2,200.

Transition Plan:
Planning implementation and transition would require a minimum of six to eight months in order to insource the vehicle inspection and emission testing for the Vehicles for Hire Program. This time would require securing a facility through the real estate office that would house the emission testing equipment, tools and required staff. As the facility was being set up and start-up capital purchased and installed, it is also expected that the initial posting and hiring process for administrative staff and certified technicians be under way before the services could be moved in house. This step is expected to take two to three months. In the meantime, a month-to-month contract extension of the existing vendor contract would be needed to maintain delivery of service.

REF NUMBER FR-6

Contract Description:
Purchase of repair services for Ford medium- and heavy-duty vehicles.

Contract Scope:
The contract provides for the purchase of repair services and associated repair parts for Ford medium- and heavy-duty vehicles—a medium-duty vehicle has a Gross Vehicle Weight Rating (GVWR) from 14,001 pounds up to 26,000 pounds and a heavy-duty vehicle has a GVWR greater than 26,000 pounds. The contractor provides repair service and associated repair parts on an as-needed basis. These repair services are used to supplement the Ford repairs performed by the Fleet technicians at the Fleet Service Centers.

The Contractor must:

1. Stock or have immediate access to a parts inventory sufficient to fill stock orders 95% of the time and be an established dealer for Ford parts.
2. Be an Original Equipment Manufacturer (OEM) authorized repair facility.
3. Have a minimum of two (2) service technicians, fully qualified to work on Ford medium- and heavy-duty trucks.
4. Transport vehicles to and from the City's facility and the contractor's facility. Pickup and delivery must be made during normal business hours: Monday through Friday between 8:00 a.m. and 5:00 p.m.
5. Complete repairs within five business days.
6. Be responsible for loss or damage of all items in its care, custody and control.
7. Properly dispose of used and contaminated lubricants and filters.

Primary Department:
Fleet Services Department

Current Vendor:
Leif Johnson Ford d/b/a Truck City Ford

Contract Length:
Contract period is from October 15, 2009 to October 14, 2012 with three twelve (12) month renewal periods.

MBE/WBE: Example:
No

Staff Recommendation:
Staff recommends continuing to outsource this service.

This contract is used primarily to supplement repairs performed by Fleet technicians. This includes certain repairs that require specialized equipment (e.g. lifts) and diagnostic software that Fleet does not currently have and repairs needed during times of peak demand and staff shortages. Even with the hiring of two additional technicians, there would still be some repairs that would have to be completed by an authorized Ford repair facility. For example, when a major engine component is replaced, it requires

access to proprietary manufacturer's software which is not available to Fleet since Fleet is not an authorized Ford repair facility. Depending on the scope and frequency of such repairs, Fleet might or might not be able to reduce the amount of the current contract even after hiring new staff. Even if these services were insourced, OEM parts for all repairs would still need to be purchased through a contract. Moreover, the current contract allows for repairs to be completed within five days. If these services were insourced and Fleet technicians were absent for any reason, repairs might be delayed and the vehicles might not be available.

Specialized equipment is needed to lift the entire cab in order to access the engine for repair. Although there are two Fleet Service Centers that have this equipment, it cannot be used for this purpose. It takes approximately 8 to 12 hours to raise the cab of the truck to access the engine. This would tie up the lifts and the bays and prevent their use for other repairs. As a result, there would be a need for two additional lifts and three additional bays in order to meet demand. None of the existing Service Centers providing these types of repairs can accommodate the additional bays, so a location would need to be identified that could accommodate all of the resources needed (e.g. equipment, personnel, parts, supplies, etc.).

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to the transition occurring.

Fiscal Analysis:
Fiscal year 2013 contract costs have been projected by calculating the average actual monthly expenditures under the contract for the trailing 28 months and multiplying this figure by twelve. An annual inflation adjustment of 3% has then been applied to determine estimated contract costs for the out years.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$80,328	$82,738	$85,220	$87,777	$90,410	$426,472
City Operating	$173,034	$178,385	$185,094	$192,187	$199,695	$928,395
City Start-up*	$25,000	$0	$0	$0	$0	$25,000
Difference	**$117,706**	**$95,647**	**$99,874**	**$104,410**	**$109,285**	**$526,922**
FTEs	2.0	0.0	0.0	0.0	0.0	2.0

***Start-up costs include:**
Equipment and software needs totaling $25,000.

Transition Plan:
Assuming that the City could identify a facility that would accommodate the equipment, supplies, personnel and storage space necessary to provide these repair services, within approximately four months Fleet could solicit for and launch construction of new service bays. Within approximately ten months, Fleet could complete construction of the new bays, installation of new equipment, and hiring of a new technician, and begin providing in-house services.

REF NUMBER FR-7

Contract Description:
Purchase of repair services for Dodge medium- and heavy-duty vehicles.

Contract Scope:
The contract provides for the purchase of repair services and associated repair parts for Dodge medium- and heavy-duty vehicles—a medium-duty vehicle has a Gross Vehicle Weight Rating (GVWR) from 14,001 pounds up to 26,000 pounds and a heavy-duty vehicle has a GVWR greater than 26,000 pounds. The contractor provides repair service with associated repair parts on an as-needed basis. These repair services are used to supplement the Dodge repairs performed by the Fleet technicians at the Fleet Service Centers.

The Contractor must:

1. Stock or have immediate access to a parts inventory sufficient to fill stock orders 95% of the time and be an established dealer for Dodge parts.
2. Be an Original Equipment Manufacturer (OEM) authorized repair facility.
3. Have a minimum of two (2) service technicians, fully qualified to work on Dodge medium- and heavy-duty trucks.
4. Transport vehicles to and from the City's facility and the contractor's facility. Pickup and delivery must be made during normal business hours: Monday through Friday between 8:00 a.m. and 5:00 p.m.
5. Complete repairs within five business days.
6. Be responsible for loss or damage of all items in its care, custody and control.
7. Properly dispose of used and contaminated lubricants and filters.

Primary Department:
Fleet Services Department

Current Vendor:
South Point Chrysler Dodge Jeep

Contract Length:
Contract period is from October 15, 2009 to October 14, 2012 with three twelve (12) month renewal periods.

MBE/WBE: Example:
No

Staff Recommendation:
Staff recommends continuing to outsource this service.

This contract is used primarily to supplement repairs performed by Fleet technicians. This includes certain repairs that require specialized equipment (e.g. lifts) and diagnostic software that Fleet does not currently have and repairs needed during times of peak demand and staff shortages. Even with the hiring of additional technicians, there would still be some repairs that would have to be completed by an authorized Dodge repair facility. For example, when a major engine component is replaced, it requires access to

proprietary manufacturer's software which is not available to Fleet since Fleet is not an authorized Dodge repair facility. Depending on the scope and frequency of such repairs, Fleet might or might not be able to reduce the amount of the current contract even after hiring new staff. Even if these services were insourced, OEM parts for all repairs would still need to be purchased through a contract. Moreover, the current contract allows for repairs to be completed within five days. If these services were insourced and Fleet technicians were absent for any reason, repairs might be delayed and the vehicles might not be available.

Specialized equipment is needed to lift the entire cab in order to access the engine for repair. Although there are two Fleet Service Centers that have this equipment, it cannot be used for this purpose. It takes approximately 8 to 12 hours to raise the cab of the truck to access the engine. This would tie up the lifts and the bays and prevent their use for other repairs. As a result, there would be a need for two additional lifts and three additional bays in order to meet demand. None of the existing Service Centers providing these types of repairs can accommodate the additional bays, so a location would need to be identified that could accommodate all of the resources needed (e.g. equipment, personnel, parts, supplies, etc.).

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to the transition occurring.

Fiscal Analysis:
Fiscal year 2013 contract costs have been projected by calculating the average actual monthly expenditures under the contract for the trailing 22 months and multiplying this figure by twelve. An annual inflation adjustment of 3% has then been applied to determine estimated contract costs for the out years.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$10,572	$10,889	$11,216	$11,552	$11,899	$56,128
City Operating	$78,267	$80,943	$83,872	$86,972	$90,257	$420,311
City Start-up*	$15,000	$0	$0	$0	$0	$15,000
Difference	**$82,695**	**$70,054**	**$72,656**	**$75,420**	**$78,358**	**$379,183**
FTEs	1.0	0.0	0.0	0.0	0.0	1.0

***Start-up costs include:**
Equipment and software needs totaling $15,000.

Transition Plan:
Assuming that the City could identify a facility that would accommodate the equipment, supplies, personnel and storage space necessary to provide these repair services, within approximately four months Fleet could solicit for and launch construction of new service bays. Within approximately ten months, Fleet could complete construction of the new bays, installation of new equipment, and hiring of a new technician, and begin providing in-house services.

Security Services

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-6	Security Guard Services	$2,021,210	$1,009,100	$5,000	$5,357,600	32.50	No	No
FM-17	Unarmed Uniformed Security Guard Services	$3,433,721	$1,478,110	$128,000	$10,726,823	54.00	No	No
Total		**$5,454,931**	**$2,487,210**	**$133,000**	**$16,084,423**	**86.50**		

REF NUMBER FM-6

Contract Description:
Unarmed security guard services

Contract Scope:
This contract allows the City to request unarmed security guard services as needed at a number of city facilities used by 7 distinct departments as well as Building Services, who supports all City departments. Guards are required to have background checks, training and license by the State.

The Building Services portion of the contract focuses on providing security at the four building Rutherford Lane Campus and the Techni-Center Building. Other departments typically utilize this contract to provide security or monitoring at libraries, municipal court proceedings, health and housing facilities, and the convention center. Additional departments which have authorization to use the contract but did not use it in FY12 have been excluded from this analysis so as not to overstate the potential cost.

Primary Department:
Building Services

Current Vendor:
Allied Barton

Contract Length:
Current contract since 2009; contract services began in 2005.

MBE/WBE:
No

Staff Recommendations:
Staff Recommends continuing to outsource this service.

Security provision at a site protects residents, customers, staff and assets, yet the need to provide security can be alternatively situational and periodic, or constant and ongoing. Some security guard responsibilities include 24 hour shifts that need to be staffed as well as managed on a different schedule than a normal 40-hour work week. Contractors have the resources and flexibility to provide additional trained and licensed security guards to maintain or ramp-up coverage when additional staff are needed due to vacations, training, sick or other non-productive time. If insourced, Building Services would need to maintain more security guards than required for shifts in order to provide backup for any non-productive time as well as incidental use. Building Services has also requested security guards for other locations or shifts, which the contractor can respond to within a few days.

Facility Limitations:
None.

Fiscal Analysis:
Based on the actual utilization of the contract specific to FY12, an additional 32.5 FTEs would be required, including uniforms, shoes, radios, ID/security badges, and annualized costs for training required for licensing and meetings. Because any given year's utilization of the contract varies widely based on use, only the actual expenses under the contract from FY12 form the basis for this analysis – both the actuals for the contract, and the resources needed to insource security provided by this contract in FY12.

Other departments which have authorization to use the contract but did not use it in FY12 have been excluded from this analysis so as not to overinflate the potential cost. For example, The Department of Aviation plans to start using the Allied Barton contract in FY13; the contract will be used for traffic control and ground transportation operations at ABIA during special events. The Department of Aviation has full-time employees that perform these services. However, there are several times a year when the airport is extremely busy and the additional resources will help to better serve the community and its visitors, for example, during Formula 1. The department anticipates using the contract services a total of 6-10 weeks per year. Due to the fact that the contract will be utilized for such limited, event-driven demand, the department has not added FTEs to perform this work. Hiring the staff required by this one department permanently would approximately double the estimate of insourcing this contract for FY13.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$1,009,100	$1,039,400	$1,070,600	$1,102,700	$1,135,800	$5,357,600
City Operating	$2,021,210	$2,035,499	$2,112,033	$2,193,501	$2,280,330	$10,642,573
City Start-up*	$5,000	$0	$0	$0	$0	$5,000
Difference	**$1,017,110**	**$996,099**	**$1,041,433**	**$1,090,801**	**$1,144,530**	**$5,289,973**
FTEs	32.5	0.0	0.0	0.0	0.0	32.5

***Start-up costs include:**
1 electric cart for RLC campus

Transition Plan:
Building Services would request a month to month contract while the posting and hiring process takes place. As employees are hired they would be integrated into duties until adequate staffing is hired. The total duration of hiring and training is estimated to take at a minimum, 3 months. However, additional security contracts would more than likely be required to cover incidental event needs such as F-1 as outlined above.

REF NUMBER FM-17

Contract Description:
Unarmed Uniformed Security Guard Services

Contract Scope:
This contract provides approximately 90,000 hours per year of unarmed security guard services at a number of Austin Energy (AE) facilities. These services are required to bolster AE security staff and protect AE and City of Austin personnel, assets and critical electrical infrastructure. Uniformed security officers conduct physical inspections and vehicle patrol, document and report activities and incidents, and maintain facility logs. The sites vary and include power plants, service yards, substations and material storage facilities, construction areas, pay stations, corporate offices and other operations common to electric utility service provision.

Primary Department:
Austin Energy

Current Vendor:
U.S. Security Associates, Inc.

Contract Length:
The current contract is a 5 year term that began in FY11. Vendors have provided this service since 2002.

MBE/WBE:
Yes

Staff Recommendations:
Staff Recommends continuing to outsource this service.

This contract provides an estimated 90,000 hours per year of unarmed security guard services at three different staff ranks, including field officers and corporate officers at multiple Austin Energy facilities. In addition to the straight provision of security services through hiring, supervisor positions would need to be added in addition to provide management and supplemental coverage during non-productive time. The vendors also have specific training and accreditation with the Department of Homeland Security required for the utility infrastructure protection that would need to be replicated through sending staff to specialized training and schools.

In addition to staff, additional vehicles would be needed for on-site patrol services at the Holly site, Sand Hill Energy Center, and the St. Elmo and Kramer Service Yards. The current contractor owns their own vehicles and maintains them with adequate insurance and liability coverage.

Facility Limitations:
None.

Fiscal Analysis:
Contract costs are set by reauthorization estimates until FY15. A 3% cost escalator was included for this analysis on remaining years. Costs for insourcing this contract include an estimated 54 security guards and supervisors or lead guards, uniforms, radios and badges, plus maintenance and gasoline for the site specific guard use.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$1,478,110	$1,478,110	$1,478,110	$1,522,000	$1,568,000	$7,524,330
City Operating	$3,433,721	$3,469,633	$3,599,249	$3,736,990	$3,883,560	$18,123,153
City Start-up*	$128,000	$0	$0	$0	$0	$128,000
Difference	**$2,083,611**	**$1,991,523**	**$2,121,139**	**$2,214,990**	**$2,315,560**	**$10,726,823**
FTEs	54.0	0.0	0.0	0.0	0.0	54.0

***Start-up costs include:**
4 Light-Duty Vehicles at $32,000 each

Transition Plan:
To bridge the gap between hiring 54 new staff, a month-by-month contract would need to be approved Specs written for vehicles and procurement. In addition, a phased approach would be necessary due to the large number of facilities. The total transition time could be expected to take 7-8 months.

Janitorial/Custodial

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
JC-1	Custodial service for various AE facilities	$1,368,610	$883,100	$196,497	$3,310,947	28.00	No	No
Total		**$1,368,610**	**$883,100**	**$196,497**	**$3,310,947**	**28.00**		

REF NUMBER JC-1

Contract Description:
Custodial Services for Austin Energy (AE) Facilities

Contract Scope:
This contract is comprised of three packages: A, B, and Power/Chiller Plants. Package "A" includes 8 Austin Energy Department locations, including Town Lake Center, Energy Control Center, Kramer Service Center Buildings C/D, Kramer Service Center Building E, St. Elmo Service Center, Back Up Control Center, and the Customer Care Walk-In Branch. Package "B" includes Combined Transportation, Emergency & Communication Center (CTECC) and takes into account that Austin Energy shares space at CTECC with other state and county agencies and, as such, is responsible for only a portion of the cost of janitorial services. The Power/Chiller Plants package currently includes 7 Austin Energy Department locations, including Decker Power Plant, Paul Robbins District Cooling Plant No.1, District Cooling Plant No. 2, Domain Plant, Holly Power Plant, Sand Hill Power Plant, and the Robert Mueller Energy Center. It also includes future services at the power plant and chiller plants, such as System Control Center (SCC) coming online in November. The purpose of having a janitorial services contract is to provide a clean and safe environment for City employees and the public. These facilities host both public and City meetings, and therefore, must be professionally cleaned and maintained. Services are divided into daily, weekly, bi-weekly, monthly, and quarterly tasks that vary by site.

Primary Department:
Austin Energy

Current Vendor:
American Facility Services (AFS)

Contract Length:
The contract expired March 31, 2012 and an extension was added until March 31, 2013. A recommendation for Council Action was submitted March 1, 2012 for a 24-month service contract with three additional 12-month extensions making it a 4-year term.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service.

Contracted janitorial services have been used by AE for the past 18 years; of which AFS has been the contractor for 5 years. AFS is the best option for providing janitorial services to AE facilities due to its lower cost to the City, as well as its ability to provide services without delay in ramping up staff and on boarding. The contract includes all required supervisory staff, transportation, equipment, cleaning, and paper products. In

addition, the contract meets the different locations' specific service level requirements, such as adjusted work schedules without additional costs.

For example, CTECC requires daily custodial services for the facility, 24 hours a day and 365 days per year. The services include a night crew and two day porters and are divided into daily, weekly, monthly, quarterly, semi-annual, and annual tasks. All onsite workers will be required to submit to and pass CTECC's stringent security check and North American Electric Reliability Corporation guidelines. In addition to regular janitorial service, 7 locations require quarterly floor/carpet cleaning and depending on the size of the building cleaning can take between one to three weeks per building.

Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house. The AFS contract, not including SCC, includes 17.0 workers. Building Services would need 17.5 positions. An additional 10.5 positions would be required once the SCC facility is operational. The analysis assumes that Building Services Office would add 28.0 FTEs for a total of 183.35 FTEs. The total estimated cost for these positions and related, commodity and contractual costs is $1,565,107 in FY 2013. Funding for this contract is currently included in the FY 2013 Budget of Austin Energy. Beginning in FY 2014, an annual 4% cost escalation increase in personnel, commodity and contractual cost drivers is projected. The five-year cost projection for outsourcing based on the same terms from the AFS contract comes to $4.9 million.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$883,100	$883,100	$971,410	$1,059,720	$1,148,030	$4,945,360
City Operating	$1,368,610	$1,575,711	$1,638,739	$1,704,289	$1,772,461	$8,059,810
City Start-up*	$196,497	$0	$0	$0	$0	$196,497
Difference	**$682,007**	**$692,611**	**$667,329**	**$644,569**	**$624,431**	**$3,310,947**
FTEs	28.0	0.0	0.0	0.0	0.0	28.0

***Start-up costs include:**
$146,497 in custodial supplies and equipment and $50,000 for two vehicles.

Transition Plan:
To bridge the gap between hiring 28.00 new staff, an additional extension to the AFS contract may need to be approved. Custodial supplies and equipment would need to be purchased, staff hired and trained. The transition is estimated to take up to 5 months before terminating the contract.

General Facility Maintenance

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-1	Fencing Repair and Installation	$505,507	$225,000	$75,000	$1,291,198	6.00	Yes	No
FM-2	Hydroblasting	$174,027	$175,450	$519,500	$511,757	2.00	No	No
FM-3	HVAC	$954,892	$116,125	$104,000	$3,904,312	6.00	No	No
FM-4	Plumbing Maintenance & Repair	$857,298	$121,730	$130,000	$3,749,615	8.00	No	No
FM-15	Graffiti Removal Services	$283,071	$130,027	$50,000	$631,207	4.00	No	No
FM-18	Electrical Maintenance, Repair & Renovation Services	$1,008,443	$120,533	$104,000	$4,430,049	7.00	No	No
Total		**$3,783,238**	**$888,865**	**$982,500**	**$14,518,138**	**33.00**		

REF NUMBER FM-1

Contract Description:
Fencing Installation and Repair Services

Contract Scope:
This contract establishes the minimum requirements for fencing installation and repair services for City facilities done on an as-needed basis.

Primary Department:
Building Services

Current Vendor:
Tony Parent Enterprises DBA Allied Fence Company

Contract Length:
The current contract was awarded in 2009. Previous contracts date back to 2002 or earlier.

MBE/WBE:
Yes

Staff Recommendations:
Staff Recommends continuing to outsource this service.

Fencing services are done on an as needed basis, scheduled only when repair or installation is requested at City sites. Because of the unpredictability of call demand, Building Services has contracted these services for approximately 10 plus years, having gone through several contract terms.

Facility Limitations:
The City does not currently have the necessary facility space for storage of heavy equipment and trucks to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis
A 3% escalator is included for the contract costs for this analysis. Costs for insourcing this contract would include two maintenance workers, fencing material, tools, uniforms, safety shoes, and fuel and maintenance for the truck that would serve as a workstation.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$225,000	$231,800	$238,800	$246,000	$253,400	$1,195,000
City Operating	$505,507	$447,954	$466,282	$485,567	$505,887	$2,411,198
City Start-up*	$75,000	$0	$0	$0	$0	$75,000
Difference	**$355,507**	**$216,154**	**$227,482**	**$239,567**	**$252,487**	**$1,291,198**
FTEs	6.0	0.0	0.0	0.0	0.0	6.0

***Start-up costs include:**
Three trucks are needed to provide a mobile workstation for the instillation crew.

Transition Plan:
Building Services would need a month-to-month contract while the posting and hiring process takes place and trucks are purchased. As employees are hired we would integrate them into the job duties until adequate staffing is hired. The total duration of hiring is estimated to take approximately 3-4 months to complete.

REF NUMBER FM-2

Contract Description:
Descale Solids Contact Clarifier @ Ullrich Water Treatment Plant

Contract Scope:
This contract establishes an annual agreement to fully de-scale solids contact clarifier mechanisms at the Ullrich Water Treatment Plant for the Austin Water Utility Department. The Ullrich Water Treatment Plant is one of the two lime softening water treatment plants that provide drinking water for the City of Austin. The water softening process is achieved in the clarifiers by reacting lime slurry with the naturally occurring hardness in the water and causing precipitation of calcium carbonate. After years of operation, a scale layer of approximately 0.25 to 2 inches thick forms over all submerged surfaces of the clarifiers. Over a three year period, the contractor shall descale all mechanical components of seven basins in three different sizes by means of hydro blasting.

Primary Department:
Austin Water Utility

Current Vendor:
USA Environmental LP

Contract Length:
The contract is a 12 month contract with two 12 month extension options.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service.

Austin Water Utility has chosen to outsource this service due to the highly specialized skillset needed to operate the equipment and the extremely dangerous nature of the work.

The equipment that is used to perform this work can produce 20,000 to 40,000 psi of pressure. This is 10 to 20 times more pressure than a store-bought pressure washer. This equipment is typically used for cutting or demolishing concrete. To compound the danger, the majority of this work will have to be carried out elevated either on scaffolding or on a man lift at a height of approximately 25 feet. There is also a portion of the work which has to be performed inside a permitted confined space. The companies that perform this type of work are required to understand the hazards and train their employees to provide this service under all conditions encountered in an industrial setting, most industrial accidents that are directly caused by this equipment range from dismemberment to death. Please note that this does not consider the hazards associated with elevated work and working in a confined space.

Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract authority plus a 3% increase and the cost to the City to bring this service in house. The current contract authority is set at $170,340.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$175,450	$180,714	$186,135	$191,719	$197,470	$931,488
City-Operating	$174,027	$179,077	$184,426	$190,097	$196,118	$923,745
City-Start-up*	$519,500	$0	$0	$0	$0	$519,500
Difference	**$518,077**	**($1,637)**	**($1,709)**	**($1,622)**	**($1,352)**	**$511,757**
FTEs	2.0	0.0	0.0	0.0	0.0	2.0

***Start-up costs include:**
$150,000 for a Man Lift, $225,000 for a Vacuum Truck, $120,000 for Hydro-blasting Pump & Ancillary equipment, $2,500 for a radio, $20,000 for Safety equipment, and $2,000 for clothing.

Transition Plan:
The transition plan to insourcing this service would include continuing to outsource for one year, due to the time it takes to purchase the Vacuum truck**.** The utility would work with the City's Risk Management office and the Human Resources Department to ensure that we have the adequate insurance to cover our employees in their new duties and, due to the dangerous nature of this job, the handling of the specialized equipment and start the hiring process to coincide with the receiving of the new equipment. Once the hiring process is complete, the Safety and Human Resource division would work to ensure that our new FTEs are trained and understand the dangers of the task they were hired to do and will perform their jobs in compliance with all safety procedures and OSHA standards. The Safety Division would then initiate a Comprehensive Safety Plan to adequately follow up that staff is performing their tasks as safely as possible and our equipment is being handled and maintained properly.

REF NUMBER FM - 3

Contract Description:
Parks and Recreation Heating, Ventilation and Air Conditioning

Contract Scope:
For HVAC services including maintenance, repair and minor renovations for a twelve month contract with five, twelve month extension options. These services shall be provided for the City of Austin, Parks and Recreation Department (PARD). Services shall be provided to the HVAC systems and equipment for approximately 50 Austin Parks and Recreation Department facilities.

Primary Department:
Parks and Recreation Department

Current Vendor:
Fox Service Inc.

Contract Length:
Contract is issued/renewed in July each year. This contract has been in place since 2011.

MBE/WBE:
Yes

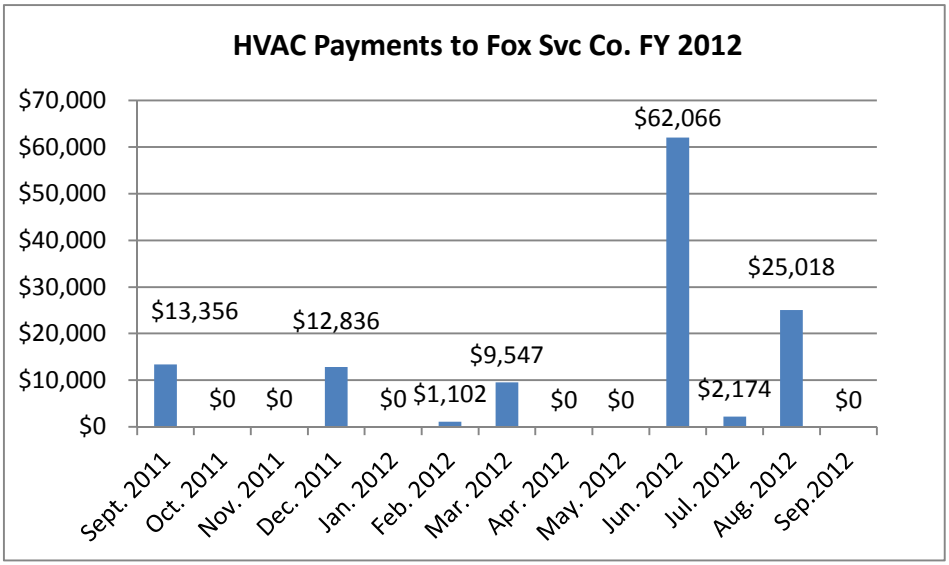
Staff Recommendations:
Staff recommends continuing to outsource this service.

PARD has a total of 498,000 square feet of conditioned space. This conditioned space includes at least 190 HVAC units in a total of 50 PARD Facilities. Many of these systems involve very sophisticated control systems that require the special expertise called for in this contract.

Insufficient staffing of the HVAC preventive maintenance program has resulted in a continuation of major building system failures. These resulting system failures create an increase in unscheduled repairs and further increase the backlog of work orders. Based on this need for efficient and responsive service this contract was implemented. This contract's primary purpose is to supplement the work that cannot be accomplished with current in-house resources. This contract is only utilized as demand occurs and as a result eliminates cost that would be incurred from downtime of HVAC staff. The peak demand for this service is June through September for air conditioning systems with a lesser demand in the winter months for heating systems.

In June of FY 2012 there were eighteen separate service calls, four in July 2012 and eleven in August 2012. This contract is also utilized for Capital Improvement Projects (CIP) for installation of completely new systems or complete system replacements.

Additional periodic usage is shown in the chart below. Expenditures in the most recent twelve months total $126,099 including one CIP Project totaling $37,377. Thus far, annual spending is considerably less than the more than $500,000 authorized amount for the contract. This analysis demonstrates that PARD would have under-utilized staff with specialized heating and refrigeration skills for a cumulative four to six month period each year.



Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract spending and the cost to the City to bring this service in house. The contract authority is $535,000.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$116,125	$119,609	$123,197	$126,893	$130,700	$616,525
City Operating	$954,892	$831,097	$853,318	$876,576	$900,954	$4,416,836
Capital Start-up*	$104,000	$0	$0	$0	$0	$104,000
Difference	**$942,767**	**$711,488**	**$730,120**	**$749,683**	**$770,254**	**$3,904,311**
FTEs	6.0	0.0	0.0	0.0	0.0	6.0

***Start-up costs include:**
Initial start-up cost for capital equipment is $104,000 for four Service Vehicles at $26,000 each to transport employees and equipment from job site to job site. There is also an investment required in commodity costs of $203,321 to purchase tools and equipment

for the employees as well as an investment in inventory of HVAC supplies to have on hand for routine repairs and replacements.

Transition Plan:
Considering that there is currently no staff in place to perform these duties the contract would need to remain active until the department is fully staffed and equipped to assume these functions. Also, it still would be necessary to keep this contract available for emergency work and specialized HVAC installation or repair.

It would take 5 to 6 months to advertise, interview, hire and train the necessary staff. In addition, PARD would need to purchase equipment such as trucks and hand tools, which takes 12 to 18 months to procure. It would be more efficient to purchase the equipment prior to hiring staff to avoid staff not able to perform the work with due to lack of equipment.

REF NUMBER FM - 4

Contract Description:
Parks and Recreation Department Plumbing Maintenance & Repair

Contract Scope:
The plumbing maintenance, repair and minor renovation services shall be provided to the plumbing systems and equipment for approximately 250 Austin Parks and Recreation Department facilities; 240 Building Services Department locations; and the Austin Convention Center (including the Palmer Events Center). The awarded contract will cover commercial plumbing maintenance and repair services; minor renovations on an as needed basis. This is a twelve month contract with five, twelve month extension options.

Primary Department:
Parks and Recreation Department

Current Vendor:
YPS Refrigeration

Contract Length:
This contract is renewed in July each year. This contract has been in place since 2011.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

The Parks and Recreation Department is responsible for the maintenance of 250 building structures and in excess of 19,000 acres of developed parkland (primarily bathrooms and drinking fountains) across the City of Austin. Plumbing and irrigation systems work includes servicing 218 drinking fountains, 120 irrigation systems, 12 water features, 47 pools, 73 public facilities, 250 backflow prevention devices in order to protect the quality of the City of Austin's drinking water supply.

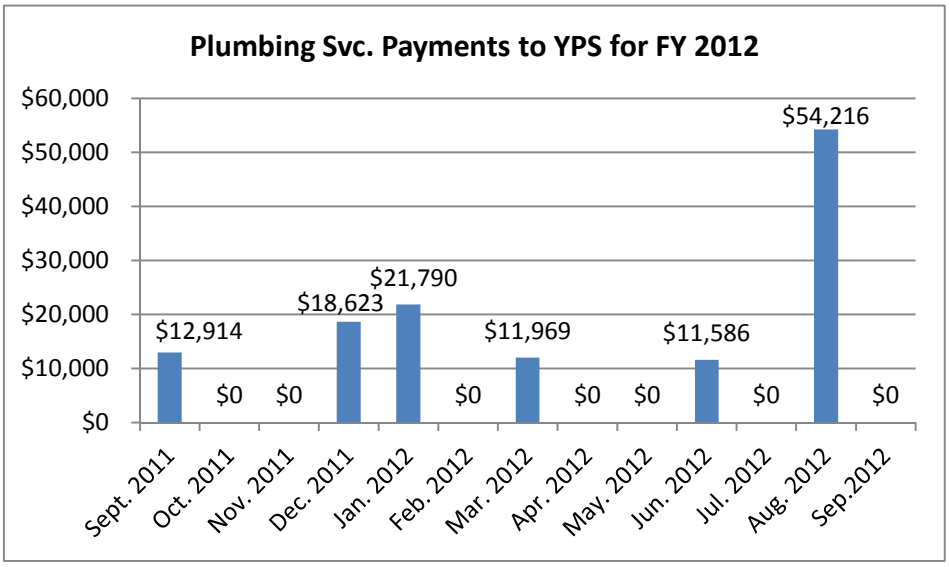
In FY 2009 the City of Austin adopted the International Building Code (IBC) and as a result of this change there were at least three significant code/regulatory requirements assumed by the plumbing maintenance team. These include: 1) Annual and semi-annual inspections to all backflow prevention devices; 2) Provide cross-connection inspections annually to areas where non-potable water is used to irrigate; 3) Semi-Annual inspections of fire suppression systems. (Texas Water Code Chapter 27 and Administration Chapter 30 and City of Austin Chapter 15-1 Ordinance No. 040108-3).

PARD does not currently have staff that is qualified to perform the fire suppression system inspections. The Convention Center also does not have appropriate staff or

equipment to fulfill the inspection requirements. This contract is used to provide the State required backflow inspections as well as emergency service. Additionally, this contract also provides the necessary technical skills and proper State licensing for certain types of work. It provides access to equipment that is not normally available to most maintenance organizations.

Access to highly skilled professional licensed plumbers and equipment through this contract is preferred to insourcing. When construction plumbers install piping in a building or other structure, they work from blueprints or drawings that show the planned location of pipes, plumbing fixtures, and appliances. Recently, plumbers have become more involved in the design process. Their knowledge of codes and the operation of plumbing systems can cut costs. They first lay out the job to fit the piping into the structure of the house with the least waste of material.

In FY 2012 PARD has expenditures totaling $131,099 on this contract including $47,875 for CIP projects at Krieg Fields and the Velazquez Sports Complex. This spending is considerably lower than the authorized amount in the contract. The chart below demonstrates the periodic usage of this contract. This analysis demonstrates that PARD would have under-utilized equipment and staff with specialized plumbing skills for a cumulative four to six month period throughout the year.



Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract spending and the cost to the City to bring this service in house. The contract authority is $592,000.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$121,730	$125,381	$129,143	$133,017	$137,008	$646,279
City Operating	$857,298	$814,939	$838,836	$864,070	$890,750	$4,265,894
Capital Start-up*	$130,000	$0	$0	$0	$0	$130,000
Difference	**$865,568**	**$689,558**	**$709,693**	**$731,053**	**$753,743**	**$3,749,615**
FTEs	8.0	0.0	0.0	0.0	0.0	8.0

***Start-up costs include:**
One-time capital costs include the purchase of five service vehicles to transport employees and equipment from site to site. There is also an initial one-time commodity investment in start-up inventory of plumbing supplies, computers and software**.**

The type of plumbing equipment needed includes devices to detect systems and objects hidden behind walls or in utility space. Other required equipment includes water meters, pumps, expansion tanks, backflow arrestors, water filters, UV sterilization lights, water softeners, water heaters, heat exchangers, gauges, and control systems.

