

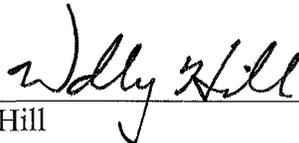
Managed Competition

Pre-competition Assessment Report

Transportation & Storm Water Department: Transportation Engineering Operations

September 24, 2012

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 subject matter experts from the Transportation Engineering Operations 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 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 activities performed by the Transportation & Storm Water Department's Traffic Engineering Operations Division.

II. Overview of Function

A. Background

The Transportation & Storm Water Department was formed via restructure in January 2011. The Department is responsible for the planning 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 duties performed within the Transportation Engineering Operations Division.

The Transportation Engineering Operations (TEO) Division plans and operates the City's transportation system, plans and programs capital improvement projects, and provides traffic safety improvements to improve traffic flow and safety for motorists, pedestrians, and cyclists. Also, TEO provides support to the City Attorney and Risk Management with pending claims and litigation. Responsibilities include planning the City's future roadway system, traffic investigations for traffic control devices including signs, striping, and pavement markings; speeding concerns and parking issues; accident data collection and analysis; traffic data collection; establishment of speed zones; traffic signal management (signal timing, installation, and modification); conducting mobility studies; and investigating and responding to the need for street lights, pedestrian safety improvements, traffic calming, and school safety improvements. In addition, the Division manages and recommends policy for the Pedicab Program, Bicycle Program, Transportation Alternatives Program, Pedestrian Program, Corridor Mobility Program, Bike Program, and the Traffic Calming Program. The Division coordinates its efforts with regional transportation agencies such as the San Diego Association of Governments (SANDAG), San Diego Metropolitan Transit System (MTS), and Caltrans.

The Division contains the following sections:

Traffic Safety, Information, & Analysis

The Traffic Safety, Information, & Analysis Section reviews, analyzes, and records reported traffic accidents in order to identify areas that require operational or capital improvements to maintain and improve traffic safety. The Section identifies and reports the City's high accident locations and identifies corrective measures. The Section sets policy on safety measures within the City transportation systems, manages and sets policy for our School Safety Program, Crosswalk Policy and other traffic control measures. In addition, this Section manages and designs Corridor Safety projects. The Section also gathers the necessary traffic data to establish and maintain speed zones citywide and other data to support traffic safety evaluations in public streets. The Safety Program Section is also responsible for providing litigation support to the City Attorney and the Risk Management Department and responds to Public Records Act requests and various other requests for information and data from the public, other City Departments, and external agencies. Other functions performed include before and after studies of new traffic safety technologies and other safety measures implemented, guardrail evaluations, evaluates and implements school safety measures, applies for various safety grants and manages the Residential Permit Parking Program.

Traffic Signal Management

The Traffic Signal Management Section manages traffic signals, both proactively through routinely retiming coordinated signal systems and also reactively in response to requests from the public. The Section also receives and investigates requests from the public for new streetlights and streetlight shields and coordinates with Street Division for installation. The Section identifies, proposes priorities, and programs CIP's for new traffic signals, signal upgrades, and streetlights. Minor signal upgrades are implemented by this section in conjunction with Street Division.

This section manages the Red Light Photo Enforcement Program which provides enforcement by video of 15 intersections throughout the City. In Fiscal Year 2012, the contract with the vendor was renewed for the final option year.

The Section also manages the Traffic Signal Control System that connects signals to the traffic signal system through a mix of wireless interconnect systems, dial-up phone connections, and fiber optic/copper interconnections. This system has enabled communication to signals in numerous communities throughout the City. In addition, the Section manages other Intelligent Transportation System (ITS) elements such as changeable message signs and Closed Circuit TV, and assists with and implements ITS measures initiated by SANDAG.

Traffic Operations

The Traffic Operations Section responds to requests for traffic investigations from the general public, city council, Mayor's office and other agencies. Traffic engineers gather and evaluate data and make recommendations for traffic calming improvements, improving on-street parking, traffic safety and traffic flow on City streets. Work orders are issued to the Street Division for changes in signage, striping, pavement markings, installation of road humps, electronic speed signs, and other means, which will improve the safety or flow of traffic for vehicles, bicycles, and pedestrian mobility; any

recommendations for capital projects are then entered onto the Transportation Unfunded Needs List.

The Section also works as a parking liaison with the Development Services Department, with responsibilities including providing assistance and recommendations on the parking improvement projects that are generated from that committee, and serving as the approving authority for any new parking policies proposed or any changes to existing parking policies.

This Section serves as the traffic operations liaison to the Development Services Department. These responsibilities include plan check review/approval of traffic operational issues or on-street parking improvements that deviate from certain City standards or policies. This section also provides plan check services to the Right-of-Way Division, SANDAG, MTS, and other agencies for traffic operations and parking improvements.

The Section also provides expert witness services to the City Attorney's Office for litigation related to traffic operations.

Multimodal Program

The Multimodal Program Section manages and sets policy for the Bike Program, Pedestrian Program, Traffic Calming Program, Corridor Mobility & Enhancement Program and the Transportation Alternatives Program. This section also manages the Pedicab Program by proposing policy and ensuring adherence to laws, conducting appeal hearings, and issuing operator suspensions. Multimodal Program staff investigates available grants through other agencies to help fund projects, acquiring and compiling the required data for the grant applications, coordinating and corresponding with the lending agencies, preparing the applications, and following-up with any additional requirements to secure the funding. Staff also works with other City sections, divisions, and departments, to make them aware of the proposed projects selected for applications in order to coordinate budget elements such as grant matching and reporting requirements. Internal coordination also helps to serve as part of potential "bundling", which helps the projects better compete for available funds.

The Section also works with stakeholders, other City departments, and SANDAG for input in order to prepare and develop the City's Bicycle Master Plan, the Pedestrian Master Plan, and Community Plans; it evaluates and provides studies for new sidewalks, new bike facilities, new traffic calming projects, and corridor enhancements/improvements that promote corridor mobility as part of the City's goals, policies, and mission.

