

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Approval of contract with Routeware, Inc. to provide GPS tracking hardware and software products for Solid Waste fleet optimization.

ORIGINATING DEPARTMENT

Public Works / Solid Waste Division

BACKGROUND INFORMATION

The Solid Waste Division conducted a 365-day pilot program, during which all facets of the Routeware program were tested and validated. The results of the pilot program demonstrated substantial cost savings and avoidance in areas such as fuel and vehicle maintenance, efficiencies and accountability through better command and control, and improved customer service benefits.

DISCUSSION/CONCLUSION

Routeware, Inc. (Routeware) is a premium service optimization company that specializes in the solid waste industry. Routeware's innovative products and services increase driver accountability and productivity and reduce direct costs. The implementation of Routeware will allow the Solid Waste Division to avoid paper-based routing methods, automate vehicle communications, and avoid manual data processing of operational information. During the pilot program, the Solid Waste division realized cost savings and efficiencies because of reduced idle time, enlarged spans of supervisory control, and decreased vehicle wear. Also, the Solid Waste division received fewer callbacks, while simultaneously receiving a higher capture of overages via overloaded container fees, missed pickup fees, and bulk charges. Full implementation of this initiative will secure substantial efficiencies, lead to better support, and contribute to estimated cost savings per truck of \$25 to \$30 per day, per route.

Routeware is a cost-effective, proven solution currently used by many cities including Tulsa, Oklahoma, and Houston, Texas, and is under consideration by Austin, Texas. This system allows professional conflict resolution over disputed charges and significantly reduces the number of customer service calls the Solid Waste Division receives. The Solid Waste Division, based on the results of the pilot program, predicts reduced expenses and increased customer service satisfaction. Routeware is being purchased through the HGAC Cooperative, and includes a three-year service commitment.

FISCAL IMPACT

Funds are approved and included in the FY 2016 Solid Waste annual budget, account number 540.3460-439.61-40 in the amount of \$352,000 for the purchase of Routeware GPS Tracking hardware and software products.

The one-time cost to implement Routeware across the fleet including cost per truck, hardware, software, and back office support is \$258,478. Annual operating costs are projected to be approximately \$65,000, for back-office support fees, basic support and cellular fees, premium

cellular support fees, cloud-hosting fees, onboard computer support fees, and camera system fees.

RECOMMENDATION

City staff recommends full implementation of Routeware hardware and software technology in all 42 heavy duty and 12 light duty Solid Waste vehicles and requests that the City Council authorize the City Manager to enter into an agreement with Routeware, Inc. to implement the full Routeware program across the Solid Waste fleet and to execute any change orders within the amounts established by state and local law.