Specialized plumbing tools include pipe wrenches, flaring pliers, and joining tools such as soldering torches and crimp tools. New tools have been developed to help plumbers fix problems more efficiently. For example, plumbers use video cameras for inspections of hidden leaks or problems, they use hydro jets, and high pressure hydraulic pumps connected to steel cables for trench-less sewer line replacement.

Transition Plan:
Considering the critical health and safety nature of the new code requirements and that there is currently insufficient staff in place to perform these duties the contract would need to remain active until the department is fully staffed and equipped to assume these functions. If this service is brought in-house, it would take 5 to 6 months to advertise, interview, hire and train the employees. In addition it will take approximately 12 to 18 months to procure the vehicles and specialized equipment. Also, it still would be necessary to keep this contract available for emergency work and procurement of specialized plumbing equipment.

REF NUMBER FM-15

Contract Description:
Graffiti Removal

Contract Scope:
This contract establishes graffiti removal services for City facilities and parks. The contractor responds to requests from the City within 48 hours of notification to remove graffiti and if necessary, paint over the area removed using environmentally safe techniques and products. Other departments also utilize this contract on an as needed basis.

Primary Department:
Building Services

Current Vendor:
Aleon Properties Inc.

Contract Length:
Current contract awarded in 2008. Previous contracts date back to 2002 or earlier.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

Graffiti removal services at city facilities and in parks are done by Building Services on an as needed basis, scheduled only when tags are reported on City sites. The majority of service occurs in the summer months. Because of the unpredictability of calls, Building Services has contracted these services for years, having gone through several contract terms.

Facility Limitations:
None

Fiscal Analysis:
Contract costs include a 3% cost escalator for each year using the annual contract award for FY12. Operating costs for insourcing include 4 maintenance personnel, and annualized costs for commercial power washer, supplies, and a buffalo tank for two separate work crews.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$130,027	$133,900	$137,900	$142,000	$146,300	$690,127
City Operating	$283,071	$243,059	$253,633	$264,839	$276,732	$1,321,334
City Start-up*	$50,000	$0	$0	$0	$0	$50,000
Difference	**$203,044**	**$109,159**	**$115,733**	**$122,839**	**$130,432**	**$681,207**
FTEs	4.0	0.0	0.0	0.0	0.0	4.0

***Start-up costs include:** 2 trucks for 2 two-man crews.

Transition Plan:
Building Services would request a month to month contract while the posting and hiring process takes place. As employees are hired we would integrate them into the job duties until adequate staffing is hired. The total duration of hiring would take approximately 3 months to complete.

REF NUMBER FM-18

Contract Description:
Electrical Maintenance, Repair, & Renovation Services

Contract Scope:
Electrical services including maintenance, repair and minor renovations for a twelve month contract with five, twelve month extension options. These services shall be provided for the City of Austin, Parks and Recreation Department (PARD). Services shall be provided to the electric systems and equipment for approximately 250 Austin Parks and Recreation Department facilities.

Primary Department:
Parks and Recreation Department

Current Vendor:
Elk Electric Inc.

Contract Length:
Contract initiated in FY 2009. Twelve month contract with five, twelve month extension options.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

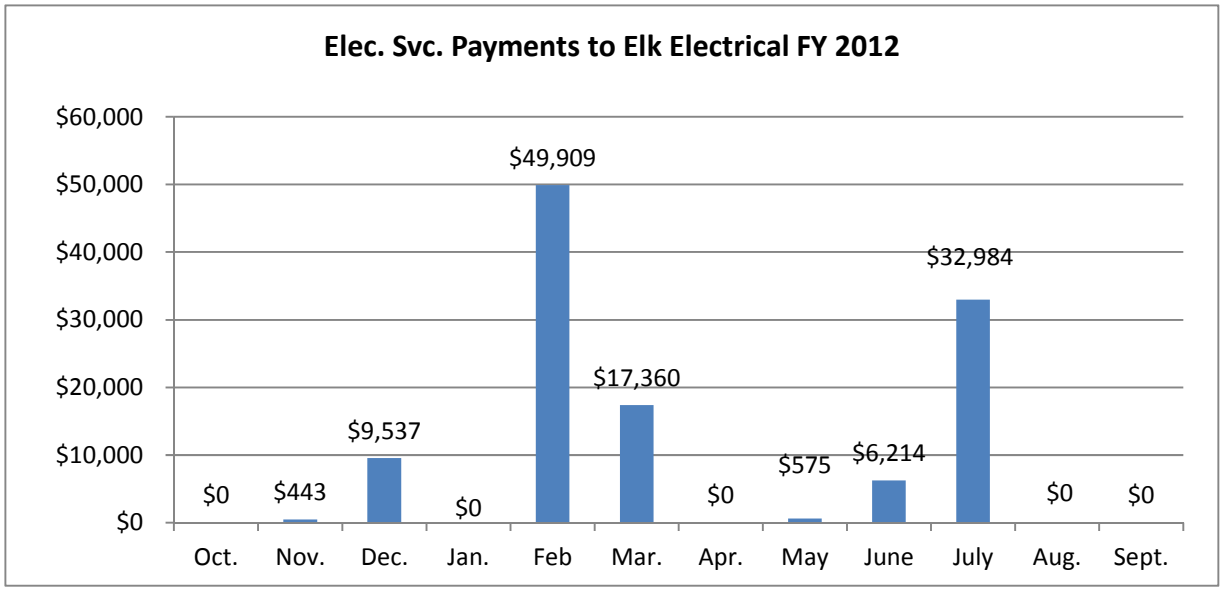
The Parks and Recreation Department is responsible for the maintenance of 250 building structures across the City of Austin. Currently the department is not staffed with any electricians. In past years the department has relied on Austin Energy to provide electrical repair and maintenance services for all of these facilities.

In FY 2009 Austin Energy informed PARD that they no longer had the staff capacity to add additional facilities to their workload. As a result of that communication, PARD executed this contract with Elk Electric to provide electrical support that we are not able to provide internally.

This contract has proven over the past two years to be cost effective and it would be difficult for PARD to provide the same level of service and expertise at a competitive cost. This contract is only utilized as demand occurs and as a result eliminates cost that would be incurred from downtime of electrical staff.

It has been demonstrated that the peak seasons for electrical repair occur in the Spring and Summer months leaving four to six months of an under-utilized electrical staff.

It should be noted that the actual cost of this contract is well below the contract cost authority (see graph below): Year to date expenditures are approximately $117,022 and that includes CIP expenditures of $57,013 on five different projects.



Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract spending and the cost to the City to bring this service in house. The contract authority is $300,000.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$120,533	$124,149	$127,873	$131,709	$135,661	$639,924
City Operating	$1,008,443	$954,662	$976,698	$1,000,511	$1,025,389	$4,965,703
Capital Start-up*	$104,000	$0	$0	$0	$0	$104,000
Difference	**$991,910**	**$830,513**	**$849,095**	**$868,802**	**$889,729**	**$4,430,049**
FTEs	7.0	0.0	0.0	0.0	0.0	7.0

***Start-up costs include:**
Four Pick-Up Trucks to transport employees and equipment from job site to job site.

Transition Plan:
It would take 5 to 6 months to advertise, interview, hire and train new staff. It would take 12 to 18 months to procure trucks, hand tools, and other necessary equipment. It would be more efficient to purchase the equipment prior to hiring staff to avoid staff inability to perform the work due to lack of equipment. Even were PARD to begin providing these services, it would be necessary to keep this contract available for emergency work and procurement of specialized electrical equipment.

Facility Management

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-14	Millennium Youth Entertainment Complex	$509,374	$814,648	$56,000	($1,679,071)	6.00	No	Yes
Total		**$509,374**	**$814,648**	**$56,000**	**($1,679,071)**	**6.00**		

REF NUMBER FM-14

Contract Description:
Management and Operation of the Millennium Youth Entertainment Complex

Contract Scope:
The contract provides for management and operation services to the 55,000 sqft Millennium Youth Entertainment Complex (MYEC) whose mission is to provide a safe, secure, and comfortable environment (free from drugs, gangs, crime and violence) where families can enjoy a wide range of affordable, high quality recreational and entertainment activities and attractions. The MYEC offers bowling, basketball, movies, arcade, and a food court and is operated 44 hours per week.

Primary Department:
Parks and Recreation

Current Vendor:
SMG

Contract Length:
SMG has been the contractor for MYEC since March 5, 1997. The current contract has an extension beginning October 1, 2012 and ending on September 30, 2014.

MBE/WBE:
No

Staff Recommendations:
Staff recommends insourcing these services.

Originally, due the City's lack of expertise in managing entertainment facilities, a professional management firm was sought to manage and operate the Central City Entertainment Center (CCEC), now named Millennium Entertainment Youth Complex. However, PARD now has management staff with experience operating and managing this type of entertainment center. They have the expertise to blend the business need with the community's expectations for youth development and offer programs that will appeal to the youth and families. The MYEC is currently under review by Convention Sports & Leisure International, to provide an independent program assessment and analysis of the facility and development of a long term strategic plan for the facility per resolution #20090924-071.

The community desires facilities that offer enrichment opportunities and holistic youth development programs. PARD believes that the department, and/or collaboration with other agencies, could offer more services for free or at reduced rates providing greater accessibility to at-risk youth populations, for which the MYEC was intended to serve.

Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the contract actuals and the cost to the City to bring this service in house. The FY13 amount equals the projected payments to the contractor in FY12 of $724,877 plus $89,771 for City-paid utilities. The contract costs in future years include a 3% cost escalator.

It is important to note that the MYEC generates approximately $440,000 per year in revenue. Currently, the revenue is retained by SMG and reduces the amount the City pays to the contractor. However, in the event the services are brought in house, the revenue will be retained by the City and is reflected through an expense refund in the City Operating costs below.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$814,648	$839,087	$864,260	$890,188	$916,894	$4,325,077
City Operating	$509,374	$493,526	$510,601	$528,675	$547,830	$2,590,006
City Start-up*	$56,000	$0	$0	$0	$0	$56,000
Difference	**($249,274)**	**($345,561)**	**($353,659)**	**($361,513)**	**($369,064)**	**($1,679,071)**
FTEs	6.0	0.0	0.0	0.0	0.0	6.0

***Start-up costs include:**
Bowling lane machines, floor cleaning machines, sound system, movie projector/screen and pick-up truck.

Transition Plan:
Upon dissolution of the contract, PARD would immediately take over the operations and management of the facility. A short transition period of approximately 3-4 weeks, which may include temporarily halting all or partial operations, will be necessary to furnish the facility with new equipment and supplies, and for training and organization of personnel.

General Construction Services

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
FM-8	Demolition, reconstruction, repair and new construction	$6,393,950	$5,139,269	$1,875,000	$9,899,275	60.00	Yes	No
Total		**$6,393,950**	**$5,139,269**	**$1,875,000**	**$9,899,275**	**60.00**		

REF NUMBER FM-8

Contract Description:
Residential construction for home repair projects.

Contract Scope:
This contract provides demolition, reconstruction, repair and new construction of residential private houses. This includes current programs for architectural barrier removal for renters and homeowners, homeowner rehabilitation loan program, and the Holly neighborhood. The contract includes all labor, materials, equipment, and supervision for construction, repair or rehabilitation of home repair projects identified through the Home Repair Contracting Program. The work locations will be at various addresses all within the city limits.

Primary Department:
Neighborhood Housing and Community Development (NHCD) via the Austin Housing Finance Corporation (AHFC)

Current Vendor:
On-Call Management Services, Ilcor Builders Inc., Camilo Garcia Construction Inc, Valdez Remodeling and Weatherization Inc. Piatra Inc., AGH20 Holdings Inc., Birch Construction

Contract Length:
These are 5-year contracts, effective October 2011 through September 2016.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

The seven contractors and their sub-contractors are primarily small, minority owned businesses in the Austin area. The contracts allow for down-sizing as needed if grant funds are decreased.

Contracting out for construction services allows for expedited residential construction. The costs of hiring additional FTEs to perform the construction work, the costs of materials, and the costs associated with outfitting an internal construction company are greater than contracting out with a list of vendors to provide the required services. Currently the department employs four Construction Coordinators, one Construction Supervisor, and one Construction and Development Manager to oversee the construction work being done by the contractors.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to this transition occurring. The department has no storage facilities or a two-acre yard with a warehouse to store all the materials and equipment. In addition, there is no identified satellite office for field crew employees.

Fiscal Analysis:
The current contract expires September 2016. A 3% cost escalator for the contract costs is included in the analysis.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$5,139,269	$5,293,448	$5,452,251	$5,615,818	$5,784,293	$27,285,080
City Operating	$6,393,950	$6,973,496	$7,137,079	$7,310,441	$7,494,388	$35,309,355
City Start-up*	$1,875,000	$0	$0	$0	$0	$1,875,000
Difference	**$3,129,681**	**$1,680,048**	**$1,684,828**	**$1,694,623**	**$1,694,623**	**$9,899,275**
FTEs	60.0	0.0	0.0	0.0	0.0	60.0

***Start-up costs include:**
Construction equipment

Quantity	Item	Estimated Cost
1	Backhoe with toothed bucket, smooth bucket, auger, ram hoe	$200,000
1	Mini-excavator	$125,000
2	Bobcat with toothed bucket, smooth bucket, forklift, auger, ram hoe	$160,000
1	Ram hoe with attachments	$174,000
1	Tractor: 18 wheeler single cab	$225,000
1	Trailer: 40' Lo Boy Trailer with ramps	$45,000
1	12 yard dump truck with flatbed trailer	$75,000
1	Heavy Duty Forklift	$85,000
	Total	**$1,089,000**

Vehicles and Accessories

Quantity	Item	Estimated Cost
11	2 door Pick-Up Trucks @ $25,000	$275,000
8	4 door Pick-Up Trucks @ $30,000	$240,000
19	Toolboxes/ladder racks	$19,000
8	Trailer @$7,500	$60,000
	Tools	$150,000
	Total	**$744,000**

Office Costs

Quantity	Item	Estimated Cost
21	Computers and Software	$42,000
	Total	**$42,000**

Transition Plan:

The existing contract would be terminated after AHFC is ready to provide services. It is estimated that when full funding is received, it would take one year to have all resources purchased, employees hired, and trainings done to have staff ready to work in the field. Please note: The majority of the funding sources are federal funds and may not be eligible for development of a construction company to provide these services. There will be an overlap in costs since residents requiring services would not be asked to wait to be served until AHFC is up and running.

Light Concrete/ Pavement Work

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
LCC-1	ADA Sidewalk & Ramp Improvements	$2,172,607	$1,371,400	$1,929,964	$6,434,446	11.00	Yes	No
LCC-4	ADA Sidewalk & Ramp Improvements	$518,404	$515,000	$430,600	$436,891	5.00	Yes	No
LCC-2	Annual Service Agreement for Wastewater Manhole Rehabilitation	$65,882	$22,658	$880,000	$1,109,481	0.00	Yes	No
LCC-3	Road Milling Services	$4,673,551	$2,737,110	$3,321,030	$13,578,832	21.00	Yes	No
Total		**$7,430,444**	**$4,646,168**	**$6,561,594**	**$21,559,650**	**37.00**		

REF NUMBER LCC-1

Contract Description:
This contract provides for the construction and repair improvements for new and existing sidewalks, driveways, and bikeways.

Contract Scope:
The contract scope includes construction of sidewalks, ramps, curb, gutter and other ADA improvements. The construction is currently provided by an outside vendor, and all projects are bond funded. The current contract was bid at $2,742,800. This contract include construction of new sidewalks, repair to existing sidewalks, installation of ADA ramps, construction of driveways, construction of retaining walls, installation of handrails, construction of bikeways, placement of striping for bike lanes along existing roadways, widening of roadway shoulders, bus stop ADA upgrades, replacement of meters, water valves, clean outs, electric meters, and removal and relocation of street and informational signs. Restoration of existing grass is included for any areas disturbed during construction; restoration shall be accomplished by use of backfill and sodding and shall be done within 2 calendar days of the placement of sidewalk. Saw cutting will be used to remove existing pavement, sidewalk, curb and gutter, etc. Debris must be removed and hauled daily. The Contractor provides and pays for all labor, materials, equipment, tools, construction equipment, and other facilities and services necessary for proper execution, testing, and completion of the work.

Primary Department:
Public Works

Current Vendor:
Muniz Concrete & Contracting, Inc.

Contract Length:
Sidewalk, ramp, and bikeway projects bid under indefinite delivery/indefinite quantity (ID/IQ) contracts generally encompass a 12 to 24 month performance period. Public Works has contracted out for this service since FY 1998-99.

MBE/WBE:
Yes

Staff Recommendation:
Staff recommends continuing to outsource this service.

The ADA sidewalk program relies solely on General Obligation (GO) Bond money; there is no dedicated source of funding for which the department would be able to use if this service was brought in-house. The workload for the 11 FTEs needed to insource this contract would vary for each fiscal year, depending on the availability of GO Bond funds. Thus, personnel would need to be increased, decreased or assigned to different activities depending on the funding level for each year.

Additionally, the Public Works Department (PWD) is staffed to do a base load of construction of concrete sidewalk, ramp, and bikeway work using internal staff. Work above this base load is typically performed by contract to account for variations in

work load and degree of difficulty, and to provide opportunities for small businesses to compete for the work. Generally, long segments of new sidewalk, retaining walls, and other complex structural work are bid to take advantage of expertise that exists in the marketplace.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to this transition occurring, including the acquisition of suitable land for modular buildings required to house the 11 new FTEs and their equipment.

