

# **TEMPORARY EMPLOYEE SERVICES PROGRAM**

HUMAN RESOURCES DEPARTMENT  
BRIEF AND RECOMMENDATION  
FY2011 – FY2014

COUNCIL MEMBER BRIEF  
NOVEMBER 8, 2010

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**City of Houston**  
**Temporary Employee Services Program**  
**Brief and Recommendation**  
**November 8, 2010**

1. Program Recommendation for FY2011 through FY2014
2. Key Points
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**City of Houston**  
**Temporary Employee Services Program**  
**Fiscal Affairs Committee Brief and Recommendation**  
**November 8, 2010**

1. **Program Recommendations for FY2011 through FY2014:** The Human Resources (HR) Department is recommending City Council award fourteen (14) contracts and approve \$38,000,000 in contract authority to cover (3) one-year terms (which includes two option years) to the following temporary employee and information technology staffing agencies.

Administrative / Industrial (1-7)			Information Technology (8-14)		
1	A-1 Personnel of Houston, Inc.	WBE	8	A-1 Personnel of Houston, Inc.	WBE
2	Also Temps, Inc.	W/DBE	9	ExecuTeam Staffing, L.P.	*
3	Bergaila & Associates, Inc.	*	10	Bergaila & Associates, Inc.	*
4	ExecuTeam Staffing, L.P.	*	11	Logan / Britton, Inc.	
5	Lane Staffing, Inc. **	W/DBE	12	ObjectWin Technology, Inc.	
6	Silver & Associates Consulting, Inc.	M/DBE	13	Precision Task Group, Inc. **	M/DBE
7	Topp Knotch Personnel, Inc.	W/DBE	14	S&R Professionals, L.P. **	WBE

The MWDBE (57%) designated agencies are certified by the Affirmative Action Division. \* Indicates that these vendors are “graduates” of the city’s MWDBE program. \*\* Indicates that these vendors are new to the citywide temporary employee services program.

Temporary employee and information technology staffing services are provided as requested by departments.

2. **Key Points:** Inherent in the request the following information is presented:
- A. As a revolving fund, temporary employees are charged to the requesting departments and must be within the City Council approved budget level for that department.
  - B. The contract authority requested includes a contingency factor for catastrophic events, project and approved initiatives.
3. **RCA – Anticipated November 9, 2010:** In order to continue same and similar temporary employee services in city departments, HR is requesting City Council to approve the award of fourteen (14) contracts (1 year plus 2 optional one-year terms) to provide temporary employee and information technology staffing services to city departments and approve \$38,000,000 in contract authority to cover (3) one-year terms which includes two (2) option years. Included in this request is \$5,000,000 for contingencies such as new grant funding and/or calamities such as Hurricane Ike.
4. **RFP Evaluation and Selection Process:** HR released a Request for Proposals (RFP) on August 6, 2010 for temporary employee staffing and information technology staffing services for the purpose of providing these services to city departments on an as-needed-basis.

HR received a total of 54 viable proposals (Admin – 31 proposals, IT – 23 proposals). Proposals were evaluated based on the noted criteria below:

- A. Quality of response submitted (all questions addressed)
- B. Strategy to perform the scope of work and transitional plan
- C. Experience and success in performing similar services for other entities
- D. Experience of the proposed managerial and account processing team
- E. Ability to timely offer qualified temporary employees
- F. Invoicing/reporting/technological ability
- G. Financial strength of proposer
- H. Reasonableness of cost projections
- I. Value added services

In addition, the vendors were asked to submit a proposal for a turn-key Managed Services Provider Program. This type program manages the entire program with their (agency) personnel. It was determined that having a Managed Services Provider Program would not be cost effective for the City.

5. **Background:** The HR Department has had responsibility for the temporary employee services program since the early 1980s. HR's Temporary Employee Services (HRTES) section assists customer city departments with the acquisition of temporary employees and information technology staffing resources. HRTES performs all acquisition and ongoing contract administration tasks, which allows the city departments to focus on their project tasks and deadlines.

The city departments currently receives services through (10) temporary employee and information technology staffing contract agreements. Six of the agreements (60%) are MWDBE designated agencies. The current contracts have an effective date of December 1, 2008 and will expire midnight November 30, 2010. The current contract authority is \$30,000,000 (2 years).

