

**TEMPORARY HELP SERVICES:  
AN ASSESSMENT OF INVITATIONS FOR BID ISSUED BY TEXAS STATE  
AGENCIES**

**BY**

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## Chapter 1

### INTRODUCTION

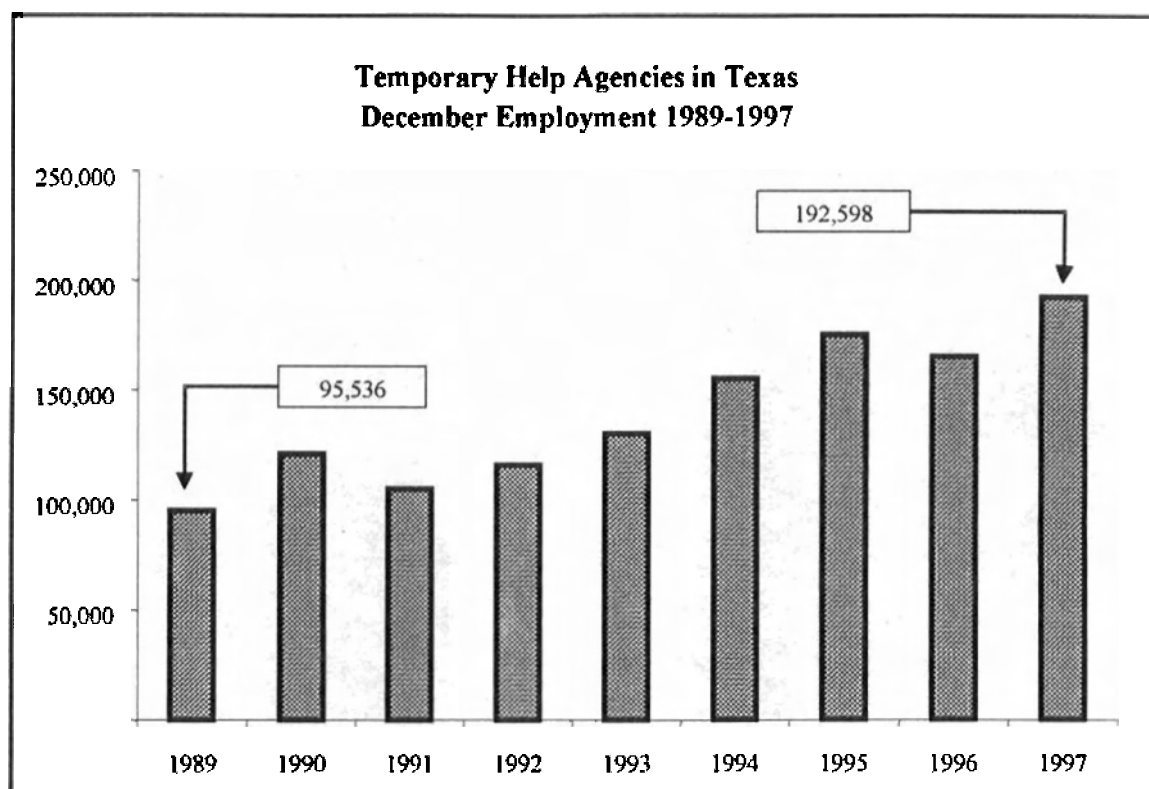
Temporary workers and temporary help services are not recent phenomena. The industry has long been a part of American business and has even been the subject of movies such as *The Temp* and, more recently, *Clockwatchers*. In recent years the temporary help industry has gained attention through its tremendous growth. This increased attention has come from economists, business, and labor organizations, and has led to a growing debate over the impact of temporary labor.

The debate has some familiar adversaries, management and labor. Management extols the virtues of using temporary labor and praises the flexibility it offers to businesses. Labor warns of a movement to ultimately make all labor contingent – working solely at the discretion of the employer without benefits such as health insurance and pensions. The fact is that temporary labor still represents a relatively small portion of the total labor force, and it is neither the ultimate boon to business nor the death knell for regular, full-time workers. It is, however, a dynamic industry that impacts a significant number of organizations and workers, and deserves to be studied and understood.

#### Information on the Industry

The temporary help services industry has experienced rapid growth over the past two decades. A Bureau of Labor Statistics (BLS) survey revealed that about 1.2 million workers, or one percent of the total number of employed persons in the United States, worked for a temporary help agency (USDOL, 1995a, p. 1). The personnel supply services industry, which includes temporary help services, is expected to be the seventh fastest growing industry in America from 1994 to 2005, according to the BLS (SI Report, 1996, p. 1). In Texas, employment in temporary help services has doubled in the past eight years (see Chart 1.1).

**Chart 1.1**



Source: Labor Market Information Department, Texas Workforce Commission.

There are a number of reasons to explain the rapid rise in the use of temporary workers. Perhaps the reason most often cited is that these workers offer employers a high degree of flexibility. The National Association of Temporary and Staffing Services (NATSS) reports that temporaries can be used to assist in special projects, to smooth out fluctuations in workload, and to fill-in for vacationing or sick employees. Additionally, the use of temporaries can reduce employers' costs for recruiting workers, complying with employment laws and regulations, providing fringe benefits, and paying for other overhead costs (NATSS, 1998c). There are also long-term uses for temporaries such as providing a buffer for the regular employees during economic downturns. Temporary staffing levels can easily be adjusted to the economic cycle and prevent the need to layoff and recall regular workers.

One significant example of the public sector use of temporary workers is the large number of seasonal tax workers at the national and state levels. In the past, many of these workers were directly hired by the government agencies, but that situation may be changing as the percentage of temporary help agency employees who work in the public sector increases. The BLS reported in 1995 that, depending on the definition used, anywhere from 2.2 to 3.6% of the total number of contingent jobs were in public administration. This compares to 5.0% of all non-contingent jobs being in public administration (USDOL, 1995a, p. 10). While the percentage of public sector temporary jobs is lower than the percentage of noncontingent jobs, there may be reasons to believe that the number of temporary workers in government jobs is increasing.

Most of the research and literature to this point has been focused on temporary employment in the private sector. Perhaps one reason for this is that temporary employment has been touted as a necessity for American business to stay competitive in a global economy (Golden, 1996 & Belous, 1989). While this reason may impact business directly, it is less likely to be a concern for the public sector. One reason that does impact business and government, however, is cost reduction. Whether the objective is profit maximization or getting the most from available resources, the cost reduction aspects of using temporary workers are probably appealing to both sectors of the economy.

The literature on temporary help agency workers presents many advantages and disadvantages of using these employees. The literature also demonstrates how these advantages and disadvantages exist for both client companies and for the workers themselves. It is hoped that by illustrating the effects of hiring temporary help agency employees, it will make state officials and policymakers more aware of the roles that they play as clients of temporary help companies. The status of the temporary workers themselves will be also illustrated so that

officials can begin to assess the effects of temporary employment on the individuals who do this work.

### **Research Purpose**

The purpose of this research is to describe the Invitations for Bid (IFBs) that Texas state agencies issue for temporary help service contracts. The IFBs essentially function as a contract between the agency and the temporary help service. These documents specify contractor requirements such as types of workers to be provided, payroll procedures, reporting procedures, and other relevant items.

There is a rather significant body of literature regarding the temporary help industry and the working conditions for temporaries. This information includes the pros and cons of using temporary labor for the client firms, how to select a temporary help agency, and the various facets of working as a temporary. The literature should enlighten organizations planning to utilize temporary help services. An aspect that is missing, however, is how to manage the temporary help service contract in the public sector. The literature review will present many of the different elements that are included in a temporary help services contract. The content analysis will show the relative importance of these elements, which ones are emphasized and which ones are omitted. This project is intended to describe the characteristics of temporary help contracts that Texas state agencies emphasize and, in the process, provide some insight into the elements that are important to the successful management of a temporary help service contract.

Additionally, there exists a unique opportunity to interview a few temporary workers who were directly hired by the Texas Workforce Commission (TWC) and subsequently required to make a transition to employees of a temporary help company. These workers provide insight into the differences between a temporary worker hired directly by a Texas state agency and one who is an employee of a temporary help agency. Descriptions of the circumstances which led

these workers to temporary jobs and the receptions they have experienced from their regular co-workers should also prove interesting.

## **Organization and Chapter Descriptions**

This paper begins with a review of the literature concerning the temporary help industry and temporary workers in general. Much of the literature concerning the temporary help industry is polarized around either management's perspective or labor's perspective. NATSS publicizes the position of the temporary help industry and many client companies. A number of organizations, such as 9to5 the National Organization of Working Women, advance the position of labor. Individual authors also demonstrated a tendency to support one of the two perspectives. It should be noted that these two positions have a distinctly adversarial relationship, and this is often conveyed in the literature.

Controversies concerning the pay and benefits offered to temporaries and the numbers of temporaries have been exacerbated by a lack of data peculiar to the temporary help industry. The Bureau of Labor Statistics, U.S. Department of Labor, only recently began surveying what it termed contingent workers in 1995. The availability of government statistics concerning the industry will likely have a dampening effect on the claims of both sides involved in the temporary worker issue.

Chapter 2 presents a brief history of the temporary help industry and discusses its role in the economy. This discussion is important in giving depth to the subsequent chapters concerning the industry and its workers. It is important to understand that although the temporary help industry has experienced significant growth in the past two decades, it is rooted deep in the modern American business world. The temporary help services industry does have a profound role in the economy, a role that many may too easily disregard.

Chapter 3 continues the literature review with an emphasis on the temporary help industry itself and how it currently functions. Many aspects of the analysis of the IFBs are taken from the literature in this chapter. This chapter presents some of the current managerial issues regarding the decision to use a temporary help service.

Chapter 4 presents a review of the literature about temporary workers and the working conditions that are prevalent for these workers. Portions of this chapter are also relevant for the analysis of the Invitations for Bid and help to illustrate the present situations that temporaries encounter on a daily basis. This section is intended to provide a glimpse into what it might be like to work as an employee of a temporary help service. It should also provide a connection to interviews with temporary workers from a Texas state agency that are presented in Chapter 5.

Chapter 5 describes the current setting in Texas state government. Information will be provided here about temporaries who have worked for a Texas state agency and about the use of temporary workers in the public sector. There is a lack of research specific to government's use of temporary workers, and that is a void this project is aimed at filling.

Chapter 6 will present the methodology used to conduct the research associated with this project. Texas state agencies issue IFBs for temporary help services, and the research for this project is a content analysis of 20 of those IFBs. A description of that analysis is provided. The conceptual framework is also presented and discussed in this chapter.

Chapter 7 will present the results of the content analysis. A description of the most common items and the most emphasized items in the IFBs, and a qualitative review will be presented. Chapter 8 will present the conclusions and recommendations resulting from the research.

## THE ROLE OF THE TEMPORARY HELP INDUSTRY

### Introduction

The purpose of this chapter is to provide a brief history of the temporary help services industry and to discuss its role in the economy. Many people believe that the industry is a recent phenomenon, but its roots go deep in American business history. This information is important to increase understanding of the industry and the importance of its role in the U.S. economy.

### The Beginning of the Temporary Help Industry

The birth and growth of the temporary industry<sup>1</sup> was prompted by the expansion of the clerical sector. The late nineteenth century saw the beginning of large, modern corporations (Henson, 1996, p. 9). These corporations, as well as the expansion in government, presented a tremendous demand for record-keeping, accounting, correspondence, and general communications workers (Henson, p. 10).

Clerical work changed from a “relatively skilled, craftlike occupation in the nineteenth century to a semiskilled, proletarianized, low-status occupation in the twentieth” (Henson, 1996, p. 11). New scientific management techniques, such as detailed divisions of labor and new office technologies fragmented and deskilled clerical work (Henson, 1996, p. 11). Workers were no longer employed in a wide variety of tasks that required diverse skills and personal judgment. They found themselves attending to specific, isolated, and sometimes mechanically regulated tasks (Henson, p. 12).

Early temporary work was assumed to be women’s work. This was reflected in the names of the agencies, Kelly Girl, Western Girl, and Right Girl. Recruitment was targeted at

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<sup>1</sup> For additional reading concerning the history of the temporary help industry, see Just a Temp by Kevin D. Henson.

women. Women temporaries were reminded that their work should be secondary to their roles as wives and mothers. Henson adds, "Temporary employment with its intermittent work availability and without a promotional track, fit well with an existing national ideology that assumed that women's labor activity was transitory, impermanent, and secondary" (p. 8).

### **Temporary Help Companies Mature**

The 1970s saw a profit squeeze on American businesses. Global competition, OPEC oil price hikes, government regulations, taxes, inflation, and the rising costs of wages and benefits cut into corporate America's bottom line. Two choices were available to increase profits: a) improve product quality and productivity with new technology and organizational innovation; or b) produce the same products at lower cost. Businesses chose to attack costs and labor costs in particular (Henson, 1996, p. 19).

The 1980s saw the post-World War II social contract around work and the American dream begin to come apart (see Table 2.1). Business began to define its functions as core and periphery. Core employees are those who are essential to the day-to-day operations of an organization. Peripheral workers are those who provide business and personal services to the core workers and act as a buffer absorbing economic fluctuations and cyclical downturns (Henson, 1996, p. 20). Henson adds that during the 1970s and 1980s the use of temporaries shifted from a fill-in, crisis management, or special projects basis to a "permanent, routinized, budgetary staffing option" (p. 23).

Politics was another factor that influenced the development of the temporary help services industry during the same time period. Parker (1994) states, "The deregulatory and privatization movements that led to increased contingent employment were powerfully shaped by the conservative political regimes of the 1970s and 1980s. Under Ronald Reagan and George



Bush, the nation's policies toward workers regressed" (p. 138). Parker adds that deregulation "heightened America's obsession with short-term, narrowly focused, economic performance" (p. 139).

**Table 2.1**

**Chronology of Temporary Employment**

1940s-1950s	Postwar employment boom gives rise to first temporary help agencies.
1946	Kelly Services founded.
1948	Manpower founded.
1950	Olsten Corporation network of temporary agencies founded.
1951	Internal Revenue Service requires temporary help agencies to perform payroll function like employers.
1966	Institute of Temporary Services founded.
1980s	Rise of contingency work force.
1985	Consultant Audrey Freeman coins term "contingency work" at employment conference.
1990s	Era of corporate downsizing.

Source: From "Are Full-Time Jobs with Benefits a Vanishing Breed?," by C. S. Clark, 1997, CQ Researcher, 7, p. 937 (24) EBSCO-CD.

Economic conditions in the 1980s changed and expanded temporary employment by increasing demand and "increasing the willingness of some workers to supply temporary labor" (Laird and Williams, 1996, p. 663). The massive staff cuts of the early 1980s demonstrated that traditional, full-time, permanent workforces could be a management liability. Belous (1989) states that key changes that took place in the 1980s were a significant reduction in the number of

core workers, “a lost paternalistic image of the employer,” and an inclination to use contingent workers in a greater number of positions (p. 13).

Laird and Williams (1996) report that changing economic conditions in the 1980s are credited with increasing the demand for temporaries (p. 666). New techniques were developed or copied from the Japanese, such as just-in-time production and total quality management. This philosophy was carried into human resources with the concept of just-in-time staffing and scheduling. Other aspects of these changing conditions included the technological advances of the 1980s which required fast responses to dynamic markets. Employees had to be flexible and well-trained to shift between product lines. Firms were attempting to cut costs at the same time they were trying to increase flexibility. Parker (1994) states:

To achieve greater cost cutting, employers set upon a calculated campaign to make all workers more flexible. Public and private employers alike, along with their political allies, attempted to make nonworking alternatives to contingent jobs unbearable, to make workers desperate and anxious enough to take any job, regardless of pay or workplace conditions. Important elements in this campaign in the 1980s were sustained attacks on the minimum wage, Social Security, public health programs, and unemployment insurance. Faced with a reduced safety net, part-time and temporary jobs became more appealing ‘choices’ for workers. (p. 141)

Making workers flexible is a recent phenomenon in modern business. Most of the twentieth century was committed to a notion that jobs ideally should be more or less permanent.

Henson (1996) states:

American notions of what constitutes a ‘real job’ are based on a post-World War II model of full-time employment with implied permanency, steady and predictable wages, internal advancement and training opportunities, and the provision of employer-sponsored fringe benefits. (p. 1)

Such jobs, he adds, represent a “basis of personal identity, self-expression, and individual fulfillment” (p. 1).

Belous (1989) notes that the reduction in the number of permanent employees has been more significant in recent years than in any other post-World War II period (p. 81). The percentage of civilian workers in the United States employed by Fortune 500 companies has

declined from 18.9% in 1970 to 12.2% in 1986 (Belous, p. 81). Mark de Bernardo, manager of labor law for the U.S. Chamber of Commerce, indicates that workforces solely composed of permanent employees “tend to handcuff the employer in a time when there is a revolution in the workplace” (BNA, 1986, p. 3). The next section explores the characteristics of this revolution.

### **Contingent and Temporary Workers Defined**

Nollen (1996) classifies temporaries in two categories: a) employees of temporary help agencies who take short-term assignments at client businesses where they actually work, and b) direct-hire employees of companies (p. 568). Polivka (1996a) acknowledges that the term “contingent work” is attributed to Audrey Freedman and was first used to describe “...a management technique of employing workers only when there was an immediate and direct demand for their services” (p. 2). Lenz (1996) considers “contingent” a pejorative term used instead of “flexible” (p. 555).

According to Thomson (1995) there are two ways to define contingent employment: 1) based on length of time in a job with no existing explicit or implicit contract for long-term employment; or 2) based on hours worked with an irregular number of minimum hours worked (p. 45). She adds that contingent workers include part-time, self-employed (including independent contractors), direct-hired temporary workers, and temporary help agency workers (p. 45). Although Segal and Sullivan (1997) note that part-time should not be considered as the same thing as temporary (p. 130).

Polivka (1996a) expresses the BLS definition that contingent work may be any job in which the worker does not have an explicit or implicit contract for long-term employment (p. 4). She describes the conditions for a short-term or temporary job: the work will only last until the end of a specific project; the worker is a temporary replacement for another worker, employed

for a limited time period, or employed in a seasonal job; or if the job is otherwise short term (p. 4).

Laird and Williams (1996) note that temporary help service employment is only a portion of all temporary employment and temporaries are only a portion of the contingent workforce (p. 667). Polivka (1996a) asserts that a firm's use of workers in alternative arrangements may not exactly match one for one the number of workers considered contingent (p. 9). Polivka states that not all workers in alternative work arrangements were contingent, and not all contingent workers were in alternative work arrangements (p. 8). Laird and Williams state that temporary help service workers may be with a client firm for only a short time, but some have long-term attachments to the temporary help firm which would seem to exclude them from the concept of contingent workers (p. 668).

### **Bureau of Labor Statistics Estimates**

BLS makes three estimates<sup>2</sup> of contingent workers, according to Polivka (1996a, p. 4). The first is the narrowest, it only includes wage and salary workers who anticipate their job will last one year or less and have been employed in their present job for one year or less. Polivka asserts the criteria is not time on a particular job, but time with a temporary help company (p. 6).

Polivka (1996a) states the second estimate is more liberal and the emphasis for temporaries shifts from the temporary agency to the customer (Polivka, p. 6). The third estimate is the most liberal and essentially includes all wage and salary workers who do not expect their employment to last (Polivka, 1996a, p. 6). These definitions are important for the February 1995 supplement to the Current Population Survey (CPS), says Polivka, which was the "first comprehensive and unified measure of the number of contingent workers in the U.S. work force"

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<sup>2</sup> For a discussion of the BLS estimates see "Contingent and Alternative Work Arrangements, Defined" by Anne E. Polivka in the October 1996 Monthly Labor Review.

(p. 6). She adds that prior estimates were considered inaccurate because of probable double-counting and triple-counting problems.

Polivka (1996a) indicates that alternative work arrangements are defined “either as individuals whose employment is arranged through an employment intermediary such as a temporary help firm, or individuals whose place, time, and quantity of work are potentially unpredictable” (p. 7). Temporary help service workers are probably the best known group with alternative work arrangements (Polivka, p. 7). Interestingly, Polivka remarks that other survey experience alerted BLS to the fact that just over half of temporary help workers would identify the customer and not the temporary help firm as their employer (p. 8).

Polivka (1996a) reports that the February 1995 supplement to the CPS showed 1.2 million workers as temporary help agency workers, about 1.0% of all workers. Estimate one (narrow) accounted for 39.4% of total; estimate two for 48%, and estimate three for 66.5%. So under the broadest definition, one-third of temporary help firm employees would not be considered as contingent workers (Polivka, p. 8).

The Bureau of National Affairs (1986) states that agency temporaries are defined as individuals employed through a temporary help agency to work for a client organization and accounted for only about a 0.75% addition to the regular employment level on average (p. 7). At organizations where temporary usage was the highest, it was equal to only a 6% addition to the regular workforce (BNA, p. 9). It was also noted that union presence did impact the use of flexible staffing arrangements (BNA, p. 8).

### **Key Points Concerning Temporary Workers**

Belous (1989) notes these key points about contingent and temporary workers:

1. Temporary employment is currently the fastest growing part of the contingent workforce.

2. The growth rate of temporary employment should remain strong well into the 1990s.
3. Although the majority of temporary workers still fill positions on the lower end of the job ladder, a growing number of temporary workers are now filling professional positions.
4. Although temporary work has had the image of unskilled labor, in the microelectronics revolution the temporary help industry has become a key source of training and human resource development.
5. Temporary employment has become a major part of corporate efforts to create just-in-time workforces. (p. 34)

Belous (1989) adds that contingent workers, including temporary help services workers, give employers increased flexibility in wages, job tasks, and staff size (p. 12). It also provides challenges such as motivation and quality of work issues, varying compensation and benefit packages, core worker reactions, and public relations issues (Belous, p. 12).

### **Workforce Characteristics**

Temporary workers are part of a growing marginal workforce reports 9to5, the National Association of Working Women (1986, p. 1). The marginal workers represent the have-nots in the national labor market. The increase in the marginal workforce "exacerbates an already declining standard of living for American working families," notes 9to5 (p. 1). According to 9to5, by 1986 the U.S. economy had recovered only 80% of the goods producing jobs lost during the 1981-82 recession (p. 1). The service jobs being created represent a lowering of wages from the manufacturing jobs that were lost (9to5, p. 1).

Full-time work opportunities decline as employers hire temporary workers, according to 9to5 (1986, p. 17). Temporary help service employees no longer substitute just for permanent workers who are sick or on vacation. Instead, the temporary help industry has become an effective tool for labor cost containment (9to5, p. 17).

Henson (1996) says temporaries, despite their rapidly growing numbers, are still thought of as being on the fringes of the labor market and society (p. 3). The categorizations of these workers as marginal, secondary, or peripheral are routinely used to prohibit their access to the social and institutional protections given to permanent workers (Henson, p. 3).

Lenz (1996) indicates that the permanent work force is not threatened by the small portion of flexible workers (p. 556). Lenz states, "Flexible employment arrangements in fact are used to *supplement* a business's permanent work force, not replace it – and ...*are often explicitly used to facilitate the movement of contingent workers into permanent jobs*" [author's emphasis] (p. 556).

### **Impacts on Productivity**

The 9to5 organization argues that an excessive use of temporaries can ultimately reduce productivity and raise labor costs (1986, p. 33). Temporaries who get full-time job offers will likely leave, resulting in higher turnover rates and the potential loss of workers who were already trained or had achieved some level of skill in the task (9to5, p. 33). Temporary workers generally have no loyalty to one organization. This lack of commitment to an organization, along with the lower self-esteem that comes from being a "temporary" rather than a "regular" worker, can have a detrimental effect on productivity, reports 9to5 (p. 33).

"Part of the growth of the contingent workforce is... due to the preferences of female workers and the growth and needs of the service economy," notes Belous (1989, p. 19). He adds that women's concerns and desires in the labor market are different from those of men (p. 18). They often still have the majority of housework to do and primary responsibility for the children. Belous indicates that female workers then may place a premium on job flexibility, including temporary and part-time arrangements (p. 18). Employers that want to retain good women workers should be sensitive to their needs (Belous, p. 18).

Belous (1989) notes that customer demands in the service industries are different from those usually experienced in traditional manufacturing firms (p. 18). Providing services at odd hours and upgrading service levels plays havoc with a normal workday pattern (Belous, p. 19).

The Bureau of National Affairs (1986) cites Daniel J.B. Mitchell, director of the Institute of Industrial Relations at UCLA, who says, "High unemployment has strengthened management's hand in the labor market and has tilted management's preferences toward new hires who entail no long-term commitment" (p. 6). He added that the guarantee of job security for some workers may come at the expense of job security for other workers (BNA, p. 6).

Increased flexibility in labor is on management's terms and serves to undermine the full-time job base, according to 9to5 (1986, p. iii). Clark (1997) states, "Meaningful, available work, of course, has long been recognized as integral to the self-concept of most human beings" (p. 16).

### **Economic Cycles and Temporary Workers**

Golden (1996) states that rapid increase in the temporary help supply industry may constitute a response to a fundamental change in the U.S. labor market (p. 1127). The temporary help supply sector "conjoins the labour [sic] market and services industry," says Golden (p. 1127). He adds, "The industry is likely to be sensitive to both cyclical and structural trends occurring in markets for labour [sic] and for products and services" (p. 1127).

Golden (1996) notes that a significant increase in temporary employment after 1982, from 0.67% to almost 2% of total private non-supervisory workers, accounting for over 7% of the net growth in private employment from 1982 to 1992 (p. 1128). Golden indicates that temporary help services industry employment is rather volatile. He adds, "...average weekly hours in temporary help service jobs are significantly more unstable than hours either in the manufacturing or service industries" (p. 1128).



The temporary help labor market has “some unique cyclical properties,” says Golden (1996, p. 1128). He adds that real hourly earnings are significantly procyclical and are sensitive to cyclical movements in the labor market and in industrial output (real hourly earnings in manufacturing, for comparison, are countercyclical to changes in the labor market) (p. 1128). As the unemployment rate goes up, temporary wages go down and as the rate goes down, wages for temporaries go up. In contrast, as unemployment in manufacturing goes up, wages go up – because lower-paid employees are being released and higher-paid, senior workers retained.

Temporary help service employment is slightly procyclical and average weekly hours are procyclical (Golden, 1966, p. 1129). The temporary help sector shows large and significant cyclical adjustments in employment and average weekly hours. However, changes in hourly earnings dampen a large part of the industry’s adjustment to cyclical changes. Golden states, “The temporary sector thus may constitute a distinct labour [sic] market segment where real wages perform a market-clearing function. In contrast, manufacturing or service industry markets clear primarily through changes in employment” (p. 1129). Temporary help services is thus characterized by intermittent job opportunities and variable wages (Golden, p. 1129).

Flexibility in weekly hours of regular employees does not substantially affect the hiring or firing of temporaries, possibly because of organizational or institutional conditions that constrain the limits of the workweek, according to Golden (1996, p. 1137). There is some evidence of seasonal hiring of temporaries during summer and the holiday season, but little support for the notion that changes in the composition of the labor force play a significant role in the growth of temporary employment (Golden, p. 1137).

Larson (1996) states that despite the many advantages for employers and some employees, contingent employment as a business strategy may have a less certain future than its supporters believe (p. 5). The growth in personnel supply services may be cyclical and currently on an upswing. If so, then it is bound to experience fluctuations in the future (Larson, p. 5).

Temporary services employment is sensitive to the business cycle, which is consistent with its role as a buffer for firms that prefer to protect their core worker levels, according to Segal and Sullivan (1997, p. 118). They note:

Flexibility obviously has greater value when the economic environment is more volatile. But is it? At an aggregate level, the economic recession of the early 1980s was quite deep and the recovery quite robust. Even though recent economic fluctuations have been less severe, the growth in temporary services has not declined, which suggests that aggregate economic volatility may not have been overly important in driving growth in temporary services. (p. 128)

Economic fluctuations also influence the utilization of temporary workers, according to NATSS (1998c, p. 2). When the economy is in a slump and organizations need to reduce full-time employment, temporary workers allow employers to quickly take advantages of increases in business (NATSS, p. 2). NATSS reports, "Historically, temporary employees are in great demand during periods of economic growth, as employers cautiously add new staff. Many employers value the use of temporary employees as a way to assess the staffing needs of their organization [sic]" (p. 2).

Curry (1993) affirms that companies are cautious about acting too quickly to reinstate downsized work forces (p. 8). Instead, many are choosing to fill in the gaps with workers from temporary services (Curry, p. 8). Most companies today must be able to cope with a tight economy while still meeting demands to get the work done.

Belous (1989) indicates that the shift to flexible labor markets has shown a substantial impact on labor costs (p. 102). They could also potentially influence unemployment rates over the course of a business cycle. The use of flexible labor supplies also has a less attractive side. The growth of contingents has been labeled as an era of "disposable workers" (Belous, p. 102). One human resource executive stated, "There are many ways to become flexible. We feel that it is possible to become flexible in a humane way" (Belous, p. 102).

Belous (1989) notes that compensation patterns were substantially altered in the 1980s (p. 83). Compensation between 1980 and 1986 was much more directly linked to economic than to sociological factors. Belous declares this is the hallmark of a flexible labor market (p. 83). Major econometric models have also noted this shift from a rigid to a flexible labor market. Belous states, "Even a very conservative estimate would indicate that compensation patterns for U.S. workers are at least 20 percent more responsive to economic factors than they were in the last decade" (p. 83).

In rigid markets, industry leaders set a pattern for decisions (Belous, 1989, p. 84). Belous says, "...it may have been customary for an employer to grant a certain percentage of fixed dollar compensation increase every year, regardless of the economic environment. This type of wage norm displays the essential hallmarks of rigid labor markets" (p. 83). In flexible markets, these patterns may not have a significant effect. The departure from following patterns of wage increases set by industry leaders has contributed to modest labor cost advances in the 1980s compared to the previous decade (Belous, p. 84). Belous declares, "The main forces behind this increase in labor market flexibility have been the shift to compensation systems that are more flexible in responding to economic conditions, and the shift to employment systems that are more contingent on economic conditions" (p. 86). Belous indicates that this shift to flexible labor markets may grow from increased competition for most companies, and human resource policies may now be driven by overall business strategies, such as profit maximization (Belous, p. 86).

### **Core and Contingent Workers**

Belous (1989) argues that labor markets have shown a tendency to shift away from the rigid version toward a more flexible environment in recent years (p. 8). The use of core and contingent workers facilitates this shift from a rigid to a flexible environment. Companies may

use varying mixes of core and contingent workers to suit their needs, says Belous (p. 6). Labor markets also have a spectrum from flexible to rigid. Belous states that rigid ones are where “wages, benefits and work rules tend to follow well-established patterns, norms and customs” (p. 6). He adds that flexible ones see “wages, benefits and work rules respond swiftly to a change in economic forces” (p. 6).

Belous (1989) declares, “If having the support of a company’s core workforce has a positive impact on the institution of a flexible human resource system, then it is in management’s best interest to understand the views of the core workers” (p. 70). He remarks that companies can determine the attitudes of their core workers and use this to help gauge the best use of its contingent workers (p. 71). If core workers don’t feel threatened, but understand management’s objectives and the extent of the contingent worker utilization, then it may be possible to have the support of the core workers (Belous, p.71).

When the organizational mission is short-run survival, the concomitant human resource strategies are cost effectiveness and flexibility, according to Nye (1988, p. 3). Concurrently as organizations cut their workforces, they state their concerns for the morale and productivity of the survivors. The way out of this dilemma has been to use temporaries as a buffer for the core employees to spare them from layoffs (Nye, p. 3).

Clark (1997) cites Heidi Hartmann, of the Institute for Women’s Policy Research, who states, “If the companies really want flexibility, they should be willing to pay the same for it as regular work, or even a premium. The fact they don’t shows that what they really want is cost reduction” (p. 6). Nollen (1996) cites two principal economic concerns: a) temporaries are paid less than core employees and get fewer fringe benefits, and b) temps do not get the training, experience, or career development to build their human capital (p. 569).

Temporary workers are typically given the least interesting and least challenging jobs at the organizations where they are assigned, according to Parker (1994, p. 18). He adds they are

“disproportionately represented in dull, dirty jobs with high turnover rates” (p. 18). Belous (1989) states, “Although workers under a lifetime employment system tend to identify strongly with their company, workers under the day-laborer model tend to identify strongly with their occupation and *not* with their employer” [author’s emphasis] (p. 4).

### **Two-tier system.**

Segal and Sullivan (1997, p. 132) and Belous (1989, p. 68) maintained that core and contingent workers form a “two-tier” system at any given organization. Segal and Sullivan added that many firms use permanent employees to fill positions where generous wages and benefits are required and temporaries in positions where generosity is not required (p. 132).

