Managed Competition
Pre-competition Assessment Report
Transportation and Storm Water Department:
Street Division
Street and Sidewalk Maintenance

August 16, 2011

The Pre-competition Assessment Report was prepared in accordance with the Managed Competition Guide dated July 26, 2010. The report was prepared by the Business Office with Assistance from a PCA Team consisting of subject matter experts from the Street Division.

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I. INTRODUCTION

Managed competition is a structured, transparent process that allows public sector employees to be openly and fairly compared with independent contractors for the right to deliver services. This strategy recognizes the high quality and potential of public sector employees and seeks to tap their creativity, experience, and resourcefulness by giving them the opportunity to structure organizations and processes in ways that are similar to best practices in competitive businesses, yet still compatible with public sector realities.

The first step in managed competition is to conduct a Pre-Competition Assessment (PCA) to evaluate whether a function is eligible and appropriate for competition. The purpose of this report is to document the PCA of the street and sidewalk maintenance-related activities performed by the Transportation and Stormwater Department (TSD), Street Division.

II. OVERVIEW OF FUNCTION

A. Background

The Transportation and Storm Water Department was formed via restructure in January 2011. The new department consolidates the operation and maintenance of streets, sidewalks, and storm drains, leads efforts to protect and improve the water quality of rivers, creeks, bays, and the ocean, performs traffic and transportation system engineering, manages the Utilities Undergrounding program, and plans and coordinates work in the right-of-way.

For the purposes of the report, the way the department is budgeted is not as important as the functions they perform. Therefore, the report will discuss the various types of maintenance/repair related duties within Street Division rather than focus on how the division operates. Additionally, given the related types of services provided by the Street Division, the PCA developed for streets and sidewalk maintenance takes advantage of the economic opportunities achieved by grouping similar types of services in order to request bids from vendors who can meet the City's guidelines while at the same time lowering costs by reducing the number of vendors who are awarded different parts of the work.

The Street Division maintains and repairs all streets, alleys, sidewalks, bridges, guardrails, and fences; administers annual resurfacing and slurry seal contracts; maintains and repairs street lights and traffic signals; performs traffic lane striping; paints and removes traffic markings and legends; maintains and manufactures traffic signs; and maintains street trees (see table 1). Street and park lights and traffic signals are also part of Street Division's functions but are not part of this study.

Job Title	FY12 Budgeted
Pavement Markings & Sign Maintenance	
Total FTE Count	
Concrete Maintenance	
Total FTE Count	
Asphalt Maintenance	
Total FTE Count	
Tree Maintenance	

REDACTED

Job Title	FY12 Budgeted
Total FTE Count	
Total number of FTEs	

REDACTED

Table 1: FY12 Street and Sidewalk Maintenance Staffing levels

Asphalt

Street pavement restoration services - The City of San Diego has over 3,000 miles of streets, alleys, and bike paths. Work performed by the Street Maintenance Section includes pothole patching, repairs to localized street failures, and entire block resurfacing overlay of the asphalt surface. Because of the similar staff classifications and equipment used, this service also includes maintenance of dirt alleys. While there are different types of pavement (e.g., asphalt and concrete) in the City, this section focuses on the predominant surface: asphalt.

To accomplish street repairs, a variety of minor patching and major overlay maintenance techniques are used. In Fiscal Year 2011, asphalt crews repaired over 39,000 potholes with an average response time of seven days. The objective of the pothole repair work is to mitigate potential hazards within the public right-of-way. Depending on the priority, permanent repairs are completed either with in-house crews or by private contractors. In-house crews are utilized to perform high priority isolated pavement repairs, while planned pavement maintenance such as overlays and slurry sealing are completed via contracts. Contractors repair damaged sections of pavement prior to overlay and slurry sealing of streets. In Fiscal Year 2011, the division received 13,120 service requests. Of these requests, 8,352 were for pothole repairs, 1,270 for isolated pavement repairs or overlay, and 116 for grading of dirt surfaces. Requests for pothole repairs or other street-related services can also come from City field crews. In many cases, crews address other issues while responding to specific requests.

