

LONG BEACH ASSOCIATION OF ENGINEERING EMPLOYEES
Collective Bargaining Units #20 and #22

To: City of Long Beach – Personnel and Civil Service Committee
333 W. Ocean Blvd.
Long Beach, CA 90802

From: Long Beach Association of Engineering Employees
World Trade Center
P.O. Box 32165
Long Beach, CA 90832-2165

Date: Tuesday, February 5, 2013

Subject: **Letter of Support for the Report on Status of Hiring and Retaining Engineers**

Dear Committee Members,

We are writing you today to express our support for agenda item #13-0107, recommendation to receive a report on the status of hiring and retaining Engineers in the City of Long Beach. The Long Beach Association of Engineering Employees (LBAEE) represents more than 300 employees in the City of Long Beach's Bargaining Unit #20 and Bargaining Unit #22 which includes classified and non-career employees in the following areas: Engineers, Inspectors, Technicians, Geologists, Petroleum Engineers, Planners, Environmental Specialists, and Surveyors. We are the technical professional employees who provide core services for the City, its residents, and key stakeholders in the business community.

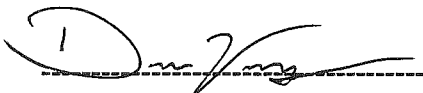
We share your concern about maintaining a professional city engineering force. **There has been a trend within the City of contracting out engineering services at nearly double the rate of qualified city employees.** For example, an associate engineer who is a member of LBAEE earned on average \$71/hour in total compensation (salary, healthcare, PERS, etc.) but the Port of Long Beach has contracted out this same work function to private companies ranging from \$120/hr to \$151/hour. Even for a licensed engineer who would earn on average \$81/hour in total compensation is having their same job function outsourced to a private company for \$137/hr to \$182/hr. Attached are graphs highlighting this pay disparity and specific rate schedules of current contracts. We do not believe this is sound fiscal practice of tax payer's money nor is it beneficial in retaining our technical workforce. In our opinion, **we believe this is a violation of the City Charter Sec. 1806 on Contracts for Work Usually Performed by City Employees.** There has been no determination that this practice is efficient, effective or at a lower cost to the City. How do we expect to attract or retain engineers if we do not have competitive salaries? Here are other areas we hope you will consider in this report:

- Contract Insurance Administration Costs
- Project Specific Training Costs
- Cost for Contract Compliance
- Contractor Travel Expenses
- Contract Reimbursable Expenses
- Contractor May Only Have Short Term Project Concerns

Additionally, the **City's technical professionals are an aging staff**. Nearly 40% of our employees are eligible to retire today and another 25% can retire in the next five years. If we do not begin to address this immediately, not only will the city lack the capacity to provide the services residents require but we will also lose the institutional knowledge of those experienced engineers. We need to have the experienced technical professionals mentor the new hires in order to transfer that critical technical knowledge that would be otherwise lost.

