

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2009-76

Human Resources Advertising Contract

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	9/3/09	Discussion/Possible Action	Adrian Byrd-Pina, Human Resources Officer Linda Olson, Senior HR Generalist	(206) 398-5077 (206) 398-5106

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement	✓	Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Employment Advertising Services

PROPOSED ACTION

Authorizes the chief executive officer to execute a three-year contract with Ad Club to provide employment recruitment advertising services for a total authorized contract amount not to exceed \$300,000.

KEY FEATURES of PROPOSED ACTION

- The proposed action replaces the contract approved by the Finance Committee on July 2, 2009 (Motion No. M2009-61). The vendor requested to be released from the contract on July 29, 2009. Sound Transit sent the vendor a letter terminating the contract on August 4, 2009.
- The use of one company for all recruitment advertising allows Sound Transit to maintain existing practices and procedures related to recruitment advertising including placing local and national recruitment advertisements as appropriate for each open position at Sound Transit direction.
- The proposed action will cover all recruitment advertising costs for the three-year period of the contract while decreasing Sound Transit's advertising costs by obtaining discount bulk buying rates.
- The vendor's services will increase Sound Transit's outreach to diverse populations and enhance recruitment efforts at the national level.
- This contract maintains efficiency of advertising process and assists in meeting deadlines for filling key positions.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed action would execute a three-year contract with Ad Club for a total contract amount not to exceed \$300,000. The Adopted 2009 staff budget for human resources advertising is \$95,000 of which \$27,519 has been spent, with a remaining balance of \$67,481. Contract spending is forecasted to be \$65,000 in 2009. Future year expenses will be funded through future budgets.

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long term financial plan and sub area financial capacity.

BUDGET TABLE

Summary for Board Action

Action Item: AdClub

	Adopted 2009 Budget	Spent to date in 2009 (2)	Remaining 2009 Budget	2009 Contract Expenditures	Future Budgets	Proposed Contract Value
Current Year Budget						
HR Advertising (1)	\$ 95,000	\$ 27,519	\$ 67,481	\$ 65,000	\$ 235,000	\$ 300,000
Other Miscellaneous Expenses	\$ 1,259,913	\$ 59,703	\$ 1,200,210	N/A	N/A	N/A
Total Other Miscellaneous Expenses	\$ 1,354,913	\$ 87,222	\$ 1,267,691	N/A	N/A	N/A

Contract Spending Plan	Prior Year(s) Spending	2009 Spending	Future Expenditures	Total
AdClub	-	\$ 65,000	\$ 235,000	\$ 300,000

Contract Budget	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
AdClub	-	-	\$ 300,000	\$ 300,000
Contingency	-	-	-	-
Total Contract	-	-	\$ 300,000	\$ 300,000
Percent Contingency	-	-	0%	0%

Notes:

(1) Budget for this item is included in the Corporate Services Staff Operating Budget - Other Miscellaneous Expenses, located on page 214 of the Adopted 2009 Budget Book.

(2) Spent to date amounts reflect actual expenses through 7/31/09.

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

Ad Club will be performing 100% of the work on this contract agreement.

Equal Employment Workforce Profile (% Women/People of Color)

Ad Club's workforce demographics are 57% women and 29% minorities.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

On July 2, 2009, the Finance Committee authorized the chief executive officer to enter into a three-year contract with UpRoar for employment recruiting services, in an amount not-to-exceed \$300,000. UpRoar was selected as the result of a competitive procurement process in which they were the lowest responsive and responsible bidder.

Prior to awarding the contract, both human resources and contracts staff met with the bidder and thoroughly reviewed their bid submittal. Upon receipt of the first invoice, Sound Transit staff discovered that the selected firm was not invoicing per their bid prices. Sound Transit immediately contacted the vendor to discuss the invoicing discrepancies. The vendor was advised that in order to maintain the integrity of the bidding process, that Sound Transit would not allow them to raise the price for items which they had bid on and that their selection was made based on their bid prices. The vendor indicated that they could not perform the services at the bid prices and sent a letter on July 29, 2009 requesting that they be released from the contract. Sound Transit sent the vendor a letter on August 4, 2009 terminating the contract.

Ad Club was the second lowest responsive and responsible bidder and has previously provided these services to Sound Transit. Discussions have occurred with Ad Club and Sound Transit staff is confident that Ad Club can perform the services for the prices as bid.

The proposed action will allow Sound Transit to continue to advertise both locally and nationally depending on the particular position through one company.

Analysis of Contracting Out vs. Performing In-House

If Sound Transit human resources staff were to perform this work internally, nearly all of the rates would be higher because Sound Transit does not do the same volume of advertising as Ad Club, and therefore could not take advantage of Ad Club's lower costs.

PRIOR BOARD/COMMITTEE ACTIONS

None.

CONSEQUENCES of DELAY

None.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

Not applicable to this action.

LEGAL REVIEW

LA 8/28/09

SOUND TRANSIT

MOTION NO. M2009-76

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a three-year contract with Ad Club to provide employment recruitment advertising services for a total authorized contract amount not to exceed \$300,000.

Background:

On July 2, 2009, the Finance Committee authorized the chief executive officer to enter into a three-year contract with UpRoar for employment recruiting services, in an amount not-to-exceed \$300,000. UpRoar was selected as the result of a competitive procurement process in which they were the lowest responsive and responsible bidder.

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Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a three-year contract with Ad Club to provide employment recruitment advertising services for a total authorized contract amount not to exceed \$300,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 3, 2009.


Fred Butler
Finance Committee Vice Chair

ATTEST:


Marcia Walker
Board Administrator