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191093

Ordinance

Authorize competitive solicitation and execution of price agreements for staff augmentation to support the Bureau of Environmental Services Capital Improvement Program for an amount not to exceed \$28 million over five years

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Environmental Services (BES) has a need to augment existing City personnel with temporary staff to support in-house design engineering, design management, project management and controls, and non-process facility planning on an as-needed basis.
2. The bureau's annual capital budget is approximately \$200 million and includes approximately 200 active capital projects, including required upgrades to the Columbia Blvd. Wastewater Treatment Plant, critical pump station repairs and improvements, pressurized sewer system improvements, replacement of aging conveyance infrastructure (portions of which are more than 80 years old and are well past their designed life span) and other projects that address staff safety and public health and safety as well as the health of our local rivers and streams.
3. BES has a history of using temporary staffing price agreements, and BES expects continued and increasing need for temporary personnel to deliver the bureau's Capital Improvement Program, which is increasing due to the number of projects required to meet the needs of Portland's wastewater and stormwater systems related to age, condition, and regulatory mandates.
4. The Bureau seeks the Council's authorization for Procurement Services to issue a competitive solicitation and price agreements for the staff augmentation services described above.
5. The estimated average annual cost is \$5,600,000 for a total not-to-exceed amount of \$28,000,000 over five years. Funds will be made available as needed in the Bureau of Environmental Services, Sewer System Operating Fund budget and various Capital Improvement Program (CIP) project budgets over the term of the price agreements. (Cost Center ESEN000020, Various WBS Elements)

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Environmental Services](#)

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date
December 7, 2022

NOW, THEREFORE, the Council directs:

- A. The Chief Procurement Officer is authorized to solicit, negotiate, and execute multiple price agreements with selected offerors, in a cumulative not to exceed \$28,000,000 for the purpose specified in Section 1, provided the price agreements have been approved as to form by the City Attorney's Office.
- B. The Mayor and City Auditor are hereby authorized to pay for the price agreements from the Sewer System Operating Fund Budget when demand is presented and approved by the proper authority.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
December 7, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

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 staff augmentation services (aka "temporary staffing" or "contract employees") for design engineering, facility planning, and project management and controls, similar to historical use of on-call temporary personnel services. BES currently manages five price agreements for these and similar services that have been in place since 2017 and expire at the end of FY 2022-2023. The resulting new price agreement(s) from this solicitation will provide temporary personnel such as engineers, project managers, and project controls specialists to deliver planned and budgeted wastewater treatment, pump station, stormwater, and pipe rehabilitation projects in the bureau's increasing Capital Improvement Program (CIP).

Staff augmentation services allow the bureau to flexibly supplement staffing when project schedules demand. These on-call price agreements are a tool that allows the bureau to quickly meet urgent staffing needs. With an annual average CIP budget of approximately \$200 million, and more than 200 active capital projects that span multiple years, BES has substantial CIP outlay. Staff augmentation services allow BES to keep work moving while making more incremental, long-term adjustments to permanent staffing levels as needed to meet projected baseline levels of work. The planned increase in CIP delivery over the next five years is due to the demands of aging infrastructure and regulatory needs, particularly for treatment plants and pump stations.

Price agreements that result from this RFP will enable the bureau to utilize anywhere from eight to 20 temporary staff at any given time over the five-year period to support BES CIP delivery. Without the price agreements, BES will be

understaffed and unable to perform design engineering, project management, and facility planning needed to deliver the adopted CIP program. It should be noted that BES does not use temporary (contracted) staff under these price agreements to backfill vacant City FTE positions. Temporary personnel are used only when workload needs arise beyond what can be accomplished with full utilization of budgeted City positions.

BES has used staff augmentation contracts to hire temporary staff to fill important roles during increased workload for more than 20 years, and BES has historically utilized 25-40 temporary staff at any given time. The bureau's preference is to utilize temporary staff only for temporary work needs (seasonal, specific expertise, etc.).

This RFP amount reflects a portion of the anticipated future temporary staffing needs as the bureau increases planned and delivered CIP projects (the remainder of the temporary staffing needs will be covered in a requested authorization for a second RFP in the coming months, for different job types). This RFP amount also reflects a plan to convert a significant portion of BES's current temporary contracted staff positions to FTE through the City budget process over the next two years. If those new FTE are not all approved, this \$28 Million RFP may not adequately cover CIP staffing needs and the bureau would need to amend the contracts in the future.