Fiscal Analysis:
This analysis is based on the differential between the annual contract authority and the cost to the City to assume the work utilizing in-house resources. The City cost includes on annual basis for personnel, contractuals, and commodities with a three percent cost inflation factor, starting in FY14, and an initial capital investment startup cost of $1,929,964. The initial capital investment costs for the City does not take into account the land requirements that would be required for the modular buildings to house staff and heavy equipment; these would be an additional expense for the City. The external contract amount in the table below is based on the current 24 month contract authority of $2,772,800. The analysis below shows the contract authority spread over the two year contract period which is reflected as $1,371,400. The contract does not contain an inflation factor in FY14 as the contract has a two year term and the contractor is responsible for any cost increase during the term of the contract. A three percent inflation factor has been added to the contractor's cost in both FY15 and FY17 because both these years represent the start of a new two year contract period and it is reasonable to assume at that time any cost inflation would be factored into the new contract.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$1,371,400	$1,371,400	$1,412,542	$1,412,542	$1,454,918	$7,022,802
City Operating	$2,172,607	$2,236,231	$2,302,571	$2,371,794	$2,444,081	$11,527,284
City Start-up*	$1,929,964	$0	$0	$0	$0	$1,929,964
Difference	**$2,731,171**	**$864,831**	**$890,029**	**$959,252**	**$989,162**	**$6,434,446**
FTEs	11.0	0.0	0.0	0.0	0.0	11.0

***Start-up costs include:**
Light-duty vehicles, heavy duty vehicles, modular buildings, and computer equipment for staff.

Transition Plan:
If this contract was insourced, the department would require a year or more to make the transition. Appropriate staff must be hired and trained; land and equipment must be purchased. As a result of the insourcing process, there may be significant service interruption on the construction of ADA sidewalks.

REF NUMBER LCC -2

Contract Description:
Annual Service Agreement for Wastewater Manhole Rehabilitation

Contract Scope:
Provide and install new 24" wastewater manhole ring and cover and the removal and disposal of the existing ring and cover on wastewater manholes. Eliminate excessive chimney height by removing existing brick or concrete cone section to a depth of 2.5 to 4.0 feet below the top of cast iron frame and installing a new precast concrete, removing and disposing of the existing material. Providing and installing street grade rings of 24", wastewater manholes from 24" to 36" vertical height, including Adeka Seal, complete and in place. Provide and apply Structural Lining for Wastewater Manholes followed by organic coating to wastewater manhole interior walls and benches complete and in place.

Primary Department:
Austin Water Utility

Current Vendor:
Facilities Rehabilitation, Inc.

Contract Length:
Twelve month contract with two 12-month extension options. The first option was exercised on June 29, 2012; one extension remains.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

The manhole rehabilitation work covered by this contract involves the use of specialized equipment for applying structural coatings and corrosion resistant coatings to the interior of manholes and other structures. These represent two separate application processes. The application equipment must be operated within close tolerances to ensure the material is properly formulated to adhere to the interior of the manholes and the surfaces that it is being applied. The surfaces coated require very specific levels of preparation prior to the application. The manufacturers of the coatings require training and certification of the applicators in order to warranty the product. The material is then applied within a confined space that represents a safety risk to personnel.

Much of the critical manhole rehabilitation work is completed within creeks and easements that are not accessible to Austin Water crews. This contract also provides manhole adjustment and rebuilding services that require trench safety (man guards) that Austin Water crews do not have experience in handling. The contractor also

installs erosion controls and performs site restoration that is outside the scope of work performed by Austin Water crews.

It should be noted that we have committed to Texas Commission on Environmental Quality and Environmental Protection Agency that manhole rehabilitation will continue to be part of collection system maintenance.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition for storage of heavy equipment and trucks to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current usage of this contract and the cost to the City to bring this service in house. The FY13 contract cost is the amount spent over the past 12 months inflated by 3%. The subsequent years include a 3% cost escalator.

Annual costs for the in-house service include 4 pipeline technician seniors, a pipeline technician supervisor, building material, pipes and fittings, training costs, and fuel and maintenance costs for vehicles.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$515,000	$530,450	$546,364	$562,754	$579,637	$2,734,205
City Operating	$518,404	$532,432	$547,248	$562,914	$579,498	$2,740,496
City Start-up*	$430,600	$0	$0	$0	$0	$430,600
Difference	**$434,004**	**$1,982**	**$884**	**$160**	**$(139)**	**$436,891**
FTEs	5.0	0.0	0.0	0.0	0.0	5.0

***Start-up costs include:**
$5,000 in specialized Training, $12,600 for initial rental of two trucks, $4,000 for uniforms and other required clothing items, $4,000 for safety equipment, $5,000 for two radios, $145,000 for Epoxy Coating Equipment, $70,000 for Truck for epoxy coating equipment, $125,000 for application equipment trailer mounted, and $60,000 for a truck to transport the crew.

Transition Plan:
Transition to insourcing this service would take approximately a year. AWU would need to continue the contract for that period in order to provide time to purchase the trucks and specialized equipment needed to perform the work. At the same time, the new positions would be posted, hired, and trained.

REF NUMBER LCC-3

Contract Description:
To provide milling services for street rehabilitation paving projects on City of Austin streets.

Contract Scope:
This contract provides for an outside vendor to work as needed in street milling. Street milling is the preparatory work to repave a street. It removes the existing asphalt so that a new coat can be applied and adhere to the street. The contractor provides the milling material and equipment, trucks to haul away milled material to a City specified disposal site and daily milling and trucking reports. This contract is typically used when the City's existing street milling equipment is out of service or in cases of emergencies.

Primary Department:
Public Works (PWD)

Current Vendor:
Aaron Concrete Contractors LP

Contract Length:
A contractor has provided street milling services for PWD for the past 4.5 years. This contract expires September 30, 2012.

MBE/WBE:
No

Staff Recommendation:
Staff recommends continuing to outsource this service.

The City has a substantial investment in street milling and associated equipment and staff. This contract is only for emergency back up when the existing City equipment is out of service. Eliminating this contract would require the City purchase approximately $880,000 in backup equipment.

New FTEs would not be required with the insourcing of this contract since the department would utilize existing staff. The insourcing would provide less work to non-City workers, require significant investment in machinery, add to the overall budget for fleet preventative maintenance and result in extremely expensive equipment being underutilized.

Fully staffing a new milling crew along with the purchase of the equipment is not feasible. Milling operations are followed by overlay, which is the constraining factor. The number of lane-miles scheduled to receive overlay each year varies depending upon road conditions, resolution of conflicting work, and funding available. PWD has employed best practices by contracting the variable portion of the overlay schedule. In order to ensure proper warranty for work, milling and overlay are combined under the contract. Therefore, hiring an additional milling crew (4 new employees, at an additional cost of $300K) would be impractical without the addition of another overlay

crew and there is insufficient workload each year to fully employ the additional milling and overlay crews.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current historical usage of this contract and the cost to the City to bring this service in house. The FY13 contract cost is the average amount spent over the past 5 years. The subsequent years include a 3% cost escalator.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$22,658	$23,338	$24,038	$24,759	$25,502	$120,295
City Operating	$65,882	$67,858	$69,894	$71,991	$74,151	$349,776
City Start-up*	$880,000	$0	$0	$0	$0	$880,000
Difference	**$923,224**	**$44,520**	**$45,856**	**$47,232**	**$48,649**	**$1,109,481**
FTEs	0.0	0.0	0.0	0.0	0.0	0.0

***Start-up costs include:**
1 milling machine for $625,000, one 3 axle tractor at $130,000, 1 haul trailer for $85,000, and 1 pickup truck at $40,000.

Transition Plan:
If the decision is made to purchase the additional equipment, the current vendor would require a month-to-month contract until the new employees are hired and trained and the equipment is bid, built and delivered. The estimated transition time to provide the equipment and staff is 18 months.

REF NUMBER LCC -4

Contract Description:
This contract provides for the construction and repair improvements for new and existing sidewalks, driveways, and bikeways.

Contract Scope:
The contract scope includes construction of sidewalks, ramps, curb, gutter and other ADA improvements. The construction is currently provided by an outside vendor, and all projects are bond funded. The current contract was bid at $5,474,220. This contract include construction of new sidewalks, repair to existing sidewalks, installation of ADA ramps, construction of driveways, construction of retaining walls, installation of handrails, construction of bikeways, placement of striping for bike lanes along existing roadways, widening of roadway shoulders, bus stop ADA upgrades, replacement of meters, water valves, clean outs, electric meters, and removal and relocation of street and informational signs. Restoration of existing grass is included for any areas disturbed during construction; restoration shall be accomplished by use of backfill and sodding and shall be done within 2 calendar days of the placement of sidewalk. Saw cutting will be used to remove existing pavement, sidewalk, curb and gutter, etc. Debris must be removed and hauled daily. The Contractor provides and pays for all labor, materials, equipment, tools, construction equipment, and other facilities and services necessary for proper execution, testing, and completion of the work.

Primary Department:
Public Works

Current Vendor:
Muniz Concrete & Contracting, Inc.

Contract Length:
Sidewalk, ramp, and bikeway projects bid under indefinite delivery/indefinite quantity (ID/IQ) contracts generally encompass a 12 to 24 month performance period. Public Works has contracted out for this service since FY 1998-99.

MBE/WBE:
Yes

Staff Recommendation:
Staff recommends continuing to outsource this service.

The ADA sidewalk program relies solely on General Obligation (GO) Bond money; there is no dedicated source of funding for which the department would be able to use if this service was brought in-house. The workload for the 21 FTEs needed to insource this contract would vary for each fiscal year, depending on the availability of GO Bond funds. Thus, personnel would need to be increased, decreased or assigned to different activities depending on the funding level for each year.

Additionally, the Public Works Department (PWD) is staffed to do a base load of construction of concrete sidewalk, ramp, and bikeway work using internal staff. Work above this base load is typically performed by contract to account for variations in work load and degree of difficulty, and to provide opportunities for small businesses to

compete for the work. Generally, long segments of new sidewalk, retaining walls, and other complex structural work are bid to take advantage of expertise that exists in the marketplace.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to this transition occurring, including the acquisition of suitable land for modular buildings required to house the 21 new FTEs and their equipment.

Fiscal Analysis:
This analysis is based on the differential between the annual contract authority and the cost to the City to assume the work utilizing in-house resources. The City cost includes on annual basis for personnel, contractuals, and commodities with a three percent cost inflation factor, starting in FY14, and an initial capital investment startup cost of $3,321,030. The initial capital investment costs for the City does not take into account the land requirements that would be required for the modular buildings to house staff and heavy equipment; these would be an additional expense for the City. The external contract amount in the table below is based on the current 24 month contract authority of $4,673,551. The analysis below shows the contract authority spread over the two year contract period which is reflected as $2,737,110. The contract does not contain an inflation factor in FY14 as the contract has a two year term and the contractor is responsible for any cost increase during the term of the contract. A three percent inflation factor has been added to the contractor's cost in both FY15 and FY17 because both these years represent the start of a new two year contract period and it is reasonable to assume at that time any cost inflation would be factored into the new contract.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$2,737,110	$2,737,110	$2,819,223	$2,819,223	$2,903,800	$14,016,467
City Operating	$4,673,551	$4,692,403	$4,827,033	$4,967,406	$5,113,875	$24,274,269
City Start-up*	$3,321,030	$0	$0	$0	$0	$3,321,030
Difference	**$5,257,471**	**$1,955,293**	**$2,007,810**	**$2,148,183**	**$2,210,075**	**$13,578,832**
FTEs	21.0	0.0	0.0	0.0	0.0	21.0

***Start-up costs include:**
Light-duty vehicles, heavy duty vehicles, modular buildings, and computer equipment for staff.

Transition Plan:
If this contract was insourced, the department would require a year or more to make the transition. Appropriate staff must be hired and trained; land and equipment must be purchased. The possibility exists of service interruption on the construction of ADA sidewalks as a result of the insourcing process.

Temporary Staffing Services

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
GL-2	Temporary Staffing Services	$7,012,310	$4,500,000	$0	$14,956,588	99.00	No	No
GL-4	Temporary Employment Services	$605,443	$241,229	$25,000	$1,985,197	8.00	Yes	No
Total		**$7,617,753**	**$4,741,229**	**$25,000**	**$16,941,785**	**107.0**		

REF NUMBER GL-2

Contract Description:
Temporary Staffing Services for the Utility Contact Call Center and Austin 311.

Contract Scope:
This contract provides temporary staffing for the City of Austin Utility Contact Center and Austin 311to supplement permanent City staff. The two call centers are located in separate locations and have two distinct functions. The Utility Contact Center located at the Town Lake building is the single point of contact for information about electric, water, wastewater and other utility based services. The Citywide Information Center (3-1-1) located at Rutherford Lane provides Austin citizens 24/7 access to City information and non-emergency Austin Police Department assistance. The centers were developed to be operations backup and disaster recovery sites for each other to ensure business continuity. Combined, the two call centers handle approximately 2.5 million calls per year.

Primary Department:
Austin Energy

Current Vendor:
Howroyd-Wright Employment Agency, Inc., Apple One

Contract Length:
The current contract was approved on May 26, 2011 as a 12-month service contract with four additional 12 month extensions for a total 5-year term. This would have the extensions starting on May 27, 2012 and running through May 26, 2016. The department has used a vendor contract arrangement to provide this service since 2004.

MBE/WBE:
Yes

Staff Recommendation:
Staff recommends continuing to outsource this service.

This contract provides Customer Service Representative personnel on an ongoing and as needed basis to staff the Citywide Information Center (3-1-1) and the Austin Energy Utility Contact Center. This allows the centers to meet staffing requirements as they increase and decrease due to seasonal call volume fluctuation, citywide emergencies, and periodic extended power outages. The centers experience a volume of customer calls at an average of 130,000 calls per month from November through May, with an increase to a maximum of 259,000 per month from June through October. This contract provides the flexibility to meet fluctuating situational demands.

Additionally, the process to train customer service representatives is lengthy and specialized. It consists of 6 weeks of classroom instruction, 6 weeks of on-the-job training

and a subsequent period of supervision, quality coaching and refresher training courses. Once contract staff becomes successful and proficient, they are given the opportunity to be in a pool from which permanent employees are hired when positions become available, providing a route of career advancement as well as a source of from which to hired trained personnel.

Facility Limitations:
None

Fiscal Analysis:
The current contract is not set to expire until FY15 with annual renewal set at $4.5 million. Thereafter, a 3% escalator is included for this analysis. Costs for insourcing this contract would include approximately 99 staff, office supplies, and additional overtime needed to run a 24/7 Call Center which includes ensuring sufficient staffing levels during city emergencies and all holidays. Staff would be predominantly customer service representatives, but two training instructors would also be needed.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$4,500,000	$4,500,000	$4,500,000	$4,635,000	$4,635,000	$22,770,000
City Operating	$7,012,310	$7,263,399	$7,529,282	$7,811,180	$8,110,417	$37,726,588
City Start-up*	$0	$0	$0	$0	$0	$0
Difference	**$2,512,310**	**$2,763,399**	**$3,029,282**	**$3,176,180**	**$3,475,417**	**$14,956,588**
FTEs	99.0	0.0	0.0	0.0	0.0	99.0

Transition Plan:
To bridge the gap to hiring and training 99 new staff, a month-by-month contract would need to be approved. A budget amendment would need to be approved authorizing 99 new positions then the hiring process will begin. As we anticipate hiring FTEs from the current contractor, it is anticipated that minimal training time would be needed for the transition. Total transition time estimated to be 4-6 Months.

REF NUMBER GL - 4

Contract Description:
Temporary employment services

Contract Scope:
Initially the temporary employment services contract with Texas Industries for the Blind and Handicapped (TIBH)-with Goodwill Temporary Services was used for temporary clerical work within the City, with a secondary purpose of providing opportunities to a section of the labor force that face challenges in full time employment due to their background. TIBH is certified by the State Legislature to provide products and services without competitive bidding by the State and its political subdivisions in compliance with Chapter 122, Title 8, Human Resources Code. Fair market prices are established by the Texas Council for goods and services produced through the State Use *WorksWonders* Program. This service agency provides employment and opportunity to develop marketable work skills for individuals with disabilities.

Temporary employees are assigned from this vendor to specific areas and are normally used exclusively in those areas. TIBH's temporary employees are thoroughly trained in safety requirements and in the use of equipment for their specified trades. TIBH maintains a training record for each temporary employee. Prior to the initial placement with a City department, TIBH gives all inexperienced temporary employees a minimum of eight hours of instruction for the specified job requirements.

Primary Department:
Human Resources

Current Vendor:
Texas Industries for the Blind and Handicapped (TIBH)-with Goodwill Temporary Services

Contract Length:
Contract provision of this service began in 2007.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

Over the past five years, the contract has expanded in breadth and depth, with any given year seeing needs of the city fulfilled in the following job title areas to meet a supplemental skill or short term need: Admin Associate/Specialist, Accountant Assoc/Tech, Buyer, Contract Tech, Customer Service Rep, Data

Entry Operator, Electrician, Grounds Maintenance Assistant, HR Assistant/Clerk, HVAC Mechanic, Maintenance Assistant, Proctor, Public Event Worker, Receptionist, Senior Administrator; and more. To show the incidental character of the contract - examples of jobs performed just once under this contract over the 5 years include Buyer, Contract Tech, Customer Service Rep, and Proctor.