During storm events, division field personnel shift to storm patrol activities which include inspection and cleaning of critical storm drain structures and removal of debris and tree branches from streets to ensure safe traffic movement and proper drainage. Street Division also provides personnel and equipment in emergency situations to the Fire Department, Police Department, and Homeland Security, as part of the City's Search & Rescue Team.

Sidewalk, alleys, and bike paths restoration services - The City of San Diego has approximately 5,000 miles of sidewalks and 310 miles of dedicated concrete streets and alleys, in addition to approximately 22 miles of concrete bike paths. The most common sidewalk problems typically result from tree root damage, old age, or deterioration. Sidewalk and concrete repairs include the repair of sidewalks, street panels, curbs and gutters, cross gutters, bus pads, retaining walls, alleys, bike paths, and other special projects. Examples of these special projects include repair of stairs along beach bluffs and repair of other concrete structures in the public right-of way. One important function of this group is to oversee and execute the 50/50 Sidewalk Cost Share Program. In this program, the City pays for half of the sidewalk replacement cost and the property owner pays the other half. The fee is based on unit cost cost and is the same for all communities in the City.

The sidewalk maintenance function includes REDACTED Full Time Equivalent (FTE) Code Compliance Officer (CCO) positions. These positions issue Notices Of Violation (NOV) for vegetation

encroachment onto the public right-of-way, NOVs notifying property owners of their liability for repair of sidewalks, and tree permits, as well as process subpoena requests for litigations. Part of the notification function could be handled by a third party contractor that would not bid for the repairs. The notices issued by the third party would need to be free of any references to consequences since violation notices are solely the responsibility of the City under the current Municipal Code.

Street Division received approximately 1,000 requests, including 460 requests for sidewalk repairs and 650 requests for other types of concrete repairs such as street panels, curbs and gutters cross gutters, bus pads, retaining walls, and alleys. Approximately 82,211 square feet of concrete repairs and 3,776 linear feet of curb & gutter repairs were completed during fiscal year 2011. Street Division also issues annual contracts to provide repairs to a large number of sidewalks and other concrete infrastructure in the public right-of-way.

During storm events, personnel shift to storm patrol activities, which include inspection and cleaning of critical storm drain structures and removal of debris and tree branches from streets to ensure proper drainage and reduce the potential for flooding.

The City Attorney's Office issued an opinion on January 28, 2011, regarding who is responsible for sidewalk maintenance. The opinion states: "Under long standing state law, every property owner is responsible for maintaining and repairing the portion of the public sidewalk fronting his or her property. The City, however, has shifted much of that responsibility onto itself through Council Policy 200-12. Private property owners currently have little incentive to repair damaged sidewalks because it is generally just the City that faces liability for injuries that occur from dangerous sidewalk conditions. The City could adopt an ordinance requiring property owners to maintain and repair sidewalks fronting their property, and make them share liability with the City for injuries to the public caused by their failure to do so."

Table 1 includes the Concrete and Asphalt function budgeted positions for Fiscal Year 2012. Actual staffing levels, however, have generally been about 85 percent of budgeted staff during the past three years.

Trench restoration services - Street Division has a Service Level Agreement (SLA) with the Public Utilities Department (PUD) for trench restoration work associated with water and sewer service repairs that damage roadway surfaces and sidewalks within the public right-of-way. Crews perform permanent pavement repair after pipes repairs are completed by PUD staff. Per the SLA, work is generally completed within 30 days after it's been referred t Street Division by PUD.

Resurfacing services - A large component of street maintenance, known as the resurfacing program, is contracted service. There are REDACTED budgeted FTE positions that perform contract support, management, and administration, which includes pavement and sidewalk surveying, prioritizing and scheduling streets and sidewalks for proper maintenance activities, performing conflict checks with other right of way projects, and coordinating with departments and Council offices based on the specific community needs. Although these functions are currently handled by City staff, the tasks are not considered inherently governmental. The Federal Government as

well as other private entities can contract out the tasks described above to outside vendors. However, the final approval or regular oversight should be the responsibility of an authorized employee within the government. The Office of Management and Budget (OMB) Circular No. A-76 defines inherently governmental tasks and also states that while some inherently governmental activities require some sort of discretion, not every act of discretion is by default an inherently governmental activity. The circular also states that unless already described by existing procedures, policies, or guidelines, making a decision on two or more alternative options would be an inherently governmental task. Therefore, a vendor can do all except the following: defining the scope of contractor services, identifying the City's priorities, and quality assurance oversight.