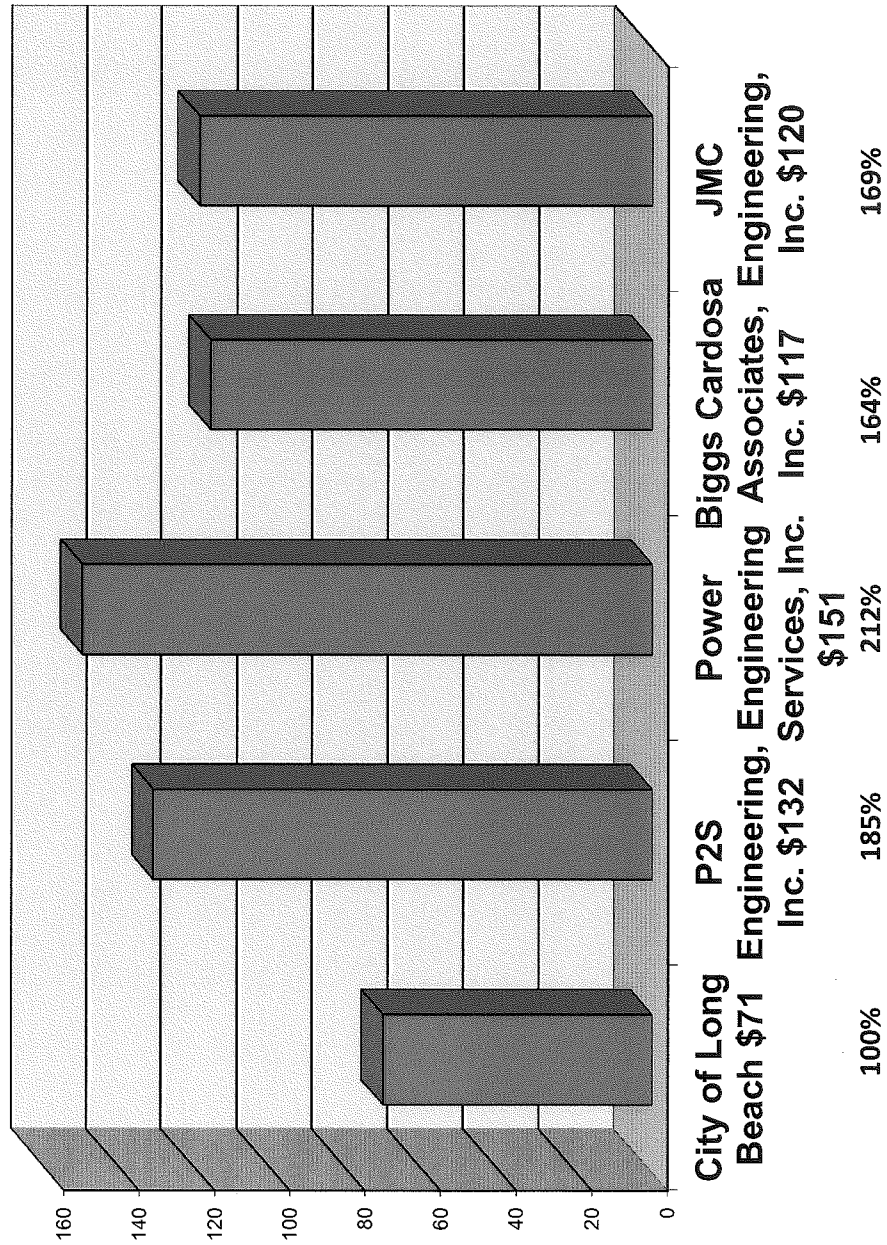
The technical workforce crisis that is now facing the City is similar to what is facing our nation. President Obama recently noted we need to double the number of engineering graduates in order to maintain our economic advantage and national security programs. We are encouraged by this report and look forward to the findings. Please feel free to reach out to Uduak Ntuk, or myself, if you have any questions or need any additional information about hiring and/or retaining engineers.

Thank you,

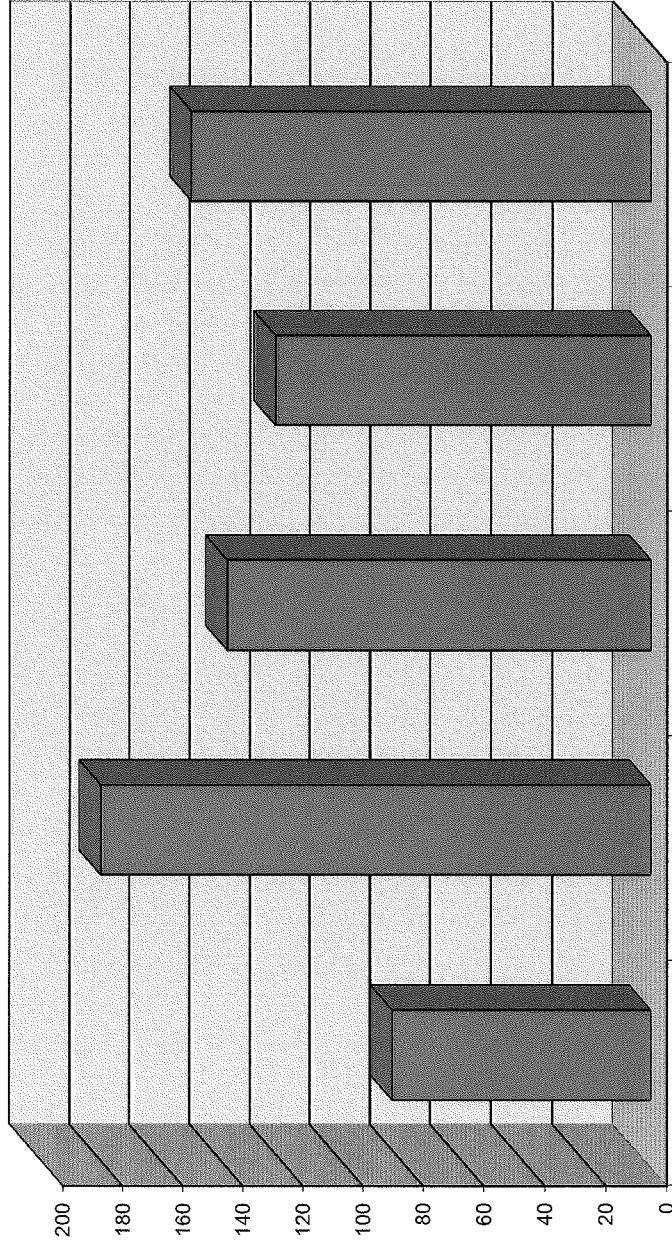
A handwritten signature in black ink, appearing to read "Dave Vasquez", written over a horizontal dashed line.

