

FY 2026-2027 BUDGET QUESTION

Response to Request for Information

DEPARTMENT(S): Austin Transportation & Public Works;

CBQ NO.: 136

REQUESTED BY: (District 6) Krista Laine

DATE REQUESTED: Wednesday, July 29, 2026 1:08 PM

DATE POSTED:

REQUEST:

TPW is “decreasing reliance on contractual and consultant support” (pg 39) and “expanding use of in-house personnel” and internalizing project delivery previously managed by CDS. Please quantify the number of consultant/contractor FTEs being replaced with in-house positions, the net cost impact, and whether comparable in-sourcing opportunities have been evaluated in other departments that currently rely on contracted staff.

RESPONSE:

Transportation and Public Works (TPW) routinely evaluates opportunities to optimize service delivery by balancing the use of City staff and contracted/consultant services. These evaluations consider operational needs, workload, cost effectiveness, and the availability of qualified staff while ensuring service levels are maintained.

The FY27 Proposed Budget includes a net reduction of **\$1.06 million** in consultant and contractual service funding, as shown below.

Object Code	FY26 Funding	FY27 Funding	Difference
5280 - Consultants-Other	\$6,038,554	\$4,499,751	(\$1,538,803)
5560 - Services-Construction Contract	\$20,077,469	\$20,400,423	\$322,954
5590 - Services-Engineering	\$5,452,080	\$5,775,761	\$323,681
5725 - Services-IT Staffing	\$2,960,487	\$2,791,422	(\$169,065)
	\$ 34,528,590	\$ 33,467,357	(\$1,061,233)

(This information excludes Project Connect Office (PCO) from department totals in line other department responses.)

The majority of these reductions are the result of planned budget reductions, operational efficiencies, performance improvements, and periodic re-evaluation of ongoing service needs. These reductions do not represent consultant or contractor full-time equivalent (FTE) positions being replaced by new City FTEs. Rather, the contracted services were determined to no longer be necessary, could be reduced in scope, or could be absorbed within existing departmental operations.

A limited number of activities will transition to existing City staff without the addition of new permanent FTEs in FY27. Examples include:

- Development of traffic control plans (TCPs) for street maintenance activities will transition from contracted services to existing TPW staff.
- A portion of the multi-modal street design services provided by TPW's consultants is moving in-house to existing staff.
- Transportation Demand Management (TDM) will absorb a small portion of work previously performed through the Movability consultant contract. Underpass cleanup activities by TPW's contractor are moving in-house to Austin Resource Recovery.

The service optimization savings, combined with anticipated FY27 Current Year Estimate (CYE) savings realized in the Department's fund balance, enabled TPW to meet the Mayor and Council's budget direction to the City Manager to reduce expenditures and allowed TPW to maintain a \$0.00 increase to the FY27 Transportation User Fee (TUF). Additional savings would be required to maintain a zero-dollar fee increase absent these actions.

Comparable in-sourcing opportunities have also been identified in other departments. Watershed Protection is transitioning certain land management activities to seven in-house positions, partially offset by reductions to existing creek and drainage channel maintenance contracts, while Aviation is transitioning pavement and bridge contract management services from Capital Delivery Services to in-house staff, reducing associated interdepartmental reimbursements.