

Special Called meeting of the Sandy Springs City Council was held on Tuesday, May 14, 2019, at 3:00 p.m., Mayor Rusty Paul presiding.

CALL TO ORDER

Mayor Rusty Paul called the meeting to order at 3:00 p.m.

ROLL CALL

City Clerk Coty Thigpen called the roll.

Mayor: Mayor Paul present

Councilmembers: Council Member Steve Soteres, Council Member Chris Burnett, Council Member Jody Reichel, Council Member Tibby DeJulio, and Council Member Andy Bauman were present. Council Member John Paulson was absent.

APPROVAL OF MEETING AGENDA

1. **19-170** Add or remove items from agenda

Motion and Vote: Council Member DeJulio moved to approve the Special Called Meeting Agenda for May 14, 2019. Council Member Soteres seconded the motion. The motion carried unanimously.

NEW BUSINESS

2. **19-171** Consideration for Approval of General Government Services Recommendations

City Manager John McDonough stated the City currently has contract services for Community Development, Communications, Facilities, Financial Services, Information Technology, and Public Works/TSPLOST. All of these contracts expire on June 30, 2019. The City currently has contracts with vendors for Municipal Court and Recreation and Parks services, both of which expire June 30, 2023. In anticipation of the expiration of FY19 contracts, the City issued a request for proposals for general government services for each of the FY19 contracts dated November 7, 2018. The City received proposals from various contractors to perform such services. The proposals were evaluated by a source selection evaluation team, selected by the City Manager who also served as the chair. The team assisted with criteria established by the terms of the RFP to determine the best overall value for the City and its residents. The solicitations were conducted using a performance price tradeoff procedure described in the RFPs and were evaluated for technical acceptability, capabilities and approach, performance confidence, cost price, for reasonableness and realism. In evaluating the proposals, the evaluation team compared each cost price proposal to an independent government estimate (IGE) to assess its reasonableness and realism. The IGE is the City's estimate of cost that it will incur to perform the general government services in-house. This includes, but is not limited to direct cost including labor, supplies, equipment, transportation, etcetera. This also includes indirect costs such as labor, burden, overhead, general and administrative expenses, etcetera. The evaluation team considered the cost price proposals not to be reasonable or realistic when compared to the City's IGE. The evaluation team determined that the City could experience a significant savings by cancelling the solicitations and making no award to outside contractors and bringing such services in-house. The evaluation team also reviewed the FY18 contracts and determined the City could experience a significant savings by terminating both of the contracts and bringing such services in-house. The team further determined the savings to the City would be approximately \$14.1 million over a five year period by bringing the FY19 and FY18 contracts in-house. He gave the General Government Services Procurements

PowerPoint presentation dated May 14, 2019. The City's cost savings is approximately \$2.741 million or 14.5% less than the total of the proposals. To reinforce its independent government estimate cost analysis, the City engaged services of a certified public accounting firm to review the City's assumption and process in comparing the cost of bringing the majority of general government services in-house against the continued use of outside contracts. The agreed upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants and is available for review. The City's procurement website page for each solicitation provides that the City reserves the right to cancel or terminate the solicitation at any time, reject any and all proposals, and award in the best interest of the City. The RFP for each solicitation provides in Section L 2.2, that the City reserve the right to make no award if in the best interest of the City. As the FY18 contracts expire June 30, 2023, each requires ninety days' notice of termination pursuant to Section 15 of each respective contract. The evaluation team recommends the City Council approve the cancellation of the solicitations with no award and bring the general government services in-house as the best value for the City based on the cost price comparisons of the proposal with the IGE attached to the documents given to Council. He read a portion of the resolution which states, "the Solicitations are hereby cancelled and the City makes no award to outside contractors; and all general government services represented by the FY19 Contracts and the FY18 Contracts shall be brought in-house, effective July 1, 2019 for the services represented by the FY19 Contracts, and effective August 15, 2019 for the services represented by the FY18 Contracts, following notice in accordance with contract provisions; and the City Manager, the City Attorney, and appropriate authorized City officials are hereby authorized to take any and all actions deemed necessary to effectuate the intent of this resolution."

