



City Council Report

Date: February 26, 2018
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Six-Month Extension to the Term Contract for Citywide Temporary Agency Worker Services for the Human Resources Department **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Human Resources Department and Purchasing recommend extending the contract through September 30, 2018 with AllStaff Services Inc.; Creative Human Resources Concepts LLC (a Mesa business); and GCA Services Group; cumulatively not to exceed \$2,960,000.00, based on estimated usage.

Background

Temporary agency workers are used to provide temporary services to the City by staffing positions in various areas in instances where it is more cost effective than hiring permanent employees. City Departments use temporary agency workers to fill in for absent employees, to handle special assignments, relieve work overload and cover special programs. In addition, the Arts and Culture and Parks, Recreation and Community Facilities Departments use a variety of temporary agency workers for Arts Center activities, and sports and recreation programs.

The City establishes wage rates to be paid to temporary agency workers. The contract agencies charge a markup, which is expressed as a percentage that is added to the hourly wage. This percentage covers the costs of recruiting, administrative overhead, Workers' Compensation insurance, benefits and profit. Temporary workers are generally paid 5% less than the lowest step on the City's pay range for that classification. This ensures that temporary workers are not paid more than their City counterparts. For assignments where no comparable City position exists, a wage is established that is competitive for the type of work to be performed.

The City has been satisfied with each vendor's service and performance. However, Human Resources and Purchasing are requesting a six-month extension to allow staff time to compile information and re-solicit Temporary Agency Worker Services due to Prop 206 passing. The City will also be re-writing the requirements, updating job descriptions/requirements and/or job classifications.

The contract with Devau Human Resources will not be extended as the City has not been using the types of workers this firm provided.

Purchase Information

Action: Amendment

Procurement Type: Contract Extension

Contract Number: 2015092

Original Council Award Date: 3/23/2015

Initial Contract Term: Three years

Funding Source: The purchase is funded in the operating budget of the City Department using the contract