



STAFF REPORT

DATE: February 19, 2019

TO: Ronald L. Olson, City Manager

FROM: David A. Olson, 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 all 42 heavy duty and 12 light duty Solid Waste vehicles. 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.

THE ALTERNATIVES CONSIDERED:

1. Search for a different hardware/software provider; which would cause an initial investment in new hardware without a significant return on software savings.
2. The City could choose not to renew the contract; which would cause the division to return to paper-based routing methods.
3. Authorize purchase of Routeware, Inc. services for a period of three (3) years; January 1, 2019 to December 31, 2021.

Which alternative is recommended? Why?

Alternative #3 is recommended in order to meet the department's mission and allow Solid Waste to continue increasing driver productivity, reduce direct costs and provide 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 FY 19 solid waste annual budget in the amount of \$75,026 for the purchase of residential and commercial computer maintenance. Cost for future years are approximate and split between residential and commercial budgets: FY20 - \$71,000 and FY21 - \$74,000

Is this a one-time or recurring expenditure?

This is an annually recurring expenditure.

Is this expenditure budgeted?

Yes

If not, where will the money come from?

N/A

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

Yes, \$48,000 is available in the Residential budget, computer maintenance, account #540-3460-439.42-43, and \$27,026 is available in Commercial budget, computer maintenance, account #540-3465-439.42-43.

RECOMMENDATION

City staff recommends that the City Council authorize the City Manager, or designee, to approve the Routeware, Inc., Support Addendum to the Master Agreement for services from January 1, 2019 to December 31, 2021; billed on an annual basis, using the full allocation of funds in the amount authorized in the FY 19 Solid Waste budget.

DEPARTMENTAL CLEARANCES:

Public Works
Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Addendum
Agreement
Certificate of Interested Parties