



MEMORANDUM

TO: Mayor and Council Members

FROM: Marc A. Ott, City Manager

DATE: May 18, 2012

SUBJECT: Resolution No. 20120405-054 (CIUR #737)

On April 5th, Council passed a resolution directing me to develop a comprehensive report on outsourcing of public sector jobs through an evaluation of the City's current contracts for services and all current temporary employees. Council further directed me to report back on June 28, 2012; however, I am seeking an extension to October 1, 2012 as this analysis will require significant staff resources.

Staff recently completed a preliminary review of approximately 1,000 contracts, and has provided me with an analysis plan that focuses on six (6) major labor categories. These categories are:

- Janitorial and Custodial Services
- Facilities Maintenance
- Landscaping and Grounds Keeping
- Light Construction and Concrete Work
- Additional Fleet Repair
- Other general labor contracting

There are approximately sixty (60) contracts expiring between today and December 31, 2012 that fit within these categories. Staff will review these contracts to identify opportunities for changes in contracting. The review will include an examination of the need for contracting based upon these criteria:

- Contract(s) necessary to preserve separation of duties / responsibilities
- Contract(s) for seasonal, part-time and peak demand needs
- Contract(s) with high risk factors that may impact the City's self-insured status
- Contract(s) requiring high investment
- Contract(s) involving highly competitive labor markets
- Contract(s) that would involve additional Licensed Professionals on staff

A team from the Purchasing Office, Budget Office and Department staff will be conducting these reviews, and the results of each will be brought forward to support any Recommendations for Council Action as applicable. In addition, the Human Resources Department will finalize the analysis of temporary employees.

This is a significant, large scale project. The extensive review will require staff resources currently devoted to normal business activities and other Council initiatives as well as the same staff preparing next Fiscal Year's budget and legal staff working on the proposed Charter Amendments.

Therefore, we have brought forward a Request for Council Action (RCA) seeking a clarification of the Council Resolution to allow for staff to provide individual detailed analysis reports in support of any Recommendations for Council Actions for contracts falling within the six labor categories listed above as those contracting actions occur. This RCA is listed under the Financial Services Department on the May 24th Council Agenda.

Should you have any questions or comments, please do not hesitate to contact me.

CC: Michael McDonald, Deputy City Manager
Assistant City Managers
Ray Baray, Interim Chief of Staff
Elaine Hart, Chief Financial Officer
Byron Johnson, Purchasing Officer
Mark Washington, Director, Human Resources Department