Employers who have avoided the “two-tier” system seem to have reassured their core workers that their jobs are secure and their wage and career prospects are better due to the expanded contingent workforce, according to Belous (1989, p. 69). Smooth running and flexible human resource systems seem to have convinced the core workers that the use of contingents is also in the core workers’ best interests (Belous, p. 69).

Clark (1997) reports that in the early 1990s, Labor Secretary Robert B. Reich warned that the economy was producing a “two-tier labor force” with the best wages and benefits clearly concentrated in one tier (p. 4). Golden (1996) also indicated that labor markets may be two-tiered, permanent and temporary, each with its own distinct supply and demand functions reflecting employers’ and employees’ desires for flexibility (p. 1131).

Golden added, “Many jobs may be judged by workers as superior alternatives to unemployment or labour [sic] force withdrawal” (p. 1131). Temporary labor supply may shift outward with worker preferences for temporary work or shift inward with fewer permanent job opportunities. Employer demand for permanent workers depends on greater productivity and the certainty of keeping a trained and committed core of employees (Golden, p. 1131).

## Summary

This chapter presented a global view of the temporary help industry's role and its effects on the economy. The information provided is useful as a setting for the following two chapters, which describe how the temporary help industry operates and the various aspects of working as a temporary worker.

## **THE TEMPORARY HELP INDUSTRY**

### **Introduction**

This chapter presents information concerning the temporary help services industry and how it functions. Every category in the coding scheme for the analysis of the Invitations for Bid included at least one element taken from topics in this chapter. Categories which were more heavily influenced by the literature on the temporary help industry included Types of Workers Required, Pre-Placement Personnel Activities, Invoicing and Payment, and Contractor Performance.

### **The Business of Temporary Help Firms**

Temporary help services are in the business of providing workers to client organizations. They are selling labor on a temporary basis. Henson (1996) notes that the work assignments for temporaries may be as short as half a day or may last for several months. The temporary help agencies hire people after skills testing and individual interviews. Once registered, their personal information is filed by skills and availability. Contacts are made with client companies and orders taken for workers. These orders detail the tasks, duration, working hours, and location of the job. Henson states, "Agency 'counselors' fill these orders by matching client company requests with an available and appropriately 'skilled' temporary" (p. 5). The assigned temporary worker is given a job number, a contact name, and the name and address of the client. He or she reports to the client on the date and time specified and undertakes the work for a prearranged hourly wage rate (Henson, p. 5).

"Temporary help companies are not employment agencies," says Samuel R. Sacco, executive vice president of National Association of Temporary and Staffing Services (NATSS, 1998c). Nye (1988) says that temporary help firms are commonly referred to as agencies, but

they are not actually agencies (p. 7). An agency would represent, but not employ the people it refers to clients (Nye, p. 7). Temporary workers are actually employees of the temporary help company and are recruited, trained, assigned, and paid by the temporary help service. The temporary help company pays all payroll taxes and for any benefits that are extended to its temporary workers (NATSS, 1998c).

Thomson (1995) indicates that there are over 3,500 temporary help agencies operating more than 10,000 offices in the U.S. (p. 45). Some specialize in providing workers for specific occupations, such as bookkeepers. Temporary help firms must keep a large pool of workers to remain competitive (Thomson, p. 45).

### **The Temporary Help Services Bureaucracy**

Laird and Williams (1996) report that the temporary help agency is the employer of record and responsible for typical personnel department duties such as hiring and terminating employees, issuing paychecks, and withholding taxes (p. 665). Parker (1994) states:

Temporary firms are fundamentally private-sector enterprises organized, justified, and driven by the profit-maximization goal they share with other private businesses. The suggestion that temporary companies exist mainly to serve the needs of workers – whether they are workforce reentrants or hard-core unemployed youth – appears disingenuous and inconsistent with the ethnographic research findings underlying this account of temporary work, including the testimony offered by managers of temporary help firms and temporary employees. (p. 24)

He adds that temporary help companies are not in the business of helping unemployed workers find jobs, they are businesses that lend their employees to other organizations for a profit (Parker, p.24). The workers' transformation from regular job seekers into mass-commodified temporaries is facilitated by the bureaucratic nature of many temporary help companies asserts Parker (1994, p. 43). Temporary help companies display common bureaucratic tendencies, such as specialization, a hierarchy of authority, a delineated division of labor, and a heavy reliance on written rules and regulations (Parker, p. 43). Workers who decline an offer of employment may



be relegated to the bottom of the occupational hierarchy for future assignments, according to Parker (p. 111).

Henson (1996) reports the temporary help industry is dominated by three large companies: Manpower, Kelly Services, and Olsten (p. 6). The industry, unlike its employees, is organized politically. NATSS and its affiliated state associations monitor legislation that could possibly curtail its growth and profitability (Henson, p. 6).

### **Selecting a Temporary Help Service**

NATSS (1998a) reports that employers seeking temporary workers should first decide what type of staffing help is needed. Firms should keep in mind that the staffing company is the employer, and the management practices of the staffing company have a great impact on the quality of the temporary workers that are referred to a business. The temporary help service companies recruit, hire, and train temporary workers, and it is important that the companies are professional, capable organizations (NATSS). Sopko (1993) agrees that utilizing temporary employees may make financial sense because of the recruitment, payroll, paperwork, and hiring expenses that are handled by the temporary help agency (p. 118).

Sopko (1993) also states that companies wanting to hire temporaries should inquire about training programs provided by the temporary help agency (p. 118). Some temporaries may be between careers or jobs, and others may have just entered the labor market. Temporary employment can prepare them for finding a permanent job and offer an opportunity to expand their professional resumes (Sopko, p. 118).

NATSS (1998a) and Sopko (1993) offer pointers to potential client organizations on seeking a temporary service:

1. Be sure the firm matches the clients' needs with worker profiles to insure the right employee will be assigned (Sopko, p, 118).
2. Remember that clients are utilizing workers backed by a management team.
3. Remember to call references.
4. Verify that potential employees are interviewed and prepared for the rigors of temporary employment (Sopko, p, 118).
5. Learn how the firm recruits and retains a roster of qualified temporary employees who are available when you need them (Sopko, p, 118).
6. Find out how the company recruits and retains qualified workers. Often one can judge the quality of workers by the type of benefit package the company offers. Better quality workers are attracted by a more complete package.
7. Find out how the company screens and tests potential employees and if it offers training.
8. Find out if the company's workers usually complete assignments and what their typical turnover rate is.
9. Find out if the company can fill last-minute requests, if there are extra fees for doing so, and how they handle after-hours emergencies.
10. Find out how the company will insure that their clients are not over or underbuying temporary help.
11. Determine if the company carries workers' compensation and what the policy limits are.
12. Find out if the company will spend time with clients to determine actual service requirements.

Sopko adds that the major factor is, of course, cost. The client organization wants a good service at a reasonable price (Sopko, p. 118). NATSS (1998a) maintains that the "quality" of the staffing help a business receives should be a critical element.

Belous (1989) lists some key issues in human resource flexibility and contingent workforce areas:

1. Basic information. Does the employer know the demographics of the contingent workforce and the core workforce? Is there a human resource information system?

2. Who makes the decisions? Within the company, who has the power to contract for or expand a contingent workforce?
3. Core-contingent relationship. Does management know how these two groups relate?
4. Motivation and quality issues. How are these characteristics insured with a flexible workforce? (Belous, p.57)

Belous (1989) expressed an expectation that large employers would have a basic employee information system on their contingent workers (p. 58). Belous discovered this was not always the case. Belous adds, "It is very difficult for employers to know *why* they are doing something if they are not fully aware of *what* they are doing" [Author's emphasis] (p. 58).

Hise (1994) offers tips from an employer who uses temporary workers. Roger Lepley, CEO of Kalamazoo Banner Works, buys about 1,800 hours of temporary help each year to meet periods of accelerated demand. Lepley suggests that temporaries only be used to fill duties and not titles. For instance, hire a more expensive word-processing temp only to do that activity just for as long as necessary, and not to answer phones or perform other tasks that a cheaper clerical temporary worker can handle (Hise, p. 149).

Lepley advises meeting the temporary on his or her arrival and orienting the worker right away, thereby avoiding idle time. Line managers should be prepared for the temporary's arrival. His company doesn't use a lot of temporaries, but it deals with the same temporary help agency each time. The repeat business gets the company more attention and better pricing (Hise, p. 149). Belous also notes that a way to help obtain quality work is to develop a long-term relationship with the temporary help service agency. This increases the likelihood that the temporary help service will provide good workers to maintain its reputation (Belous, p. 74).

Parker (1994), however, urges caution when selecting temporary help services and asserts that these firms have dubious records as employers (p. 25). He goes on to note that their employees do not enjoy high wages, generous fringe benefits, or pleasant working conditions (Parker, p. 25). In spite of their shortcomings, Parker states that temporary help service

companies attempt to become the sole contractor of temporary help for a client. Most client firms, however, should negotiate among several temporary help services to receive the greatest savings for different types of workers (Parker, p. 49).

#### **The hiring decision.**

Decisions to hire contingent workers are often made at the line or division level (Belous, 1989, p. 62). A corporation's policy in regard to contingent workers may vary considerably depending upon which division or line management area is studied. Some human resource executives believe that the line level is the place to make those kinds of decisions (Belous, p. 62). Many such executives are not troubled that human resource flexibility may be a largely reactive response. The executives believe a line manager should be free to exercise his or her intuition to respond to shifting market conditions, including increased human resource flexibility at the line level. The lack of corporate headquarters' active involvement may boost that flexibility (Belous, p. 62).

Belous (1989) notes, however, that the long-term interests of the corporation may not be best served by the objectives of the line managers (p. 63). A line manager may improve short-term performance with contingent workers, but this could be a false economy from the entire organization's perspective. Some managers practice "skill hoarding," or retaining workers during slack times so that the workers will be available during boom periods (Belous, p. 62).

At some companies, managers are not judged on financial performance alone. Managers may also be judged on head counts (Belous, 1989, p. 64). The head counts can be required by rules which limit the number of people who report to a manager. These head counts can be relatively simple measures of how many workers are in a division and the head counts may only include core workers. Belous suggests:

Thus, a division or line manager who faces a literal head count might try to get around these constraints. The use of more contingent workers in certain cases might be motivated by the desires of divisional managers to obviate corporate head count controls. (p. 64)

If temporary workers are used and not included for formal head count purposes, the division manager has a method for evading instructions from the corporate headquarters (Belous, p. 64).

Belous (1989) offers three points for consideration based on his discussions with human resource executives:

1. The primary driver for increased contingent workforces is the changing economic environment of recent years.
2. A secondary factor has been the avoidance of head count controls by line managers.
3. Some firms are looking at altering the head counts to include FTEs, or all workers in a division – core and contingent.

Belous (1989) cites a corporate director of personnel who said:

If we are using more contingents because it's the way that minimizes costs, then I'm all for it. But if we're doing it to get around some corporate Mickey Mouse regulations, then we have a problem. (p. 64)

### **Recruitment of workers.**

Temporaries may find that getting work without the temporary help firm can be difficult (Thomson, 1995, p. 45). Temporary help firms do a lot of recruitment and test qualifications and skills as well. Temporary firms offer orientation and training to new hires, which also makes workers more marketable (Thomson, p.45).

NATSS (1998c) reports it is relatively easy to become a temporary worker with a help service. All that is required is to register with one or several temporary help services.

Prospective workers fill out an application and are interviewed. Potential workers may also take qualifying tests and receive any necessary training (NATSS).

SI (Staffing Industry) Review (1997b) affirms that there was a recruiting crunch in the mid-1990s and staffing firms are shifting from a focus on sales to a focus on recruitment (p. 1). Firms are seeking new recruitment techniques and seeking to make their presence known throughout the communities in which they operate (SI Review, p. 1). Veteran staffing personnel report that the current recruitment problem is severe. They add that potential employees are in short supply because the economy is strong and unemployment rates are low (SI Review, p. 1).

Skill shortages exist in a number of geographic areas and industrial sectors (SI Review, 1997b, p. 2). Information technology may be the sector most affected by a skill shortage. The skills and applications are very specific in information technology jobs, which makes recruitment much more difficult (SI Review, p. 3). Part of the reason for the tight availability of workers can also be attributed to the overall tremendous growth in the use of temporary help (SI Review, p.3). The demand for workers has expanded faster than the supply of workers, and this becomes much more apparent in a tight labor market such as existed in the mid-1990s.

One temporary help service firm's recruiting strategy includes calling on the state employment commission to solicit unskilled workers. "That seems to be working really well," says Donna Mallard of Mallard Associates in Raleigh, North Carolina. She noted that in the past, state agencies would not refer qualified applicants to temporary help services, but now they are more willing to cooperate (SI Review, p. 3).

Some recruiters affirm that offering a pension plan, health coverage, or other benefits helps attract a higher caliber of worker (SI Review, 1997b, p. 4). Most recruiters, however, do not see benefits as a significant draw. One reported that health insurance was not an issue for temporaries, because if they had to contribute to it, they would often elect not to participate (SI Review, p. 5). Recruiters indicated that most temporaries seem to be more interested in training opportunities that will lead to greater job skills (SI Review, p. 5).

Parker (1994) states that recruiting temporary workers is similar to a sales job (p. 45). Parker and SI Review (1997b) indicate that referrals made by other workers are reportedly the most effective source for getting reliable workers. Bonuses paid to workers by the temporary help services for these referrals are the most frequently awarded benefit (Parker, p. 45).

Temporary help service chains, such as Kelly Services and Manpower, try to insure a uniform quality in their workers and attempt to screen potential employees (Parker, 1994, p. 46). Parker asserts, "Complaining about workplace conditions to clients or to permanent workers was a major issue managers identified when discussing problem employees" (p. 47). Problem workers may be those who fall short of the temporary help firm's expectations in regard to appearance or attitude. Workers identified as problems may not be told that they have fallen short of expectations and may spend valuable days waiting on assignments that never come (Parker, p. 48).

Recruitment is an ongoing task for the temporary help companies, but that is only half of the placement equation. Before workers can be placed, there must be a client organization ready to put the temporaries to work. Locating private and public-sector organizations to hire temporaries absorbs most of the daily operations at a temporary help service company, according to Parker (1994, p. 50).

### **Skills and recruitment.**

Manpower has also developed a system to identify the skills of potential temporary workers and the positions in which they would be most productive (Belous, 1989, p. 31). Parker (1994) declares, "The greater the skill level the more likely that a worker will be able to work regularly for a temporary help firm" (p. 88). He also states that the temporary help agencies try to keep those workers who demonstrate the greatest flexibility (p. 91).

Recruiters tread a fine line, since exceptionally talented workers may be lured away, and substandard workers give the firm a bad reputation (Parker, 1994, p. 54). Flexibility is likely the most valued worker trait, even above being highly skilled, highly production, or possessing some other trait which causes the worker to stand out. Workers who draw attention for non-work related reasons may never get their foot in a client's door. Clark (1997) maintains that temporary help agencies have been known to avoid employing potential workers considered political fanatics (p. 14).

### **Profit margins.**

Employment growth in temporary help service companies can depend on several variables. These may include the composition of the temporary work market, employment search costs, transaction costs (such as employment taxes), and the presence and productivity of temporary help agencies (Barkume, 1996, p. 7). Barkume adds:

Thus, the temporary help agency acts as a consignment retailer of labor services, with the unit of revenue (per hour of completed work) for the temporary help agency depending on the margin between what the employer is willing to pay the agency for providing temporary work (and associated services) and what the worker is willing to receive per hour for employment through the temporary help agency. (p. 9)

The gross margin is the implicit charge for the agency's services, although it does include the payroll taxes that the agency must pay on behalf of its employees (Barkume, p. 9).

One large manufacturing company examined the use of temporary workers within its divisions and concluded that it was paying rates to temporary help service agencies that it considered excessive (Belous, 1989, p. 66). The company had no formal policies toward the use of temporaries, and it seemed that many divisions could economize in this area. As a result, the company created its own in-house temporary help agency (Belous, p. 67).

Parker (1994) states, "At the heart of the temporary help industry is cost cutting and profit maximization" (p. 51). He adds that occupational specialization provides a way to reduce



costs for temporary help companies. Rather than pay high wages to a highly skilled individual, employers can save dollars by distributing the work among lower and more narrowly skilled employees.

Segal and Sullivan (1997) report that temporary service firms experience a wide range of markups based on the nature of the workers provided and the identity of the client organization. The highest markups are usually for white-collar temporary workers and the lowest for blue-collar temporaries (p. 127). Henson (1996) asserts that the hourly rate that the temporary help agency charges the client includes 40-60% for the worker; the costs of withholding taxes, social security, and workers' compensation; certain overhead expenses; and a substantial profit (p. 5).

Micheal Neidle, a management consultant at Optimal Management, San Mateo, California, offers suggestions for staffing companies (SI Review, 1997a, p. 1). Neidle maintains that a typical commodity market strategy is to lower prices to increase volume and beat the competition. The commodity market is price driven and generally includes the low end of the office services and light industrial worker markets. Specialty services have higher margins and lower volume since they attempt to add value to services. "They [specialty services] have a staff that adds quality and believes in its benefits, and have built special customer relations," Neidle indicates (SI Review, p. 2). Three basic concepts are important to make sure staffing companies are maximizing their profits. These include: productivity, which is how hard one is working; efficiency, how smart one is working; and balance, how well one is coordinating activities among different functional areas (SI Review, p. 3). Neidle offers placement ratios (see Table 3.1), which provide a perspective on the operations of temporary help agencies.

The National Association of Temporary and Staffing Services (1997) reports that third quarter 1997 temporary help revenues amounted to \$13.03 billion, up 4.2% from the previous quarter and up 14.9% from a year ago. Payroll totaled \$9.75 billion, an increase of 5.5% from

the previous quarter and 18.6% over the year. Average daily employment for the third quarter was 2,631,600, a gain of 5.2% from the previous quarter and 9.3% from the previous year.

**Table 3.1**

Temporary Placement Operating Ratios of Interest

	Upper	Avg	Lower
Assignments filled to assignments received	0.9	0.8	0.7
New orders received per prospect sales call	0.15	0.085	0.025
Temps interviewed per assignment filled	2.0	1.3	0.7
Hours billed per assignment filled	150	120	70

Source: Optimal Management, Foster City, California, as cited in SI Review, January/February 1997, p. 4.

**A Period of Rapid Growth**

Angela Clinton (1997) reports that personnel supply services has expanded at more than five times the pace of the total economy since 1972 (p. 4). It achieved the strongest annual

**Table 3.2**

Employment levels in the total nonfarm economy and selected business services, 1972-96.

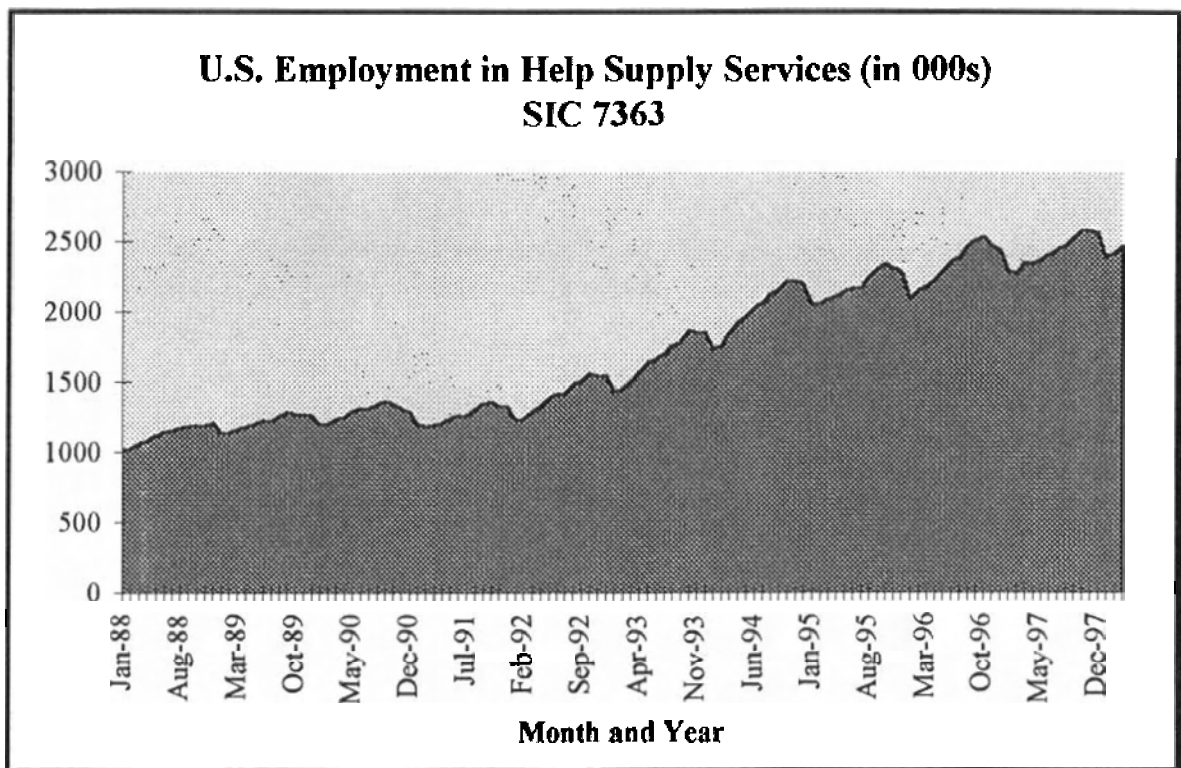
Industry	Employment (000s)			Average annual growth			
	1972	1988	1996	1972-96		1988-96	
				Number	Percent	Number	Percent
Total nonfarm	73,876	105,209	119,523	1,910	2.1	1,789	1.6
Business services	1,491	4,638	7,254	240	6.9	327	5.8
Personnel supply	214	1,350	2,646	101	11.4	162	9.0
Help supply	*	1,126	2,341	*	*	152	9.8

Source: Employment levels and annual average numbers for growth are in thousands. From "Flexible Labor: Restructuring the American Work Force," by A. Clinton, 1997, Bureau of Labor Statistics, Monthly Labor Review, 121, p. 6.

\*not available.

average growth rate in business services (11.4%) during the 1972-1996 period. By the end of 1996, personnel supply services employed 2.6 million workers and was the largest segment in business services (see Table 3.2). Help supply services, which includes temporary help, comprises about 90% of the employment in personnel supply services and just about all of the employment growth (Clinton, p. 4). The growth of help supply services in the United States is illustrated in Chart 3.1.

**Chart 3.1**



Source: Data from the Bureau of Labor Statistics for Standard Industrial Classification 7363 from January 1988 through March 1998.

Clinton (1997) goes on to say about one-fifth of all wage and salary workers were employed in administrative support occupations, including clerical, during 1995 (p. 6). Business

services was responsible for about one-fourth of the new administrative support workers and increased its share from 5% in 1983 to around 9% in 1995. She states, "Personnel supply establishments employed nearly half of the workers in administrative support occupations within this industry group" (Clinton, p. 6).

Clinton (1997) indicates that the 1980s were the period of fastest growth for the industry, when it averaged 14% per year and had an amazing 45% increase in the first year of recovery from the 1982 recession. She reports, "Demand for employee leasing and alternative work arrangements helped spur output as firms responded to the Employee Retirement Income Security Act (ERISA) and the Tax Equity and Fiscal Responsibility Act (TEFRA)" (Clinton, p. 10). Clinton notes that industrial output is another key measure of industry growth. Personnel supply services had output of \$5.6 billion in 1972 and \$41.7 billion in 1994, measured in 1987 dollars (Clinton, p. 10). The payroll data for the temporary help industry also indicates substantial growth as evident in Table 3.3.

#### **Explanations for growth.**

Thomson, (1995) reports that the temporary help industry has accounted for a large portion of employment growth in the current economic expansion (p. 45). She adds, "Worried that the economic situation would suddenly reverse itself, employers hired temporary workers instead of expanding their permanent staffs" (p. 45). According to Clark (1997), the use of temporaries became so routine in the 1980s that many organizations no longer bothered to keep centralized records of how many their various divisions were using (p. 10).

Golden (1996) and NATSS (1996) offer explanations for growth:

Demographic changes in the labor force, rising participation of women, entrance of youths, reentrance of older workers, are driving the growth and employers are simply responding to the preferences of these (potential) workers (Golden, p. 1130).

- Employers try to get flexibility in utilizing workers while protecting “core” workers during business downturns, or employers try to reduce personnel costs by avoiding the hiring and firing of core workers (Golden, p. 1130).
- Business organizations, in order to compete in an interconnected global economy, need to be flexible in all of their company operations, and temporary help and staffing services offer that flexibility (NATSS).
- The social contract between the workforce and business organizations continues to evolve and greater numbers of people see working as a temporary as a way to gain more job security and better career paths (NATSS).
- All types of business organizations are having trouble attracting, evaluating, and recruiting employees for themselves (NATSS).
- Growth in temporary help services is reflecting a broadening of the types of staffing arrangements that staffing companies are offering (NATSS).

The economy, which celebrated its fifth anniversary of growth in March 1996 without even a minor correction, continues to grow (NATSS).

**Table 3.3**

**Temporary Help Industry Annual Payroll 1971-1992**

Year	Temp. Help Ind. Payroll (In millions)	Percent Chg. from Prev. Year	Year	Temp. Help Ind. Payroll (In millions)	Percent Chg. from Prev. Year
1992	\$16,737.0	19.9%	1981	\$3,483.8	11.8
1991	13,945.0	2.0	1980	3,117.2	11.1
1990	13,675.0	na	1979	2,805.4	42.4
1989	13,218.0	11.1	1978	1,970.5	34.0
1988	11,898.0	21.1	1977	1,470.5	36.0
1987	9,823.0	na	1976	1,081.4	26.8
1986	7,147.6	12.1	1975	853.0	(10.7)
1985	6,375.6	18.1	1974	955.4	44.5
1984	5,399.0	34.7	1973	661.4	30.6
1983	4,008.7	17.0	1972	506.3	17.3
1982	3,427.5	(1.6)	1971	547.4	(21.2)

Source: From the National Association of Temporary Services as cited in “Everyone Wins When It Comes to Temporary Help,” by S. Sopko, 1993, Office, 118, p. 28.

Nationally, the number of jobs in manufacturing has been declining, but the proportion of blue-collar jobs held by temporary workers rose from 9% in 1983 to 23% in 1993 (Larson,

1996, p. 3). This demonstrates that employers in manufacturing have shifted from hiring and laying off workers toward meeting their variable employment needs with contingent workers (Larson, p. 3).

Parker (1994) reports that generally the data reported on temporary help services employment is for a given point in time or an annual average basis, and the actual number of people who worked as temporary employees during the year is much higher because of the high turnover rates (p. 28). He adds, "In short, the temporary help industry's extraordinary growth is not driven entirely by supply-side factors; it is also attributable to the industry's demand-side efforts to aggressively market the advantages to employers of using temporary workers" (p. 37).

#### **A recent slight slowdown in growth.**

The BLS reported that the number of workers holding contingent jobs declined slightly from February 1995 to February 1997 (USDOL, 1997, p. 1). The 1997 range for the three alternative estimates was 1.9 to 4.4% of total employment compared to 2.2 and 4.9% in 1995. There was little change in the proportions of workers who had alternative work arrangements, 1.0% (1.3 million workers) were employed by temporary help agencies (USDOL, 1997, p. 1). The February 1995 survey showed that 1.2 million (1.0% of the total employed) were employed by temporary help agencies (USDOL, 1995a, p. 1).

Samuel R. Sacco, executive vice president of NATSS, says, "The industry is still growing, although at a slower pace than throughout the first half of the 1990s..." (NATSS, 1996). NATSS advises that since a large majority of temporary help is used to cope with peak workloads and special projects, there are definite seasonal patterns. NATSS (1996) reports that there is usually a decrease in demand in the fourth or first calendar quarters.

The Bureau of National Affairs (1986) reports that alternative staffing practices span industries and geographic regions (p. 1). Innovations in staffing and scheduling are widespread,

but they are still far from overtaking traditional employment patterns. The number of workers in temporary help services has grown significantly over recent years, but in 1997 it remained at only about 1.0% of the workforce, according to BLS data. Steinberg (1997) says that further job creation and economic growth will likely be limited by a lack of qualified workers.

Barkume (1996) states that the use of temporary help agencies may simply point to a more efficient market organization (p. 12). The Study Group of the Council of Europe (1985) reached the conclusion that “temporary work may boom at the expense of permanent work” (p. 50).

### **Government Regulations**

Parker (1994) states that the temporary help firms have been legally obligated to act as employers since a 1951 ruling by the commissioner of the Internal Revenue Service (p. 25). This ruling held that for purposes of federal unemployment tax and income tax withholding, the temporary help firm was the employer (Parker, p. 25).

The Bureau of National Affairs (1986) reports that the temporary help services industry has been successful at resisting efforts to regulate its practices (p. 17). Barkume (1996) adds, “Temporary help agencies are not subject to state regulations on placement fees and operations...” (p. 10). Belous (1989) relates that Mitchell Fromstein, president and CEO of Manpower Inc., the largest temporary help company in the industry, observed that employers will have to show that human resource flexibility provides a real service to workers or it will be subject to increased government regulation (p. 111).

Henson (1996) maintains:

The associations claim to represent the interests of their “employees” by protecting the industry. Dubiously equating their workers’ interests with those of the industry, they lobby against extending the benefits provide to full-time workers to temporary workers. (p. 7)

Henson adds that businesses have been successful at resisting government regulations by claiming undue economic hardship and ultimately a loss of jobs (p. 170). It is unlikely government would sponsor needed reforms to prorate benefits or other measures. Henson states, "...the current deficit and budgetary problems make it doubtful that government will lead the way in either eliminating its own exploitative use of workers in nominally temporary positions or providing prorated benefits" (p. 170). Government practices today make officials highly vulnerable to charges of hypocrisy, according to Henson (p. 170).

#### **Legislative attempts at regulation.**

Golden (1996) reports that in the 103<sup>rd</sup> Congress, HHR 3793 proposed mandated prorated unemployment insurance, pension, and health benefit coverage for temporaries and promoted pay equity with permanent workers (p. 1139). This would likely discourage temporary employment as a strategy to shift the burden of competition to workers. Additional reforms proposed include: a) eliminate the fee temporary help service agencies charge clients who want to hire temporaries into permanent positions; and b) use tax incentives to encourage businesses to target internal temporary positions to current and prospective employees who state a preference for this type of work (Golden, p. 1139).

Hylton (1996) states that the Part-Time and Temporary Worker Protection Act, introduced in U.S. House by Rep. Pat Schroeder, seeks to offer the same benefits to contingent workers that are offered to core workers (p. 588). Hylton notes that a possible employer response to a bill like Schroeder's might be to reduce the number of temporaries employed, "To come to such a conclusion would require one to accept that the current full-time employment of one core worker is superior to the new-found unemployed status of several formerly flexible employees" (p. 589).



According to Lenz (1996), Senator John Ashcroft (R-MO) introduced S. 1129 in an attempt to amend the overtime requirements of the Fair Labor Standards Act and allow greater flexibility for employers to negotiate work schedules (p. 563). The bill would have erased the 40-hour threshold and allowed workers to put in up to 160 hours in any combination over a four-week period before overtime would be paid (Lenz, p. 563). Lenz adds:

Not only is there no need for laws to regulate or limit temporary work, consideration should be given to providing *incentives* to firms [i.e., temporary help service companies] that provide those services, such as tax credits based on the skills training provided and the job placements made. (p. 563)

Hylton (1996) concludes that flexible employment arrangements are not good candidates for across-the-board regulatory proposals (p. 590). Laird and Williams (1996) maintain that temporary employment is a voluntary arrangement beneficial to both parties, employers and workers, and to legislatively impose regulations would probably be detrimental (p. 678). Hylton (1996) says that flexible employees are still subject to regulations such as major (Federal) employment anti-discrimination statutes (Americans with Disabilities Act, Family Medical Leave Act, Fair Labor Standards Act). She notes two caveats: a) laws do not apply to anyone other than “employees”; and b) laws may be limited by a “trigger level,” such as a minimum of fifteen employees (p. 589).

Nollen (1996) asserts that workers from temporary help service companies may have an employment relationship with the client company, depending on the degree to which the client company controls the terms and conditions of employment (p. 580). Nye (1988) adds that the indefinite use of temporary help service workers by client firms raises a question about who the true employer is for legal purposes (p. 53).