Table 2 displays the resurfacing program budgeted staffing for Fiscal Year 2012 including contract support.

Positions	# of FTW
Associate Civil Engineer	
Project Officer I	
Assistant Civil Engineer	
Principal Engineering Aide	
Sr. Engineering Aide	
Public Works Supervisor	
TOTAL	

REDACTED TO PRESERVE A LEVEL PLAYING FIELD IN COMPETITION

Table 2: Fiscal Year 2012 Resurfacing Program Staffing

In Fiscal Year 2010, contractors overlayed 43 miles of streets and slurry sealed 66 miles as part of the resurfacing program. Overlay activities involves milling against gutter lines and adding asphalt over the existing pavement. This process is considered a capital improvement function. Slurry seal improvements involve adding a thick rubberized emulsion mix over existing asphalt. In Fiscal Year 2011, 25 miles of streets received an overlay and 158 miles were planned for slurry sealing and should be completed by Fiscal Year 2012. In addition, in Fiscal Year 2012, 126 mile of streets are scheduled for slurry sealing and 23 miles are planned for overlay.

Pavement Markings and Signing Functions

The division is responsible for the installation and maintenance of traffic control devices and barriers including: lane line striping, pavement legends, traffic signs, wooden barricades, guardrails, crash cushions, curb painting, and pavement markers along San Diego's 3,000 miles of improved streets and alleys. In Fiscal Year 2011, the division received approximately 11,504 service requests for maintenance of lane line striping, pavement legends, traffic signs, wooden barricades, guardrails, crash cushions, curb painting, pavement markers, and bridge minor maintenance. Requests come mainly from private citizens, although City entities make requests including: Transportation, Engineering & Capital Projects, Development Services, Police, and Fire Departments; and Council offices. Staff prioritizes the requests to ensure that resources are used most effectively. Crews also support other departments by installing and maintaining traffic control devices and fences on City property outside of the public right-of-way, and removing graffiti and stickers from traffic signs.

The City's Sign Shop is part of Street Division. The Sign Shop supplies standard traffic control signs for replacement of damaged and faded traffic signs. Traffic Control signs include

regulatory, warning, construction, and guide signs used to regulate traffic movement and parking restrictions. This is accomplished through in-house sign making and procurement of commercial traffic signs.

Additionally, the Sign Shop supplies custom made signs to other City departments (e.g., Park and Recreation, Fire, Police, and Engineering & Capital Projects Departments) that are non-standard traffic control signs as designated by the Manual on Uniform Traffic Control Devices (MUTCD). Street Division includes all project specific pavement marking requirements in the scope of work for overlay and slurry sealing contracts. This work includes pavement legends, limit lines, crosswalks, lane line markings, and raised pavement markings.

During storm events, personnel shift duties to emergency storm patrol activities. These duties include inspection and cleaning of critical storm drain structures and the removal of debris and tree branches from the streets to ensure proper drainage and reduce the potential for flooding.

Table 1 includes the Pavement Markings and Sign Maintenance budgeted positions for Fiscal Year 2012.

B. Legal Limitations

City Charter Section 94 requires that construction, reconstruction, or repair of public buildings, streets, utilities, and other public works be done by written contract awarded to the lowest responsible and reliable bidder. The City Charter exceptions to this low bid requirement are job order contracts, design-build contracts, and construction manager at risk contracts, found in Charter Sections 94.1, 94.2, and 94.4, respectively. Section 94 permits City forces to perform public works projects costing less than an amount set by ordinance without City Council approval, which is currently limited to $100,000 or less pursuant to Municipal Code Section 22.3105. City forces can perform public works projects costing over $100,000 if City forces can complete the work more economically than by written contract, and if such use of City forces is approved by the City Council.