It is strongly recommended that the City continue to utilize this flexible contract for temporary services to meet situational needs as they arise and at the discretion of the 18 separate user departments/offices based on short term nature of the work needed and the multiple departments and work types required that are impossible to predict with any efficiency. Again, historical analysis of the use of the contract over 5 years indicates that the amount of use by departments is situational, discretionary, and based on the diverse needs that arise in departments during the course of business. Also, utilization of this contract can vary by as much as 100% given need in any given year for certain tasks to be performed. Many departments have used this contract, hiring twenty-one (21) different job titles to meet short term business needs.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
A total of eighteen City departments and offices have used the contract over the past five years (FY 2008 – FY 2012), but by varying amounts and for different tasks each year. Since the scope of the contract services is so broad, a considerable number of full time employees would be needed to perform all of them. To compare, a full (1.0) FTE equals 2,080 hours. Based on the FY12 YTD use alone of this contract the following portions of an FTE were used:

Clerical – 2,731 hours (3 job titles)
Electrical – 2,053 hours
Janitorial – 2,780 hours (2 job titles)
Landscaping – 945 hours
Mechanical – 986 hours
Administration – 55.5 hours

The total invoiced contract cost for FY12 to date (10 months) is $195,169, annualized to $234,203. Comparatively speaking, were they to be hired by the City directly, the total annualized pay and benefits cost would be $605,443 for the same period if projected onto FTEs at the minimum time allotment to incur benefits (0.75 FTE increments).

Annual costs associated with insourcing include approximately 8 FTEs including Electricians, administrative assistants, landcape technicians, and maintenance workers. Only half of the FTEs are needed at the level where a full FTE is warranted, the others are partials. These positions would be permanent 'floating'

staff, an in-house supply of temporary workers, which would not present a very stable work atmosphere for the chosen employees. Their unique situation would prove challenging to supervise or give feedback on performance to, and daily schedule would likely consist of a considerable amount of non-productive time "waiting" for assignment. Additional costs include electrician and janitorial equipment, small tools, protective clothing like boots, uniforms and job specific materials, and fuel and maintenance for the additional vehicle. Additional costs annualized include training and certifications needed for the electrician and heating/refrigeration mechanic. For clerical and administrative positions, it is assumed that they would be working at an already active workstation, so no costs are included there for computers or software.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$241,229	$248,466	$255,920	$263,598	$271,505	$1,280,718
City Operating	$605,443	$623,746	$646,265	$670,101	$695,361	$3,240,915
City Start-up*	$25,000	$0	$0	$0	$0	$25,000
Difference	**$389,214**	**$375,280**	**$390,345**	**$406,503**	**$423,855**	**$1,960,198**
FTEs	8.0	0.0	0.0	0.0	0.0	8.0

***Start-up costs include:**
Equipment would be needed for the specialized trades listed by the contract - Electrical – Truck for an electrician, $25,000

Transition Plan:
Human Resources would need to extend the contract temporarily while individual postings and hiring processes took place. It is assumed that the temporary needs would be posted as contract and part time FTE employees, requiring anywhere from 1 to 3 months lead time to bring online. Needs viewed as longer term could be filled at full time, taking a minimum of 2 to 3 months to bring on full time or longer if specialized training or certification is needed for the position. However since the needs filled by the contract are essentially unknown, these timeframes are best estimates.

Landscaping/ Groundskeeping

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
LGK-2	Mowing	$483,943	$203,344	$255,500	$1,761,441	7.00	No	No
LGK-3	Neighborhood tree planting program	$784,121	$166,080	$219,000	$3,561,319	9.75	Yes	No
LGK-4	Grds Maint for Pump, Lift Stations & Pkg Plants	$186,501	$133,212	$70,432	$363,041	2.00	No	No
LGK-5	Grds Maint for Pump, Lift Stations & Pkg Plants	$186,501	$45,965	$70,432	$826,247	2.00	No	No
LGK-6	Grds Maint for Pump, Lift Stations & Pkg Plants	$186,501	$43,737	$70,432	$838,075	2.00	No	No
LGK-7	Weed & Lot Mowing/Clearing/ Tire Disposal/ROW/ Prop Maint Svcs	$820,653	$232,759	$346,025	$3,512,462	11.00	Yes	No
LGK-8	Mowing services for Circle C	$359,621	$17,600	$96,000	$1,920,445	5.00	No	No
LGK-10	Vegetation Control Program	$1,608,648	$1,800,000	$574,182	($1,007,372)	18.00	Yes	No
LGK-11	Landscaping Services	$102,102	$69,812	$75,400	$579,869	2.25	No	No
LGK-12	Landscaping of Medians for North, South, and Central Zones	$383,160	$211,153	$188,567	$1,053,341	5.00	Yes	No
LGK-13	Landscape Maintenance Services	$1,035,170	$328,360	$380,672	$3,980,009	13.00	No	No
LGK-14	Landscaping and Grounds Maintenance Decker & SHEC	$230,220	$74,630	$47,000	$886,585	3.00	No	No
Total		**$6,367,141**	**$3,326,652**	**$2,393,642**	**$18,275,462**	**80.00**		

REF NUMBER LGK – 2

Contract Description:
Parks and Recreation Department Mowing Service by Zone

Contract Scope:
This contract is used on an as needed basis during the peak mowing season for grounds maintenance, mowing and landscape services for the City of Austin at multiple geographic locations. There are ten zones across the City that total nearly 800 acres. Services include mowing, weed eating, and plant and shrub trimming.

Primary Department:
Parks and Recreation Department

Current Vendor:
Red & White Greenery Inc. / Pampered Lawns Austin Inc. / Eco Star Lawn and Landscape Mgt. / Maldonado Nursery& Landscaping Inc / Carver Tiger Companies LLC.

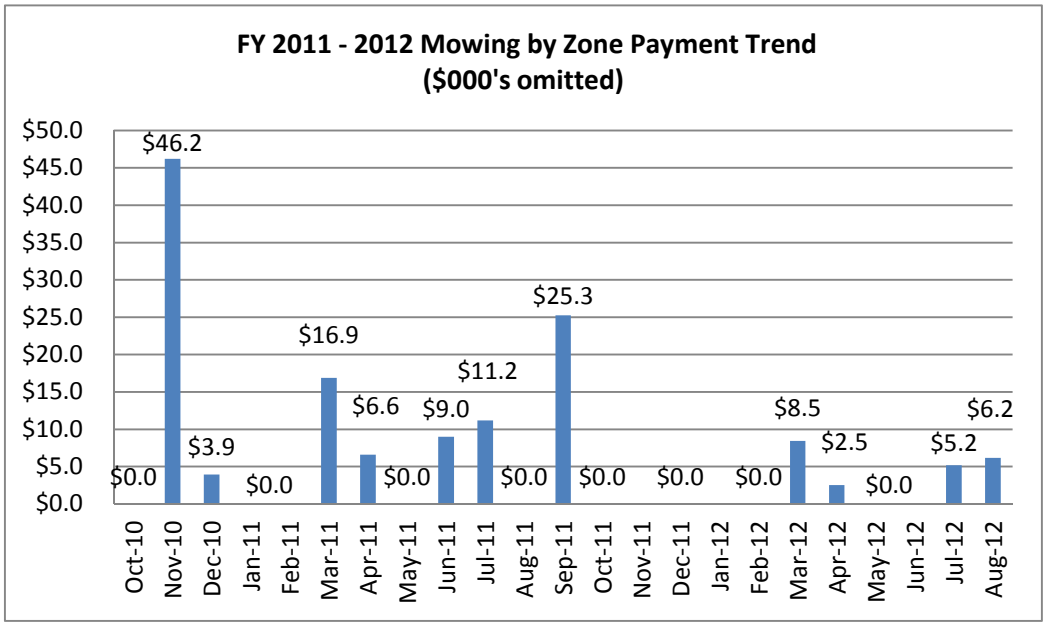
Contract Length:
This service has been contracted since 2010 and is renewed in June each year. It expires in June 2013.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

PARD has been utilizing mowing contractors in our operations for the past several years to provide flexibility during peak season and to augment the in-house crews to meet high demand. Since we do not mow year-round and demand is seasonal based on weather patterns, we only utilize these contractors as a last option and only when we cannot keep pace with the mowing demand during peak season in late spring and early summer.

Payment trends are shown in the below chart to demonstrate the seasonality of the service demand. With the low rainfall amounts this past year the use has been minimal in FY 2012.



We have available several contractors that are assigned specific zones through the bid process. These contractors mow only those specific areas at the request of the District Manager. Our department utilizes approximately $200,000 a year in the service of mowing contracts, less than the authorized amount.

Facility Limitations:
None

Fiscal Analysis:
In general, the cost for mowing in-house using COA staff is approximately $32.86 an acre and the cost for contract mowing is approximately $28.00 per acre depending on the size, location and equipment; some zones are more expensive due to travel. Please see example below.

3 examples of cost for contract mowing costs per acre per mowing cut:
Zone 6 has a total of 56.82 acres costing $1,333 per cycle equaling $23.456 per acre
Zone 8 has a total of 91.07 acres costing $2,549 per cycle equaling $27.99 per acre
Zone 9 has a total of 48.65 acres costing $1,362 per cycle equaling $28.00 per acre

In-house costs calculation for mowing one acre:
Approximately 1.25 hours to complete all mowing, trimming, blowing on a one acre area with minimal obstacles. Hourly rate for Parks Grounds assistant with benefits is $21.21 for a total of $26.5. Shop rate for equipment use and depreciation is $3.25. Fuel cost of $3.10. Total: $32.86.

The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$203,344	$209,444	$215,728	$222,199	$228,865	$1,079,581
City Operating	$483,943	$499,500	$516,038	$533,641	$552,400	$2,585,522
City Start-up*	$255,500	$0	$0	$0	$0	$255,500
Difference	**$536,099**	**$290,056**	**$300,310**	**$311,442**	**$323,535**	**$1,761,441**
FTEs	7.0	0.0	0.0	0.0	0.0	7.0

**FY 2013 contract amount authorized period is from June 2012 to June 2013.

***Start-up costs include:**
An investment of $255,500 to purchase 3 trucks at $30,000, 1 590D mower at $86,000 each, 4 mowers at $13,000 each, and 2 trailer at $10,000 each, and 1 trailer at $7,500 to replace the services of the contract mowers.

Transition Plan:
The transition plan would be most efficiently handled with a gradual ramp-up preceding the heavy mowing season. PARD would first need approved positions to hire into, if those were provided it would take 5 to 6 months to advertise, interview, hire and train. In addition, we would need equipment such as trucks, mowers, and hand tools to be purchased which takes 18 to 24 months to procure. It would be more efficient to purchase the equipment prior to hiring staff to avoid staff not able to perform the work due to lack of equipment.

REF NUMBER LGK-3

Contract Description:
NeighborWoods Tree Planting Program

Contract Scope:
The NeighborWoods Program promotes the planting and care of trees in City right-of-way (ROW) adjacent to private resident property. Currently, Austin Energy provides program funding, the Office of Sustainability administers the contract, and Austin Parks and Recreation Department provides technical oversight of the contract. The current vendor of the contract to run the NeighborWoods Program is TreeFolks, a 501c3 committed to 'growing Central Texas' urban forests'. The contract was awarded to TreeFolks for a third time in July 2012. The current contract includes the option for 5, 6, or 7 cycles of tree distribution per tree planting season October-March. Currently there are 6 distribution cycles used, so the following analysis includes 6 cycles.

Primary Department:
Austin Energy

Current Vendor:
TreeFolks

Contract Length:
Renewed 07/01/2012 for one year with 4 options for renewal; Austin Energy started contracting this service in 2001.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service.

The NeighborWoods Program is seasonal 6 months out of a year (October – March); therefore, full-time staff is not required. NeighborWoods was run by PARD from 1992 until 2001 when management considered stopping the program due to diminishing resources and the seasonality of the program. Instead of discontinuing the program in 2001, Austin Energy stepped in to fund the gap as part of its heat island mitigation strategy. The contract was awarded to TreeFolks for a third time in July 2012, for 12 months with 4 options to renew. Since 2005, Tree Folks has successfully run NeighborWoods and planted 23,000 trees at an average cost of $46.10 per tree. Insourcing the contract over the next 5 years would result in an average cost of $221.11 per tree for a total of 18,000 trees.

To ensure high survival rates, the trees are only delivered and planted from October 1 through March 31, during Austin's tree planting season. Other minor program activities occur throughout the year. Follow-up tree care reminder information is provided to the

residents several months after delivery. Tree survival checks are performed during the summer for trees planted the previous planting season and results are provided to the contract administrator in the Sustainability Office.

TreeFolks is a critical partner group that assists the City with tasks outside of the contract including tree planting at parks, urban forest steward educational classes, and the annual Arbor Day celebration. As a non-profit organization, support comes from the City of Austin, community donations, in-kind services, and volunteers. The NeighborWoods contract accounts for approximately 80%-90% of Tree Folks revenue.

Facility Limitations:
The City does not currently have the necessary facility space or storage to implement this transition. Facility requirements would need to be resolved prior to this transition occurring. Additional office space for 3 staff member would be required. The central maintenance complex, where PARD-UFP employees reside, has minimal office space for new employees. In addition, capital expenses related to land acquisition would be required for ¼ acre of improved land for a tree holding pen, as noted in the start-up costs.

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house. Historically the contract authority was and continues to be set at $166,080. It should be noted that the actual cost of this contract is well below City-operating cost due to grassroots volunteer labor. The insourcing financial analysis includes the resources needed to match TreeFolks' volunteer contributions and volunteer recruitment abilities.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$166,080	$166,080	$166,080	$166,080	$166,080	$830,400
City Operating	$784,121	$807,847	$832,999	$859,698	$888,054	$4,172,719
City Start-up*	$219,000	$0	$0	$0	$0	$219,000
Difference	**$837,041**	**$641,767**	**$666,919**	**$693,618**	**$721,974**	**$3,561,319**
FTEs	9.75	0.0	0.0	0.0	0.0	9.75

***Start-up costs include:**
$219,000 in one-time costs

- (2) 1 ton extended cab pickup trucks for tree delivery $34,000 each
- (2) twin axle flatbed trailers for tree delivery $5,000 each
- sedan for neighborhood canvassing and survival checks $26,000
- ¼ acre of improved land for tree holding pen $40,000
- Site improvements: Security fencing, improved entrance, water hookup, electricity hookup, storage shed plus design, permitting, and installation $75,000

Transition Plan:
Due to the timing of the planting season the Treefolks contract would need to remain in place until after March to avoid a gap in service. City employees could be hired during FY 2013 and assume responsibly for tree planting in FY 2014.

REF NUMBER LGK-4

Contract Description:
Grounds Maintenance Services for Lift Stations, Pump Stations and Package Plants

Contract Scope:
This contract is to provide grounds maintenance services for 69 locations throughout the Austin Water Utility which includes 27 Lift Stations SW of 500 to 183,600 sq. ft., 13 Water Pump Stations North of 1,000 sq. ft. to 8 acres, 14 Water Pump Stations South of 8,000 sq. ft. to 7.5 acres, and 15 Water Pump Stations West of 1,500 sq. ft. to 4 acres. The contract includes labor, materials, and equipment to provide complete grounds maintenance services including mowing and trimming of grass and vegetation, removal of trash, and tree and shrub trimming

Primary Department:
Austin Water Utility

Current Vendor:
Andy J. Wilhelm

Contract Length:
A contractor has provided grounds maintenance services to AWU locations for the past 7 years.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service.

Austin Water Utility currently does not have the staff or the equipment to perform the grounds Maintenance Services required in this contract. Outsourcing of this contract was pursued as an innovative way to increase efficiency by having staff concentrate on our core business of treating and distributing water and collecting and treating wastewater. Another factor in the decision to outsource was to downsize in order to reduce costs and comply with management's request to reduce spending in order to keep our rate increases as low as possible.

Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house. The current contract authority is set at $133,212.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$133,212	$137,208	$141,325	$145,564	$149,931	$707,240
City Operating	$186,501	$192,884	$199,605	$206,691	$214,168	$999,849
City Start-up*	$70,432	$0	$0	$0	$0	$70,432
Difference	**$123,721**	**$55,676**	**$58,280**	**$61,127**	**$64,237**	**$363,041**
FTEs	2.0	0.0	0.0	0.0	0.0	2.0

***Start-up costs include:**
one Truck $39,060, one Trailer $8,832, one Radio $2,500, Clothing costs $2,000, Small Tools and Minor Equipment $7,640, Vehicle Rental $8,400 and Safety Equipment $2,000.

Transition Plan:
A transition plan to insourcing this contract would include outsourcing a 6 month contract for the landscaping and mowing services until staff could be hired to perform the work. The utility would also need to purchase the equipment needed to perform the landscaping and mowing services and hire the Full Time Equivalents (FTEs). A vehicle from fleet can be rented until a vehicle is purchased.

REF NUMBER LGK-5

Contract Description:
Grounds Maintenance Services for Lift Stations, Pump Stations and Package Plants

Contract Scope:
This contract is to provide grounds maintenance services for 28 Austin Water Utility Lift Stations sites of about 750 to 80,000 sq. ft. located throughout the Northwest Austin region. The contract includes labor, materials, and equipment to provide complete grounds maintenance services, including mowing and trimming of grass and vegetation, removal of trash, and tree and shrub trimming.

Primary Department:
Austin Water Utility

Current Vendor:
Stillwater Landscapes

Contract Length:
A contractor has provided grounds maintenance services to AWU locations for the past 7 years.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service.

Austin Water Utility currently does not have the staff or the equipment to perform the grounds Maintenance Services required in this contract. Outsourcing of this contract was pursued as an innovative way to increase efficiency by having staff concentrate on our core business of treating and distributing water and collecting and treating wastewater. Another factor in the decision to outsource was to downsize in order to reduce costs and comply with management's request to reduce spending in order to keep our rate increases as low as possible.

Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house. The current contract authority is set at $45,965.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$45,965	$47,344	$48,764	$50,227	$51,734	$244,034
City Operating	$186,501	$192,884	$199,605	$206,691	$214,168	$999,849
City Start-up*	$70,432	$0	$0	$0	$0	$70,432
Difference	**$210,968**	**$145,540**	**$150,841**	**$156,464**	**$162,434**	**$826,247**
FTEs	2.0	0.0	0.0	0.0	0.0	2.0

***Start-up costs include:**
one Truck $39,060, one Trailer $8,832, one Radio $2,500, Clothing costs $2,000, Small Tools and Minor Equipment $7,640, Vehicle Rental $8,400 and Safety Equipment $2,000.

Transition Plan:
A transition plan to insourcing this contract would include outsourcing a 6 month contract for the landscaping and mowing services until staff could be hired to perform the work. The utility would also need to purchase the equipment needed to perform the landscaping and mowing services and hire the Full Time Equivalents (FTEs). A vehicle from fleet can be rented until a vehicle is purchased.

REF NUMBER LGK-6

Contract Description:
Grounds Maintenance Services for Lift Stations, Pump Stations and Package Plants

Contract Scope:
The contract is to provide grounds maintenance services for 24 Lift Stations of about 480 to 15,030 sq. ft. located in Northeast Austin area and 22 Lift Stations of about 300 to 15,400 sq. ft. located in the Southeast Austin region. The contracts include labor, materials, and equipment to provide complete grounds maintenance services, including mowing and trimming of grass and vegetation, removal of trash, and tree and shrub trimming

Primary Department:
Austin Water Utility

Current Vendor:
BIOGARDENER LLC

Contract Length:
A contractor has provided grounds maintenance services to AWU locations for the past 7 years.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service.

Austin Water Utility currently does not have the staff or the equipment to perform the grounds Maintenance Services required in this contract. Outsourcing of this contract was pursued as an innovative way to increase efficiency by having staff concentrate on our core business of treating and distributing water and collecting and treating wastewater. Another factor in the decision to outsource was to downsize in order to reduce costs and comply with management's request to reduce spending in order to keep our rate increases as low as possible.

Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house. The current contract authority is set at $43,737.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$43,737	$45,049	$46,401	$47,793	$49,226	$232,206
City Operating	$186,501	$192,884	$199,605	$206,691	$214,168	$999,849
City Start-up*	$70,432	$0	$0	$0	$0	$70,432
Difference	**$213,196**	**$147,835**	**$153,204**	**$158,898**	**$164,942**	**$838,075**
FTEs	2.0	0.0	0.0	0.0	0.0	2.0

***Start-up costs include:**
one Truck $39,060, one Trailer $8,832, one Radio $2,500, Clothing costs $2,000, Small Tools and Minor Equipment $7,640, Vehicle Rental $8,400 and Safety Equipment $2,000.

Transition Plan:
A transition plan to insourcing this contract would include outsourcing a 6 month contract for the landscaping and mowing services until staff could be hired to perform the work. The utility would also need to purchase the equipment needed to perform the landscaping and mowing services and hire the Full Time Equivalents (FTEs). A vehicle from fleet can be rented until a vehicle is purchased.

REF NUMBER LGK-7

Contract Description:
To provide weed lot mowing/clearing services for the Code Compliance Department (CCD).

Contract Scope:
This contract provides for the cleaning of illegal dump sites, mowing of high vegetation areas, and the removal of rubbish and debris on neglected private properties. It also provides for the maintenance of certain City owned right-of- ways.

Primary Department:
Code Compliance Department

Current Vendor:
Texas Industries for the Blind and Handicapped (TIBH) Industries, Inc.

Contract Length:
This contractor has provided weed lot mowing/clearing services to CCD for the past 60 months on this contract. There are prior contracts that go back to 1995.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

Expenditures on this contract are dependent on the season, the weather, and the size of the job (rates are per square foot and cubic yard of trash). When grass is dormant during the winter there is not much call for mowing. The volume of cases increases significantly every year in the spring and summer but even that is unpredictable due to varying levels of rainfall. It would require CCD to maintain a large staff and related equipment to insource this work and perform at the level of service required by the scope of the contract.

During dry years, the contractor utilizes 3 crews; during wet years, they use 5 crews. Code Compliance would utilize three crews. Crews consist of 2 crew workers and 1 crew leader; with 3 crews and a support staff consisting of a supervisor and program specialist, the Department would require 11 new FTEs. It is important to note that the staffing model provided for in this analysis may adversely affect the Department's ability to perform the services in this contract within the currently established 30 day time limit.

Facility Limitations:
The City does not currently have the necessary facility space for storage of heavy equipment and trucks to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current contract expenditures—based on a three year average with a three percent annual inflation factor—and the cost to the City to bring this service in house. The current contract authority is set at $1,131,267, which includes significant funding as a contingency in the event of a catastrophic natural disaster. As noted, the actual cost of this contract is well below this threshold; current year to date, CCD has spent approximately $150,000 on expenditures related to this contract, averaging about $225,000 over the past three years. The calculation of the City's cost to provide this service also does not include the natural disaster funding or the capital expense related to the acquisition of land and buildings to house the personnel and equipment for this service; these would be an additional expense beyond the current scope of this analysis.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$232,759	$239,742	$246,934	$254,342	$261,973	$1,235,750
City Operating	$820,653	$848,824	$878,647	$910,258	$943,805	$4,402,187
City Start-up*	$346,025	$0	$0	$0	$0	$346,025
Difference	**$933,919**	**$609,082**	**$631,713**	**$655,916**	**$681,832**	**$3,512,462**
FTEs	11.0	0.0	0.0	0.0	0.0	11.0

***Start-up costs include:**
4 Pick-up Trucks, 1 Truck model 550 with 3-yard dump bed, 1 leased Skid Loader, Trailers, Mowers, and other Tools, as well as Computers and other Equipment (Toughbook and Computer, Scanner, Cameras, First-year Uniforms).

Transition Plan:
To bridge the gap between hiring 11 new employees, a month-by-month contract or an arrangement for an early termination of the contract would need to be approved. In addition, a phased approach would be necessary due to the large number of facilities, a process that would span several months.

REF NUMBER LGK – 8

Contract Description:
Landscape Maintenance and Mowing for Circle C Park

Contract Scope:
The City contracts with the Circle C HOA to maintain 2.5 acres of irrigated and highly maintained common area that abuts Slaughter Lane, mow the grassy areas within the 462 acres of the Park three times per year, and rough cut and weed-eat all Circle C Ranch drainage areas that are located outside the currently maintained detention ponds, approximately 25 acres, three times per year.

Primary Department:
Parks and Recreation Department

Current Vendor:
Circle C Homeowners Association

Contract Length:
This service has been contracted since 2008 and is renewed in August each year. It expires August 2013.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

This contract has been used sparingly over the last several years due to the drought conditions. Over the past four years the expenditures against this contract are shown below.

Date	Order Amount	Closed Amount	Outstanding	Vendor
8/6/2008	$35,200	$35,200	$0	CIRCLE C HOMEOWNERS ASSN (CIR8303671)
8/11/2009	$17,600	$17,600	$0	CIRCLE C HOMEOWNERS ASSN (CIR8303671)
9/15/2010	$17,600	$17,600	$0	CIRCLE C HOMEOWNERS ASSN (CIR8303671)
9/26/2011	$17,600	$17,600	$0	CIRCLE C HOMEOWNERS ASSN (CIR8303671)

To employ the resources necessary on a full-time basis to maintain the area described in the scope of this contract would be very costly to the City of Austin since the manpower and equipment would be idle for a good part of the year. PARD has been utilizing mowing contractors in its operations for the past several years to provide flexibility during peak season and to augment the in-house crews to meet situational demand.

Facility Limitations:
None

Fiscal Analysis:
In general, the cost for mowing in-house using COA staff is approximately $32.86 an acre and the cost for contract mowing is approximately $28.00 per acre depending on the size, location and equipment; some zones are more expensive due to travel. Please see example below.

3 examples of cost for contract mowing costs per acre per mowing cut:
Zone 6 has a total of 56.82 acres costing $1,333 per cycle equaling $23.456 per acre
Zone 8 has a total of 91.07 acres costing $2,549 per cycle equaling $27.99 per acre
Zone 9 has a total of 48.65 acres costing $1,362 per cycle equaling $28.00 per acre

In-house costs for mowing one acre:
Approximately 1.25 hours to complete all mowing, trimming, blowing on a one acre area with minimal obstacles. Hourly rate for Parks Grounds assistant with benefits is $21.21 for a total of $26.5. Shop rate for equipment use and depreciation is $3.25.
Fuel cost of $3.10. Total: $32.86.

The chart below details the cost differential between the current contract spending and the cost to the City to bring this service in house. The contract authority is $105,600.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$17,600	$18,128	$18,672	$19,232	$19,809	$93,441
City Operating	$359,621	$370,864	$382,812	$395,524	$409,065	$1,917,886
Capital Start-Up*	$96,000	$0	$0	$0	$0	$96,000
Difference	**$438,021**	**$352,736**	**$364,140**	**$376,292**	**$389,256**	**$1,920,445**
FTEs	5.0	0.0	0.0	0.0	0.0	5.0

**FY 2013 contract amount authorized period is from August 2012 to August 2013.

***Start-up costs include:**
The City of Austin would need to make an investment of $96,000 for 2 trucks at $30,000 each, 2 mowers at $13,000 each, and 2 trailers at $5,000 each to replace the services of the contract mowers.

Transition Plan:
If this contract is brought in-house, PARD would first need first need approved positions to hire into, if those were provided it would take 5 to 6 months to advertise, interview, hire and train; in addition we would need equipment such as trucks, mowers, and hand tools to be purchased which takes 18 to 24 months to procure. It would be more efficient to purchase the equipment prior to hiring staff to avoid staff not able to perform the work due to lack of equipment.

REF NUMBER LGK – 10

Contract Description:
Vegetation control and debris removal at creeks & channels and detention and water quality ponds.

Contract Scope:
The City of Austin has approximately 64 miles of open waterways within the City's Full Purpose Jurisdiction (FPJ) that require vegetation control. Highest priority waterways shall be cleared of excess vegetation to optimize flood flow conveyance at least three times during the one-year term of the agreement, weather permitting. Certain open waterways require maintenance more frequently.

The City also has approximately 543 detention and water quality pond locations within Austin's FPJ that require vegetation control. These ponds shall be cleared of excess vegetation to maximize the stormwater holding capacity and optimizing water quality prior to discharge downstream. The ponds shall be maintained at least three times per year during the one-year term of the agreement, weather permitting. Some ponds require maintenance more frequently.

Primary Department:
Watershed Protection

Current Vendor:
Texas Industries for the Blind and Handicapped (TIBH)

Contract Length:
Contract is issued each Oct 1st for that fiscal year. A contract has been in place with this vendor for over 22 years.

MBE/WBE:
Exempt as per the State of Texas Human Resources Code, Section 122.017

Staff Recommendations:
Although insourcing of this program would result in a savings to the City of $1.0 million over 5 years, staff recommends continuing to outsource this service**.**

For more than 20 years the City has encouraged the use of the non-profit TIBH for the social value of its "Back to Work" program. Because of the continuing reliance on the TIBH, this department has insufficient staff to perform the work under the scope of this contract. It would take several months to train new staff to come up to speed with the necessary level of service.

It will take an estimated 1 year to take possession of the required vehicles, so we will have to rent them for a short term.

Facility Limitations:
The City does not currently have the necessary facility space for storage of heavy equipment and trucks to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the projected contract actuals and the cost to the City to bring this service in house. Most of the expenditures would be related to personnel and startup costs. A total of 18 FTEs would be required to provide the vegetation control services. Based on this analysis, the 5-Yr Total reflects a savings of $1,007,372 if the service were to be brought in house as opposed to continuing the contract.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$1,800,000	$1,854,000	$1,909,620	$1,966,909	$2,025,916	$9,556,445
City Operating	$1,608,648	$1,545,999	$1,554,323	$1,593,270	$1,665,451	$7,967,691
City Start-up*	$574,182	$0	$0	$7,200	$0	$581,382
Difference	**$382,830**	**($308,301)**	**($355,597)**	**($359,539)**	**($360,765)**	**($1,007,372)**
FTEs	18.0	0.0	0.0	0.0	0.0	18.0

***Start-up costs include:**
4 crew-cab trucks with trailers, 2 trucks (1 for each supervisor), 1 brush truck, a trailer-mounted chipper, and 2 computers.

Transition Plan:
To allow appropriate time to hire 18 new staff, the contract with TIBH would need to be approved on a month to month basis as operations ramp up. The department would need to utilize approximately $300,000 of the contract to make the transition possible. This contract uses an estimated annual need for services which allows for flexibility to transition of work from TIBH to City staff.

In addition, a phased approach would be necessary due to the different time-lines for acquisition of lease of a facility and acquisition of vehicles, a process that would span several months.

REF NUMBER LGK –11

Contract Description:
Landscaping and Grounds Maintenance Services

Contract Scope:
This specification establishes the minimum requirements for landscaping and grounds maintenance services for three (3) sites for the City of Austin's Building Services Division. The following specifications are included in the contract certifications and licenses, tree pruning and shrub maintenance, expertise in native plants, mulching, turf maintenance, pest and disease inspection/control, irrigation.

Primary Department:
Building Services

Current Vendor:
Bio-Gardener

Contract Length:
This service has been contracted since 2004. The current contract was establish 10/17/08 and is a 3 year contract with three 1 year renewal options.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service.

Contract services were initially established in 2004. The Bio-Gardener contract started in 2008. From 04/06-07/07 the vendor used was Shades of Green and prior to that services at City Hall were provided by several different vendors on an as-needed basis. The service is outsourced because the contractor is cost effective and is an expert in the field with extensive knowledge of native Texas landscapes, practices that support LEED Gold certification, pest and disease inspection/control, irrigation system maintenance and the Grow Green Program. Building Services utilizes approximately $68,000 a year in landscape services. The contractor provides all labor, materials, and equipment including supervision of planting and landscaping maintenance services for the facilities. The contract is also utilized for quick turnaround requests or other services, such as tree trimming, irrigation repairs and cleanup. In addition, the contractor has the certifications and licenses required.

Each facility has different landscaping and grounds maintenance service specifications. For example, this contractor provides specialized landscape services for Austin City Hall, a Leadership in Energy and Environmental Design(LEED) Gold building and a certified wildlife habitat through the National Wildlife Federation. The contractor must have extensive knowledge of native Texas landscapes, practices that support

LEED Gold certification, pest and disease inspection/control, irrigation system maintenance and the Grow Green Program. The contract provides the City with knowledgeable experts in the field of native Texas landscapes, water conservation and landscape design without use of chemicals or gasoline/diesel powered equipment.

In addition, the contractor must have a Texas Landscape Professional Certification (TLCP) or have a bachelor's degree in landscape architecture, horticulture or related field or have three years of experience in maintaining native and/or natural landscapes and green roofs. A certified arborist is required on an as needed basis. No diesel or gasoline powered equipment can be used. Services are performed 12 months per year, weather permitting. Invasive non-native and dead plants must be removed and replaced in a timely manner and will be compatible with the concepts of the original landscape architects.

The current contract crew consists of one Supervisor (with extensive horticultural, Native Texas Landscape & LEED knowledge), one Lead and three Crewmembers. To replace this service, staffing models would require a 0.75 FTE Manager/Supervisor with the same knowledge& experience in native plants as current contract and two 0.75 FTEs to be at City Hall and the Municipal Building.

Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the actual expenditure of the contract and the cost to the City to bring this service in house. Current year to date the contract expenditures are at $67,779. A 3% cost escalator for the contract cost is included annually from FY 2013-2017.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$69,812	$71,906	$74,064	$76,285	$78,574	$370,641
City Operating	$102,102	$183,445	$189,730	$196,387	$203,446	$875,110
City Start-up*	$75,400	$0	$0	$0	$0	$75,400
Difference	**$107,690**	**$111,538**	**$115,667**	**$120,102**	**$124,872**	**$579,869**
FTEs	2.25	0.0	0.0	0.0	0.0	2.25

***Start-up costs include:**
An investment of $75,400 to purchase one truck at $30,000, three mowers at $13,000 each, four trimmers at $200 each, six blowers at $100 each, and one trailer at $5,000 to replace the equipment provided by the contract landscapers. The lifespan of a mower is typically three years and would require replacement every three years. Trucks and trailers would need to be replaced every five to seven years as needed. The replacement cycle is not includes in the analysis.

Transition Plan:
The contract is currently on a month by month basis. First, the equipment, tools, and uniforms will need to be ordered. Then the hiring process can begin. Once staff is hired the contract can be terminated. The process is expected to take 6-8 months.

The City has the necessary facility space to implement this transition. The staff and equipment will be housed at City Hall in order to reduce emission and carbon footprint. However, facility storage would need to be reexamined prior to this transition occurring.

Three employees will need to be hired. To complete the landscaping and grounds maintenance services including mowing, trimming, blowing, and weed pulling required for the City Hall, Municipal building and Hoffman Oaks area requires two 0.75 FTEs. In addition, a 0.75 FTE landscape architect or equivalent skilled personnel would be required to monitor the landscape and plant conditions.

REF NUMBER LGK-12

Contract Description:
The contract provides general median landscaping and maintenance for the North, South and Central zones.

