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Joint Committee on Finance

Paper #122

Construction Project Field Staff Positions -- Facilities Development (DOA -- Facilities Management and Facilities Development)

[LFB 2013-15 Budget Summary: Page 39, #5]

CURRENT LAW

In 2012-13, the Department of Administration (DOA) is authorized 23.0 construction project field staff positions (5.0 construction coordinator supervisors and 18.0 construction representatives) for the state building program. The Division of Facilities Development in DOA staffs the Building Commission and manages approximately 2,000 construction projects. Base funding for the capital planning and building construction services appropriation, from which the positions are funded, is \$12,170,800 PR annually. Revenue for the program is derived from a 4% assessment on most state building project budgets.

GOVERNOR

Provide \$926,800 PR and 10.0 PR construction project field staff positions annually to address staff workload issues, improve construction project quality control, and document contractor claims. The positions include: (a) construction representative journeyman (\$417,900 and 5.0 positions annually); (b) construction representative senior (\$284,900 and 3.0 positions annually); and (c) construction coordinator supervisor (\$224,000 and 2.0 positions annually). The positions would be funded from program revenue derived from fees assessed on state building project budgets.

DISCUSSION POINTS

1. The administration indicates that the current level of construction project field staff is insufficient to provide quality services, particularly in the construction phase of building projects. The Division estimates an average workload of 51 projects per field staff. The average is based on

the current number of projects in the active construction phase (771) and number of construction representatives who are not technical inspectors (15.0). According to the Division, a combination of high workloads and a geographically broad disbursement of projects throughout the state lead to field staff positions that are "spread thin and spend a lot of time traveling. Instead, they should be able to visit each jobsite to inspect, detect deficiencies, and resolve conflicts in a timely manner." The administration argues that a heavy workload per field staff could "result in the risk of deficiencies going undetected until the building is occupied and the project is closed," adding that an increase in staff would also ensure proper documentation of contractor claims. The Division indicates that "problems such as project deficiencies or errors in documentation occur in the construction phase every day."

2. Further, the Division reports that construction representatives address an average of 400 to 500 Requests for Information (RFIs) on a monthly basis, which requires coordination with multiple contractors, the architect and engineer consultants, and other agency staff. The administration argues that the "faster construction representatives can respond to RFIs, the more likely the project will be completed on schedule."

3. The provision in the bill would increase the number of construction representatives who are not technical inspectors from 15.0 to 23.0 positions and the number of construction coordinator supervisors from 5.0 to 7.0 positions. This would result in an average workload of 34 projects per field staff.

4. The administration indicates that if fewer than 10.0 positions are provided, "field staff shortages would need to be alleviated through other means." The Division would consider hiring consultants to provide construction oversight, or adding construction oversight duties to architect and engineer consultant contracts. The administration cautions that adding these duties to consultant contracts would present conflict of interest concerns, as the architect and engineer consultants would be inspecting their own design, for which they would need to hold themselves accountable. In addition, the Division believes this approach would be more costly.

5. The 2013-15 biennial budget instructions for state agencies specifies that for new position salaries and fringe benefits, a maximum of nine months of funding should be provided in the first year of the biennium. Agencies are instructed to fully fund new positions in the second year of the biennium. The Governor recommended 12 months' funding for the 10.0 positions in both years of the biennium. It could be argued that the first year of funding should be adjusted to align the funding with the biennial budget instructions, to provide only nine months of salaries and fringe benefits for the positions in the first year. Accordingly, Alternative 2 and Alternatives 3a through 3c, outlined below, include this funding adjustment.

6. Given the administration's argument that the risk of building construction deficiencies going undetected could result in costly errors or inefficiencies, the Committee could choose to approve the recommendation to provide 10.0 PR construction project field positions and \$926,800 PR annually. [Alternative 1] To adjust the recommendation in accordance with 2013-15 biennial budget instructions, the Committee could choose to modify the provision to provide nine months of salaries and fringe benefits for the positions in the first year. [Alternative 2]

7. On the other hand, while construction deficiencies and project costs are serious concerns, the administration has not been able to identify instances where this has occurred as a result of staffing levels. If the Committee believes that some increased level of staffing is necessary to address DOA's concerns, but also that a lower level of increase is appropriate, it could choose to modify the recommendation to provide: (a) \$505,400 PR in 2013-14 and \$638,300 PR in 2014-15 and 7.0 PR positions annually (4.0 construction representative journeyman positions, 2.0 construction representative senior positions, and 1.0 construction coordinator supervisor position) [Alternative 3a]; (b) \$342,100 PR in 2013-14 and \$430,600 PR in 2014-15 and 5.0 PR positions annually (4.0 construction representative journeyman positions and 1.0 construction representative senior position) [Alternative 3b]; or (c) \$200,100 PR in 2013-14 and \$251,500 PR in 2014-15 and 3.0 PR positions annually (3.0 construction representative journeyman positions) [Alternative 3c].

8. Alternatively, the Committee could delete the provision. It could be argued that the information provided to support the recommendation is insufficient at this time. If the workload of the construction project field staff demanded additional position authority be provided, DOA could request additional positions under a 14-day passive review process and provide further details regarding the need for the positions. [Alternative 4]

ALTERNATIVES

1. Approve the Governor's recommendation to provide 10.0 construction project field staff PR positions and \$926,800 PR annually.

2. Modify the provision to provide \$733,200 PR in 2013-14 and \$926,800 PR in 2014-15 to fund nine months' salary and fringe benefits in the first year for the recommended positions.

ALT 2	Change to Bill	
	Funding	
PR	- \$193,600	

3. Modify the recommendation to provide:

a. \$505,400 PR in 2013-14 and \$638,300 PR in 2014-15 and 7.0 PR positions annually.

ALT 3a	Change to Bill	
	Funding	Positions
PR	- \$709,900	- 3.00

b. \$342,100 PR in 2013-14 and \$430,600 PR in 2014-15 and 5.0 PR positions annually.

ALT 3b	Change to Bill	
	Funding	Positions
PR	- \$1,080,900	- 5.00

c. \$200,100 PR in 2013-14 and \$251,500 PR in 2014-15 and 3.0 PR positions annually.

ALT 3c	Change to Bill	
	Funding	Positions
PR	- \$1,402,000	- 7.00

4. Delete provision.

ALT 4	Change to Bill	
	Funding	Positions
PR	- \$1,853,600	- 10.00

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