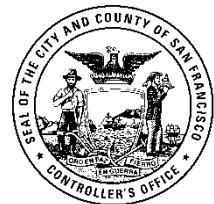


CITYWIDE CONSTRUCTION:

Adopting Leading Practices Could Improve the City's Construction Contractor Bid Pool



May 20, 2014

**OFFICE OF THE CONTROLLER
CITY SERVICES AUDITOR**

The City Services Auditor Division (CSA) was created in the Office of the Controller through an amendment to the Charter of the City and County of San Francisco (City) that was approved by voters in November 2003. Charter Appendix F grants CSA broad authority to:

- Report on the level and effectiveness of San Francisco's public services and benchmark the City to other public agencies and jurisdictions.
- Conduct financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operate a whistleblower hotline and website and investigate reports of waste, fraud, and abuse of city resources.
- Ensure the financial integrity and improve the overall performance and efficiency of city government.

CSA may conduct financial audits, attestation engagements, and performance audits. Financial audits address the financial integrity of both city departments and contractors and provide reasonable assurance about whether financial statements are presented fairly in all material aspects in conformity with generally accepted accounting principles. Attestation engagements examine, review, or perform procedures on a broad range of subjects such as internal controls; compliance with requirements of specified laws, regulations, rules, contracts, or grants; and the reliability of performance measures. Performance audits focus primarily on assessment of city services and processes, providing recommendations to improve department operations.

CSA conducts audits in accordance with the Government Auditing Standards published by the U.S. Government Accountability Office. These standards require:

- Independence of audit staff and the audit organization.
- Objectivity of the auditors performing the work.
- Competent staff, including continuing professional education.
- Quality control procedures to provide reasonable assurance of compliance with the auditing standards.

For questions regarding the report, please contact Director of City Audits Tonia Lediju at Tonia.Lediju@sfgov.org or 415-554-5393, or CSA at 415-554-7469.

Audit Team: Mark de la Rosa, Lead Audit Manager
Nicholas Delgado, Audit Manager
Jonathan Collum, Auditor-in-Charge
Cheryl Lam, Staff Auditor
Freddy Padilla, Staff Auditor



City and County of San Francisco

Office of the Controller - City Services Auditor

Citywide Construction: Adopting Leading Practices Could Improve the City's Construction Contractor Bid Pool

May 20, 2014




Why We Did This Audit

The City and County of San Francisco (City) has budgeted more than \$25 billion for its capital improvement plan over the next ten years. City departments hire construction contractors to complete all types of projects, from minor repairs, such as road repaving and improvements to neighborhood parks and libraries, to more complex projects, including water supply tunnel construction and rebuilding San Francisco General Hospital. Due to its reliance on contractors, the City must have the information it needs to properly evaluate their performance and better inform contract award decisions to ensure effective use of public funds. Without the consideration of past performance in the contract award process, contractors that have performed poorly on prior city work can continue to secure city construction contracts. This performance audit determined whether city departments with construction contract authority—the Airport Commission, Department of Public Works, Port Commission, Recreation and Park Department, San Francisco Municipal Transportation Agency, and San Francisco Public Utilities Commission—effectively assess contractor performance.

What We Found

City departments do not adequately assess contractor performance and do not consider past performance in the construction contract award process. Although 70 percent of surveyed city construction staff have at least occasionally encountered city contractors that they considered poor performers, the City's Administrative Code does not require departments to assess the performance of construction contractors, and past performance is not considered in awarding city contracts. Poor-performing contractors negatively affect the City through project delays, substandard work, and higher likelihood of claims and litigation. Because departments do not systematically track project data, they cannot assess the magnitude of these negative impacts; however, case studies from several departments show that poor-performing contractors have negatively affected the City, as shown in Exhibit 1.

EXHIBIT 1 Poor-Performing Contractors Tend to Have More Noncompliance Notices, Higher Soft Costs, and More Change Orders Than High-Performing Contractors

More Noncompliance Notices 	Higher Soft Costs 	More Change Orders 
Require more city resources to re-inspect project sites and deliverables.	Require more city resources to administer and oversee a project.	Require more city resources to process and negotiate changes and potentially higher costs due to scope changes.
The Airport Commission identified a: <ul style="list-style-type: none">➤ High performer on a \$16.0 million project with no notices.➤ Poor performer on a \$14.7 million project with 59 notices.	The Department of Public Works identified a: <ul style="list-style-type: none">➤ High performer with soft costs totaling 18% (\$408,342) of project costs.➤ Poor performer with soft costs totaling 44% (\$2,582,532) of project costs.	The Public Utilities Commission identified a: <ul style="list-style-type: none">➤ High performer that issued 18 change orders totaling 0.18% (\$517,073) of project costs.➤ Poor performer that issued 87 change orders totaling 0.75% (\$2,119,627) of project costs.

Source: Auditor's analysis of contractor performance evaluation information.

The audit found that four of the five surveyed jurisdictions that have implemented performance evaluations indicated that doing so has positively impacted their construction project bid pool by attracting high-quality contractors and discouraging poor performers from bidding on projects. Also, according to the U.S. Office of Management and Budget, contractor evaluations ensure that taxpayer dollars are not wasted on contracts with poor performers. Leading practices identified by this audit – none of which San Francisco uses - are shown in Exhibit 2.

EXHIBIT 2 Summary of Leading Practices in Contractor Performance Evaluation

	City of Los Angeles	City of New York	City and County of Philadelphia	City of Seattle	Various Federal Agencies
1. Require completion of performance evaluations	✓	✓	✓	✓	✓
2. Consider evaluations in the contract award process	✓	✓	✓	✓	✓
3. Use a standardized performance evaluation form	✓	✓		✓	✓
4. Allow contractor feedback on evaluation results	✓	✓	✓		✓
5. Maintain a centralized database/location for evaluation results.	✓	✓	✓	✓	✓

Source: Auditor's analysis of leading practices.

What We Recommend

The report includes 12 recommendations to assist departments in implementing contractor performance evaluations and ensuring the quality of construction contractors, including:

- Collaborate with the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders in amending Chapter 6 of the Administrative Code to require completion of contractor performance evaluations and consideration of evaluations in the contract award process.
- Develop and implement a standardized contractor performance evaluation form with key objective elements, including change requests, noncompliance notices, subcontractor participation requirements, soft costs, safety violations, and schedule adherence.
- Develop and implement procedures for completing and recording contractor performance evaluations.
- Design and develop a centralized database that standardizes across projects the tracking of contractor information, including performance evaluation results.
- Continue using other leading practices such as prequalification, design-build, partnering, and integrated project delivery.

Copies of the full report may be obtained at:

*Office of the Controller • City Hall, Room 316 • 1 Dr. Carlton B. Goodlett Place • San Francisco, CA 94102 • 415.554.7500
or on the Internet at <http://www.sfgov.org/controller>*



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

May 20, 2014

John L. Martin, Director
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

Mohammed Nuru, Director
Department of Public Works
30 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Edward D. Reiskin, Director of Transportation
San Francisco Municipal Transportation Agency
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94102

Monique Moyer, Executive Director
Port of San Francisco
Pier 1, The Embarcadero
San Francisco, CA 94111

Harlan L. Kelly, Jr., General Manager
San Francisco Public Utilities Commission
525 Golden Gate Avenue
San Francisco, CA 94102

Phil Ginsburg, General Manager
Recreation and Park Department
McLaren Lodge, Golden Gate Park
San Francisco, CA 94117

Dear City Officials:

The Office of the Controller's City Services Auditor Division (CSA) presents its audit report of the performance evaluation procedures for construction contractors used by various departments of the City and County of San Francisco (City). The audit considered the procedures of the Airport Commission, Department of Public Works, Port Commission, Recreation and Park Department, San Francisco Municipal Transportation Agency, and San Francisco Public Utilities Commission. The audit's key objectives were to determine whether:

- Departments adequately assess construction contractor quality and performance.
- Departments effectively use contractor performance data when considering the award of construction contracts.

The audit found that city departments do not adequately assess contractor performance and do not consider past performance in the construction contract award process. Without the consideration of past performance in the contract award process, contractors that have performed poorly on prior city work can continue to secure city construction contracts. Continuing to award contracts to poor performers negatively impacts the City and its resources in the form of project delays, abandoned projects, substandard work, and, at times, claims and litigation.

To improve its assessment and monitoring of contractor performance, the City should adopt leading practices including:

- Requiring completion of contractor performance evaluations.
- Requiring consideration of performance evaluations in the contract award process.

- Maintaining a centralized database to store, share, and retrieve performance evaluations.

The report includes 12 recommendations to improve the City's assessment and monitoring of construction contractors' quality and performance. The departments' responses to the report are attached as Appendix E. CSA will work with the departments to follow up on the status of the recommendations made in this report.

CSA appreciates the assistance and cooperation of the departments' staff during the audit. For questions about the report, please contact me at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

Respectfully,



Tonia Lediju
Director of City Audits

cc: Board of Supervisors
Budget Analyst
Citizens Audit Review Board
City Attorney
Civil Grand Jury
Mayor
Public Library

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GLOSSARY OF TERMS

Administrative Code	City and County of San Francisco's Administrative Code
Airport	Airport Commission
Caltrans	California Department of Transportation
City	City and County of San Francisco
Change Request	Change Order Request
CPARS	Contractor Performance Assessment Reporting System
CPEP	Contractor Performance Evaluation Program
CSA	City Services Auditor Division
FAR	Federal Acquisition Regulation
IPD	Integrated Project Delivery Method
Los Angeles	City of Los Angeles
New York	New York City
NCN	Noncompliance Notice
Performance Evaluation	Construction contractor performance evaluation
Philadelphia	City and County of Philadelphia
Port	Port Commission or Port of San Francisco
PPIRS	Past Performance Information Retrieval System
Public Works	Department of Public Works
Rec and Park	Recreation and Park Department
Seattle	City of Seattle
SFMTA	San Francisco Municipal Transportation Agency
SFPUC	San Francisco Public Utilities Commission
VENDEX	New York City's Vendor Information Exchange System
WSIP	Water System Improvement Program

INTRODUCTION

Audit Authority

This audit was conducted under the authority of the Charter of the City and County of San Francisco (City), Section 3.105 and Appendix F, which requires that the Office of the Controller's City Services Auditor (CSA) conduct periodic, comprehensive financial and performance audits of city departments, services, and activities.