Transportation Systems Oversight

This Transportation Systems Oversight Section provides short- and mid-range planning for the City's transportation assets. It maintains, refines, and maps the transportation needs list and performs initial project investigations for scope and cost for capital improvement projects. Once funding has been indentified, the Section monitors the projects transferred to the Public Works Department for design and construction by

reviewing the project schedule and funding expenditures. If there are variations between the current and baseline schedule and budget, the Section initiates discussions with the project manager to determine the reason for the variation and communicates this with the client department to accommodate any approved project needs. The Section also reviews and prepares traffic studies, evaluates curb ramps related to complaints, Financing Plan updates, and Community Plan updates. In addition, the Section programs Transnet funding and the CIP program and develops and maintains a five year Transportation Plan recommendations for approval by Council.

The Section also maintains bridge structure data inventory; and tracks, recommends capital project priorities, prioritizes non-capital maintenance items, identifies potential funding sources, and monitors the budget and schedule of bridge structure maintenance; responds to any bridge inventory maintenance, inspection, and all other bridge information related requests; coordinates with Caltrans for funding opportunities for bridge projects, for example, BPMP (Bridge Preventive Maintenance Program), HBP (Highway Bridge Program) by submitting the required application, environmental documents, and other related project documents, drafting the necessary co-operative agreement between the City and Caltrans to accept funding, and preparing the necessary documentation to seek Council's approval for the funds; and applies for regional, state and federal grants.

This section also coordinates transportation issues with Mexico and develops all plans and operational solutions related to international border issues by meeting with stakeholders on potential issues, developing the project scope, cost estimate, and schedule for any needed projects, locating and securing funding for said projects, preparing the necessary cooperative agreements between the City and other stakeholders to address and project related agreements, and preparing 1472's for Council approval. The Section also serves as transportation liaison to Caltrans. As the liaison, this section reviews and processes Caltrans freeway and cooperative agreements regarding any impacts to City streets and right-of-way from any Caltrans projects and prepares cooperative agreements with Caltrans for any City initiated projects.

Liaison to SANDAG/MTS

The liaison is a SANDAG funded position charged with coordinating issues relating to the City and SANDAG and/or MTS. This position assists with MTS regulatory administration and the City's Policy and Ordinance of the Taxicab Program. The liaison also coordinates with MTS on bus and trolley operations within the City. The liaison also provides consultation to SANDAG regarding project development, project review, construction, and interagency policies and agreements.

TEO Administration

TEO Administration provides administrative and budget support to all functions within the TEO Division. This includes the managing and monitoring of the operating and capital budget, administrative services, the management of backlog filing, and administrative support on Traffic Requests and work orders, as well as the administrative support for both the Pedicab and Transportation Alternatives Program (TAP).

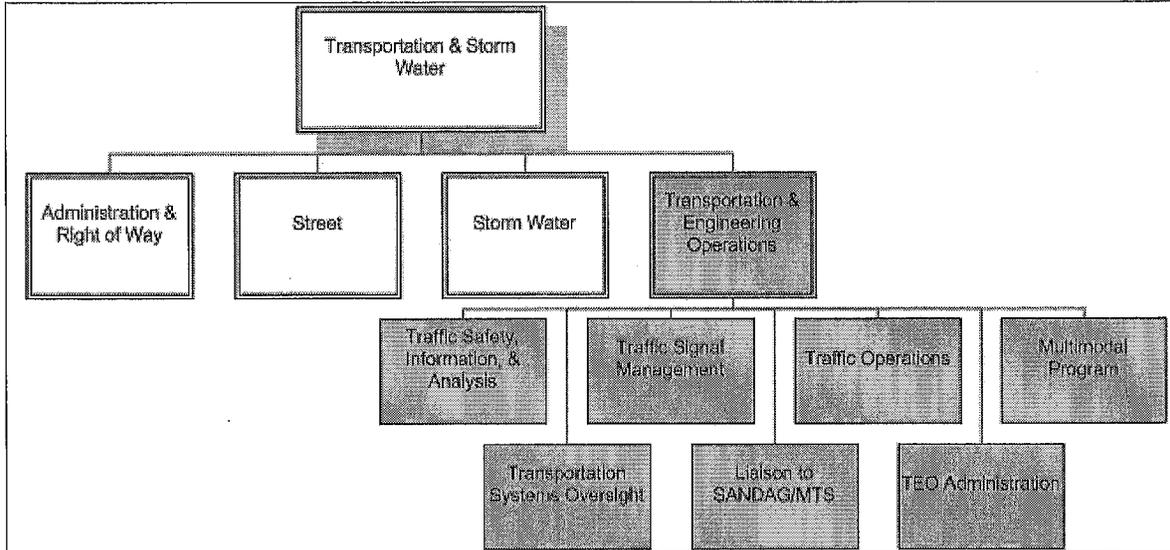


Figure 1: Organizational Chart

Traffic Engineering Operations is performed by ~~REDACTED~~ Full Time Equivalents (FTE). Table 1 (below) displays the Fiscal Year 2013 staffing for the function.

Job Title	FY2013 FTE
Deputy Director	
Senior Traffic Engineer	
Associate Engineer-Traffic	
Assistant Engineer-Traffic	
Associate Engineer-Civil	
Assistant Engineer-Civil	
Junior Engineer-Civil (Student)	
Principal Traffic Engineering Aide	
Senior Engineering Aide	
Management Intern	
Student Engineer	
Senior Management Analyst	
Account Clerk	
Clerical Assistant 2	
Word Processing Operator	
Senior Clerk/Typist	
Total	

Table 1: Transportation Engineering Operations Staffing¹

B. Scope of Work and Grouping of Tasks and Activities

A critical step of the PCA process involves ‘scoping and grouping,’ defining the activities and tasks that comprise a function and determining whether they are suitable for

¹Source: City of San Diego SAP System

competitive procurement together, individually, or not at all. A high-level Work Breakdown Structure (WBS) is provided as Table 2. A more detailed discussion of these activities follows the high-level work breakdown structure.

