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DEPARTMENT OF
UTILITIES

ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
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May 24, 1994

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: RESTRUCTURING OF THE DEPARTMENT OF UTILITIES

LOCATION AND COUNCIL DISTRICT: City-wide

RECOMMENDATION:

It is recommended that the City Council:

1. Approve restructuring plans for the Capital Improvement Program and Planning and Development Sections of the Department of Utilities
2. Reassign 3.0 FTE and the supporting budget from the Public Works Department to the Utilities Department

CONTACT PERSON: Gary A. Reents, Acting Engineering Services Manager, 433-6633

FOR COUNCIL MEETING OF: June 8, 1994

SUMMARY

This report presents the Department of Utilities restructuring plans. The restructuring is being proposed to implement the recommendations of the Design/Construction and Long Range Planning/Development Task Forces which were approved by City Council on March 8, 1994. The recommendations and proposed restructuring respond to Council's four priorities emphasizing economic development, neighborhood issues, improved project management practices, and customer service. The proposed restructuring involves reassignment of staff and some undefined relocation expenses. Staff reassignment will result from the transfer of floodplain management duties from the Public Works Department to the Utilities Department.

APPROVED
BY THE CITY COUNCIL

JUN 8 1994

OFFICE OF THE
CITY CLERK

City Council
May 24, 1994
Restructuring of Department of Utilities

COMMITTEE/COUNCIL ACTION

On March 1 and 8, 1994, respectively, the Neighborhood Work Group Committee and City Council approved the recommendations of both the Long Range Planning/Development Task Force and the CIP Design/Construction Task Force.

BACKGROUND INFORMATION

In August 1993 the City Council approved principles and criteria for the reorganization of the Planning and Development, Public Works, and Utilities Departments in the areas of planning development, CIP's, and customer service. The concept of reorganization was subsequently approved by the Neighborhood Work Group and City Council on November 15, 1993, and November 30, 1993, respectively. The CIP Design/Construction Task Force and the Long-Range Planning/Development Task Force developed specific recommendations for the reorganization that were approved by the Neighborhood Work Group and City Council on March 1, and March 8, 1994, respectively.

The Department of Utilities has actively participated in both the CIP Design/Construction Task Force and the Long Range Planning/Development Task Force. The resultant recommendations are the basis for the reorganization proposed to be implemented by the Utilities Department. This proposed reorganization will result in better coordination with the Planning and Development and Public Works Departments and will provide Utilities Department staff on an operational control (op-con) basis to the Planning and Development Department for support at the consolidated public counter.

The recommendations of the two task forces are as follows:

CIP Design and Construction - Task Force Recommendations

- A. Adopt a team approach (using self directed project teams) with Project Managers who are held accountable.
- B. Restructure the current organization to facilitate this.
 - Reorganize design and construction functions into project teams.
 - Centralize the contract administration/labor compliance functions.

City Council
May 24, 1994
Restructuring of Department of Utilities

- C. Improve the quality and cost effectiveness of capital improvement projects by:
- Separating "unfunded" activities (e.g. master planning, preliminary work on unfunded projects, etc.) from those responsible for producing funded projects.
 - Continuing to conduct life cycle cost analysis (value engineering) including operating and maintenance cost considerations on projects where this may result in lower long-run costs.
 - Adopting improved citywide standardized policies and procedures for the preparation of technical specifications for construction projects.
 - Each division involved in CIP design and construction should examine indirect cost rate plan and timecard (project billing) practices.
- D. Increase the opportunity for public review and input and strengthen the skills of project managers in support of this.
- Include adequate and timely public review and comment periods in project schedules.
 - Train project managers in leadership and public relation skills.
- E. Adopt quantifiable performance standards in order to measure success.

Long-Term Planning/Development Review - Task Force Recommendations

- A. Co-locate staff from Public Works and Utilities Departments to the Planning and Development Department to further streamline the permit process.
- B. Establish a common public counter at 1231 I Street.
- C. Designate project managers for applications and studies.
- D. Coordinate an annual review of departmental plans within the three departments that are directly responsive to City Council objectives.
- E. Coordinate a team approach.

City Council
May 24, 1994
Restructuring of Department of Utilities

The Department of Utilities

The Department of Utilities, formed in 1992 from two divisions within Public Works, has a current work force of 384 and an operating budget of \$44 million. The Utilities Department serves the ratepayers of the City by providing and maintaining water, sewer, drainage, and flood control facilities to safeguard the health of the public and improve the quality of life in our City. Our department works closely with other City departments, and county, state, and federal agencies in the development and implementation of Utilities Capital Improvement Projects. Department revenues are derived from monthly service charges and development and connection fees.

During the department formation process, Utilities staff and management met to define the roles of the divisions within the department. It was decided to emphasize and facilitate the delivery of service provided to our customers by organizing the Department into four distinct divisions: Field Services, Plant Services, Engineering Services, and Business Services. Department management and administration is focused on facilitating interaction and teamwork between operations and maintenance personnel and the planning and engineering staff.

Services provided by the department include surface water treatment facilities, water distribution, wells, sewer collection, drainage collection, sewer and drainage pump stations, and levee maintenance. Capital Improvement Projects are identified and created to maintain, replace, and improve facilities as approved by City Council.

After the initial organization of the Utility Department, staff and management met to further organize and define the Engineering Services Division. Separate sections were organized within the division consisting of Planning and Development, CIP Design and Construction, and the Combined System Project (see Attachment 1).

The CIP Section within the Utilities Department - Proposed Reorganization

Our proposed restructured CIP Section (Attachment 2) consists of four project teams, each with a project manager (either an Associate Engineer or an Assistant Engineer), an engineering technician, the appropriate representative from Field Services or Plant Services, and a construction inspector from Public Works. The project manager is responsible for the project from the time it is defined by Planning/Operations and Maintenance until construction is complete and the project has been accepted by the City. Currently the project manager is also tasked to perform certain contract administration duties; these duties will be assumed by a centralized contract administrator in the future.

City Council
May 24, 1994
Restructuring of Department of Utilities

The Utilities CIP effort in FY93/94 includes projects valued at approximately \$10 million or an average of approximately \$2.5 million per team. Our commitment is to complete 29 projects (out to bid) by July 1, 1994. To date, 22 projects have been put out to bid. Currently, approximately 35% of all Utilities projects are designed by consultants and 65% are designed in-house. It is proposed in FY94/95 to increase consultant design to approximately 40% to increase project output. In all cases, the project manager administers all aspects of the project and is responsible for its timely and economical completion.

In the following 18 months, another \$30 million in projects are scheduled for a total of approximately \$40 million over a two and a half year period. The corresponding cost of master planning efforts in water, sewer and drainage over that same time period is \$4.1 million or approximately 10% of the cost of CIPs.

Utilities will coordinate efforts with the Public Works and Planning Departments to implement a training program for Project Managers in leadership and public relations skills.

The Planning/Development Section within the Department of Utilities - Proposed Reorganization

The Planning/Development Section within the Department of Utilities will be responsible for providing the two positions that will be "op-conned" to the Planning and Development Department for the consolidation of development services at 1231 I Street. Staff will be op-conned to the Planning and Development Department on a rotational basis. When not on rotation at 1231 I Street, staff will continue to conduct drainage, sewer, and water master plans, and review development plans, entitlement applications, EIRs, and improvement plans.

The Planning and Development Section's reorganization also involves the assumption of floodplain management duties from Public Works and the establishment of in-house standards and policies related to development review. The assumption of floodplain management by the Utilities Department will result in the re-allocation of three FTE's and the associated supplies and services budget currently assigned to Public Works, but funded by Utilities. These three positions will be assigned to the Planning Team.

The second component of the reorganization is the ongoing process of developing in-house standards and policies. This component, undertaken independently of the consolidation, will allow the Department to better respond to the consolidation and to meet Council's goals for improved customer service and economic development.

City Council
May 24, 1994
Restructuring of Department of Utilities

The proposed reorganization supports the recommendations approved by City Council. Specifically, it provides Utilities Department staff on an op-con basis to the Planning and Development Department for the consolidation and streamlining of permits and development-related services. It supports the coordination of the annual review of inter-departmental planning with the continuation of the Department's Master Planning Program which will result in better prioritization of long range planning efforts. And finally, the reorganization continues to foster the team approach with the Planning and Development and Public Works Departments by maintaining a strong commitment to planning and development and providing Utilities Department staff for project management on an as-needed basis.

The proposed organizational chart for the Utility Department, Planning and Development Section is attached to this report as Attachment 3.

FINANCIAL CONSIDERATIONS

There are no costs anticipated with the reorganization of the CIP Section to implement the recommendations of the Design/Construction Task Force.

There will be an as of yet undefined cost associated with implementing the recommendations of the Long Range Planning Task Force recommendations. These costs will be related to the office space needs for the co-location of two Utilities Department staff at the 1231 I Street common public counter.

