

# ANNUAL GENERAL OBLIGATION BOND PROGRAM REPORT FISCAL YEAR 2014-15

CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF THE CONTROLLER  
CITY SERVICES AUDITOR (CSA)



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## Executive Summary

This report is an assessment of the City and County of San Francisco's (City) General Obligation Bond Programs' (Programs) performance in completing major capital projects approved by the voters of San Francisco. This report reviews all Programs that are currently in implementation and construction as of March 2015. Within each Program, a component's scope, schedule, budget, and change orders are assessed.

This report does not include the November 2000 Branch Library or November 1999 Laguna Honda Hospital bond programs, which are nearing the close-out phase. This report also does not include the recently approved measures from the June and November 2014 elections – the 2014 Earthquake Safety and Emergency Response Bond and the 2014 Transportation Bond. Both 2014 Programs are currently in the planning phase and are in the process of establishing budgets and schedules. Refer to Appendix A for a summary of both 2014 bond Programs.

## FINDINGS

### 2008 Clean and Safe Neighborhood Parks (CSNP)

The 2008 CSNP Program has experienced several scope changes at the project level due to unforeseen site conditions and the public planning and involvement process. The Recreation and Parks Department (RPD) Mission Playground had significant scope changes to address unforeseen conditions with the pool building and Mission Dolores Park had an extensive public planning/involvement process as well as unforeseen conditions due to the presence of ground water. In addition, the Port of San Francisco (Port) Crane Cove Park project made significant scope changes, where additional funds secured from 2012 bonds allowed the Port to expand the project to address public concerns. Additionally, the Port made substantial scope changes to the Pier 43 Bay Trail Link project when regulatory partner review and the discovery of unforeseen conditions to the Sea Wall resulted in a 25% expansion to the promenade.

Scope changes resulted in change orders amounting to 12.67% of the base contract for the RPD components and 13.2% for the Port's component. To address the scope of work changes, revised budgets have been increased for all three Program components. The most significant change is an 11% budget increase for RPD's Citywide Programs component.

Scope changes also impacted Program schedules. All components within the 2008 bond are significantly delayed, ranging between 2 and 3 years behind schedule. Similar to the budget increase, the RPD Citywide Programs component has the longest schedule delay due to various reasons including litigation, staffing, and regulatory delays.

### 2008 Public Health and Seismic Facilities (SFGH Rebuild)

As of March 2015, the SFGH Rebuild Program was on schedule and tracking to spend within its original budget; there were not any budget revisions. The building was substantially complete on May 7, 2015. Change order amounts are 3.65% of the base contract amount which is well below the standard threshold for a large project. Since its passage in 2008, the SFGH Rebuild Program has not had any changes to the project scope.

### 2010 Earthquake Safety and Emergency Response (ESER)

ESER has experienced some scope changes and schedule delays. The Public Utilities Commission (PUC) identified the need to expand the Pump Station 1 scope to include four new engines and a new generator. Despite these changes, this component is on schedule. Another scope change occurred in the Neighborhood Fire Stations component where Public Works made substantial scope changes to Fire Station 5 and 35 in order to

ensure that the historic structures are properly restored. This component is experiencing a 20 month delay. Although departments are not reporting formal revisions to projected spending, PUC believes that \$9.5 million of ESER 2014 funds will be needed to cover the additional costs for Pump Station 1. As of March 2015, Public Works anticipated increasing the Neighborhood Fire Station budget by \$20 million as a result of initial programming assumptions, increased scope, and unforeseen conditions mainly driven by Fire Station 5, 16, and 35 projects. To mitigate these costs, Public Works was proposing to apply \$7.1 million from a prior Fire Facility Bonds Fund and appropriate \$12.8 million from ESER 2014 bonds.

The Public Safety Building scope and budget remains unchanged; however, the project is delayed 1 year due to design changes, coordination issues, and bidding conditions. Despite the delay, the change order amount totals 4.6% of the base contract; this is considered a good indicator of performance for such a large project.

### 2011 Road Repaving and Street Safety Bond (RRSS)

As of March 2015, there have not been any budget revisions to the RRSS Program and components are spending within their original budget. However, the Program is experiencing a few scope changes and schedule delays.

