

Bureau of Environmental Services

1120 SW 5th Ave., Suite 613 • Portland OR 97204
 P: 503-823-7740
 portland.gov/bes



Portland Bureau of Transportation

1120 SW 5th Ave., Suite 1331 • Portland OR 97204
 P: 503-823-5185
 portland.gov/transportation

September 8, 2021

Mary Hull Caballero
 City Auditor
 City of Portland
 1221 SW 4th Avenue, Room 310
 Portland, OR 97204

Re: Sewer Maintenance Audit

Dear Auditor Hull Caballero:

Thank you for the opportunity to respond to your most recent audit, “Sewer Maintenance: Renewed attention to partnership needed to better serve ratepayers.” We appreciate the collaborative and thoughtful effort by your staff as well as the recommendations in the audit. While we can always improve our work and reach our targets more effectively, thank you for pointing out the importance of this work to Portland’s ratepayers. Below we have addressed all of your recommendations and look forward to working with your staff on future updates to this audit.

Responses to Recommendations

Recommendation

To help meet maintenance targets, Environmental Services and Transportation should develop and implement alternatives to use staffing and vehicles to their full budgeted potential.

Response

Although PBOT has missed several maintenance targets, significant improvement has been made in recent years. The table below shows the actual completion percentage toward the target. The major reasons for missing the targets are unfilled staffing vacancies, unavailability of key equipment, impacts of severe winter weather, and most recently COVID 19.

	FY15	FY16	FY17	FY18	FY19	FY20
Repair Sewer Mains			77%	70%	92%	73%
Repair Sewer Laterals		71%	68%	78%	93%	97%
Sewer Cleaning	92%	92%	67%	84%	84%	90%
Sewer Inspection	88%	95%	95%	87%		97%
Repair Construct Storm Inlets	78%					69%
Drainage Ditch Maintenance	76%	34%	82%			57%

Weather Impacts:

The impacts of winter weather range from supporting Citywide snow and ice efforts, emergency response work to keep stormwater facilities functioning in large storm events, and landslide response in winters with significant rainfall. As examples, FY17 was significantly impacted by landslides across the city, many of which impacted collection system facilities and required actions by PBOT Environmental Services Division (ESD) crews to mitigate. In FY18, the city experienced multiple snow and ice events that directly impacted ESD crew work, as many of the vehicles are outfitted with snowplows and are vital to the City's overall response. Finally, during the last quarter of fiscal year 2020, reduced daily staffing levels and work procedures, dictated by COVID-19, impacted our ability to complete work.

Although the bureaus cannot control severity of winter weather, we do agree to review the current practices and develop strategies that minimize the impact to ESD during weather related events.

Staffing:

We agree that staffing vacancies directly impact our ability to complete daily work towards established maintenance targets. The bureaus commit to working with the Bureau of Human Resources to identify a series of recruitment and hiring strategies that will minimize the amount of time vacant positions remain unfilled. Additionally, PBOT agrees to focus on expanding training and development opportunities for staff that will increase the qualified candidate pool and provide for temporary position upgrades to fill critical needs, particularly in specialized programs such as pipe inspection and cleaning.

Fleet:

Vehicles out of service for repair directly impact PBOT's ability to accomplish work and meet BES maintenance targets, this is particularly true in the sewer cleaning program where the vehicles are specialized and contain many mechanical and electrical systems. Last fiscal year, the City retained three turned-in vehicles as spares to ensure sewer cleaning activities could continue when production vehicles were out of service for repairs. In addition, PBOT is evaluating whether to expand the use of rental equipment when extended repair times are expected.

Aside from the cleaning program, the bureaus will continue to review fleet utilization across the ESD and look for opportunities to improve overall program performance.

Recommendation

To ensure accurate charges and reduce the opportunity for misuse of materials:

Transportation should:

- properly document materials taken by crews;
- increase inventory safeguards for sewer lining materials; and,
- enforce existing procedures.

Environment Services should:

- review and approve billings for any inventory discrepancies.

Response

ESD's Material Distribution Center processed more than 40,000 transactions during the past three years. During that time, 84 transactions did not follow procedures, or 0.2 percent. While this is a small percentage, the bureaus agree to take the following steps:

- ESD management will continue to stress the need for employees to follow internal material procurement procedures. Supervisors will perform more oversight to ensure these procedures are followed and offer training to appropriate staff.
- The PBOT Material Distribution Center will have taken over management of the sewer lining material from the ESD as of Sept. 1, 2021.
- Environmental Services and PBOT will jointly review and approve billings for any inventory discrepancies on a routine basis.

Recommendation

To ensure ratepayer funds are used only on services related to and necessary for sewer maintenance, Transportation should remove expenses included in its indirect costs that could be considered direct administrative costs for a separate specific program or service.

Response

PBOT agrees to review costs included in its indirect model to determine if any of those costs could be allocated directly to specific programs or services. PBOT will share the results of the review with BES and work collaboratively on any subsequent changes needed in the Cooperative Work Agreement to update the indirect rate for future years. The bureaus commit to completing this work within the next year.

Recommendation

To determine whether the partnership between Environmental Services and Transportation best serves the interests of the public, the Bureaus should re-evaluate the pros and cons of the agreement for sewer maintenance.

Response

PBOT and BES agree to perform a review of the Cooperative Work Agreement (CWA) that includes an assessment of the current service delivery model and its advantages and disadvantages within the context of bureau priorities and obligations. The review will include an organizational assessment and an evaluation of major business processes focusing on ways to increase operational efficiencies, deliver better service to our customers, and support both bureaus long term commitment to asset management. The Bureaus agree to initiate this work in the coming year.

Thank you again for the opportunity to work with your staff and we look forward to working on these follow-up items in the year to come.

Sincerely,

**Michael
Jordan** Digitally signed
by Michael
Jordan
Date: 2021.09.08
15:19:37 -07'00'

Director Michael Jordan
Bureau of Environmental Services
City of Portland

**Christopher
Warner** Digitally signed by Christopher
Warner
Date: 2021.09.09 15:09:04 -07'00'

Director Chris Warner
Portland Bureau of Transportation
City of Portland