Background

Each year, city departments hire construction contractors to help accomplish their missions. Construction contractors are involved in a broad array of activities, from minor repair and maintenance projects, to more complex projects, such as those involving construction of new tunnels and pipelines as part of the City's Water System Improvement Program (WSIP) or the rebuild of San Francisco General Hospital and Trauma Center.

Construction contractors can also employ subcontractors to help them meet contract requirements. The City's reliance on contractors makes it critical that city departments have the information necessary to properly evaluate a contractor's performance and better inform agencies' contract-award decisions to ensure effective use of public funds.

The City has budgeted \$25 billion over the next ten years for capital improvement projects.

The City's annual construction appropriation is part of the rolling ten-year capital plan, which was initially adopted in 2005. In 2006 the City released its first capital plan for fiscal years 2007-08 through 2015-16. In the fiscal years 2014-2023 capital plan, the program has budgeted \$25.1 billion for capital improvement and investment in the City's aging infrastructure for the next ten years.

In addition to general and enterprise funds dedicated to capital improvement projects, city departments also manage and oversee several general obligation and revenue bond programs, as listed in Exhibit 3.

EXHIBIT 3 General Obligation and Revenue Bond Programs Managed by City Departments

	Bond Program Name	Total Budget (in millions)	Description
1.	2012 Clean and Safe Neighborhood Parks Bond Program	\$195	Renew and repair the City's parks, recreation, and open space assets
2.	2011 Road Repaving and Street Safety Bond Program	\$248	Modernize and improve street design
3.	2010 Earthquake Safety and Emergency Response Bond Program	\$412	Perform projects related to public safety building, neighborhood fire stations, and auxiliary water supply system
4.	2008 General Hospital Rebuild Bond Program	\$887	Build a new acute-care hospital on the San Francisco General Hospital campus
5.	2008 Clean and Safe Neighborhood Parks Bond Program	\$185	Improve neighborhood parks
6.	2000 Branch Library Improvement Program	\$106	Improve branch libraries
7.	2000 Neighborhood Recreation and Park Bond Program	\$110	Improve neighborhood parks
8.	1999 Laguna Honda Hospital Replacement Program	\$299	Rebuild Laguna Honda Hospital and Rehabilitation Center
9.	Water System Improvement Program	\$4,600*	Upgrade the City's water infrastructure system by increasing system reliability, sustainability, and quality

*Note: All amounts are rounded to the nearest million except for the Water System Improvement Program's amount, which is rounded to the nearest hundred million.

Source: Auditor's compilation of bond program information.

Due to its substantial investment in capital projects, the City has been able to renovate, open, or break ground on a wide range of improvements to critical roadways, libraries, hospitals, water delivery systems and other utilities, Airport grounds and structures, Port infrastructure, and the City's transit system. Given the hundreds of millions of dollars allocated to capital and construction projects yearly, it becomes vitally important that the City and its taxpayers receive the best value by achieving a balance among price, quality, and performance from contractors

Objectives

The audit's objectives were to:

1. Determine whether departments are appropriately and sufficiently assessing and monitoring

construction contractor quality and performance.

2. Determine whether departments are effectively using information on contractor performance as part of the contract award process.

**Scope and
Methodology**

To conduct the audit, the audit team collected and analyzed information from the following six departments with construction or public works contracting authority:

1. Airport Commission (Airport)
2. Department of Public Works (Public Works)
3. Port Commission (Port)
4. Recreation and Park Department (Rec and Park)
5. San Francisco Municipal Transportation Agency (SFMTA)
6. San Francisco Public Utilities Commission (SFPUC)

Specifically, the audit team:

- Interviewed various management and staff from the six departments.
- Administered an electronic survey of 107 city construction management and project staff.
- Analyzed data and information on contractor performance, project management, and performance metrics.
- Evaluated relevant sections of the San Francisco Administrative Code.
- Collected information on contractor evaluation practices from various jurisdictions and agencies, including the federal government, California Department of Transportation (Caltrans), City of Los Angeles (Los Angeles), City of New York (New York), City and County of Philadelphia (Philadelphia), and City of Seattle (Seattle).

**Statement of Auditing
Standards**

This performance audit was conducted in accordance with generally accepted government auditing standards. These standards require planning and performing the

audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. CSA believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

CHAPTER 1 – Departments Do Not Adequately Assess Construction Contractor Performance, Which May Result in Contract Awards to Poor-Performing Contractors That Negatively Affect City Resources

Summary

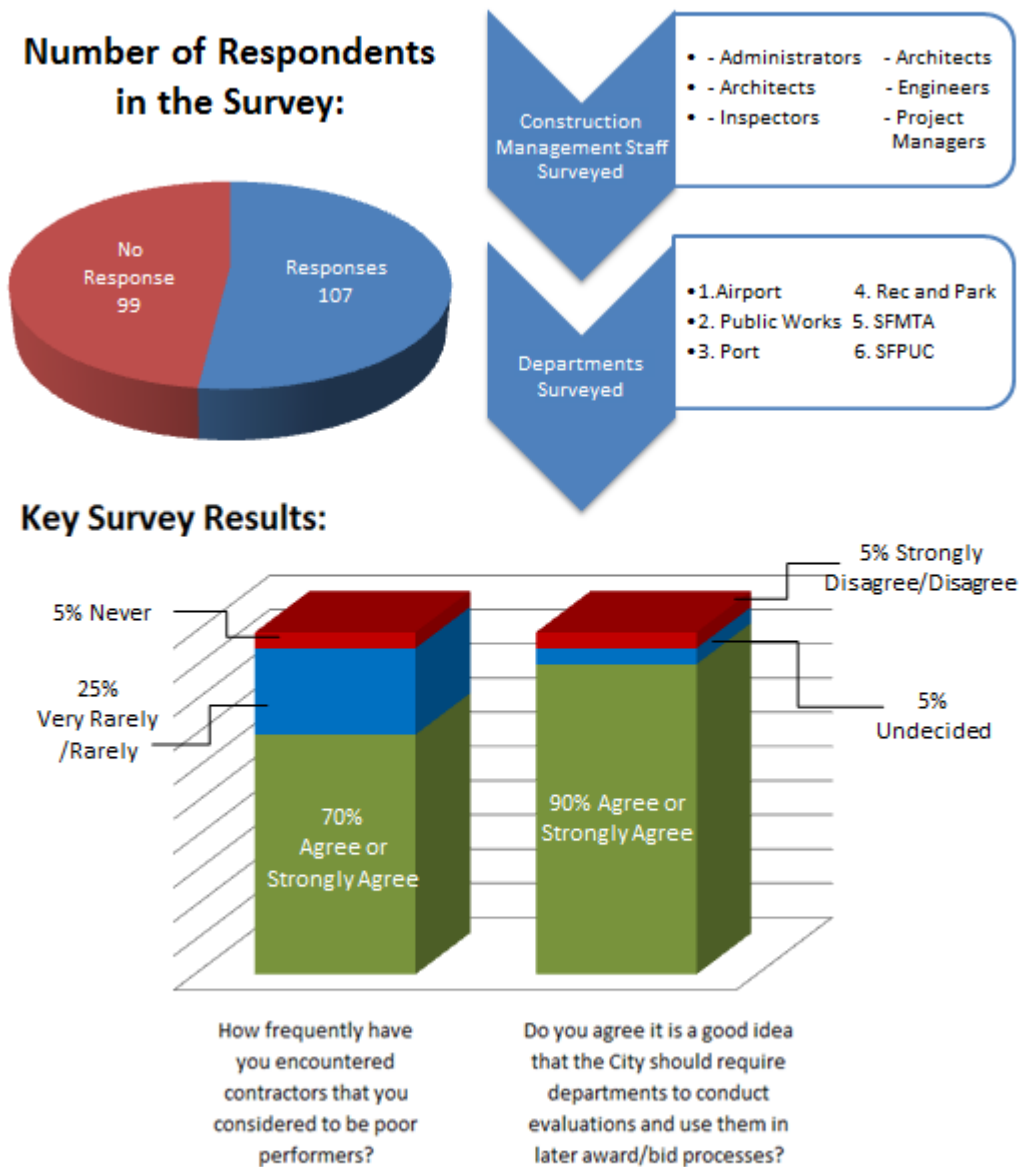
The San Francisco Administrative Code (Administrative Code) does not require the six city departments with contracting authority to evaluate the performance of construction contractors. Consequently, three of the six departments do not evaluate construction contractors. The Administrative Code only requires that departments award construction contracts to the lowest responsive, responsible bidder on a given construction project.

Because the City does not consider past performance in the contract award process, contractors that have performed poorly on prior city work can continue to secure city construction contracts. Some of the negative impacts of poor-performing contractors include:

- Project delays
- Abandoned projects
- Substandard work
- Possible claims and litigation

A survey conducted of more than 200 city construction staff, including architects, engineers and inspectors, to which 107 responded, indicated that they at least occasionally encountered poor-performing contractors. Also, city construction staff stated that evaluations should be conducted and used in the award process. See Exhibit 4 for additional survey information and details of the survey results.

EXHIBIT 4 A Majority of 107 Surveyed City Construction Staff at Least Occasionally Encounter Poor Performers and Agree That the City Should Conduct and Use Evaluations in the Award Process



Source: Auditor's survey of city construction management personnel.

Finding 1.1

City code does not require departments to evaluate and document construction contractor performance.

Chapter 6 of the Administrative Code does not require

city departments with construction contracting authority to evaluate and document contractor performance. As a result, not all departments complete performance evaluations. Further, departments that do complete evaluations do not use the results of these evaluations in the contract award process. Although three of the six departments with contracting authority have evidence of completing contractor performance evaluations, more than 58 percent of staff surveyed from these three departments reported rarely, very rarely, or never completing a performance evaluation.

The Administrative Code requires that contracts be awarded only to responsible bidders, but there is no formal method to assess the degree to which contractors are responsible.

The Administrative Code requires that city departments award construction contracts to the lowest responsive, responsible bidder of a given construction project over \$400,000. Without a record of the contractor's prior performance, departments awarding contracts to the lowest bidder may unknowingly select a contractor with a history of poor performance that could result in poor quality work.

