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April 26, 2021

Board of Directors
Triunfo Water & Sanitation District
Ventura County, California

VRSD LABOR RATE COMPARISON

Summary

During the past several years, the contract labor rates billed by the Ventura Regional Sanitation District (VRSD) have steadily increased. At the March 22, 2021, Triunfo Water & Sanitation District (District) Board Meeting, VRSD presented its rates for the 2022 fiscal year which included an average increase of 9.6%. It was requested by your Board that staff perform a rate comparison study to analyze the competitiveness of the new rates for operational services with those that might be charged from outside vendors/contractors. In surveying the various data streams, staff determined that no singular outside rate would have a direct correlation with the current job categories and instead employed a variety of methodologies that utilized FY2022 VRSD rates, prevailing wage, outside contracting, and local vendor charges to develop the preliminary billing cost comparisons.

Staff has compiled a presentation that outlines the various labor rates billed to the District by the VRSD W/WW Division and comparative labor rates using the methodologies previously listed. Staff recommends the Board review and discuss the labor rate comparison and provide direction.

Please contact me at 805-658-4621 or email marknorris@triunfowsd.com if you have any questions or need additional information.

REVIEWED AND APPROVED:

A handwritten signature in blue ink, appearing to read "Mark Norris", is written over a horizontal line.

Mark Norris - General Manager

Attachment: 2021 Labor Rate Comparison Study

**TRIUNFO WATER & SANITATION DISTRICT
VRSD LABOR RATE COMPARISON**

ASSUMPTIONS

- 1) Labor rates include salary, benefits, overhead and profit
- 2) Private sector overhead and profit values are typically for planning purposes (20% and 15%, respectively)
- 3) Prevailing Wage from the California Dept of Industrial Relations - Southern California
- 4) Used FY2021 Field Services budget (not total VRSD budget which includes finance and administration)
- 5) Admin positions left unchanged from current VRSD rates for all scenarios
- 6) Adopted FY2021 non-labor costs left unchanged for all scenarios
- 7) Obtained labor rates for following scenarios:
 - VRSD Hybrid
 - Utilized top of salary range for identified VRSD employee classifications
 - Salary increased 45% to account for benefits (Note: Private sector benefits typically fall into the 25% range)
 - Added 20% overhead and 15% profit (industry standard)
 - Private Sector
 - Actual rates currently being charged by Contractor services
 - Overhead and profit already incorporated into the rates
 - Prevailing Wage
 - Wage and benefits paid primarily to union trades working on public projects, exclusive of overhead and profit
 - Worker classifications that did not match well with public sector job classifications required subjective determinations
 - Typically higher hourly wage but lower benefits when compared to public sector equivalents
 - Added 20% overhead and 15% profit (industry standard)
 - Local Contractors

RATE COMPARISON

Position	% Hours in FY2021 Budget (1)	VRSD FY2021 Hourly Rate	VRSD FY2022 Hourly Rate	VRSD Hybrid Hourly Rate	Hourly Rate Based on Private Sector	Hourly Rate Based on Prevailing Wage	Hourly Rate Based on Local Contractors
W/WW Worker	47%	\$90	\$101	\$62	\$60	\$83	\$88
W/WW Operations Supervisor	14%	\$131	\$139	\$97	\$133	\$128	
Instrumentation Tech	8%	\$107	\$128	\$85	\$97	\$97	\$92
Environmental Resource Analyst	6%	\$110	\$127	\$88	\$121	\$110	
Elect/Mech Worker	5%	\$104	\$110	\$74	\$73	\$90	
Elect/Instr Supervisor	5%	\$131	\$128	\$97	\$121	\$128	\$121
W/WW Helper	4%	\$66	\$82	\$39	\$48	\$71	
W/WW Treatment Op II	3%	\$104	\$110	\$74	\$73	\$97	
Operations Manager	3%	\$172	\$156	\$124	\$203	\$164	

1) Total hours for positions identified in the table make up 95% of the FY2021 field services budget.

BUDGET COMPARISON

VRSD FY2021 Field Services Budget (Current Adopted Budget)	Field Services Budget Using VRSD FY2022 Hourly Rates	Field Services Budget Based on Prevailing Wage	Field Services Budget Based on Private Sector	Field Services Budget Using VRSD Hybrid Hourly Rates
\$3,902,593	\$4,222,676	\$3,810,070	\$3,502,480	\$3,215,972
Savings ⁽¹⁾⁽²⁾		\$412,606	\$720,196	\$1,006,704

1) Projected savings does not include VRSD's 15% markup.

2) Projected savings does not include other potential cost savings associated with improved efficiencies.