#	Function
1.1	Traffic Safety Information & Analysis
1.2	Traffic Signal Management
1.3	Traffic Operations
1.4	Multimodal Program
1.5	Transportation Systems Oversight
1.6	Liaison to SANDAG/MTS
1.7	TEO Administration

Table 2: Work Breakdown Structure

1.1 Traffic Safety Information & Analysis

This function includes the following services:

- Analysis of safety issues
- Conduct Corridor Safety Studies
- Identify high accident locations
- Develop and update transportation policies and programs
- Conduct citywide traffic accident analysis yearly
- Accident and data entry
- Produce and maintain the school traffic safety annual allocations and needs list by compiling a list of locations provided by traffic operations, school districts, and other agencies (such as Children’s Hospital, City Heights Community Development Corporation, etc.)
- Prepare a project intake form report for each project containing a preliminary cost estimate and scope of work, and conflict check with other projects. Conduct quarterly school safety task force meetings with all school districts within the City. Program school safety projects. Apply for school safety grants.
- Average Daily Traffic (ADT) and manual count data collection
- Manage Speed Survey program by conducting field speed surveys and collect other field data according to the standards of the California Vehicle Code, analyze data, produce preliminary report, review report and make recommendations for posting speed per current speed survey laws
- Conduct guardrail evaluations (evaluate, seek funds, maintain needs list)
- Manage Residential Parking Program by responding to requests for establishment of new areas and for expansion of boundaries of existing areas, conducting field investigation to see if the area qualifies, sending petitions to requestor, conducting parking duration studies, conducting public hearings on the proposed changes, preparing e1472s, and installing any required signage, as mandated by “Article 6: Stopping, Standing and Parking Division 20: Residential Permit Parking Program, San Diego Municipal Code”
- Respond to Public Records Act (PRA) requests
- Research new technologies and equipment related to transportation safety and capacity

- Conduct Before and After studies to evaluate compliance from the public with new all-way stop signs, to measure the effectiveness of traffic calming measures, and to evaluate the effectiveness new or innovative traffic calming devices are installed
- Conduct Ball Bank Studies to test how comfortable a horizontal curve is at the posted speed limit
- Conduct Parking Duration Studies by collecting license plate data for individual parking spaces to estimate parking duration
- Perform Travel Time Studies to evaluate the quality of traffic movement along a route and determine the locations, types, and extent of traffic delays by using a moving test vehicle to record travel time data
- Conduct special studies as needed such as reports determining whether calming measures have been effective or providing accident maps of specifically requested areas
- Provide yearly reports on the latest transportation safety devices available for City use
- Provide support to the City Attorney with pending litigation and claims
- Evaluate high accident locations and accident pattern identifications citywide

1.2 Traffic Signal Management

This function includes the following services:

- Development and implementation of coordinated traffic signal timing
- Optimization of isolated (non-coordinated) signals
- Evaluate signs, markings, and striping at signalized intersections for potential needs
- Provide a condition assessment to evaluate signs, markings, and striping at signalized intersections and forward maintenance work orders to the Street Division if required
- Operate ITS devices including changeable message signs (CMS) and video surveillance cameras in coordination with Petco Park, Qualcomm Stadium, and other agencies
- Oversee the Red Light Photo Enforcement Program by managing the contract, ensuring equipment is functioning, the Police Department is processing data with no issues, all laws are being followed, and questions and concerns are being addressed
- Oversee and manage regional special projects within the City of San Diego (i.e., SANDAG, RAMS, ICM, Super Loop, CCDC Quiet Zone) including meeting attendance, project development, policy direction, technical support, plan check, City approval, special traffic signal timing development, construction assistance, implementation support for ITS elements, post-construction system monitoring, evaluation technical assistance and reporting, and inter-agency coordination
- Manage the Traffic Management Center by daily monitoring of traffic signals, including online/off-line, timing changes, detector failure; event management services such as implementation of traveler information via changeable message signs, operation of traffic signal interconnect network (fiber, copper, microwave, wireless radio); evaluation of new technologies including new traffic signal

controllers and/or software; new detection technologies such as microwave and laser infra-red; and IP enabled traffic control devices and associated network elements.

- Investigate street light requests, maintain needs list, program future street light projects.
- Evaluate high accident locations at signalized intersections.

1.3 Traffic Operations

This function includes the following services the following:

- Traffic investigations traffic calming improvements, signage, marking, striping, and modifications to streets
- Traffic Operations and parking liaison to the Development Services Department
- Provides plan check services to the Right-of-Way Division, SANDAG, MTS, and other agencies for traffic operations and parking improvements
- Provides expert witness services to the City Attorney's Office for litigation related to traffic operations
- Manage, fund, and scope raised median CIP projects, Electronic Speed Sign Projects, and Traffic calming measures

1.4 Multimodal Program

This function recommends policies and manages the following:

- Bicycle Program
- Pedestrian Program
- Corridor Mobility Program
- Traffic Calming Program
- Transportation Alternatives Program (TAP)
- Prepare, maintain, and update Sidewalk annual allocation and needs list and conduct field investigations, data collection, report writing, and work with other sections, divisions, departments, and outside jurisdictional agencies to ensure that projects are appropriately identified and prioritized for future funding
- Prepare, maintain, and update Bicycle Facilities annual allocation and needs list and conduct field investigations, data collection, report writing, and work with other sections, divisions, departments, and outside jurisdictional agencies to ensure that projects are appropriately identified and prioritized for future funding
- Prepare, maintain, and update Traffic Calming Facilities annual allocation and needs list and conduct field investigations, data collection, report writing, and work with other sections, divisions, departments, and outside jurisdictional agencies to ensure that projects are appropriately identified and prioritized for future funding
- Pedicab Program
- Perform any required outreach on applicable projects

