



## MEMORANDUM

**TO:** Citizens General Obligation Bond Oversight Committee  
Recreation and Park Department Director and staff  
Port of San Francisco Department Director

**FROM:** Peg Stevenson, Controller's City Services Auditor Director  
Michael Wylie, Project Manager

**DATE:** October 16, 2009

**SUBJECT:** Clean and Safe Neighborhood Parks Bond Program

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In March 2008, I analyzed materials and met with the Recreation and Park Department staff to assess their preparation for managing the new \$185M Clean and Safe Neighborhood Parks Bond (approved by voters in February 2008). The objectives were to assess: 1) whether planned staffing and management are adequate to run the program, 2) whether the budget estimates and escalation factors used to support the bond project costs were reasonable and consistent, and, 3) whether the accounting structures and reporting tools, including the new IMPACT system, were adequate to run the program. This memo provides an update on these issues given the current status of the bond program.

We also examined the timelines of the projects that are using the 1<sup>st</sup> bond sale proceeds. We are providing a summary of their status as of Sept 2009 with a comparison to the baseline projected status and some of the key issues.

### **Organization Chart and Overall Management**

- **Hiring and Staffing:** The full roster of positions called for in the proposed staff structure for Recreation and Park Department's Capital Improvement Division (see 7/10/09 organizational chart, attached) are not currently filled. The vacancies include project managers, a Senior Engineer/construction oversight manager and a Senior Administrative Analyst. Rec/Park CID believes these vacancies have not had a program impact on the 2008 projects primarily because they are in a period of finishing the 2000 bond projects and the 2008 projects are getting approved and coming on line. More information by position follows:

**Project Managers:** The Rec/Park CID reports that all of their Project Manager positions were filled in 2007, however two managers left since then (one in 2008 and in 2009). The project workload was re-distributed to project managers with available capacity, and the Division plans to fill the vacant positions as more 2008 bond programs come on line (e.g., Restrooms, Forestry, Trails and Community Opportunity Grants). One of the existing Project Managers is proposed to fulfill the construction management oversight role (see Senior Engineer below), creating another vacancy which Rec/Park intends to fill.

Senior Engineer: This position for Construction Management is listed as vacant on the chart. Rec/Park CID reports that the Senior Engineer for Construction Management will now reside within DPW. Rec/Park wants to retain a construction management oversight role to ensure accountability and is planning to utilize one of the existing Project Managers for this role, using a classification yet to be determined.

Senior Administrative Analyst: This position is intended to support the Senior Systems Accountant (1657) with the processing and tracking of grants received. Rec/Park CID is considering advertising for this position and is currently reviewing all of their options to provide administrative support and project management support needed for the bond program.

Architectural Administrator: The incumbent in this position is leaving in October 2009. Rec/Park and DHR have reviewed the candidate list and are anticipating a replacement by the end of December. Until then the duties will be shared between the Division's Finance and Program Administration staff.

- Management Structure with DPW: Rec/Park and DPW developed and signed an umbrella Memorandum of Understanding (MOU) regarding their management of professional services for Rec/Park capital projects. Rec/Park has completed and signed project-specific MOUs with DPW for six 2008 Clean and Safe Neighborhood Bond projects. Joint DPW/Rec project review meetings are held every month and the review of each project includes schedules, projected cost, community and special input (i.e., City Planning–Historic Preservation, etc.). Rec/Park Operations input is being incorporated into the design and implementation of each project, which is a new direction for the DPW/Rec partnership. The DPW/Rec relationship is acknowledged by all as crucial to the successful implementation of the park projects.
- Management Structure for the Port: The Port of San Francisco is utilizing their current capital project structure to manage the 2008 Park Bond projects, including project managers from their Engineering and Planning Divisions and other support from their Finance and Administration Division. Three project managers currently work on the bond projects. For architectural and engineering work the Port is utilizing a mix of external firms and DPW, which according to Port staff, depends on the marine-based expertise required of each project. Final plan sign-offs and construction management will be handled by their Engineering Division. The Port does not have an MOU with DPW at this time but believes their existing management structure is appropriate for the work.

### **Budget Estimates and Escalation**

- Number of projects and budgets: Six out of the seven 2008 bond projects using funds from the first bond sale ("Phase I" projects) have revised projected completion dates from their original, ranging from five to fifteen months later compared to baseline. Three out of five citywide programs have revised completion dates ranging from seven to 20 months later from the original. Three of the Port's eight projects that were originally scheduled to be in design at this time are still in the planning phase. See the attached summary by project.

Rec/Park CID reports that the Phase I project revisions are due in part to the decision process that determined DPW would provide the architectural and engineering services for the initial

phase of the projects. The citywide programs have revised dates due to an intense and extensive public process, coupled with required approval of various oversight bodies.

- Escalation and Bidding Environment: Notwithstanding the delays in planning or design steps, Rec/Park CID notes that they have not yet entered the construction phase for any of the projects, where escalation will increasingly drive cost management. The original escalation factors remain in project budgets, and Rec/Park and the Port anticipate being able to keep project design to the budgeted amounts. The bidding environment is very favorable for construction and the departments believe that this will benefit the bond program.
- Budget for special/citywide programs: The Rec/Park Planning Unit has handled the planning phases for the citywide programs and several have taken longer than originally planned, including developing the Community Opportunity Grant Program guidelines. Rec/Park CID reports that escalation factors will be factored into the citywide programs during the planning phase of the project and is captured in the IMPACT project management system. While escalation costs can technically be added during planning, clearly the strong community interest in these programs could make it more difficult to take a strict “design to budget” approach. Again, the department states it is committed to making sure the projects fit, including escalation costs, within the budgeted amounts. They also have a staff person (Class 5640) responsible for seeking and securing additional grants for all of their projects and programs.

### **IMPACT System, Financial Reporting and Accounting**

- IMPACT Project Management System: The basic project scheduling and budget tools of IMPACT are in place and being used by the Rec/Park CIP staff. The basic one-page report has been developed and is utilized by project managers and posted monthly on Rec/Park’s website. The department IT staff, while busy with department-wide efforts, has been made available to work with Rec/Park CIP to design their basic reporting needs. Other reports are desired, but Rec/Park CIP states they have what they need at this time. Entering and updating the IMPACT information does require the dedicated time of the project managers, and in particular the project budget loads and budget modifications are labor-intensive and the update processing slow. A front-end load using another software tool (e.g., Excel or Access) is being examined to ease the managers’ entry of budget information. The Rec/Park CIP Manager has requested that the project managers dedicate time during one day per week for updating their projects. The Architectural Administrator has the role of checking the information for accuracy and consistency before public posting of the updated reports.
- Port Systems: The Port project managers use their own tools for the bond work, including MS Project. Projects and budgets are drafted on paper, then set up by accounting and project managers use reports from FAMIS created with Port accounting staff assistance. Due to the agency’s overall size and small number of capital projects, the Fiscal and Administrative Director does not believe it is worth the funding and staff hours to implement a separate system (the Port has seven construction projects under this bond, and typically has approximately 20 capital projects each year).

**Recreation and Park Department  
Capital Improvement Division  
Reporting Structure-for FY 09/10 as of 7/10/09**

**Key**

- Program Mgmt.
- Landscape Arch.
- Planning
- DPW
- Finance/ PM Budget
- Construction Admin.
- Administrative
- Vacant

**Project Manager IV  
5508  
Capital Program Mgmt.  
[RHODA PARHAMS]**

**Administration**

**Secretary II  
1446  
[SHARIE CANJA]**

**IS Administrator II  
1022  
Adm. Support  
[BARNETT BOLTON]**

**Program Management**

**Architectural Administrator  
5120  
> Asst. to Cap Program Mgr  
> Project Mgmt Support  
> Capital Plan Support  
> Agenda Items  
> Maintain Master Timeline  
[IRENE AQUINO]**

**Environ. Specialist  
5640  
Grants Writer/Administration  
[TONI MORAN]**

**Project Management  
Neighborhood Parks /  
Special Programs**

**Project Management  
Regional Parks/  
Citywide Programs**

**Construction  
Management**

**Capital Finance**

**Project Manager III  
5506  
[MARY HOBSON]**

30% (A)  
70% (P)

**Project Manager II  
5504  
[TOKS AJIKE]**

**Project Manager II  
5504  
[VACANT]**

**Project Manager I  
5502  
[PAULINA ARACIA]**

**Project Manager I  
5502  
[VACANT]**

**Project Manager III  
5506  
[DAN MAUER]**

30% (A)  
70% (P)

**Project Manager II  
5504  
[RICK THALL]**

**Project Manager I  
5502  
[MEGHAN TIERNAN]**

**Project Manager I  
5502  
[VACANT]**

**Deferred  
Maintenance**

**Landscape Arch.  
5274  
Project Pl/Dev.  
[MARVIN YEE]**

**Senior Engineer  
5211  
Construction Mgmt  
[VACANT]**

DPW  
Construction  
Management

**Bonds/Other Funds**

**Principal Admin Analyst  
1824  
Financial Management  
[JULIE LEE]**

**Senior Admin Analyst  
1823  
> Bond Analysis  
> Reporting  
> Project Fin. Support  
\* [NANCY SO]**

**Senior Admin Analyst  
1823- (TX-1822)  
> Other Capital Fund  
> Budget/ Overhead  
> Project Fin. Support  
\* [ROMEO NICASIO]**

