



EXECUTIVE SUMMARY

July 6, 2010

TO: The Honorable Mayor and City Council

FROM: John Szerlag, City Manager
 John M. Lamerato, Assistant City Manager/Finance & Administration
 Mark F. Miller, Acting Assistant City Manager/Economic Development Services
 Peggy Sears, Human Resources Director
 Susan A. Leirstein, Purchasing Director
 Steven J. Vandette, City Engineer

SUBJECT: Restructuring of Engineering Department

Given our \$100M Capital Improvement Program (CIP) over the next six (6) years, the current staffing level in the Engineering Department, in addition to consultants, is the most cost effective way to provide Engineering services for the city.

The Engineering Department is a hybrid department and has been for most of its history. Consultants are utilized to augment existing staff for the major work components of project design, inspection, contract administration and many other services, including technical or long range studies, unique design services, master planning and testing.

Current consultants were selected through competitive bid processes. Prior to expiration of existing contracts, a full review will be performed and renewals may be recommended or a new RFP process initiated as appropriate.

Current Engineering Department staffing levels are thirteen (13) full-time positions and three (3) part-time positions which represents almost a 50% reduction in staff from our high point in 2004/05.

At current CIP levels, consultants provide 50% of the engineering services. An increase in consultant services decreases revenue from Capital projects. If the CIP were reduced by 50% (not recommended), most projects would be done by in-house staff; there would be little need for consultants. If the CIP were reduced by 75% (also not recommended) staff utilization would likely fall below the breakeven point of 68% and most projects could be cost effectively done by consultants.

To further delve into this issue, we will be making a presentation at the July 12, 2010 City Council Study Session.

Reviewed and confirmed by:

Richard Carlisle, Consultant
 Carlisle Wortman Associates, Inc.

July 6, 2010

Date