1.5 Transportation Systems Oversight

This function includes the following services:

- Manage Transnet and all transportation funding along with the CIP Transportation program

- Review all regional transportations issues, policies, plans and reports from SANDAG and update the Mayor's Office on issues affecting the City
- Citywide Plan Review (CP Updates)
- Review traffic studies from other departments/agencies for consistency with standards and practice, to ascertain impacts to the City's system, and to determine required mitigations when necessary
- Review studies from neighboring cities and determine required mitigations
- Provide preliminary engineering design and estimate for projects in the unfunded needs list and as part of creating Project Implementation Technical Support (PITS) packages
- Develop/maintain five year Transportation Plan
- Manage/Oversee transportation needs list by updating the unfunded needs database, identify projects that have not been prioritized and/or cost estimated, prepare cost estimates as needed, and ensure all projects are current for the five year CIP plan
- Manage (by analyzing the condition of, maintaining a bridge maintenance needs list, and reviewing inspection reports), fund, and scope bridge assets
- Transportation liaison to Caltrans and redevelopment agencies
- Prepare freeway and co-op agreements between City and Caltrans
- Review Caltrans Project Study reports to assess potential impacts to City streets and right-of-way
- Review and process Redevelopment Agency funded projects
- Monitor and review border related studies and attend meetings to ensure consistency with the City's community plans, cross-border mobility, and any impacts to the City's streets and right-of-way
- Update cost and feasibility of transportation projects in the Facility Financing Plan and ensure consistency with community plans
- Evaluate curb ramp related complaints and provide feasibility and cost estimates.

1.6 Liaison to SANDAG/MTS

This function includes the following services:

- Provide advice to SANDAG's project teams about the traffic operations impacts of SANDAG's bus, rail, and bike projects and assist and advise with the City project review process per the Cooperative Agreement
- Manage MOU with MTS for regulatory administration of Taxicab Program regulations
- Manage Taxicab Program and draft, recommend, and maintain its policies
- Coordinate with MTS on bus and trolley operations such as traffic and parking issues related to bus routing or bus stops; planning and operation of traffic signals and other safety devices at/near trolley and railroad crossings; and bus benches, bus shelters, and concrete bus pads at bus stops

1.7 TEO Administration

This function includes the following services:

- Manage and operate the division's operating budget
- Budget Monitoring, forecasting and program cost recoverability analysis

- Provide office management and support to all programs as necessary
- Provide support on Traffic Requests and work orders
- Records and Retention Management
- Process permits and provide administrative support for Pedicab Program
- Administrative support for Transportation Alternatives Program (TAP)
- Procurement support and office space management of all programs as necessary
- Maintenance of accounting, payroll coordination and organizational changes

In summary, TEO is composed of seven sections. Each function has its distinct services. Task grouping is based on the composition of the function and is logically grouped for the purpose of this competition.

III. Analysis of Eligibility and Appropriateness for Competition

The PCA report should evaluate the eligibility and appropriateness for competition according to the following criteria:

- Inherently Governmental Determination– Is the function inherently governmental or task is “so intimately related to the exercise of the public interest as to mandate performance by City personnel”;
- Legal Limitations– Are there are legal restrictions regarding a function, activity or task being competitively procured;
- Availability of Alternatives– Does a sufficient market exist and would the City be likely to receive at least two proposals;
- Efficiency & Economic Gain– Could savings be achieved through competitive procurement;
- Risks to Competition– Are there risks to competition (including service interruption, financial liability, and damage to public trust or welfare) and how could the risks be mitigated (e.g., in the event of default); and
- Workload, Performance and Property Data– Do we currently have the information required to conduct a competition?

These criteria provide the framework for assessing the eligibility and appropriateness for Transportation Engineering Operations to proceed to competitive procurement immediately or at a later date.

A. Inherently Governmental Determination

According to the Managed Competition Ordinance, 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.”

The Transportation Engineering Operations function as a whole is not an inherently governmental function as determined by the Mayor. TEO does not qualify as an inherently governmental function due to the fact that it has been outsourced in whole or in-part by other jurisdictions as noted in Section D below; it is not a policy-setting function and competing the function will not pose an intrinsic threat to the public safety and welfare.

B. Legal Limitations

Potential legal limitations to subjecting the function to competitive procurement were identified by the City Attorney's Office. They are as follows:

Potential Limitation	Legal Statute	Applicable to Competition?
<p>Could lack of City oversight jeopardize the City's design immunity under section 830.6 of the Tort Claims Act?</p>	<p>Tort Claims Act 830.6</p>	<p>Yes, to retain design immunity any design of a public improvement must be approved in advance of construction by either the City Council or a public employee exercising their discretionary authority (e.g., City Engineer).</p>
<p>Would the California Government Codes 1090 and 87100 come in to play?</p>	<p>California Government Code Sections 1090 and 87100</p>	<p>Yes, these items would need to be considered during the drafting of a SOW. Government Code sections 1090 and 87100 are intended to prohibit a government official from participating in a governmental decision resulting in a contract in which they may have a financial interest. These prohibitions apply to consultants when they are advising governmental officials on the scope of projects or matters of public policy that result in contracts in which they may have a financial interest. It does not matter if the consultant/contractor were actually to benefit by their participation in a governmental contracting decision in which they have an interest, the mere existence of a financial interest creates a violation. Violations of 1090 and 87100 are actionable both civilly and criminally. TEO is charged with making many governmental decisions that have financial, safety, and welfare implications. It is likely that the officers and employees of any outside party would need to file Form 700 financial</p>