Mayor Rusty Paul stated from the very beginning, Sandy Springs has been a leader in public/private partnerships. We have outsourced most of our services throughout our entire history with the exception of public safety and a few others. This was done largely because the City benefited from innovation, having the private sector review our operations to do things better, faster, and cheaper. This also allowed for flexibility by not having the long term pension costs that other communities have had issues with. The City structured their benefits differently in order to avoid that problem. What is different now, is that the labor market is very tight. A lot of the contractors are having a difficult time with the increase of the cost of personnel in this robust economy. The private sector is looking at higher profit margins as a result of an abundance of work. He has heard about this as an issue in various industries such as the construction industry. Many contractors are not taking on new work because they cannot complete the work that they have. That is reflected in the prices. This is somewhat disappointing. This is not unexpected, given the robust economy that we are facing. The City's responsibility is to give the best possible services at the lowest possible cost that we can. The analysis shows we can save a significant amount of money by bringing the services in-house. The City is so well known for being a public/private partner, but we are not abandoning the model. The City Manager has proposed that the contracts shown on the presentation still exist with the City. We are willing to pay some premium for the advantages of having the innovation and flexibility. We are not willing to pay an extra \$14 million over a five year period at a cost of approximately \$2 million a year. He concurs with the City Manager and staff on their recommendations to Council.

Motion and Second: Council Member DeJulio moved to approve a Resolution of the City Council of the City of Sandy Springs, Georgia, Regarding General Government Services Solicitation FY 19 (CD-FY19, CM-FY19, FC-FY19, IS-FY19, and PW-FY19); Regarding General Government Services Solicitations FY19 (MC-FY18 and RP-FY18); and Authorizing the City Manager to Take Certain Actions in Connection Therewith. Council Member Reichel seconded the motion.

Council Member Tibby DeJulio asked if the numbers on the presentation are indexed for inflation and cost of living raises or are the numbers based upon 2019 numbers.

City Manager McDonough stated one portion of the chart deals with first year the second portion deals with the escalators.

1 Council Member DeJulio asked if the cost savings for the first year is multiplied by five in order to get the
2 five year cost savings number.

3
4 City Manager McDonough stated it varies depending on the work package. The annual escalators deviate
5 and are not all the same.

6
7 Mayor Paul stated he believes what Council Member DeJulio is asking is have we applied the same
8 escalators to the in-house numbers.

9
10 **Finance Director Karen Ellis** stated we used the escalators that the City would with any City employee.
11 Council Member DeJulio stated each year we have given our employees raises. He wants to make sure that
12 is included in the numbers.

13
14 City Manager McDonough stated the annual escalator increase amount used was an average of 2.75%.

15
16 Council Member DeJulio stated he knows some people will look at this change and think that Sandy Springs
17 is pulling back from its original model of saving money by going through a public/private partnership. For
18 eighteen years he worked with Mayor Eva Galambos towards incorporation of the City. We always looked
19 at different ideas of how to save money. We came up with the public/private partnership model. We looked
20 at the cheapest, most efficient, and best alternative. For example, when we considered public safety we
21 were going to outsource the police and fire services to Fulton County. We realized although it would cost
22 the City more to provide those services, it would be a much more efficient and safe for our citizens. The
23 City made a determination at that point to go ahead and hire the police officers and firefighters as employees
24 of the City. The City determined that we would not offer pensions, but instead have a 401K and the City
25 would contribute to that for each employee. He was initially surprised by the City making this decision.
26 As he reviewed the numbers and thought about what he and Mayor Galambos would have done many years
27 ago. He has no doubt that we would have approved this because of the savings. Saving \$2.7 million a year
28 and \$14 million over five years can be placed into the infrastructure of the City, City services, or City
29 facilities, etcetera. He knows there will be criticism of Council approving this. The criticism is not founded,
30 because this is in keeping with the effectiveness and efficiency of what we anticipated for the City of Sandy
31 Springs. He made the motion because this is in the best interest of our residents and City services.

32
33 **Council Member Andy Bauman** stated the pension was mentioned. He asked if the City is doing anything
34 that will create pensions under a local or state program.

35
36 City Manager McDonough responded the City is not. The City has never had a pension and have no long
37 term pension liabilities. The retirement program can be changed at the will of the Council. The City has a
38 retirement program that is based on a private sector 401/457 program.

39
40 Council Member Bauman stated there has been discussion in the past about personnel flexibility. He asked
41 what has been the experience in the last fourteen years. He asked if the City Manager was engaged in
42 personnel matters.

43
44 City Manager McDonough stated this is a personnel business that requires departmental leadership and
45 senior leadership team and that will not change. The way the City approaches management and leadership
46 has always been consistent.

47
48 Council Member Bauman stated the City has had 200 plus employees which includes the police and fire
49 departments. Even though the analysis is for five years, what Council is adopting is a one year decision.
50 He expects the City will continue to analyze this process next year and in subsequent years against the
51 baseline and metrics and will retain the flexibility to adjust accordingly.