POLICY CONSIDERATIONS


The proposed reorganization of the CIP Section and the Planning/Development Section of the Department of Utilities is consistent with the Task Force recommendations adopted by City Council on March 8, 1994. The proposed reorganization has been planned to effectively respond to City Council's priorities of economic development, increased community involvement, improved customer service, multi-disciplinary task-driven team work, and the reduction of cost and improvement in efficiency.

City Council
May 24, 1994
Restructuring of Department of Utilities

MBE/WBE

Not applicable since no goods or services are being purchased.

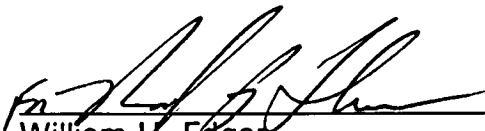
Respectfully submitted,



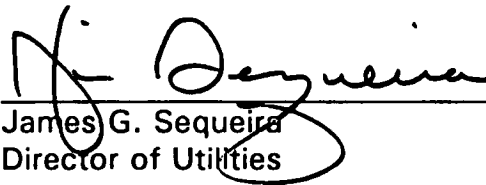
Gary A. Reents
Acting Engineering Services Manager

RECOMMENDATION APPROVED:

APPROVED:



William H. Edgar
City Manager



James G. Sequeira
Director of Utilities

RESOLUTION NO. 94-362

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING RESTRUCTURING PLANS FOR THE UTILITIES DEPARTMENT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- 1. That the organization changes for the Department of Utilities, as described in the Council report dated April 19, 1994, are adopted.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL
JUN 8 1994
OFFICE OF THE
CITY CLERK

FOR CITY CLERK USE ONLY

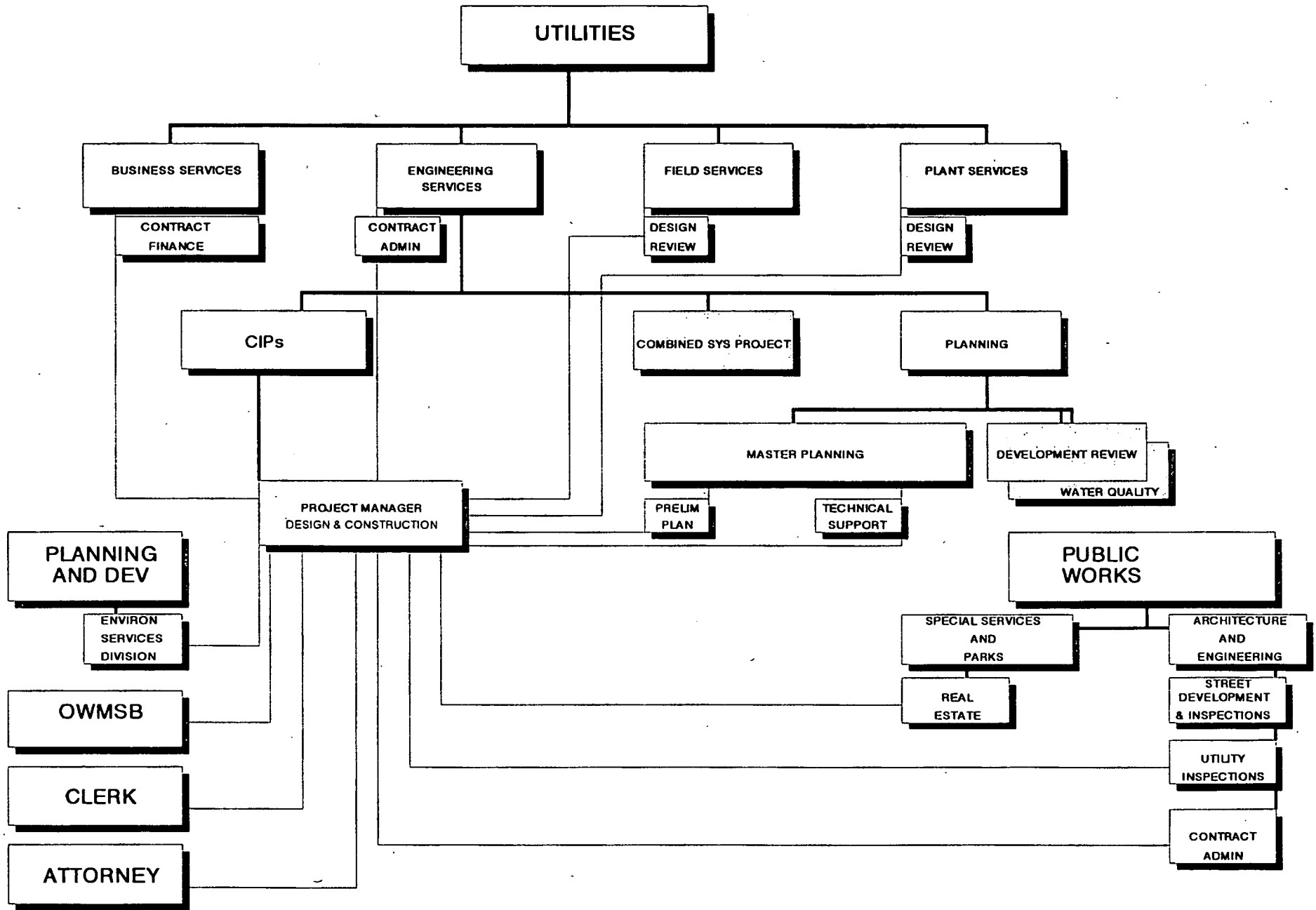
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DATE ADOPTED: _____

