



## STAFF REPORT

**DATE:** December 7, 2021

**TO:** Kent Cagle, City Manager

**FROM:** Jeffery Reynolds, Executive Director of Public Works

**SUBJECT:** Routeware, Inc. Support Addendum to Master Agreement

### **BACKGROUND AND FINDINGS:**

On November 10, 2015, City Council authorized the award of a contract to Routeware, Inc. to implement hardware and software technology in 42 heavy duty and 12 light duty Solid Waste vehicles. During FY21, Solid Waste worked to reduce the number of vehicles utilizing the hardware and software to 42 heavy duty trucks only. Routeware, Inc. is a premium service optimization company that specializes in the solid waste industry.

Routeware's innovative products and services increase driver productivity and reduce direct costs. Routeware has allowed 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, Solid Waste realized cost savings and efficiencies because of reduced idle time, enlarged spans of supervisory control, and decreased vehicle wear. Also, Solid Waste received fewer callbacks while simultaneously receiving a higher capture of overages via overloaded container fees, missed pickup fees, and bulk charges. This initiative will allow for continued 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 the City of Killeen, as well as, many other cities including Tulsa, Oklahoma and Houston, Texas. This system has allowed professional conflict resolution over disputed charges and has significantly reduced the number of customer service calls the Solid Waste Division receives. The Solid Waste Division estimates this product will continue to reduce expenses, while significantly increasing the quality of service we provide to the citizens and businesses of Killeen. Routeware is purchased through the HGAC Cooperative #FL03-21 and is a three-year service commitment.

### **THE ALTERNATIVES CONSIDERED:**

1. Search for a different hardware/software provider.
2. Choose not to renew the contract, which would cause the division to return to paper-based routing methods.
3. Authorize execution of Routeware, Inc. support addendum to continue services for a period of three (3) years; January 1, 2022, to December 31, 2024.

**Which alternative is recommended? Why?**

Alternative three (3) is recommended to meet the department's mission and allow Solid Waste to continue increasing driver productivity, reduce direct costs and provide superior customer service to the citizens of Killeen.

**CONFORMITY TO CITY POLICY:**

This addendum to the master agreement with Routeware, Inc. is in compliance with City purchasing policy on contracts for obtaining goods and services.

**FINANCIAL IMPACT:****What is the amount of the expenditure in the current fiscal year? For future years?**

Funds are allocated in the FY21/22 Solid Waste annual budget in the amount of \$53,440 for the purchase of residential and commercial computer maintenance and \$7,560 for the cellular costs of the systems. Cost for future years is approximate and split between residential and commercial budgets: FY22/23 - approximately \$65,000; FY23/24 - approximately \$70,000.

**Is this a one-time or recurring expenditure?**

Recurring

**Is this expenditure budgeted?**

Yes, the funds are available in the Solid Waste Fund accounts:

540-3460-439.42-43	Computer Maintenance	\$32,064
540-3460-439.44-05	Telephone	\$4,500
540-3465-439.42-43	Computer Maintenance	\$21,376
540-3465-439.44-05	Telephone	\$3,060

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line item for this expenditure?**

Yes

**RECOMMENDATION**

Authorize the City Manager, or his designee, to execute the Routeware, Inc., Support Addendum to Master Agreement for services from January 1, 2022 to December 31, 2024; billed on an annual basis, using the full allocation of funds in the amount authorized in the FY22 Solid Waste budget.

**DEPARTMENTAL CLEARANCES:**

Public Works

Finance

City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

Addendum

Agreements

Certificate of Interested Parties