According to the Administrative Code, a responsive bid is one from a bidder that complies with the requirements of the particular project bid solicitation. A responsible bidder is one who meets the qualifying criteria required for a particular project, including, but not limited to, having:

- Expertise.
- A record of prior timely performance.
- A record that the bidder has dealt with the City in good faith at all times.

However, because the City does not require evaluations of contractors' performance and, hence, there is no formal record of or method by which to judge contractor responsibility, poor-performing contractors—even contractors incapable of performing the work on which they bid—can secure additional city contracts.

As part of departmental procedures for assessing bidders' responsibility, two departments reported that they systematically record information collected as part of reference checks to assess a contractor's prior performance, while two other departments reported not recording such information at all. These examples of departments' practices are not formal methods of

communication or bidder assessments that the City could consistently rely on as a basis for contract award decisions.

Departments may not be consistently completing performance evaluations for all projects.

Although three departments provided evidence of completing contractor performance evaluations, survey respondents indicated that completed evaluations do not provide any benefit if they cannot be used in the contract award decision-making process. An overwhelming majority (91 percent) of survey respondents agreed that the City should require departments to conduct evaluations and use them in later award/bid processes. This will assist departments in defining responsibility to better inform contract awards and potentially avoid poor-performing contractors.

The federal government requires agencies to consider past performance including price, management capability, and technical excellence.

Based on research of other jurisdictions' practices, having a binding requirement helps ensure successful implementation of a contractor evaluation program. For example, the Federal Acquisition Regulation (FAR)¹ requires agencies to consider past performance information as an evaluation factor in certain negotiated competitive procurements—along with other evaluation factors such as price, management capability, and technical excellence. At the federal level, past performance information may include the contractor's:

- Record of conforming to contract requirements and to standards of good workmanship.
- Record of forecasting and controlling costs.
- Adherence to contract schedules.
- History of reasonable and cooperative behavior and commitment to customer satisfaction.

Los Angeles amended its code to require completion and consideration of evaluations in the award process.

A similar binding requirement for contractor evaluation exists in Los Angeles, which in 1999 passed an ordinance modifying its administrative code to require departments to complete performance evaluations of construction contractors and to consider the performance evaluations in the award process when determining contractor responsibility. Through this ordinance, Los Angeles required its Board of Public Works to develop

¹ According to FAR §15.304(c)(3)(i), past performance shall be evaluated in all source selections for negotiated competitive acquisitions expected to exceed the simplified acquisition threshold.

rules and regulations for contract-awarding authorities within the jurisdiction to follow in evaluating, documenting, and reporting the performance of contractors under construction contracts. According to Los Angeles, implementation of this ordinance has shown that having a binding requirement helped facilitate actual completion and use of contractor performance evaluations.

Most (five of seven) of the surveyed jurisdictions that adhered to the low-bid requirement indicated that they consider contractor performance evaluations or past performance as part of their contract award decision-making process, as shown in Exhibit 5.

EXHIBIT 5 Most Low-Bid Environment Jurisdictions Use Performance Evaluations in the Contract Award Process		
Jurisdiction	Consider Evaluations / Past Performance in Award Process?	Bid Environment
San Francisco	No	Lowest Responsive Responsible Bid
Caltrans	No	Lowest Responsive Responsible Bid
Federal Government	Yes	Lowest Responsive Responsible Bid*
City of Los Angeles	Yes	Lowest Responsive Responsible Bid
New York City	Yes	Lowest Responsive Responsible Bid
City and County of Philadelphia	Yes	Lowest Responsive Responsible Bid
City of Seattle	Yes	Lowest Responsive Responsible Bid
*Note: The lowest responsive, responsible bidder standard applies for sealed bidding method of contracting according to FAR Subpart 14.		

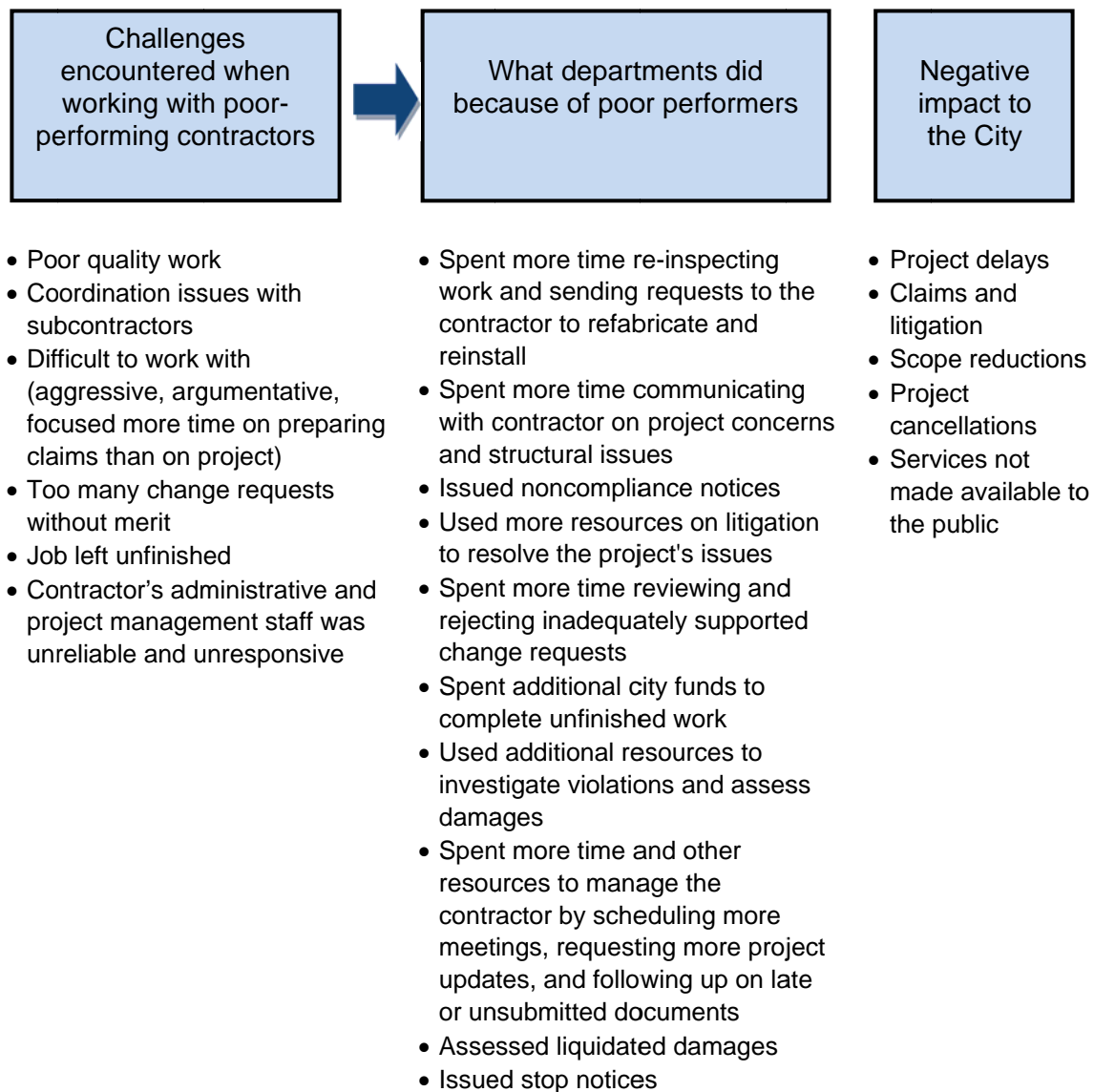
Source: Auditor's survey of other jurisdictions.

Without consideration of performance evaluations, poor-performing contractors can secure city contracts.

Because not all city departments complete performance evaluations and because results of completed evaluations are not used in the contract award process, poor-performing contractors can secure city construction contracts, resulting in a number of negative impacts to the City. Approximately 70 percent of surveyed construction management staff reported having at least occasionally encountered city contractors that they considered to be poor performers. Some of the effects of poor-performing contractors include project delays, abandoned projects, poor work quality, and claims and litigation.

Exhibit 6 shows the general types of challenges encountered by city departments when working with poor-performing contractors, along with the actions taken to address poor-performing contractors and the resulting negative impacts to the City. Appendix A contains a more detailed description of the specific effects and impacts on selected departmental projects in the City.

EXHIBIT 6 Poor-Performing Contractors Negatively Affect the City



Source: Auditor's compilation of departmental case studies and interviews with departmental management.

Case studies from departments demonstrate negative impacts of poor performers to the City.

The audit further explored specific projects of three departments with contracting authority (Airport, Public Works, and SFPUC) to obtain a detailed understanding of the qualities of a poor performer, the negative impacts to the City, and how a poor-performing contractor compares to an identified high-performing contractor. Details of selected projects are presented below.

Airport Case Study

One of the Airport's poor-performing contractors was awarded a \$14.7 million contract to construct a pedestrian bridge and mezzanine. Overall, the department had significant concerns with the contractor's quality of work and lack of attention to detail with respect to construction. For example, the contractor did not take the appropriate measurements, resulting in bolts that were misaligned and incorrectly installed, which required removal and repair. The Airport also noticed that the contractor's welding was sloppy, with inadequate installation, inaccurate measurements, and missed steps in the welding procedures.

As a result of the contractor's lack of attention to detail, according to the Airport, it issued 59 noncompliance notices (NCNs) to the contractor. In contrast, a high-performing contractor on a comparable, \$16 million project had no NCNs. Not only do NCNs indicate noncompliance with the contractual requirements, but contractors that receive many NCNs require more city resources to issue the NCNs, reinspect the work, and may require more site visits to inspect the site for additional instances of noncompliance.

The pedestrian bridge and mezzanine project had 103 change orders totaling \$1.1 million (8 percent) of the base bid, while the high performer had 3 change orders totaling \$0.25 million (2 percent) of the base bid.

Public Works Case Study

Public Works' poor performer submitted excessive change requests, abandoned the project, and caused the City to incur an estimated \$85,000 to

One of Public Works' poor-performing contractors was awarded a \$5.2 million project to renovate, restore, and rebuild a public library. According to Public Works, the working relationship with the contractor's superintendent was adversarial, the contractor submitted multiple

\$100,000 in litigation costs.

unsupported change order requests (change requests), abandoned the project before completion, and the project ended up in litigation.