**Grant Funds**

**Senior Systems  
Accountant 1667  
Grant Financials  
[JANET BINALINSING]**

**Senior Admin Analyst  
1823  
> Grant Accounting/  
Reconciliation/  
Reimbursements  
[VACANT]**

**2008 Park Bond Projects  
Project Summary Sept 2009  
City Services Auditor**

| Bond Report Baseline vs. Jun09 Program Timeline                                  |                             |                                     |                                |  |
|--|-----------------------------|-------------------------------------|--------------------------------|--|
| <b>PHASE 1 NEIGHBORHOOD PARK PROJECTS</b> (Planning & Design from 1st Bond Sale) | Finish Date Change (in mos) | Planned Project Phase (for Sept 09) | Actual Project Phase (Sept 09) | Notes & Issues   |
| <b>Chinese Rec Center</b>  | +15                         | mid-Constructn                      | end Design                     | Issues with the building during design. Required Arts Commission review/approval (three phases). Also went to Civil Service Commission (CSC) three times during design phase.  |
| <b>Mission Playground</b>  | +5                          | mid-Design                          | early Design                   | Longer initiation and planning phases resulting in revised finish date by five months.   |
| <b>Palega Playground</b>   | +6                          | early Design                        | early Planning                 | Initiation phase took 11 months instead of 4. This project was planned to have arch/engrng bid out, CSC has since required agreement/sharing of work with DPW. Agreement now reached, negotiations with external consultant pending.   |
| <b>Cayuga Playground</b>   | +13                         | end Design                          | early Design                   | BART to do work on site -- will contribute funds, but finish date pushed out so work is done concurrently and minimizes park closure. Arts Commission did not approve conceptual plan, reviewing again in Oct09.   |
| <b>McCoppin Square</b>   | +5                          | end Design                          | early Design                   | Revised finish date (by five months) because of delayed initiation, similar to other 2008 projects. Planning process was on schedule.  |
| <b>Sunset Playground</b>   | +8                          | late Design                         | early Design                   | Longer initiation and planning phases, and longer planned design period, resulting in revised finish date of eight months.   |
| <b>Fulton Playground</b>   | +1                          | late Design                         | late Planning                  | Building deemed historical. Awaiting figures for renovation, instead of replacement. Ground and foundation work needed. Will take revised conceptual plan back to community.   |
| <b>CITYWIDE PROGRAMS</b>   |                             |                                     |                                |  |
| <b>Nghd Park Restroom Program</b>  | +7 (Phase I)                | end Design                          | end Planning                   | List of sites have been prioritized and approved (Sept 09). Sites now in four groups utilizing all three bond sales. New finish date would be 7 months later than baseline for Phase 1, but earlier for Phases 2 and 3.  |
| <b>Park Forestry Program</b>   | +1                          | end Planning                        | mid-Planning                   | Consultant hired to assess. Presentation to PROSAC in Oct09. Tree work to begin spring 2010. Stated finish date remains only one month from baseline.  |
| <b>Park Trails Reconstruction Program</b>  | +2                          | mid-Design                          | early Design                   | Criteria and sites approved Jun09. Site-specific community meetings still pending, to be done during design phase. Stated finish date is two months from baseline.   |
| <b>Park Playfields Reconstruction Program</b>                                    | +9                          | mid-Constructn                      | mid-Design                     | Next renovation with City Fields is Beach Chalet soccer fields. Construction in mid-2010.  |
| <b>Community Opportunities Grant Program</b>                                     | +20                         | (no phase break out)                | end Planning                   | Original finish date listed as Apr 2011, now 2013 (20 months later). COG task force on guidelines taken longer than planned, 1 year total, to conclude in Oct09. Guidelines to Rec/Park Commission in Nov09. Staff has drafted 3-cycle grant process by 2013 (4th cycle possible depending on first rounds). |

| Bond Report Baseline vs. Jun09 Program Timeline        |                             |                                     |                                |   |
|--|-----------------------------|-------------------------------------|--------------------------------|---|
|  | Finish Date Change (in mos) | Planned Project Phase (for Sept 09) | Actual Project Phase (Sept 09) | Notes & Issues  |
| <b>PORT PROJECTS</b>                                   |                             |                                     |                                |   |
| <b>Pier 43 Promenade / Bay Trail Link</b>              | -11                         | Planning                            | Design                         | Design consultant contract to Port Commission in Oct09 (approved).  |
| <b>Brannan Street Wharf</b>                            | +1                          | Design                              | Design                         | No 1st or 2nd bond sale funds for this project. Was a budget gap, now covered by federal earmark.   |
| <b>Blue Greenway Design Standards and Enhancements</b> | -10                         | Design                              | Planning                       | Planning scope was expanded during the process. Current concern about keeping this planning and design standard process on schedule. The Blue-Greenway projects in turn depend on the planning and standards set by this process. Project manager is a Planner IV who also handles Southern waterfront and Pier 70 project. |
| <b>Blue Greenway Projects:</b>                         |                             |                                     |                                |   |
| <b>Crane Cove Park</b>                                 | TBD                         | Planning                            | Planning                       | Biggest project size-wise, part of Pier 70 development.   |
| <b>Bayfront Park</b>                                   | -1                          | Design                              | Design                         | Identified during planning to move forward for immediate improvements. Design consultant selected, going to bid construction in Jan/Feb 2010.   |
| <b>Heron's Head Park</b>                               | 0                           | Planning                            | Planning                       | Identified during planning to move forward for immediate improvements. Rec/Park Planning staff enlisted to assist the planning and design timelines.  |
| <b>Islais Creek</b>                                    | TBD                         | Design                              | Planning                       | New finish date dependent on Blue Greenway planning process.  |
| <b>Warm Water Cove Park</b>                            | TBD                         | Design                              | Planning                       | New finish date dependent on Blue Greenway planning process.  |