In some instances, such as Curb Ramps and Street Resurfacing, scope is reduced in order to stay within a component's budget. Due to difficult site conditions and steep grades that resulted in higher costs, Public Works reduced the total number of curb ramps by 8% (from 1,700 to 1,563). Within the Street Resurfacing component, Public Works decreased the number of blocks to be paved by 8% (from 1,389 to 1,275). In other instances, such as Streetscape, scope was reduced (from 75 to 66 projects) after projects were deemed infeasible due to public outreach needs, environmental review, and other factors.

Although all Program components are spending within budget, 4 out of 5 components are behind schedule ranging from one month to one and a half years. Street Resurfacing has the longest delay because paving is typically the last element of a project to be implemented and is highly dependent on other agencies' projects and schedules.

### 2012 Clean and Safe Neighborhood Parks

Overall, the 2012 CSNP is tracking within scope, schedule and budget, and a minor amount of change orders have been issued. All projects are scheduled to be complete by November 2018. There have not been any budget revisions, however as previously mentioned, the budget overage from the 2008 CSNP Crane Cove Project will be covered with 2012 bond funding.

As of March 2015, one Port project, Cruise Terminal Plaza & Pier 27/29, is complete. The first RPD project in construction, Joe DiMaggio Playground, has undergone changes in scope due to unforeseen site conditions.

## Background

General Obligation Bonds (G.O. Bonds) are debt instruments issued by the City to raise funds for public works projects. They give the City a tool to raise funds for projects that will not provide direct sources of revenue, such as roads, parks, or bridges. G.O. Bonds allow the City to make critical capital improvements to strengthen aging infrastructure, increase the City's ability to respond to and recover from an earthquake, and fund improvements to the City's hospitals, fire and police stations.

Voter-approved G.O. Bonds since 2008		
Year	Debt Issuance	Amount (in millions)
2008	Clean and Safe Neighborhood Parks	\$180
2008	Public Health Seismic Facilities (SFGH Rebuild)	\$887
2010	Earthquake Safety & Emergency Response	\$412
2011	Road Repaving and Street Safety	\$248
2012	Clean and Safe Neighborhood Parks	\$195
2014	Earthquake Safety & Emergency Response	\$400
2014	Transportation	\$500
Voter-approved G.O. Bonds Total		\$2,822

G.O. Bonds must be approved by a two-thirds vote of the electorate. Since 2008, voters have approved seven G.O. Bonds totaling close to \$3 billion. In addition to historic G.O. Bond investments, the City issues debt through a host of other sources, including revenue bonds, general fund revenues, user fees and other sources.

### Project versus Programmatic Work

Before or after a G.O. Bond has been approved by the voters, the City divides the work into components, allocates a budget, and assigns a lead department for implementation. Components can be a stand-alone, large-scale project or an on-going, recurring program. Programmatic work tends to be smaller individual improvements implemented over an ongoing period of time (such as street resurfacing). Project work is a large-scale, one-time public work (such as the Public Safety Building).

Making a distinction between project and programmatic work is helpful in understanding how a department tracks and reports on the status of each component. Project work lends itself to set phases, schedules, and budgets. There is strict adherence to the planned start and end date, and the budget is clearly defined for each individual project. Since programmatic work covers many smaller, on-going jobs, performance measures tend to be rounded up to the component level. As long as all individual projects are complete within the planned timeframe, and the budget does not go over the component's allocation, the schedule and budget performance goals have been met. Refer to Appendix B for a list of defined terms.

### Change Orders

Change orders are defined as work that is added to or deleted from a contract's original scope of work, which then alters the original contract dollar amount and/or completion date. There is no single citywide standard for assessing change orders. Each implementing department determines an acceptable threshold in order to measure a project's performance. For example, Public Works considers it a good indicator to have change orders fewer than three percent of the base contract amount for errors and omissions. In general, other change order types (such as code issues, unforeseen conditions, and client requests) are not evaluated based on set thresholds. The Port of San Francisco and Public Utilities Commission use a standard contingency of ten percent for the overall construction contract, and measure performance based on whether all change order types fall below this ten percent contingency.

Based on the City Services Auditor's research, there is not a singular, widely accepted, industry standard for change orders. Some sources<sup>1</sup> quote a ten percent contingency as an acceptable standard; however this can vary depending on the project magnitude or type. If a project is considered significantly complex, a contingency greater than ten percent may be appropriate. For more information about the report's methodology, refer to Appendix C.