According to Public Works, in an effort to maintain the project's schedule, the department reduced the scope of work. However, the contractor still left the project with remaining deliverables to be completed by Public Works staff.

The soft costs^{2,3} for this project were approximately \$2.6 million (44 percent) of the final \$5.9 million project cost. This is in contrast to a similar project delivered by a high-performing contractor that had soft costs of \$0.4 million (18 percent) of the final \$2.3 million project cost. The poor performer also received two noncompliance notices compared to the high performer that got none.

The poor-performing project eventually went into litigation, with an estimated \$85,000 to \$100,000 for attorney fees. This estimate excludes the cost of additional departmental staff time, which the department could not easily quantify.

SFPUC Case Study

SFPUC's poor-performing contractor submitted multiple change requests and exercised inadequate quality control and project management.

One of SFPUC's poor-performing contractors was awarded a \$283.2 million project for seismic and hydraulic improvements to various water treatment units. The contractor on this project submitted a significant number of change requests, delivered poor quality control, and applied poor project management.

The project had 87 change orders totaling \$2.1 million, or 0.75 percent of total project costs, in contrast to the 18 totaling \$0.5 million, or 0.18 percent of total project costs, from a high-performing contractor on another project. The poor-performing contractor also had 70 NCNs, compared to 20 for the high-performing contractor.

² "Soft Costs" are costs other than direct physical construction costs. Soft costs include construction management, architectural, engineering, financing, and other pre- and post-construction expenses.

³ The audit compared estimated "project control costs" for two City bond programs, which calculated control costs to be 15 percent and 22 percent of total project costs. The State of California has established some guidelines for state-funded projects regarding the proportion of soft costs, which is estimated to be 13 to 20 percent of the total construction costs.

According to SFPUC, the poor-performing contractor's primary focus was on initiating change requests. Some contractors may use change requests to increase the contract amount and their profit to compensate for an initial low bid. Further, the contractor's change requests were not prompt in providing pricing and had inadequate documentation, which could correlate with a contractor dishonestly attempting to increase the contract amount.

The City also received eight stop notices against the contractor compared to none for the high-performing contractor.⁴ Multiple stop notices on a project may indicate a prime contractor that is not properly managing its subcontractors or simply did not pay them in a reasonable amount of time.

Poor-performing low bidders may continue to receive city contracts.

Based on department experience with poor performers, the City should prevent the selection of proven poor performers on future projects. Without past performance information, poor-performing contractors that consistently bid low may secure more city contracts. This can result in the same substandard work, project delays, and possible claims and litigation on the next project.

According to FAR 42.1501, "past performance information is relevant information... for future source selection purposes..."

The value of considering past contractor performance is also evident from various best practices. For example, FAR, Subpart 42.1501, states that a contractor's actions under previously awarded contracts is relevant to future selections. Further, the U.S. Office of Management and Budget notes that the evaluation of contractor performance on prior projects helps ensure that taxpayer dollars for contracts are not wasted on contractors that are not responsible.

The survey of city departments' construction management personnel found that 67 percent of respondents agreed that the process of awarding public works contracts to the lowest responsive, responsible bidder does not always yield contractors that provide the best value, achieving a balance among price, quality, and performance.

⁴ A stop notice is a signed written notice to the property owner that the claimant has not been paid or only partially paid for labor, services, equipment, or materials provided on the construction project.

As noted by four of the five surveyed jurisdictions that evaluate contractors' performance, using performance evaluations to determine contractor responsibility and requiring the consideration of a contractor's past performance in the contract award decision-making process can positively impact the construction project bid pool.

Recommendations

City departments should:

1. Collaborate with the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders to amend Chapter 6 of the Administrative Code to include a requirement for city departments to conduct and document formal performance evaluations of their construction contractors.
2. Collaborate with the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders to amend Chapter 6 of the Administrative Code to allow the use of contractor performance evaluations in defining a contractor's responsibility.
3. Collaborate with the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders to amend Chapter 6 of the Administrative Code to require the consideration of a contractor's past performance in the contract award decision-making process.

Finding 1.2

Approaches to evaluating contractor performance are inconsistent across departments, and evaluation forms need to incorporate key objective elements.

Each of the three departments that evaluate contractors uses different performance metrics and rating systems.

The three departments that have evidence of using performance evaluations do not have a consistent approach for assessing contractor performance. Further, the evaluation forms do not adequately assess contractor performance because not all of them include key objective elements (as noted on the next page). Each of the three departments assesses construction contractors using different forms with varying evaluation

criteria and rating scales, which may cause inconsistency across departments.

To ensure consistency, performance evaluations must use the same objective and quantifiable metrics and an identical rating system to ensure that contractors are rated consistently and fairly. This is in line with best practices; four of the five benchmarked jurisdictions that perform evaluations, which include Los Angeles, New York, Seattle and federal agencies, use standardized templates.

The Airport currently uses a numeric scale-based rating system (from 0, 2, 3 and 4) as part of its contractor performance evaluations, while Public Works uses ratings of *satisfactory*, *significant problem*, and *unsatisfactory*, and SFPUC uses *outstanding*, *satisfactory*, and *unsatisfactory*. Without a consistent rating system, it is difficult to rate contractors fairly across departments.

Public Works uses the most comprehensive evaluation, which closely mirrors that of Los Angeles.

Public Works and SFPUC have similar elements in their evaluation metrics, which closely mirror Los Angeles's evaluation. However, Public Works has the most comprehensive evaluation, which covers fiscal, schedule adherence, and various key performance elements, including quality of workmanship, safety, compliance with labor standards, and proposed change orders.

Departments have no uniformity in evaluating contractors because departments use different criteria in their evaluations.

According to construction management personnel, the construction management survey respondents, and public works professionals from jurisdictions such as Los Angeles and New York, there are certain objective metrics that can be used to adequately assess contractor performance and evaluate the contractor's delivery of a project, including:

- **Change Orders** – Written orders signed by the contracting officer or buyer, which are authorized by a contract clause, to modify contractual requirements within the scope of the contract.
- **Stop Notices** – Written notices submitted by a subcontractor to the City when the project's prime contractor has failed to pay or has only partially paid a subcontractor for its services.

- **Noncompliance Notices** – Written notices to the general contractor for work that does not comply with contract specifications.
- **Subcontractor Participation Requirements** – Requirements set by the Human Rights Commission to hire local, minority, and/or other disadvantaged business enterprises.
- **Soft Costs** – Costs other than direct physical construction costs. Soft costs include construction management, architectural, engineering, financing, and other pre- and post-construction expenses.
- **Safety Violations** – Violations on the job site that cause or increase the risk of an accident.
- **Schedule Adherence** – The contractor's ability to meet the project's timelines and milestones.

Departments should incorporate qualitative metrics in their performance evaluation because certain qualitative attributes are important to a project's success.

According to survey respondents and interviewees, the working relationship between the contractor and the contracting agency is also important to a successful project. Hence, qualitative metrics, such as the contractor's professionalism and the relationship between the contractor and the contracting agency, should also be included in a contractor performance evaluation. In Los Angeles, for example, performance evaluations include qualitative metrics such as a rating of the effectiveness of management and a rating of the project superintendent. In New York City, a rating of the contractor's cooperation with the contracting agency is included as a qualitative metric in its performance evaluations (See Appendix B and Appendix C for examples of performance evaluation forms). Further, according to survey respondents, the relationship between the City and the contractor is particularly important because it can result in reduced claims and lower project costs.

If objective data is not available to support an evaluation, it is acceptable to use subjective, yet measurable and supportable, data.

Recognizing the need and importance for qualitative metrics in performance evaluations, the federal government's *Guidance for the Contractor Performance Assessment Reporting System*⁵ states that it is acceptable to use measurable subjective data when objective data is unavailable. Also, federal agencies must assess contractor performance on qualitative metrics such as overall quality of the product or service and management or business relations. Based on the audit's review of the federal government's practices, if objective data is unavailable to support an evaluation, it is acceptable to use subjective data, as long as the information is measurable.

Recommendations

City departments should:

4. Develop and implement policies and procedures for conducting and recording construction contractor performance evaluations to ensure consistency in approach.
5. Develop and implement a standardized contractor performance evaluation form containing key objective elements such as schedule adherence and the number and/or amount of change requests, stop notices, noncompliance notices, subcontractor participation requirements, soft costs, and safety violations.
6. Include in the standardized contractor performance evaluation form qualitative metrics such as the effectiveness of management, quality of work, and others that can be sufficiently and reasonably supported.

⁵ The Contractor Performance Assessment Reporting System process establishes procedures for the electronic collection and use of Past Performance Information. This system is used by federal government agencies with contracting authority. The data collected in this system is then forwarded to the Past Performance Information Retrieval System where the evaluation is stored.

Finding 1.3

Because departments do not systematically track project data, they cannot assess the negative impacts of poor-performing contractors.

Although poor-performing contractors negatively affect city resources, as discussed in Finding 1.1, city departments cannot assess the magnitude of the impacts due to the lack of project data and supporting documentation. The City lacks citywide policies and procedures and, consequently, does not systematically collect and maintain construction project data and documentation supporting key quantifiable performance metrics. Lack of documentation causes difficulty in comparing data across projects and contractors.

Departments could not provide sufficient documentation for metrics the audit selected for analysis.

The audit attempted to assess the magnitude of selected quantifiable metrics regarding poor and high-performing contractors in the City but found that, because some departments either did not have the data readily available or the data was incomplete, a meaningful assessment could not be performed. A previous effort to collect related construction project data from departments found that they had difficulty in providing basic project data such as budgetary or throughput performance data.⁶ This type of data should have been readily available.

Change requests and noncompliance notices are two metrics that departments should already track since both require substantial paperwork and approvals by department personnel. However, three departments did not have a method to track the data and/or had missing or insufficient documentation for the two metrics. Change orders, for example, can be useful indicators of poor-performing contractors because having a high number of change requests may indicate a contractor's attempt to increase the contract amount after having been awarded the contract in the City's low-bid environment.⁷

⁶ Throughput is the ratio between the percentage of work complete and the percentage of time expended on the project.

⁷ As discussed with construction management personnel, change orders could also be for changes due to unforeseen site conditions, additional scope of work requested by the owner, design errors and omission, change in material and other construction related requests.