City Charter Section 117(c) allows the City to hire independent contractors to perform City services when the services can be done more economically and efficiently than by City employees while maintaining service quality and protecting the public interest. Under Municipal Code Section 22.3003, services do not include public works projects. The City has traditionally considered maintenance of public facilities to be services rather than public works projects. Maintenance can be distinguished from repair work under Section 94 through the following definition of maintenance in the California Code of Regulations:

> Routine, recurring and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility (plant, building, structure, ground facility, utility system or any real property) for its intended purposes in a safe and continually usable condition for which it has been designed, improved, constructed, altered or repaired.

Streets Division performs both public works projects and maintenance services. Maintenance such as filling potholes, grinding and temporarily patching sidewalk defects, and the upkeep of

existing traffic signs, roadway striping, and markings, may legally be subject to managed competition. Public works projects such as asphalt overlay, sidewalk panel replacement, and the installation of new traffic signs, and new roadway striping and markings are not eligible for managed competition and must be awarded by contract pursuant to Section 94 if such work is not performed by City forces.

C. Scope of Work and Grouping of Tasks and Activities

One of the most important steps in the PCA process involves delineating the tasks included as part of the function and determining which activities are suitable for managed competition. This task is completed through scoping and grouping. The objective of the scoping and grouping process is to clearly identify the activities under review and determine if those activities can logically be included in the managed competition.

Given the Charter language that spells out the legal limitations, functions performed by the division had to be evaluated to determine if the work being performed was part of the functions governed under the Charter Section 94. If so, then the functions cannot be part of the Statement of Work and therefore would not be required to go through the Managed Competition process since they could be outsourced directly, per the Charter.

The result of this effort is the high-level Work Breakdown Structure (WBS) depicted in Table 3. The table breaks down what is governed by the Charter language and what can be subjected to managed competition.

Street and Sidewalk Services	
Functional Area	**Managed Competition Eligible Function**
Asphalt	
1.1	Filling Potholes
1.2	Minor Asphalt Repair
1.3	Sidewalk Ramping (Trip Hazards)
Tree Maintenance & Weed Abatement	
2.1	Tree Maintenance
2.2	Weed Abatement
Pavement Markings & Signs	
3.1	Traffic Marking Maintenance (Painting Pre-Existing Road Legends/Markings)
3.2	Lane Line Striping (Retaining Pre-Existing Markings)
3.3	Sign Maintenance (Removing Graffiti or Stickers from Signs)
3.4	Curb Zone Painting (Painting Over Existing Similar Color)
3.5	Manufacture Signs/Sign Maintenance
3.6	Raised Pavement Marker (RPM) Maintenance

Functional Area	**Charter Section 94 Eligible Function**
Asphalt	
1.1	Major Asphalt Repair (Entire Block or More)
Concrete	
2.1	Sidewalk Replacement
2.2	Alley Replacement/Repair
2.3	Road Replacement/Repair
2.4	Curb and Gutter Replacement/Repair
2.5	Curb Ramp Installation

Functional Area	Charter Section 94 Eligible Function
2.6	Bus Pad Installation
Guard Rails, Fences, Pavement Markings, and Signs	
3.1	Curb Zone Painting – First Time Curb Painting or Change in Color
3.2	Fence/Guardrail/Bridge Repair
3.3	Traffic Markings Install (Painting New Legends/Markings)
3.4	Lane Lines Striping (Painting on New Pavement)/Installing RPMs
3.5	New Sign Installation and Replacing Damaged Signs

Table 3: Work Breakdown Structure

There are three groups within Street Division that are involved in the street maintenance program and operations. These groups are responsible for maintaining the City's 3,000 miles of streets including paved streets, alleys, and bike paths. The Operations and Maintenance group performs minor and major asphalt surface repairs within the public right-of-way, including pothole patching, mill and pave, and limited resurfacing operations; the Trench Restoration group restores asphalt and concrete surfaces damaged during the repair of water and sewer services; and the Resurfacing group performs contract support, management, and administration, which includes pavement surveying, prioritizing and scheduling streets for resurfacing, performing utility conflict checks, and coordinating with other departments and the Council and Mayor's Offices.

It is important to point out that when the City is required to contract out work using the process regulated by the Charter or work deemed eligible for managed competition as discussed in Table 3, it is the same group of individuals that would be performing the work. The difference is that Charter Section 94 is specific to repair related contracts while maintenance related services would be covered by the vendor who would be ultimately selected from the managed competition bid process. The exceptions are the following:

- Concrete work – The majority of the concrete work requires the replacement of various sections of concrete to perform repair/maintenance. The scope of work is specific and clearly identified within the Charter Section 94 language as being public works related by nature. Any staff and resources dedicated to providing concrete related support would not be subject to managed competition.
- Trees / weeds related functions – Any activity associated with the abatement and management of trees and weeds is not a public works related activity and therefore any staff and resources dedicated to these activities would be subject to managed competition.

All other functions described in Table 3 that relate to managed competition and Charter Section 94 share the same staff and resources but do not cross over into the different sections described above. A careful review of the scope of work for future projects will be required to determine who should be involved in performing the work.

D. Baseline Cost Estimate

An important requirement of the PCA is to determine the baseline costs for the function being considered for competitive procurement. The baseline costs serve as the starting point to determine future cost savings that may be generated as a result of a managed competition. Street Division calculated baseline costs based on the Budget Summary Reports for Fiscal Years 2010 and 2011. Included in the baseline cost estimate are both budget and "actual" expenditures for

each Fiscal Year. Table 4 details the baseline costs estimate for the Streets and Sidewalk Maintenance functions eligible for Managed Competition

Description	FY2010 Actuals	FY2011 Actuals
Personnel Cost		
Fringe Benefits		
Supplies		
Contracts		
IT Expenses Committed		
Non-Discretionary IT Costs		
Energy & Utilities		
Other		
Total		

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Table 4: Street Maintenance Baseline Cost Estimate

E. Workload, Performance, and Property Data

Workload, performance, and property data are critical to developing a Statement of Work (SOW), should a function move to competitive procurement. The range and depth of available workload/performance/property data are also important factors in determining a future competition schedule. In conducting this assessment, the following criteria were evaluated to establish the current level of data available.

Criteria	Explanation	Status
Does workload data exist for the Function for the last fiscal year?	Indicates whether or not the annual workload for the Function is available or easily obtainable. For some Functions, there may not currently be a formal collection process for workload information. For those Functions, a data collection mechanism and process will need to be defined and developed.	Yes
Does the Function track workload using an automated system?	Identifies any records, spreadsheets, logs, or other tracking mechanisms that are currently used to collect workload data.	Yes
Has the Function tracked workload for at least the last three years?	Indicates whether workload is changing or is relatively consistent from year to year. Workload that is increasing, decreasing, or fluctuating from year to year might affect the amount of data and level of effort that will be required to estimate workload.	Yes
Is the Function tracking workload consistently?	Workload tracking systems are only reliable if workload is input in a timely and accurate fashion by the workforce. A determination must be made regarding the overall reliability of the data tracked in the existing systems.	Yes
Can the Function accurately project future workload?	Projecting workload is essential to ensuring the future statement of work accurately addresses the Functions true requirements and limits the potential for modifications.	Yes
Does the Function currently track the performance level of the In-House Workforce?	Tracking performance is essential to determining the level of performance the City if willing to purchase in a future competition.	Yes
Does the Function currently have a property tracking system?	Tracking government property is essential to determining the readiness of a function to go to competition.	Yes
Has the Function anticipated change in workload (either an increase or decrease)?	Ability to identify workload capacity requirements for current and future services, to ensure sufficient capacity exists to support existing and new services.	Yes

Table 6: Workload, Performance, and Property Data Assessment

The result of this assessment for the street maintenance function is that a system is available for all workload, performance, and property data required. The data is periodically reviewed and is considered accurate and reliable and very little effort will be required to validate the data during a managed competition.