Dave Vasquez
President, Long Beach Association of Engineering Employees

LBAEE ASSOCIATE ENGR VS CONTRACTED ASSOCIATE ENGINEER

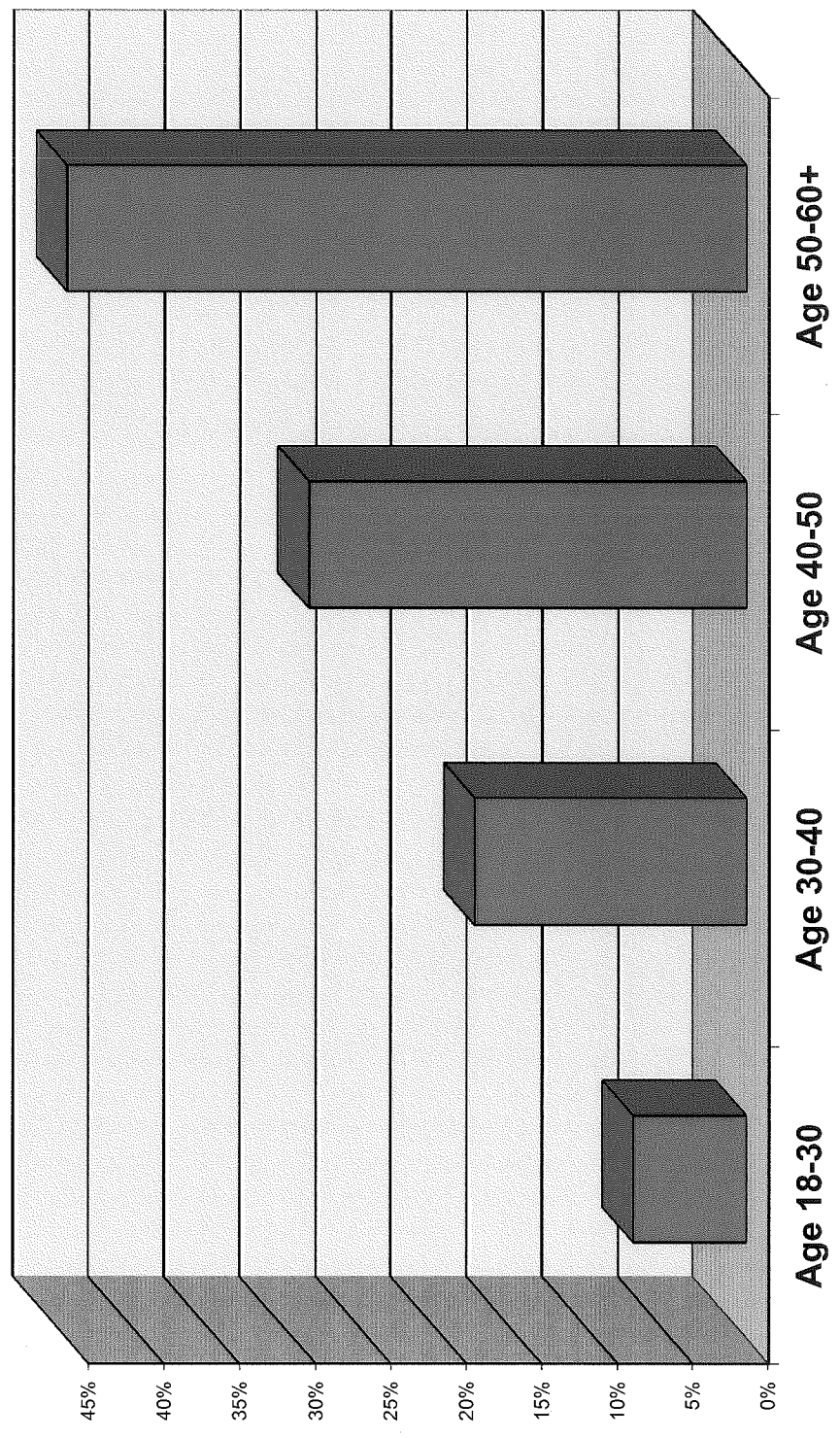


LBAEE ENGINEER VS CONTRACTED CITY ENGINEER



City of Long Beach \$85
P2S \$182
Power Engineering, Inc. \$124
Biggs Cardosa \$152
JMC \$140

LBAEE MEMBERS AGE BREAKDOWN



**P2S ENGINEERING, INC.
RATE SCHEDULE FOR ENGINEERING SERVICES
ON A TIME AND EXPENSE BASIS**

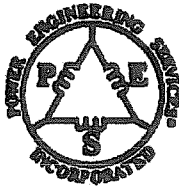
<u>Category</u>	<u>Rate</u>
PRINCIPAL ENGINEER	\$203
ENGINEER GRADE 04	\$182
ENGINEER GRADE 03	\$160
ENGINEER GRADE 02	\$147
ENGINEER GRADE 01	\$132
DESIGN ENGINEER GRADE 04	\$147
DESIGN ENGINEER GRADE 03	\$132
DESIGN ENGINEER GRADE 02	\$119
DESIGN ENGINEER GRADE 01	\$104
DESIGNER GRADE 04	\$112
DESIGNER GRADE 03	\$104
DESIGNER GRADE 02	\$98
DESIGNER GRADE 01	\$91
CAD DESIGNER GRADE 04	\$91
CAD DESIGNER GRADE 03	\$85
CAD DESIGNER GRADE 02	\$76
CAD DESIGNER GRADE 01	\$69
CLERICAL	\$69

EXPLANATION OF MULTIPLIERS

P2S Engineering's multiplier on Direct Labor Cost (DLC) is 3.2. The multiplier contains a 141% overhead factor, 27% fringes and payroll taxes, and 15% profit.