Exhibit 7 shows how certain quantifiable metrics indicate contractor performance and gives examples of supporting documentation related to each metric.

EXHIBIT 7 Quantifiable Metrics Indicating Contractor Performance and Supporting Documentation Examples	
Objective & Quantifiable Metric	
Change Orders	Stop Notices
Possible Indicators of a Poor Performer	Non-Compliance Notices
High number of rejected change order requests	High number of stop notices from subcontractors
	High number of non-compliance notices
	Long response times from contractors
	Soft Costs
	High amount of soft costs in relation to size and complexity of project
	Safety Violations
	High number of safety violations
Required Support	
Sufficient change order request documentation detailing reasons for rejected change order requests	Stop notice documentation
	Sufficient non-compliance notice documentation regarding reasons for non-compliance
	Documentation regarding non-compliance notice resolution
	System to track personnel costs and monitor costs generated from project
	Inspection reports
	System to track safety violations

Source: Auditor's surveys of construction management personnel and benchmarked jurisdictions.

Some construction management personnel in the City noted the importance of maintaining sufficient documentation to support any performance rating of a contractor. Also, the federal government indicates that for

past performance information to be meaningful in contract award decisions, the information must be documented, relevant, and reliable. Therefore, to effectively assess the performance of construction contractors, the City must have performance data that is factual and systematically maintained in the projects' records.

Recommendations

City departments should:

7. Collaborate in designing, developing, and implementing citywide policies and procedures for systematically collecting and maintaining the same key project data for all city projects.
8. Collaborate in implementing a systematic approach to collecting documentation that supports key elements of contractor performance.
9. Collaborate in implementing a systematic approach to quantifying and assessing the impact of contractor performance on city resources.

CHAPTER 2 – Adopting Leading Practices Could Improve the City's Assessment and Monitoring of Contractor Performance

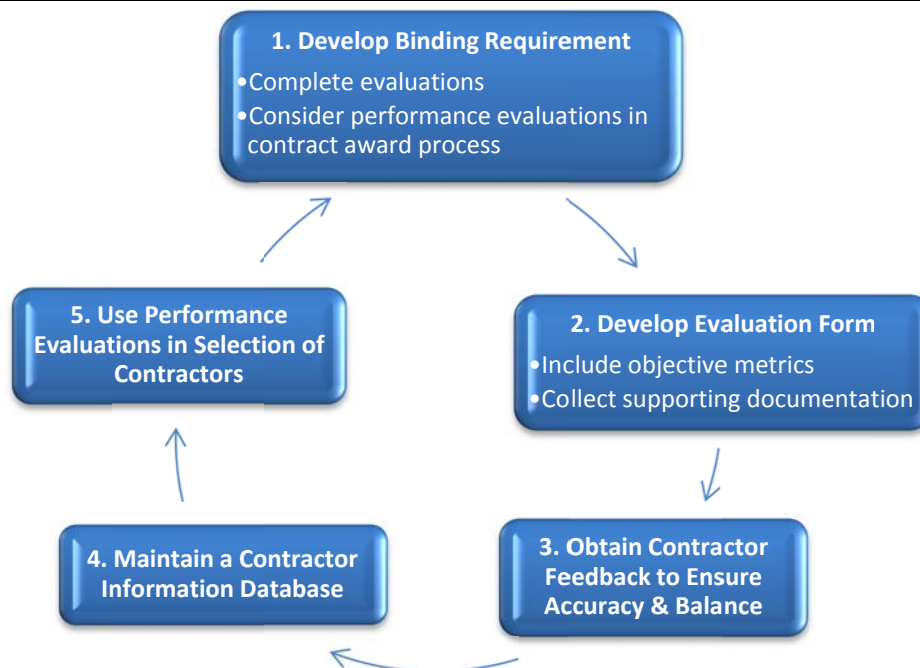
Summary

Besides requiring city departments to complete contractor performance evaluations and to consider them in the contract award process, as discussed in Chapter 1, the City should also adopt two other leading practices related to contractor evaluations:

- Obtain contractors' feedback on their performance ratings to ensure the evaluations' accuracy and balance.
- Implement a citywide, centralized database to maintain contractor information, including completed performance evaluations.

These two practices would complete a full-cycle performance evaluation, as shown in Exhibit 8.

EXHIBIT 8 Full-Cycle Performance Evaluation Process Based on Industry Best Practices



Source: Auditor's survey of other jurisdictions' leading practices.

The City should also continue to use other leading practices for ensuring contractor quality, including prequalification, partnering, and the integrated project delivery method.

Finding 2.1

Obtaining contractor feedback on performance ratings promotes evaluations' accuracy and balance.

A contractor's response to a performance evaluation furthers a balanced representation of the contractor's performance.

Because construction contractor performance evaluations can influence the decisions of a contracting department, potentially awarding millions of dollars of project work, the evaluation must capture both the evaluators' and contractors' experience in the project. Leading practices suggest that obtaining construction contractor feedback on performance evaluations furthers accuracy and balance.

Los Angeles and New York allow contractors to submit comments to completed evaluations.

According to information provided by Los Angeles and New York, contractors should be given an opportunity to submit their own comments, rebut statements made by the evaluators, and provide additional information regarding their own performance on the project. Allowing contractors to respond to performance evaluations will provide more context and explanation to decision makers in future award selection processes. The City of Los Angeles, one of the four surveyed jurisdictions that allow contractors to respond to evaluations, noted that allowing a rebuttal can decrease the chance of litigation, as it is the city's way of ensuring that both parties have an opportunity to substantiate the evaluation.

The federal government also allows contractors to comment on completed evaluations.

Based on examples at the federal government level, once draft performance evaluations are completed by the assessing official, the contractor is notified that the assessment is available for its review and comment through the Contractor Performance Assessment Reporting System (CPARS). Based on the U.S. Government Accountability Office's overview of the federal government's usage of contractor performance evaluations, the CPARS comment process includes the following:

- The contractor is allowed a minimum of 30 days to provide comments, rebuttals, or additional

information. The assessing official has the discretion to extend the comment period.

- After receiving and reviewing the contractor's comments and any additional information, the assessing official may revise the assessment.
- If there is disagreement, the reviewing official, who is generally one step above the assessing official organizationally, will review and finalize the assessment.
- After contractor comments are considered, or if the contractor elects not to provide comments, the assessment is finalized and submitted to the Past Performance Information Retrieval System (PPIRS), where it is available government-wide for source selection purposes for six years, for construction contractors, after the contract performance completion date.¹

Exhibit 9 shows that four of five surveyed jurisdictions that consider evaluations in the award process allow contractors to submit responses.

EXHIBIT 9 Most Surveyed Jurisdictions Allow Contractors to Submit Responses to Ensure Accuracy and Balance		
Jurisdiction¹	Consider Evaluations/Past Performance in Award Process?	Allow Contractors to Submit Responses to Performance Evaluations?
Federal Government	Yes	Yes
City of Los Angeles	Yes	Yes
New York City	Yes	Yes
City and County of Philadelphia	Yes	Yes ²
City of Seattle	Yes	No

¹ Although included in the survey, Caltrans was omitted from this table since they do not consider evaluations or past performance in the award process.

² Philadelphia's evaluations are required by department policies and, as such, policies related to allowing contractors to submit responses may vary.

Source: Auditor's survey of benchmarked jurisdictions.

Recommendation

10. City departments should develop and implement policies and procedures to obtain contractor feedback on performance evaluations.

Finding 2.2

Creating a citywide, centralized database for contractor information, including performance evaluation results, could ensure information sharing across departments and continuous contractor monitoring.

The City has no centralized location or database to store, share, and retrieve contractor information. Each department with contracting authority tracks its own contractor information (for example, contractor name, contract amount, project details). As a result of this decentralized data collection approach, there is no single comprehensive database that captures such contractor information as previously awarded city contracts, performance metrics involving prior city projects, or other project management information across departments. Because the six departments with public works contracting authority have the possibility of using the same contractors that have performed prior work for the City, it is important that the City maintains an accessible, centralized contractor information database that could facilitate information sharing across departments and continuous contractor monitoring citywide.

Lack of a centralized database resulted in various uncoordinated methods of sharing information across departments.

The City's lack of a centralized database has resulted in various uncoordinated methods of sharing information across departments. According to department construction management personnel, to determine a contractor's prior performance, one department contacts other departments informally via telephone, whereas another department sends questionnaires to obtain feedback on contractors' past performance. Having a centralized database on contractor information would be a more effective means of sharing and tracking contractors' prior performance information citywide.

Five jurisdictions maintain a centralized database to track contractor information.

All five of the surveyed jurisdictions that conduct construction contractor performance evaluations maintain a centralized database or location to track contractor information, including completed performance evaluations. The systems serve as the single source for contractors' past performance data.

New York's VENDEX system had evaluations completed for 88 percent of all contractors.

New York's Vendor Information Exchange System (VENDEX) includes such fields as vendor name, contract terms and description, and award amount. VENDEX personnel also notify department heads in writing of which projects do not have a completed performance evaluation, reducing the likelihood of departments not completing or not submitting performance evaluations on time. In 2011 detailed performance evaluations had been completed for 88 percent of New York's contractors, clearly showing the effectiveness of the tracking and completion of performance evaluations.

Overall, centralized databases allow jurisdictions to share performance evaluations among departments and allow contract-awarding authorities to easily access the information for use in the award process.

Exhibit 10 lists the databases maintained by the surveyed jurisdictions.

EXHIBIT 10 Most Surveyed Jurisdictions Maintain a Contractor Database		
Jurisdiction	Name of Database & Owner/Administrator	Database Description
Federal Government	Past Performance Information Retrieval System (PPIRS) Department of Defense	Web-enabled, enterprise application that provides timely and pertinent contractor past performance information to the Department of Defense and federal acquisition community for use in making source selection decisions.
City of Los Angeles	Contractor Evaluation Data Base Board of Public Works	Centralized database to track completed contractor performance evaluation reports.
New York City	Vendor Information Exchange System (VENDEX) Mayor's Office of Contract Services	Database of information of vendors that do business with New York. Most of the information placed on the database comes from the VENDEX forms, which vendors must fill out for certain types of contracts or when certain thresholds are reached.
City and County of Philadelphia	Centralized filing maintained by Procurement	Performance evaluations are kept in a project file under the vendor's name, for easy access.
City of Seattle	Contractor Performance Evaluation Program (CPEP) Department of Executive Administration	Database for CPEP, which is a mandatory, standardized system of evaluating contractors' and subcontractors' performance.