The remaining sections review the scope, budget, schedule and change orders for the following bond Programs:

- 2008 Clean and Safe Neighborhood Parks
- 2008 Public Health and Seismic Facilities (SFGH Rebuild)
- 2010 Earthquake Safety and Emergency Response
- 2011 Road Repaving and Street Safety
- 2012 Clean and Safe Neighborhood Parks

<sup>1</sup> [http://www.herzog.com/wp/wp-content/uploads/2014/08/CMGC-Best-Practices-2014\\_WR-proof-8-14-14.pdf](http://www.herzog.com/wp/wp-content/uploads/2014/08/CMGC-Best-Practices-2014_WR-proof-8-14-14.pdf)  
[https://comptroller.nyc.gov/wp-content/uploads/documents/7E13\\_099S.pdf](https://comptroller.nyc.gov/wp-content/uploads/documents/7E13_099S.pdf)

## 2008 CLEAN AND SAFE NEIGHBORHOOD PARKS

### INTRODUCTION

In February 2008, San Francisco voters approved Proposition A with a 71% approval margin for a \$185 million Clean and Safe Neighborhood Parks (CSNP) Bond. As of March 2015, \$178.9 million was expended. Of the total 28 projects in the bond Program, 21 are complete.

### SCOPE

The CSNP Bond was approved to make the following improvements: 1) fix and improve park restrooms citywide, 2) eliminate serious earthquake safety risks in neighborhood and waterfront park facilities, 3) renovate parks and playgrounds in poor physical condition, 4) replace dilapidated playfields, 5) repair nature trail systems in the City's parks, and 6) attract matching community and philanthropic support.

Subsequent to voter approval, the 2008 CSNP Bond was divided into the following three components:

1. Citywide Programs: led by the Recreation and Parks Department (RPD), this component is broken into 5 sub-programs, including restroom repair, renovation of playfields, assessing and repairing trees, restoring trails, and a Community Opportunity Fund.<sup>2</sup>
2. Neighborhood Parks: led by RPD, this component includes capital improvements to 12 parks with a specific focus on earthquake safety, general physical condition, and the ability to provide basic recreational use.
3. Waterfront Parks: led by the Port of San Francisco, this component consists of 10 capital improvement projects intended to improve waterfront open spaces.

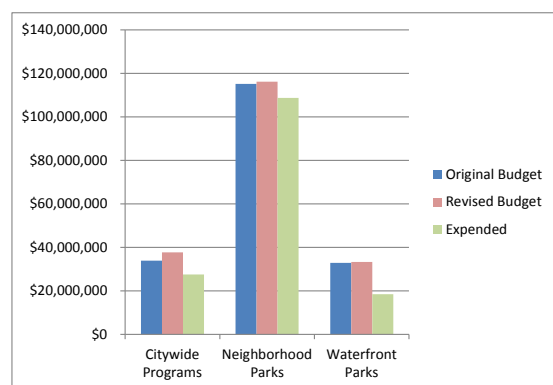
The most significant changes in scope to the 2008 CSNP Bond Program are project level changes to the Mission Dolores (RPD), Mission Playground (RPD), the Community Opportunity Fund (RPD), the Pier 43 Bay Trail Link (Port), and the Bayview Gateway (Port) projects. Changes in scope generally occurred as a result of unforeseen site conditions and the public planning and involvement process.

The Port made significant scope changes to the Crane Cove Park project, where additional funds secured from 2012 bonds allowed the Port to expand the project to address public concerns. Additionally, the Port made substantial scope changes to the Pier 43 Bay Trail Link project when regulatory partner review and the discovery of unforeseen conditions to the Sea Wall resulted in a 25% expansion to the promenade.

### BUDGET

As of March 2015, all components are spending within their original budget. However, RPD and the Port have revised their budgets for various reasons, including unforeseen site conditions and difficulties meeting regulatory requirements. Additional funds are appropriated from a combination of remaining money from previous bonds, grants, and private contributions.

The most significant budget revision is in Citywide Programs (RPD), which increased by 11%. The other two components had revisions amounting to 1% beyond the original budget.



<sup>2</sup>The Community Opportunity Fund allows residents, neighborhood groups, and park advocates to initiate improvements in their parks by matching community nominated projects and funds with private gifts and grants.