## **An Exemplary Nonprofit Effort**

Not all temporary help services are conducted by profit-oriented organizations. In some areas nonprofit institutions have been able to fill a void left by private and public employers. One such example is the St. Vincent dePaul Rehabilitation Service (SVdP) in the Portland, Oregon, area.

SVdP is a private, nonprofit organization that provides job training, education, and employment for more than 800 disabled individuals annually (SVdP, 1998c). SVdP represents itself as a reliable source for quality workers to perform a number of business services, including temporary employment services, for Oregon businesses and public agencies. The organization expresses a commitment to provide opportunities for people who might otherwise be left out of the labor market. It provides hundreds of temporary workers each week to Oregon businesses and recruits, trains, and places individuals with disabilities into temporary and permanent positions (SVdP, 1998c).

The mission of the St. Vincent dePaul Rehabilitation Service is:

...to provide a variety of services for people with disabilities including, but not limited to, counseling, evaluation, training, jobs and job placement – without regard to race, religion, gender, or national origin. (SVdP, 1998b)

The St. Vincent dePaul Rehabilitation Service was incorporated in 1971. In 1978 three new programs were added, including job development and job search programs. The organization shifted its focus in 1985 to the sale of quality products and services that would increase employment opportunities. Four years later, the organization entered the temporary services business and purchased APA Employment Agency (SVdP, 1998b).

In November 1991, SVdP opened an office in Salem and began filling job orders on contract with the State of Oregon. Soon afterwards SVdP opened a temporary services office and a skills training center in Portland. The organization entered into a large contract in 1995 with the Oregon Water Resources Department for document processing (SVdP, 1998b).

In 1996 SVdP had an operating budget of \$15 million and 800 employees or trainees. It was recognized as one of the “top ten fastest growing” businesses by The Portland Metro Area Chamber of Commerce (SVdP, 1998b).

St. Vincent dePaul Rehabilitation Service (SVdP, 1998c) lists the following benefits of hiring workers with disabilities:

- Increases their independence, self worth and quality of life.
- Allows them to make a personal and economic contribution to society.
- Enhances diversity in the workplace.
- Reduces the amount of public funded support needed by handicapped adults.
- Fulfills the spirit of the Americans with Disabilities Act. (SVdP, 1998c)

The workers at SVdP perform a number of jobs, including office, clerical support, accounting, data entry and processing, document imaging, security officer services, facilities maintenance, product assembly, and computer skills training. Their services are used by entities such as Freightliner Corporation, Nike, Jantzen, Safeway, and more than 40 State of Oregon agencies and local governments (SVdP, 1998c).

St. Vincent dePaul Rehabilitation Service (1998a) publicizes the benefits of its services by telling employers they can save on supervision, training, benefits, payroll, and administration expenses. SVdP affirms they provide temporary employees only after they have been extensively screened, tested, interviewed, and trained. The organization notes that obtaining its services are easy:

Just call and let us know what you need. We provide the qualified workers, and we follow up to make sure you're satisfied. We take care of all the paper work, including paying workers' compensation, social security, state unemployment tax, and any fees associated with being the employer of record. We invoice you weekly. It's that simple. (SVdP, 1998d)

## **Privatization**

The contracting for temporary workers is essentially the privatization of labor. A private-sector employer provides workers for a public-sector organization, hopefully freeing the public-sector staff for greater achievements in service delivery or reducing the organization's costs of doing business.

Shields (1988) states, "In a general sense, privatization rationalizes government by introducing market models and techniques to the delivery of public services" (p. 279). Many in government realize that while the private sector may see profit maximization as a goal, many in the public-sector may see the maximization of resources as a goal. These objectives are not that far removed from each other. Shields notes, "In the private sector, production efficiencies are stimulated by competition and the profit motive. Firms in a competitive environment tend to optimize" (p. 280). Privatization may allow government organizations to optimize as well.

Government still has to make many decisions about service delivery under privatization and contracting. Shields states that such specifications can be written into contract agreements (p. 281).

## **Contracting**

Contracting can provide a very broad approach to conducting business, almost any activity can be contracted. Shields (1988) indicates that several contracting models exist. She notes that the entire service can be contracted or parts of an organization's functions can be contracted out (p. 283). She adds, "Contracting does not take away public responsibility for program funding and, thus, does not replace tax revenue" (p. 282). It may, however, promote the most efficient use of tax dollars, according to Shields (p. 283).

### **Advantages of contracting.**

Contracting is extensively used because it does offer certain advantages to organizations. It may allow organizations to bring in just the quality and quantity of labor necessary for a project or activity. It may ease the paperwork burden for an organization, but mainly it all comes down to costs. Shields (1988) states, "Contracting is popular and successful because it can reduce costs" (p. 283).

Shields (1988) also indicates that proponents claim private contractors are able to find efficiencies since they are not encumbered by bureaucratic controls, such as lengthy, complex procurement policies. She adds, "In addition, contracts can be terminated (or not renewed) for poor performance" (p. 283). The prospect of losing a contract can be an incentive for private employers to improve or maintain a level of efficiency.

Another advantage of contracting, Shields (1988) reports, is that it may allow responsible government officials to operate differently. She states, "Their focus changes from administrative (serving citizens) to management (achieving objectives given limited resources)" (p. 283). In a sense, achieving objectives with limited resources puts these officials in the same realm as a business manager trying to maximize profits. Both want to accomplish as much as they possibly can in terms of product or service delivery and, at the same time, expend as few resources as possible.

### **Disadvantages of contracting.**

Among the opponents to public-sector contracting are usually public employees and officials who may feel, and may actually be, threatened by such activity. According to Shields (1988), "Critics of contracting are uncomfortable with its growth and encroachment into public-sector activities" (p. 284). Often even those outside the public-sector are not comfortable with

contracting of certain services because they are convinced that some services are best delivered by individuals who are not motivated by profits, but by some altruistic duty.

Shields (1988) lists other disadvantages to contracting:

- Profits are a concern since they are tax dollars.

It is difficult to hold contractors accountable for their actions.

- There is no guarantee against bankruptcy and/or service disruption.
- The administrative costs of awarding, negotiating, and monitoring contracts are often overlooked (p. 284).

### **Conditions for successful contracting.**

Among the conditions for successful contracting, the first is that there must be competition (R. H. DeHoog as cited in Shields, 1988, p. 285). In order to insure a successful contracting process, complete and clear service specifications are needed, as is an impartial contract bid consideration (R. H. DeHoog as cited in Shields, p. 285). DeHoog indicates that the second condition is that government officials strive for cost reduction and service quality (as cited in Shields, p. 285).

Shields declares that the third condition “requires that government perform as an effective watchdog. Government considers the public interest by monitoring contractor performance” (p. 285).

### **Contract administration.**

Shields (1988) outlines three areas of contract administration with which public officials should be familiar. The areas include contract specification, award, and monitoring. In regard to contract specification, Shields states, “Service output should be clearly defined” (p. 286). The specifications should be understandable, obtainable, and inclusive. Definitions of service output are found in several categories of the coding scheme for the content analysis. Examples

include providing job specifications, testing and training workers, and providing procedures for the replacement or removal of workers.

The contract award aspect is relatively straightforward, it should promote a competitive environment (Shields, 1988, p. 286). Conditions for bid requirements, the procedure in case of tie bids, and the evaluation criteria are all elements of the contract award process and should be easy to locate in the IFB and easy to understand. The entire bid process should be structured to avoid misunderstanding and favoritism.

Contract monitoring, the third aspect, is a bit more involved. Contract monitoring is primarily represented in the contract performance category of the coding scheme. Other elements, such as the right of the agency to audit the contractor's records, are also monitoring devices but are found in different categories. Shields states:

Contract monitoring is a form of auditing. This process insures that public funds are properly accounted for, that contracting agencies behave honestly, and that services are actually provided. If this role is neglected, the groundwork is set for contract abuse, corruption, and collusion among competitors. Government administrators should regularly monitor contract compliance, cost, and performance. This will insure that contract specifications are adhered to. (p. 287)

The three areas of contract administration are interrelated, as the quote above indicates.

Successful performance in all three areas is necessary for consistent and productive contract administration.

## **TEMPORARY WORKERS**

### **Introduction**

The purpose of this chapter is to present information from the literature review concerning temporaries and the working conditions which they encounter. Portions of this chapter also influenced the categories in the coding for the analysis of the Invitations for Bid. Among the portions represented in the categories are training, security issues, the hiring of temporaries as regular employees, conditions for removing temporary workers, and raises and promotions for temporary workers. This chapter provides an insight into what it might be like to work as a temporary employee.

### **Reasons Employers Use Temporaries**

The National Association of Temporary and Staffing Services (1998c) reports that as many as nine out of ten companies use temporary help. There are several reasons for the acceptance of temporary work by business. These include: a greater need for workforce flexibility; changing social attitudes concerning the employer-employee relationship; the increased costs of recruiting workers; compliance costs with employment laws and regulations; benefit costs; and “other overhead costs which can actually act as ‘dis-incentives’ for employers to create new, full-time positions” (NATSS).

Nollen (1996) and the Bureau for National Affairs (BNA, 1986) cite a number of reasons for hiring temporaries:

#### **Special projects**

- To fill in for absent regular employees
- To fill a vacancy until a regular employee can be hired
- Seasonal needs



Identify good candidates for regular jobs

- To match work force to amount of work
- To reduce labor costs, particularly fixed costs
- To buffer core employees from job loss
- To minimize administration and paperwork

The BNA (1986) reported that the most prevalent method surveyed organizations used to manage changing workloads was overtime (91%) followed by agency temporaries (65%) (p. 10). Whatever the reasons for hiring temporaries, there are those who suggest that the advantages may be overstated. Nollen cites Delsen (1995), who remarks, "employers overestimate the advantages of temporary employment and underestimates the disadvantages" (p. 578).

#### **Costs and utilization of temporary workers.**

Parker (1994) states, "Employers are not only pursuing a docile workforce willing to work for low wages and few, if any, benefits; they are also seeking the flexibility to retain workers only for the briefest periods of time when their labor is required" (p. 2). Henson (1996) notes, "Ultimately, the engine driving the recent dramatic growth in temporary employment may be the cost differential for employers between hiring full-time and temporary workers" (p. 25).

Belous (1989) holds that two groups of organizations use contingent workers (p. 102). The first group uses them for direct short-term labor cost savings. Savings have been reported in the 20-40% range because of lower benefit levels, lower wage rates, and the fact that contingent workers are only paid for the actual work required by the organization, perhaps for one project or part-time work (Belous, p. 102). A second group utilized contingent workers, not because they were cheaper (they claimed many times contingent workers were more expensive than core

workers), but because long-term labor cost issues were deemed to be of greater importance. Long-term issues included downsizing and other nonlabor costs (Belous, p. 103).

Belous (1989) states that a corporation's ability to reduce costs may give it an edge in the world marketplace. If so, then the savings may provide benefits for employers, workers, communities, and the entire economy (p. 107). If flexibility in human resources can make a firm more competitive, then the jobs that firm produces may be on a more secure base (Belous, p. 107). Belous notes that he discovered cases where the security of core employees at specific firms might have been enhanced by the use of contingent workers (p. 107). He adds that the companies' use of core workers would not necessarily have increased without the contingent workers. However, without the contingents, the companies might have been forced to halt activities on a specific project or in a specific area (Belous, p. 107).

Golden (1996) indicates that as fixed labor costs increase relative to variable costs, more temporaries are hired due to fewer associated fixed costs (p. 1137). Increased skill needs may cause greater use of temporaries – presumably because the higher education or training requirements bring about lengthened periods between permanent hirings and a need for temporaries to fill the gap (Golden, p. 1137). Discontinuity of the labor supply also increases temporary hires. Golden notes:

This confirms a traditional reason that firms hire temporary agency workers that was present even before growth soared in temporary help service employment. Temporary hires create a continuity of production or service provision when the opportunity cost of disruption is high. (p. 1137)

#### **Shifting the uncertainty.**

Golden (1996) says that employer demand is more important than employee preferences in the growth of temporary workers (p. 1138). He adds that evidence indicates the increase in temporary jobs is probably above the rate at which workers want those types of jobs for more latitude to balance work and outside responsibilities (p. 1139). Golden suggests that policy-

makers may need to intercede if further growth in temporary employment arrangements proves to be detrimental to welfare and efficiency over time (p. 1139).

Steinberg (1997) declares, "Without temporary help and staffing services, production capacity is fixed to the current level of full-time employment. Companies must carry, regardless if demand is present, those costs associated with their workforce." He goes on to declare that a major aim of the temporary help and staffing services industry is to assist organizations to make payroll costs a variable, rather than a fixed, expense.

Golden (1996) maintains there is a shifting balance of power between management and labor -- employers want flexibility to restore or maintain management prerogatives, increase their control over the work, or cut payroll costs (p. 1130). He indicates that employers shift the burden of uncertainty towards temporary workers since their employment levels can easily be geared to demand (p. 1130). Golden adds, "Thus, employers are engaged in opportunistic as well as strategic actions by attempting to exploit the short-run labour [sic] costs savings and numerical flexibility gains provided by temporary employees" (p. 1139).

#### **Advantages to using temporary workers.**

The Bureau of National Affairs (1986) surveyed firms using agency temporaries, short-term hires, on-call workers, and contract workers (p. 8). Agency temporaries were used by 77% of the responding organizations. Larger organizations (84% of firms with over 1,000 employees) were more likely to utilize agency temporary workers. The percentage rose to 90% for large firms in large urban areas (BNA, p. 8).

Belous (1989) indicates that human resource flexibility seems to benefit workers who have been displaced by enabling them to return to work much sooner (p. 109). He states:

However, increased human resource flexibility could alter the shifts in the unemployment rate over the course of a business cycle. If added flexibility causes employers to be more willing to let workers go at the first sign of a recession, then the

level and rate at which unemployment rises in a business cycle slump could be much greater than in previous cycles. (p. 109)

### **Major benefits of using temporary workers.**

Belous (1989), Thomson (1995), Hylton (1996), and BNA (1986) describe the major gains to be realized by employers from increased human resource flexibility:

#### Market Benefits

- Employers can increase their competitiveness in product markets due to reduced labor costs.
- Economic growth can be sustained without rekindling high levels of inflation.

#### Job Benefits

- Job security for core workers and job opportunities for temporary workers can be increased.
- Workers can be active in the world of work, their families and other areas, which traditional full-time employment may block.
- Workers may find reemployment easier if they become unemployed.
- New workers can quickly be found without worry about future layoffs.
- Replacements can be found for permanent workers who need time off.
- Highly-skilled temporaries can be hired for specific task or projects.

#### Paperwork Benefits

- Paperwork related to personnel is reduced.
- Payment of withholding and employment taxes is handled by the temporary agency.
- Payroll costs can be reduced due to lower wages and fewer benefits, since benefits are often 35% of total compensation costs.

#### Other Benefits

- Special tasks that cannot be handled by regular staff can be met.
- Opportunities to monitor the job performance of prospective regular employees.

- Policy barriers to the hiring of company retirees, relatives, and others who are barred from accepting regular employment can be circumvented.

Recruitment and training involve less time and expense.

Lenz (1996) notes that most businesses say flexibility is the major reason for using temporary workers (p. 556). Lenz cites a “Conference Board” report which concludes that “controlling benefit costs appears only as a minor reason for contingent worker use” (p. 556).

### **Trying out potential employees.**

Lenz reports that staffing firms help employers to hire first-time job seekers on a trial basis before making a commitment and cites a study that shows “employers have lost confidence in the ability of the American education system to prepare young people for the workplace” (p. 558). Luciano (1993) asserts that companies that have just experienced layoffs often subsequently obtain workers through a temporary help firm. It’s cheaper than committing to a permanent worker and allows the company a chance to “try out” a prospective employee first (p. 158).

The fact that temporary employees can be released more easily than permanent employees is a primary benefit to management (9to5, 1986, p. 26). All an employer has to do with temporary help service workers is to tell the service not to send the person back the next day (9to5, p. 26). Another service temporary help firms provide employers is the avoidance of the disagreeable task of terminating workers, according to Parker (1994, p. 149). Employers can also use temporaries to divert the frustrations of unpleasant tasks. Temporaries can be given the least desirable jobs to avoid giving them to regular staff and perhaps increasing the client firm’s turnover (Parker, p. 149).

Another factor is that businesses want to reduce:

...potential litigation from long-term employees stemming from the erosion of the employment-at-will concept. Employees whose jobs are explicitly temporary are unlikely to successfully claim that they have been promised lifetime employment. (BNA, 1986, p. 4)

Segal and Sullivan (1997) indicate that many managers have claimed that it is increasingly difficult to terminate poor workers (p. 128). An increasingly litigious society has eroded the employment-at-will doctrine.

#### **Disadvantages of using temporary workers.**

Belous (1989) and BNA (1986) note that the major costs of increased human resource flexibility to employers are:

##### Financial Costs

- A high level of economic insecurity for many contingent workers due to fewer chances of obtaining employee benefits such as health insurance and pension coverage.
- Potential unwillingness of some employers to make the same investment in human capital development for contingent workers as for core workers.
- Possible increased costs of temporary help service employees due to help service mark-ups.

##### Regulatory Issues

Potential for an increase in the level and rate of unemployment in a recession.

- Potential for affirmative action consequences arising from the growth of contingent workforces.

##### Work Related Issues

A limited ability to use temporaries for jobs that are company-specific and require extensive training.

- Difficulties in placing temporaries in jobs that require repeated contact between customers and individual employers.

Occasional problems with the overall quality of work performed by temporary employees.

A lack of control over or dissatisfaction with the quality of temporaries' work has led some employers to cut back on the use of temporaries. Thomson (1995) adds to the disadvantages listed above that temps not inclined "to be team players or to improve quality and productivity" and permanent staff still have to invest time in explaining office procedures (p. 45).

#### **Breeding callousness.**

Some believe that managers have become more callous and that employees are often are unaware of their precarious status, according to the Bureau of National Affairs (1986, p. 4). Companies want a commitment, but they are unwilling to give one in return. The relative ease with which temporaries come and go at client companies may encourage inefficiencies and even abuse of the system by the supervisors who hire them, according to Nye (1988, p. 50). Employers who attempt to use temporaries as just-in-time labor may face the problems that there are not always enough temporary workers readily available and there may not be sufficient quality (Nye, p. 35).

Temple University labor economist Eileen Applebaum says that business would be better off in the long run by keeping experienced and loyal employees. She stated, "I have a sense that businesses are using temporary workers as a bad response to a real need for [employer] flexibility" (BNA, 1986, p. 4). Parker (1994) states, "The ability of employers to flexibly adjust their workforces at will without any accountability for the associated social costs has contributed to the temporary help industry's rapid ascendancy in the U.S. economy" (p. 55).

#### **Reasons People Work as Temporaries**

Polivka (1996b) says that workers who have just lost their jobs and prospective workers who are entering or reentering the labor market face a less secure and different job market than previous workers faced (p. 56). Bureau of Labor Statistics' data show that some people were

involuntarily leaving permanent jobs and accepting temporary work. The BLS data also suggest that, just as importantly, many people who were previously not in the labor force were coming into temporary work. Of those workers coming into temporary work from a previous job, many may have been as likely to be moving from one temporary job to another as from a permanent job to a temporary job (Polivka, p. 58). Polivka adds:

Even among those who were dissatisfied with contingent employment, it is not necessarily true that the labor market led them into such an arrangement. Rather, it could be that their *personal situations* caused them to have to accept contingent work. Consequently, although they may not be pleased with their arrangement, it would be incorrect to conclude that the labor market itself forced these individuals into that arrangement. (p. 64)

There is evidence to suggest that many workers choose temporary employment as a means of meeting the demands of work and child care.

Henson (1996) states his belief that temporary help industry representations are often without basis:

Industry claims of greater scheduling flexibility, varied and satisfying work experiences, skill acquisition and development, access to permanent employment opportunities, and a cornucopia of other supposed monetary and nonmonetary rewards, for example, are often accepted as valid and compelling, if unsupported, explanations for why individuals seek temporary employment. (p. 4)

Henson (1996) indicates that most analysts appear to somewhat disregard economic needs and labor market constraints as explanations for working as a temporary. Instead they seek “preferences” and “motivations” in the character of the individual. They imply that temporary workers are simply maximizing their personal choices and any person’s choice to work as a temporary is “either a voluntary choice and a statement of personal preferences or a reflection of personal or characterological flaws” (p. 29).



### **Advantages of working as a temporary.**

Thomson (1995) and Justice (1994) provide a number of reasons that people offer for working as temporaries, including:

- Tending to family responsibilities,
- Enjoying schedule flexibility,
- Obtaining training or work experience,
- Getting supplemental income,
- Enjoying “diversity and challenge of working for different employers,”
- Or searching for permanent work.

Thomson notes, however, that the chief benefit is flexibility (p. 45). Sopko (1993) says that flexibility can be important for temporary employees who are between jobs or careers and need to make some money to sustain their search for permanent work (p. 28). The recent trend in corporate downsizing may have forced many to accept temporary employment while they are searching for another permanent job (Thomson, p. 45). Individual job search and contracting, as an alternative to a temporary employment agreement, involves a substantial transaction cost, according to Barkume (1996, p. 13).

### **Higher paying work ahead.**

Justice (1994) notes that working as a temporary may lead to the ultimate attainment of a higher-paying job (p. 17). Workers who take transitional temporary jobs may be better off in the long term because those jobs relieve enough financial pressure to allow the workers to hold out for higher wages or a better job (Justice, p. 17).

NATSS (1998c) agrees that temporary work relieves some of the stress of a job search and allows an individual to expand the search process – often producing a better, higher paying job. Polivka (1996b) appears to agree with this assessment and adds:

The high proportion of temporary help agency workers with relatively short tenure in their previous jobs, combined with the comparatively large proportion who had been looking for work without having been employed directly prior to starting as temporary help agency workers, suggests that temporary help agencies may be serving individuals who are having difficulties finding other jobs or who are in other, unstable labor market arrangements. (p. 60)

The Council of Europe (1985) sums up the general sentiment by stating, "Temporary work is the very antithesis of security, but it can also appear to unemployed people a defensible solution to their problems" (p. 16).

#### **Disadvantages of working as a temporary.**

Justice (1994) cites the biggest drawbacks to working as a temporary as a lack of job security and adequate benefits (p. 12). She notes that the disadvantages of temporary work also include down time between assignments and image problems (Justice, p. 13).

Temporary work does not pay well for employees who have few skills or whose skills are no longer in demand, according to the Bureau of National Affairs (1986, p. 6). It should be noted, however, that this would also likely be true for regular employees whose skills were no longer in demand. Temporary jobs provide few benefits, no job security, and little in the way of career opportunities (BNA, p. 6).

Many temporaries may be foreclosed from secure jobs, decent pay, benefits, and career development opportunities. There are also concerns by pro-labor factions that temporary jobs are displacing some permanent jobs, particularly in low-skill occupations. This may be decreasing the opportunities for some workers to establish careers and improve their skills, wages, and job security (BNA, 1986, p. 20).

## **The Nature of Temporary Work**

Nollen (1996) states, "Of course, the choices that people make depend on the alternatives they have and so different interpretations can be given to the same set of workers' responses" (p. 576). He adds, however, that it is clear that a minority of agency temporaries choose temporary work as a preferred way of working, and most want regular employment. Lenz (1996) agrees with Nollen and claims only about one-fourth of temporary workers want and need temporary work. He adds employees displaced by downsizing can use temporary work as "a safety net that offers income and other benefits, unemployment insurance, and workers' compensation protection." (p. 557).

Hylton (1996) notes that, as one would expect, temporary workers have less job security. She states, "The vast majority of American workers, though, full-time or contingent are employed at-will and may be terminated at any time for any non-discriminatory reason or no reason at all" (p. 586).

Eileen Applebaum, Temple University labor economist, states that the flexibility provided employers may be a blind alley in terms of improving productivity and competitiveness over an extended period (BNA, p. 16). Belous (1989) notes that something all contingent workers have in common is that they have no long-term commitments (p. 12).

## **A Profile of Temporary Workers**

### **Age, race, and gender.**

Belous (1989) notes that the temporary workforce has a higher relative rate of women and African-Americans than the total workforce (p. 28). Belous states, "Seven out of 10 temporaries are thus being used by employers to staff positions that tend to be on the lower end of the corporate ladder" (p. 28).

Polivka (1996c) says that a supplement to the February 1995 Current Population Survey (CPS) provides the first comprehensive measure of contingent workers using definitions which were constructed by the Bureau of Labor Statistics (p. 10). She notes that contingent workers are slightly more likely to be female or blacks than are noncontingent workers (Polivka, p. 11). This could mean that women and blacks were more likely to be employed in industries that utilized a higher ratio of contingent workers. Contingents were 50% female compared to 46% for noncontingents, and 14% black compared to 10% for noncontingents (Polivka, p. 11). Lenz (1996) reports that temporary help firms are especially important in giving women and minorities a chance to break into the work place (p. 560).

Polivka (1996c) adds that contingent workers were more than two times as likely to be young, between the ages of 16 and 24 (p. 11). Polivka indicates that contingent workers were less likely to be married, probably due to their younger age (p. 18). Among those who were married, however, the majority had spouses in noncontingent jobs. Polivka declares, "...relatively few families are at risk of losing their sole means of support through the loss of a contingent job" (p. 18). Although Justice (1994) reports a 1989 NATSS survey indicated 44% of temporaries said they provided the main source of income in their household ( p. 25). Polivka and Justice both indicate the majority of temporaries are not the sole means of support or the main source of income for a family. The differences between Polivka's findings and Justice's reports likely center on the fact that many temporaries are not married. The profile of temporaries as predominantly younger and single indicates that families in general may not be dependent on them for support.

Child care is a leading concern for women who work as temporaries, according to Larson (1996, p. 4). Larson says that flexibility is a reason to hire temporaries, but these workers also need flexibility from those who provide them services (p. 4). Drop-in day care would be a measure of relief for parents with erratic work schedules.

### **Education.**

Polivka (1996c) remarks that contingent workers were three to four times more likely to be students than were noncontingent workers (p. 12). School enrollment is probably a reason so many young people are working as contingent employees. Polivka adds that among contingents not in school, fewer had high school diplomas than did noncontingent workers (p. 12). Farber (1997) concurs that workers with the lowest educational level are more likely to be working temporary than are workers in higher educational categories (p. 11). This is not too surprising, since employers who could choose between a high school graduate or a drop-out for regular employment would likely select the candidate with a high school diploma.

Nollen (1996) notes that fewer temporaries have completed college, 20% compared to 27% for permanent workers (p. 570). He adds that temporary jobs are “concentrated in relatively low-wage administrative, clerical, and laborer occupations...” (p. 570). Polivka states that contingent workers were more likely to be unskilled workers, and this could be attributed to their youth and lack of experience to some extent (p. 12). It appears that most jobs held by temporary workers would likely be low wage jobs with little job security anyway.

### **Occupations.**

Polivka (1996c) affirms that a higher percentage of contingent workers in the administrative support occupations approaches the stereotypical role of contingent worker as one who holds a job that requires little formal training (p. 13). Above average rates of contingency were evident for secretaries, stenographers, typists, and other clerical occupations (see Table 4.1). Contingent workers were concentrated in the services industries (Polivka, p. 13).

The part-time and temporary employment arrangements may serve as an employment outlet for displaced workers, according to Farber (1997, p. 43). These arrangements may be easing the transition period to another regular job. He states, “...an appropriate goal for public

policy would be to speed the transition to regular full-time permanent jobs. Clearly (at least using the evidence from the 1980's), maintaining a tight labor market is one way to accomplish this goal" (p. 43).

**Table 4.1**

**Percent of Organizations Using Flexible Staffers in Particular Types of Jobs**

Agency Temporaries	
Number of Firms	(336)
Total, Percent	100%
Managerial/Administrative	1
Professional/Technical	29
Office/Clerical	96
Sales	3
Production/Service	29
Other	1

Source: From The Changing Workplace: New Directions in Staffing and Scheduling (A BNA Special Report) by the Bureau of National Affairs, Inc., 1986, p. 5.

Parker (1994), who relied on reports and his own field work (including participant-observer research in Austin), says that temporaries are often unable to get as much work as they want or, in many instances, need to subsist (p. 3). The inability to get work leads to a large turnover rate. The temporary help services industry's turnover rate is between 600 and 700% annually and "the average employee only works for five to six weeks" (Parker, p. 30).

**Labor force attachment.**

Farber (1997) remarks:

...job losers are clearly more likely than non-losers to be in temporary jobs... There is also preliminary evidence that the likelihood of temporary employment falls with time since job loss while the likelihood of 'regular' employment increases with time since job loss. (p. 3)

Farber (1997) found strong evidence of state dependence, (p. 40). His interpretation of state dependence suggests that workers who were displaced from regular jobs were substantially more likely to be in regular jobs at the survey period than were workers who were part-time or temporary. Workers who were displaced from part-time or temporary jobs were three to four times as likely to be working part-time or temporary at survey time than were workers displaced from a regular job (Farber, p. 40).

Segal and Sullivan (1997) notes that temporaries are significantly less attached to the labor force than other workers (p.123).. They are twice as likely to be out of the labor force one year later than are permanent employees (Segal and Sullivan, p. 123). Segal and Sullivan state:

That temporary workers find themselves underemployed more often than other workers is not surprising. Indeed the shift of risk from firm to worker that is usually inherent in temporary services work is at the heart of the worries some have over the growth of the temporary services industry. (p. 121)

Segal and Sullivan report that over half of those working as temporaries have permanent jobs one year later and less than a quarter remain as temporaries ( p. 123). They add that the number of transitions from temporary to regular employment indicate that any permanent 'underclass' of temporary workers would be modest in size (p. 123).

Henson (1996) interviewed many workers and managers in the temporary help industry and remarked, "The 'lifer,' a career temporary by choice...came up quite frequently in my interviews with both temporary counselors and workers, but I found little evidence of its validity as a significant category" (p. 39). Henson adds that the stories of "lifers" are used to obscure or justify the lower wages and lack of benefits provided temporary workers (p. 47). Most temporaries prefer full-time work with permanency, predictable wages, advancement opportunities, and employer-provided benefits (Henson, p. 47).

Belous (1989) states, "At the start of the 1980s, total compensation costs were increasing at almost 10 percent per year, and employee benefit costs were rising at almost 12

percent per year" (p. 107). As Table 4.2 indicates, however, the rate of growth in compensation and benefits slowed dramatically in the 1980s (Belous, p. 108). Belous notes that this slowdown occurred "even though the American economy experienced its longest peacetime expansion" (p. 108).

**Table 4.2**

**Employment Cost Increases in the Private Sector**

Year Ended in December	Total Compensation		
	Costs	Wages and Salaries	Benefit Costs
1980	9.8%	9.0%	11.8%
1981	9.8	8.8	12.2
1982	6.4	6.3	7.1
1983	5.7	5.0	7.4
1984	4.9	4.1	6.6
1985	3.9	4.1	3.5
1986	3.2	3.1	3.4
1987	3.3	3.3	3.5

Source: From Bureau of Labor Statistics, U.S. Department of Labor as cited in The Contingent Economy by R. S. Belous, 1989, p. 108.

Human resource flexibility enabled the U.S. economy to generate millions of jobs in the 1980s. It has also helped to keep inflation levels low. Belous states, "Low inflation rates and net job creation have provided many benefits that extend well beyond any one employer" (p. 108).

**Wages Paid Temporary Workers**

NATSS (1998c) reports that temporary pay rates are competitive (p. 3). Samuel R. Sacco, executive vice president of NATSS, says that "most positions available through temporary help companies offer an hourly pay scale that is equal or higher than the same hourly rate paid to a permanent employee in the same position" (Justice, 1994, p. 10). This is in sharp



contrast to other sources. The reason may be that NATSS is addressing temporaries that are part-time or employed in jobs with the lowest skill or educational levels.

Luciano (1993) says potential workers should think in terms of pay, not perks (p. 158). Historically, many workers have come to regard certain benefits, such as health and pension plans, as a given. This is no longer the case at many companies. Prospective employees should look at total compensation, including the value of benefits, when considering a job offer (Luciano, p. 158). Curry (1993) states:

While hourly cost for temporary help may be higher than the going rate for a particular job if performed by a company employee, most organizations realize that important factors to consider are the permanent employee's fringe benefits--insurance, vacations and sick day allowances, pensions--in addition to payroll taxes and workers' compensation.  
(p. 8)

NATSS (1998c) declares that occasionally when a temporary and a regular employee work side-by-side, the temporary may earn less per hour. NATSS indicates that the pay differential could be due to a number of factors, such as experience and or tenure (p. 4).