Source: Auditor's survey of benchmarked jurisdictions.

Recommendation

11. City departments should develop and implement a citywide, centralized database to continuously track and monitor contractor information, including performance evaluation results.

Finding 2.3

Departments should continue to use other leading practices including the prequalification, design-build, partnering, and integrated project delivery methods.

Departments are using some leading practices to ensure contractor quality.

Chapter 6 of the Administrative Code provides departments with alternative and innovative practices to achieve an effectively delivered construction project, such as the prequalification, design-build delivery, and integrated project delivery (IPD) methods. Also, Mayor Edwin Lee signed an executive directive in December 2012 requiring departments with contracting authority to “partner” with contractors when appropriate. This directive emphasizes creating mutual goals, improving accountability, and developing dispute-resolution protocols between city departments and construction contractors.

Exhibit 11 describes these leading practices, which are already used by a number of city departments.

EXHIBIT 11 Leading Practices the City Has Adopted and Should Continue to Use

Leading Practice	Description	Department Using the Method
Prequalification	The Administrative Code allows city departments to prequalify potential bidders for construction projects based on specific criteria that measure a contractor's experience and abilities to deliver a certain project. The criteria can include the contractor's qualifications, experience, financial capacity, reputation, and claims history with insurance carriers and sureties. If using prequalification, departments can limit the submission of bids and proposals to respondents determined to be prequalified for the project.	Airport, SFPUC, and Public Works
Design-Build Project Delivery	In this method, the project's designer and contractor belong to a single entity. This method has the potential to save money and time for the public because fewer uncertainties arise than when the designer and contractor are separate entities.	Airport, SFPUC
Integrated Project Delivery	This method requires that all project participants, including the owners, architects, and contractors, work as a team for the best interest of the project and to optimize project results. The IPD approach aligns participant roles and project progression by using each participant's knowledge and abilities during project development. The method's intent is to allow project participants to proactively manage and monitor scheduling, expected and incurred costs, project controls, documentation, and inspections.	Public Works
Partnering	In December 2012 Mayor Edwin Lee signed an executive directive that implemented the Collaborative Partnering Model for the six departments with contracting authority. The Collaborative Partnering Model is intended to be a formalized, nonadversarial approach to construction project delivery that emphasizes creating mutual goals, improving accountability, and developing dispute-resolution protocols.	Airport, SFPUC

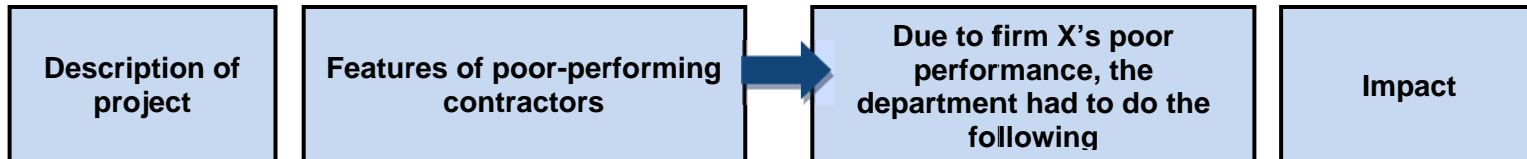
Source: CSA's compilation of various leading practices materials.

Recommendation

12. City departments should continue to use prequalification, design-build, integrated project delivery, and partnering to ensure the quality of the City's construction contractors and public works projects.

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APPENDIX A: CASE STUDY RESULTS OF POOR-PERFORMING CONTRACTORS AND NEGATIVE IMPACTS TO THE CITY



Description of project	Features of poor-performing contractors	Due to firm X's poor performance, the department had to do the following	Impact
Airport	\$15.0 million project to construct a pedestrian bridge and mezzanine to a terminal	<ul style="list-style-type: none"> • "Sloppy fabrication" due to inadequate installation and missed steps in the welding procedures • Bolt holes were misaligned and measured incorrectly • Much of the re-fabrication and re-installation occurred after substantial completion • Contractor was unable to work through the many coordination details that were required by this complex project with multiple subcontractors 	<ul style="list-style-type: none"> • Spend more time re-inspecting the work and sending requests to the contractor to re-fabricate and re-install the bolts • Spend additional time communicating with contractor on project concerns and structural issues • Issue 59 noncompliance notices
Public Works	\$5.2 million project to build and renovate a neighborhood branch library	<ul style="list-style-type: none"> • Contractor was aggressive and argumentative • Contractor was unable to come to a reasonable agreement to resolve project issues such as change requests and project delays • Contractor submitted an excessive number of meritless change requests • Contractor focused on preparing a claim instead of the project • Contractor left the job midway through the project 	<ul style="list-style-type: none"> • Cost increases • Other Impacts

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Adopting Leading Practices Could Improve the City's Construction Contractor Bid Pool

	Description of project	Features of poor-performing contractors	Due to firm X's poor performance, the department had to do the following	Impact
Port	\$1.3 million project to perform construction work on superstructure repairs for two piers	<ul style="list-style-type: none"> Contractor did not meet contract's local business enterprise requirements Contractor had poor administrative staff and project management; contractor's project manager was "unreliable and irresponsible" Contractor's project manager was overcommitted and did not complete required documentation for the project 	<ul style="list-style-type: none"> Spend additional resources to investigate the violation and to assess damages Use more city resources and time to reschedule missed meetings, request updates on the project, and follow up on unsubmitted or late documents Assess liquidated damages of \$750 a day after the missed deadline 	<ul style="list-style-type: none"> Project delays Cost increases Claims and litigation Other impacts
Rec and Park	\$9.4 million project to perform work on an overall site reconfiguration of a playground	<ul style="list-style-type: none"> Contractor was unable to work through the many coordination details that were required by the project Contractor and its subcontractors had insufficient financial capacity Contractor did not meet the local business enterprise requirements Contractor has prevailing wage violations estimated to exceed \$500,000 	<ul style="list-style-type: none"> Issue stop notices Spend additional resources on prevailing wage investigations regarding estimated violations exceeding \$500,000 Spend additional resources to investigate the violation and to assess damages. 	<ul style="list-style-type: none"> Cost increases Other impacts
SFMTA	\$5.3 million project to perform construction work on the underground power duct bank, overhead traction power cables, roadway, electrical work and street lighting	<ul style="list-style-type: none"> Contractor was unprepared for potential service failures Contractor accidentally hit and disconnected an overhead electrical wire used by Municipal Railway trolleys Contractor was not proactive Contractor's personnel were inexperienced 	<ul style="list-style-type: none"> Spend additional time providing guidance to the contractor Spend additional time for inspectors to investigate the accident 	<ul style="list-style-type: none"> Cost increases Other impacts
SFPUC	\$283.2 million project to perform work for seismic and hydraulic improvements to a water treatment plant	<ul style="list-style-type: none"> Contractor submitted an excessive number of meritless change requests Contractor was not always responsive to SFPUC's questions or concerns 	<ul style="list-style-type: none"> Spend additional time reviewing and rejecting the invalid change requests Issue many noncompliance notices, of which 40 were outstanding in September 2013 	<ul style="list-style-type: none"> Cost increases Other impacts

APPENDIX B: CONTRACTOR PERFORMANCE EVALUATION FORM – CITY OF LOS ANGELES

CITY OF LOS ANGELES CONTRACTOR PERFORMANCE EVALUATION REPORT		<input type="checkbox"/> Prime <input type="checkbox"/> Sub		
PROJECT TITLE:		WORK ORDER NO:		
NAME OF CONTRACTOR:				
ADDRESS OF CONTRACTOR:				
		PHONE #:		
SECTION I - CONTRACT DATA				
COMPLEXITY OF PROJECT: <input type="checkbox"/> CONVENTIONAL <input type="checkbox"/> UNUSUAL <input type="checkbox"/> COMPLEX	<input type="checkbox"/> Original Contract Amount \$ _____ <input type="checkbox"/> Total Amount of Change Orders \$ _____ <input type="checkbox"/> Total Amount of Contract \$ _____ <input type="checkbox"/> Liquidated Damages Assessed \$ _____ <input type="checkbox"/> Illegal Substitution Penalties \$ _____ <input type="checkbox"/> Wage Violation Penalties \$ _____ <input type="checkbox"/> Claim Filed \$ _____	<input type="checkbox"/> Contract Duration _____ Work days _____ Calendar days <input type="checkbox"/> Contract Start Date _____ <input type="checkbox"/> Original Contract Completion Date _____ <input type="checkbox"/> Revised Contract Completion Date _____ <input type="checkbox"/> Date Final Corrections Completed _____		
MINORITY PARTICIPATION: <input type="checkbox"/> MBE _____ % <input type="checkbox"/> WBE _____ % <input type="checkbox"/> DBE _____ %				
SUBCONTRACTORS				
CONTRACTOR MET MANDATORY SUBCONTRACTOR MINIMUM (MSM) _____ % <input type="checkbox"/> YES <input type="checkbox"/> NO (Explanation Required)				
TYPE OF WORK	SUBCONTRACTOR	AMOUNT	REMARKS	Evaluation Attached
		\$		
		\$		
		\$		
		\$		
		\$		

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SECTION II – PERFORMANCE EVALUATION OF CONTRACTOR				
S - SATISFACTORY SP - SIGNIFICANT PROBLEM(S) (Does not require an explanation) U - UNSATISFACTORY (Explanation required)				
PERFORMANCE ELEMENT	S	SP	U	REMARKS
a. Quality Control of the Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. Effectiveness of Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
c. Project Superintendent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
d. Quality of Workmanship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
e. Management of Subcontractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
f. Planning / Scheduling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
g. Project Submittals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
h. Project RFIs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
i. Project Correspondence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
j. Response to Change Orders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
k. Manuals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
l. Training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
m. Response to Public Concerns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
n. Compliance with Plans / Specs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
o. Compliance with Inspection Requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
p. Notices of Non-Compliance	<input type="checkbox"/>	<input type="checkbox"/> *	<input type="checkbox"/> *	* List Number and Nature of NNC
q. Compliance with Safety Standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
r. Housekeeping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
s. Compliance with Labor Standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
OVERALL EVALUATION				
(If unsatisfactory, explanation required, use page 3)				
<input type="checkbox"/> UNSATISFACTORY <input type="checkbox"/> SATISFACTORY <input type="checkbox"/> ABOVE AVERAGE				
EXPLANATION OF UNSATISFACTORY EVALUATION				
For each unsatisfactory element, provide facts concerning specific events or actions to be considered for this evaluation (e.g. rework, cooperation of contractor, quality of work, compliance with labor laws, payment of prevailing wages, etc.) (These data must be of sufficient detail to assist in determining Contractor responsibility) (Use additional sheet(s) for explanation)				
EVALUATION PREPARED BY:				
Inspector / Name (typed)		Signature		Date
Construction Manager / Name and Title (typed)		Signature		Date
Contract Administration / Name and Title (typed)		Signature		Date
EVALUATION REVIEWED BY				
Construction Manager / Name and Title (typed)		Signature		Date
Contract Administration / Name and Title (typed)		Signature		Date

APPENDIX C: CONTRACTOR PERFORMANCE EVALUATION FORM – CITY OF NEW YORK



Mayor's Office of Contract Services
Contract Performance Evaluation
CONSTRUCTION

Vendor Name:	
Vendor TIN/EIN:	
Vendor Address:	
Vendor E-Mail Address:	
Vendor Updated Mailing Address:	
Contract Number:	
Procurement Identification Number:	
Contract Term:	
Contract Description:	
Award Amount:	\$
Evaluating Agency:	DEPARTMENT OF DESIGN & CONSTRUCTION
Evaluation Period:	-
Evaluator First Name:	Evaluator Last Name:
Evaluator Phone Number:	
Evaluator E-Mail Address:	

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<p>I. TIMELINESS OF PERFORMANCE (Evaluators are to consider the following criteria when rating timeliness; discuss specifics in the Comments section.)</p> <ol style="list-style-type: none"> 1. Was the contract work completed on time, and if ongoing, is the vendor appropriately adhering to schedules and milestones; 2. If the vendor was given any extensions of time, were any such extensions reasonable; and 3. Were any unreasonable delays in the work caused by the vendor or any of its subcontractor(s)? <p>Comments:</p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> A time extension was granted to the contractor. This was due to the unavailability of a constructible list of locations from the client agency . There were no contractor related delays on this project. </div> <p>Subcategory Rating <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Poor <input type="checkbox"/> Fair <input checked="" type="checkbox"/> Good <input type="checkbox"/> Excellent</p>
<p>II. FISCAL ADMINISTRATION AND ACCOUNTABILITY (Evaluators are to consider the following criteria when rating Fiscal Administration and Accountability; discuss specifics in the Comments section.)</p> <ol style="list-style-type: none"> 1. Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing; 2. Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extent applicable; 3. Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements; 4. Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable); 5. Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors; and 6. Did the vendor pay its suppliers and subcontractors, if any, promptly? <p>Comments:</p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> The contractor completed the work within budget. Payments and change order requests were submitted in a timely manner. Sub contractors were approved prior to the start of work. </div> <p>Subcategory Rating <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Poor <input type="checkbox"/> Fair <input checked="" type="checkbox"/> Good <input type="checkbox"/> Excellent</p>
<p>III. PERFORMANCE AND OVERALL QUALITY OF WORK (Evaluators are to consider the following criteria when rating Performance Quality; discuss specifics in the Comments section.)</p> <ol style="list-style-type: none"> 1. Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise; 2. Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work; 3. Did the vendor adequately staff the contract; 4. Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition; 5. Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable; and 6. Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could impact the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems? <p>Comments:</p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> The contractor complied with safety standards,maintained the site safely and participated in all scheduled meetings. All complaints were addressed in an expeditious manner. Staffing levels were adequate and supervisory personnel possessed the required skill and experience. </div> <p>Subcategory Rating <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Poor <input type="checkbox"/> Fair <input checked="" type="checkbox"/> Good <input type="checkbox"/> Excellent</p>
<p>Overall Rating (Based on the above three subcategory ratings, evaluators are to give the vendor an overall rating.)</p> <p>Overall Rating <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Poor <input type="checkbox"/> Fair <input checked="" type="checkbox"/> Good <input type="checkbox"/> Excellent</p>

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The foregoing evaluation represents my best judgment concerning the performance of the contractor and is based on documentation on file at the City Agency.

Evaluated By:

Evaluation Date:

For Evaluator Use Only

Upon completing the PE, use the Check Errors button to validate the document. After checking errors, you must forward your completed evaluation to ACCO/DACCO/Designated Contact. To do so, save the completed evaluation to your computer. It will automatically save as an Adobe PDF. Send an email through outlook, with the completed evaluation attached, to the ACCO/DACCO/Designated Contact.

For ACCO Use Only

Once the completed evaluation is approved and ready to send to MOCS, complete the "approved by" section below. Then click the "Validate and Lock" button below. Once locked, the form cannot be modified--if modification is necessary, a new document must be created (from scratch). Save the Adobe PDF to your computer. Navigate to the "Performance Evaluation Upload" page in FMS/3 VENDEX to upload the locked evaluation and send to MOCS.

Approved By

Name:

APPENDIX D: SUMMARY OF SURVEY RESULTS

Survey Methodology

To conduct the survey, the audit team obtained an organization chart for each of the six departments' respective construction management divisions. With the assistance of construction management personnel, the audit team selected employees believed to have direct contact with the contractor or who would be directly affected by the contractor's decisions, including:

- Engineers
- Architects
- Landscapers
- Project Managers
- Inspectors
- Field Contract Administrators

The survey was distributed anonymously to 206 employees. The audit team received 107 responses, representing a response rate of 52 percent. The responses to the multiple choice questions noted below are rounded to the nearest tenth of a percent and may not total 100 percent.

Office of the Controller - Construction Contractor Performance Survey

In your experience working in the City, how often have you completed a performance evaluation for a construction contractor?

Answer Options	Response Percent
Very Often	6.5%
Often	8.4%
Occasionally	19.6%
Rarely	9.3%
Very Rarely	6.5%
Never	49.5%

In your experience working with city contractors, how frequently have you encountered contractors that you considered to be poor performers?

Answer Options	Response Percent
Very Frequently	6.5%
Frequently	15.0%
Occasionally	48.6%
Rarely	17.8%
Very Rarely	7.5%
Never	4.7%

In your experience, what impacts have poor-performing city contractors had? Choose all that apply.

Answer Options	Response Percent
Project delays	24.9%
Cost increases	17.1%
Project cancellations	13.1%
Claims or litigation	9.0%
Scope reductions	11.4%
Other impact(s) (please describe under COMMENTS)	4.9%
No impact	1.6%
Not applicable—I've never worked with a poor-performing contractor	18.0%

Describe how strongly you agree or disagree with this statement: In your experience working with city contractors, the process of awarding public works contracts to the lowest responsive, responsible bidder effectively ensures that the City always gets contractors who provide the best value by achieving a balance among price, quality, and performance.

Answer Options	Response Percent
Strongly Agree	3.7%
Agree	7.5%
Undecided	21.5%
Disagree	45.8%
Strongly Disagree	21.5%

Describe how strongly you agree or disagree with this statement: It is a good idea for the City to require departments to conduct performance evaluations of all construction contractors and use the evaluations in later bid/award processes.

Answer Options	Response Percent
Strongly Agree	42.1%
Agree	48.6%
Undecided	4.7%
Disagree	2.8%
Strongly Disagree	1.9%

If evaluating the performance of construction contractors becomes a city requirement, how likely are you to conduct these performance evaluations?

Answer Options	Response Percent
Extremely Likely—Will Always Do Them	43.9%
Very Likely	42.1%
Moderately Likely	10.3%
Slightly Likely	3.7%
Not at All Likely—Will Never Do Them	0.0%

If evaluating the performance of construction contractors becomes a city requirement, how helpful would these evaluations be in making contract award decisions?

Answer Options	Response Percent
Completely Helpful	21.5%
Very Helpful	46.7%
Moderately Helpful	22.4%
Slightly Helpful	2.8%
Not At All Helpful	6.5%

If evaluating the performance of construction contractors becomes a city requirement, how honest will you be in evaluating and providing feedback to contractors?

Answer Options	Response Percent
Completely Honest	66.4%
Very Honest	29.0%
Moderately Honest	4.7%
Slightly Honest	0.0%
Not At All Honest	0.0%

Describe the quality of documentation your department maintains to support the performance of construction contractors.

Answer Options	Response Percent
Very Good	22.4%
Good	28.0%
Satisfactory	34.6%
Poor	12.1%
Very Poor	2.8%

Describe how strongly you agree or disagree with this statement: The contractor prequalification process effectively ensures that the City works mostly with high-performing contractors.

Answer Options	Response Percent
Strongly Agree	6.5%
Agree	30.8%
Undecided	37.4%
Disagree	13.1%
Strongly Disagree	4.7%
Not applicable—We do not prequalify contractors	7.5%

Would you use any of the following measures as part of evaluating a construction contractor's performance?

Answer Options	Yes %	No %
Notices of Noncompliance	95.2%	4.8%
Change Orders	69.0%	31.0%
Liquidated Damages	92.4%	7.6%
Stop Notices	89.5%	10.5%
Safety Violations	99.0%	1.0%
Quality Control of the Project	99.0%	1.0%
Quality of Workmanship	98.1%	1.9%
Management of Subcontractors	91.6%	8.4%
Project's Request for Information (RFI)	52.6%	47.4%
Other metric(s) (please describe under COMMENTS)	72.1%	27.9%

OPEN-ENDED: What do you think might stop you from being completely honest in a performance evaluation of a contractor?

OPEN-ENDED: If you have worked with at least one contractor that you considered to be a poor performer, briefly describe your experience and what the contractor did poorly.

OPEN-ENDED: Please provide any other comments and information that you believe may be useful to our audit, including:

- Additional information to clarify your responses to previous questions.
- Possible objective metrics.
- Challenges you've experienced in working with construction contractors.
- Suggested improvements for contractor performance evaluation.
- Industry best practices.

