

## IMPACT STATEMENT

**Legislation title:** Authorize a competitive solicitation and price agreements for construction management, inspection, and project support personnel for an amount not to exceed \$25,000,000 over five years. (Ordinance)

**Contact name:** Sara Culp, Senior Management Analyst, Engineering Services

**Contact phone:** (503) 823-2532

**Presenter name:** Mark Hutchinson, Construction Division Manager, BES Engineering Services

**Purpose of proposed legislation and background information:**

The purpose of this legislation is to authorize a competitive solicitation and price agreements for on-call temporary construction management, inspection, and project support staffing services, similar to historical use of on-call personnel services. BES currently manages two price agreements for these services that have been in place since 2012 and expire at the end of 2017. The resulting new price agreement(s) from this solicitation will provide personnel such as construction inspectors, construction managers, construction technicians, project controls specialists, and administrative staff to deliver planned and budgeted wastewater treatment, pump station, stormwater, and pipe rehabilitation projects.

Temporary contract staffing services allow the bureau to flexibly supplement staffing when project schedules demand, particularly due to the seasonal nature of construction workloads. As that is not always consistent and predictable across a portfolio of more than 200 active capital projects that span multiple years, temporary staffing contracts are a tool that allows the bureau to quickly meet urgent staffing needs, as well as to avoid “over staffing” with permanent City FTE when workloads ebb. With the planned increase in CIP delivery over the next five years due to aging infrastructure and regulatory needs (particularly for treatment plants and pump stations), temporary personnel services allow BES to keep the work moving while making more incremental, long-term adjustments to permanent staffing levels as needed to meet projected baseline levels of work.

**Financial and budgetary impacts:**

The solicitation has a not-to-exceed limit of \$25,000,000 over five years, with an estimated cost of \$5,000,000/year. The level of confidence is high. The solicitation may specify contract terms of three years for up to \$15,000,000, with the option to extend an additional two years and \$10,000,000. Services will be requested as needed and charged against the approved capital and operating budgets. This ordinance does not change adopted budget. As the CIP project workload increases over the next three years, it is expected that temporary staffing numbers may peak at approximately 32 staff during busy construction periods, although numbers will vary monthly and yearly.

In recent years, the Bureau has worked to ensure that we are not over-relying on contractors for long-term workload. When use of temporary contract staff for certain work has proven to be a long-term, consistent need, BES has performed cost-benefit analysis and requested new City FTE positions in the annual budget process as appropriate (essentially “converting” temporary staff work to full time City staff work). The Bureau will continue to monitor and adjust staffing levels to right-size with the increasing CIP.

**Community impacts and community involvement:**

This legislation does not specifically impact communities served by BES infrastructure, other than helping ensure already-planned capital projects citywide to repair, replace, or upgrade infrastructure assets are designed and constructed in a timely manner and have adequate construction management and inspection services to protect public safety and minimize disruptions. Delaying these projects due to lack of staffing resources would necessitate re-prioritizing and re-planning CIP work, taking into consideration impacts to different communities as well as regulatory and asset risk. A significant portion of upcoming CIP project work is at the City’s two wastewater treatment plants, which serve the entire community.

The adopted FY2017-18 CIP, which begins the ramp-up of project workload for which these temporary staffing resources are needed, was supported by the Portland Utility Board (PUB), Citizens Utility Board (CUB), and vetted through the City Council budget process.

This Council item will allow a public competitive RFP process as well as involvement by the public in the evaluation process via the Minority Evaluator Program.

**Does this action change appropriations?**

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

| Fund | Fund Center | Commitment Item | Functional Area | Funded Program | Grant | Sponsored Program | Amount |
|------|-------------|-----------------|-----------------|----------------|-------|-------------------|--------|
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |