CITY OF NANAIMO

BUSINESS CASE - Engineering Projects Section: Municipal Services Inspector

CURRENT OVERVIEW

The Engineering Projects Section is responsible for the delivery of capital projects within the Engineering Department. A dedicated project manager oversees all projects and projects are delivered in several different ways, with both internal and external engineers, inspectors, contractors and contract administrators.

The department currently has three Municipal Services Inspectors who inspect, monitor, administer and approve the construction of engineering projects, subdivision and building developments, private utility installations, and other civil construction works within City's roads and rights-of-ways on behalf of all departments.

BUSINESS ISSUE

The last number of years has seen a significant increase in workload for Municipal Services Inspectors due to a variety of factors such as:

- The City is growing, resulting in the expansion of the City's roads, water and sewer infrastructure. The asset management plan shows substantial renewal of infrastructure, with increases every year.
- A significant increase in private development construction. In 2019, an additional Engineering Development Technician position was added to Development Services to address workload capacity. The development position helps on the approvals side; there is no commensurate capacity on the construction approval side.

To accommodate the increased workload, contract inspectors through consultants have been retained to complete the inspection of capital projects and charge an average rate of $112/hour. In 2020, consultants are projected to provide approx. 4,200 hours of inspection services at a projected cost of approximately $453,000. In addition to using consultant inspectors, a temporary inspector has been budgeted for the last 3 years for the peak construction season, this helps with vacation coverage, peak workloads and increased development construction in the summer. Even with consultant inspectors and temporary inspectors, there have been instances where a staff member whose job description did not include inspection has been asked to provide inspection on capital projects. An Engineering Projects Technologist and an Engineering Services Technologist have completed this.

EXPECTED OUTCOME

The addition of a municipal services inspector would:

- Allow for more projects to be inspected by City inspectors rather than external consultants
- Reduce or eliminate the need for Engineering Projects Technologists or Engineering Services Technologist to perform inspectors duties
- Reduce the need for external consultants by an estimated $120,000 annually based on 1,071 hours of project work and eliminate the need for a temporary inspector during peak construction season.

OPTIONS

Option #1 –Add a Municipal Services Inspector

Create a full-time Municipal Services Inspector position in the Engineering Projects section.

Benefits:

- City staff typically have a greater understanding of the City's processes and infrastructure, to facilitate more efficient decision-making and design. They have a better understanding of community expectations, and are more responsive to the community.
- Engineering staff can build long term relationships with operations and construction staff, and other departments, to better understand their issues and challenges. It increases the City's pool of resources and body of knowledge.
- Part of the job description of Municipal Services Inspectors is coordinating with other City departments and being the prime contact for the City with for the public. This work cannot be outsourced so if inspection is completed by a consultant, the Project Manager would have to do this work at a higher pay rate.
- The 3-month temporary inspector position would be eliminated resulting in a savings of approx. $25,400.

Weaknesses:

- Permanent increase to the operating budget of the Engineering Projects section. However, it should be noted that the contracted municipal inspectors are being funded by increasing capital costs of projects.
- The position requires a vehicle, which would increase the City's fleet of vehicles. However, the unit is anticipated to be a hybrid resulting in lower emissions than a gasoline or diesel option.

Financial Analysis:

- The position would be a CUPE level 11 position, with an annual salary of $81,495 plus benefits for an estimated total of $103,000.
- Additional annual cost are anticipated at $15,400 for fleet charges, membership, professional development, smartphone, and computer charges.
- One-time costs upon the creation of the position are projected at $51,200. This includes the purchase of a fleet vehicle, smart phone, and mobile workstation.
- The external consultants are charged directly to the projects they inspect, cost savings for the reduction in external consultants will be seen in the reduction of applicable project budgets rather than in operating.
- The resulting net cost is estimated at $24,300 in year one and a net savings in future years of $27,000.

Option #2- Status Quo

Benefits:

- Flexibility of consultant hours to reflect demand

Weaknesses:

- Project budgets have been adjusted upwards to allow for a consultant inspectors on the project
- Consultant inspectors are not able to build long term relationships with the operations and construction staff, and other departments, to effectively understand their issues and challenges
- That institutional knowledge built up during the process of delivering the project is lost when the contract is over.

Financial Analysis:

- Cost for consultants average $112 per hour opposed to an effective hourly rate of $74 per hour for the equivalent staff member.
- Costs funded from the applicable project budget, increasing the capital cost of projects.

RECOMMENDATION
Option #1 is recommended.