Potential Limitation	Legal Statute	Applicable to Competition?
		disclosure statements to identify potential financial interests. Any contract with an outside party would need to preclude situations in which the contractor is determining requirements for, or advising the City on such issues, projects or activities that may result in contracts in which they may have a financial interest.
Professional consultants performing work that requires licenses must be selected based on qualifications before cost is considered. Does this affect the potential for a competition?	Council Policy 300-07	Yes. This would apply to all functions performed by design professionals (engineers and architects) for which licensure is required. Functions that are performed by these professionals that do not require licensure are not subject to qualifications-only based selection and may be awarded on a low bid or best value basis. Council Policy 300-07 would need to be waived by the City Council for this competition to include the work requiring licensure that is locally funded. Projects using State or federal funds may still be restricted to qualifications only selections.
Does Charter Section 94 apply?	Charter Section 94	Partially. Charter section 94 mostly applies to construction contracts. As TEO does not perform construction, these provisions will not be applicable. However it also contains a provision that prohibits City officers from being directly or indirectly interested in a contract with the City. This provision is very similar to California Government Codes 1090 and 87100. Violation of this provision of Charter Section 94 voids the tainted contract and is

Potential Limitation	Legal Statute	Applicable to Competition?
		a misdemeanor.

Table 3: Legal Limitations

While legal limitations do exist and will be adhered to when drafting the Statement of Work, they do not preclude the unaffected functions from proceeding to the next phase of competition. The City will exclude the design approval function from the scope of services, and any other activities in which a contractor could determine or influence the requirements of a project or activity that results in a contract in which they may have a financial interest. The winning service provider will be required to file Form 700 financial disclosure statements. The Council will be asked to waive Council Policy 300-07 for this competition, allowing work that must be performed by professionals with licenses to be selected on a “best value” basis, as contemplated in the managed competition process.

Also, the selection of where red light photo enforcement cameras are placed has been deemed out of scope due to the potential legality of this task.

C. Availability of Alternatives

Another important element of the competition criteria is identifying whether a potential market exists for the function under review. The Ordinance requires that at least two independent service providers submit proposals to a Request for Proposals (RFP) or the Managed Competition Independent Review Board (MCIRB) shall not recommend to the Mayor that the contract be awarded to the independent contractor.

A sampling of some contractors who provide some transportation engineering operations services, as well as the entities who receive the services, is displayed below. For a more complete list of contractors that provide these services, please see the Appendix.

Service Provider	Description of Services Provided	History of Providing Services to Governmental Entities
CH2M Hill	Agency strategic safety planning, safety management systems, PLANSAFE applications for transportation, safety engineering design, road safety audits and assessments, pedestrian and bicycle safety plans, safe routes to schools studies, traffic calming studies, Intelligent Transportation Systems (ITS), transportation planning, public involvement, program management, feasibility studies, value engineering, construction management, sustainability planning, corridor master planning, traffic engineering	Caltrans, Ohio Department of Transportation, Virginia Department of Transportation, Shady Springs GA, Centennial CO

Service Provider	Description of Services Provided	History of Providing Services to Governmental Entities
	and traffic modeling, active traffic management, transportation management centers, managed lanes, incident and emergency management, traffic signal systems, multimodal traveler information, and integrated corridor management	
Fehr & Peers	Bicycle and trail master planning, pedestrian planning and research, pedestrian safety audits, bikeway design including plans, specifications, and estimates, safe routes to schools, complete streets and streetscape projects, ADA planning and design, training and grant writing, ITS, traffic signals, ramp metering, Signal Interconnect Systems, bicycle and pedestrian signals, signing, traffic calming devices, roundabouts, traffic control/management plans, complete streets and streetscape projects, conceptual engineering feasibility assessments for all travel modes, transportation elements of comprehensive, general, and specific plans, context-sensitive design, inter-modal centers, traffic calming, corridor and system-wide analysis, traffic signal system optimization and coordination, safety studies, expert witness services, statewide and regional sustainability strategies, urban mobility plans, and multi-modal interactions	Vista, Los Angeles, Denver, Salt Lake City, Seattle, San Francisco, San Jose, Minneapolis, Santa Monica, and Sacramento
HDR Engineering & Surveying, Inc.	Alternative delivery, bridges and structures, economics and finance, electronic technology, roadway design, planning, program management, project controls, right-of-way, stakeholder outreach, survey, sustainability, traffic and ITS, traffic and revenue studies, and transit engineering	Utah Department of Transportation, Washington State Department of Transportation, Pinellas County FL, San Diego Association of Governments, Central Indiana Transit Task Force, U.S. Department of Commerce, Massachusetts

Service Provider	Description of Services Provided	History of Providing Services to Governmental Entities
		Department of Transportation, Ontario Ministry of Transportation, Central Federal Lands Highway Division, Oregon Department of Transportation, Texas Department of Transportation, Minnesota Department of Transportation, Montana Department of Transportation, Florida Department of Transportation
Kimley-Horn and Associates, Inc.	ITS communications, ITS design, ITS integration and operations, ITS planning and systems engineering, ITS safety and security, ITS software, ITS system advisory services, ITS research and new technologies, multimodal transportation, traveler information systems, alternative project delivery, bridges and structures, intelligent transportation, multimodal transportation, roadway design, traffic engineering, transit, and transportation planning	City of San Diego, Department of Defense, Department of Transportation, City of Calabasas, Federal Highway Administration, Maricopa County AZ, Norfolk VA, Oakland, Duluth MN, Beverly Hills, Arlington County VA, Savannah GA, Lancaster County SC, North Carolina Department of Transit, Santa Clara County
KOA Corporation	Traffic signal and system design, signal synchronization, ITS, worksite traffic control plans, corridor studies, goods movement studies, roadway and highway design, street lighting, signing and striping design, traffic calming plans, and roundabouts	City of San Diego, SANDAG, Los Angeles County, City and County of Honolulu, Anaheim
LIN Consulting, Inc.	Traffic signal engineering and system synchronization, traffic impact studies and parking studies, traffic calming and pedestrian safety studies, traffic control and detour design, and ITS	Caltrans, County of Los Angeles, County of Ventura; City of Downey, and City of Santa Ana
Psomas	Design, traffic studies and simulations, signal design, phasing/traffic control planning and	San Diego, Caltrans, County of Los Angeles, Sacramento County Tucson,