Effective 6/1/2012-10/31/2015
RT-212 POLB On-Call.doc

EXHIBIT A



PES No. 4557-12
POLB On-Call Eng.

**POWER ENGINEERING SERVICES, INC.
PROFESSIONAL SERVICES RATE SCHEDULE
ON A TIME AND EXPENSE BASIS**

**Hourly Rates for Contract Period
June 1, 2012 – December 31, 2015**

Principal	\$201.50
Professional Engineer/Registered P.E.	\$185.00
Project Engineer	\$168.50
Senior Engineer	\$157.50
Engineer	\$140.00
Senior Designer	\$151.00
CAD Designer	\$90.00
Administrative	\$66.50

Above rates based on the following:

- 1) Effective Category Rate Multiplier
- 2) Basis for Billable Rates:

2.85
30% Fringe
29% Overhead
10% Profit

General:

- 1) Reprographics
- 2) Automobile:
- 3) Travel Expense:
- 4) Subsistence:

At Cost
\$0.555 per mile (adjusted annually per IRS)
At Cost
Away from home office more than one day:
At Cost, not to exceed \$225.00/day/per man.

- 5) Plan Check and Building Permit Fees:

At Cost

- 6) Sub-Consulting Services:

At Cost plus 5% mark-up

- 7) Hourly rates are applicable to overtime without adjustment.