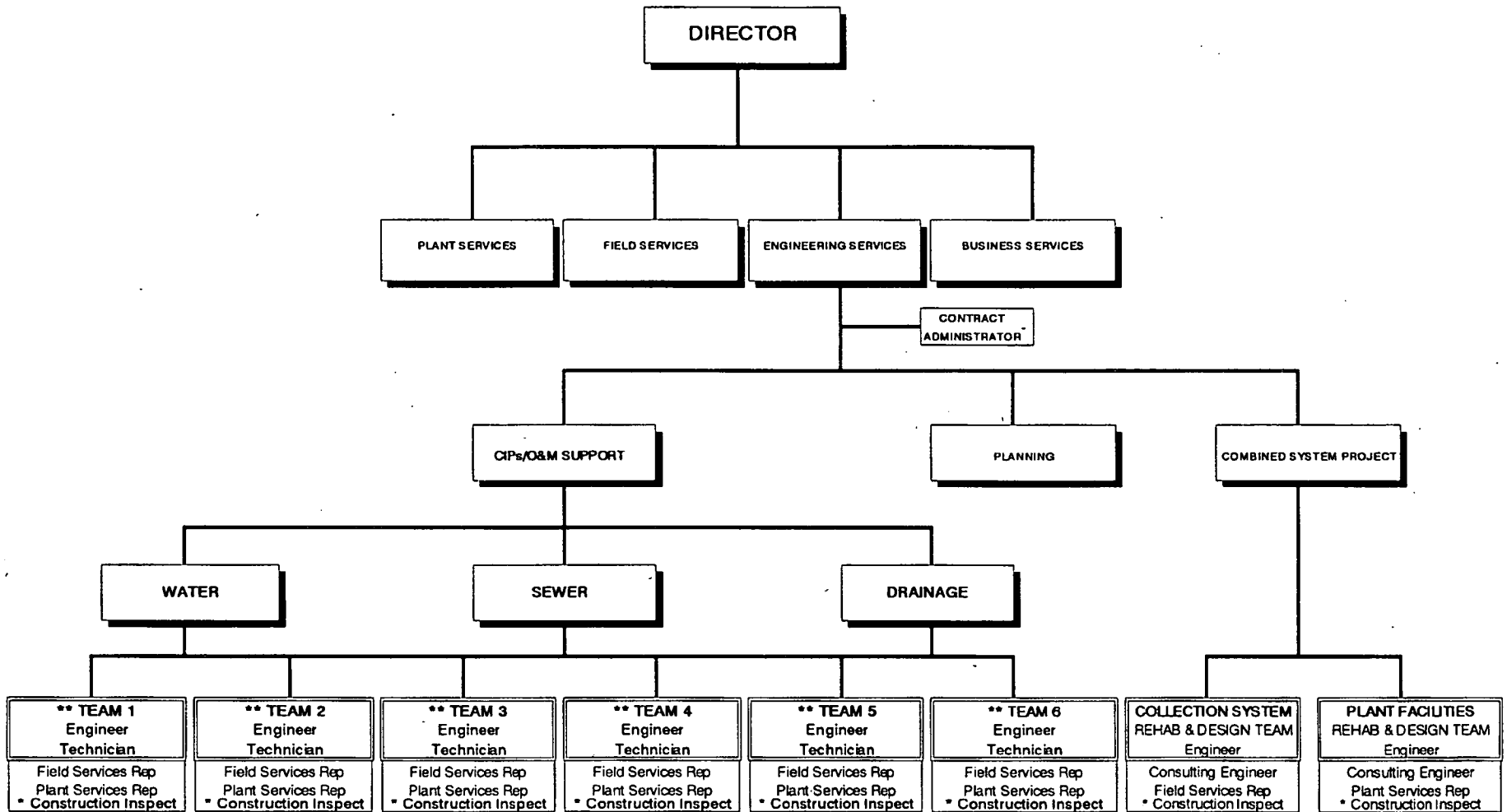
ATTACHMENT 1

PARTIAL ORGANIZATION CHART

1



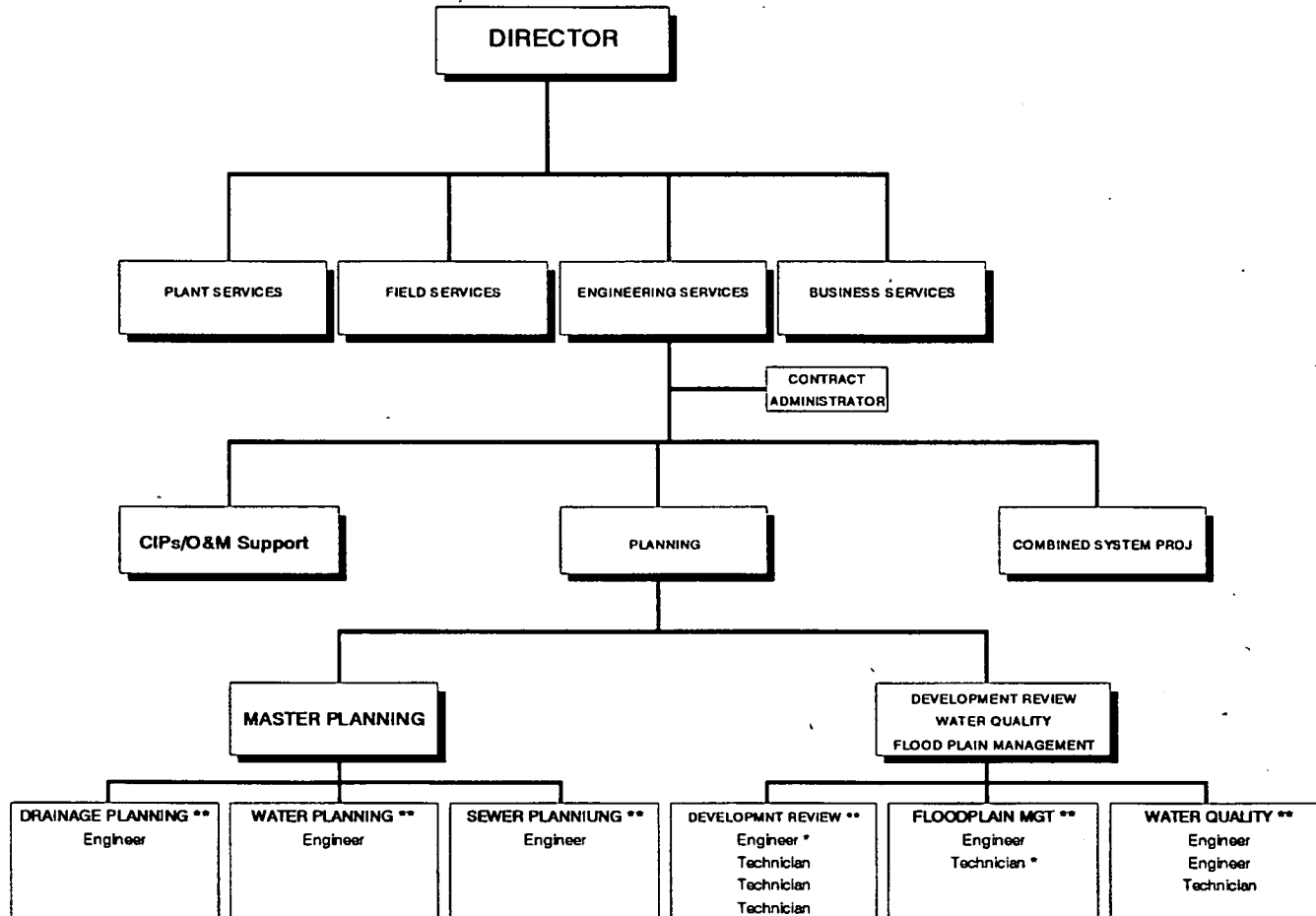
DEPARTMENT OF UTILITIES



* Op-Con from Public Works

** The composition of Project Teams vary based on specific projects assigned.

DEPARTMENT OF UTILITIES



* Op-Con to Planning

** The composition of Project Teams vary based on specific projects assigned.