## SCHEDULE AND PERCENT COMPLETE

The three components have varying delays ranging from two to three years.

Component	Dept. Lead	Original Completion Date	Projected Completion Date	Variance (days)	% Complete
Citywide Programs	RPD	8/30/2012	12/31/2015	1218	73%
Neighborhood Parks	RPD	3/31/2013	2/28/2016	1064	75%
Waterfront Parks	Port	2/28/2015	5/31/2017	821	50%

### Citywide Programs

RPD's projected completion date is December 2015 for all capital improvements within this component. This is three years beyond the original completion date due to the following reasons:

- **Litigation:** the Playfields Program was delayed by a long environmental review period and repeated appeals of permits and California Environmental Quality Act status.
- **Staffing:** the Trails and Forestry Programs require Operations staff coordination and participation, but they have day to day responsibilities that constrain their time, which results in program delays.
- **Community Opportunity Fund:** Adhering to guidelines for distributing funds, community involvement in project delivery, resources, and funding contributed to delays.
- **Regulatory Delays:** the Restrooms Program encountered delays associated with permit appeals and prolonged environmental review due to preservation issues.

### Neighborhood Parks

All projects within this component are substantially complete with the exception of Mission Dolores Park, Raymond Kimbell Playground, and Beach Chalet Playing Field Replacement – all three remaining projects are currently in construction and are slated for completion by February 2016. The delays in schedule are due to unforeseen site conditions, regulatory requirements (which in the case of the Beach Chalet resulted in costly litigation), and difficulties managing project workloads with current staffing levels.

### Waterfront Parks

Delays in Waterfront Parks resulted largely from the Crane Cove project due to an increase in scope covered by additional funding from the 2012 CSNP Bond, stakeholder input after the initial scoping, delays in the City and Bay Conservation and Development design review process, and complex regulations guiding historic sites.

## CHANGE ORDERS

### Neighborhood Parks and Citywide Programs

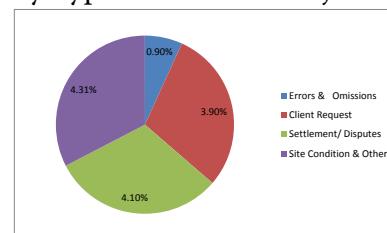
As of March 2015, the total change orders for the RPD-led components were 12.67% of the total base contract amount. RPD considers change orders less than 12-14% of the base contract for these components to be an indicator of good performance.<sup>3</sup> Since RPD tracks change orders for both components together, the chart to the right illustrates the change orders for the two components combined and shows that they are within RPD's standard threshold.

Contract Sum to Date	Base Contract Awarded	Change Orders - Non-Base Contract Costs
\$108,374,495	\$94,647,085	\$13,727,410
	87.33%	12.67%

### Waterfront Parks

The total change orders amount to 13.2% of the base contract. Standard contingency threshold maintained by the Port for change orders is 10% of the base contract amount. As of March 2015, the change orders have exceeded the standard, primarily due to a dispute with the contractor of the Pier 43 Bay Trail Link project. The costs to resolve the dispute amounted to 4.3% of the base contract amount (see Figure 1).

Figure 1: Percent Change Orders by Type for Port-led Projects



<sup>3</sup> In accordance with Chapter 6, RPD goes to their Commission for approval if a change order is in excess of 10 percent.

## 2008 PUBLIC HEALTH AND SEISMIC FACILITIES (SFGH REBUILD)

### INTRODUCTION

In 2008, San Francisco voters passed Proposition A with a nearly 84% approval margin for an \$887.4 million San Francisco General Hospital Rebuild (SFGH Rebuild). As of March 2015, \$786.9 million has been expended and the project is scheduled to complete construction on-schedule by May 2015.

### SCOPE

The 2008 SFGH Rebuild Bond was approved to ensure the availability of the SFGH and Trauma Center in the event of a natural disaster or emergency by building and rebuilding features of the hospital to improve earthquake safety.