Contract Scope:
This contract covers median island landscape maintenance and mowing for the north, central and south zones of the City. The existing contractors maintain 228 acres and 130 distinct medians that receive one treatment per month.

Primary Department:
Public Works Department

Current Vendor:
Greater Texas Landscape, Pampered Lawn, and Ecostar Land and Landscaping

Contract Length:
This service has been contracted since November 2009. The contract came to Public Works in FY 2010-11 from the Parks and Recreation Department and expires in November 2012.

MBE/WBE:
No

Staff Recommendations:
Staff recommends continuing to outsource this service.

Median island landscaping has been outsourced as it is typically a seasonal event with monthly mowing in the spring and summer, and leaf clearing and tree trimming in the fall and winter months. The type of work is conducive to smaller scale vendors who work from geographic areas of Austin. If the vendor has multiple clients, they can create full-time work schedules. For the City, the time not spent mowing and trimming will have to be filled with other activities.

This proposal would replace the three outside vendors with one Public Works team. The insourcing proposal assumes that PWD would staff one employee team, comprised of three Street and Bridge Technicians I, one Crew Leader and one supervisor. The team would be responsible for mowing, trimming, leaf removal, minor irrigation repairs and similar activities in the right-of-way.

Facility Limitations:
The City does not currently have the necessary facility space for storage of heavy equipment and trucks to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$211,153	$217,488	$224,012	$230,733	$237,655	$1,121,041
City Operating	$383,160	$371,606	$409,355	$398,744	$422,950	$1,985,815
City Start-up*	$188,567	$0	$0	$0	$0	$188,567
Difference	**$360,574**	**$154,118**	**$185,343**	**$168,011**	**$185,295**	**$1,053,341**
FTEs	5.0	0.0	0.0	0.0	0.0	5.0

***Start-up costs include:**
One crew cab pickup, one pickup, one 60" propane mower, one tractor/brush hog/post hole digger

Transition Plan:
The transition plan would include the need to extend the current contract for a minimum of six months in order to hire and train the new staff and secure the necessary equipment.

REF NUMBER LGK –13

Contract Description:
Building Services and Austin Police Landscaping and Grounds Maintenance Services

Contract Scope:
Landscaping and grounds maintenance services for fourteen (14) sites for the City of Austin's Building Services Division and six (6) sites for the Austin Police Department. Other sites may be added as needed. Three additional sites have been included in this contract analysis from Austin Water Utility (AWU).

Primary Department:
Building Services

Current Vendor:
Texas Institute for the Blind and Handicapped (TIBH Industries Inc.)

Contract Length:
This service has been contracted since 2008 and expires November 2012.

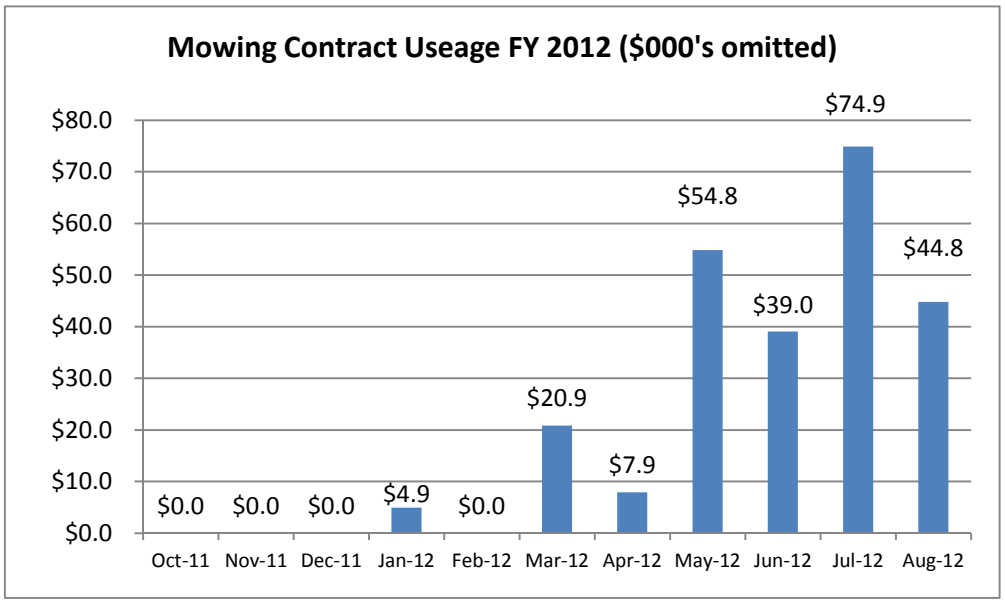
MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

The City has used mowing contractors in our operations for the past several years to provide flexibility during peak season and to augment the in-house crews to meet high demand.

This contract is used on an as-needed basis during the peak mowing season. The seasonality can be best seen by the payment schedule graphed below. This contract is utilized by Building Services, Police, Austin Water, Public Works, Convention Center and PARD.

Since the areas to be maintained are scattered throughout the city the amount of transit time involved for each site can be significant. This includes travel time from site to site, offloading equipment and supplies, and re-stowing equipment upon completion of the operation. In some cases the transit/load/reload time exceeds the time spent mowing. It would not be unusual for a mowing team to spend forty percent of their workday in this transit mode.



Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract spending and the cost to the City to bring this service in house.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$328,360	$338,211	$348,357	$358,808	$369,572	$1,743,308
City Operating	$1,035,170	$1,020,693	$1,056,691	$1,094,824	$1,135,267	$5,342,644
City Start-up*	$380,672	$0	$0	$0	$0	$380,672
Difference	**$1,087,482**	**$682,482**	**$708,334**	**$736,016**	**$765,695**	**$3,980,008**
FTEs	13.0	0.0	0.0	0.0	0.0	13.0

***Start-up costs include:**
An overall investment of $380,672 is necessary to replace the services provided by the contract mowers. For the Building Services and APD sites in the amount $144,000 is included for 3 F-250 crew cab trucks with towing, lights, and storage, three 72" propane mowers and three double axle utility trailers. For the three AWU sites in the amount $236,672 for three F-250 crew cab trucks, three trailers, three tractors and shedder mowers and six commercial deck mowers.

Transition Plan:
If this contract is brought in-house PARD would first need approved positions to hire into, if those were provided it would take 5 to 6 months to advertise, interview, hire and train;

in addition we would need equipment such as trucks, mowers, and hand tools to be purchased which takes 18 to 24 months to procure. It would be more efficient to purchase the equipment prior to hiring staff to avoid staff not able to perform the work with due to lack of equipment.

REF NUMBER LGK-14

Contract Description:
Landscaping and Grounds Maintenance Decker and Sand Hill Energy Center

Contract Scope:
This contract will provide landscaping services for the Decker Power Station and Sand Hill Energy Center. Austin Energy requires qualified landscape maintenance firms that are trained and experienced to provide grounds maintenance and landscaping services for these sites. The contractor is responsible for all equipment and personnel necessary to service the contract. This includes maintenance of all equipment.

Services provided will include native landscape installation and maintenance, as well as mowing and grounds maintenance for these facilities, outlying areas, pump stations, lakeside perimeter, fence perimeter, and water intake areas. Allowances have been included for repairs to the irrigation systems and the replacement of dead or stressed plants.

Primary Department:
Austin Energy

Current Vendor:
Greater Texas Landscaping, Inc.

Contract Length:
The current contract was approved on May 26, 2011 as a 12-month service contract with four additional 12 month extensions making It a 5 year term.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

This agreement provides Austin Energy with experienced staff as well as clean burning alternative fuel equipment for landscaping and ground maintenance services for the Sand Hill Energy Center and Decker Creek Power Station.

Based on emissions reduction guidelines provided by Austin Climate Protection Program staff, the City promotes the use of cleaner-burning equipment for landscaping and grounds maintenance contracts. This requires the use of alternative fuels rather than gasoline in the large engine lawn equipment used. There is also a need for native plant specialties by staff. Criteria in the contract consists of clean burning equipment as well as experience, certification, and training in this specialized area.

Facility Limitations:
None

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house. The current contract authority is set at $373,150 for a total of 5 years (FY 2012-2016). During dryer years, approximately $20,000 per year is used for daily landscaping and grounds maintenance. During years with increased rainfall, demand for mowing and grounds maintenance increases expenditures to approximately $45,000. In addition, $30,000 in contingencies for atypical weather is included in the contract. The current contract was approved May 2011 as a 12-month service contract with four additional 12 month extensions. The current contract expires in FY 2013. A 3% cost escalator for the contract cost is included for FY 2014-2017.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$74,630	$76,869	$79,175	$81,550	$83,997	$396,221
City Operating	$230,220	$238,212	$246,663	$255,612	$265,098	$1,235,806
City Start-up*	$47,000	$0	$0	$0	$0	$47,000
Difference	**$202,590**	**$161,343**	**$167,488**	**$174,062**	**$181,101**	**$886,585**
FTEs	3.0	0.0	0.0	0.0	0.0	3.0

***Start-up costs include:**
Tractor, Mowers, Chippers and other landscaping equipment.

Transition Plan:
To bridge the gap between hiring 3 new staff, a month-by-month contract would need to be approved. There would also be equipment to be purchased immediately and procured using operating, such as a tractor with a mower attachment. The transition is estimated to take approximately four months.

Line Clearing/ Tree Trimming

Ref.#	Description	FY13 Operating Cost City	FY13 Operating Cost Contract	Start-up Cost	Five-year Comparative Cost/(Savings)	FTEs	Facility Limitations	Staff Rec.
TT-1	Energized Transmission Utility Line Clearance Agreement	$19,867,962	$16,000,000	$8,340,000	$35,674,587	165.00	Yes	No
TT-2	Energized Distribution Utility Line Clearance Agreement	$3,343,869	$2,000,000	$3,050,000	$10,758,340	25.00	Yes	No
TT-3	Citywide tree trimming in the right-of-way	$2,745,173	$1,160,000	$484,138	$9,400,394	32.00	Yes	No
Total		**$25,957,004**	**$19,160,000**	**$11,874,138**	**$55,833,321**	**222.0**		

REF NUMBER TT- 1

Contract Description:
Distribution Line Clearance Services

Contract Scope:
This contract will provide Austin Energy (AE) with professional distribution line clearance services, vegetation maintenance and storm restoration capabilities which require specialized equipment and staff with specialized training. Tasks include tree pruning and/or removal of various types of vegetation growing around AE's energized electrical lines, utility easements and rights of way. This work is extremely important to ensure public and worker safety, electric service reliability and overall customer satisfaction. If this line clearance is not maintained it could result in increased electrical accidents, wildfire ignitions, reduced customer satisfaction, increased tree caused interruptions and reduced reliability. It is critical for Austin Energy to have these contractors available in the event of heavy storm damage or unusually heavy workload.

Primary Department:
Austin Energy

Current Vendor:
Wright Tree Service and Asplundh Tree Expert Co.

Contract Length:
The current contract is a 5 year term beginning in FY 2012. The service has been contracted since 1996.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

Line clearance services first started in 1996 in the aftermath of a significant wind storm and expended to two contracts in 1997 following an ice storm. By utilizing contractors, AE is able to ramp up and down the workforce to meet the needs based on seasonal growth fluctuations throughout the year, unexpected needs resulting from storms, and budget constraints. This contract is requirements based, thus the annual expenditures will be based on budget and required work.

Austin Energy has met or exceeded its performance targets for System Average Interruption Duration (SAIDI) and System Average Interruption Frequency Index (SAIFI) for the past two years in part due to the line clearance program and professional services. Austin Energy has been designated a Tree Line USA utility 10 years in a row by the respected Arbor Day Foundation. The utility is recognized for following best practices line clearance and for promoting the proper planting of trees so they do not

interfere with power lines and that provide shade to reduce energy costs. Austin Energy trims along 400 miles of power lines each year on some 12,000 properties and is one of the few electric utilities in the country that meets with customers and provides a line clearance plan before line clearance takes place. The Utility's interactive process is among the most extensive in the country including meeting with property owners before trimming occurs, contracting neighborhood associations to outline trimming plans to leaving door hangers and mailing certified letters.

Facility Limitations:
The City does not currently have the necessary facility space for storage of heavy equipment and trucks to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house. The current contract authority is set at $16.0 million annually. The current contract expires in FY 2016. A 3% cost escalator for the contract cost is included for FY 2017.

The following items are not included in the calculation of the City's cost to provide this service and would be an additional expense beyond the current scope of this analysis. Additional levels of services available for unexpected changes to construction work load, storm response or natural disasters, which require a change in the program workload and spending needs. Additionally, the analysis does not include the cost for a storage facility or replacement schedule for the required equipment.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$16,000,000	$16,000,000	$16,000,000	$16,000,000	$16,480,000	$80,480,000
City Operating	$19,867,962	$20,682,656	$21,529,166	$22,409,392	$23,325,752	$107,814,587
City Start-up*	$8,340,000	$0	$0	$0	$0	$8,340,000
Difference	**$12,207,622**	**$4,682,656**	**$5,529,166**	**$6,409,392**	**$6,845,752**	**$35,674,587**
FTEs	165.0	0.0	0.0	0.0	0.0	165.0

***Start-up costs include:**
Bucket trucks, Flat Bed Trucks, Arbor Equipment, and Chippers.

Transition Plan:
To bridge the gap between hiring 165.0 new staff, a month-by-month contract would need to be approved. AE would need a budget amendment to include the addition of 165.0 new FTEs and associated materials and equipment as well as a budget amendment for capital equipment increasing appropriations. Due to the length of time to receive the specialized heavy equipment/trucks new staff cannot be hired until this arrives. The transition is estimated to take approximately ten months before terminating

the contract and the following actions would need to take place contract approval, Budget Amendment approved by Council, specifications for vehicles/heavy equipment written, Vehicles and heavy equipment ordered and received, and the hiring process.

REF NUMBER TT-2

Contract Description:
Transmission Line Clearance Services

Contract Scope:
This contract will provide Austin Energy (AE) with transmission utility line clearance services, vegetation maintenance and storm restoration capabilities which require specialized equipment and staff with specialized training. Tasks include tree pruning and/or removal of various types of vegetation growing around AE's energized electrical lines, utility easements and rights of way. The work sites will generally consist of geographical area encompassing all of the transmission corridors used by AE within and outside of AE's electrical service territory. This work is extremely important to ensure public and worker safety, electric service reliability and overall customer satisfaction. If this line clearance is not maintained it could result in increased electrical accidents, wildfire ignitions, reduced customer satisfaction, increased tree caused interruptions and reduced reliability. It is critical for Austin Energy to have these contractors available in the event of heavy storm damage or unusually heavy workload.

Primary Department:
Austin Energy

Current Vendor:
Asplundh Tree Experts Co.

Contract Length:
The current contract is a 5 year term beginning in FY 2012. The service has been contracted since 1996.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends continuing to outsource this service.

Line clearance services first started in 1996 in the aftermath of a significant wind storm and expended to two contracts in 1997 following an ice storm. By utilizing contractors, AE is able to ramp up and down the workforce to meet the needs based on seasonal growth fluctuations throughout the year, unexpected needs resulting from storms, and budget constraints. By using contractors for work in the transmission corridors outside of AE's electric service territory, AE is able to keep internal staff available for work within the service territory thus reducing costs and increasing reliability. This contract is requirements based, thus the annual expenditures will be based on budget and required work.

Austin Energy has met or exceeded its performance target for System Average Transmission Line Performance Indicator (SATLPI) for the past two years in part due to the line clearance program and professional services.

Facility Limitations:
The City does not currently have the necessary facility space to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house. The current contract authority is set at $2.0 million annually, and AE expects to spend the entire appropriation. The current contract expires in FY 2016. A 3% cost escalator for the contract cost is included for FY 2017.

The following items are not included in the calculation of the City's cost to provide this service and would be an additional expense beyond the current scope of this analysis. Additional levels of services available for unexpected changes to construction work load, storm response or natural disasters, which require a change in the program workload and spending needs. Additionally, the analysis does not include the cost for a storage facility or replacement schedule for the required equipment.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,100,000	$10,100,000
City Operating	$3,343,869	$3,447,646	$3,556,371	$3,670,387	$3,790,067	$17,808,340
City Start-up*	$3,050,000	$0	$0	$0	$0	$3,050,000
Difference	**$4,393,869**	**$1,447,646**	**$1,556,371**	**$1,670,387**	**$1,690,067**	**$10,758,340**
FTEs	25.0	0.0	0.0	0.0	0.0	25.0

***Start-up costs include:**
Bucket Trucks, Flat Bed Trucks, Arbor Equipment and Chippers

Transition Plan:
To bridge the gap between hiring 25 new staff, a month-by-month contract would need to be approved. AE would need a budget amendment to include the addition of 25 new FTEs and associated materials and equipment as well as a budget amendment for capital equipment increasing appropriations. Due to the length of time to receive the specialized heavy equipment/trucks new staff cannot be hired until this arrives. The transition is estimated to take approximately ten months before terminating the contract and the following actions would need to take place contract approval, Budget Amendment approved by Council, specifications for vehicles/heavy equipment written, Vehicles and heavy equipment ordered and received, and the hiring process.

REF NUMBER TT - 3

Contract Description:
City-wide tree trimming in the right-of-way

Contract Scope:
This contract is primarily used by the City's Street and Bridge Division of the Public Works Department and Watershed Protection Department. There are four specific geographic zones (North West, North East, South West, and South East) and a contract will be awarded by individual zone. Although the State Capital is included within the zones the City is not responsible for serving trees in this area. No single vendor is eligible for award of more than one zone and there is no guarantee of work within each zone. Tree trimming and tree removal services have four basic objectives 1) to provide for the safety of people and property, 2) to preserve trees and to maintain them in a healthy and vigorous condition, 3) to maintain the efficiency operation of Stormwater facilities and 4) to maintain the aesthetics of both the trees and the environment.