Service Provider	Description of Services Provided	History of Providing Services to Governmental Entities
	design, value analysis, cost estimating and scheduling, constructability reviews, survey and mapping, construction management, highways/roadways, multimodal corridor studies, design-bid-build, construction management at risk, Public Private Partnerships (PPPs), and right-of-way engineering	Santa Monica
RBF Consulting	Lighting Systems, traffic signal timing, ITS, signal systems, Traffic Management Centers (TMC), traffic analysis and studies, congestion management plans	San Diego, Caltrans, Orange County, Santa Barbara, Victorville, Sedona
Linscott, Law, and Greenspan, Engineers	Planning services (master planning, specific plans, traffic impact studies, access/circulation studies, trip generation surveys, travel time/commute shed studies, transportation demand management, integration of alternative modes), design (traffic signal installations and modifications, traffic signal interconnect plans, traffic control/detour plans, roundabout/traffic circle design, street lighting plans), traffic impact studies (traffic assessments, street segment impact analyses, neighborhood traffic impact studies, congestion management program analyses)	San Diego, Agoura Hills, Calabasas, Chula Vista, Corona, Diamond Bar, El Centro, El Segundo, Escondido, Glendale, Hermosa Beach, Industry, Long Beach, Los Angeles County, Los Angeles, Moorpark, Oceanside, Pasadena, Santa Clarita, Santa Monica, Santee, Simi Valley, South Gate, Thousand Oaks, Westlake Village
Urban Crossroads, Inc.	Traffic impact analysis, feasibility studies, traffic calming studies, trip generation studies, traffic mitigation review, traffic impact reports, traffic safety evaluations, traffic modeling, corridor studies, freeway interchange design studies, pedestrian/bikeway networks, transit accommodations, neighborhood traffic management, traffic signal design, traffic control warrants, pavement marking/stripping, signal control/signage systems, roundabout design, lightning plans,	Beaumont, Buena Park, Chino, Encinitas, Huntington Beach, Irvine, Lake Elsinore, La Quinta, Montclair, Moreno Valley, Murrieta, Newport Beach, Oceanside, City of Orange, Imperial County, Orange County, and Riverside County

Service Provider	Description of Services Provided	History of Providing Services to Governmental Entities
	noise analysis, residential noise studies, and transportation noise analysis	
Parsons	Bridges, congested arterial improvements, new residential roadway construction, engineering services, construction services, design, design management, design engineering, design-build construction, condition assessments, budgeting, program management, data management, planning services	Maryland, Idaho Transportation Department, Mississippi Department of Transportation, Florida Department of Transportation, Louisiana, Missouri Department of Transportation, Washington State Department of Transportation, Federal Aviation Administration
DOWL HKM	Design of streets/highways /interchanges/bridges/parking lots/roundabouts/signals/trails and paths, bidding and construction support, corridor and feasibility studies, ITS, location studies, multi-modal planning, parking analyses, pavement design, pedestrian circulation studies, public involvement and permitting, quantity and cost estimating, signal timing and optimization, traffic calming studies, traffic control plans, traffic engineering studies (speed, noise, classification, modeling, etc.), and traffic impact analyses	Anchorage AK, Tucson AZ, Billings MT, Sheridan WY, Preston WA
Johnson, Mirmiran, & Thompson	Street and highway improvements, bridge inspection, remedial design, rehabilitation of existing bridges, Bicycle Level of Comfort calculations (BLOC), ADA compliance, trail design, context sensitive solutions, Transit Oriented Development (TOD), pedestrian and bicycle master plans, pedestrian safety improvement design, safe routes to schools design, and public involvement	District Department of Transportation, Pennsylvania Department of Transportation, Maryland Transportation Authority, North Central PA Regional Planning Commission, Delaware Department of Transportation
TranSystems Corporation	Bikeway and trail planning, bridge inspection, bridges and related structures, bus service planning, cost	Phoenix AZ, Horry County SC, Illinois Department of Transportation, Illinois

Service Provider	Description of Services Provided	History of Providing Services to Governmental Entities
	estimating, database development, design build, Intelligent Transportation Systems, project management, public outreach and community involvement, right-of-way, roadway and intersection planning, roadway/expressway/interstate, simulation and analytical modeling, traffic engineering, transit modeling, transit planning, transportation management, transportation optimization, and transportation planning and analysis	State Toll Highway Authority, Bergen County NJ, Chicago IL, Missouri Department of Transportation, Elgin IL, Blue Springs MO, Kansas City MO

Table 4: Availability of Alternatives

D. Efficiency & Economic Gain

In some instances, there may be known industry standards for efficiency. In these instances the PCA reviews performance against standards to determine if there is opportunity for improvement. In other instances, there are no ready standards and/or the City does not have good/complete data; in these instances, economic information can serve as an indicator.

Efficiency Gain

Known industry standards from which to form the basis for further efficiency gain analysis were not identified. However, it has been the Business Office’s experience that efficiency can be gained by undergoing competitive procurement.

Economic Gain

The economic gain analysis is aimed at determining whether there is a possibility that economic gains could be realized through a competitive procurement process, recognizing that actual information cannot be known until competitive procurement is undertaken. The determination is based on comparing the cost of performing the function by City forces with the cost of purchasing the same level of service from an outside entity.

The baseline cost estimate from the Budget Summary Reports for Fiscal Years (FYs) 2010 – 2012 served as a foundation for this assessment. Included in the baseline cost estimate are both budget and actual expenditures for each fiscal year (current fiscal year is the year-to-date expenditures which are annualized to provide a comparable frame of reference). Table 5 details the baseline costs estimate for Transportation Engineering Operations.

