

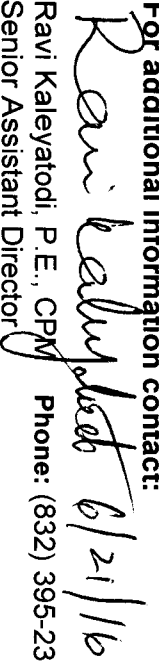
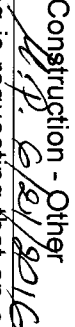
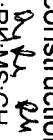



TO: Mayor via City Secretary

## REQUEST FOR COUNCIL ACTION

<b>SUBJECT:</b> Funds to cover Salary Recovery Costs for Projects in the Capital Improvement Plan. WBS No. N-320396-0029-6	<b>Page</b> 1 of 1	<b>Agenda Item #</b>
<b>From: (Department or other point of origin):</b> Department of Public Works and Engineering	<b>Origination Date</b>	<b>Agenda Date</b>
<b>Director's Signature:</b>  Dale A. Rudick, P.E.	<b>Council District affected:</b> All 	<b>Date and identification of prior authorizing Council action:</b>
<b>For additional information contact:</b>  6/21/16 Ravi Kaleyatodi, P.E., CPM Phone: (832) 395-2326 Senior Assistant Director		
<b>Recommendation: (Summary)</b> Approve an Ordinance appropriating funds for Salary Recovery Costs for the construction projects in the Capital Improvement Plan.		
<b>Amount and Source of Funding:</b> \$1,850,000.00 - Fund No. 4040A METRO Construction - Other 		
<b>SPECIFIC EXPLANATION:</b> The Department of Public Works and Engineering is requesting that an ordinance be approved appropriating \$1,850,000.00 to cover the Salary Recovery Costs for construction projects for Fund No. 4040A Metro Construction – Other. This funding category includes Safe Sidewalk, Bikeway, Street Improvement, Intersection Improvement and Traffic Signal Improvement projects.		
Historically, salary recovery costs were based on 15% of design appropriations and 7% of construction appropriations for all projects, regardless of size. Recent experience has led Public Works and Engineering to recognize that project management for smaller work order assignments is significantly higher than for larger, traditional CIP projects. The number of smaller work order projects has increased over the past several years due to increased emphasis on rehabilitation of infrastructure such as Pedestrian Accessible Review (PAR) sidewalk projects and Council District Service Fund sidewalk projects. These changes resulted in more salary recovery costs than planned for this fund from FY2014 to FY2016. The increase in cost assisted in designing approximately 35 miles of sidewalk and constructing approximately 27 miles of sidewalk.		
In order to cover total salary recovery costs, based on current and projected expenditures, an additional appropriation of funds is required. The requested appropriation will reimburse the Fund No. 4040A for the actual cost of project management services provided by architects, engineers, project managers and administrators.  Beginning in Fiscal Year 2017, salary recovery appropriations will be adjusted to 20% of design appropriations and 15% of construction appropriations for work order projects only. DAR:CEH:RK:MS:CH 		
<b>LTS No. 16092</b> <span style="float: right;"><b>CUIC ID # 20CH30R</b></span>		
<b>Finance Department:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>  Carol Ellinger-Haddock, P.E., Interim Deputy Director Engineering and Construction Division