Overall contract utilization for the 24 months is estimated at \$26,570,200 and based on this trend an estimated \$20,990,458 (79%) of the services will be provided by MWDBE designated agencies.

For the same 24 month period, (8) city departments represent 91% of the total temporary employee and information technology staffing services utilization: HHS 32%, HPD 21%; ITD 11%, SWD 9%, PRD 7%, PWE 5%, HEC 3%, HAS 3%.

6. **Supplemental Information- Frequently Asked Questions:** (FAQ)

**Q: Where does this funding come from?**

**A:** From the budget approved by City Council for each department. Department must have the existing budget or transfer dollars from other line items. This is a facilitating program to augment department staffing needs.

**Q: What are the advantages for utilizing temporaries?**

**A:** In the temporary staffing arrangement, the agencies provide liability, fidelity, and workers' compensation insurance coverage. The agencies also maintain all necessary personnel and payroll records, including drug screens and background checks, if any. In addition, the arrangement provides an immediate resource for recruiting temporaries with the proper skill set and facilitates the temporary employee's termination as well.

**Q: What types of temporaries does the City use?**

**A:** There are 2 categories of services an agency may provide:

1. Regular Agency Personnel- Based on a city department's requirement, the agency recruits and places personnel at a specific mark up.
2. Payrolling- The department obtains the person and the agency performs all payroll functions at a specific mark up.

**Q: How many temporaries does the City have?**

**A:** At any given time, the City has anywhere from 300 to 500 temporaries. Please note this equates to 200-300 FTEs (Full Time Equivalents). However, in general, temporaries' assignments are for 90 days.

**Q: What is the overall average hourly rate?**

**A:** The city temporary employee program averages, including agency mark-up, for all type of classifications, \$21.27 an hour. This equates to an annual cost of \$44,242 compared to the City average mid-point annual salary of \$45,650.

**Q: What departments utilize temporaries for special projects / initiatives?**

**A:** Current depts./special projects that are utilizing temporary employees at this time are:

<b>Department</b>	<b>Project Name</b>
HHS	Immunization program
	HGAC grant
	H1N1
	MIPPA (Medicare Improvement for Patients & Providers Act)
HPD	Records Mgmt. Systems (RMS)
ITD	CSMART (for Municipal Courts-Admin.)
	Radio Communications Project.
ARA	Vehicles For Hire Study
	BARC
PWE	ERP Project
HEC	CO-Op Program
AAD	Weatherization Project
HAS	Hobby New Terminal
PRD	Summer mowing

**Q: Is the City unique in the use of temporaries?**

**A:** No, according to the American Staffing Association, virtually all entities use temporaries. Local government agencies routinely issue RFPs for temporary services.

**Q: How many agencies does the City contract with and what has been their mark up over the last few years? Which departments account for the most obligation?**

**A: Agency and Department Utilization Summary:**

	<b>FY2011-2014</b>	<b>FY2011-2009</b>	<b>FY2009-2007</b>
<b>Agreements Recommended</b>	<b>14</b>	<b>12</b>	<b>10</b>
Administrative/Industrial	7	7	6
Information Technology	7	5	4
<b>Agency mark-ups (Low-High)</b>		<b>%s</b>	<b>%s</b>
Payrolling-Administrative	14.87-28.32	15.65-30.00	15.85-26.50
Payrolling-Industrial	16.29-34.25	19.55-39.15	18.88-35.00
Payrolling-Information Technology	13.87-21.90	15.65-22.40	13.79-21.00
Specialized-Administrative	22.37-27.00	23.50-37.15	22.61-44.90
Specialized-Industrial	22.79-37.12	23.50-44.15	NA
Specialized-Information Technology	18.39-35.30	27.75-30.90	23.44-29.75
Contract-Administrative	NA	21.92-59.32	24.02-32.00
<b>Noted Departments account for 80% Utilization</b>		HPD, HHS, PRD, SWD, PWE, HEC, HAS, ITD	HPD, HHS, PRD, SWD, PWE, HEC, HAS, ITD

Markups include all taxes, and insurance required by federal, state or local laws.