The RFP and resulting price agreements do not address any specific City policies.

Financial and Budgetary Impacts

This legislation does not change the adopted BES budget. The solicitation will result in price agreements with a cumulative total not-to-exceed limit of \$28,000,000 over five years, with an estimated cost of \$5,600,000/year for all price agreements. The solicitation may specify contract terms of three years for up to \$16,800,000, with the option to extend an additional two years and \$11,200,000 for all price agreements. The impact of not approving the RFP and associated price agreements will likely result in capital program implementation slowing down, resulting in underspending of the adopted annual CIP and inability to meet the regulatory and asset condition demands of the City's wastewater and stormwater infrastructure.

The level of confidence for this estimate is high based on current maximum projections for these on-call, as-needed price agreements. This legislation does not change the existing BES budget because staff time for project design, technical support, and project management are built into capital project budget estimates for projects already in the adopted (and planned future) CIP. The bureau assumes a mix of approaches for this labor on projects, including City FTE, temporary contract staff, and consultant work.

In recent years, the Bureau has worked to ensure that we are not over-relying on contractors for long-term workload. When 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 request adjustments to staffing levels to right-size approved FTE positions with the increasing CIP.

This solicitation has no long-term financial impacts to the City, and at any time, the bureau can increase or decrease use of the price agreements. For several reasons, including cost savings, the bureau’s preference is to use FTE to perform long-term work. At current and projected hourly rates, including benefits and other costs, the cost of temporary staff is higher than FTE for nearly all classifications, over one year and when looking at multiple years. The bureau will continue to request FTE which, if approved, would reduce the need to use these contracts. No property will be purchased as a direct result of this RFP. The RFP does not change current or future revenues. The Ordinance supports BES’s continued use of temporary employees through staff augmentation price agreements when FTE resources are not adequate to meet program needs.

Community Impacts and Community Involvement

This legislation indirectly impacts communities served by BES infrastructure, because it helps ensure already-planned capital projects to repair, replace, or upgrade infrastructure assets citywide are designed and constructed in a timely manner to meet bureau service standards and avoid higher risks of deferred investment in basic infrastructure. A significant portion of upcoming CIP project work is at the City’s two wastewater treatment plants which serve the entire community. Delaying these projects due to lack of staffing resources would necessitate re-prioritizing and re-planning CIP work. Delaying or disrupting projects could pose risks to the bureau’s assets, including failure of assets. Additionally, delaying projects could impact the bureau’s compliance with regulatory requirements.

This legislation also has positive community impacts because price agreements for temporary supplemental personnel are an important tool for increasing workforce opportunities in the engineering, project management and construction field for historically underrepresented groups, including women, Black, Indigenous, and People of Color communities. All firms awarded price agreements are required to perform outreach, recruitment, and employee retention services with the goal of providing a diverse workforce. Staff augmentation price agreements have been invaluable components of BES’s workforce diversity and development goals over the past 10+ years, as temporary personnel gain work experience in the wastewater and environmental field and have the potential to become permanent City employees when vacancies are available.

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. BES staff are working with the OMF Equity Program Manager to enable COBID firms to bid on the work. The Equity Team and BES will conduct a meeting prior to the release of the RFP to gather information from potential bidders on how to make the RFP more accessible to COBID firms. BES and the

OMF Equity Program team will reach out to certified firms and others to ensure they have adequate notice about the RFP and support to submit a proposal.

The adopted BES CIP, which supports the ramp-up of project workload for which these temporary staffing resources are needed, has been supported over multiple years by the Portland Utility Board (PUB), Citizens Utility Board (CUB), and vetted through the City Council budget process. No groups will be testifying, and there are no known objections or concerns about the solicitation.

BES consulted with the Union through Labor relations so they are aware of this RFP and associated price agreements.

100% Renewable Goal

This RFP and resulting price agreements do not impact the City's total energy use, including use of renewable energy.

Agenda Items

991 Regular Agenda in [November 30, 2022 Council Agenda](#)

Passed to second reading

Passed to second reading December 7, 2022 at 9:30 a.m.

1026 Regular Agenda in [December 7, 2022 Council Agenda](#)

Passed

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Mayor Ted Wheeler Yea