### **Wage differentials.**

Full-time temporary help service workers only earned about 60% of the traditional worker wage, according to Hipple and Stewart (1996, p. 46). Earnings for temporary help agency workers are compared with earnings for independent contractors and workers with traditional arrangements in Table 4.3. Independent contractors are usually highly specialized and can demand higher earnings. The comparison between temporary help agency workers and the workers with traditional arrangements supports Hipple and Stewart's observation. Temporaries earn more relative to traditional workers at lower educational levels. Temporary help workers tend to be employed in lower wage occupations as about 60% are in administrative support and operator, fabricator, and laborer jobs (Hipple and Stewart, p. 46).

Farber (1997) maintains that there may be substantial penalties in earnings for being employed part-time or temporarily as opposed to being in a regular position (p. 15). These penalties are significant by educational attainment (Farber, p. 15). Youth and a lack of higher education likely explain part of the wage gap between temporary and permanent employees (Larson, p. 3). Youth and a lack of education could also contribute the lower rates of productivity and the poorer quality of work which Hylton (1996) describes as reasons for a wage differential between temporary and core workers (p. 589).

#### **U.S. Department of Labor wage data.**

Parker (1994) notes that the temporary help industry claims of well-paid temporaries is based on three factors: 1) some technical and professional temporaries are highly paid; 2) temporary companies practice "bait and switch" tactics; and 3) even when wages are comparable, the fringe benefits are not (p. 98). Nollen (1996) reports that temporary wage rates are one-third less, in 1994 an average temporary help service employee received \$7.74 per hour, only slightly above 1989 figure of \$7.56 (p. 569).

Employees placed by temporary help service firms averaged \$7.74 per hour in November 1994, according to the U.S. Department of Labor (1995b, p. 1). The earnings varied widely by skill level, occupation, and conditions in the local labor market (USDOL, p. 1). Average hourly earnings changed little from a 1989 survey which indicated wages of \$7.59 for workers placed by temporary help service firms. The five-year gain was only 15 cents per hour or about 2%. Average hourly rates varied by firm size as smaller firms paid higher hourly wages. The smaller firms tend to provide temporary help services within a narrow niche and often in high-paying jobs (USDOL, p. 2).

**Table 4.3**Median weekly earnings of workers by sex, age, race, and Hispanic origin, February 1997.

Characteristic	Independent Contractors	Temporary Help Agency Workers	Workers with Traditional Arrangements
<b>Full-time workers</b>			
Total, 16+ years of age	\$523	\$329	\$510
Men	592	385	578
Women	400	305	450
White	574	324	524
Black	383	332	428
Hispanic	425	281	357
<b>Part-time workers</b>			
Total, 16+ years of age	189	148	144
Men	227	121	126
Women	163	162	151
White	191	137	143
Black	159	181	146
Hispanic	175	*	138

Source: From Contingent and alternative employment arrangements, February 1997, (USDOL Publication No. 97-422) by the U. S. Department of Labor, Bureau of Labor Statistics.

\*Data not shown where base is less than 75,000.

### **Benefits Provided Temporary Workers**

NATSS (1998c) reports that many companies “offer benefits packages including paid lunch hours, group medical insurance, vacation days, and retirement plans” (p. 3). According to Lenz (1996), temporary workers “have shown a strong preference for cash income rather than benefits, most temporary employees also have access to a full range of non-wage benefits (p. 560).

Clark (1997) reports that people worried about the nation’s move away from full-time jobs with benefits, warn that “Social Darwinism” has replace social responsibility among employers (p. 937). They call for increased government action to protect temporary workers

from exploitation. Clark adds that some business people are starting to call the system of employee benefits an anachronism (p. 937). Henson (1996) states, "Indeed, these benefit plans may be more symbolic than functional, allowing the industry to appear concerned about temporary workers without actually having to make a financial commitment to provide benefits or services" (p. 6).

#### **Benefits not required by law.**

Hylton (1996) notes that many benefits workers most desire are discretionary with employers. These include paid vacations, health insurance, disability coverage, and pensions (p. 585). Temporary help service companies may make available many benefits such as computer training, cash bonuses for recruiting other workers, vacations, holidays, and group health plans as a incentive to recruit employees (9to5, 1986, p. 22).

Hylton (1996) says that the most desired benefits are usually not offered to flexible workers. The real loss to the flexible workers comes in two forms: a) inability to take advantage of favorable group rates; and b) lack of access to employer contributions to premiums (p. 586). She adds that even core workers may discover the "traditional employee/employer relationship does not guarantee health insurance, a pension, or any other discretionary benefit" (Hylton, p. 586). The reason that benefits may not be offered is usually because of the cost. Henson (1996) reports that, in 1992, fringe benefits accounted for more than a third of the cost of worker compensation (p. 22).

#### **A benefits threshold.**

The availability of benefits for temporary workers, however, often comes with a caveat. Often, notes 9to5 (1986), a required number of hours (usually 1000 hours or six months service) have to be logged before a worker becomes eligible for benefits (p. 22). Parker (1994) agrees

that temporary workers do not receive the perks typically given to permanent workers, and most temporary firms require extensive work over a prolonged period of time to qualify for benefits (p. 99). Parker indicates that these requirements are simply unrealistic and often unattainable for temporary workers (p. 99). This does not change the advertising of the temporary help firms in regard to benefits, reported the BLS (USDOL, 1995b):

BLS found that many temporary help supply firms offer a package of employee benefits, including paid holidays, paid vacations, and health insurance, to workers who meet minimum qualifications. However, few temporary workers actually receive these benefits, either because they fail to meet the minimum qualification requirements or, as in the case of insurance plans, they elect not to participate. (p. 1)

Nollen (1996) also reports that temporaries seldom receive fringe benefits such as paid vacations and health insurance (p. 572). Between 70 and 90% of full-time workers get paid vacations compared to 10% of temporary workers. Nollen says:

Although three-quarters of the staffing companies make paid vacations available to their employees, few actually receive the benefit because of length of service eligibility requirements. Health insurance that is at least partially paid by the employer is received by few temporaries (the figure is from one to six percent, depending on the year and survey used as the data source); for full-time work or non-contingent workers, the corresponding figure is 57 to 72 percent... (p. 572)

Nollen (1996) goes on to say that the lack of benefits for temporary workers may be problematic for many individuals:

However, if one views fringe benefits as current compensation for work performed just as wages are current compensation, or if one views at least some fringe benefits as social protections to which all workers should be entitled, then the lack of benefits received by temporaries is an issue. (p. 574)

Nollen adds that fringe benefits are primarily fixed costs and employers trying to maximize their flexibility will try to convert as many fixed costs to variable costs as they can. To pay temporaries benefits is not in line with this objective. At least one previous study found that "the use of agency temporaries (who did not receive benefits) was greater in firms that had a higher fringe benefit cost structure" (Nollen, p. 574).

accomplished “through programs such as prorated employee benefits and portable pensions” (p. 112).

“The Employment Retirement Security Act (ERISA) does not require companies to set up pension plans, but where such plans exist, employers must extend those benefits to employees who work 1000 or more hours per year,” reports 9to5 (1986, p. 23). Temporary workers often log more than 1000 hours per year, but rarely are those hours spent with just one company. Some businesses even set a limit of 960 for temporary employees, just under the ERISA-mandated pension protection law floor for hours worked (9to5, p.23).

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) provides some pension protection for a growing number of long-term (12 months or more) temporary workers, according to 9to5 (1986, p. 23). Without pension plans, temporary workers are not able to build economic equity and face an increased likelihood of poverty in their old age. Temporary workers are also often excluded from unemployment insurance compensation by minimum earnings requirements (9to5, p. 24). Some who are monetarily eligible, fail to qualify because they are only available for part-time work (9to5, p. 24).

#### **Legally mandated benefits lack uniformity.**

Hylton (1996) notes that legally mandated benefits, such as social security, are generally available to all workers (p. 584). She, however, adds, “Federal and state labor and employment laws do *not* simply apply to everyone who happens to participate in the work force in some sense” (p. 584). State level programs, such as unemployment insurance, may be more uneven in their application due to requirements such the number of hours and weeks worked (Hylton, 1996, p. 585). Employers may attempt to reduce benefit costs in two ways: a) try to re-categorize workers as independent contractors; or b) utilize leased or temporary workers. Hylton states, “Neither of these is as easy or probably as inexpensive as might first seem” (p. 585).

Nollen (1996) says that social protection mandated by law depends on the employment relationship (p. 574). Some coverages depend on length of service also and agency temporaries rarely get these coverages, so their protection is decreased. The lack of protection is related to a short length of service rather than just their status as a temporary. Nollen asserts, “..firms were less likely to employ direct-hire temporaries in situations with more government oversight (e.g., affirmative action)” (p. 574).

### **Career Advancement**

Belous (1989) states that it may be in the contingent worker's interest to perform quality work in the expectation of building a career (p. 73). A recommendation from an employer may be just as important as actual compensation. Strong recommendations are useful when seeking work in the external labor market (Belous, p. 73). Belous (1989) reports that firms that hope to capitalize on this career-building strategy should:

1. Have a good reputation so that a recommendation from that company means something (p. 73).
2. Demonstrate a consistent track record of providing recommendations for workers who perform quality jobs (p. 74).

He adds that training and supervision are major factors in a human resource system (Belous, p. 76).

Justice (1994) maintains many temporaries can advance their careers without waiting for some higher-level position to open up (p. 26). A temporary worker “may spend mere months in increasingly advances positions and will be encouraged to climb since higher level temps earn more money for the temp help company” (Justice, p. 26). Although, certainly the IFBs and interviews from Texas state agencies don't suggest this.

Justice (1994) reports that a NATSS survey shows 67% of the respondents indicated they gained new skills as a temporary employee, and 57% indicated they received higher wages for

subsequent assignments (p. 17). Although Nollen (1996) reports that temporary work is adverse to human capital development (p. 575).

### **An unfulfilled promise.**

Phil Giarizzo, General Manager of SEIU Local 660 in Los Angeles, reported that nearly one-third of the 5,000 temporary office workers in Los Angeles County had worked for at least two years and many for five to ten years without accruing any benefits or job seniority (9to5, 1986, p. 26). Temporary workers normally have little opportunity for promotion (9to5, p. 28). The promise of career opportunities is largely a recruiting device for temporary help service companies.

Parker (1994) asserts that the temporary help industry is not structured to assist workers to move into permanent jobs (p. 102). Employers may not be greatly in favor of it either. Most employers are using temporaries to avoid a commitment to full-time workers (Parker, p. 102). The deskilling process has been a benefit to the temporary industry, according to Parker (1994, p. 150). It has served as a social force driving the use of temporary and part-time workers.

These workers epitomize the interchangeability that deskilling fosters (Parker, p. 151). Temporary help firms capitalize on the availability of unskilled and semiskilled positions with high turnover rates. Average workers with little training can more easily fill in on these jobs (Parker, p. 151). Segal and Sullivan (1997) state, "The less attractive is temporary services work, the more likely it is that temporary workers will move on to something else" (p. 135).

### **Training for Temporary Workers**

Curry (1993) maintains that temporary help firms provide their employees with training in office skills, computers, word processing, data spread sheets, and light industrial skills (p. 8). Normally the training is free to the potential employee. The temporary agencies will screen



applicants and pay them, saving companies valuable time and expense (Curry, p. 8). Although, it should be mentioned that this information on testing and training was not substantiated by the content analysis of the Texas state agency IFBs.

Training provided by temp agencies “often” goes to those with the greatest need and helps to get them off of welfare, according to Lenz (1996, p. 558). Lenz cites Richard Belous, an economist with the National Planning Association, as stating temporary help firms “have done more to train inner-city residents than all the government training programs combined” (p. 558).

Training programs were available to about 90% of the temporary workers (USDOL, 1995b, p. 4). The programs were mainly voluntary, but about 40% of those receiving training were selected by the temporary help service firm or because of a client company request (USDOL, p. 4).

Belous (1989) indicates that the temporary help industry is a source of human resource development in the microelectronics era (p. 31). The temporary help industry is gaining recognition in training. Manpower has developed system to train temporaries on a variety of automated office equipment (Belous, p. 31). The firm trains workers to use personal computers and other microelectronic equipment. The training is free to the workers and close to 100,000 people receive training each year (Belous, p. 31).

### **Training impediments.**

Most problems in flexible human resource systems come from an insufficient amount of managerial attention to training and supervision, according to Belous (1989, p. 74). They may feel that they only have a short-term relationship with temporary workers and ignore them to some extent. Training for temporaries may be different from training for permanent employees, but it is still crucial. For instance, contingents may have the opportunity to talk on the telephone

with clients and the clients have no way of knowing if the employee is a core or temporary worker (Belous, p. 74).

Nollen (1996) asserts that costs are major impediment to training, but most temporaries require some kind of initial training (p. 578). Companies are not likely to recover training costs and if they do not, the cost effectiveness of the temporary workers declines (p. 578). Nollen states that since human capital development requires an initial investment followed by subsequent returns, client employers may not contribute to the training of temporaries beyond providing immediate job skills (p. 575). He adds, "The negative implication is that the jobs that most temporary workers do are low-skill jobs without career potential and that very little training that is transferable to other jobs is given to temporary workers" (p. 575).

Parker (1994) notes that most temporary clerical workers perform only semi-skilled tasks. He further declares that the training programs at firms such as Kelly Services and Manpower show only six to eight hours of training, and no more than two days at the outset, are required to master the new workplace technologies (p. 37).

### **Opportunities to be Hired for Regular Work**

Richard A. Wahlquist, executive vice president of NATSS, indicates that temporary help services provide a bridge for millions of people to move into regular jobs (NATSS, 1997). Wahlquist adds that NATSS surveys showed that over 6 million former temporary employees were hired into regular jobs in 1996.

Curry (1993) notes that usually after three months, a company is free to hire a temporary worker without a fee (p. 8). Manpower's information specialist, Barb Schryver, estimates 30 to 35% of their employees receive permanent job offers.

Lenz (1996) adds that temporary work enhances job prospects by skill training (e.g., computer training) and experience with a number of potential employers (p.558). Many

employers adopt a “try and buy” approach to staffing, according to Nye (1988, p. 30). They offer permanent jobs to those who have proved their worth on the job as a temporary. Polivka (1996b) says that the higher rates of job search among temporaries suggests that a substantial portion of these workers were experiencing a raised level of anxiety with respect to future employment compared to other workers (p. 73). BLS data indicate that, although the hopes of temporary help agency workers to switch directly into permanent jobs are not completely unfounded, they probably exceed reality.

Parker (1994) indicates that the temporary help industry is not structured to assist workers to move into permanent jobs (p. 102). Employers may not be greatly in favor of it either. Most employers are using temporaries to avoid a commitment to full-time workers (Parker, p. 102).

About 59% of temporary help workers reported they would prefer a permanent job (USDOL, 1997, p. 2). The U.S. Department of Labor (1995a) reports, “The majority of contingent workers preferred to have permanent rather than temporary jobs; only one-third preferred the contingent arrangement” (p. 2). Among nonstudents, this proportion dropped by as many as nine percentage points (USDOL, 1995a, p. 2).

Segal and Sullivan (1997) summarize the situation for most temporary workers. They state, “Working as a temporary is itself usually temporary” (p. 122).

### **Socialization on the Job**

The presence of temporary workers can upset regular employees (BNA, 1986). They may protest that work that is properly theirs is being taken away from them (BNA, p. 20). Often temporary workers are used to alert regular employees that their jobs are not permanent (9to5, 1986, p. 26). This can create resentment toward the temporaries since the regular workers may fear they will lose their jobs to the temporary workers (9to5, p.27).

Dennard (1996) notes that usually if employers get into trouble with temporary workers it is because the arrangements have been misused (p. 608). An example would be in situations where the employer hires a temporary worker and indefinitely puts him alongside regular employees who earn more pay and have better benefits. It is also a bad practice to use temporaries long-term to stay within “artificial ‘full-time employment’ numbers that have been established by downsizing,” according to Dennard (p. 608).

Dennard adds, “An employer cannot expect these temporary workers to have good morale and provide quality service when they are doing the same work as regular employees but are being paid less” (p. 608). Parker (1994) says that temporary workers have an ambiguous notion of their position in the organizational hierarchy at the temporary help service company (p. 106).

Nollen (1996) indicates that temporary work is not mutually beneficial to worker and employer, temporaries are alienated and powerless to control their work, and are often unable to sustain satisfactory work relationships (p. 575). Temporaries at work may receive impersonal or dehumanizing treatment, may be insecure and pessimistic, may feel underutilized, and can be hostile to the political and economic system. Temporary work growth is driven by “volatile production and cost pressures” and “not by the availability of married women or young people” (Nollen, 1996, p. 576).

Both on and off the job, temporary workers may have their qualifications, commitment, and integrity questioned, according to Henson (1996, p. 4). He states, “Alternately, temporaries are assumed to possess serious characterological flaws that prevent their employment in full-time, ‘real’ jobs” (p. 4). Henson asserts that those who work as temporaries too long are at risk of being considered as unemployable (p. 40). In a sense, notes Henson, working as a temporary is a stigma that carries with it negative assumptions about a person’s qualifications, abilities and character (p. 145).

## **Security Issues**

Security issues, such as information access and confidentiality guidelines, can be overlooked when using temporary workers. “Often nobody thought through the security issues,” a senior human resource executive noted (Belous, 1989, p. 59). When a job was complete, temporary workers could take key information to a competitor. Temporary workers were often not adequately screened, and sometimes core workers who had been terminated returned as contingent workers. Thus, Belous reports, the presence of these contingent workers caused security and disciplinary problems for many employers (p. 59). It was also apparent in the content analysis of Texas state agency IFBs that little attention was given to security issues.

Nye (1988) said that the Department of Defense had to eliminate the authority of contractors to give low-level security clearances to temporary help service employees. Government agencies using temporary help services should be aware and attentive to privacy and confidentiality issues (Nye, p. 173).

## **Temporary Worker Experiences**

NATSS (1998c) reports that temporaries have to be flexible and come into a job ready to “hit the ground running.” Unfamiliar materials, workstyles, and office procedures can be difficult to learn, but it is critical for success as a temporary worker. There may not be time to get acquainted with co-workers or to be integrated into a team. The trade off is the flexibility and freedom of a temporary job for the personal nature of permanent work.

Temporary workers may frequently find themselves in dependent, vulnerable, and manipulative relationships with the temporary help service and their client supervisors, according to Henson (1996, p. 49). Hypothetically, temporaries retain the right to determine the conditions and hours of their work. Henson adds that temporary workers function in an

uncertain environment and many believe that any transgression they made against their temporary help service agency work result in work deprivation (p. 54). This placed temporaries in a relatively powerless position in regard to their temporary help service company (Henson, p. 54). Henson states, "Temporaries reported that they rarely turned down, quit, or interrupted an assignment for fear of retribution from their agency counselors" (p. 55). Negrey (1993) also says that temporaries reject offers of employment with caution so as not to convey to the temporary help services that they are unwilling to take an assignment (p. 61).

Henson (1996) notes there exists neither plentiful work or plentiful financial support for temporaries to exercise scheduling flexibility (p. 51). Negrey (1993) says:

But the temporaries also despaired of limited income. They had little discretionary income to spend on recreation and entertainment. Because their weekly earnings barely stretched far enough to cover necessities and long-term employment was not assured, the temporaries were compelled to work as many hours as were available to them to earn as much money as possible. (p. 67)

Intermittently employed temporaries have little control over their work schedules. Negrey states, "They cannot anticipate when they will receive placement offers, nor can they anticipate the nature of those placements in terms of employer, location, pay, hours, and duration" (p. 73).

Negrey (1993) indicates that variety on the job is attractive to individuals with relatively few skills because it relieves boredom (p. 61). Henson (1996) states, "Reintegration or reinvigoration of work through horizontal mobility, however, may be relatively superficial" (p. 108). Many routine office tasks are the same no matter what organization is the client company (Henson, p. 108).

Many temporary workers had voluntarily "disciplined themselves" to be compliant, persistent, and productive in hopes of securing future work, according to Henson (1996, p. 84). This attitude largely benefits the temporary help service and the client company, especially since loyalty is rarely rewarded with wage increases, stability, or improved working conditions (Henson, p. 84).

### **Temporary dissatisfaction.**

Temporaries interviewed by Henson (1996) expressed a high level of dissatisfaction with their work (p. 85). The words they used to describe it included boring, monotonous, repetitive, routine, tedious, mundane, menial, awful, horrible, terrible, lonely, stifling, degrading, dead-end, and drudgery (Henson 1996 and Parker 1994). Parker notes that employees may feel underutilized (p. 103). He adds, "The popular phrase workers used to describe themselves and other temporary workers was 'warm bodies.' In similar fashion the workers labeled the temporary companies 'flesh peddlers'" (p. 113).

Temporaries seek a degree of autonomy over their work, a relative degree of mental engagement, and some sociability on the job (Henson, 1996, p.87). Job changes hamper the temporary worker's chances to develop even a small degree of trust and autonomy, more interesting work, or even a stable work group, according to Henson (p.109).

Parker (1994) says that employers desire flexibility, but temporary workers perceive this flexibility as uncertainty. Uncertainty is a distinguishing feature of temporary work. Parker states, "...for many it is the most salient and pervasive characteristic of temporary work" (p. 93). Once assigned a job, uncertainty spreads to idiosyncratic work procedures, lunch and break schedules, and even the location of workrooms, restrooms, and lunchrooms (Parker, p. 95). These minor areas of worklife are full of frustrating ambiguity (Parker, p. 96).

Henson (1996) states, "...when the balance of control shifts to management, work becomes something to be endured. No longer capable of providing a sense of fulfillment or a sense of self, work becomes debilitating and a painful reminder of one's place in the world" (p. 112). Parker (1994) notes that assignments that may be said to last for two weeks, can be over in three days (p. 52). Parker asserts, "Temps recognize that they are valued only when employers

urgently need them” (p. 53). He adds that the temporary help services minimize individual differences among workers and desire those with predictable training and skill levels (p. 53).

Many temporaries Negrey (1993) interviewed reported they had little free time, because they worked almost full-time, and little discretionary income because their earnings were low and insecure (p. 77). Temporaries whose work was intermittent reported their placements were unpredictable and unsteady. This situation left them with very much free time but little discretionary income. It also increased their social isolation as they waited for the temporary help service to call with an employment offer (Negrey, p. 77). Negrey added that involuntary temporary workers view temporary employment as a last resort, they want full-time work (p. 76).

### **Government Employment of Temporary Workers**

Parker (1994) affirms that temporary workers are being used in greater numbers by the government (p. 18). He adds that such use raises concerns about public sector human resource policy. Parker declares that the extensive use of explicitly temporary workers in the public sector may undermine the delivery of government services (p. 19).

Nye (1988) indicates that many federal government operations are seasonal or cyclical in nature, such as the Internal Revenue Service’s tax season (p. 26). Temporary workers are used to fill these peak-load staffing needs (Nye, p. 26). Public-sector employers use a significant number of direct hire, or in-house, temporaries, according to Parker (1994, p. 29). Parker states that government agencies are relying more and more on temporaries flexibility in dealing with workload fluctuations (p. 81). Parker notes that the federal Office of Personnel Management (OPM) officially encouraged the use of temporaries in the 1980s as a way to cut costs.

Thousands of temporaries are directly hired by the federal government each year (9to5, 1986, p. 13). Federal civil service regulations were relaxed in January, 1985, to permit the OPM to employ temporaries for as many as four years without offering benefits (the previous time



limit was one year), reports 9to5 (1986). The Washington Post reported in July 1985 that Donald J. Devine, director of the OPM, had advise federal agents to hire more temporaries in lieu of regular workers to improve management flexibility. By the end of January 1986, there were reportedly some 300,000 temporary workers in the executive branch alone (9to5, 1986, p. 13).

In 1989, OPM approved hiring temporary help service employees, according to Parker (1994, p. 82). The most common form of temporary employment in the federal government is "temporary limited employment," which has a "not to exceed" date. OPM must grant permission to fill these temporary positions. The employees can be terminated at will, have no benefits for the first 90 days, are assigned the first step of a civil service grade, and have no upward mobility (Parker, p. 82).

#### **Estimates of temporary workers in government employment.**

Depending on the BLS definition used, public administration accounted for anywhere from 2.2 to 3.6% of the total number of contingent jobs in February 1995 and 5.0% of the noncontingent jobs (USDOL, 1995a, p. 10). Public administration employed 1.2% of the total number of temporary help agency workers in February 1995 and 5.4% of the workers with traditional arrangements (USDOL, p. 14). Yet, Luciano (1993) says that government jobs are no longer a traditional safe haven, as 40% of municipalities cut their payrolls in 1992 (p. 158). Downsizing was by no means limited to corporate America during the early part of this decade, as government was increasingly expected to operate leaner.

Henson (1996) declares that government at all levels should be an exemplar of rights and obligations concerning work (p. 168). Government could provide prorated benefits to temporary workers. The reluctance of government to explore the potential for prorated benefits is probably based on a consideration to keep costs at a minimum, yet it could also be contributing to a

disconnect between jobs and benefits. Henson indicates there could, indeed, be a shift in the linkage between employment and benefits in the United States (Henson, p. 168).

## Chapter 5

### SETTING

#### Introduction

The purpose of this chapter is to describe the state of the temporary help services industry in Texas and to provide some insight into the conditions for temporary workers at a Texas state agency. The literature on temporary workers is largely silent concerning government's use of temporary workers, and this information should partially fill that void.

#### The Temporary Help Industry in Texas

Davis and Wallis (1997) state that Personnel Supply Services (SIC 736) in Texas is comprised mainly of Temporary Help Services and Staff Leasing Services (p. 2). Davis and Wallis agree that the reasons for growth have been the increasing costs of benefits. They, however, add, "Personnel Supply Services have made it possible for some workers to obtain much needed benefits that they may otherwise not have access to, especially those working for smaller companies" (p. 2).

About 190,900 workers were employed in Temporary Help Agencies in Texas during June 1997, according to Davis and Wallis (1997, p. 2). The major firms employing temporary workers in Texas are highlighted in Table 5.1. This represents just over 2% of the State's workforce. Total employment in Texas has grown by 22% from January 1990 until June 1997, while Temporary Help Agencies has grown by about 84%. Statewide nonagricultural employment has an annual growth rate of 2.5% in June 1997, but the rate for Temporary Help Agencies was about 10.5% (Davis and Wallis, p. 2).

**Table 5.1**

Largest Temporary Help Agencies in Texas
Dobbs Temporary (Pro Staff)
Express Services
FW Services Inc.
Interim Personnel
<b>Kelly Temporaries</b>
Manpower International
Olsten Home Health Care
Sterling Personnel
Temporaries Inc.
Today's Temporaries

Source: From "Personnel Supply Services, by B. Davis and R. Wallis, June 1997, Texas Labor Market Review, 2-3.

Employment in this industry may provide an economic indicator to analysts. Davis and Wallis (1997) declare:

If the economy begins to weaken, it is logical to assume that temporary workers will be the first employees to be released, thus providing a leading indicator of a general downturn in the economy. As conditions improve, employers are likely to turn first to temporary workers to help fill manpower shortages, signaling a strengthening economy. (p. 2)

The growth in Personnel Supply Services is cost driven (Davis and Wallis, 1997, p. 3).

Temporary Help Services give companies the freedom to hire employees by the project without the administrative costs associated with hiring permanent workers.

### **Temporary Help Industry Penetration Analysis**

In a 1997 size penetration analysis performed by The Omnicorp Group of New London, New Hampshire, Texas ranked among the top seven states in the percentage of total nonfarm employment accounted for by temporary help employment (Omnicorp, 1998). Texas' percentage was 2.06. Arizona was at the top with 2.31%, followed by Rhode Island, 2.26;

Delaware, 2.24; Oregon, 2.13; Florida, 2.07; and Georgia with 2.06, tied with Texas. The lowest percentage was 0.54% registered in Alaska and North Dakota.

The analysis also measured the penetration of total nonfarm payroll by the temporary help payroll (Omnicorp, 1998). Texas was among the top five in this analysis at 1.10%. The leader was again Arizona at 1.27, followed by Delaware, 1.16; New Hampshire, 1.14; and Oregon, tied with Texas at 1.10. The lowest payroll penetration was recorded in North Dakota at 0.31%. The employment penetration is significantly higher than the payroll penetration (Omnicorp).

A growth penetration analysis showed that Texas nonfarm employment rose by 2.08% from 1996 to 1997, but employment in the State's temporary help service industry rose 5.71% (Omnicorp, 1998). The penetration of temporary help employment growth into total nonfarm employment growth (temporary help service growth divided by total nonfarm employment growth or  $9386/172100$ ) equaled 5.45% (Omnicorp).

A competitive analysis of temporary staffing by state for 1997 showed that Texas had 1,287 temporary help establishments with over 173,000 workers (Omnicorp, 1998). The firm average was about 135 workers. The annual payroll for temporary help service firms was over \$2.6 billion or about \$2 million per establishment. Only California had more establishments, more employment, and a higher total payroll for 1997 (Omnicorp).

### **Media Attention on State Temporary Workers**

An article about temporary and contract workers on the state payroll was picked up by the Associated Press and appeared in newspapers across Texas in late December 1997. The focal point of the article was that a growing number of temporary and contract workers were being utilized by Texas state agencies, but they were not reflected on the official state payroll.

Furthermore, state officials reported that they did not know exactly how many workers were being utilized on a contingent basis.

While the focus of this research is not to validate or report on temporary workers who may or may not be reflected in agency budgets, there are some significant elements in the Invitations for Bid (IFBs) issued by Texas state agencies for temporary help services (see Chapter 6 for a discussion of the IFBs). An important point that the content analysis revealed was that state agencies often do not designate who has expenditure authority within the agency, and they often do not require reports by the vendors. These factors could potentially lead to a lack of information about how a state agency uses temporary workers and exactly where they are being utilized.

### **Temporary Workers in Transition**

In February of 1998 the Texas Workforce Commission (TWC) required all of its directly hired temporary workers to become employees of a vendor, Kelly Services. The transition coincided with the effective date of a contract between TWC and Kelly Services. This situation presented a unique opportunity to interview three former state temporaries who went to work for a private contractor. The perspectives offered by these individuals are interesting and shed some light on what it is like to be a temporary worker, both as a directly hired state agency employee and as an employee of a temporary help service.

### **Demographics.**

The three temporary workers interviewed did not exactly match the profile of temporary workers presented in the literature. Two were female and one had little previous work experience, but the similarities with the literature ended there. All of the three were college educated (one with a masters degree), and two had extensive prior work experience and were

attempting to return to state employment following ventures in the private sector. Two had previous experience as temporaries, but only short-term stints (less than one year) as directly hired state temporary workers. None of the three had ever been employed previously by a temporary help service.

#### **The work search.**

Two of the three were seeking permanent work when they were initially hired by the TWC. The third was open for permanent or temporary work. Only one was seeking work specifically at a state agency when hired by the TWC, but all indicated they would accept permanent work at the agency. All had applied for permanent work at the agency, but only one had applied outside the agency. This compliments the literature which indicates most temporaries are seeking and prefer permanent work. While all indicated they wanted permanent work, none expressed any sort of panic or apprehension about the search. Generally the feeling was that it might take time, but something would eventually become available.

#### **Benefits and pay.**

The benefits situation fit the expectations raised in the literature that as temporary help service employees they would have little or no benefits. As TWC temporaries, they received essentially the same benefits as regular employees, sick and vacation leave, retirement, health insurance, and holidays. When the temporaries began working for Kelly, the benefits they uniformly expressed missing the most were paid holidays, sick leave, and health insurance. The workers indicated, as the literature mentioned, that they had to work for the temporary help service for a certain number of hours before they would be eligible for any benefits.

All noted that they were receiving the same pay from the temporary help agency that they had received from TWC. TWC had negotiated with the contractor to insure that workers who were already on TWC's payroll would be kept at the same pay level.

#### **The temporary help service.**

Two of the three had had at least one contact with Kelly other than an orientation. The two had sought additional work on a state holiday to make up lost wages. The temporary workers said they were offered work that was not conveniently located and paid less than their TWC wage, so the workers declined. None expressed any displeasure with the temporary help service other than the lack of benefits. Generally, the workers were complimentary of the staff and the speed with which the service paid them.

#### **Training.**

The temporaries noted that the temporary help service had offered training, but that the distance to the office location and the hours were not convenient. The temporary workers indicated that they could get on computers at the temporary help services from 7 to 7:30 in the morning. The workers indicated that most of the training they had received at TWC had been on-the-job training. Two of the temporaries indicated they would like to have received more computer training from TWC.

#### **Socialization.**

All of the temporaries stated that they had been received as equals by their co-workers at TWC. The temporaries all expressed that they had not been treated any differently than the regular staff by the supervisors. The units in which these temporaries worked were accustomed to having temporary workers and that may have contributed to the general feeling that the regular



workers were not threatened by or unreceptive to the temporaries. This fits Belous' (1989) description of a smooth-running human resource system in which the core workers are convinced the use of temporaries is in the core workers' best interests.

### **Conclusion.**

The TWC temporaries who were required to go to work for a temporary help service appeared to be very understanding of their situation and the state agency's situation during the transitional period. The loss of benefits such as sick leave, holidays, and health insurance was the source of most of their displeasure. Generally, however, they were not displeased. The temporaries interviewed were all well educated, and two had significant prior work experience. In short, they were likely much more confident that they would eventually land permanent work than many temporaries might be. As a side note, all three secured permanent work within a short time after the interviews were conducted.

### **Summary**

Chapter 5 indicates the growing importance of the temporary help industry in Texas and offers a glimpse of the experiences that temporary workers encounter. The role of the invitations for bid are also discussed. The research methodology is described in the next chapter. Also included in Chapter 6 is a discussion of the elements in the descriptive categories and whether they originated in the literature or in a review of the invitations for bid.

## **METHODOLOGY**

### **Introduction**

The purpose of this chapter is to present the methodology used to conduct the research associated with this project. Texas state agencies issue Invitations for Bids (IFBs) for temporary help services, and the research for this project is a content analysis of 20 of those IFBs. A discussion of the research technique and the particular aspects of this project are provided here.

### **The Invitations for Bid**

An IFB is essentially a communication from a state agency to the potential vendors that specifies the services or commodities sought. IFBs (see Appendix D) are issued by agencies for the procurement of services and for the procurement of commodities over \$10,000 in value. Literally hundreds of IFBs are issued annually by state agencies. Allan Robinson, purchasing manager at the Texas Workforce Commission (TWC), indicated that a large agency like the TWC would issue as many as 500 IFBs annually (A. Robinson, personal communication, July 1, 1998).

The IFBs form part of a contractual agreement between the agency and the vendor. The bid submitted by the vendor represents the other part of the agreement. Robinson (1998) reports that the terms and conditions on the IFB are those for the contractual agreement. These terms and conditions are binding once the document is accepted by both the agency and the vendor (A. Robinson, personal communication, July 1, 1998).

The IFB process is fairly straightforward. Ken Snow, a procurement officer for the General Services Commission (GSC), describes the process for a service contract, such as temporary help, as follows (K. Snow, personal communication, July 7, 1998):

1. The state agency identifies the need for a service or product.

2. The agency drafts an invitation for bid, which describes the service or product desired.
3. If the service contract is for \$100,000 or more it must be submitted to the GSC for pre-approval.
4. GSC reviews the contract and delegates it back to the issuing agency.
5. The agency publicizes the IFB through the central master bid list and by contacting potential vendors.
6. Bids must be received by a specified due date and are then evaluated and awarded.

*more than*

IFBs for service purchases of more than \$100,000 can be issued directly by the state agency. The central master bid list is maintained by the GSC. Vendors pay to be included on the central master bid list and register by specific commodity or service category. The GSC defines services as the furnishing of skilled or unskilled labor such as temporary personnel, but does not include professional and consulting services (GSC, 1998). Although services up to \$100,000 are delegated by the GSC, agencies must solicit competitive bids whenever possible. Agencies are also required to establish and maintain review and protest procedures consistent with those of the GSC (GSC).

*if needed*

### Content Analysis

The research question is addressed through a content analysis of the Invitations for Bid (IFBs), and the IFB serves as the unit of analysis. Babbie (1995) states, "Content analysis methods can be applied to virtually any form of communication" (p. 307). Content analysis is particularly well suited for the purpose of this research project, which is to describe the IFBs issued by Texas state agencies for temporary help services. Examining the various sections of the IFBs does appear to be the best way to approach a descriptive project such as this one. Content analysis allows for a detailed examination to be conducted of the documents, which

should be the best and most practical approach to this project among the various research techniques available.

### **Objectivity, a Systematic Approach, and Generality**

Definitions of content analysis are plentiful, but perhaps one of the most concise was the following:

Content analysis is a phase of information-processing in which communication content is transformed, through objective and systematic application of categorization rules, into data that can be summarized and compared. (Paisley, as cited in Holsti, 1969, p. 3).

Carney (1972) presents a second definition that has utility as well. He indicates that content analysis is a procedure for asking a fixed set of questions consistently of a predetermined body of writings, in order to produce countable results (p. 6).

Holsti (1969) notes that content analysis should incorporate objectivity, a systematic approach, and generality. Objectivity requires that each step in the research process has to be performed under explicitly stated rules and procedures. Even the simplest, most mechanical form of content analysis requires that the researcher use judgment in making decisions about the data. (Holsti, p. 3)

Holsti (1969) adds that the researcher must be systematic. This means that the inclusion or exclusion of content or categories is handled by consistently applied rules (p. 4). Holsti states, "This requirement clearly eliminates analyses in which only materials supporting the investigator's hypotheses are admitted as evidence" (p. 4). It also suggests that categories be defined in a way that allows them to be used according to these consistently applied guidelines (p. 4)

Generality, declares Holsti (1969), means that the results must have some theoretical relevance. He elaborates that this means content analysis must be concerned with comparison, and the type of comparison is driven by the investigator's theory (p. 5).

Holsti (1969) states, "The most restrictive definitions are those which require that content analysis measure the *frequency* with which symbols or other units appear in each category" [author's emphasis] (p. 5). George (1959) indicates that most who write about content analysis make quantification a part of their definition of content analysis. As a result they often exclude the qualitative approach as being something rather than a part of content analysis (p. 8)

George (1959) expresses the notion that because a content feature occurs more than once within a communication, it does not require that the investigator count its frequency. He states, "The important fact about that content feature for his inference may be merely that it occurs at all within a prescribed communication" (p. 11). Holsti (1969) indicates that the researcher should use qualitative and quantitative approaches to content analysis in order to supplement each other (p. 11).

### **Objections to Content Analysis**

Carney (1972) declares, "There is no general appreciation of the range and interconnectedness of the problems involved in conducting a common or garden content analysis" (p. 10). He presents some of the objections to content analysis, which should be known to readers of research that utilizes this technique. Carney notes that one objection to content analysis is that certainty is not attainable any more than it is by impressionistic reading and the extra labor required may be pointless (p. 11). Carney adds, however, that, "The content analyst has still to involve [sic] and then test his analytical infrastructure, and to conduct a rigorous investigation of the text" (p. 12). This would equate to developing and testing the conceptual framework and using it to investigate the documents in this study.

A second objection to content analysis that Carney notes is that by focusing attention on a topic, content analysis restricts the researcher (p. 13). Investigators, however, should be well aware of what they might be restricting, according to Carney (p. 13). While descriptive categories could be limiting, it remains for the individual researcher to be familiar with the subject to avoid restrictions. The research method is only a tool, and the product depends on the researcher. Finally, Carney states there is the criticism that subjectivity is inherent in the process of content analysis. (p. 14). While this argument may have some validity, Carney suggests that it is an overgeneralization (p. 14).

Carney (1972) declares that content analysis can be performed only when a great deal is known about the subject and its background. Carney states, "Content analysis is an art. As such, it cannot be better than the craftsman who employs it" (p. 16).

### **Advantages of Content Analysis**

Carney (1972) describes some of the advantages of content analysis:

First, you can be sure what you have been looking for and where you have been looking for it. Secondly, the reader can check on how the facts were obtained... Thus, you may not only see ways of posing a question which you had not been able to pose objectively before, you may also come upon new kinds of questions to pose. (p. 17)

The IFBs researched are maintained by the GSC, or the documents may also be accessed at the individual state agencies which originally issued the IFBs. A review of the IFBs was the source for several of the elements in the coding scheme. Carney adds that makes it easier to take the logic of inference into account, along with everything else, right from the time the construction of analysis begins (p. 18) Carney states because of this, "...it is far easier to assume a critical posture when reading a book or listening to a talk" (p. 19).

## Coding in Content Analysis

Babbie (1997) indicates that coding is important in content analysis for refining the conceptual framework and prescribing the methods for observation in relation to that framework (p. 311). The coding sheet allows for the operationalization of the descriptive categories. The analysis focuses on what elements are present and the degree to which those elements are represented. The coding procedure is as follows:

### Coding Procedure for Analysis of Invitations for Bid

IFB Sections	Included	Degree
<b>I. BIDDING PROCESS AND EVALUATION</b>		
Conditions for bidding requirements specified.		
Agency reserves the right to reject any and all bids.		
Agency point of contact designated.		
Specified procedure to follow in case of tie bids.		
Elements that will serve as evaluation criteria.		
Weights of the elements under consideration.		
Affirmation that nothing of value was received for bid submittal.		
<b>II. CONTRACT PERIOD</b>		
Contract period is specified.		
Renewable for how long and under what conditions.		
<b>III. TYPES OF WORKERS REQUIRED</b>		
Job titles provided for all types of workers.		
Job specifications provided for all types of workers.		
Desired skill levels are indicated.		
<b>IV. PRICING</b>		
Associated costs such as travel, labor, etc., included.		
Wage rate increases:		
1. Wage rates set for how long and would they change.		
2. Wage increases are tied to economic indicators.		
3. Formulas are provided for potential increases.		
Agencies exempt from State/Federal excise taxes.		
Minimum wage rates set for temporary workers.		
Overtime wage rates are set.		
Profit margins must be declared.		

<b>V. PERSONNEL ACTIVITIES</b>		
<b>A. Pre-Placement:</b>		
Vendor responsible for filling orders in specified jobs.		
Vendor to fill job orders within a specified time period.		
Conduct criminal background checks.		
Testing of workers to insure they can meet job requirements.		
Training of temporary workers.		
Provide agency-specific orientation training.		
Conditions for subcontracting:		
1. General conditions.		
2. Texas Industries for the Blind and Handicapped.		
3. Historically Underutilized Businesses.		
Work hours specified.		
Work location specified.		
Right of agency to review qualifications.		
References to be provided on request.		
<b>B. Post-Placement:</b>		
Condition of temporary employees provided.		
Punctuality and attendance of temporary workers.		
Insure compliance with security requirements.		
Replacement of workers to avoid interruptions in service.		
Conditions for removing temporary employees.		
Provisions for raises and promotions.		
<b>VI. INVOICING AND PAYMENT</b>		
Preparation of invoices.		
Pick-up and delivery of payroll documents.		
Vendor preparation of all payroll work.		
Vendor pays all employment taxes.		
<b>VII. LEGAL REQUIREMENTS</b>		
Vendor insurance requirements.		
Responsibility for errors and omissions.		
Agency restrictions on nepotism.		
Compliance certifications.		
<b>VIII. CONTRACTOR PERFORMANCE</b>		
General performance criteria.		
Vendor to return phone calls within specified time.		
Quality of service to be performed.		
Performance monitoring is conducted.		
Maintain reports of assignments and requests		
<b>IX. AGENCY RESPONSIBILITIES</b>		
Determine who has expenditure authority.		



Preparation of vouchers for wage payments.		
Notify contractor of improper behavior.		
Hiring of temporaries as regular employees.		
<b>X. SPECIAL REQUIREMENTS</b>		
Right of the agency to contract with others.		
Right of the agency to audit contractor's records.		
Temporaries compliance with agency policies.		
Contractor contacts for solicitation of business.		
Provision for materials and equipment.		
Cancellation/termination provisions.		
Parking for temporary workers.		
Certification vendor is not tax delinquent.		

The coding procedure utilizes a "yes" or "no" to indicate if a particular element is included or not. A coding sheet has been prepared for each IFB and the frequency of each answer has been determined. The frequency indicates which elements are common to state agency IFBs. The degree has also been assessed and it represents the number of lines devoted to each element. This information was used to obtain measures of central tendency for each element.

General information concerning the IFBs has been provided in addition to the information from the coding sheets. This information includes the agencies represented, the lengths of the IFBs (in pages), and other pertinent facts found in the documents.

### **Sampling Frame**

The sampling frame is the IFBs issued by Texas state agencies which were filed at the GSC. State agencies are assigned a three-digit numerical code, and this code comprises the first three digits of the bid numbers assigned by the GSC. A random selection of the three-digit codes assigned to Texas state administrative agencies with more than 100 employees was drawn. The list of agency codes was provided to the GSC with an Open Records request to provide one IFB

per agency (up to 25 agencies) for the current state fiscal year. More than 25 agency codes were provided in case some agencies had not issued an IFB during this period.

The GSC requested that the agency codes be provided to make it easier for them to check on the availability of an IFB by agency. The list of agencies was initially limited to only those with more than 100 employees because the literature indicated that larger organizations had a higher likelihood of using temporary workers.

The sample drawn by the GSC yielded 21 IFBs. One was not used because it was from a state educational institution rather than a state administrative agency. Two agencies each had two IFBs selected. Cost did become a consideration since the GSC charged ten cents per page for copying the IFBs and an hourly rate for staff time to locate and copy the documents. The total cost for the documents was over \$110.

### **Supplemental Information**

Since the nature of this research is descriptive, the results will primarily be narrative. Each of the categories from the coding scheme is discussed, and comparisons are made between the elements and with the literature. Tables, graphs, and charts are used as appropriate to emphasize items of particular interest.

Information gathered from the interviews with temporary workers who were initially employed by the TWC and later by a temporary help service are presented in the Setting Chapter. These interviews are to illustrate the changes that temporary workers at Texas state agencies may experience if the agencies cease direct hiring and begin contracting with temporary help services. A complete transcript of these interviews is included in Appendix C.

## Conceptual Framework

The conceptual framework for the study of the IFBs was composed of descriptive categories. The categories in the coding scheme were taken from the literature and a review of the IFBs. Chapter 3, Temporary Help Services, and Chapter 4, Temporary Workers, were the sources for many of the categories. The elements within the categories were tied to specific portions of the literature or to specific items which were noted in the review of the IFBs (see Table 6.1). The elements represent a summary of the items which one would expect to find in a document such as the IFB. The elements essentially represent terms and conditions for a contractual agreement between the successful vendor and the state agency which issued the IFB.

**Table 6.1**

Sources for the Descriptive Categories and Elements of the Coding Scheme

IFB Sections	Source of Element
I. BIDDING PROCESS AND EVALUATION	
Conditions for bidding requirements specified.	Review of IFBs.
Agency reserves the right to reject any and all bids.	Review of IFBs.
Agency point of contact designated.	Literature, Chapter 3.
Specified procedure to follow in case of tie bids.	Review of IFBs.
Elements that will serve as evaluation criteria.	Literature, Chapter 3.
Weights of the elements under consideration.	Literature, Chapter 3.
Affirmation that nothing of value was received for bid submittal.	Literature, Chapter 3.
II. CONTRACT PERIOD	
Contract period is specified.	Literature, Chapter 3.
Renewable for how long and under what conditions.	Review of IFBs.
III. TYPES OF WORKERS REQUIRED	
Job titles provided for all types of workers.	Literature, Chapter 3.
Job specifications provided for all types of workers.	Literature, Chapter 3.
Desired skill levels are indicated.	Literature, Chapter 3.
IV. PRICING	
Associated costs such as travel, labor, etc., included.	Literature, Chapter 4.
Wage rate increases:	

1. Wage rates set for how long and would they change.	Literature, Chapter 3.
2. Wage increases are tied to economic indicators.	Review of IFBs.
3. Formulas are provided for potential increases.	Review of IFBs.
Agencies exempt from State/Federal excise taxes.	Review of IFBs.
Minimum wage rates set for temporary workers.	Review of IFBs.
Overtime wage rates are set.	Review of IFBs.
Profit margins must be declared.	Literature, Chapter 3.
<b>V. PERSONNEL ACTIVITIES</b>	
<b>A. Pre-Placement</b>	
Vendor responsible for filling orders in specified jobs.	Literature, Chapter 3.
Vendor to fill job orders within a specified time period.	Literature, Chapter 3.
Conduct criminal background checks.	Review of IFBs.
Testing of workers to insure they can meet job requirements.	Literature, Chapter 3.
Training of temporary workers.	Literature, Chapter 4.
Provide agency-specific orientation training.	Review of IFBs.
Conditions for subcontracting:	
1. General conditions.	Review of IFBs.
2. Texas Industries for the Blind and Handicapped.	Review of IFBs.
3. Historically Underutilized Businesses.	Review of IFBs.
Work hours specified.	Literature, Chapter 3.
Work location specified.	Literature, Chapter 3.
Right of agency to review qualifications.	Literature, Chapter 3.
References to be provided on request.	Literature, Chapter 3.
<b>B. Post-Placement</b>	
Condition of temporary employees provided.	Review of IFBs.
Punctuality and attendance of temporary workers.	Review of IFBs.
Insure compliance with security requirements.	Literature, Chapter 4.
Replacement of workers to avoid interruptions in service.	Literature, Chapter 3.
Conditions for removing temporary employees.	Literature, Chapter 4.
Provisions for raises and promotions.	Literature, Chapter 4.
<b>VI. INVOICING AND PAYMENT</b>	
Preparation of invoices.	Literature, Chapter 3.
Pick-up and delivery of payroll documents.	Literature, Chapter 3.
Vendor preparation of all payroll work.	Literature, Chapter 3.
Vendor pays all employment taxes.	Literature, Chapter 3.
<b>VII. LEGAL REQUIREMENTS</b>	
Vendor insurance requirements.	Literature, Chapter 3.
Responsibility for errors and omissions.	Review of IFBs.
Agency restrictions on nepotism.	Literature, Chapter 4.
Compliance certifications.	Review of IFBs.

<b>VIII. CONTRACTOR PERFORMANCE</b>	
General performance criteria.	Literature, Chapter 3.
Vendor to return phone calls within specified time.	Review of IFBs.
Quality of service to be performed.	Literature, Chapter 3.
Performance monitoring is conducted.	Literature, Chapter 3.
Maintain reports of assignments and requests	Literature, Chapter 3.
<b>IX. AGENCY RESPONSIBILITIES</b>	
Determine who has expenditure authority.	Literature, Chapter 3.
Preparation of vouchers for wage payments.	Literature, Chapter 3.
Notify contractor of improper behavior.	Review of IFBs.
Hiring of temporaries as regular employees.	Literature, Chapter 4.
<b>X. SPECIAL REQUIREMENTS</b>	
Right of the agency to contract with others.	Literature, Chapter 3.
Right of the agency to audit contractor's records.	Literature, Chapter 3.
Temporaries compliance with agency policies.	Review of IFBs.
Contractor contacts for solicitation of business.	Literature, Chapter 3.
Provision for materials and equipment.	Review of IFBs.
Cancellation/termination provisions.	Literature, Chapter 3.
Parking for temporary workers.	Review of IFBs.
Certification vendor is not tax delinquent.	Review of IFBs.

## Summary

Chapter 6 reviewed the methodology and the conceptual framework, indicating the sources for the elements in the coding scheme. The literature concerning the temporary help industry was a rich source for the elements within the descriptive categories. The analysis of the IFBs is presented in the next chapter.

## RESULTS OF ANALYSIS

### Introduction

The purpose of this chapter is to present the results of the content analysis. A description of the most common items and those elements emphasized in the IFBs are presented. The categories are discussed separately, and tabular data reflecting the results of the coding for each category are presented.

### The Invitations for Bid

The 20 Invitations for Bid (IFBs) that were examined represented 18 different Texas state administrative agencies. The IFBs examined included 252 pages of text, an average length of 12.6 pages. The longest was 51 pages, and the shortest was 3 pages. The median number of pages was 8.5. Three IFBs had 7 pages and three had 12 pages, so there were two modal values. Only 4 of the 20 IFBs had more than 12 pages and they had 22, 24, 32, and 51 pages respectively. There was then a rather wide dispersion in the lengths of the IFBs, and the tendency was for the documents to be a relatively modest length.

The coding structure consisted of 10 categories and a total of 63 elements within those categories. The length of an IFB had a slight positive correlation with the number of individual elements represented in the document. The shortest documents, two had three pages, included 3 and 19 elements, respectively. The longest document, 51 pages, had only the second most elements at 38. The third longest document, 24 pages, had the most elements at 48. The overall correlation factor was 0.645338, a value closer to one would represent a stronger positive relationship and a value closer to zero would represent a lack of a relationship. Values below zero would likewise represent a negative relationship. While the longer IFBs devoted more

space to the treatment of the individual elements present, they did not necessarily represent more elements.

### Standardized Page

Ten of the 20 IFBs examined included a standardized page which provided information in 6 of the 10 categories under review. The categories and the 11 individual elements within those categories which were affected are listed in Table 7.1.

**Table 7.1**

#### Contents of a Standardized Page Found in Half of the Invitations for Bid

Category	Element	Avg. Number of Lines
Bid Evaluation	Conditions for bidding requirements.	37
	Agency reserves right to reject any or all bids.	2
	Specified procedure to follow in case of tie bids.	1
	Affirmation that nothing of value was received for bid submittal.	5
Contract Period	Contract period is specified.	1
Pricing	Exempt from State/Federal excise taxes.	2
Personnel Activities	Pre-Placement	
	Vendor to fill job orders within a specified time period.	9
	Conditions for subcontracting:	
	Historically Underutilized Businesses	1
	Work hours specified.	3
	Post-Placement	
	Condition of temporary employees provided.	9
Invoicing and Payment	Preparation of invoices.	3

This page provides a minimal level of information on bidding requirements, but much of the space is dedicated to the procurement of any product, not specifically labor. The text includes some items such as the furnishing of samples and manufacturers' warranties, which are not applicable for temporary labor procurements.

## **Bid Evaluation**

The standardized page provided all of the information on conditions for bidding requirements among the IFBs. This element accounted for 37 lines in each of the 10 IFBs that included it, a total of 370 lines (see Table 7.2). This was the third highest number of lines dedicated to any one element. One agency included another 56 lines specifically on bid submittals, which was not reflected in the totals. Clearly the bid process was not something the agencies saw as requiring specific information in the IFBs.

Other elements from the standardized page included the agency's right to reject any or all bids, a specified procedure to follow in case of tie bids, and an affirmation that nothing of value was received for the bid submittal. These elements were also included only on those IFBs which included the standardized page, although they represented only a very few lines of text.

The most common item in the Bid Evaluation Category was the description of the elements that would serve as the evaluation criteria. This item was on 60% of the IFBs. The weights of the elements under consideration were included on only 4 of the 20 IFBs. It was surprising that the evaluation criteria were not described better. There was a definite lack of consistency and uniformity in conveying information on the bid process.

The designation of an agency point of contact for the bid process was the second most common element in this category, although it was only on 55% of the IFBs. Still it managed to be almost as widespread as the evaluation criteria and more universal than the weights of the evaluation criteria under consideration.



Table 7.2 shows the totals for the Bid Evaluation Category. Included are the total number of lines by element, the average number of lines for only those IFBs that included the element, and the count of IFBs that included the element.

**Table 7.2**

Bid Evaluation

	Total Number of Lines	Average*	Count
Conditions for bidding requirements specified.	370	37.00	10
Agency reserves right to reject any or all bids.	22	2.20	10
Agency point of contact designated.	74	6.73	11
Specified procedure to follow in case of tie bids.	10	1.00	10
Elements that will serve as evaluation criteria.	87	7.25	12
Weights of the elements under consideration.	22	5.50	4
Affirmation nothing of value received for bid submittal.	60	6.00	10
* The average number of lines when element is included (lines/count).			N=20

**Contract Period**

The only element to appear in all 20 IFBs was the specification of the contract period (see Table 7.3). Terms for renewing the contracts, including the length of the renewal periods and other conditions, were evident in 70% of the IFBs. It is logical that the contract period was specified in all the IFBs, it is surprising that it was the only element common to all the IFBs.

Relatively speaking, the contract period was the category which was best represented in the IFBs. The specification of the contract period is very straightforward and would be necessary for a vendor to know in preparing a bid.

**Table 7.3****Contract Period**

	Total Number of Lines	Average*	Count
Contract period is specified.	36	1.80	20
Renewable for how long and under what conditions.	66	4.71	14
* The average number of lines when element is included (lines/count).			N=20

**Types of Workers**

Job titles for the types of workers required were found in almost all of the IFBs (see Table 7.4). Only one failed to specify job titles, making this the second most common element after the specification of the contract period. The IFBs included 173 total job titles (see Appendix B), which represented 101 different occupations. The most frequently listed job titles, each listed six times, were Administrative Technician I and Administrative Technician II. Clerk III, Receptionist, Secretary III, and Switchboard Operator were each listed five times. General office occupations represented 67 of the 101 different occupations listed and 125 of the 173 total job titles. The heavy concentration of office and clerical occupations is in line with the expectations derived from the literature concerning the occupations in which temporary employment is concentrated (see Table 4.1).

Job specifications were provided for 14 of the 20 IFBs, but this element was the largest by far in the number of lines devoted to the subject. Job specifications accounted for 1,349 lines of text, over twice as much text as was provided for the next largest item. Many of the IFBs included detailed job specifications, one with over 500 lines of text. The average for all IFBs was over 96 lines of text for job specifications.

Skill levels desired was the fourth largest element in terms of lines of text at 365 lines. This element was indicated on just over half of all the IFBs, and over half of the information

provided came from only two of the IFBs. While a few agencies did an excellent job of providing the desired skill levels, most provided either a limited amount or no information.

**Table 7.4**

Types of Workers Required

	Total Number of Lines	Average*	Count
Job titles provided for all types of workers.	173	9.11	19
Job specifications provided for all types of workers.	1349	96.36	14
Desired skill levels are indicated.	365	33.18	11
* The average number of lines when element is included (lines/count).			N=20

**Pricing**

The most information provided in this category was for wage rates and specifically dealt with how long they were good for and whether or not they would change. Seventy percent of the IFBs included this element (see Table 7.5). Other items that were evident in half of the IFBs were that the agencies were exempt from state or Federal excise taxes and the setting of a minimum wage rate for temporary workers by the state agencies. Almost half of the IFBs discussed an overtime wage rate for temporary workers.

The remainder of the items in this category were not very well represented in the IFBs. Wage increases tied to economic indicators and formulas for determining increases were not widely used, but generally fit expectations from the literature. Most of the literature indicated that client companies were seeking to keep labor costs down and, in this vein, it is unlikely that wage rate increases would be granted over the life of what were usually annual contracts. It is somewhat surprising, however, that some of the IFBs included terms for renewals yet failed to specify how wages could or would be adjusted in the event of renewals. Only 15% of the IFBs

made any mention of associated costs, and only one agency specifically mentioned travel costs. The temporary workers this agency was attempting to procure would be required to travel and the IFB reflected this situation.

**Table 7.5**

**Pricing**

	Total Number of Lines	Average*	Count
Associated costs such as travel, labor, etc., included.	11	5.50	2
Wage rate increases:			
1. Wages good for how long and would they change.	55	3.93	14
2. Wage increases tied to economic indicators.	14	7.00	2
3. Formulas are provided for potential increases.	13	4.33	3
Agencies exempt from State/Federal excise taxes.	20	2.00	10
Minimum wage rates set for temporary workers.	47	4.70	10
Overtime wage rates are set.	22	2.44	9
Profit margins must be declared.	14	4.67	3
* The average number of lines when element is included (lines/count).			<b>N=20</b>

Another 15% of the IFBs required that the profit margins on the temporary workers be declared by the potential vendors. This requirement likely reflects a concern that a public sector agency not pay excessive rates for temporary labor. Public employment is and should be a more open environment, and it would seem that the profit margins would be of interest to the client organizations.

**Pre-Placement Personnel Activities**

The fourth most common element was in this category, and it was the specification of work hours, included in 90% of the IFBs (see Table 7.6). Contributing to its high presence was the fact that it was included on the standardized page that was in 10 of the 20 IFBs. Other items

from the standardized page in this category included elements that the vendor was to fill job orders within a specified time and the general conditions for subcontracting. These two items were included in only 4 and 3, respectively, of the 10 IFBs without the standardized page.

**Table 7.6**

**Pre-Placement Personnel Activities**

	Total Number of Lines	Average*	Count
Vendor responsible for filling orders in specified jobs.	14	2.80	5
Vendor to fill job orders within a specified time period.	134	9.57	14
Conduct criminal background checks.	23	4.60	5
Testing workers to insure they meet job requirements.	7	1.40	5
Training of temporary workers.	21	5.25	4
Provide agency-specific orientation training.	5	1.67	3
Conditions for subcontracting:			
1. General conditions.	41	3.15	13
2. Texas Industries Blind & Handicapped	16	4.00	4
3. Historically Underutilized Businesses	311	31.10	10
Work hours specified.	56	3.11	18
Work location specified.	41	3.42	12
Right of agency to review qualifications	18	3.60	5
References provided on request..	69	9.86	7
* The average number of lines when element is included (lines/count).			N=20

A surprising fact was that several items appeared in only 25% or less of the IFBs. These items included:

- The vendor was responsible for filling orders in specified jobs.
- Criminal background checks would be conducted.
- Workers would be tested to insure they met the job requirement.
- Temporary workers would be trained.
- The temporary help services would provide agency-specific orientation training.

The agency retained the right to review the qualifications of the temporary workers.

- The work location was specified.

In an interesting aspect, only one IFB contained any information at all regarding conflicts of interest. The IFB that did include this information had a fairly extensive section (34 lines) on the topic. The literature from the temporary help industry indicated that employees were interviewed, tested, and trained. Information from outside the industry tended to downplay these aspects of temporary employment. The evidence from the IFBs shows a clear tendency to support the notion that adequate attention is not given to these functions by the state agencies. A lack of attention to these functions in the IFBs does not necessarily mean the vendors would not perform these tasks, but it certainly raises questions about the selection and preparation of temporary workers for the public sector.

#### **Post-Placement Personnel Activities**

The standardized elements affected only one item in this category, the condition of the temporary workers provided. This was, however, the most prevalent item of this category in the IFBs at 70% coverage (see Table 7.7). The replacement of workers to avoid interruptions in service was noted in 11 of the 20 IFBs, and conditions for removing workers was present in half of the IFBs. One IFB had an excellent section on the removal of workers.

Another interesting note is that two of the IFBs did include sections on raises and promotions for the temporary workers. Although only 10% of the IFBs included this information and the total number of lines was only seven, it does show some concern for the industriousness of the temporary workers sought. It is not surprising that most IFBs did not include such provisions based on much of the literature and the nature of the temporary jobs being filled.

**Table 7.7****Post-Placement Personnel Activities**

	Total Number of Lines	Average*	Count
Condition of temporary employees provided.	131	9.36	14
Punctuality and attendance of temporary workers.	7	2.33	3
Insure compliance with security requirements.	48	9.60	5
Replacement workers to avoid interruptions in service.	49	4.45	11
Conditions for removing temporary employees.	79	7.90	10
Provisions for raises and promotions.	7	3.50	2
* The average number of lines when element is included (lines/count).			<b>N=20</b>

**Invoicing and Payment**

The preparation of invoices was covered by 80% of the IFBs and in some detail, an average of over 10 lines for each IFB that included the element on invoice preparation. The remaining items in this category, however, did not garner much attention (see Table 7.8). In fact, no other element was represented on more than 30% of the IFBs. The story here is that the IFBs were largely silent on invoicing and payment, other than the preparation of invoices.

**Table 7.8****Invoicing and Payment**

	Total Number of Lines	Average*	Count
Preparation of invoices.	169	10.56	16
Pick-up and delivery of payroll documents.	24	4.00	6
Vendor preparation of all payroll work.	15	3.75	4
Vendor pays all employment taxes.	50	8.33	6
* The average number of lines when element is included (lines/count).			<b>N=20</b>

## Legal Requirements

Certifications of compliance with a variety of state and Federal laws was the most prevalent element in this category. It was also the second largest of all the elements with 607 lines, a distant runner-up to the job specifications category with 1,349 lines. Thirteen different compliance certifications were spread across 18 of the 20 IFBs (see Table 7.9). Only two of the certifications were on as many as half of the IFBs, Child Support Enforcement and Civil Rights/EEO certifications. Nine of the compliance certifications were only on four or fewer of the IFBs. One agency included as many as 9 of the 13 certifications, but most (75%) included only four or fewer certifications. Although a high number of certifications were noted overall, there was little consistency among the ones required by the different agencies. Often the certifications required were relevant to the mission of the agency.