	Fiscal Year 2010		Fiscal Year 2011		Fiscal Year 2012	
	Budget	Actual Expenditures	Budget	Actual Expenditures	Budget	Projected Expenditures
Total Personnel Expenses (PE)						
Personnel Costs						
Fringe						
Overtime						
Administrative Expense						
Non-Personnel Expenses (NPE)						
Total						

Table 5: Transportation Engineering Operations Baseline Cost Estimate

There is limited direct evidence to determine whether economic gain can be expected from competing this specific function, as comparative costs of publicly and privately provided functions have not been found. Extensive online research was conducted and jurisdictions who participated in the City’s Regional Consolidation of Services Survey were contacted. Most jurisdictions tend to directly contract out a part or parts of the function, without accepting employee bids. There is reason to believe that savings may be possible if this function is competitively procured, based on the City’s past managed competition experiences and research conducted by the Reason Foundation².

E. 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.

The below potential risks to competition were identified by the TEO PCA team. The risks identified by the team include a range of transitions problems, liability issues, legal issues, and possible unethical behavior. The City can take steps to mitigate these through the managed competition process.

Service Risk	Risk Type	Level of Risk	Magnitude of Impact	Possible Mitigation
Inability to operate and	Service	Low	Low	Service providers will have

² Research states that typical savings of 10 to 25 percent can be expected when public entities compete functions.

Service Risk	Risk Type	Level of Risk	Magnitude of Impact	Possible Mitigation
maintain the City's traffic control system and communications infrastructure could lead to inaccurate and/or inefficient signal timing.	Interruption			to demonstrate in their proposals that they possess the technical expertise to perform all functions to the degree specified by the City.
Loss of institutional knowledge after transition to potential contractor.	Transition	Low	Low	The City retains some staff in order to effectively monitor the contract that is put in place, and in order to avoid conflicts of interest or waiver of design immunity. This staff will be on hand to retain records and help to facilitate any transfers of project information. The service provider will be required to develop a transition plan, subject to City approval, to ensure a smooth transition to either another service provider or a revamped City- performed function. An independent contractor is also required to give first preference in hiring to displaced City employees, if they need to hire additional staff.
Decisions tend to be based on health and safety reasons and this could expose the City to liability claims.	Liability	Low	Medium	Independent contractors are required to indemnify the City and hold it harmless. The service provider will be held accountable for any liability claims and will be asked to provide liability insurance
Requiring an outside service provider to respond to lawsuits to defend engineering traffic/transportation decisions may be a liability risk.	Liability	Low	Low	Independent contractors are required to indemnify the City and hold it harmless. The service provider would be held responsible for any liability risk and would have to provide proof of insurance in their bid for

Service Risk	Risk Type	Level of Risk	Magnitude of Impact	Possible Mitigation
				such instances. The City will retain the responsibility for final design approval, to preserve the City's design immunity.
Failure to maintain workload levels during transition to a new service provider.	Transition	Low	Low	The service provider will be required to develop a transition plan, subject to City approval, to ensure a smooth transition to either another service provider or a revamped City-performed function. An independent contractor is also required to give first preference in hiring to displaced City employees, if they need to hire additional staff.
Failure to respond to a complaint in a timely manner exposes the City to risk in the event of an accident or could lead to a dangerous condition at a noticed location.	Health and Safety	Low	Medium	Timelines for responses will need to be established in the SOW, based on current service levels. The service provider will be held to these as it will be outlined in the Quality Assurance Surveillance Plan (QASP). The service provider will be required to indemnify the City and hold it harmless. They are held accountable for any liability claims and will be asked to provide insurance.
A service provider could respond to complaints by installing unnecessary traffic control devices due to political pressure, public pressure, or trying an easier mean of closing the request, leading to increased City costs and information overload for the public.	Financial Liability	Low	Low	The service provider will be required to follow the City's standards in installing traffic control devices. The service provider will have to report monthly to a City contract manager per the City's QASP. The contract manager will review and monitor all work within the contract to ensure that the terms of the agreement are

Service Risk	Risk Type	Level of Risk	Magnitude of Impact	Possible Mitigation
				being followed and that the service provider is handling issues properly.
An outside service provider could create Traffic Request or prioritize projects for financial gain.	Financial Liability	Low	Low	The service provider will not be allowed to set or alter requirements that result in contracts in which they may have a financial interest. The service provider will have to report monthly to a City contract manager per the City's QASP. The contract manager will review and monitor all work within the contract to ensure that the terms of the agreement are being followed and that the service provider is handling issues properly.
An outside service provider would be asked to act on the behalf of the City on regional issues and plan/project reviews for SANDAG, Caltrans, NTCD, MTS, and BSNF.	Other	Low	Low	While the service provider may participate in regional discussions or issues, they would be required to follow any City standards, practices, policies, or approval protocols, as identified by the City's contract manager or designee.
An outside service provider would be required to have close interaction with the Mayor's office on projects, grants, and politically sensitive issues.	Other	Low	Low	The City has had outside service providers in roles before where they need to interact with the Mayor's office on sensitive issues. If a service provider mishandled services or information they could be found to be in violation of the agreement per terms of the QASP.
The Division, Development Services (DSD), and Public Works are all currently undergoing reorganizations	Financial Liability	High	Medium	Managed Competitions are based on current service levels. The City will need to accurately capture the

Service Risk	Risk Type	Level of Risk	Magnitude of Impact	Possible Mitigation
with functions still being assigned to TEO from each and could cost the City in potential change orders from work that is assigned after an agreement has been awarded. Also, TEO and DSD provide similar services to the public, and TEO reviews and approves tasks performed by DSD.				service level in the Preliminary Statement of Work stage before Council approval.
The Division is regularly required to participate in all regional projects as determined by City, regional, State, and federal agencies that affect City streets or assets. They are generally unplanned, not tracked as work requests, and tend to be one time projects that require multiple FTEs to be drawn away from day-to-day duties. This could cost the City in potential change orders from work that is assigned after an agreement has been awarded and impact the timing of in-scope services.	Financial Liability, Service Interruption	High	High	The City can potentially mitigate this risk by building an average number of projects based on totals from prior fiscal years into the SOW price schedule with a corresponding deviation percentage to account for any spike or lull in a given year. The City can also require that the cost of any requested projects that go above the cost listing be negotiated. If the City deems the cost inappropriate, it could choose to an alternative service provider or City employees to perform the task.

