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## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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**Date Issued:** November 26, 2008

**IBA Report Number:** 08-121

**City Council Docket Date:** December 1, 2008

**Item Number:** 204

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# Agreement for As-Needed Storm Water Engineering and Consulting Services

Item 204 on the City Council Docket for December 1<sup>st</sup>, 2008 is a proposed agreement with URS Corporation Americas and Tetra Tech, Inc. for as-needed Storm Water engineering and consulting services. The proposed agreement would authorize a total not-to-exceed amount of \$12.5 million over five years for each of the contractors, resulting in an aggregate not-to-exceed total of \$25 million. Under these agreements, contractors would provide as-needed services on a task-order basis in support of the City's storm water pollution prevention program, as required by the Municipal Storm Water Permit.

At the October 15<sup>th</sup>, 2008 Natural Resources & Culture (NR&C) Committee meeting, the IBA cautioned against committing General Fund resources in light of the current year \$43 million budget gap announced earlier that day, until further information was available on the nature of the budget reductions that would be needed. The Committee forwarded the item to the full council without recommendation, and requested additional information on the need for these contract services with respect to compliance with the Municipal Permit. In response, the Storm Water Department issued a memo dated October 27<sup>th</sup> that provided detailed information on the specific task orders that were anticipated under these agreements for FY 2009, the estimated cost of each task, and the corresponding regulatory requirement that each task would address.

Pursuant to the budget reduction plans requested by the Mayor to address the FY 2009 shortfall, the Storm Water Department reduced 10.00 FTE positions and approximately \$3.3 million in non-personnel expense. While these reductions are anticipated to impact the Department's efforts with respect to education and outreach, industrial facility inspections, and proactive planning and project implementation, it is expected that the

City will remain in compliance with the Municipal Permit. In contrast, the services to be provided under the proposed agreements are deemed to be critical in ensuring that the City maintains compliance, particularly in light of the current-year budget reductions.

As such, the IBA supports approval of the proposed agreements for engineering and consulting services. However, given the length of the proposed agreements and the as-needed task order basis, we recommend that the Storm Water Department provide an annual report to the NR&C Committee that details the tasks that have been performed to-date, total contract expenditures, and additional tasks that are anticipated for future years.

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