**Table 7.9**

### Compliance Certifications Required by Texas State Agency Invitations for Bid

	Total Number of Lines	Average*	Count
Compliance Certifications, Total	607	33.72	18
1. Child Support Enforcement	146	13.27	11
2. Fair Labor Standards Act	25	6.25	4
3. Workers Compensation	109	54.50	2
4. Clean Air and Water Certification	13	4.33	3
5. Energy Policy and Conservation Act	7	3.50	2
6. Immigration Reform and Control Act	23	3.29	7
7. Open Records Act	31	10.33	3
8. Non-Governmental Contractor Certification	56	18.67	3
9. Americans with Disabilities Act	13	2.60	5
10. Occupational Safety and Health Act	5	2.50	2
11. Civil Rights/EEO	61	6.10	10
12. Debarment Certification	17	5.67	3
13. Lobbying Certification	101	33.67	3
* The average number of lines when element is included (lines/count).			N=20



The second most common element in this category was insurance requirements, which was included on 75% of all the IFBs (see Table 7.10). Actually, given the public aspect of these organizations, it was somewhat surprising that all of the IFBs did not include insurance requirements. The fiduciary responsibilities and the need to safeguard the public's trust would seem to be a strong incentive to insure proper insurance coverage by vendors.

**Table 7.10**

**Legal Requirements**

	Total Number of Lines	Average*	Count
Vendor insurance requirements.	210	14.00	15
Responsibility for errors and omissions.	94	10.44	9
Agency restrictions on nepotism.	14	3.50	4
Compliance certifications.	607	33.72	18
* The average number of lines when element is included (lines/count).			N=20

**Contractor Performance**

This section was perhaps the most revealing. Only one IFB (5%) specified the quality of the services to be performed by the temporary workers, and only three IFBs included even general performance criteria (see Table 7.11). The general criteria related to factors such as availability of qualified personnel, attendance, and competency levels, but they failed to set specific levels of achievement. Twice as many (two IFBs) had specifications on how long the vendor had to return phone calls. One IFB, however, had three unique elements. It required that: 1) vendors were able to submit resumes of prospective workers 90% of the time; 2) the workers were able to meet minimum qualifications 90% of the time; and 3) penalties would be assessed for failure to meet these criteria. While these elements do not demand a certain level of

performance by the workers themselves, they at least demand a certain level of care and cooperation from the vendor. They may also insure that the agency gets a better overall quality of worker.

**Table 7.11**

Contractor Performance

	Total Number of Lines	Average*	Count
General performance criteria.	29	9.67	3
Vendor to return phone calls within specified time.	4	2.00	2
Quality of services to be performed	17	17.00	1
Performance monitoring is conducted.	6	6.00	1
Maintain reports of assignments and requests.	14	14.00	1
* The average number of lines when element is included (lines/count).			N=20

More disturbing, only one IFB indicated specific reports it required from the potential vendor. These reports included monthly summary reports by division, job orders received by division, a summary of temporary workers by Equal Employment Opportunity (EEO) category, and a summary of subcontracting activity. This lack of emphasis on reporting brought to mind a comment in the literature that many organizations did not know how many temporary workers were being utilized or in what capacities.

This category indicates that the IFBs omit a key element of contracting – demanding a specific level of service. It is clearly not in accord with the literature on contracting and contract monitoring.

## Agency Responsibilities

This is another category that was lacking. No element in this category was on more than 35% of the IFBs (see Table 7.12). The most common element covered the hiring of temporaries by the agency as regular employees. Generally this element specified that temporaries could be hired by the client agency without the payment of a fee to the vendor.

**Table 7.12**

### Agency Responsibilities

	Total Number of Lines	Average*	Count
Determine who has expenditure authority.	37	12.33	3
Preparation of vouchers for wage payments.	6	6.00	1
Notify contractor of improper behavior.	2	2.00	1
Hiring of temporaries as regular employees.	29	4.14	7
* The average number of lines when element is included (lines/count).			N=20

Only three IFBs addressed the issue of who within the state agency had expenditure authority. This seems to connect to the statement in the literature that many organizations don't know how many temporary workers they have or where they might be working. It also connects to the lack of reports on temporary staffing by the vendors (see Invoicing and Payment).

Only one IFB addressed notifying the vendor of improper behavior by a temporary worker. Generally, this category reflected a lack of emphasis on the role of the state agencies as responsible client organizations.

## Special Requirements

The special requirements covered a broad range of elements from parking to tax delinquency. The most common item in this category was the cancellation/termination

provisions found in 75% of the IFBs (see Table 7.13). None of the other elements were found on more than 45% of the IFBs. In fact, parking was at 45%, and more IFBs devoted space to parking than to such things as who can expend money for temporary workers, whether or not the state agency could audit the vendor, the vendor's reporting requirements, the testing and training of temporary workers, the agency's right to review worker qualifications, and the weights of the bid elements under consideration.

**Table 7.13**

**Special Requirements**

	Total Number of Lines	Average*	Count
Right of the agency to contract with others.	32	4.00	8
Right of the agency to audit contractor's records.	38	9.50	4
Temporaries compliance with agency policies.	20	5.00	4
Contractor contacts for solicitation of business.	10	5.00	2
Provision for materials and equipment.	17	2.13	8
Cancellation/termination provisions.	120	8.00	15
Parking for temporary workers.	36	4.00	9
Certification Vendor not tax delinquent.	21	7.00	3
* The average number of lines when element is included (lines/count).			<b>N=20</b>

The right of the agency to contract with other vendors was discussed on 40% of the IFBs. The literature indicated this would be desirable for the client organization, but would likely be resisted by the contractor. Whether 60% were not included due to efforts by vendors does not seem likely on an IFB, but it raises an interesting question. Do the vendors exert any influence over the contents of the IFBs and, if so, what is the extent of the influence?

Provisions for providing materials and equipment were included on 40% of the IFBs. All except one of those with the provision indicated that the state agency would provide materials and equipment. One IFB indicated the vendor should provide materials and

equipment. This element would seem to potentially eliminate confusion over the provision of materials and equipment, which could be a costly item, and would be a good candidate for inclusion on all the IFBs.

Once again it was disturbing that some elements in this category were not well represented on the IFBs. The right to audit the vendor, the compliance of temporary workers with state agency policies, the ability of the vendor to make contacts within the state agency for the solicitation of new business, and certification that the vendor was not tax delinquent were all on less than 25% of the IFBs. These elements are particularly important in the public sector, yet were definitely not emphasized in the IFBs.

## CONCLUSIONS

The purpose of this research was to describe the Invitations for Bid (IFBs) issued by Texas state agencies for temporary help services. The IFBs showed high rates on inclusion on several issues that were necessary, but insufficient elements for a contract. These issues included a specified contract period, job titles, specified work hours, invoice preparation, and insurance requirements. Other important elements were just as often omitted from the IFBs. Many other elements were often left underdeveloped.

### Category Conclusions

The bid evaluation information in the IFBs was lacking. The standardized page that half of the IFBs used offered the bulk of the information provided, but even this appeared insufficient. In particular, more information needed to be provided concerning the evaluation criteria and the weights assigned to the various criteria.

The terms for contract renewal should also be included. Generally, as evidenced in the contract renewal element, many of the items were not as specific as one might expect. In fact, the emphasis on contract specifications in the literature was not evident in several of the elements in the IFBs. Only 7 of the 63 elements were included on as many as 75% of the IFBs.

Job specifications should be a critical element in a temporary worker contract, but again only 70% had job specifications. It is not clear how a temporary help agency could provide the appropriate workers without adequate job specifications.

Pricing was another category lacking adequate information. A few IFBs tied wage increases to economic indicators or to specific formulas, which at least allowed for a known, methodical way to provide for increases.

Many of the pre-placement activities were lacking, particularly in training, testing, checking qualifications, and conducting criminal background checks. As the literature indicates, these elements are all important items. Post-placement activities did not fare any better.

The compliance certifications varied a great deal by state agency. While it may not be desirable, or even necessary, to include all of them, perhaps a set of basic compliance documents could be specified for all temporary help contracts. Agencies could then pick among those available. Such a catalog of certifications could easily be made available to all state agencies on the Internet or by some other electronic means. Insurance and liability issues were present in many of the IFBs, but the insurance requirements for all agencies will not likely vary greatly and a standardized approach might well serve the state agencies and protect the taxpayers' investment.

The IFBs were woefully weak in contractor performance elements. Only one IFB addressed the quality of services expected. Perhaps the weakest part of the IFBs was an almost complete absence of performance monitoring. This omission was made worse by a lack of reporting requirements. This is clearly in contradiction to the literature on contracting. Government should, as Shields (1988) notes, serve as a watchdog (p. 285). While it may not be easy to hold contractors accountable, it is not impossible. Contract performance and monitoring need to become a routine part of these documents and effective functions of the state agencies. A noted lack of monitoring and reporting can open the door for poor performance or unscrupulous behavior, both of which cost taxpayers and harm the image and effectiveness of state agencies.

In terms of being responsible, the IFBs should designate who at a state agency has expenditure authority. This simple inclusion could avoid a great deal of misunderstanding and improve the state agencies' control over how many temporary workers have been hired and what

activities they are performing. This lack of authority, according to the literature, can be a problem in any organization.

Among the special requirements, state agencies need to emphasize their rights to contract with other vendors and to audit the firms' records. It was a plus to see that 75% of the IFBs had cancellation or termination provisions, since this can be a major incentive to keep a vendor responsive.

### **Summary**

While none of the IFBs examined included more than 48 of the 63 elements from the descriptive categories, there were a few IFBs that stood out either for the number of elements included or for the way specific elements were handled. The IFB issued by the Texas Workforce Commission (see Appendix D) represents one of the better documents. This IFB included the most elements and was the only one to feature vendor reporting requirements. The addition of just a few elements, however, would make this a stronger document (see Table 8.1).

**Table 8.1**

#### **Elements to Enhance TWC Invitation for Bid**

Category	Element
Pre-Placement	Right of the agency to review qualifications. References to be provided on request.
Post-Placement	Insure compliance with security requirement.
Contract Performance	Quality of service to be performed. Performance monitoring is conducted.



A standardized IFB for the procurement of temporary workers would be appropriate. Such a standardized IFB should include a flexible section to allow each individual agency to specify the job titles, job specifications, and other agency-specific information required for a bid.

The IFB should provide more information for the General Services Commission, the agency that advertises the IFBs, and for the potential vendors. Additional information would also be helpful for client organization staff who may have to deal with the contract, the prospective vendors, and/or the selected contractor. Special considerations, such as job titles, job specifications, and compliance certifications, could be made available to participating state agencies over the Internet, by fax, or by some other electronic means to supplement the standardized information. The state agencies could then, for example, select those job titles that pertained to their IFB. This would give the IFBs a uniform content, and vendors could also become familiar with the standardized elements.

The interviews with the temporary workers indicated several positive aspects for workers. In the case of these individuals, working as a temporary eased the transition either from one regular job to another or from school to work. The only real negative aspect voiced was the lack of benefits, particularly health insurance, holidays, and sick leave. Although it should be noted that these individuals were kept at the state pay rate and received a higher wage than will be available to subsequent temporaries.

Throughout the literature there was a definite dichotomy evident in regard to temporary employment. The positions were essentially those of management versus those of labor and the tone was very adversarial. Perhaps the best description of this relationship was a conclusion from the study group for the Council of Europe (1985), "Some people praise temporary employment without really understanding it, other [sic] condemn it in equal ignorance " (p. 18).

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**Appendix A**  
**Coding Summary for Analysis of Invitations for Bid**

Agency	1	2	3	4	5	6	7	8	9	10	11	12
Standardized page included.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Pages	4	32	4	5	7	22	12	24	14	12	3	8

**IFB Sections**

**I. BID EVALUATION**

Conditions for bidding requirements specified.	37	37	37	37	37	37	37	37	37	37		
Agency reserve right to reject any or all bids.	2	4	2	2	2	2	2	2	2	2		
Agency point of contact designated.		10				6		13	14	6		
Specified procedure to follow in case of tie bids.	1	1	1	1	1	1	1	1	1	1		
Elements that will serve as evaluation criteria.		20			7		8	5	8	5		5
Weights of the elements under consideration.					1			16				
Affirmation nothing of value received for bid submittal.	5	5	5	5	5	5	7	5	13	5		

**II. CONTRACT PERIOD**

Contract period is specified.	1	5	1	2	1	1	3	1	2	1	2	1
Renewable for how long and under what conditions.			3	7	5	2	8	2	1	5		5

**III. TYPES OF WORKERS REQUIRED**

Job titles provided for all types of workers.	1	17	1	11	1	5		28	17	12	5	11
Job specifications provided for all types of workers.		387	9	11	20	101		138		60		36
Desired skill levels are indicated.		135		10	1	21		10		3		10

**IV. PRICING**

Associated costs such as travel, labor, etc., included.								4				
Wage rate increases:												
1. Wages good for how long and would they change.	1	4	1	7	2	5		1	12	8		
2. Wage increases tied to economic indicators.								9				
3. Formulas are provided for potential increases.				2				6				
Agencies exempt from State/Federal excise taxes	2	2	2	2	2	2	2	2	2	2		
Minimum wage rates set for temporary workers.			1			2	2					
Overtime wage rates are set.				2	1							2
Profit margins must be declared.						1	2					

**V. PERSONNEL ACTIVITIES**

A. Pre-Placement:												
Vendor responsible for filling orders in specified jobs.								1				2
Vendor to fill job orders within a specified time period.	9	12	9	12	9	9	16	12	9	19		2
Conduct criminal background checks.							9	1				1
Testing workers to insure they meet job requirements.							1	1				
Training of temporary workers.							10	1		9		1
Provide agency-specific orientation training.							2	1				
Conditions for subcontracting:												
1. General conditions.	1	1	1	1	1	14	1	1	1	1		
2. Texas Industries Blind and Handicapped					2			8				3
3. Historically Underutilized Businesses		11				12	23	59	18			
Work hours specified.	3	4	3	3	3	4	4	3	4	3		3



Agency	1	2	3	4	5	6	7	8	9	10	11	12
Work location specified.		1		4		2	8		2	3		1
Right of agency to review qualifications						3						
References provided.		5					9					
<b>B. Post-Placement</b>												
Condition of temporary employees provided.	9	9	9	9	9	14	9	10	9	9		
Punctuality and attendance of temporary workers.								2				3
Insure compliance with security requirements.		10					12		7			
Replacement workers to avoid interruptions in service.		6	1	4		4	8	2	4			3
Conditions for removing temporary employees.		2				13	22	6		3		4
Provisions for raises and promotions.							2					
<b>VI. INVOICING AND PAYMENT</b>												
Preparation of invoices.	3	19	3	3	5	19	34	15	20	3		3
Pick-up and delivery of payroll documents.							4	1				5
Vendor preparation of all payroll work.		2						7				3
Vendor pays all employment taxes.				5			8	4				
<b>VII. LEGAL REQUIREMENTS</b>												
Vendor insurance requirements.		25		16	8	15	19	18	25	14		
Responsibility for errors and omissions				10		4	12	4	5	4		
Agency restrictions on nepotism.		5										
Compliance certifications.	42	35	11	10	22	28	14	16	130	4	40	7
<b>VIII. CONTRACTOR PERFORMANCE</b>												
General performance criteria.	8							5				
Vendor to return phone calls within specified time.				1								
Quality of services to be performed						17						
Performance monitoring is conducted.										6		
Maintain reports of assignments and requests.								14				
<b>IX. AGENCY RESPONSIBILITIES</b>												
Determine who has expenditure authority.								14		20		
Preparation of vouchers for wage payments.												
Notify contractor of improper behavior.												
Hiring of temporaries as regular employees.	4						3	4				
<b>X. SPECIAL REQUIREMENTS</b>												
Right of the agency to contract with others.						2		4				9
Right of the agency to audit contractor's records	6					15		8				
Temporaries compliance with agency policies.				1			2	4				
Contractor contacts for solicitation of business.								8		2		
Provision for materials and equipment.	2					2	2					
Cancellation/termination provisions.			4	8	2	14	10	20	4	3		3
Parking for temporary workers.				3		1	4	3		5		1
Certification Vendor not tax delinquent.						4			3			

## Appendix A (continued)

### Coding Summary for Analysis of Invitations for Bid

									Total	Avg	Count
Agency	13	14	15	16	17	18	19	20			
Standardized page included.	No	No	No	No	No	No	No	No			
Pages	3	6	7	12	51	10	9	7	252	12.60	20
<b>IFB Sections</b>											
<b>I. BID EVALUATION</b>											
Conditions for bidding requirements specified.									370	37.00	10
Agency reserve right to reject any or all bids.									22	2.20	10
Agency point of contact designated.	6	1			8	6	2	2	74	6.73	11
Specified procedure to follow in case of tie bids.									10	1.00	10
Elements that will serve as evaluation criteria.		5		10	6	2	6		87	7.25	12
Weights of the elements under consideration.		1				4			22	5.50	4
Affirmation nothing of value received for bid submittal.									60	6.00	10
<b>II. CONTRACT PERIOD</b>											
Contract period is specified.	1	1	2	3	2	1	1	4	36	1.80	20
Renewable for how long and under what conditions.	4	2		4	9			9	66	4.71	14
<b>III. TYPES OF WORKERS REQUIRED</b>											
Job titles provided for all types of workers.	2	1	8	13	16	1	12	11	173	9.11	19
Job specifications provided for all types of workers	8	13	12		512	11	31		1,349	96.36	14
Desired skill levels are indicated.		9	9		136		21		365	33.18	11
<b>IV. PRICING</b>											
Associated costs such as travel, labor, etc., included					7				11	5.50	2
Wage rate increases:											
1. Wages good for how long and would they change	1	4		4	1			4	55	3.93	14
2. Wage increases tied to economic indicators.							5		14	7.00	2
3. Formulas are provided for potential increases.				5					13	4.33	3
Agencies exempt from State/Federal excise taxes									20	2.00	10
Minimum wage rates set for temporary workers.	2		9	4	2	2	12	11	47	4.70	10
Overtime wage rates are set.		1	1	7	2	4	2		22	2.44	9
Profit margins must be declared.				11					14	4.67	3
<b>V. PERSONNEL ACTIVITIES</b>											
<b>A. Pre-Placement:</b>											
Vendor responsible for filling orders in specified jobs.			3	5	3				14	2.80	5
Vendor to fill job orders within a specified time period.			3			10	3		134	9.57	14
Conduct criminal background checks.	10				2				23	4.60	5
Testing workers to insure they meet job requirements.			1	2	2				7	1.40	5
Training of temporary workers.									21	5.25	4
Provide agency-specific orientation training.							2		5	1.67	3
Conditions for subcontracting:											
1. General conditions.					13	2	3		41	3.15	13
2. Texas Industries Blind and Handicapped					3				16	4.00	4
3. Historically Underutilized Businesses			53	24	89	4		18	311	31.10	10
Work hours specified.	3	1	2	2	5	3	3		56	3.11	18

Agency	13	14	15	16	17	18	19	20			
Work location specified.		1		1	4	3	11		41	3.42	12
Right of agency to review qualifications				3	8	2	2		18	3.60	5
References provided.			3		32	13	3	4	69	9.86	7
<b>B. Post-Placement</b>											
Condition of temporary employees provided.	3				12	5	15		131	9.36	14
Punctuality and attendance of temporary workers.							2		7	2.33	3
Insure compliance with security requirements.					16		3		48	9.60	5
Replacement workers to avoid interruptions in service.	1			9			7		49	4.45	11
Conditions for removing temporary employees.			2	8	9	10			79	7.90	10
Provisions for raises and promotions.	5								7	3.50	2
<b>VI. INVOICING AND PAYMENT</b>											
Preparation of invoices.		2		10	16	5	9		169	10.56	16
Pick-up and delivery of payroll documents.	4			6	4				24	4.00	6
Vendor preparation of all payroll work.				3					15	3.75	4
Vendor pays all employment taxes.				10	10	13			50	8.33	6
<b>VII. LEGAL REQUIREMENTS</b>											
Vendor insurance requirements.	2	16	6	22	13	8	3		210	14.00	15
Responsibility for errors and omissions.					28	19	8		94	10.44	9
Agency restrictions on nepotism.	1			2		6			14	3.50	4
Compliance certifications.	3	25	106	19	73	22			607	33.72	18
<b>VIII. CONTRACTOR PERFORMANCE</b>											
General performance criteria.						16			29	9.67	3
Vendor to return phone calls within specified time.				3					4	2.00	2
Quality of services to be performed									17	17.00	1
Performance monitoring is conducted.									6	6.00	1
Maintain reports of assignments and requests.									14	14.00	1
<b>IX. AGENCY RESPONSIBILITIES</b>											
Determine who has expenditure authority.							3		37	12.33	3
Preparation of vouchers for wage payments.					6				6	6.00	1
Notify contractor of improper behavior.							2		2	2.00	1
Hiring of temporaries as regular employees.				5	7	4	2		29	4.14	7
<b>X. SPECIAL REQUIREMENTS</b>											
Right of the agency to contract with others.	3		3	3	6		2		32	4.00	8
Right of the agency to audit contractor's records.					9				38	9.50	4
Temporaries compliance with agency policies.							13		20	5.00	4
Contractor contacts for solicitation of business.									10	5.00	2
Provision for materials and equipment.	2			2	2	2	3		17	2.13	8
Cancellation/termination provisions.	4	2	1		34	4	7		120	8.00	15
Parking for temporary workers.				14	3		2		36	4.00	9
Certification Vendor not tax delinquent.					14				21	7.00	3

**Appendix B**  
**Job Titles in IFBs**

<b>Job Title</b>	<b>Number in IFBs</b>	<b>Job Title</b>	<b>Number in IFBs</b>
Accountant	2	General Maintenance Worker	1
Accounting Clerk	2	Groundskeeper	2
Accounting Clerk I	2	Houseparent I	1
Accounting Clerk II	2	Human Resource Management Clerk II	2
Accounting Clerk III	1	Human Resource Management Clerk III	2
Accounts Receivable/Payable Clerk	1	Inventory Clerk	1
Administrative Assistant	2	Laborer	3
Administrative Secretary	2	Laborer, General	3
Administrative Technician	1	Legal Assistant I	1
Administrative Technician I	6	Legal Assistant II	1
Administrative Technician II	6	Legal Assistant III	1
Administrative Technician III	2	Legal Secretary	1
Administrative Technician IV	1	Legal Secretary I	3
Child Support Officer I	1	Legal Secretary II	1
Child Support Officer II	1	Light Industrial Worker	2
Child Support Officer III	1	Mail Clerk	3
Child Support Officer IV	1	Maintenance/Janitor	1
Child Support Technician I	1	Microfilm Camera Operator I	3
Child Support Technician II	1	Microfilm Camera Operator II	1
Child Support Technician III	1	Office Assistant	1
Clerk	1	Painter Helper	1
Clerk I	1	Payroll Clerk	1
Clerk II	1	Purchasing Assistant	1
Clerk III	5	Receptionist	5
Clerk, General	4	Secretary	1
Clerk, General/Secretary	1	Secretary I	3
Clerk, General Office	1	Secretary II	2
Clerk, Senior	2	Secretary III	5
Clerk Typist	4	Secretary, Executive	2
Clerk Typist II	2	Secretary, Senior	1
Clerk Typist, Senior	1	Secretary/Receptionist	1
Clerk Typist/Receptionist	1	Secretary/Word Processor Operator	1
Computer Operator, Basic	1	Secretary, Senior/Word Processor Operator	1
Computer Service Technician	1	Shipping and Receiving Clerk	1
CRT Operator/Data Entry Clerk	1	Social Service Technician I	2
Custodian	1	Social Service Technician II	2
Custodian I, Building	1	Specialized Secretary	1
Customer Service Representative	1	Statistical/Accounting Clerk	1
Data Entry Clerk	1	Statistical Clerk	1
Data Entry Clerk I	2	Statistical Clerk I	1
Data Entry Clerk II	2	Statistical Clerk II	1
Data Entry Operator	1	Stock Clerk/Truck Driver	2
Data Entry Operator I	2	Switchboard Operator	5
Data Entry Operator II	2	Switchboard Operator/Receptionist	4
Data Entry Operator III	2	Technical Writer	1
Dictaphone/Statistical Typist	1	Transcription Typist	1
Executive Assistant I	1	Warehouse Clerk	1
Executive Assistant II	1	Warehouse Laborer and Forklift Driver	1
File Clerk	1	Word Processor Operator I	2
File Clerk I	1	Word Processor Operator II	2
File Clerk II	1		
		<b>Total Job Titles</b>	<b>173</b>

## Appendix C

### Transcripts of Interviews with TWC Temporary Workers

#### 1. Demographics:

Age	47	25	40
Sex	Male	Female	Female
Educational attainment	Masters	Bachelors	Bachelors
Usual occupation	Self-employed/ State employee	Student	Sociologist

#### 2. Is this your first job as a temporary?

Response 1: No, it's not.

Response 2: Yes.

Response 3: I actually had another temporary job, which was with the Texas Employment Commission in Bryan. That was a full-time temporary, which I never understood. At that time we didn't get any benefits, so that's why it was a temporary position. I did unemployment insurance benefit claims. I did that I would say for about nine months until I got a probation job, that was back in the 80s.

#### 2a. If not, how long have you worked as a temporary employee on all jobs combined?

Response 1: Nine month there and four or five months here, I started in November.

Response 2: About eight months, four months with the Texas Employment Commission and about four months now with the TWC (Texas Workforce Commission).

#### 2b. Have you ever worked with another temporary help service, besides Kelly Services?

Response 1: This is the first experience with that. Kelly is my first experience.

Response 2: No.

#### 2c. If so, how has your experience with Kelly been different?

[None had ever worked for another temporary help service.]

### **3. Why are you working as a temporary?**

Response 1: I was offered a job as a temporary, and I was ready to get into work. I thought starting as a temp may enhance my chances to get a regular job. So I started at a TWC local office

Response 2: I was working as a social worker and got burned out with that. I went to private industry. When I was private industry I was doing contract work, which was good, but actually the better I did my job, the less they needed me. I could tell they were phasing my hours out, so it was just kind of supplement. It ended up that the timing was just about right, they let me go in February. So it was primarily a supplement and I was looking a lot at the benefits, the state job had them.

Response 3: Well, the reason I'm working here now as a temp is because I wanted to come back and become a regular employee with the state of Texas again. TEC is what I have just always considered my second home, my home away from home, so to speak. So I went through HR (Human Resources) with TWC and made them aware that I was looking for temporary work because really that's one good way to get back in as a regular employee, to start off as a temp. So I started back as a temp through HR with LMI as a TWC temporary employee. And so that's why I'm working as a temp by choice, to get back on as a regular state employee with TWC. I would never have gone to work for another government agency or private company as a temp. I'm only here as a temp because I hope that my three years previous experience and my masters degree in public administration, here I am applying for a job, that it would work out for me and I think it will eventually.

### **4. When you were initially hired by TWC, were you applying for permanent or temporary work?**

Response 1: Yes, I was applying for permanent work.

Response 2: No, no, I had not applied for...well, you know I may have applied for a couple of regular positions because Tim Smith from HR, I would get a little letter from him every now and then saying that on a batch-match type of thing that my name had come in the computer, and I did apply I believe for a couple of regular positions, did not get it, then eventually I got the temporary thing.

Response 3: No, I was looking to supplement my income. I didn't specifically ask for it. I was satisfied with a position I wasn't looking for anything else. It just kind of fit at the time. The fact that it was temporary didn't bother me because I had the other job.

### **5. How did you end up at TWC?**

Response 1: I was actually doing part of my job as a social worker with a contractor I was working with and I went by a senior activity across the street from that was an

employment office. I thought I would go in and see what the postings were. Kind of a fluke.

Response 2: By design, right, right. That's where I want to work. That's where I want to be when I'm not at home.

Response 3: A woman wanted to hire me for her business, and my sister helped me to get on at TWC. So, it was sort of through another source.

**6. What caused you to seek work at a state agency?**

Response 1: Well, back in '92 I had, my spouse and I had owned our own business. We had a little sandwich shop over on Wells Branch. The 15 hours, seven days a week, 15 hours a day type thing finally got to us after a couple of years and she went to work in the high tech field. I had decided that I would pursue government employment, you know I have a masters of arts degree in public administration. And so I thought I would pursue government employment. I went to TEC and applied, you know, did the application thing and all that. About a week later I got a call, there had been a disaster up in the Panhandle and in the Valley, I think the Panhandle had flooded and the Valley had frozen.

All of this was in '92, it was a farming disaster. And they asked me would I consider working as just a temporary employee, the job would last about three or four months. Helping out these people with their processing of paperwork for their disaster assistance. I said, "God I would love it, put me on it." And that's how I went to work for TEC in '92 as a temp and four months later I was tapped on the shoulder and said how would you like to work here full-time, regular, and I said, "You got it."

Response 2: That was not relevant for me.

Response 3: It wasn't an attraction, believe me. It was just curiosity about what was out there.

**7. Would you accept permanent work at TWC, either such as your current work or in a different field?**

Response 1: Yes.

Response 2: Either in UI (Unemployment Insurance) or LMI (Labor Market Information), those are the only two places I'm applying. Here and, in fact I just sent in an application today for the LAUS (Local Area Unemployment Statistics) position that's coming open under Larry, and just sent in my application for that. And, of course, anything in LMI which I've got the OJT (on-the-job training) here now and I feel like I could fit in somewhere and be of benefit to the department. Or UI, of course, where I've got the three years experience previous '92 to '95. Those are really the only two places I'm applying, although some of the things I've applied for I'm not sure if, I think they're

UI, but they could be in another department. But I think it's all UI and LMI. But I'm not applying at any other government agencies or any private companies for that matter.

Response 3: Yes.

**8. Have you applied for permanent work at TWC?**

Response 1: Yes.

Response 2: Yes.

Response 3: Oh sure, oh yeah. Gosh, I send in probably at least, on the average, three applications a week probably, once again UI and LMI.

**9. Have you applied elsewhere? If so, where?**

Response 1: No sir, no sir, have not.

Response 2: Not outside the agency.

Response 3: Yes. I have put in with particularly the Department of Public Safety and the Attorney General's Office.

**10. What benefits did you receive as a TWC temporary employee?**

Response 1: As a TWC temp we had all the things that regular employees have. We had the sick days that we began accumulating right away. They even put me on eight hours a month of sick leave and vacation leave due to my prior service, and I wasn't even expecting that because it was no longer TEC, it was TWC. But yeah, we had the same benefits. We were under a very good benefits package, the same as regular employees are. I had the option to pick whichever health insurance I wanted, I think I went with Health Select Plus, I believe. Just an excellent, excellent benefits program.

Of course that's one of the reasons a lot of people want to go to work for the State of Texas, or the City of Austin, or the County of Travis, or the federal government is because the benefits are, we know the pay is not equivalent or comparable to the private sector, so I think the benefit package is something to compensate for that. Government employees have a wonderful benefit package, and I think it is well-deserved because we don't get the pay that you would in the private sector, so it kind of evens that out a little bit.

Response 2: Health insurance, vacation and sick leave.

Response 3: Well, we had wonderful benefits. We had the holidays, vacation pay, sick leave. I think we're accruing some retirement. I think the part that's attractive about the benefits primarily for me was the medical coverage. You know when you have them you



don't think they're very valuable until you don't have them, and you realize. To do the Cobra Insurance to keep my benefits was going to be \$169 a month.

**11. How would you rate these benefits (not important, neutral, important):**

**State retirement**

Response 1: Oh gosh, very important.

Response 2: Important.

Response 3: It's not terribly important.

**Paid holidays**

Response 1: Sure.

Response 2: It's very important now.

Response 3: Important.

**Sick leave**

Response 1: Very important, especially at my age.

Response 2: Important.

Response 3: Is important.

**Health insurance**

Response 1: Very important.

Response 2: Yes, anything to do with medical or health is very important because I'm approaching that big five-oh and when you start approaching that you tend to think more. You know you're not going to live forever like you thought you were when you were 22 to 25 or something like that. But, I'm sure, health benefits, medical, dental, vision, all that stuff is so important, but I think the retirement is probably the most important thing.

Response 3: Is very important.

**Annuities (deferred compensation)**

Response 1: I've never done those, but I'm sure there are a lot of benefits. I guess you pay less taxes possibly, or something. Or you pay taxes on what it was twenty years ago,

I don't know how those things work. I'm not an accountant or anything. I know people do those and they're very wise people to do that. I've never done it, I can't really speak to it. It wouldn't be on my top three or four list.

Response 2: Is not terribly important, never has been, unfortunately.

Response 3: Important.

