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Audit Update: Bureaus have taken initial steps to address challenges in maintaining the City's sewers, but have not re-evaluated their overall agreement

News Article



This is a one-year follow-up to our 2021 report Sewer Maintenance: Renewed attention to partnership needed to better serve ratepayers.

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This is a one-year follow-up to our 2021 report Sewer Maintenance: Renewed attention to partnership needed to better serve ratepayers. In that audit we looked at the decades-old partnership between two large City bureaus – Transportation and Environmental Services. We made four recommendations to improve the process by which the over 2,000 miles of pipes running under Portland get repaired.

Recommendations in process



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Transportation successfully pivoted to meet staffing and vehicle challenges to maintain urgent frontline services during the pandemic and identified ongoing staffing and equipment issues

To help meet maintenance targets, we recommended Environmental Services and Transportation develop and implement alternatives to use staffing and vehicles to their full budgeted potential. During the pandemic, Transportation developed solutions to improve utilization of staff and vehicles while ensuring COVID health and safety protocols were followed such as single person vehicles and one week on/one week off schedules for crews. This allowed repairs and regular maintenance to continue while protecting the health of the workers. A high vacancy rate, combined with global supply chain issues hampered CityFleet, the program that fulfills the vehicle and equipment needs of City bureaus, from getting parts to repair and maintain vehicles. To help ease out of this, the Bureaus are working to improve their relationship with CityFleet including discussing pinch points and piloting projects to help existing vehicles. To address ongoing staffing issues, Transportation prioritized hiring a division manager and has laid out recruitment and retention strategies for filling other vacancies.

Bureaus have taken steps to ensure materials used in sewer repairs are safeguarded, other challenges still being worked on

We recommended that Transportation should properly document materials taken by crews; increase inventory safeguards for lining materials; and enforce existing procedures; while Environmental Services should review and approve billings for inventory discrepancies. Together these actions should ensure accurate charges and reduce the opportunity for misuse of materials. Transportation has identified many of the challenges in documenting materials taken and returned by crews in their day-to-day work. The Bureau is developing new operating procedures and trainings to address these issues and is working with Environmental Services to establish a threshold to review any discrepancies.

Transportation identified lack of information technology solutions, internet connectivity issues and general technology support as barriers to track goods and materials. Transportation said it is working with both the Bureau of Technology Services and a private vendor on solutions to reduce the identified barriers, many of which have been present for years.

Recommendations not implemented



Transportation decided to continue using the existing model for direct and indirect charges

To ensure ratepayer funds are used only on services related to and necessary for sewer maintenance, we recommended Transportation remove expenses included in its indirect costs that could be considered direct administrative costs for a specific program or service. In the response to the original audit, Transportation agreed to review costs in its model to see if they could be allocated elsewhere. After further analysis, however, the Bureau determined it will continue using the current method. Transportation said this is based on a past City decision to follow federal guidelines used for grants. If the Bureau continues to use the existing model, we recommend it be more transparent in reporting which costs, if any, are not tied to sewer maintenance.

Environmental Services and Transportation are waiting to re-evaluate their agreement to maintain sewers to see how each Bureau might be impacted by the transition to the City's new form of government

We recommended the Bureaus re-evaluate the pros and cons of their long-term agreement for sewer maintenance, to determine whether the partnership best serves the interests of the public. Our audit found persistent issues with it, including sewer maintenance and repair services that are not aligned with Transportation's organizational goals and objectives; and the use of separate tracking systems, which drew concerns about inefficiencies from staff in both Bureaus.

Instead of waiting, the Bureaus should consider changes to the agreement as the City develops a new organizational structure to streamline services that a City Administrator can manage effectively.

[View the original 2021 report and recommendations.](#)

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