



HUMAN RESOURCES DEPARTMENT

FORT BEND COUNTY, TEXAS

Kent M. Edwards, PHR
Director of Human Resources

To: Judge Robert Hebert
Commissioner Richard Morrison
Commissioner Grady Prestage
Commissioner Andy Meyers
Commissioner James Patterson

From: Kent Edwards

Date: November 18, 2009

Subject: Temporary Staffing Agency Services

Human Resources recommends that Fort Bend County cancel the contract with Advance'd Temporaries due to their failure to perform as per the terms of the contract. Further, we recommend that the County cease using a staffing agency to provide part time and temporary staff.

Background

Fort Bend County began using a staffing agency in 2005 when ExecuTeam Staffing was awarded the first contract. ExecuTeam provided excellent customer service and the business relationship was very positive. In FY 2009, the service was re-bid, and the contract was awarded to the low bidder, Advance'd Temporaries, in November 2008.

From the beginning we have experienced numerous problems with Advance'd Temporaries performance. For example, staff is often not paid appropriately or timely, the Auditors Office has difficulty processing their invoices, they are not responsive to individual department's needs, and attempts to resolve issues with Advance'd take weeks or remain unresolved. In addition, they do not actively recruit staff to fill our positions and fail to provide sufficient candidates for selection. Consequently, of the 105 part time staff assigned to the county through this agency, only 11 have actually been placed by Advance'd. The other 94 were either transferred from ExecuTeam, or have been recruited and referred by County departments. Some county offices prefer not to do business with Advance'd due to poor customer service.

The County has attempted to resolve issues with Advance'd Temporaries many times via phone conferences, e-mail, and face to face meetings. Unfortunately, the problems continue. It is clear that Fort Bend County needs to exercise the 30-day cancellation option, and discontinue the business relationship with Advance'd Temporaries.

The options available to us include a re-bid for staffing services, or return to the pre-2005 practice of hiring part time and temporary staff directly as Fort Bend County employees. As stated previously, Human Resources recommends the latter option of hiring part-time and temporary staff directly. Support for this decision is presented below.



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Advantages

- Direct cost savings (see analysis on page 2)
- Staff will be permitted to drive if necessary
- Staff may be bonded if necessary
- Human Resources can provide better customer service to county offices and departments
- Staff will be eligible for retirement benefits through TCDRS
- Improved relations with staff, no middleman to resolve issues

Disadvantages

- Additional recruitment and on-boarding effort for a high turnover group
- Staff will lose vacation and holiday pay
- Staff will lose access to medical insurance, although their current insurance is portable (only 10 staff are currently enrolled in Advance'd's benefit program)
- Increased risk of liability exposure for claims filed under Workers Comp, Wage and Hour, EEOC, etc.
- Unemployment cases may increase, although most part time staff resign voluntarily
- Staff will lose 7% cash flow for TCDRS contribution

What has changed since 2005?

- New vendor, although lower cost, is not providing service and professionalism to the county or the staff they payroll and/or place with the county
- Fort Bend County's application process has been automated (e-Recruiting), and Human Resources added an HR Generalist – Recruiting position
- HR has built a pool of "floaters" – retirees who agree to take short term positions on short notice. Their knowledge of the County enables them to step in to many admin/clerical positions with little training (e.g. Margaret Sury, Jean McCarver, Lorena Moreno)
- Policy regarding re-hire of retirees and enrollment of part time staff in retirement has been clarified
- Current job market has resulted in more qualified applicants for fewer openings (since e-Recruiting inception, more than 20,000 candidates have applied for County positions)
- Number of outsourced positions has decreased about 40% since inception (primarily because many part time staff are required to drive on county business)

Given the above considerations, and the cost analysis on the following page, Human Resources recommends that all part time and temporary staff be transitioned to Fort Bend County employment as expeditiously as possible. Further, we recommend that Fort Bend County no longer use a third party to provide part time and temporary staffing services.



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Temporary Staffing Agency Analysis

Average Annual Payroll (PT/Temp)	\$845,052.00	
Advance'd Temporaries Fee *	\$230,402.00	
Total Outsourced Cost		\$1,075,454.00
Average Annual Payroll (PT/Temp)	\$845,052.00	
FBC Payroll Costs (FICA, UI, WC, TCDRS)	\$163,771.00	
FBC Recruiting/Onboarding Cost	\$6,750.00	
Total In-house Cost		\$1,015,573.00
Annual Savings		\$59,881.00

*Advance'd bill rates	27% (payrolled) and 29% (full-service)
Other bid respondents rates	25% and 37%
	23.5% and 32.45%