III. ANALYSIS OF ELIGIBILITY AND APPROPRIATENESS FOR COMPETITION

Per the Managed Competition Guide, the PCA report should evaluate each function according to the following criteria:

- Inherently Governmental Determination – evaluates whether a function, activity, or task is "so intimately related to the exercise of the public interest as to mandate performance by City personnel";
- Legal Limitations – assesses whether there are legal restrictions regarding a function, activity, or task being competitively procured;
- Risks to Competition – considers the degree to which contracting a function would expose the City to risk or liability including service interruption, financial liability, and damage to public trust, and how that risk assessment compares to an assessment of the risks of the status quo.
- Availability of Alternatives – examines whether a sufficient market exists and whether the City would be likely to receive at least two responsible and responsive proposals;
- Efficiency Gain – assesses whether a function is performing at known industry standards and whether potential for improving results in a competitive market exists; and
- Economic Gain – considers existing costs to perform a function and whether significant savings might be achieved through competitive procurement.

These criteria provide the framework for assessing the eligibility and appropriateness for street and sidewalk maintenance functions to proceed further into competitive procurement.

A. Inherently Governmental Determination

According to the Managed Competition Guide, inherently governmental functions are defined as "those services so intimately related to the exercise of the public interest as to mandate their performance by City employees."

Using this definition the Street and Sidewalk Maintenance PCA Team does not identify streets and sidewalk maintenance services as inherently governmental functions due to the fact it is often outsourced by the City itself and other governments, it is not a policy-setting function, and competing the function will not pose a threat to public welfare. It must be noted though that the any mention of consequences for Notice of Violations, defining the scope of contractor services, identifying the City's priorities, and quality assurance oversight would remain out of scope and thus still performed by the City.

B. Risks to Competition

Risk analysis considers the degree to which contracting out a function would expose the City to risk or liability, including service interruption, health and safety issues, financial liability, and damage to public trust, and how those risks compare to the risks of the status quo.

Description of Risk	Risk Type	Level of Risk	Magnitude of Impact	Possible Mitigation
There is a high cost of re-entry into the market should a commercial provider experience a significant service interruption, such as a strike, that might cause street and sidewalk maintenance to be interrupted.	Service Interruption/Liability related risk	Medium	Medium	The City or the vendor may be able to secure alternative providers to perform the duties.
Poor performance from the vendor including response to emergency requests, poor customer service and termination of contract could delay the maintenance or repair requests.	Service Interruption/Liability related risk	Low/Medium	Low/Medium	The City can contract the service out to other providers. The City's Quality Assurance Surveillance Plan (QASP) would assist in identifying possible quality control issues.
Environmental hazards could expose the City to liability if the vendor does not properly mitigate for hazardous spills.	Financial liability	Low/Medium	Medium	Most vendors associated with this type of function have to address issues with hazardous material handling. The City's bidding process could include technical requirements to address this issue and the evaluation board can identify a qualified vendor.
Risk with errors and omissions (damage to property, misuse of City vehicles, etc) may expose the City to higherlevels of claims.	Financial liability	Low/Medium	Medium	The City's bidding process could include technical requirements to address this issue and the evaluation board can look into identify a qualified vendor that meets the City's standards related to errors and omissions. Proposers should be required to provide insurance as required by the City, and to indemnify the City and hold it harmless for the acts of the contractor.

C. Availability of Alternatives

Another element of the competition criteria is identifying the potential market for the function under review. The Managed Competition Guide requires that at least two independent service providers submit proposals during a managed competition or the Managed Competition Independent Review Board will not recommend awarding a contract to an independent contractor.

The Street Division PCA team identified a number of companies that may be interested in participating in a competitive procurement process. The companies are identified in Table 7.

