

FINANCIAL IMPACT STATEMENT
For Council Action Items
(Use this form for Ordinances and Resolutions)
(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Sue Williams	2. Telephone Number 503-823-5520	3. Bureau/Office/Dept. BES
4a. To be filed (date) January 19, 2011	4b. Calendar (Check One) Regular Consent 4/5ths [X] [] []	5. Date Submitted to FPD Budget Analyst:

1) Legislation Title:

*Amend Contract with CMTS, Inc. to add Inspector Apprenticeship Program and increase compensation. (Ordinance, Amend Contract No. 37903)

2) Purpose of the Proposed Legislation:

Add an increase in scope of work, billing classification and rate to existing contract to conduct an Inspector Apprenticeship Program.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated identify the source.

N/A

4) Expense:

What are the costs to the City as a result of this legislation? Include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract include the local contribution or match required.

The Apprentices will provide services and bill to projects included in the BES Capital Improvement Program. There will be no additional cost to the City.

5) Staffing Requirements:

a) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? If new positions are created include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term, indicate the end of the term.

N/A

b) Will positions be created or eliminated in future years as a result of this legislation?

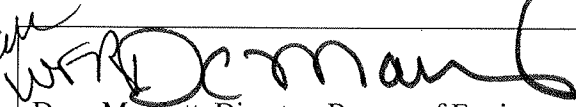
NA

6) Change in Appropriations: Budget changes for the current year must go through the BMP Process. This section may only be use with prior permission of your OMF analyst for exceptions.

Reflect the dollar amount to be appropriated by this legislation. Include the appropriate center codes and accounts to be used by Central Accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.

NA

Fund	Center Code	Account	Amount	Project Fund	Project No.

WFR


Dean Marriott, Director, Bureau of Environmental Services

APPROPRIATION UNIT HEAD (Typed name and signature)

Response to Commissioner Fritz's Questions
BES Inspector Apprenticeship Program
January 24, 2011

\$45k per year in pay and benefits seems generous for an apprenticeship. What is the hourly rate of pay for the apprentices? And how does this compare with other apprenticeship programs?

Apprentice salary 1-90 days: \$15.25/hr.
Apprentice salary 90-365 days: \$18.00/hr.

Comparisons

ODOT Inspector Intern: \$14.62-\$17.77/hr
City PW Inspector, Trainee: \$14.03-\$16.79
Laborer: \$15.00-\$22.00/hr

Given this opportunity for an apprenticeship with living wages and benefits leading to a well-paying job, how is the program advertised and how are the successful applicants selected? What are the selection criteria? How many people applied for the program the last time it was offered?

The Program has been advertised exclusively to organizations that work with minorities and/or the construction trades including:

- Portland Youth Builders
- NE Workforce Center
- SE Works
- Association of General Contractors
- Oregon Tradeswomen
- The Confederated Tribes of Grand Ronde
- Oregon Metro MWESB Office
- US Forest Service Dept. who forwarded candidates recommended from the NAACP

Candidates recommended by these organizations are first invited to attend an orientation. There, they learn about CMTS, BES, the City, the program requirements, what a Public Works Inspector does, what skills they will acquire, what potential opportunities for employment exist post-graduation and what is expected of apprentices. They are taken out to job sites to see what the work conditions are and observe first hand an inspector's job. Those interested submit an application, take a required written exam (to assess math and other skills) and answer essay questions related to the orientation. The candidates are scored based on a combination of these factors and then a limited numbers are invited to interview. The committee makes selection based on all of the factors and the interview to determine the candidates who have the best chance of success.

The criteria include:

- Punctuality
- Preparation
- Attentiveness
- Involvement
- Completion of application packet
- Written exam
- Response to essay questions
- Grades
- Handwriting
- Experience in the construction industry

In 2002 there were approximately 30 candidates at orientation and 18 applied to fill 4 positions.

The "internal training" at \$24k/yr is \$48k/year for the two apprentices, if the same instructor teaches them both. Please explain why this money is best spent in this way, rather than on teaching a larger group of apprentices.

Training cost has been revised as there was an error on the fact sheet. Total training is estimated to be \$24,000, or \$12,000 per apprentice. This only reflects instructor led classroom training. The balance in part covers some of the on the job cost and potentially a limited amount of profit.

The majority of public works inspection duties are not learned in a classroom setting, but through extensive on the job experience. We are not aware of college programs focused on public works inspection. This program provides targeted, paid training that results in immediate qualification for employment. The inspector's role is to document activities on the job site as well as to ensure safety, which may account for up to 25% of the training. The apprentices are expected to have some construction exposure and progress through the classroom training quickly. They will be assigned to various individuals on multiple job sites for the on the job training. CMTS additionally will provide mentoring in a variety of job and life skills to ensure the candidates are successful. Due to the intensive individual attention required, the number of candidates is limited to make the program manageable and created the greatest opportunity for post-training employment. This approach ensures the greatest success in meeting the goal of the program, increasing diversity in the inspection field.



CITY OF PORTLAND ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

BES Inspector Apprenticeship Program Fact Sheet Follow-Up from City Council Meeting 1/19/2011

The Inspector Apprenticeship Program is a very targeted and specific effort to increase diversity in the field of public works construction inspection.

While BES participates in other internship programs with local community colleges and universities, and is supporting the Future Connect program, the goal of this effort to fast track candidates through a paid apprenticeship in one-year with immediate results-based outcomes (qualification for employment with CMTS or similar firm, other agencies or ability to successfully compete for City positions). Additionally, the candidates can assist BES on the job site with inspection duties as they train.

This training program is designed to not only provide training and hands-on experience at active construction sites, but to also provide full employee benefits and a living wage compensation to the participants.

BES and CMTS ran an effective and successful program in 2002-2004 graduating 3 minority candidates, 2 of which are now in City positions; the third has been employed as private contract inspector.

The existing contractual relationship between BES and CMTS provides the opportunity to update the curriculum and structure and quickly implement this tried and proven program.

Additional benefits of partnering with CMTS

CMTS experience and record in supplying qualified contract inspectors provides assurances that they are competent to provide classroom and on the job training that meets City requirements

CMTS knowledge of municipal practices and procedures ensures apprentices receive the specific training needed to qualify to perform public works inspection

As an African American-owned firm, CMTS has networks within the community and can focus on applicants that will diversify City work sites

Program costs are reduced by utilizing experienced CMTS inspectors currently assigned to City job sites, along with City inspectors to provide on the job training

CMTS Cost Breakdown per Apprentice

	(0-90 days)	(90 days-1 year)	Annual
Salary and benefits	\$10,075	\$34,754	
Equipment	\$ 1,080	\$ 3,240	
External Training	\$ 219	\$ 657	
Internal Training	\$ 6,045 @ \$44/hr	\$18,135	
Prof & Gen Lia Ins	\$ 405	\$ 1,217	
Total Cost	\$17,824	\$58,003	\$75,827

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BES Financial Information

BES will be billed an hourly billing rate (below) for each apprentice for hours spent in classroom training, on the job training and performing "junior" inspection duties on job sites. Time on leave (vacation, sick, holiday etc.) will be considered non-billable hours.

0-90 days	\$34.50
90 days -1 year	\$41.40

Estimated billable cost per apprentice: \$75,000

There is minimal BES cost associated with additional training that is done in conjunction with routine inspector training and on the job training.

It is anticipated that Inspector Apprentices will be assisting with inspection on the job site during the one year apprenticeship period and be billable to CIP projects. Work they can perform as "junior" contract inspectors in place of other contract inspectors results in a cost savings of approximately \$17/hr. for BES

For additional information please contact Sue Williams at 823-5520.