Primary Department:
Public Works

Current Vendor:
Rios Tree Service, Unity Contract Services, Forever Green, Austin Tree Experts

Contract Length:
This is a new 3 year contract with three 12 month options for renewal. The contract has not gone to council.

MBE/WBE:
Yes

Staff Recommendations:
Staff recommends outsourcing this service.

Tree maintenance is a distinctly seasonal effort: tree trimming and leaf removal in the fall and winter and tree removal/ stump grinding in the spring and summer. The uneven scheduling makes staffing with full time City crews inefficient. In addition, tree trimming is ideal for smaller firms, providing opportunities to support the City's small and minority business objectives.

Facility Limitations:
The City does not currently have the necessary facility space for storage of heavy equipment and trucks to implement this transition. Facility requirements would need to be resolved prior to this transition occurring.

Fiscal Analysis:
The chart below details the cost differential between the current contract authority and the cost to the City to bring this service in house.

In addition, $1,628,000 will be financed and a debt payment of $162,800 annually for 10 years is assumed. The following equipment will be financed: 4 - 28' aerial tower bucket truck with chipper - $180,000; 4 stump cutters - $14,000; 4 - 6 yd chipper dump trucks - $85,000; 4 - 500 gallon water trucks - $60,000 ea; 2 - 12K knuckle crane loaders - $168,000. Additionally, the analysis does not include the cost for a replacement schedule for all the tool and equipment.

Projected Expenditures

	FY13	FY14	FY15	FY16	FY17	5-Yr Total
Contract	$1,160,000	$1,200,000	$1,242,000	$1,286,000	$1,332,405	$6,220,505
City Operating	$2,745,173	$2,928,660	$2,922,955	$3,109,129	$3,430,844	$15,136,761
City Start-up*	$484,138	$0	$0	$0	$0	$484,138
Difference	**$2,069,311**	**$1,728,660**	**$1,680,955**	**$1,823,029**	**$2,098,439**	**$9,400,394**
FTES	32.0	0.0	0.0	0.0	0.0	32.0

***Start-up costs include:**
6 tow behind chippers - $36,523 ea; 4 pickup trucks - $40,000 ea; 3 SUVs - $35,000 each.

Transition Plan:
To bridge the gap between hiring 32 new staff, a month-by-month contract would need to be approved for a one-year contract. Due to the length of time to receive the specialized heavy equipment/trucks new staff cannot be hired until this arrives. The transition is estimated to take approximately ten to fifteen months before terminating the contract and the following actions would need to take place contract approval, specifications for vehicles/heavy equipment written, vehicles and heavy equipment ordered and received, and the hiring process.

Exempted Contracts

REF NUMBER FR - 5 - *EXEMPTED*

Contract Description:
This contract provides vehicle inspection and emission testing services for the Vehicles for Hire Program.

Contract Scope:
An independent vehicle inspections company currently conducts third party vehicle inspections and emissions testing on behalf of the Austin Transportation Department as a means to ensure consumer safety. As a part of the Vehicles for Hire program all taxi cabs, limousines, electric low speed vehicles, charter vehicles and airport shuttles are inspected to pass State of Texas vehicle and emission testing guidelines.

Primary Department:
Austin Transportation Department

Current Vendor:
Groovy Automotive

Contract Length:
The contractor has provided vehicle and emission inspections testing since August 2008.

MBE/WBE:
No

Reason for Exemption from Analysis:
Per Texas Transportation Code, the City is classified as a "Government Station" and can only inspect its own vehicles. Therefore this service must continue to be provided by a third party vendor.

REF NUMBER FM-5 - *EXEMPTED*

Contract Description:
Electrical repairs and related services

Contract Scope:
The contract provides services to include electrical repairs and related services for the Convention Center, Convention Center Parking Garages and the Palmer Events Center and Parking Garage. Contractor and their technicians shall possess license(s) issued by Texas Department of Licensing and Regulation or certifications as required by the COA, State of Texas, Federal agency or any other applicable regulatory agency requirements.

Primary Department:
Convention Center

Current Vendor:
C.L. Carson Inc.

Contract Length:
This contract expired and new contract was approved by Council on 8/16/12. This is a 12 month contract with two 12 month extension options.

MBE/WBE:
Yes

Reason for Exemption from Analysis:
This contract falls under the temporary/contingency category. A full time equivalent would not be needed on a daily basis and a City temporary employee would not be eligible for benefits. The contract services are used when needed to provide emergency services as well as to provide the necessary technical skill to support the existing maintenance staff. This contract includes labor and parts and difficult to disseminate between the two. The department already has electrical staff, but when emergency issues come up, the contract is available. A contract is needed for these types of instances.

REF NUMBER FM-7 - *EXEMPTED*

Contract Description:
Mechanical, Electrical, and Plumbing (M.E.P.) Engineering Rotation List (2008 – 2010).

Contract Scope:
The contract provides for design of modifications to existing M.E.P. systems, including preparation of bid documents, construction budgets, and construction phase services. Troubleshoot existing problems with M.E.P. systems and provide engineering services to determine solution, cost and engineering supervision of repair. Act as Lead Consultant on projects that consist primarily on M.E.P. work, including subconsultant coordination for all phases of design and construction. Provide commissioning services for Leadership in Energy and Environmental Design (LEED) certification for both new and renovation projects. Provide energy modeling and energy simulation services to document LEED points for energy efficiency. The consultant or subconsultant that performs these services is required to utilize U.S. Green Building Council (USGBC) software for LEED Certification.

Primary Department:
The Contract Management Department manages this rotation list and the primary department users are Building Services, Austin Water Utility, Aviation, Parks and Recreation, the Convention Center, and Library.

Current Vendor:
There are six vendors with a total authorization of $1,200,000. The vendors are: 1) Encotech Engineering Consultants Inc., 2) Jose I Guerra Inc., 3) Texas Energy Engineering Services Inc., 4) Energy Engineering Associates Inc., 5) O'Connell Robertson & Assoc., and 6) Arizpe Group Inc.

Contract Length:
This contract closes when authorization of $1,200,000 is exhausted. There have been 32 assignments made with a total of $848,708.57 contracted and $568,629.03 expended.

MBE/WBE:
Yes

Reason for Exemption from Analysis:
The MEP Rotation List provides professional engineering services to respond to the need for new construction, repair or renovation as a set of plans (and sometimes, documents to be included in a CMD solicitation), bearing an engineer's seal when appropriate. Such plans may then be executed by a department may be provided to the job order contract (JOC) contractor, or which could be bid out. These plans are reviewed by City staff members – in this case professional engineers – who are City employees. There is no actual mechanical, electrical or plumbing "performance" within this

contract. At no point in the MEP is there any "hammering, nailing, plumbing or wiring" being performed.

As far as the segment in which LEED software / certification and the rest come up, this is a lesser included scope of the professional engineer's response to our needs – literally that LEED considerations are "baked into" the plan that the rotational engineer gives back to us. The LEED components cannot be easily severed from the rest of the work that results in plans.

REF NUMBER FM- 9 - *EXEMPTED*

Contract Description:
To provided demolition and debris removal services for the Code Compliance Department (CCD).

Contract Scope:
This contract is for the demolition of designated structures of approximately 40,000 square feet and the clearing of debris within 30 days of receiving the notice to proceed.

Primary Department:
Code Compliance Department

Current Vendor:
Allied Industries Inc.

Contract Length:
This contractor has provided demolition service to CCD for the past 12 months.

MBE/WBE:
Yes

Reason for Exemption from Analysis:
This contract is for the demolition of dilapidated structures as ordered by the Building and Standards Commission (BSC). The use of the contract is variable and situational based on a number of factors including, but not limited to, the number of cases brought to the BSC, how the BSC rules on those cases, the willingness of property owners to contract for the work themselves when possible, state legal requirements regarding asbestos, and lead testing and abatement prior to the actual demolition. There are long periods of time when the department doesn't demolish any structures. The department also experiences periods of time when multiple structures are ordered to be demolished. The timeframe for demolition is set by the BSC and is out of the department's control. Because of the variable nature of the work and state licensing requirements regarding asbestos and lead abatement, insourcing this highly specialized service would mean having crews of workers dormant for extended periods of time. It is for this reason the contract does not meet the criteria set for inclusion in the insourcing analysis project.

REF NUMBER FM-10 - *EXEMPTED*

Contract Description:
This contract is for the maintenance, repairs, and spare parts for all security perimeter gates at ABIA. It is also for any upgrades and/or modifications to meet current FAA and TSA regulations.

Contract Scope:
There are 23 gates covered under the contract, along with repair parts. The contract provides for specialized maintenance services and complements basic repairs and maintenance performed by Department of Aviation employees.

Primary Department:
Aviation

Current Vendor:
Auto Gate Texas, Inc. / Fusion Services LTD.

Contract Length:
4 years

MBE/WBE:
No

Reason for Exemption from Analysis:
Aviation analyzed the contract to approximate how many labor hours and FTEs would be necessary to in-source the contract. An estimated 401 labor hours are included in the contract annually. Since this number of hours represents less than 0.5 of an FTE, such an employee, even if hired by the City, would not be eligible for benefits. As such, additional cost analysis is not considered necessary.

REF NUMBER FM-12 - *EXEMPTED*

Contract Description:
Security and loss prevention services, Combined Transportation Emergency and Communications Center (CTECC)

Background:
The CTECC facility is a regional facility with a coalition of partners; City of Austin, TxDOT, Travis County and Capital Metro. The members of the coalition are responsible for the decisions regarding operating and maintaining the facility. As part of the original agreement in 2003, the coalition chose the Travis County Sheriff's department as the provider of security services for the CTECC facility.

Contract Scope:
The contract provides for a minimum of two Texas Commissioned Peace Officers to be present at all times focused on ensuring safety and security of the facility and staff. They must provide secure access to property and building on a 24 hour/7day basis. The Officers screen visitors and service contractors/deliveries. They also do foot and vehicle patrols in and around the facility. Monitoring of the key card system and video cameras is also required. In addition, the Commissioned Peace Officers are to be familiar with and enforce CTECC Standard Operating Procedures/Policies (SOP) as defined per the interlocal agreement for the operation and maintenance of CTECC and its supported systems. These Officers are also tasked with assuming a leadership role for events that pose a threat to facility or staff safety.

Primary Department:
Communications and Technology Management

Current Vendor:
Travis County Sheriff's Office

Contract Length:
These services have been provided by Travis County since 2003, nine years.

MBE/WBE:
No

Reason for Exemption from Analysis:
These employees currently receive full-time benefits; including healthcare, retirement and paid leave. This contract is an interlocal with the Travis County Sheriff's Office to provide security *and loss prevention services at* CTECC, a facility shared by regional partners, TxDOT, Travis County, City of Austin and Capital Metro. The Travis County Sheriff's Office utilizes full –time county staff to provide these services.

REF NUMBER FM-13 - *EXEMPTED*

Contract Description:
Fire and security systems and monitoring services.

Contract Scope:
The Electronic Security Services Contract that the City currently has with Stanley Convergent Security Solutions is a fire and security systems and monitoring contract. This contract includes monitoring services for Parks & Recreation, HHSD, Municipal Court and Austin Resource Recovery. Per the contract, Stanley provides monitoring of access, intrusion/burglar, fire and temperature variances.

Primary Department:
HHSD/PARD

Current Vendor:
Stanley Convergent Security Solutions

Contract Length:
9 1/3 months (most recent update); 3 years since original agreement

MBE/WBE:
No

Reason for Exemption from Analysis:
Per the contract, Stanley provides monitoring of access, intrusion/burglar, fire and temperature variances. The contractor has installed its own highly specialized equipment in these sites and is responsible for the monitoring and maintenance of this equipment. None of the departments served have any capacity to install or maintain this equipment, personnel trained to monitor it, or managers trained to supervise the installation, maintenance, or monitoring staff.

All of the equipment is owned by Stanley and is proprietary in nature. The monitoring component of the contract is for 24-7 monitoring and includes the contractor alarming police, fire, emergency medical and the department served as needed. The contract renewal set to go forward to Council has Stanley as a sole source because no one else has access or expertise to monitor the equipment that is installed, which implies that it would be highly arduous for individual departments to develop this expertise internally.

REF NUMBER FM-16 – *EXEMPTED*

Contract Description:
Cleaning, Painting, Coating and Surface Prep of power plants

Contract Scope:
This contract will provide services for surface preparation, coating and painting of Austin Energy power plants; the work involves waste and hazardous materials disposal, tools, materials, and equipment. It is necessary for a coating material to be applied to painted surfaces to protect against corrosion and deterioration that are common due to the harsh environment within power production facilities.

Primary Department:
Austin Energy

Current Vendor:
Basic Industries

Contract Length:
The current contractor has provided these coating services to AE facilities for the past 5 years.

MBE/WBE:
No

Reason for Exemption from Analysis:
This contract is not for routine facilities maintenance such as cleaning of offices, trash disposal etc. Instead, this contract is for highly specialized analysis of surface areas such as PVC, masonry and metallic surfaces at the Decker and Sand Hill Energy center plants to determine the need for specialized coating of exterior and interior facilities to prevent corrosion. It is necessary for a coating material to be applied to painted surfaces to protect against corrosion and deterioration that are common due to the harsh environment within power production facilities. Compressors and blasting equipment will be used during the course of this work as well as specialized paint and painting techniques.

This work is typically performed on a quarterly basis. Each quarter, the work takes anywhere from 1 to 4 weeks to perform and the worst case scenario takes 16 weeks out of the year to perform this work. No other work is available the other 36 weeks of the year for these highly specialized and certified workers.

REF NUMBER GL-1 - *EXEMPTED*

Contract Description:
Management and Operation of the IH 35 and 8th Street Parking Lot

Contract Scope:
Provide parking lot attendants and supervision for the IH35 Parking lot. This contract was discontinued in June 2012.

Primary Department:
Austin Transportation Department

Current Vendor:
Alright Central Parking

Contract Length:
4 Years

MBE/WBE:
No

Reason for Exemption from Analysis:
This contract was discontinued in June 2012. The contract had been used to provide parking lot attendants for the IH 35 Lot. However, after the lot was renovated in 2011, the Transportation Department installed "pay stations" to collect the parking fare which eliminated the need for on-site attendants and the contract was cancelled and will not be needed in the future. Therefore, ATD requests that the contract be exempted from further analysis.

REF NUMBER GL-3 - *EXEMPTED*

Contract Description:
Maintenance of parking garage equipment and software

Contract Scope:
Contractor is to provide equipment repairs and software maintenance services to parking garage equipment at both the Convention Center Garages and the Palmer Center Garage.

Primary Department:
Convention Center

Current Vendor:
Mitchell Time & Parking

Contract Length:
3 year contract with 3 – 12 month extension.

MBE/WBE:
No. It is a sole source.

Reason for Exemption from Analysis:
This contract covers the hardware and software of our proprietary parking equipment utilized to manage all three of our ACCD garages. Due to the proprietary nature of parking equipment and related software, and the fact that this equipment is extremely nuanced with specialized tools to work on the hardware and complex coding and structured query language (SQL) based knowledge needed to maintain the software, this cannot be in-sourced. In the parking industry, warranties are typically voided or not serviced when any entity attempts to maintain said equipment outside of the purvey of authorized vendors. The Convention Center and Palmer garages are staffed by COA employees and this particular software included a maintenance specific agreement that the software can only be serviced by the vendor. Extremely skilled staff would be required if brought in-house and the warranty could be in jeopardy.

REF NUMBER LGK-1 - *EXEMPTED*

Contract Description:
Landscaping / Grounds Keeping for Austin Water

Contract Scope:
The contract provides for purchase and planting of various types of vegetation and species of bushes, shrubs and trees. Vegetation is to be planted at the Austin Water Utility's new Water Treatment Plant 4. This is a one-time requirement/ project and there will not be a need for future contracts of this type.

Primary Department:
Austin Water Utility

Current Vendor:
Texas Forest Service

Contract Length:
4 years

MBE/WBE:
No

Reason for Exemption from Analysis:
Austin Water does not need this service to continue. The contract ended May 2012 and was only performed by the Texas Forest Service which is a state agency. It was extended from the original date because of the drought in 2011. The contract was for $99,000 and $8,286.52 was spent. The remaining encumbrance will be closed.

This contract was for habitat restoration or enhancement in the Balcones Canyonlands Preserve. Habitat restoration is a required practice in the Balcones Canyonlands Regional Habitat Conservation Plan and federal permit that the City shares with Travis County. Finding suitable nursery stock and woody plant materials, such as trees or shrubs, is often difficult or cost prohibitive in Austin's local market. In general, the Preserve staff grows materials for small projects. Staffing constraints and limited green house space cannot provide for larger projects.

In FY08, the preserve staff determined that they needed the assistance of the Texas Forest Service. AWU researched the local market before this contract and were unable to find the plant materials we needed locally. Next we researched the local market for a contractor to custom-grow the plant materials we needed. Again, no one had the experience or facilities or both to provide custom grow plant materials we needed in the numbers we needed, except Texas Forest Service. The Texas Forest Service had the ability to grow large numbers of tree and shrub seedlings and deliver them in a viable condition. The final result was that the TFS tried to grow trees from seeds collected on

BCP lands, but failed on the first attempt. They tried again, with minimal success. They delivered small trees and reduced the price.

These trees were used for restoration and enhancement projects on the 138 acre preserve portion of the Bull Creek Water Treatment Plant 4 site, directly adjacent to BCP land.