Table 6: Risks to Competition

The City takes all the listed risks seriously, however most of them would be evident whether the functions are performed by City employees or by an independent contractor, and therefore the City already has effective mitigation strategies within the managed competition process to deal with them. These risks should not prevent the City from moving forward with this competition, but proper risk mitigation strategies will be taken into consideration during the remaining phases of the process.

F. Workload, Performance, and Property Data Assessment

Workload, performance, and property data are critical to developing a SOW, should a function move to competitive procurement. The range and depth of workload/performance/property data that are available (or not) also are 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.

Question	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.	Partially ³
Is workload tracked using an automated system?	Identifies any records, spreadsheets, logs, or other tracking mechanisms that are currently used to collect workload data.	Partially ⁴
Has workload been tracked 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.	Partially ⁵
Is workload tracked consistently?	Identifies whether tracking systems are collecting workload output data in a timely and accurate fashion. A determination must be made regarding the overall reliability of the data tracked in the	Partially ⁶
Can workload be accurately projected into the future?	Examines whether collected data is sufficient to ensure the future statement of work accurately addresses the function's true requirements and limits the potential for modifications.	No. Changing workload demands are considered annually in the budget process.
Has the Function anticipated change in workload (either an increase or decrease)?	Identifies workload capacity requirements for current and future services to ensure sufficient capacity exists to support existing and new services.	Changing workload requirements are considered annually in the budget

³ Not all functions within the Division have tracking mechanisms.

⁴ Not all functions within the Division have tracking mechanisms.

⁵ Some tracking mechanisms have only recently been implemented or have not yet been implemented.

⁶ Only some functions currently track workload on a consistent basis.

Question	Explanation	Status
		process.
Is the performance level of the City workforce actively tracked?	Identifies whether adequate performance information is available to determining the level of performance in a future competition.	Partially ⁷
Is there a property tracking system?	Identifies whether government property is properly tracked in order to maintain proper inventory control and determine its disposition in a potential competitive procurement.	Partially ⁸

Table 7: Workload, Performance, and Property Data Assessment

The result of the workload, performance, and property systems assessment for Transportation Engineering Operations is that some systems are available for workload and performance, but it is not consistently tracked across all functions within the Division. Similarly, only certain functions have tracked workload for the past three years. TEO cannot currently project workload or any changes in workload. These changes are reassessed annually in the budget process. They also do some property tracking and are working to develop tracking mechanisms for assets in the right-of-way. Workload is primarily available through informal measures (i.e., employee recollection, etc).”

IV. Conclusion

As determined through this pre-competition assessment, Transportation Engineering Operations is deemed to be eligible and appropriate for competitive procurement. The pre-competition assessment team determined that it:

- Is not inherently governmental;
- Major functions are not limited legally from being procured from an outside source;
- Can be procured from an established competitive market;
- Does not face significant risks that cannot be mitigated through the contracting process; and
- Has the potential to realize economic gain.

⁷ Only some functions currently track performance information on a consistent basis.

⁸ Only some items are currently being tracked. Mechanisms for tracking right-of-way assets are in development and potentially will be tracked by the Street Division.

Appendix 1: Competition Research

Vendors who perform TEO-related work (provided by Purchasing & Contracting)

1. American Traffic Solutions Inc
2. Pacific Products and Services Inc
3. Phoenix Highway Products Inc
4. Western Pacific Signal LLC
5. Hudson Safe T Lite Rentals
6. Iteris Inc
7. JTB Supply Company Inc
8. Safetran Traffic Systems Inc
9. Ennis Paint Inc
10. Field Data Services of Arizona Inc
11. National Data and Surveying Service
12. Fortel Traffic Inc
13. Traffic Control Service Inc
14. Woudenberg Industries Inc
15. O Day Consultants
16. Sportsworks Northwest, Inc.
17. Global Traffic Technologies, LLC
18. Arts Trench Plate and K Rail Service
19. Flint Trading Inc
20. Lg2wb Engineers Inc
21. Lightle Enterprises of Ohio Llc

Vendors who perform TEO-related work (provided by Public Works Contracting Group)

1. Alta Planning & Design
2. Darnell & Associates
3. LG2WB Engineers
4. Urban Systems Associates
5. Wilson & Company
6. GHD Inc.
7. Helen Elias
8. Kimley Horn & Associates
9. Rick Engineering Company

Vendors who perform TEO-related work (provided by TEO)

1. CH2M Hill
2. Fehr & Peers
3. HDR Engineering & Surveying, Inc.
4. HNTB Corporation
5. Iteris, Inc.
6. Kimley-Horn and Associates, Inc.
7. KOA Corporation
8. LIN Consulting, Inc.
9. PB Americas, Inc.
10. Psomas
11. RBF Consulting
12. Rick Engineering Company

13. Tetra Tech, Inc.
14. The Louis Berger Group, Inc.
15. W.G. Zimmerman Engineering, Inc.
16. DKS Associates
17. Dowling Associates, Inc.
18. Linscott, Law, and Greenspan, Engineers
19. LOS Engineering, Inc.
20. LSA Associates, Inc.
21. Michael L. Kenney Engineering, Inc.
22. Urban Crossroads, Inc.
23. VRPA Technologies, Inc.
24. West Site Engineering, Inc.
25. Wilson & Company, Inc, Engineers & Architects

