



MEMORANDUM

TO: Mayor and Council

FROM: James Scarboro, Purchasing Officer *Jan*

DATE: October 4, 2019

SUBJECT: Status Update on Resolution No. 20190822-067, Contract Labor Resolution

The purpose of this memorandum is to provide an update on Resolution No. 20190822-067, regarding the limitation of contracted labor. The Purchasing Office has developed preliminary criteria for identifying contracts that are responsive to the resolution. Based on these contracts, Purchasing is now collecting the following information:

- Departments and contractors that may be impacted
- Department spend on these contracts, what types of services they are purchasing, in what amounts and at what times during the year
- Billing approaches used in these contracts, including hourly rates, banded hourly rates (service and supplies), and job rates (charge by activity)
- Contractor data including local firms and certified firms

Staff will contact impacted contractors and request the salary, costs and benefits data identified in the resolution. Staff will provide the available data to impacted departments, so that each may determine the extent to which they are able to hire additional staff to perform these services. Each department will work with their budget staff and the Financial Services Department (FSD) Budget Office to develop cost estimates for the additional staff. Staff will present the findings of this review and related recommendations to the Audit and Finance Committee (AFC), including the following:

- Additional staffing requirements by department and their related costs
- Schedule of upcoming solicitations and contract actions subject to the resolution; and
- Procurement policy and approach regarding limits on contracted labor

The Purchasing Office is currently in discussions with FSD leadership and the City Manager's Office to determine who (which office or department) will present the report(s) required in the resolution.

Feel free to contact me (james.scarboro@austintexas.gov or 512-974-2050) with any questions in this regard.

cc: Spencer Cronk, City Manager
Elaine Hart, Chief Financial Officer
Greg Canally, Deputy Chief Financial Officer