APPENDIX E: DEPARTMENTS' RESPONSES - AIRPORT



San Francisco International Airport

April 25, 2014

Ms. Tonia Lediju
Director of City Audits
Office of the Controller
City Services Auditor Division
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 476
San Francisco, CA 94102

Subject: Contractor Performance Evaluation Audit

Dear Ms. Lediju:

In response to your email dated April 14, 2014, attached is the completed follow-up response form regarding the Citywide Audit of Construction Contractor Performance Evaluation Process. We've enjoyed working with your staff on this audit, and are confident that your work will have a significant positive impact on the quality of projects delivered to the City and County of San Francisco.

Please feel free to call me at (650) 821-5025 if you have any questions.

Very truly yours,

Gary Satero
Chief Operating Officer

Attachment

cc: John L. Martin, Airport Director
Leo Fermin, Chief Business & Finance Officer
Geoff Neumayr, Deputy Airport Director, Design & Construction
Wallace Tang, Airport Controller
Mark P. Dela Rosa, CSA

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

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JOHN L. MARTIN
AIRPORT DIRECTOR

Post Office Box 8097 San Francisco, California 94128 Tel 650.821.5000 Fax 650.821.5005 www.flysfo.com

PUBLIC WORKS

City and County of San Francisco



Edwin M. Lee, Mayor
Mohammed Nuru, Director

San Francisco Department of Public Works

Office of the Director
1 Dr. Carlton B. Goodlett Place, City Hall, Room 348
San Francisco, CA 94102
(415) 554-6920 • www.sfdpw.org



April 25, 2014

Ms. Tonia Lediju
Director of Audits
Office of the Controller
City Hall, Room 477
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

**Re: The Department of Public Work's Response to City Services Auditor's Draft Report
entitled "Adopting Leading Practices Could Improve the City's Construction Contractor
Bid Pool"**

Dear Ms. Lediju,

Thank you for your Draft Report forwarded on April 14, 2014, regarding the results of the audit of City-wide practices of assessing construction contractor performance. We appreciate your team's efforts and responsiveness. As we discussed with you and your staff, we are in almost uniform concurrence with the recommendations in the report.

We look forward to working with your Department as well as the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders to facilitate the implementation of the recommendations where practicable. Specifically, I will be convening city-wide working groups to explore changing applicable provisions of the Administrative Code to provide the legal back drop to operationalize these findings.




San Francisco Department of Public Works
Making San Francisco a beautiful, livable, vibrant, and sustainable city.

Office of the Controller, City Services Auditor

Adopting Leading Practices Could Improve the City's Construction Contractor Bid Pool

Please see the attached document for our detailed response to the recommendations contained in the draft audit report. Should you have any other questions please contact Lourdes Nicomedes at (415) 554-4805.

Sincerely,



Mohammed Nuru
Director

cc: Edgar Lopez, Deputy Director for Buildings, Department of Public Works
Fuad Sweiss, Deputy Director for Infrastructure, Department of Public Works
Julia Dawson, Deputy Director for Finance and Administration, Department of Public Works
Julia Laue, Division Manager, Building Designs and Construction, Department of Public Works
Patrick Rivera, Division Manager, Infrastructure Design & Construction, Department of Public Works
Lourdes Nicomedes, Accounting Manager, Department of Public Works
Stacey Camillo, Division Manager, Contract Administration, Department of Public Works

SC

Attachment

PORT



April 25, 2014

Ms. Tonia Lediju
Director of City Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: Citywide Audit of Construction Contractor Performance Evaluation Process

The Port of San Francisco is in receipt of the draft report titled, Citywide Construction: Adopting Leading Practices Could Improve the City's Construction Contractor Bid Pool. We accept the report findings and concur with all the recommendations. Attached is the completed Recommendation and Response form you requested. The Port appreciates the courtesy extended by the City Services Auditor Division (CSA) staff throughout the project period.

The Port looks forward to participating in the citywide collaborative effort to implement the recommendations. It is our understanding that the collaborative process will likely be led by the Department of Public Works and that full implementation will be a multiyear effort. A fair and consistent construction contractor performance assessment process and the uniform of use past performance information in the selection and award process for future work should help immensely to ensure contractor quality and enhance project delivery.

Sincerely,


Monique Moyer
Executive Director

cc: Port
Elaine Forbes, Deputy Director, Finance and Administration
John Woo, Fiscal Officer
Uday Prasad, Interim Chief Harbor Engineer
Tim Leung, Contracts and Construction Manager
Evelyn Onderdonk, Resident Engineer

Controller's Office
Ben Rosenfield, Controller, City and County of San Francisco
Mark de la Rosa, Lead Audit Manager

PORT OF SAN FRANCISCO

TEL 415 274 0400
FAX 415 274 0500

TTY 415 274 0587
WWW.PORTSF.COM

ADDRESS PIER 1
San Francisco, CA 94133

RECREATION AND PARK



Edwin N. Lee, Mayor
Philip A. Ginsburg, General Manager

April 25, 2014

Tonia Lediju, Director of Audits
City Hall, Room 477
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102


Dear Ms. Lediju,

This letter is in response to the construction audit report prepared by the Controller's Office for adopting leading practices to improve City's Construction Contractor bid Pool.

We would like to thank the Controller's Office for the opportunity to respond to the report regarding adopting specific recommendations that can assist the department to allow the use of contractor performance evaluations in defining contractor responsibility and improving project delivery.

In response to the specific recommendations, attached please find also our response form indicating concurrence.

Sincerely,


Philip A. Ginsburg
General Manager

CC: Dawn Kamalanathan, RPD Director of Capital & Planning
Toks Ajike, RPD Project Manager

SFMTA



SFMTA
Municipal
Transportation
Agency

Edwin M. Lee, Mayor

Tom Nolan, Chairman

Malcolm Henricks, Director

Jodi Ramon, Director

Edward D. Reiskin, Director of Transportation

Cheryl Brinkman, Vice Chairman

Jerry Lee, Director

Cristina Rubino, Director

April 23, 2014

Tonia Lediju
Director of City Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: Citywide Audit of Construction Contractor Performance Evaluation Process

Dear Ms. Lediju:

We are in receipt of the draft report for the subject assessment. Per the attached response form, the SFMTA concurs with the recommendations and will collaborate with the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders to improve the City's construction contractor bid pool through adoption of leading practices to assess the performance of its construction contractors.

We appreciate the time and efforts of your staff throughout this process.

Please contact Vince Harris, Director of Capital Programs and Construction Division at 701-4260 if you have any questions regarding this response.

Sincerely,

Edward D. Reiskin
Director of Transportation

Enclosure

SFPUC



San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

April 28, 2014

Tonia Lediju, Audit Director
Office of the Controller, City Services Auditor Division
City Hall, Room 476
One Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: Management's Response to CSA Audit Report
Citywide Construction: Adopting Leading Practices Could Improve
the City's Construction Contractor Bidding Pool

Dear Ms. Lediju,

Thank you for providing us the opportunity to review the results of your report, 'Citywide Construction: Adopting Leading Practices Could Improve the City's Construction Contractor Bidding Pool', as prepared by the Controller's Office, City Services Auditor.

Attached for your review and consideration are SFPUC Management's responses to the recommendations detailed in the audit report.

If you have any questions or need additional information, please do not hesitate to contact me at (415) 554-1600.

Sincerely,

A handwritten signature in blue ink, appearing to read "Harlan L. Kelly, Jr." followed by a stylized flourish.

Harlan L. Kelly, Jr.
General Manager

cc: Michael Carlin, Deputy General Manager
Todd L. Rydstrom, AGM Business Services & Chief Financial Officer
Emilio Cruz, AGM Infrastructure
Nancy L. Hom, Director, Assurance & Internal Controls

Edwin M. Lee
Mayor

Vince Courtney
President

Ann Moller Caen
Vice President

Francesca Vietor
Commissioner

Anson Moran
Commissioner

Art Torres
Commissioner

Harlan L. Kelly, Jr.
General Manager



APPENDIX E: RECOMMENDATIONS AND RESPONSES

For each recommendation, the responsible agency should only indicate whether it concurs, does not concur, or partially concurs. Any further explanations should be stated in your response letter.

Recommendation	Airport	Public Works	Port	Rec and Park	SFMTA	SFPUC
City departments should:						
1. Collaborate with the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders to amend Chapter 6 of the Administrative Code to include a requirement for city departments to conduct and document formal performance evaluations of their construction contractors.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.
2. Collaborate with the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders to amend Chapter 6 of the Administrative Code to allow the use of contractor performance evaluations in defining a contractor's responsibility.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.

Recommendation	Airport	Public Works	Port	Rec and Park	SFMTA	SFPUC
3. Collaborate with the Mayor's Office, Board of Supervisors, Office of the City Attorney, and other relevant stakeholders to amend Chapter 6 of the Administrative Code to require the consideration of a contractor's past performance in the contract award decision-making process.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.
4. Develop and implement policies and procedures for conducting and recording construction contractor performance evaluations to ensure consistency in approach.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.

Recommendation	Airport	Public Works	Port	Rec and Park	SFMTA	SFPUC
5. Develop and implement a standardized contractor performance evaluation form containing key objective elements such as schedule adherence and the number and/or amount of change requests, stop notices, noncompliance notices, subcontractor participation requirements, soft costs, and safety violations.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.
6. Include in the standardized contractor performance evaluation form qualitative metrics such as the effectiveness of management, quality of work, and others that can be sufficiently and reasonably supported.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.
7. Collaborate in designing, developing, and implementing citywide policies and procedures for systematically collecting and maintaining the same key project data for all city projects.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.

Recommendation	Airport	Public Works	Port	Rec and Park	SFMTA	SFPUC
8. Collaborate in implementing a systematic approach to collecting documentation that supports key elements of contractor performance.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.
9. Collaborate in implementing a systematic approach to quantifying and assessing the impact of contractor performance on city resources.	Concur.	Partially Concur.	Concur.	Concur.	Concur.	Concur.
10. Develop and implement policies and procedures to obtain contractor feedback on performance evaluations.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.
11. Develop and implement a citywide, centralized database to continuously track and monitor contractor information, including performance evaluation results.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.
12. Continue to use prequalification, design-build, integrated project delivery, and partnering to ensure the quality of the City's construction contractors and public works projects.	Concur.	Concur.	Concur.	Concur.	Concur.	Concur.