





MEMORANDUM

TO: Audit and Finance Committee

FROM: Darrell Alexander, Officer, Building Services Department 

THROUGH: Ed Van Eenoo, Chief Financial Officer 

DATE: April 14, 2023

SUBJECT: Response to CM Tovo Fiscal Year 2022-2023 Budget Rider 9 - Transitioning from contract employees to permanent positions.

The purpose of this memo is to provide a response to Council Member Tovo's Fiscal Year 2022-2023 Budget Rider 9 which directed the City Manager to report to the Audit and Finance Committee (AFC) an update on the status of insourcing goals, expectations, and timelines related to [Council Resolution 20190822-67](#).

Background

[Council Resolution No. 20190822-67](#) directed staff to find ways to decrease the use of labor-intensive service contracts and increase insourcing (e.g. hiring city staff) for these responsibilities. Following the adoption of this resolution the Building Services Department (BSD), in partnership with several City departments, developed multi-year phased insourcing plans to meet the resolution's objectives. City Council approved the addition of 37.5 positions in Fiscal Year 2021-2022 and Fiscal Year 2022-2023 that had previously been filled by contractors.

Current Status

BSD's vacancy rate is currently 19.75% with over 70% of these being labor-intensive custodial and security positions. Across the City there are roughly 60 vacancies in security and custodial positions. High vacancy rates are anticipated to continue as the City is having difficulties attracting qualified candidates for these positions and is experiencing high rates of turnover due to the highly competitive labor market.

Next Steps

Taking into consideration current labor market challenges and high vacancy rates, staff will not be pursuing additional insourcing activities in the FY 2023-2024 budget while we focus instead on filling our current vacancies. While BSD works to fill in-house custodial and security positions, we will continue to use service contracts to support the City's current service needs, including seasonal and event driven needs, vacancy augmentation, and support of new and unknown future staffing requirements.

If you have any questions, please contact me by phone at (512) 974-9748 or by email at Darrell.alexander@austintexas.gov.

cc: Jesús Garza, Interim City Manager
Stuart Reilly, Interim General Manager, Austin Energy
James Scarboro, Chief Procurement Officer