

**City of Carson City
Agenda Report**

Date Submitted: August 2, 2012

Agenda Date Requested: August 16, 2012

Time Requested: Consent

To: Carson City Mayor and Supervisors
From: Department of Public Works

Subject Title: For possible action: To approve filling a vacant Constructor Inspector position with a Construction Manager position and adding a Document Control Specialist position (Darren Schulz).

Staff Summary: Approval of this modification to staffing will allow Public Works staff to perform a significant portion of the construction management services currently done by consultants. This would result in a savings of approximately \$241,000 in the cost of doing capital projects annually.

Type of Action Requested: (check one)

Resolution Ordinance No Action
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to approve filling a vacant Constructor Inspector position with a Construction Manager position and adding a Document Control Specialist position.

Explanation for Recommended Board Action:

Public Works currently hires consultants to provide construction management services for capital projects. In the past five years Public Works has spent \$4.9 million retaining these services and over a ten year period costs have averaged \$770,000 per year. Although there will be fewer capital projects in the next several years it is anticipated that Public Works costs for construction management services if done by consultants will be no less than \$450,000 per year. This would increase substantially if a more sizable capital program was approved.

In 2006 and then again in 2008 the State Labor Commissioner instituted a program that all public agencies in the State would be held accountable for ensuring that prevailing wages were being paid to workers on capital projects. In as much, the State Labor Commissioner increased the penalties to Contractors who were not paying correctly and to government agencies who were found to not be monitoring the prevailing wages on their capital projects. Carson City Public Works has been using a consultant to monitor/document prevailing wage projects and works directly with the State Labor Commissioner at an annual cost of approximately \$50,000 per year.

Public Works currently has a funded vacant Construction Inspector position that would be converted to a Construction Manager position and a new Document Control Specialist position would be added. Current budget allocation for these costs/positions is \$131,000 and the

increased cost of approval of this proposal is \$78,000 which would result in total costs of approximately \$209,000. This would be offset by the reduction in anticipated consultant costs of \$450,000 resulting in a minimum budget savings of \$241,000. All construction management costs are charged to capital projects.

The next two fiscal years Public Works has two construction projects among others, and their corresponding construction management fees that are partially funded by a third party. Reimbursement for construction management fees for these two projects would fund approximately 70% of city costs or \$146,000 each year. Reimbursements of this nature are not uncommon for many of our capital projects.

With this proposal we would still use construction management consultants in the future for peak capital project demand, but not for the anticipated base load of capital projects.

IFC approved the request at their meeting of July 18, 2012 for presentation to and approval by the Board of Supervisors.

Applicable Statute, Code, Policy, Rule or Regulation: NA

Fiscal Impact: Modifying existing Construction Inspector position to Construction Manager position and adding a Document Control Specialist position would be in increase of \$78,000 over the current budget allocation of \$131,000, but will result in annual savings of \$241,000.

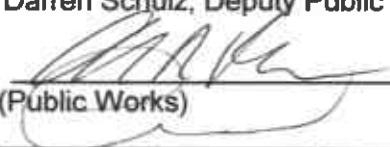
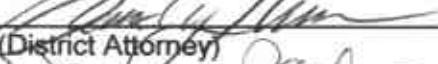
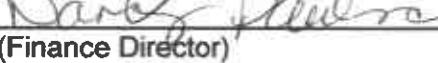
Explanation of Impact: Public Works currently has budgeted in its capital accounts the cost of hiring consultants to provide construction manager services for its capital projects. If staff provides these services it would result in transferring funds from the capital accounts to cover the salaries of these individuals. This process is already done for Public Works design services for capital projects.

Funding Source: Various Capital Projects Accounts

Alternatives: NA

Supporting Material: NA

Prepared By: Darren Schulz, Deputy Public Works Director

Reviewed By:  (Public Works)	Date: 8-7-12
 (City Manager)	Date: 8/7/12
 (District Attorney)	Date: 8/7/12
 (Finance Director)	Date: 8/7/12