Payments due under this schedule shall bear interest at the rate of ten percent per annum commencing thirty (30) days after the date of invoice. Terms are Net - Thirty Days

2703 Saturn Street, Brea, CA 92621
Telephone (714) 524-9100 Facsimile (714) 528-8782
www.pespower.com

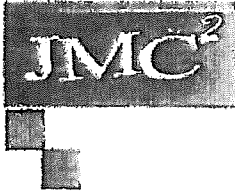
EXHIBIT A

Fee Schedule

Name	Title	Project Position	Year			
Biggs Cardosa Associates - Project Staff¹			2012	2013	2014	2015
Michael Thomas	Principal	Principal-in-Charge	\$221	\$221	\$232	\$243
Dana DeVera	Engineering Manager	Project Manager	\$166	\$166	\$175	\$184
Hank Fong	Senior Technical Specialist	Marine Structures	\$219	\$219	\$230	\$242
Adam Nye	Engineering Manager	Building Structures	\$166	\$166	\$175	\$184
Geoffrey Dixon	Senior Engineer	Bridge Structures	\$147	\$147	\$154	\$162
Additional BCA Staff Categories¹						
	Associate		\$196	\$196	\$206	\$216
	Engineering Manager		\$166	\$166	\$175	\$184
	Senior Engineer		\$147	\$147	\$154	\$162
	Project Engineer		\$125	\$125	\$131	\$137
	Staff Engineer		\$112	\$112	\$118	\$124
	Assistant Engineer		\$106	\$106	\$111	\$117
	Junior Engineer		\$100	\$100	\$105	\$111
	Senior Computer Drafter		\$118	\$118	\$124	\$130
	Computer Drafter		\$100	\$100	\$105	\$111
	Junior Computer Drafter		\$89	\$89	\$94	\$98
	Project Controls		\$136	\$136	\$142	\$150
	Administration		\$84	\$84	\$88	\$92

¹BCA's Rates are the same in 2012 as are currently being used on the Pier G project. Rates for 2013 are kept constant at that level. Rates for 2014 and 2015 are increased 5% to account for salary escalation. These rates are generally based on 1.0 cost + our current FAR overhead multiplier of 1.8075 + 10% profit. However, it is not applied evenly to all positions. Higher level positions are billed at a lower effective multiplier, and lower level positions are billed at a higher effective multiplier.

EXHIBIT A



JMC² ENGINEERING & SURVEYING

FEE SCHEDULE

Effective June 1, 2012 to December 31, 2015

Classification - Engineers		Hourly Rate
Expert Witness		\$ 327.80
Principal		\$ 251.30
Officer/Vice President		\$ 218.50
Director of Operations		\$ 185.75
Project Manager		\$ 174.85
Project Engineer		\$ 152.95
Engineer III (Sr. Design Engineer)		\$ 136.55
Engineer II (Designer/Design Engineer)		\$ 120.20
Engineer I (Designer/Design Engineers)		\$ 109.25
Classification - Surveyors		
Field Survey Party (4 hrs. Minimum Charge)		
One Person Party		\$ 125.65
Two Person Party		\$ 213.10
Three Person Party		\$ 300.50
Scanning HDS Field Survey Party (4 hrs. Minimum Charge)		
One Person Party		\$ 158.40
Two Person Party		\$ 245.85
Three Person Party		\$ 333.25
Office/Field Management & Engineering Services		
Principal		\$ 251.30
Director of Operations		\$ 185.75
Surveyor Manager		\$ 152.95
Chief of Parties Field Supervisor		\$ 136.55
Project Surveyor		\$ 109.25
Assistant Project Surveyor		\$ 87.40
Office CADD & Administration Services		
CADD Technician		\$ 109.25
Project Assistant/Researcher		\$ 87.40
Administration		\$ 60.10
Expert Witness Testimony, Depositions, Field Inspection		\$ 327.80
Classification - Miscellaneous		
Accountant		\$ 81.95
Bookkeeper		\$ 71.00
Clerical		\$ 60.10
Reimbursable Expenses		Per Unit Charge
Large format copy service		Cost
Black and white plots		Cost
Color plots		Cost
Outside printing/media services		Cost
Subcontractors		Cost + 5%
Travel Expenses		Per POLB Guidelines

Effective June 1, 2012 to December 31, 2015

John M. Cruikshank Consultants, Inc.
Tel: 310-241-6550 Fax 310-320-8871 411 N Harbor Boulevard, Suite 201, San Pedro, CA 90731 www.jmc-2.com

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