Company	Type of work performed	Previously held contracts for (or submitted bids) services with the City
SRM Contracting	Rough grading, fine grading, base and pave and overlays. Trench patching, satin seal, sand and seal	Asphalt Overlay Group 3 or Asphalt Overlay Group 2, FY 2010
Pavement Coating		Slurry Seal Group 1, FY 2010
Inter Mountain Pavement Seal	Slurry seal, micro-surfacing, chip seal, fog seal, cape seal, asphalt patch, crack seal, seal coat, and asphalt paving	Slurry Seal Group 1, FY 2010
Burtech Pipeline	Sewer, water and storm drain in both areas of private and public works, value engineering and budgetary conceptual estimating	Sidewalk Group 6 & Group 5 or Sidewalk Replacement Group 4, FY 2010
HTA Engineering	General engineering	Sidewalk Group 6 & Group 5, FY 2010
KTA Construction	Construction, heavy Construction except buildings. Water, sewer, and utility lines	Sidewalk Replacement Group 1, FY 2010
PAL Engineering	Asphalt maintenance, petromat and overlay, seal coating and striping, asphalt repairs and resurfacing, sidewalks, driveways, curbs and gutters, drainage and catch basins, ADA compliances, excavation, fine grading, parking lot improvements	Sidewalk Group 6 & Group 5, FY 2010
Palm Engineering	Engineering services	Sidewalk Replacement Group 2, FY 2010
Tri-Group Construction	Other heavy construction	Sidewalk Group 6 & Group 5 - FY 2010
Wier Construction	Demolition, earthwork, wet and dry utilities, storm drainage, site, improvements, bridges, cast-in-place concrete, site concrete, architectural concrete, masonry and stone, rough carpentry, finish, carpentry, pre-engineered structures, specializing in public works, commercial, industrial, school projects, and infrastructure projects including heavy highway/civil construction	FY10 Sidewalk Group 6 & Group 5
YBS Construction	Concrete contractors	Sidewalk Replacement Group 9, FY 2010

Table 7: Potential Service Providers

D. Efficiency Gain

The efficiency gain analysis should be based on recent benchmarking data that indicates a service performed by an incumbent function is currently provided at or below known industry

efficiency standards. If this is the case, there may be high potential for improving results in a competitive market.

The Street and Sidewalk Maintenance PCA team was not able to identify comprehensive industry standards from which to form the basis for further efficiency gain analysis. Therefore, whether efficiencies would be gained by a competitive procurement cannot be determined without conducting the competition.

E. Economic Gain

The economic gain analysis aims to determine whether savings can be achieved through the competitive procurement process. The determination should be based on net savings weighted by similar or enhanced service levels.

The Street and Sidewalk Maintenance PCA team conducted a benchmarking analysis for several units of production. City costs were compared to bids and other resources submitted. Given the complexity of the type of function being evaluated, it was difficult to obtain a comparison that was identical in scope of service. This benchmarking information was collected from internet research or existing contracts. Results are provided within the table listed below.

Jurisdiction/Company	Description of Service	Units	Total Cost	Unit Cost
Trench Restoration Work				
City of San Diego- FY2010	Trench Restoration	Asphalt Concrete	REDACTED	
City of Los Angeles- FY2011	Trench Restoration	360,000 square feet		
Pothole Repair Work				
City of San Diego – FY2010	Potholes completed	32,157		
City of Chula Vista – FY2010	Pothole repairs	12,056	REDACTED	
City of Los Angeles – FY2011	Pothole repairs	250,000		
Street Repair Work				
City of San Diego – FY2010	Asphalt patching	555,782 square feet		
Shafter California - 2011	Street improvement	225 square feet	REDACTED	
City of Novato, CA - 2011	Street Rehabilitation 2010 - 2011	6,615 square feet		
Signs Installation Work				
City of San Diego – FY2010	Signs Installed / maintained	10,858 square feet		
County of San Bernanrdino - 2011	Install Roadside Signs	2 signs		
City of Berkeley – Street Rehabilitation FY2011 (Spec. No. 11-10560-C outside bid cost)	Signs Only	4 signs	REDACTED	
Bloomington Area – county of San Bernanrdino Yucaipa - 2011	Install Roadside Signs	8 signs		
Road Striping Work				
City of San Diego – FY2008	Miles/Lane line markings (striping)	412,666 square feet	REDACTED	
City of Centennial/CH2M Hill, Inc. – Public Works	Thermoplastic Striping Material – FY 2011	66,700 square feet		