**Other benefits (please specify)**

Response 1: I always enjoyed, when I did social work, having comp time when we did overtime on evenings or weekends. We had the flexibility of taking the time off on Monday morning or Friday. That's a kind of a little bonus you don't appreciate very much until you don't have that either.

Response 2: I can't think of anything else. I mean if you've got leave, if you can take vacations with your family, if you've got sick leave, the medical, the dental, the vision, the retirement – you know you're building toward a retirement to supplement your SS. I don't know what else there is, I'm sure somebody else could come up with something, but to me that's, I'm a fairly simple guy when it comes to these matters, and that's it for me.

Response 3: None.

**12. What benefits do you have as a temporary with Kelly Services?**

Response 1: We are paid once a week.

Response 2: With Kelly Services, if we work for them, for I don't know how many years, we get vacation or sick, I don't even know. It was so outrageous. We have the option of buying insurance through them and it just didn't seem very beneficial. I think the biggest problem with Kelly Services is if you, the state, have a holiday and we don't work, we cannot make it up. I don't have any medical coverage.

When I left the Austin State School, I had an option of doing the Cobra thing again and I did for three or four months, but really right now my health is good. So really the only thing I was using it for was my allergies. I kind of juggled with that as far as it being beneficial or not being beneficial and to spend that much money on that as opposed to something else. I had it for the four months, then I went on with the TWC benefits so I dropped them. I had the choice of picking them up again, and I thought hopefully by x-number of months I'll have benefits again. There a risk thing.

Response 3: Well none right now, of course I'm going through Kelly. I don't even know if we're considered TWC temps any more. The way I understand it, we're Kelly temporaries. For example, if I'm going to be sick one day I think I'm supposed to call Kelly, then Kelly contacts you folks. Being that I am blessed with good health, I haven't

been through that yet but, since going over to Kelly on February second, but as far as I know we don't have any benefits. I think we have to work for Kelly for like 15 months or 1,500 hours, or I forget what it is. I don't pay much attention to those things, to be honest with you, before we can even take a sick day or take a vacation day from Kelly. It wouldn't be from TWC, it would be through Kelly. I don't know if that makes sense or not. I mean I would be taking a vacation from here, but, and I guess it would have to be worked with my supervisor as to when I could take that vacation. But Kelly would be the one that would pay me, I guess. I don't know. Because like I said we're talking, I think I figured it up, it would be like the end of the year, the end of '98, before I would even have a sick day that I could take off and actually be paid for if I were sick. Or take a vacation day and be paid for that. Right now if I take off anything I'm just not paid. I'm not paid at all. Which, you know, as a temp, that's the life you live and that's fine. I'm not upset about or have any animosity about it, that's just the way it is.

**13. What do you have to do to qualify for benefits with Kelly Services?**

Response 1: They offer an insurance program, but it would cost me \$150 out of my pocket. It is not deducted. The insurance is actually through a contract with an insurance company and not through Kelly.

Response 2: You have to accrue several thousand hours and be an employee with them for a lengthy time. It's in the brochure. If that's all you did and that's all you wanted, that's okay. I think we're all looking for something more permanent, so I don't anticipate we'll ever hit that mark.

Response 3: Fifteen hundred hours, or 1,500 work hours, or something like that. It's an astronomical figure, something that I just put down so that I don't have to worry about that for several months. I did some quick calculating and I think it's like in December, or something like that, of '98 that if I got sick I could actually take a day off and be paid for it. I'm not even sure if I could get a full day. It might be like a half a day or something. To be honest, and maybe I'm slack in that respect that I have not looked at that, but it just didn't seem to be that much of a priority if it was going to be 1,500 hours. The only thing that would keep me from coming in here was, well a bus would have to run over me I guess or something. Cause if you're not here you don't get paid.

**14. What was your pay as a TWC temporary?**

Response 1: \$1,721 a month.

Response 2: The same as it is now.

Response 3: \$1,721 a month, same as it is now. TWC was very kind in that respect. As far as I am concerned TWC could have said, "Look you're going to work as a temp through Kelly, they're going to pay you." They could have done that as far as I'm concerned. Now maybe there was somebody else who might have stood up and said they

were going to hire an attorney and said, "You can't do that!" But I'm not like that. If TWC had said if you're going to work here, you're going to work here through Kelly as a temp and they'll tell you what you're going to be paid, I would have lived with that. But TWC was very kind and gracious in saying we're going to keep you on at your same income and I thought that was a wonderful gesture. Because TWC knew we were not going to have benefits and I think keeping us at that salary was a blessing to me and to every other temp who works here.

**15. What is your pay with Kelly Services?**

Response 1: The same because TWC negotiated that for us.

Response 2: \$1721 a month, the same as it was with TWC. My take home is a little higher actually, because they don't take anything out.

Response 3: I don't know exactly what my take home is, but it is more because they are not taking out for retirement, or for benefits. The only thing they take out for is taxes. It probably comes out to maybe less than \$100 dollars more. We do take home more.

**16. Have you had any contact with Kelly Services?**

Response 1: Yes.

Response 3: Not really. We do direct deposit, and they mail us our check stub and our time card that we turn in every week. We asked about doing some additional work that one or two days we had a holiday in February, but that was not to be. Just the mail correspondence to take care of our payroll time sheet. The work they had was handing out leaflets at a Petsmart for \$40 in South Austin.

Response 3: They have never called me. I did call them once because we were going to be off for a holiday. Now there's another difference. When the office is going to be closed for a holiday, a real holiday where everybody is off, the temps don't get paid. So I called Kelly to see if they might have a one-day assignment for me for that day so I could make up for what I lost here. They actually had a couple of things, but they were way down in South Austin and I live north, so I turned it down. It was only going to pay about \$7 an hour, and by the time you pay for gas and eat lunch, it was pretty much gone. So I did call them for that, to see if they had a one-day assignment. But they have never contacted me about anything.

**16a. What have your experiences been?**

Response 1: I will say one thing for them, they are the fastest turnaround company on payroll that I have ever worked for in my life. We have a timecard that we have to turn in to our supervisor on Friday and she returns it back to us on Friday, we put it in the mail and I know it doesn't leave Austin until sometime Friday night or Saturday. It has to go

to Houston and, do you know, they have a check back to us on Tuesday. I am very impressed with the turnaround on the check, and it is just like clockwork. It is always here on Tuesday. And it's coming in regular mail to my home in a regular envelope.

Response 2: My experience has been good.

Response 3: I think it is a very professional group. They are very receptive. I don't have any complains about them other than we just don't have any benefits. I don't expect them to be my employer very much longer because of that.

**17. Has Kelly offered you any training?**

Response 1: Yes, they offered computer training.

Response 2: Well, they haven't given me anything in writing. When we first went to our changeover training, when we were going from TWC to Kelly They said that we could come down there any day of the week from 7 a.m. to 7:30 and get on the computers, practice on the computers and things like that. But as far as getting anything in the mail saying we were going to have a class on Saturday or have something on Wednesday night, no, I haven't received anything from them concerning training.

Of course, it really doesn't apply to me because I live north. We could go down there from 7 to 7:30 in the morning, there's a thirty minute window there. Their office is in South Austin, off Barton Springs Road. They said you could come down here, come in, and get on the computer, but of course I have never done it because I start here at 7 a.m. That's the only thing I can remember they ever said anything about training, I haven't received anything in writing from them.

Response 3: They have a brochure on training to increase your skills. I think I looked into that for computer knowledge and it was all like afternoons. It was not convenient for our work schedules.

**18. What training have you received from TWC?**

Response 1: Pretty much on the job training with what we do. In addition to that in OES we did the SIC (Standard Industrial Classification) coding training. I think that's all I've done.

Response 2: A lot. Some computer training and basic work duties, it was all on the job training.

Response 3: None, except for on the job training. No one has said we are going to send you to this class or that class, and I didn't really expect it. I don't why you would want to train a temp because they are temps. My feeling is wait until the person gets on regular, lasts their probation, and gets off probation. You know they are going to do the job, then

let's talk about training. So I haven't expected any and was not surprised no offer was made.

**19. What training do you feel would have helped you with your work?**

Response 1: There's nothing like on the job training with what you are doing specifically. I mean you can read up on manuals and that kind of thing, but unless you actually are applying it. I think a lot of the training the other people are going to is very beneficial for their positions. We had training on our new phones.

Response 2: Well, of course, any computer training that you can get would help. Although the job that I am doing, I don't need to go into the things that the people with the newer computers get into. For what I am doing I can go into the employer master file, I can go on the screens I need to do when I am calling employers and gathering data. To do what I am doing, there is nothing really that could help, that could further what I am doing. Because I can go to the screens I need to go to, and the OJT that I have been given by the senior analysts and supervisors have been more than enough to allow me to do a job and to be of benefit to that unit. I would say that there is no training that I could get that would help me to do that particular job. Now if I were to get on regular, to where I was going to be involved in publications, or something more fancy on the computer, then definitely computer training and maybe some publication type training, putting together a publication, which I have never done before.

Response 3: Probably more computer training, Excel in particular.

**20. How have you been received by your co-workers?**

Response 1: Couldn't be better. The people here at LMI remind me so much, it's a little bit different personality group I guess, if you want to look at it that way, but basically they are so good at heart. They are the same as the UI people when I first went to work for TEC in 1992. People didn't seem to have any hangups or fears about giving you knowledge. Sometimes you run into that, people do not want to release that knowledge, they want to keep it to themselves. Here and all of my experience with TEC or TWC, people will bend over backwards to help you learn something, to give you all the knowledge they have, and to give it to you all at once if you want it. Not little bits and pieces at a time, which some people do. If you want it all, they'll give it to you all. I have never been denied the answer to a question I have asked. Even my first day on the job here, I probably asked some questions I shouldn't have, but they got answered. I didn't even know what I was talking about pretty much. I have really been received very well, I would be surprised if anybody ever said anything different because they are just wonderful people.

Response 2: I've been treated as an equal.

Response 3: I think the same. They are pretty receptive. The more they help us with, the more we are able to help them. It's a very nice group to work with, they appreciate the stuff you do extra for them.

**21. Do your supervisors treat you differently from the permanent employees?**

Response 1: None, we're treated under the very same philosophy, the same management style. We get breaks the same as the regulars, we the lunch hour the same as the regulars. I have not been treated any differently from just my observation of the way everybody is treated. I just feel like I'm part of the group, part of a team, that's the way I feel.

Response 2: No.

Response 3: No, not at all.

**22. Any additional comments?**

Response 1: Well, the paycheck difference is due to the lack of benefits. No benefits is a downfall. As a temp I feel it is okay to apply for other positions. I guess one thing I can say for Kelly is that they are punctual, the checks are received every Wednesday.

Response 2: No, not really.

Response 3: It would be nice to have the benefits package. Who wouldn't want the benefit package, that is so obvious. I understand the reason for it. I know TWC and I know other government agencies well enough to know that there must have been some underlying factors, maybe from the legislature, or coming from somewhere, that the benefit package had to dropped for temporary employees. Let's look at it realistically here, the people that you really have to take care of first are your regular employees. A lot of times there is just not enough for everybody, so the first people who would be cut off or cut out would be the temporaries, and that makes perfect sense to me. You want to take care of your people, especially those who have been around five plus years. The higher you go, the better they ought to be taken care of. When you have a person who has been here twenty years, please take care of those people. Make sure they've got retirement proper, make sure they've got their pay proper. Temps will taken care of eventually. I would love to have a benefit package, but to me you take care of the regulars first. If anybody has to be dropped off, let it be the temps first. I really wouldn't want to change anything, I do want to get on regular and I think that will happen eventually. But speaking to the temp situation, I think that being paid the same thing that I was being paid as a TWC temp is the best TWC could do. I think if they could have done better, they would have done better. I think there were some underlying factors, things that I don't even need to know about that probably caused them to do what they had to do. There is certainly no animosity on my part toward. There's no hard feelings. Life is life, you have to be realistic. I'm happy, I'm happy with the situation temporarily.

# INVITATION FOR BIDS TEXAS WORKFORCE COMMISSION

**RETURN SEALED BIDS TO:**  
TEXAS WORKFORCE COMMISSION  
PURCHASING SECTION  
101 EAST 15TH STREET, RM 470  
AUSTIN, TEXAS 78778-0001

**OR HAND DELIVERIES/EXPRESS MAIL BID TO:**  
SAME

**BIDDERS MUST FILL IN ALL AREAS**

**IF BIDDING, RETURN SEALED BIDS TO THE ADDRESS ABOVE**  
If bidding, each bid must be placed in a separate envelope with bid number annotated immediately below the return address on the SEALED BID ENVELOPE.  
Bidder agrees to comply with all conditions shown on front and back of this form.  
By signing this bid, bidder certifies that if a Texas Address is shown as the address of the bidder, the bidder qualifies as a Texas resident bidder as defined in Rule 1 TAC 111.2.

**Bid / Solicitation Opening Date:**  
**JULY 31, 1997**  
**3:00 P.M.**

**Bid / Solicitation No:**  
**320-7-73318**

- CHECK BELOW IF PREFERENCE CLAIMED UNDER RULE 1 TAC 113.8
- ☐ Supplies, Materials or equipment produced in Tx/offered by Tx bidder
  - ☐ Historically Underutilized Business certified by GSC
  - ☐ USA produced supplies, materials or equipment
  - ☐ Products of persons with mental or physical disabilities
  - ☐ Products made of recycled materials
  - ☐ Energy Efficient products

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Bidder agrees to comply with all conditions shown on front and back of this form.  
By signing this bid, bidder certifies that if a Texas Address is shown as the address of the bidder, the bidder qualifies as a Texas resident bidder as defined in Rule 1 TAC 111.2.

**BIDDER MUST SIGN BID MANUALLY OR BID WILL BE DISQUALIFIED**

<b>SIGN HERE</b>	<b>Authorized Signature and Title</b>	<b>Date:</b>
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**QUOTE F.O.B. DESTINATION FOR SHIPMENT TO:**  
TEXAS WORKFORCE COMMISSION  
SEE ATTACHED IFB

**INVOICE ADDRESS:**  
TEXAS WORKFORCE COMMISSION  
ACCOUNTS RECEIVABLE  
101 EAST 15TH STREET, RM 446  
AUSTIN, TEXAS 78778-0001

ITEM NO.	CLASS & ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	EXTENSION
1	964 - 30,59,78,99	Provide Temporary Personnel in accordance with attached Invitation for Bids.	1	lot		
		BID				
		Total Services Cost: \$ _____ Calculated from Attachment C.				
		Be sure to return Attachment C & D with your bid. Be sure to provide answers to all questions in the IFB, and include an Implementation Plan.				

**DELIVERY IN \_\_\_\_\_ DAYS**  
**CASH DISCOUNT \_\_\_\_\_ % \_\_\_\_\_ DAYS**

**AGENCY USE ONLY**

<b>ACCEPTED BY:</b>	<b>DATE</b>
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## BIDDING REQUIREMENTS

Bidder must comply with all rules, regulations and statutes relating to purchasing in the State of Texas in addition to the requirements of this form. Bidder guarantees product/service will meet or exceed specifications identified in the Invitation for Bids.

Bidders must price per unit shown. Unit prices shall be in the event of extension errors.

Bids should be submitted on this form. Bids must be received at the TWC office on or before the hour and date specified for the bid opening.

Late and/or unsigned bids will not be considered under any circumstances. Persons signing bid must have the authority to bind the firm in a contract.

Quote F.O.B. destination, freight prepaid and allowed. Otherwise, show exact delivery cost and terms.

Bid prices are requested to be firm for TWC acceptance for award from bid opening date. "Discount from list" bids are not acceptable unless requested. Cash discount will not be considered in determining the low bid. All cash discounts received will be taken if earned.

Bids should give Payee ID Number, full firm name and address of bidder on the face of this form. Enter in the block provided if not shown. Additionally, firm name should appear on each continuation page of a bid. Failure to manually sign bid disqualifies it. The payee ID Number is the taxpayer number assigned and used by the Comptroller of Public Accounts of Texas. If this number is not known, complete the following:

--	--	--	--	--	--	--	--	--	--

Enter Federal Employer's Identification Number

--	--	--	--	--	--	--	--	--	--

Sole owner should also enter Social Security Number

Bid cannot be altered or amended after opening time. Modifications made before opening time should be initiated by bidder or this authorized agent. No bid can be withdrawn after opening time without approval by TWC based on written consent.

Purchases made for State use are exempt from the State Sales Tax and Federal Excise Tax. Do not include tax in bid. Sales Tax Exemption Certificate will be furnished by TWC on request.

The State reserves the right to accept or reject any or part of a bid, waive minor technicalities and award the bid to serve the interests of the State.

Inconsistent and continued tie bidding could cause rejection of bids by TWC and/or investigation for antitrust violations.

Telegraphic bids may be submitted in accordance with Rule 13.5(a) (6).

Facsimile service if offered for each bid is provided as a convenience only. If offered, the phone number for FAX submission will be included in the IFB. This is the only number that will be used for the receipt of bids. The State shall be responsible due to failure of electronic equipment or operator error. Late, illegible, incomplete, or otherwise non-responsive bids will not be considered. **CONFIRMATION FOR OPENED BIDS IS NOT REQUIRED.**

## SPECIFICATION

Catalogs, brand names or manufacturer's references are descriptive only, and is used to indicate type and quality desired. Descriptions on brands like nature and quality will be considered unless specified under Section 2155.067, Title 10, Subtitle D of the Texas Government Code. If bidding on other than references, bidder should show manufacturer, brand or trade name, and other description of product offered. If other than brand(s) specified is red, illustrations and complete description of product offered requested to be made part of the bid. Failure to take action to specifications or reference data will required bidder specify brand names, numbers, etc.

Unless specified, items bid shall be new and unused.

Electrical items must meet all applicable OSHA standards and regulations, and bear the appropriate listing from UL, ENEC or NEMA.

2.4. Samples, when requested, must be furnished free of expense to the State. If not destroyed in examination, they will be returned to the bidder, on request, at bidder's expense. Each sample should be marked with bidder's name and address and requisition number. Do not enclose in or attach bid to sample.

2.5. The State will not be bound by any oral statement or representation contrary to the written specifications of this Invitation for Bids (IFB).

2.6. Manufacturer's standard warranty shall apply unless otherwise stated in the IFB.

3. **BIDS PERTAINING TO SERVICE CONTRACTS** - There will be NO AUTOMATIC RENEWAL of service agreement. Renewal option, if any will be between the Vendor and TWC. Unless otherwise stated in the Invitation for Bid, either party may terminate the contract by providing 30 days prior notice, however, cancellation shall be immediate if non-performance by the vendor is evident. This contract is subject to cancellation, without penalty, either in whole or in part, if funds are not appropriated by the Texas Legislature or the US Department of Labor, or otherwise made available to TWC for this use.

4. **TIE BIDS** - In case of tie bids, the award will be made in accordance with Rule 1 TAC Section 113.6 (b)(3) and 113.8 (preferences).

## 5. DELIVERY

5.1. Show number of days required to place material in TWC's designated location(s) under normal conditions. Failure to state delivery time obligates bidder to complete delivery in 14 calendar days. Unrealistically short or long delivery promises may cause bid to be disregarded.

5.2. If delay is foreseen, vendor shall give written notice to TWC. Vendor must keep TWC advised at all times of status of order. Default in promised delivery (without accepted reasons) or failure to meet specifications authorizes TWC to purchase the product/service elsewhere and charge full increase, if any, in cost and handling to defaulting vendor.

5.3. No substitutions or cancellations are permitted without written approval of TWC.

5.4. Delivery shall be made during normal working hours only, unless prior approval for later delivery has been obtained from TWC.

6. **INSPECTION AND TESTS** - All goods and services will be subject to inspection and test by the State. Authorized TWC personnel shall have access to any supplier's place of business for the purpose of inspecting merchandise. Tests shall be performed on samples submitted with the bid or on samples taken from regular shipment. All costs shall be borne by the vendor in the event products tested fail to meet or exceed all conditions and requirements of the specification. Goods delivered and rejected in whole or in part may, at the State's option, be returned to the vendor or held for disposition at vendor's expense. Latent defects may result in revocation of acceptance.

7. **AWARD OF CONTRACT** - A response to this IFB is an offer to contract based upon the terms, conditions and specifications contained herein. Bids do not become contracts unless and until they are accepted by TWC through issuance of a purchase order or contract number. The contract shall be governed, construed and interpreted under the laws of the State of Texas.

8. **PAYMENT** - Vendor shall submit two copies of an itemized invoice showing the State order number on all copies. The State will incur no penalty for late payment if payment is made in 30 or fewer days from receipt of goods or services and an uncontested invoice. For restrictions regarding prepayment, see Section 12, below.

9. **PATENTS OR COPYRIGHTS** - Vendor agrees to protect the State from claims involving infringements of patents or copyrights.

10. **VENDOR ASSIGNMENTS** - Vendor hereby assigns to TWC any and all claims for overcharges associated with this contract which arise under the antitrust laws of the United States 15 U.S.C.A. Section 1, et seq (1973), and which arise under the antitrust laws of the State of Texas, Tex Bus & Comm Code Ann Section 15.01, et seq (1967). Inquiries pertaining to IFBs must give requisition number, codes, and opening date.

11. **BIDDER AFFIRMATION** - Signing this bid with a false statement is a material breach of contract and shall void the submitted bid or any resulting contracts, and the bidder shall be removed from all bid lists. By signature hereon affixed, the bidder hereby certifies that:

11.1. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted bid.

11.2. The bidder is not currently delinquent in the payment of any franchise taxes owned the State of Texas under Chapter 171, TAX Code.

11.3. Neither the bidder nor the firm, corporation, partnership, institution represented by the bidder, or anyone acting for such firm, corporation or institution has violated the antitrust laws of this State, codified in Section 15.01, et seq, Tex Bus & Comm Code, or the Federal Antitrust Laws, nor communicated directly or indirectly the bid made to any competitor or any other person engaged in such line of business.

11.4. The bidder has not received compensation for participation in the preparation of the specification for the Invitation for Bid.

11.5. Bidder agrees to protect, indemnify and hold TWC harmless from and against any and all claims, demands and causes of action of every kind (including the cost incurred by TWC in defending against same) occurring or otherwise incident to, in connection with or arising out of the services to be performed by contractor (bidder), or its employees and agents.

11.6. Bidder is not debarred from transactions by any Federal, Department or agency under Executive Order 12549, Debarment and Suspension, 34 CFR Part 85, Section 85.510.

11.7. Bidder is in compliance with Equal Opportunity Clause (Executive Order 11246) applicable to all contracts or purchases in excess of \$10,000.

11.8. Under Section 231.006, Family Code, relating to child support, the bidder certifies that the individual or business entity named in this bid is not ineligible to receive the specified payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.

11.9. Bid must include names and Social Security Numbers of each person with at least 25% ownership of the business entity submitting the bid. Bidders that have pre-registered this information on the GSC Centralized Master Bidders List have satisfied this requirement. If not pre-registered, complete the following:

Enter name above, and Social Security Number below.

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Enter name above, and Social Security Number below.

--	--	--	--	--	--	--	--	--	--

Enter name above, and Social Security Number below.

--	--	--	--	--	--	--	--	--	--

Enter name above, and Social Security Number below.

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12. **NOTE TO BIDDERS** - Any terms and conditions attached to a bid will not be considered unless the bidder specifically refers to them on the front of this bid form.

**WARNING:** Such terms and conditions may result in disqualification of the bid (e.g. bids with the laws of a State other than Texas, requirements for prepayment not defined in or allowed in this IFB, limitations

**INVITATION FOR BID  
TEMPORARY PERSONNEL SERVICES  
TEXAS WORKFORCE COMMISSION**

**1. GENERAL INSTRUCTIONS**

The purpose of this Invitation for Bids (IFB) is to supply the temporary employment needs of the Texas Workforce Commission in its offices in Austin, Texas. The selected supplier will be expected to supply all of our needs for quality temporary employees in a timely and cost-effective manner, and to coordinate with other suppliers, including Texas Industries for the Blind and Handicapped (TIBH) and Historically Underutilized Businesses (HUB) in ordering of any temporaries not available from its own employee pool.

- 1.1. The individual listed below may be telephoned or visited for clarification of the specifications only. No authority is intended or implied that the specifications may be amended or alternate accepted prior to bid opening without written approval of the Texas Workforce Commission. Any changes or interpretations made in the form of a Change Notice to this IFB will be mailed to all known bidders.

Texas Workforce Commission  
Attn: Mr. Allan Robinson  
Purchasing Manager  
101 East 15th Street, Room 470  
Austin, Texas 78778-0001  
Phone: (512) 463-9992  
E-mail: [allan.robinson@twc.state.tx.us](mailto:allan.robinson@twc.state.tx.us)  
FAX: (512) 475-3502

- 1.2. Bidders should carefully read the information contained herein and submit a complete response to all requirements as directed.
- 1.3. All bids and supporting material submitted become the property of the State. Bidders must clearly mark "Confidential" any portion of the IFB response considered to contain confidential or proprietary information. All information, documentation and other material submitted by bidder in response to this solicitation or under any resulting contract, may be subject to public disclosure under the Open Records Act.
- 1.4. TWC will not be responsible for any vendor expenses relating to solicited information, bid development, or demonstrations which may result from this procurement action.
- 1.5. Bids or bidders may be disqualified for any of, but not limited to, the following reasons:
- 1.5.1. Failure to attend and sign log for mandatory prebid conference.
- 1.5.2. Collusion among bidders.
- 1.5.3. Submission of an unbalanced bid (bids submitted with hourly rates bid which appear out of line with other bids submitted or with industry standard rates).
- 1.5.4. Failure to comply with, or inclusion of terms and conditions in conflict with, the rules and statutes of the State.
- 1.5.5. Bids which are qualified with conditional clauses, alterations, in terms not called for in the IFB documentation.
- 1.6. Each bid should be responsive to this IFB providing a straight-forward and concise description of Bidder's ability to meet the requirements of the IFB. Emphasis should be on completeness, clarity of content and responsiveness.

- 1.7. No bid may be changed, amended, modified by telegram or otherwise, after the same has been submitted, except for obvious errors in extension. However, a bid may be withdrawn upon written request and resubmitted at any time prior to the bid opening date and hour. No bid may be withdrawn after the bid opening without approval by TWC which shall be based upon bidder's submittal, in writing, of an acceptable reason.
- 1.8. The TWC reserves the right to accept or reject in whole or part any bids submitted, and to waive minor technicalities when in the best interest of the State. TWC reserves the right to accept all, or any part of the Bidder's response at the quoted prices. Representations made within the IFB will be binding on responding bidders. TWC will not be bound to act by any previous communication or bid submitted by bidders other than this IFB.

2. **MANDATORY PREBID CONFERENCE:**

**PREBID CONFERENCE AND INSPECTION:** A MANDATORY PREBID CONFERENCE WILL BE HELD AT THE - Texas Workforce Commission, 101 East 15th Street, Room 644, Austin TX, on Thursday July 17, 1996 at 10:00 a.m. All bidders will be required to attend the public conference. All bidders attending the prebid conference will be required to sign a register. **FAILURE TO ATTEND OR SIGN THE REGISTER FOR THE PREBID CONFERENCE WILL RESULT IN BID BEING DISQUALIFIED.**

3. **SUBMITTAL INSTRUCTIONS**

- 3.1. The agency will utilize a team to evaluate bids, therefore bidders are to submit an original and ten (10) copies of their bid.
- 3.2. Attachments C & D enclosed herein must be returned with all prices provided.
- 3.3. All information requested and questions asked within the IFB and listed on Attachment B must be answered.
- 3.4. Bidder is to provide a Temporary Personnel Services Implementation Plan defining Bidder's intended performance. Implementation Plan must include a positive statement defining management plans and policies, recruitment, staff testing, training and evaluation program, quality control plan, methodology for ensuring performance, and plan to market its services to the agency department heads.
- 3.5. If TWC requires additional information to clarify the bid, the Bidder must respond to the request within five (5) business days. Failure to respond to the request will be cause to disqualify the bid from further consideration.
- 3.6. Bids must be signed by the Bidder's company official(s) authorized to commit such bids. Failure to sign the bid will automatically disqualify your bid.
- 3.7. Bids shall show clearly the Bid Number and Bid Opening Date on the outside and under the bidder's name on the return address portion of the envelope.
- 3.8. Any bid received at the designated place after the established opening date and time is a late bid and will not be considered under any circumstances.
- 3.9. Late bids properly identified will be returned to Bidder unopened.

4. **PRICING:**

- 4.1. All bids, inclusive of pricing shall remain firm for acceptance for a period of 120 days from bid opening date.
- 4.2. Bidders must provide pricing on Attachment C & D. Prices quoted shall reflect the full scope of work to be performed as defined in this IFB, inclusive of all associated costs for travel, labor, insurance, federal FICA or social security taxes, overhead, profit and bonding, if required and so identified. The rate quoted on Attachment D, column F must be the same rate indicated in Attachment C, column G.

- 4.3. Rates stated on Attachment C & D are firm for the duration of the contract, except in event of government mandated increase in minimum wages and/or federal FICA or social security tax rates, in which case, TWC may allow a proportional rate increase for classifications affected.
- 4.4. Rates for the renewal period(s) shall be for the original bid prices; however, if the option to renew is exercised, TWC will consider (not guarantee) a price adjustment upward or downward after the end of each contract period when correlated with the change in Consumer Price Index for Urban Wage Earners and Clerical Workers, all items (CPI-W, U.S. City Average) published by the Bureau of Labor Statistics, Washington, D.C. 2012 (CPI-W) for the previous 12 month period. The initial rate may be adjusted by the announced changes in the consumer price (CPI-W) reflecting percentage increase up to a maximum of .5% per month (6% maximum annually) or any rate of decrease. Decision to allow a price increase is solely at the discretion of TWC.

The escalation will be calculated as follows:

Percentage increase/decrease = (CPI-W Renew/CPI-W Base) -1.

**DEFINITIONS:**

**CPI-W Renew** = Latest announced CPI-W on the annual anniversary date.

**CPI-W Base** = CPI-W announced for the same month in the preceding year as CPI-W Renew.

**5. BID EVALUATION:**

TWC feels that while cost is the major factor in determining award to this IFB, its interest in receiving the best quality and loyal temporary employees are best served by that employee being well compensated for his/her services. This is best measured by the ratio of TWC's cost for that temporary employee and the profit or margin the contractor charges. Completeness of response and Implementation Plan will also be factors in determining best bid for evaluation purposes.

- 5.1. Cost to the agency as calculated from Attachment C will represent 50% of bid for evaluation purposes.
- 5.2. Cost from Attachment C will be adjusted for bid evaluation purposes by ability of the contractor to provide the best quality temporary employees. TWC's evaluation team will rank the ratio of margin or profit to total bill rate per hour as well as the payrolling percentage markup, and assign proportional scores (0 to 100) based upon bid information submitted in Attachment D. Contractor's ability to provide quality temporary employees will represent 30% of the bid for evaluation purposes
- 5.3. Cost will also be adjusted by completeness of response to the IFB and Implementation Plan submitted with bid. This will represent 20% of the bid for evaluation purposes. TWC's evaluation team will assign values to the Implementation Plan and completeness of bid response. Some factors that will be considered are: contractor's plans and policies, recruitment, plans to transition existing agency temporary staff, staff testing, training and evaluation program, quality control plan, methodology for ensuring performance, contractor's employee benefit plan, ability to provide reports, and plan to market its services to agency department heads.

**6. CONTRACT AWARD:**

- 6.1. The purchase order from this IFB will be issued in accordance with Texas Government Code, Title 10, Subtitle D, Chapters 2151 through 2176 and rules of the General Services

Commission. Award will be made by issuance of a TWC purchase order. TWC will issue purchase order change notice(s) for all changes and/or renewals to this contract.

- 6.2. The quantities TWC has included on (Attachment C) are not firm and are not intended to be a guarantee of any sort. The actual number, type, and duration of temporary services to be contracted shall be solely at the discretion of TWC. There are no guarantees of any quantities to be used during the term of this contract or any extensions thereof.

**7. INSURANCE REQUIREMENTS:**

For services provided on TWC premises, Contractor shall furnish TWC certificates of insurance as set forth below prior to the commencement of any work hereunder and shall maintain such coverage's during the full term of the Contract. The TWC shall be named as an additional insured on all policies of insurance. Certificates of insurance shall not be cancelable without thirty (30) days prior written notice. Upon request, Contractor shall furnish complete sets of its insurance policies to TWC for review.

**Workers Compensation And Employers Liability Insurance**

Contractor agrees to comply with all Workers Compensation laws of the State of Texas and to maintain a Workers Compensation and Employer's Liability policy.

