



# Albemarle County

## Legislation Text

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**File #:** 17-137, **Version:** 1

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**AGENDA DATE:** 2/1/2017

**TITLE:**

Bond Referendum Resources

**SUBJECT/PROPOSAL/REQUEST:** Project Management Resource Request

**ITEM TYPE:** Consent Action Item

**STAFF CONTACT(S):** Walker, Letteri, Kamptner, Henry, T., Tistadt, D.

**PRESENTER (S):** Henry, T.

**LEGAL REVIEW:** Yes

**REVIEWED BY:** Douglas C. Walker

**BACKGROUND:** The Office of Facilities Development (currently the Project Management Division) was established by the Board of Supervisors in 2007 to provide general oversight and execution of the County's Capital Improvement Program, including school construction. When established, the entire operating budget for the office was funded from the General Fund with no specific accounting for Project Management (PM) services linked to the projects being managed. In August 2009, the Board approved modifications to this program authorizing a flat 4.5% project management fee for all approved CIP projects and, in this way, transferring the cost of direct PM services from the General Fund to the Capital Fund. In June 2012, the Board approved establishment of an Internal Service Fund (ISF) to further refine the method of capturing PM costs by establishing a process of billable hourly rates for each fiscal year (FY) to cover all estimated PMD expenditures. The method of estimating and implementation includes developing a work plan for both new projects approved for the next FY as well as future projects included in the CIP. During the annual CIP budgeting process, PMD evaluates each project and estimates the number of PM hours for that project, based on hourly metrics collected on similar projects and overall complexity. This funding methodology allows for the expansion or contraction of the division staffing when the project demands change based on the CIP.

**STRATEGIC PLAN:** Operational Capacity: Ensure County government's ability to provide high quality service that achieves community priorities.

**DISCUSSION:** The volume of future construction projects that have been identified over the next two calendar years now dictates that the Project Management Division must supplement its project management staff per the aforementioned methodology. With the added school referendum projects, the Project Management Division along with some Building Services resources anticipates having to manage as much as \$95M worth of construction projects over the next two years. The methodology for determining resource requirements shows that this division will need 3.5 additional temporary Full Time Equivalent (FTE)'s to manage the workload over the next two years. These new positions are anticipated to be filled by a combination of temporary full time staff along with construction management contracted support. This breakdown is shown in PMD Projects CY 17 and 18 (Attachment A). We have also attached the Project Management Hours Estimates (Attachment B) to demonstrate how the need for 3.5 additional Project Managers was determined.

<u>PMD ISF</u>	<u>FY17 Impact</u>	<u>FY18 Impact</u>
0.5 P/T PM Support for School Projects	\$12K	\$42K
1.5 Contracted Temp hire or construction management contract for two-year period for School Projects	\$42K	\$134K
1.5 PM support for General Government Projects	\$40K	\$123K
<u>PMD ISF Total</u>	<u>\$94K</u>	<u>\$299K</u>

PMD ISF Revenue is from Capital Projects		
General Government CIP Projects	\$40K	\$123K
School Division CIP Projects	\$54K	\$176K
<u>Capital Projects Total</u>	<u>\$94K</u>	<u>\$299K</u>

**BUDGET IMPACT:** The budget impact for FY17 is estimated to be approximately \$94K (includes onetime startup costs such as equipment and software licenses). The annual budget impact, beginning in FY18, is estimated to be approximately \$300K and is supported by the PM fees funded in the current FY17 adopted/amended CIP and the FY18 CIP recommendation from the Oversight Committee. FY18 project budgets will be equally reduced by the amount requested for appropriation in FY17 (\$94K); therefore, there will be no net increase to project costs currently planned in the CIP.

**RECOMMENDATION:**

Staff recommends that the Board approve the appropriation in the amount of \$94K for FY 17 funding (Appropriation #20170059) that is included in a separate FY17 Appropriations Executive Summary being presented to the Board for approval on February 1, 2017.

**ATTACHMENTS:**

Attachment A: PMD Projects CY 17 and 18

Attachment B: Project Management Hours Estimates