

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	60299	Agenda Number	55.
Meeting Date:		August 18, 2016			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of a 24-month contract with HOWROYD-WRIGHT EMPLOYMENT AGENCY INC. DBA APPLEONE, or one of the other qualified offerors to Request For Proposals RMJ0306, to provide call center staffing services, in an amount not to exceed \$18,422,565, with three 12-month extension options in an amount not to exceed \$9,211,283 per extension option, for a total contract amount not to exceed \$46,056,414.					
Amount and Source of Funding					
Funding in the amount of \$1,533,214 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding for the remaining 22 months of the original contract period and extension options are contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) RMJ0306 for these goods and services on January 25, 2016 and it closed on February 26, 2016 with five offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offerors is the current provider for these goods and services.				
Prior Council Action:					
For More Information:	Ray Moncada, Senior Buyer Specialist Corporate, 512-322-6594				
Boards and Commission Action:	August 15, 2016 – To be reviewed by the Electric Utility Commission.				
Related Items:					
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.				
Additional Backup Information					

The contract will provide call center staffing services on an ongoing, as-needed basis to staff the Citywide Information Contact Center (3-1-1) and the Utility Contact Center. This contract will allow the centers to meet staffing level requirements as they fluctuate due to seasonal call volume demands and city-wide emergencies and power outages.

At the April 28 and August 8, 2016 meetings of the Austin Energy Utility Oversight Committee, staff provided briefings regarding the contract and, in addition, a proposal to convert Utility Contact Center contractors to full-time City of Austin employees. The conversion of 45 contractors to City employees is included in Austin Energy's proposed Fiscal Year 2017 operating budget. If the conversion is approved with the proposed budget, the full authorization of this contract will not be needed and subsequently, contract costs are expected to be approximately \$37,500,000 over five years, as described at the August 8, 2016 meeting.

The City's population growth has remained above 2.5% for the past five years and is projected to continue this trend. The addition to the City population has created an increased demand on the Utility Contact Center and 3-1-1 and the essential ability to connect constituents to City services.

The Utility Contact Center services approximately 1.5 million customers as the single point of contact for information about electric, water, wastewater, and other utility based services including power outage concerns. These inquiries are handled by staff from the Utility Contact Center. The Utility Contact Center experiences an average monthly volume of 85,096 calls and 18,800 other customer interactions (e.g., emails, faxes and messages via the online customer care portal). Total customer interactions averages 93,000 per month from November through May, and increases to 119,311 interactions per month from June through October. These interactions required approximately 193,000 staffing hours in 2015. The Utility Contact Center is staffed with 56 full-time City employees and 90 to 110 contract employees, based on seasonal demand.

The 24-hour 3-1-1 center is responsible for inquiries regarding all City services and for non-emergency police calls. The 3-1-1 center supplements resources in times of disaster and catastrophic events and supports City initiatives (new growth and expansion of services) serving approximately 1 million customers. The 3-1-1 center receives an average call volume of 88,000 per month and approximately 1,700 other interactions each month. Total customer interactions average 88,213 per month from November through May, with an average increase to approximately 92,000 per month from June through October. These interactions required approximately 101,665 staffing hours in 2015. The 3-1-1 center is staffed with 25 full-time City employees and requires 45 to 65 contract employees to support peak periods.

A team with expertise in this area evaluated the offers and scored Howroyd-Wright Employment Agency Inc. dba AppleOne as the best to provide this service based on the solution to provide the services, organizational and management structure, recruiting and retention plan, demonstrated applicable experience, total evaluated price and local business presence.

This request allows for the development of a contract with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so Council may select another qualified offeror and authorize contract negotiations with this provider.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

HOWROYD-WRIGHT EMPLOYMENT AGENCY INC. DBA APPLEONE				
	# months	Contract Amount	Contract Amendment	Revised Amount

Original Term	24	\$ 18,422,565	n/a	n/a
Extension Option 1	12	\$ 9,211,283	n/a	n/a
Extension Option 2	12	\$ 9,211,283	n/a	n/a
Extension Option 3	12	\$ 9,211,283	n/a	n/a
TOTAL	60	\$ 46,056,414	\$ -	\$ -