1 City Manager McDonough responded yes, that is an accurate statement.

2
3 **Council Member Chris Burnett** stated if comparing when the City was incorporated in 2005 to 2007, that
4 time was a very difficult recession. At that time, the companies that were providing services were highly
5 motivated in the five year period between 2008 to 2013. Private sector opportunities were limited and those
6 companies were probably willing to work more economically for cities, since they knew they would get
7 paid. Today we are in a very different economic situation. The reality is we are probably at the tail end of
8 the very long recovery of the recession. He agrees with the one year contract. There may come a time
9 again that outsourcing could become more financially advantageous for the City.

10 Mayor Paul stated he agrees with Council Member Burnett's analysis. The City is not abandoning the
11 public/private partnership model. We are at a time in history that it does not make economic sense for the
12 City. It is not wise policy to spend \$2.7 million a year that we do not have to spend as long as we can
13 provide the same quality of service. We are going to invite the private sector back in. To have the private
14 sector look at the City's operations from top to bottom on a frequent basis and them tell us how they can
15 do things better, faster, and cheaper is a process that we will want to continue. The process did not work
16 out this year due to the factors mentioned. The economy is robust and the labor market is very tight. There
17 is an excess of work that people cannot get to. The City will review this process in the future. There is a
18 benefit in relying on the private sector for many of these things.

19
20 **Vote on the Motion:** The motion carried unanimously.

21 **Resolution No. 2019-05-68**

22
23 City Manager McDonough stated the City of Sandy Springs issued a request for proposals for call center
24 Services on November 7, 2018. The purpose of the RFP was to solicit proposals for the delivery of call
25 center services to the City's citizens and key stakeholders. The RFP contained a detailed scope of work,
26 which outlined the services deemed necessary and essential to the City for this procurement. This
27 procurement was conducted using the performance price trade-off model described in Section L of the RFP
28 documents. Under the performance price trade-off model, if the lowest priced technically acceptable
29 proposal is judged to have a substantial confidence, it represents the best value for the city and the
30 evaluation team will recommend it for contract award. The City received seven proposals on January 31,
31 2019. All proposals were reviewed for administrative acceptability and were determined to be eligible for
32 capabilities and approach evaluation. The proposals were evaluated by the source selection evaluation team
33 selected and chaired by the City Manager. The team was divided into three evaluation teams to correspond
34 with the basis areas of evaluation consistent with the proposal: capabilities and approaches; performance
35 confidence; and cost/price. Each evaluation team took the following steps in evaluating its respective
36 volume of proposals: a) independent member evaluation of each proposal; and b) consensus evaluation of
37 each proposal with all members of the evaluation team. Individual members of the capabilities and
38 approaches evaluation team completed their independent evaluation and reconvened for consensus review
39 by all members on March 18, 2019. The evaluation team determined that three of the submitted proposals
40 were in the competitive range and had a reasonable expectation of receiving a contract award. The
41 following three offerors were advanced for further consideration of performance confidence and cost/price:
42 Bobby Dodd Institute, Comp Tech, and Faneuil. Considering the criteria stated in the RFP, the three
43 evaluation teams completed their evaluations and reported their findings to the Chairman of the evaluation
44 team on March 25, 2019. The table before Council summarizes the results of the analysis that led to the
45 selection decision. He referenced the table. There are three different criteria that include capabilities and
46 approach, past performance, and the cost proposal. Because Faneuil was the lowest prices technically
47 acceptable proposal and was judged to have a substantial performance confidence assessment it represents
48 the best value for the City. Faneuil is the current incumbent provider of call center services for the City
49 and its proposal demonstrated a clear understanding of the contract requirements. Using the evaluation
50 procedures described in Section L and the evaluation team submits the following recommendation: Award

Faneuil a contract to provide Call Center Services for the City; and Award Faneuil the base year task order. Staff recommends approval of resolution that is before Council based on the recommendation.

Motion and Vote: Council Member Reichel moved to approve a Resolution to Authorize Award of Contract and Task Order in Connection with the City's Solicitation for General Government Services (Call Center Services). Council Member Bauman seconded the motion. The motion carried unanimously.

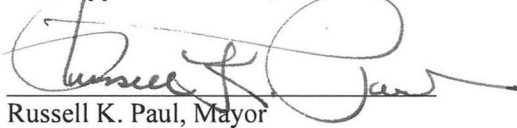
Resolution No. 2019-05-69

ADJOURNMENT

3. 19-172 Adjournment

Motion and Vote: Council Member DeJulio moved to adjourn the meeting. Council Member Soteres seconded the motion. The motion carried unanimously. The meeting adjourned at 3:26 p.m.

Date Approved: June 4, 2019


Russell K. Paul, Mayor


Coty Thigpen, City Clerk