

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 14, 2003
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: PHILIP SUNDERLAND, CITY MANAGER
SUBJECT: BUDGET MEMO #33 : PROPOSED FY 2004 TRAFFIC STUDIES POSITION IN TRANSPORTATION AND ENVIRONMENTAL SERVICES (COUNCILWOMAN EBERWEIN'S REQUEST)

The FY 2004 proposed budget includes as a funded supplemental \$120,000 in new expenses to cover personnel and one-time start-up costs for a new traffic and transportation analysis position. If approved, this position will be located in the Transportation Division. The question that has been raised is whether or not this function should be contracted out.

Located in one of the most heavily congested areas in the country, Alexandria must necessarily achieve the highest possible level of operational efficiency in available transportation systems. This is particularly true with regard to the City's roads and streets. In addition, the demand for in-depth evaluations of proposed improvements and their potential effects on area-wide traffic flow has increased dramatically. Regardless of whether the issue is a land-use plan update, a proposed capacity enhancement or new roadway, or a relatively simple change in the operation of a single intersection, detailed studies and evaluations have become increasingly necessary. System complexity, congestion and public concerns all drive the increasing need for expanded transportation modeling and analysis capabilities.

Past practice has been to utilize private consultants to carry out the vast majority of these studies and evaluations, and the proposed FY 2004 T&ES base budget includes \$178,000 for transportation consulting services for these studies and evaluations. However, based on past and projected needs for transportation modeling and analysis capability, expanding existing staff capability in this area can be economically and programmatically justified. Based on projected needs for FY 2004, a senior-level position to consolidate and broaden staff capability to conduct these type studies is cheaper than contracting out for these activities by approximately \$105,000 per year.

The issue is one of continued outsourcing versus building in-house staff capability. The advantages of approving this new position and building in-house capabilities include:

- Reduced operating costs.
- Greater responsiveness to community concerns.
- Consistent approach to issues throughout the city.
- Improved ability to address issues on a programmatic basis.
- Reduced mobilization time for quick-response issues.
- Increased organizational memory.

Advantages of continued outsourcing include:

- Access to specialized capabilities for unique situations.
- Perceived credibility of independent consultants.
- No long-term personnel commitment.
- Ability to adjust resources available for differing needs.

The budget impact of the requested staff position (in lieu of contracting) will be a cost avoidance of approximately \$105,000 for FY 2004, with similar or greater savings in future years. If City Council should have to make a choice between the proposed staff position and additional T&ES funding for consultant services, the new position already included in the FY 2004 base budget would be the Department's preferred option.