

MINUTES
Citizens' General Obligation Bond Oversight Committee
November 17, 2011, 2011
Committee Room 263 - City Hall
San Francisco, CA 94102

1) Call to Order, Roll Call

The meeting was called to order at 9:34 a.m. Maura Lane, Committee Assistant, called the roll. All committee members were present.

2) Approval of the minutes of the September 29th, 2011 meeting

The minutes were approved as presented. John Madden and Corey Marshall recused themselves as they were not at the September meeting.

There was public comment from Derek Kerr, M.D. and Patrick Monette-Shaw. Both expressed their disappointment and frustration that their public comments are not fully recorded in the minutes, as presented to the Committee. Several Committee members noted that the recordings of the minutes are available to members of the public who want to hear the full comments, at no charge. Mr. Rosenfield, the Controller, noted that the Controller's Office is working with Building Management to provide a link to the digital recording on the CGOBOC web site. In response to Mr. Monette-Shaw's remarks about how other departments and commissions provide information, Ms. Callan noted that every reasonable effort is made to have meeting materials, schedules, etc. available to the public.

3) Presentation from the Department of Public Works regarding the Earthquake Safety and Emergency Response (ESER) Bonds.

Charles Higueros, ESER Project Manager with the Department of Public Works, reviewed the major accomplishments of ESER 1 with the Committee. He also thanked the Committee for the assignment of liaisons to work with the Project. Committee members Bob Muscat and Jonathan Alloy met with the project a few weeks ago. It was a productive session. The seven accomplishments to date include:

- PSB project approval from the SFRA earned;
- PSB SFAC Civic Design approvals for Phases 1 and 2 were earned;
- There was a ceremonial groundbreaking for the Public Safety Building in September 2011;
- Four NSF roofing projects were initiated in September;
- Collection of Port of San Francisco acceptance of Fire Boat Station project at Pier 22 ½ - Station 35;
- Contract awarded to define modernization plan for the AWSS;
- Planning work was started for AWSS Twin Peaks Reservoir, Ashbury Tank, Jones Street Tank, and pumping Stations 1 and 2; and,
- Planning work for 170 new cisterns was started.

The work with Fire and Police representatives and the presentations before their respective Commissions about progress on the projects has been positive.

Simon Chui, Co-Project Manager with of the Department of Public Works, presented the accomplishments, to date, of the following ESER 1 project elements: PSB, NFS and AWSS.

PSB accomplishments included:

- Completion of the Design Development and Permit Application; and,
- Hard construction is due to commence December 2011.

NFS accomplishments included:

- Focused Scope Group 1 completed four roof replacement projects;
- Focused Scope Group 1 and 2 completed the shower project design;
- Focused Scope Group 3 projects report finalization and estimation;
- Fire Boat Station 35 completed preliminary program and assessments; and,
- Equipment Logistics Center completed program revisions.

AWSS accomplishments included:

- Proceeded with AWSS modernization planning work;
- Continued conceptual engineering work for the Twin Peaks Reservoir, Ashbury Tank, Jones Street Tank, and Pumping Stations 1 and 2;
- Continued Cistern planning work; and,
- Installed new fill pipe at Twin Peaks Reservoir.

The status of the Public Safety Building is:

- Design approvals from SFRA and the Arts Commission Phase 1 and 2;
- Three SFAC Art Enrichment projects in development;
- Contractors' Town Hall Outreach in June 2011;
- Design Development Phase completed October 2011; CD Phase to commence in November;
- (Site) permit application submission in October 2011;
- 50 bid trade packages scheduled – 10 bid and awarded or being bid;
- Construction management support services solicitation complete; and,
- Materials testing and special inspection solicitation process underway.

The schedule was also reviewed. It is currently on track.

Gabriela Josareli, Project Manager, provided a status report on the Neighborhood Fire Stations.

Groups 1 and 2 Focused Scope Projects:

- The first four roof replacements at Stations 6, 38, 41 and 42 are on track to complete within budget and on schedule in December 2011;
- The shower renovation project is in design, with construction to follow in February 2012,

Group 3 Seismic and Comprehensive Projects are critical.

- The pre-design reports have been completed and reviewed by SFFD;
- The cost estimation is on schedule to complete this month (November 2011);
- SFFD approved the Seismic Design Criteria prepared by DPW;
- Group 1, 2 and 3 baseline budget and final scope confirmation is to be completed by the end of December 2011.

Fire Boat Station 35

- The programming report is being prepared by DPOW for SFFD approval of the preferred option, with the environmental analysis to follow.

Equipment Logistics Center

- The programming report is being prepared by DPW with design to follow.

The schedule for the Neighborhood Fire Stations was reviewed. Ms. Selby asked questions about the budget, current expenditures and the schedule. The pre-bond assessment for Group 3 contains cost estimates per station. The scope for the stations is so large that the scope can't be finalized until the assessments are updated and update the estimates as part of the bond process. The team has been doing this work in a very careful and rigorous way through the 21 stations. The things that can get done immediately have been identified which is why the project was able to move to construction. The longer term questions about what is the overall budget and what is the budget for each station need to be answered in order to set a duration for each based on what the scope is going to be for each of the stations. The final set of cost estimates will be analyzed once received for the sequential site visits in November. The project will also be working with the Fire Department to obtain the direction of how much work will be done at each station - this will become the baseline. The next reports will be done by station.

Mr. Marshall wanted to know if, given the upcoming America's Cup, any thought had been given to coordination with the Fire Boat stations, by way of funding or coordination of Environmental Reviews. Given the 6 month cycle, Mr. Marshall wanted to know if there is a way to lower some of the costs. The America's Cup is also being handled by the Department of Public Works. There has been some discussion about combining the Boat House Project with other America's Cup construction activities. The America's Cup project team had already gone through the EIR process. There is nothing in the contract language that obligates the America's Cup Project to work with the City and combine areas that might contribute to cost savings overall. At the same time, both project teams are supportive of each other. There were additional questions about approvals and other agencies as well as the schedule and the arrival of the third Fire Boat.

Deputy Chief Stevens said the third fire boat is expected to arrive in November 2012. The largest fire boat will be kept at Pier 22 ½, the second will be kept at Treasure Island and the third at behind Station 25.

David Myerson, from the Public Utilities Commission Water Sewer Group, provided a status report about AWSS. Three parts of the project were reviewed: 1) AWSS Modernization Planning; 2) AWSS Core Facilities Planning; and 3) AWSS Cisterns Planning. He also reviewed the project schedule.

Marisa Fernandez, Project Analyst for ESER, provided an overview of the project budget, financing and expenditures, to date.

Ms. Selby asked that contact information for the presenters be provided on the slides to better facilitate follow-up questions.

Ben Rosenfield, Controller, reviewed the key points of the 10-Year Capital Plan in response to questions from Mr. Flanagan.

Mr. Higueros reminded the Committee that all the ESER bond documents are on the web site. Hard copies can also be provided.

There was public comment from Francisco de Costa. He said the ESER presentation was general in nature with one or two pertinent questions from various Committee members about baselines, etc. He said there is a need to recognize the dire economic times in which we live now and the impact to the GO bond projects. It is important to understand the infrastructure of the projects. There have been bond projects in the past regarding the water and sewer systems. He is interested in the building sites in which the water and sewer systems will be placed and the attendant liability issues caused by liquefaction.

Presentation from the Department of Public Works regarding the Branch Library Improvement Project (BLIP).

Lena Chen, DPW Project Manager, provided the program status, BLIP revenue and expenditures, and challenges/opportunities. The Library Commission is aware of delays in some of the projects and approved expenditures. In response to questions from the Committee, Maureen Singleton, Library CFO, provided clarification of the \$6,530,904 dollar projected shortfall, costs and clarification of the funding streams. Mr. Rosenfield provided specifics about the funds available in the Library Preservation Fund and how the funds can be used to cover shortfalls, as determined by the Commission. There are funds available for regular operations. The furniture, fixtures and materials that go into the library are funded by fundraising from the Friends of the Library. There is sufficient money for books to fill the libraries.

Ms. Selby wanted to know why there are still costs and schedule slips. The response, regarding delays, from Ms. Chen had to do with the project delivery from the traditional design bid contracting to construction management general contracting for the Bayview Hunters Point Library. The goal was to increase local hiring in the Bayview District as well as city-wide. There was success in obtaining a contractor from the community in both the contracting and subcontracting areas. DPW's goal is to adhere to the local hiring mandates especially in depressed neighborhoods. Currently, 50% of the project has been completed. In order to maximize the ability of small contractors to participate, the work has been divided into 27 trade packages. Of the 27 packages, 15 have been awarded to local businesses of which 9 are from the Bayview. The project is costing more than estimated. Construction costs are higher due to the lack of competition for the trade packages.

Challenges and opportunities were reviewed. Lessons learned include investing more resources at the front-end of the projects, contracting with a smaller group of dedicated pre-qualified contractors for construction services, the ability to bring construction expertise on board early enough during the design phase for constructability review; and, on-going training for all on anticipated code changes including ADA, cost estimating and scheduling.

The Committee asked for better oversight, from the project management team, regarding costs and the adherence to schedules. Ms. Selby also asked that ideas regarding ways to make up time or consolidate costs be presented at the next project presentation in the spring.

There was no public comment.

5) Status report from the City Services Audit and Performance Division

Peg Stevenson and Tonia Lediju (CSA Performance and Audits) responded to questions from the Committee in regard to the report from the CGOBOC liaisons' (Rebecca Rhine and Terrance Flanagan) to CSA. The discussion items included CGOBOC's oversight role as specified by relevant documents such as the Charter and the Committee's bylaws. Suggested criteria (from the liaisons') for evaluating the effectiveness of CSA reports were reviewed. The role of the liaison relationship, from the perspective of the liaisons was discussed. This includes quarterly meetings, the review of some reports as selected in consultation with CGOBOC and based on feedback from the public, recommendations for improvement of the format and content of some reports as well as the review and support implementation of the recommendations contained in the audits.

There were also comments about the Budget Improvement Project Benchmarking White Paper and how well it lines up with the Charter and CGOBOC's charge. The Government Barometer was reviewed but the liaisons' were unable to determine the criteria used for selecting standards and the benchmarking for inclusion in the report. The opinion was also expressed that the standards and benchmarks used in the report provide far less useful information than the Project Benchmarking Report.

There was no public comment.

6) Opportunity for the Committee to comment on any matters within the Committee's jurisdiction.

The Committee asked that the recently passed Streets Bond be added to the annual meeting calendar and the bond report distributed to the Committee, as with the other projects.

There was also extensive discussion regarding some of the ways for the liaisons to develop in-depth knowledge of their respective projects and the feasibility of using funds to hire subject matter experts. There was also discussion regarding how the liaisons would determine the kind of knowledge needed.

There was public comment from Hal Smith of the Civil Grand Jury in regard to his memo to CGOBOC about additional ways to improve the Whistleblower Program. Among the suggestions was a website Mr. Smith found helpful, a reference book, the use of an outside individual or group to conduct the satisfaction survey and to post any changes to the Whistleblower Program regarding the actions of the liaisons. He also commended by the Committee and the Controller's Office for the proactiveness in implementing recommended changes/improvements to the Whistleblower Program in the memo to the Committee dated November 8th, 2011. He also said that his request to be added to the agenda distribution list has been acknowledged and he is receiving materials.

The meeting was adjourned at 11:55 a.m.