**Commercial General Liability Insurance:** Minimum insurance coverage is required as follows:

General Aggregate	\$1,000,000 Each Occurrence
Prod/Comp. Oper Aggregate	\$1,000,000 Each Occurrence
Personal & Adv. Injury	\$1,000,000 Each Occurrence
Each Occurrence	\$1,000,000 Each Occurrence
Fire Damage	\$500,000 Each Occurrence

**Comprehensive Automobile Liability Insurance:** Automobile Liability insurance shall be included for all owned, non-owned and hired vehicles.

Bodily Injury & Property Damage \$500,000 Combined Single Limit

**8. CONTRACT PERIOD:**

- 8.1. This contract shall be for a two year period beginning on date of award by TWC.
- 8.2. This contract shall be renewable for up to three (3) additional one (1) year periods upon mutual written agreement by both parties.

**9. PROJECT COORDINATOR:**

- 9.1. TWC will exercise its rights and obligations under the Contract through the Deputy Director of Human Resources, or designee who shall serve as Project Coordinator.
- 9.2. All work performed shall be subject to review, coordination and approval by the project coordinator. The project coordinator will in all cases, determine the amount, quality, acceptability, and appropriateness of the work which is to be paid. The project coordinator will resolve all questions which may arise as to the fulfillment of the Contract by the Contractor. The project coordinator's determination and decision will be final and conclusive.
- 9.3. In the event work performed by the Contractor does not conform to the requirements of the contract as determined by the project coordinator, TWC, at its option, may request the Contractor to re-perform such work at no additional charge to TWC or request a deduction from the contract price.

**10. ASSIGNMENT:**

No rights and privileges granted to Contractor may be transferred or assigned without obtaining the written consent of TWC prior to such transfer or assignment. Any attempt to transfer or assign any rights or privileges under this Contract without having first obtained written consent of TWC will render the Contract null and void and shall be sufficient cause to immediately terminate this Contract.

**11. SEVERABILITY:**

In case one or more of the provisions contained in this Contract will for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision and this Contract will be construed as if the invalid, illegal, or unenforceable provision had never been contained.

**12. INDEMNIFICATION:**

Contractor agrees to protect, indemnify, and hold the Texas Workforce Commission harmless from and against any and all claims, demands, and causes of any action of every kind (including the costs incurred by the TWC in defending against same), occurring or otherwise incident to, in connection with, or arising out of the services to be performed by contractor, its employees and agents.

**13. CANCELLATION:**

- 13.1. The TWC has the right to cancel for default all or part of the undelivered portion of this Contract, without prior notice, if Contractor breaches any of the terms including warranties of Contractor or if the Contractor becomes insolvent or commits acts of bankruptcy. Such right of cancellation is in addition to and not in lieu of any other remedies which TWC may have in law or equity.
- 13.2. Performance of work under this Contract may be terminated in whole or in part by TWC in accordance with this provision. Termination of work shall be effected by the delivery to the Contractor of a "Notice of Termination" specifying the extent to which performance of work under the order is terminated and the date upon which such termination becomes effective. Such right of termination is in addition to and not in lieu of rights of TWC set forth herein. TWC will make no payment of services beyond termination effective date.
- 13.3. This contract or any renewal may be canceled in whole or in part for any reason by either party by giving thirty (30) days prior written notice.
- 13.4. This contract is made and entered into contingent upon the continuation of funds being available to cover the full term indicated herein. This contract is subject to cancellation at any time without prior notice, without penalty, either in whole or in part, if funds are not appropriated by the Texas Legislature or United States Department of Labor, or otherwise made available to the using agency. Under no circumstances will the Contractor be entitled to payment for anticipated profits, unabsorbed overhead, or interest on borrowing by reason of cancellation.

**14. DESCRIPTION OF SERVICES:**

TWC seeks to implement a temporary employment program which provides optimum service and cost effectiveness to all divisions and departments of the TWC offices located in Austin.

**14.1. Contractor Project Coordinator:**

The Contractor must designate an employee of its agency as project coordinator to oversee job orders and placement and to monitor quality of temporary employees at the TWC. The performance of the project coordinator is extremely important to the success of the

program. The bidder must identify for our evaluation two or more individuals from your agency as candidates to serve as project coordinator of TWC services.

**14.2. Types of Temporary Personnel:**

The Contractor must have a full temporary employee service providing clerical and administrative, light industrial and service classifications or establish subcontracting relationships with other employment service providers to supply requested classifications. Contractor will be responsible for filling all temporary orders.

**14.3. Services to be Performed:**

Contractor will handle all local service requirements, including:

- Fill Job Orders with temporary employees ordered via telephone or fax (agency choice).
- Advise requesting TWC office within two (2) hours of request for temporary personnel, of the non-availability of personnel or the name of each person who will be reporting to work.
- Test personnel to ensure that minimum requirements and suitability for the position are met.
- Provide temporary employees' TWC orientation training.
- Check and compute time sheets monthly.
- Monitor performance, including the issuance of performance reports at the end of each temporary employee's assignment.
- Prepare and code invoices for payment.
- Pick-up and delivery of time sheets and payroll checks for the temporary employees.
- Train and replace temporary employees so that continuous requirements are not interrupted and the quality of staffing is maintained.
- Establish and maintain records for all temporary requests and invoices sent to TWC.
- Provide monthly reports and ad hoc reports as specified herein.
- Conduct criminal background checks through Texas Department of Public Safety records on all temporary employees provided.

**14.4. TWC Responsibilities:**

The TWC cost center managers with delegated expenditure authority for processing expenditure documents related to that cost center will direct requests for temporary services to the contractor. TWC cost center managers will provide the contractor with cost distribution codes for the temporary employee including cost center, project and function code(s) and percentage(s). Any orders accepted from TWC personnel other than those cost center managers with delegated expenditure authority will not be honored by TWC. Contractor will invoice each cost center manager directly. The cost distribution information must be included on all invoices. The cost center manager will verify accuracy of the invoice before releasing it for payment to the TWC Accounting Department. The Contractor will provide the Accounting Department a summary copy of invoices for the Accounting Department to utilize in follow-up and coordination of invoice processing.

**14.5. Performance:**

Contractor recognizes and agrees that in the performance of this agreement, Contractor's success in providing services is dependent on several factors which include: (a) availability of qualified personnel; (b) time and attendance; (c) ability to work within a state government environment (d) competency and skill; and (e) compliance with appropriate professional standards.

**14.6. Invoicing and Payment:**

TWC will be responsible for payment for only those services specifically requested and authorized by cost center managers with delegated expenditure authority. The following outlines the primary invoicing and payment requirements for TWC. Additional invoicing requirements may be required during the term of the contract and determined by agency reporting requirements and generally accepted auditing standards. Contractor's failure to comply with the invoicing and reporting requirements will be considered just cause for TWC to discontinue use of the Contractor's services.

14.6.1. On a monthly basis contractor will prepare invoices. One invoice will be prepared for each cost center, referencing that cost center's work order number(s) and represent an itemization of hours worked for each temporary. Copies of signed time sheets must be attached to each invoice. Invoices will be in a format approved by TWC Project Coordinator.

14.6.2. Contractor will prepare reports for each temporary assignment for each cost center showing the cost center, and distribution of costs by project/function codes to be charged. Reports will be on a TWC created form for this purpose.

14.6.3. Assignment Reports must be approved by the cost center manager with delegated expenditure authority.

14.6.4. Contractor must accept payment by electronic fund transfer direct deposit.

**14.7. Personnel:**

14.7.1. Contractor agrees at all times to maintain an adequate staff of experienced and qualified employees to ensure efficient performance under this Contract. Bidders response should consider three (3) kinds of orders: same day orders, orders received on 24-hour notice, and orders received more that 24 hours in advance.

14.7.2. Temporary personnel are expected to report to work in a fit and alert condition.

14.7.3. Temporary personnel are expected to report to work on time and inform the immediate supervisor of any absence or tardiness.

14.7.4. Temporary personnel are expected to adhere to the TWC work rules.

14.7.5. Contractor agrees that at all times its employees will perform required services in a professional manner and agrees that TWC may request the removal of any temporary employee for good cause.

14.7.6. TWC will not pay for any hours worked by any unqualified temporary employee. Contractor must be contacted by the end of the first working day (5:00 p.m.) for the fee to be waived for an unqualified temporary.

**14.8. Payrolling:**

Contractor agrees to allow TWC to payroll qualified temporary employees for any reason or length of time. Contractor will prepare payroll checks, make all necessary deductions, and pay all taxes and insurance required by Federal, State or local laws. TWC will be



billed for the applicable direct labor rate plus a mark-up not to exceed 25%. Indicate on Attachment D the percentage markup to be charged.

**14.9. Payment of Labor:**

Contractor agrees to promptly pay all labor used by him. Contractor will assume full liability for the payment and/or collection of all present and future social security, unemployment insurance and/or other payroll and employment taxes or assessments imposed by governmental authority, and arising from the employment of any person by the Contractor.

**14.10. Reports:**

Contractor must provide TWC monthly management reports which include:

- Summary of total dollar volume and hour usage by cost center
- Breakdown of skill classifications
- Reason for TWC order (i.e. vacation or illness fill-in, project activity, etc.)
- Reports shall contain the cost center name, department name, distribution of cost by project/function code(s), temporary employee name, job title, regular and overtime hours, regular and overtime pay rates, and total charged for that temporary employee.
- Summary of temporary personnel working by race/sex/EEO category
- Subcontractor participation status report.

Contractor will provide semi-annual reports on its measurement in reaching its goal of subcontracting with TIBH.

Contractor will provide semi-annual reports on its utilization of Historically Underutilized Business subcontractors in a format acceptable to the agency. All subcontracting with TIBH will be discounted before calculating the contractors percentage usage with HUBs.

Contractor will demonstrate the ability to customize reports and adapt to changing or ad hoc reporting requirements. Samples of reports that you supply on a weekly, monthly, or annual basis should be attached to your bid.

**14.11. Legal Requirements:**

Contractor must comply with all applicable permits and licenses and all requirements of applicable laws, regulations, and standards including but not limited to the provisions of a (a) Executive Order 11246, as amended, of the President of the United States and Rules and Regulations pursuant thereto pertaining to Equal Employment Opportunity; (b) the Fair Labor Standards Act of 1938 of the United States, as amended with respect to WAGES AND HOURS; (c) the Occupational Safety and Health Act of 1970 (OSHA), as amended; Americans with Disabilities Act, and (d) Immigration Reform and Control Act of 1986.

**14.12. Texas Industries for the Blind and Handicapped:** The awarded contractor will be required to make a good faith effort to obtain at least 30% of the value of this contract by subcontracting with the Texas Industries for the Blind and Handicapped or its workshops in the Austin area.

**14.13. TWC Existing Pool of Temporary Employees:** At the beginning of the contract, the awarded contractor will be required to make a good faith effort to utilize 100% of TWC's existing pool of temporary employees which TWC regularly uses to staff its requirements when employers file their TWC quarterly reports along with submission of unemployment taxes to the Agency.

**14.14. Historically Underutilized Businesses:** Per Texas Civil Statutes Art. 6.01b Secs. 3.10 and 5.36, state agencies are required to make a good faith effort to assist Historically Underutilized Businesses (HUBs) in receiving at least 30% of the total value of all contract awards issued by the State. "Historically Underutilized Business" is defined in Texas Civil Statutes Art. 6.01b Sec. 1.02(3). "Total value of all contract awards" includes the value of subcontracts. Therefore, any business that contracts with the State (Contracting Party) shall be required to make a good faith effort to assist HUBs in receiving at least 30% of the total value of subcontracts that the Contracting party awards on State contracts. A subcontractor is an entity that enters into a contract with a vendor to provide a portion of the goods or services for which the vendor is responsible under the terms of its contract with the State. To make such a good faith effort, the Contracting Party must comply with the criteria set forth below: For the purposes the amount which the contractor subcontracts with the Texas Industries for the Blind & Handicapped (TIBH) will not be included in the total measure in determining good faith effort.

14.14.1. To the extent consistent with prudent industry practice, divide the contract work into the smallest feasible portions.

14.14.2. Notify HUBs of the work that the Contracting Party intends to subcontract. The notice shall include a copy of the specifications, adequate information about the plans, scope of the work, and requirements of the work to be subcontracted in order to allow all interested parties the opportunity to participate effectively. The Contracting Party shall provide written notice with sufficient time to allow all interested parties the opportunity to participate effectively. The Contracting Party shall send such notice to at least 5 businesses listed in the current General Services Commission (GSC) directory that perform the type of work required. If the GSC HUB directory does not have at least 5 businesses, the Contracting Party shall send the required notice to HUBs on other government agency listings or other organizations that provide assistance in identifying minority and women owned businesses. If a Contracting Party uses sources other than GSC, the selected HUB subcontractor must become certified by GSC or must provide proof of certification from the federal Government SBA 8a Program defined in Federal Regulation 15 USC 637(a) and 636(j).

14.14.3. In certain instances the Contracting Party will be required to explain why a HUB was not hired for specific work. This shall include a.) Instances where the Contracting Party selects a subcontractor through means other than accepting bids; b.) Instances where, after soliciting bids, the low responsive bidder was a HUB and was not awarded the subcontract.

14.14.4. Maintain records of all of the foregoing activity and report quarterly to the Contracting Agency in the format required by TWC.

14.14.5. When the Contracting Party is a HUB, it may satisfy the good faith effort requirement by performing at least 30% of the contract work in-house. Any Contracting Party that seeks to satisfy the good faith effort requirement in this manner shall report quarterly the volume of work performed under the contract to the contracting agency in the form required by the contracting agency. If a HUB Contracting Party performs less than 30% of the contract work in-house, the HUB Contracting Party shall report its subcontracts in the same format as non-HUB Contracting Parties.

14.14.6. Any entity that leases space to the State shall be required to follow the foregoing steps with regard to all goods and services provided for the leased space after commencement date of the lease.

14.14.7. Bidders must include in their bid response the answer to the following questions:

- If an award is issued, do you plan to utilize a subcontractor or supplier for all or part of the contract?
- Are you certified with the Federal Government SBA 8a Program or as a Texas Historically Underutilized Business (HUB)?

14.14.8. Upon the request, the contractor will be required to detail the amount of subcontracting awards. The Contracting Party will be required to prepare and submit this information on forms required by TWC.

14.14.9. Failure of the Contracting Party to meet the good faith effort criteria set forth above may constitute default of the contract.

**14.15. Purchase from Other Sources:**

TWC reserves the right and may from time to time as required by TWC's operational needs, obtain temporary personnel services of equal type and kind from other sources during the term of this Contract without invalidating in whole or in part this Contract or any rights or remedies TWC may have.

**14.16. Right to Hire:**

TWC reserves the right to extend a job offer to temporary personnel furnished by Contractor without a fee requirement, provided thirty (30) calendar days of service has elapsed since the beginning of the temporary's initial assignment date within the contract term.

**14.17. Right to Audit:**

Any time during the term of this contract, and for a period of two (2) years thereafter, TWC or a duly authorized audit representative of TWC, or the State of Texas or U. S. Department of Labor, at its expense and at reasonable times, reserves the right to audit Contractor's records and books relevant to all services provided under this contract. In the event such an audit by TWC reveals any errors/overpayment by TWC, contractor will refund the amount of such overpayment; however, should such audit reveal any errors or overpayment in excess of 3%, Contractor will in addition to referenced reimburse TWC for the cost of such audit.

**14.18. Observance of TWC Policies and Regulations:**

Contractor agrees that at all times its temporary employees will observe and comply with all policies, regulations, and work rules of TWC, including but not limited to parking, safety, and security regulations.

**14.19. Parking:**

Temporary employees are responsible for obtaining their own parking and the cost associated with parking, where applicable. TWC has no parking available in the Capitol Complex area.

**14.20. Special Requirements:**

Contractor is not to contact individual TWC cost center managers or TWC employees to solicit business. Contractor must wait for cost center managers to institute a business transaction. Contractor is not to supply any temporary staff that is not specifically named in the contract. If Contractor receives a request for such personnel, contractor is to decline the request and refer the requesting cost center manager to TWC Human Resources Department for assistance. If Contractor does place temporary staff with

TWC in activities which are not listed in the contract without appropriate approval from TWC's Project Coordinator, Contractor will not be paid for such services.

15. **NEW SERVICE CLASSIFICATIONS (POST AWARD)**

Temporary service classifications that were not initially included in the IFB may be added to this contract at any time during its term with prices correlated to bid pricing of this contract for covered classifications when compared to existing state classification plan and pay scale. The price approved by TWC for new classifications will be effective for the remaining term of the contract and subject to the provisions detailed in this IFB.

**ATTACHMENT A:  
TEMPORARY EMPLOYEE SPECIFICATIONS**

**CLERICAL AND ADMINISTRATIVE**

**Job Title**

**Job Specifications**

**Accounting Clerk I:** Under immediate supervision, performs simple repetitive tasks and basic bookkeeping and accounting work. Posts journal entries, processes payments, verifies information, maintains files and assists in preparation of reports. Uses personal computer in performing assigned tasks, including data entry into automated system. Requires some knowledge of bookkeeping and accounting procedures. Ability to use a calculator and/or adding machine.

**Accounting Clerk II:** Under general supervision, performs a variety of routine accounting functions in accordance with standard procedures. Reconciles accounts, posts to and balances general and subsidiary ledgers, processes payments and compiles segments of monthly closings, etc. May contact other departments or agencies. May use personal computer in performing assigned tasks, such as data entry utilizing MS Excel, Word, Access, Lotus 1-2-3, etc. Requires knowledge of bookkeeping and accounting procedures. Ability to post entries and to make quick and accurate mathematical computations.

**Administrative Assistant:** Provides administrative support for a top executive officer which may include some secretarial duties. Independently handles a wide variety of situations involving clerical or administrative functions of the office. Routinely exercises own discretion in decision making. Is responsible for high degree of proficiency in all administrative support areas and for initiating these activities with little or no supervision. Requires excellent organizational and communication skills. Minimum of 60 wpm typing speed. Must be proficient in spelling, grammar, and basic math.

**Clerk Typist:** Performs a variety of routine typing and clerical duties using electric or electronic typewriters. May involve receptionist duties, making photocopies, filing, and other clerical duties as assigned. May use computer terminal for information retrieval and occasional or incidental data entry. Requires ability to type accurately from plain copy at a minimum of 35-40 wpm. May use Word for Windows or Word for Mac, or most commonly used clerical application software. Must be proficient in spelling, grammar, and basic math.

**Customer Service Representative:** Examines routine aspects of various services and related documents, analyzing them within established guidelines. Ensures that customers receive the best service possible through processing documents, preparing general correspondence, and coordinating with other functions as required. Responsible for direct customer contact in all areas relating to inquiries, entries, scheduling, customer complaints and questions. Customer contact is by phone and/or by mail. May use computer terminal for information retrieval and data entry. Work is performed under close supervision and is subject to review in progress for conformance to standard procedures. Requires organizational, communication, and excellent customer service skills. Must be proficient in spelling, grammar, and basic math.

**Attachment A: CLERICAL AND ADMINISTRATIVE (Continued)****Job Title****Job Specifications**

**Senior Clerk Typist:** Works independently with limited supervision. Proficient clerical skills including understanding of complex filing systems and ability to schedule and organize standard office functions such as ordering supplies and scheduling appointments. Requires ability to type accurately at 45-55 wpm. May transcribe dictation from dictaphone or hard copy, type correspondence, articles, reports, specifications, payrolls, manuals, legal documents, tables/graphs, etc. May plan itineraries and coordinate travel arrangements. May serve as receptionist which requires knowledge of telephone protocol and systems. Ability to establish and maintain effective working relationships with supervisor and employees. May use Word for Windows or Word for Mac, or most commonly used clerical application software. Must be proficient in spelling, grammar, and basic math.

**General Clerk:** Performs varied routine clerical tasks which include mail handling and distribution, mass mail-out, copying, and stuffing envelopes. May also include responding to requests for data by collecting and disseminating data. Some typing may be required. Must be proficient in spelling, grammar, and basic math. Must be able to follow oral and written instructions.

**Senior Clerk:** Functions to include those of a general clerk. Provides skilled clerical support in the processing and preparation of forms, documents, and records. Examines and prepares invoices, requisitions, forms, reports or other similar documents for accuracy. Some typing may be required. Must be proficient in spelling, grammar, and basic math. Must be able to follow oral and written instructions.

**Data Entry Clerk I:** Enters data through an electronic keyboard to record and verify a variety of routine source data under immediate supervision. Requires minimum 6,000 keystrokes per hour. Ability to verify and proof data for accuracy.

**Data Entry Clerk II:** Enters data through an electronic keyboard to process a variety of business and statistical source data. Follows standard procedures, with allowance for some level of independent judgment and verifies input. Performs with moderate speed and accuracy. Requires minimum 8,000 keystrokes per hour. Ability to verify and proof data for accuracy.

**File Clerk I:** Maintains alpha/numeric filing system of correspondence, cards, invoices, or other classified or indexed records arranged systematically in a file according to an established system. Follows general instructions, inserts and removes material upon request, and notes disposition. May perform related routine clerical duties. Requires ability to alphabetize documents and to pay attention to detail.

**Attachment A: CLERICAL AND ADMINISTRATIVE (Continued)****Job Title****Job Specifications**

**File Clerk II:** In addition to the duties of File Clerk I, may perform considerable clerical work in searching and investigating the information contained in the files, inserting additional data, preparing reports, and supplying written information on request. Requires ability to alphabetize documents; to pay attention to detail; and to compare information for accuracy.

**Mail Clerk:** Performs a variety of routine activities including receiving and opening incoming mail, sorting for distribution, and collecting and delivering mail, messages, and reports throughout the state office. May load and unload hampers of mail; manually sorting buckets and trays into bins. May load sorted mail onto carts for delivery; pick up outgoing mail and take to mailroom. May operate a letter opener, postage meter, mailing machines, electronic scales. May require lifting of boxes weighing 20 to 25 lbs. Requires ability to follow instructions and to pay attention to detail.

**Office Assistant:** Performs work that is varied and that may be somewhat difficult, but usually involving limited responsibility. Answers routine inquiries and sets up and merges files. Takes phone messages, schedules appointments, types correspondence, and prepares documents for distribution. May perform data entry. May use personal computer software, such as Microsoft Word, Professional File and spreadsheet applications. Requires ability to follow detailed instructions; organize work; pay attention to detail; and communicate effectively.

**Receptionist:** Performs varied clerical tasks to include message taking and appointment scheduling. Must have the ability to use various office machines as required by various departments. Good diction and phone voice mandatory. Requires ability to work with minimal supervision and to perform duties in a professional manner.

**Secretary I:** Entry level secretarial position. Requires some experience and knowledge of word processing applications. Will have the ability to produce material in typewritten format from longhand notes or machine dictation through the use of word processing equipment, proofreads and edits materials. May answer and screen phone calls. Spends majority of time performing standard secretarial duties and minor administrative duties. May work for more than one individual. A minimum of 55 wpm typing required.

**Secretary II:** Requires secretarial experience and complete working knowledge of word processing applications. The same basic duties and requirements as a Secretary I with the addition of advance applications, i.e. spreadsheets. Carries out recurring office procedures such as receiving visitors, routes incoming mail, sends out form letters and sets appointments. Maintains recurring internal reports. May make travel arrangements and reservations. A minimum of 60 wpm typing required.

**Attachment A: CLERICAL AND ADMINISTRATIVE (Continued)****Job Title****Job Specifications**

**Statistical Clerk I:** Performs under supervision, one or more routine operations which require close attention to detail and mathematical or numerical aptitude. Duties may include verifying reports, checking figures, posting data, CRT input, statistical proofing, preparing statistical reports, graphic presentation such as graphs, charts and maps, and verifying the accuracy of presentations. Knowledge of Lotus 1-2-3 and/or Excel, or most commonly used statistical application software, helpful.

**Statistical Clerk II:** Performs complex clerical and technical work in compiling and presenting data. Requires knowledge of accounting principles. Involves gathering and compiling data for use in planning and carrying out programs. Gathers information from reports and other sources; combines, tabulates and edits for accuracy. Makes computations of percentage comparisons or contrasts as necessary. Requires knowledge of standard statistical procedures and techniques. Knowledge of Lotus 1-2-3 and/or Excel, or most commonly used statistical application software, helpful. Ability to follow instructions and work with minimal supervision.

**Switchboard Operator:** Operates a push button phone system making proper telephone connections for incoming and outgoing calls, supplying information to callers, recording messages and keeping record of calls. Duties may include light clerical tasks. Must have good customer service skills and some experience operating a multi-line telephone switchboard console.

**Transcription Typist:** Operate voice reproducing machine to transcribe letters, reports and other dictated material into typewritten form. Duties include typing the dictation into final form with correct punctuation and spelling. Type a minimum of 60 wpm. Proficient in use of Word for Windows or Word for Mac, or commonly used clerical application software.

**Word Processor Operator I:** Must have the ability to produce material in typewritten format on personal computer from longhand notes or machine dictation. Proofreads and edits materials. May answer and screen phone calls. Equipment/software and hardware used may include IBM compatible or Macintosh. Requires proficiency in use of personal computers and software applications. Ability may also include record processing, glossary creations, communications, systems library and/or file maintenance. Operators should have job experience on the designated software, or related system. Must be able to type 40-50 wpm.

**Word Processor Operator II** Possesses all the skills of Word Processor Operator I. Must be able to type a minimum of 70 wpm. Ability to perform complex word processing assignments with minimal supervision. Some positions may also require use of Lotus 1-2-3 or Excel, or commonly used statistical application software.



**LIGHT INDUSTRIAL AND SERVICE****Job Title****Job Specifications**

**Custodian:** Keeps office, buildings, or facilities clean and orderly. Sweeps, mops, polishes floors; removes trash and litter; cleans furniture. May make minor maintenance repairs. Must have ability to follow instructions.

**General Maintenance Worker:** Under immediate supervision, performs general maintenance and repairs within a facility which may involve two or more of the following: plumbing, carpentry, painting and plastering, service of machinery, electrical repairs or installations, or servicing of automobiles or trucks. Performs all work with adherence to safety procedures. Requires a basic knowledge of several maintenance trades. Must have ability to follow instructions.

**Groundskeeper:** Under general supervision, cuts grass, repairs damaged lawns, prunes trees and shrubs. Removes debris and maintains driveways and parking lots. May lay out and tend flower beds or other decorative vegetation. Performs routine cleaning and maintenance on gardening and grounds equipment. Must have ability to follow instructions.

**Laborer:** Performs unskilled and semi-skilled work in performance of tasks which may be physically demanding, can be learned readily, and does not require formal training or specialized experience. May move equipment and furniture. May assist maintenance workers and craftsmen. Other duties as assigned; may include answering phones, checking incoming and outgoing warehouse/stores goods, and other related duties as assigned. Must have ability to follow instructions.

**Shipping and Receiving Clerk:** Participates in the assembling and shipping of outgoing merchandise or material. Prepares and maintains shipping records, makes up bills of lading and posts weight and shipping charges. Verifies correctness of incoming shipments against bills of lading; maintains records of goods received. Rejects damaged goods or materials and corresponds with shipper to adjust damages or shortages. May route incoming goods to the proper departments. Must have ability to follow instructions.

**ATTACHMENT B:****1. GENERAL INFORMATION QUESTIONNAIRE:**

Please answer the following questions as part of your bid response. (Type the question and answer on a separate sheet of paper.) In answering, you may refer to other sections or exhibits of your bid by reference to the page where the information may be found. If the answer to one question appears in the answer to another, you may refer to your other answer. Answers should be sufficiently detailed to make unnecessary any further inquiries by TWC.

**Failure to respond completely to any of these questions may result in the entire bid being rejected.**

**1.1. General:**

- 1.1.1. Please state the name of your company, home office address, local business address, and the name, address, telephone number, and title of the person(s) whom TWC may contact about your bid response.
- 1.1.2. Is your company "affiliated" with another company? If so, describe these affiliate relationships. "Affiliated" means owned by another company; owned by a common controlling shareholder or interest, or inter-tied by contract as to be under the dominion or influence of another. Please state the name and address of current affiliated company.
- 1.1.3. Describe the details of any reorganization, acquisition or merger regarding your company in the past two (2) years.
- 1.1.4. Is your company currently for sale or involved in any transactions to expand or become acquired by another organization? If yes, please explain.
- 1.1.5. Please provide the names and job title for each corporate officer, partner or owner.
- 1.1.6. List all individuals, groups, corporations, etc. that hold 10% or greater equity in the company. Please state name, address and telephone number for each.
- 1.1.7. Please identify below all agreements or contracts your company has had which were terminated before completion within the last three(3) years, if any, including the circumstances surrounding such early termination.
- 1.1.8. Provide any details of all past or pending litigation or insurance claims arising from your company furnishing an item or service similar to that described in these invitation for bids.
- 1.1.9. Please provide a statement showing that your business is responsible for and will comply with the Immigration Reform and Control Act of 1986 and according to the Act, verifies employability and has all the required documentation available for inspection. Your statement should also include the information that all temporaries provided to TWC are in compliance with the Act.
- 1.1.10. If an award is issued, do you plan to utilize a subcontractor or supplier for all or part of the contract?
- 1.1.11. Are you certified with the Federal Government SBA 8a Program or as a Texas Historically Underutilized Business (HUB)?

**1.2. Financial Status:**

- 1.2.1. Has your company, or any of its parents or subsidiaries, ever had a bankruptcy petition filed in its name, voluntarily or involuntarily? If yes, specify date, circumstances and resolution.
- 1.2.2. Is your company currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, specify details, circumstances and prospects for resolution.
- 1.2.3. Financial references - Provide on an attachment at least two financial references (one trade reference and one financial institution/bank reference). List should include company name, mailing address, telephone number, contact person and length of financial relationship.
- 1.2.4. Client references - Provide on an attached page a client reference list of organizations for whom your company has provided similar services. Said list should include not less than three organizations with whom it currently has contracts or has completed contracts within the past two years for which services of equal type and scope have been performed for a period of not less than one year. Your client reference list must include a contact name and telephone number at each reference company who can provide performance history.

**1.3. Personnel:**

- 1.3.1. Please provide an EEO breakdown of your regular staff.
- 1.3.2. Please provide an EEO breakdown of your temporary workforce that may be provided to TWC and the number of individuals you have in your files. Do not use percentages--use actual numbers.
- 1.3.3. Have you provided the names for TWC to evaluate of two or more individuals from your agency that are candidates to serve as project coordinator?

## ATTACHMENT D: RATE SCHEDULE

Please complete this rate schedule enabling the Texas Workforce Commission to evaluate price considerations. Prices quoted must reflect the full scope of work as defined per the IFB, inclusive of all associated costs for insurance, taxes, overhead, profit and bonding, if required and so identified. *All rates quoted on the Rate Schedule must remain firm for the duration of the contract, except in event of government-mandated increase in minimum wages and/or employer-paid taxes. All rates indicated below are to be in Dollars and Cents, DO NOT USE Percents.*

**\*Direct Expenses** includes FICA, UEC, Liability, and Workers Compensation.

**\*\*Indirect Expenses** includes operating and administrative costs other than margin or profit.

**\*\*\*Payrolling Markup** (Refer to paragraph 14.8)

Total Bill Rate/Hour (Column F below) must be the same rate used in Attachment C, Column G.

A Classification	B Direct Labor Rate/Hour	C Direct Expenses	D Indirect Expenses	E Margin or Profit	F Total Bill Rate/Hour	G Payrolling Markup %
Accounting Clerk I						
Accounting Clerk II						
Administrative Assistant						
Clerk Typist						
Customer Service Representative						
Senior Clerk Typist						
General Clerk						
Senior Clerk						
Data Entry Clerk I						
Data Entry Clerk II						
File Clerk I						
File Clerk II						
Mail Clerk						

<b>A</b> <b>Classification</b>	<b>B</b> <b>Direct Labor</b> <b>Rate/Hour</b>	<b>C</b> <b>Direct</b> <b>Expenses</b>	<b>D</b> <b>Indirect</b> <b>Expenses</b>	<b>E</b> <b>Margin or</b> <b>Profit</b>	<b>F</b> <b>Total Bill</b> <b>Rate/Hour</b>	<b>G</b> <b>Payrolling</b> <b>Markup %</b>
Office Assistant						
Receptionist						
Secretary I						
Secretary II						
Statistical Clerk I						
Statistical Clerk II						
Switchboard Operator						
Transcription Typist						
Word Processor Operator I						
Word Processor II						
Custodian						
General Maintenance Worker						
Groundskeeper						
Laborer						
Shipping & Receiving Clerk						