Jurisdiction/Company	Description of Service	Units	Total Cost	Unit Cost
agreement – April 2008 thru June 2013				
Pavement Marking Work				
City of San Diego – FY2010	Pavement Markings installed (legends)	65,669 square feet		
City of Berkeley – Street Rehabilitation FY2011 (Spec. No. 11-10560-C outside bid cost)	Thermo. Pavement markings	13,860 square feet	REDACTED	
City of Vista - 2010	Pavement and Curb Legends & Markings	25,000 square feet		
City of Santa Barbara - 2011	Zone 6 Slurry Seal Project – Stripes and Markings	5,000 square feet		
Guardrail Installation/Replacement Work				
City of San Diego – FY2010	Guardrail replacement	7,937 linear feet		
Rainbow Canyon Guardrail Install/Replace - 2005	Installation	4,800 linear feet		
City Creek Road Guardrail – H14272 - 2008	Guardrail replacement	325 linear feet	REDACTED	

For the purpose of the PCA, the following assumptions or exceptions apply:

- Precise comparisons between the scope of work for the City and the contracts and/or bids was not possible. Pricing for street maintenance and resurfacing projects is very sensitive to the conditions of the specific project. As such, the City's cost for a service may be significantly influenced by many factors that do not directly apply to work specified by a particular contract;
- The Street and Sidewalk Maintenance PCA Team was not able to obtain detailed cost and/or pricing data that would allow adjustment for factors that may cause variability in this analysis;
- Based on the wide range of unit costs, it is reasonable to assume that there are costs associated with some projects that do not apply to other projects being compared.

While it is acknowledged that this is not a comprehensive economic gain analysis, the data collected indicates that there may be a potential for savings. Based on the fact that a well established and vibrant commercial markets exist and that numerous government entities (including the City of San Diego) currently contract for street maintenance services, savings may be realized through a competitive process. Additionally, it is also possible that additional savings may be realized by grouping core functions of Street Division to allow a service provider to realize additional economies of scale and provide greater savings.

Indirect savings may come from a reduced level of liability exposure since the functions would now be handled by a vendor who would be required to be insured at the appropriate levels for any negligent activity while performing the contracted work, and to indemnify the City and hold the City harmless.

IV. CONCLUSION

Street and Sidewalk maintenance functions are eligible and appropriate for competitive procurement given that the function:

- Is not inherently governmental, except as noted;
- Is limited to the maintenance services performed by Streets Division;
- Has an established competitive market;
- Does not present significant risks that cannot be mitigated.

Public works projects currently performed by Streets Division cannot be awarded through managed competition. Public works projects not performed by City forces must be awarded to the lowest bidder pursuant to City Charter Section 94, or as a job order contract, design-build contract, or a construction manager at risk contract.

Attachment A

Job Title	FY2012 (Budgeted)
Pavement Markings & Sign Maintenance	
Public Works Superintendent	
Public Works Supervisor	
Equipment Operator 1	
Laborer	
Sign Painter	
Traffic Striper Operator	
Utility Worker 1	
Utility Worker 2	
Total FTE Count	
Concrete Maintenance	
Assistant Eng Civil	
Public Works Superintendent	
Public Works Supervisor	
Code Compliance Officer	
Cement Finisher	
Equipment Operator 2	
Heavy Truck Driver 1	
Heavy Truck Driver 2	
Utility Worker 1	
Utility Worker 2	
Total FTE Count	
Asphalt Maintenance	
Public Works Superintendent	
Assistant Eng Civil	
Public Works Supervisor	
Equipment Operator 1	
Equipment Operator 2	
Equipment Operator 3	
Heavy Truck Driver 1	
Heavy Truck Driver 2	
Utility Worker 1	
Utility Worker 2	
Total FTE Count	
Trench Restoration	
Public Works Supervisor	
Equipment Operator II	
Equipment Operator III	
Cement Finisher	
Heavy Truck Driver II	
Heavy Truck Driver I	
Utility Worker II	
Utility Worker I	
Total FTE Count	
Tree Maintenance & Weed Abatement	
Public Works Supervisor	
Tree Maintenance Crewleader	
Tree Trimmer	
Code Compliance Officer	
Utility Worker II	

REDACTED TO PRESERVE A LEVEL PLAYING FIELD IN COMPETITION

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REDACTED TO PRESERVE A LEVEL PLAYING FIELD IN COMPETITION

Job Title	FY2012 (Budgeted)
Utility Worker I	REDACTED TO PRESERVE A LEVEL PLAYING FIELD IN COMPETITION
Total FTE Count	
Total number of FTEs	