Subsequent to voter approval, the 2008 SFGH Rebuild Program was scoped to improve the building to be in full compliance with state laws, standards, and requirements, as well as seismically safe by implementing the following:

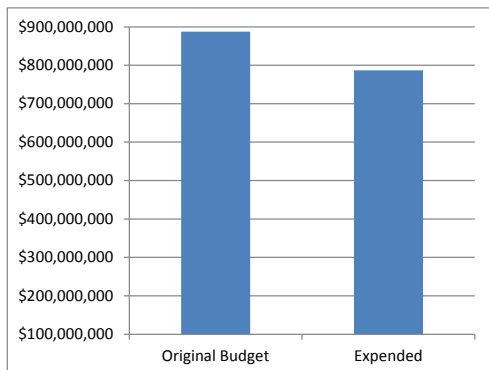
- Service building modifications;
- Site utilities relocation or removing campus utilities;
- Reconfiguring pedestrian and vehicular traffic flow for continued operation of the medical center;
- Replacing the Campus Generator System with two new diesel generators;
- Creating mat foundation and base isolator installation;
- Seismic resistant design thereby increasing capacity; and
- Building out the new 284 bed hospital and outfitting it with major medical equipment and the most state of the art imaging equipment.



San Francisco Public Works (Public Works), in coordination with the Department of Public Health (DPH), is leading the SFGH Rebuild Program. The new facility will reside within the existing campus and will be a total of nine levels with two levels below grade. Since its passage in 2008, the SFGH Rebuild Program has not had any changes to the project scope.

### BUDGET

The Program is spending within the original appropriated project budget of \$887.4 million. As of March 2015 there have not been any budget revisions.



### SCHEDULE AND PERCENT COMPLETE

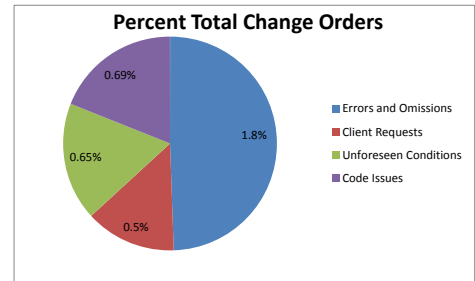
SFGH Rebuild is scheduled for on-time completion. The program began as originally expected in June 2007 and substantial completion is on schedule for May 7, 2015. As of March 2015, the project was 89 percent complete. The building is scheduled to be ready for occupancy in December 2015.

## CHANGE ORDERS

The total construction contract cost is \$682.1 million. Change orders account for 3.65% (\$24.9 million) of the total contract. The majority of the change orders are due to errors and omissions.

Public Works considers change orders for errors and omissions under 3% of the base contract amount to be an indicator of good project performance. Figure 2 shows that 1.8 percent of change orders are errors and omissions, which is well below the 3 percent threshold. Public Works is unable to anticipate the other change order types (client requests, unforeseen conditions, and code issues). Therefore, these change order types are not evaluated based on set thresholds, as they do not provide practical information for improving future operations.

Figure 2



# 2010 EARTHQUAKE SAFETY AND EMERGENCY RESPONSE

## INTRODUCTION

In 2010, voters approved Proposition A with a 79% approval margin for a \$412 million Earthquake Safety and Emergency Response (ESER) Bond. As of March 2015, \$292.4 million has been expended. Of the total 124 individual projects that vary in size and scope, 81 are complete.

## SCOPE

The ESER bond was approved to do the following:

- Improve and/or replace deteriorating cisterns, pipes, and tunnels, and related facilities to ensure firefighters a reliable water supply for fires and disasters;
- Improve and/or replacing neighborhood fire and police stations; and
- Replace certain seismically-unsafe facilities with earthquake-safe buildings.



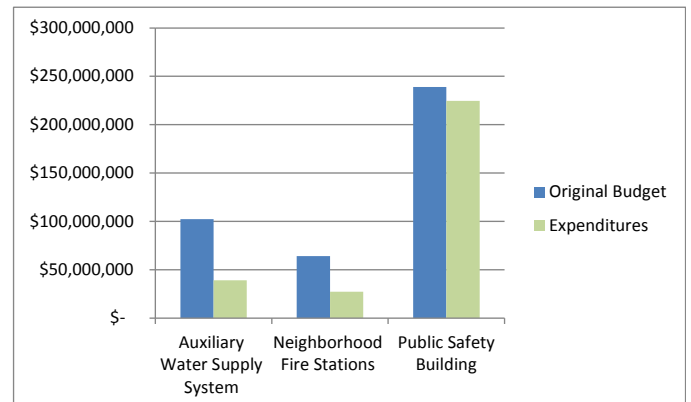
Subsequent to voter approval, the Program was divided into 3 components:

1. Auxiliary Water Supply System (AWSS): led by the Public Utilities Commission (PUC), the 47 AWSS projects consist of two tanks, one reservoir, two pump stations, nine pipe/tunnel projects, and approximately six cistern contracts that cover an estimated 30 cisterns, as well as a comprehensive planning study.
2. Neighborhood Fire Stations (NFS): led by Public Works in coordination with the San Francisco Fire Department (SFFD), the NFS component comprises seismic upgrades, retrofitting, and other health and safety improvements to 23 of the 46 City's Fire Stations.
3. Public Safety Building (PSB): led by Public Works in coordination with the San Francisco Police Department (SFPD), the PSB is a seismically safe replacement facility for the SFPD Headquarters and the Southern District Police Station. This project component also includes the rehabilitation of historic Fire Station 30, which will serve as a new home for the Arson Task Force and provide a meeting space for City and community use.

There have not been any scope changes at the component level; however, AWSS increased scope to a project, Pump Station 1, to include 4 new engines and a new generator. NFS is also experiencing scope changes; specifically Fire Station 5 and 35 are being re-scoped to ensure that the historic structures are properly restored and to address unforeseen conditions within the buildings that were not uncovered during initial scoping.

## BUDGET

As of March 2015, all components are spending within their original budget and departments have not made any formal revisions to projected spending. However, AWSS and NFS identified a need to revise their budgets as a result of changes to the scope of work.



Auxiliary Water Supply System

This component is currently spending within its original budget. However, the PUC identified the need to expand the scope of work for Pump Station 1 to include four new engines and a new generator. The additional \$9.5 million needed to accomplish this revised scope will be provided from ESER 2014 funds.

Neighborhood Fire Stations

As of March 2015, Public Works anticipated revising the original \$64 million budget to \$84 million due to various factors such as initial programming assumptions, market conditions, increased scope, and unforeseen conditions. The specific projects driving the additional costs are Stations 5, 16, and 35. Public Works anticipated mitigating the \$20 million budget increase by applying \$7.1 million from a prior Fire Facility Bond and appropriating \$12.8 million from the ESER 2014 Bond.

Public Safety Building

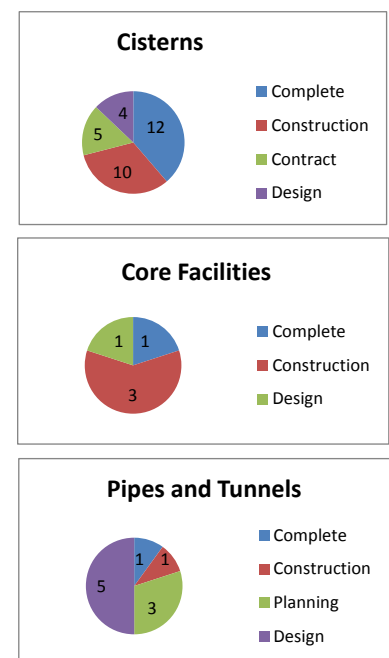
The Public Safety Building is on budget.

**SCHEDULE AND PERCENT COMPLETE**

The AWSS component is scheduled to be complete on time, whereas the remaining two components, NFS and the PSB, are experiencing some schedule delays.

Component	Dept. Lead	Original Completion Date	Actual/Projected Completion Date	Variance (days)	% Complete
Auxiliary Water Supply System (AWSS)	PUC	9/30/2018	9/26/2018	-4	32%
Neighborhood Fire Stations (NFS)	Public Works	5/1/2017	12/31/2018	609	87%
Public Safety Building (PSB)	Public Works	3/13/2014	3/30/2015	382	100%

Figure 3: AWSS Project Status



Auxiliary Water Supply System

All projects within this component are on schedule for completion in September 2018. To track the status of a project, PUC monitors the current phase each project is in, either planning, design, contract (bid and award), construction, or complete. Projects are further broken into 3 types - Cisterns, Core Facilities (pumps/reservoirs), and Pipes and Tunnels. See Figure 3 for the status of the 46<sup>4</sup> AWSS projects as of March 2015.

Neighborhood Fire Stations

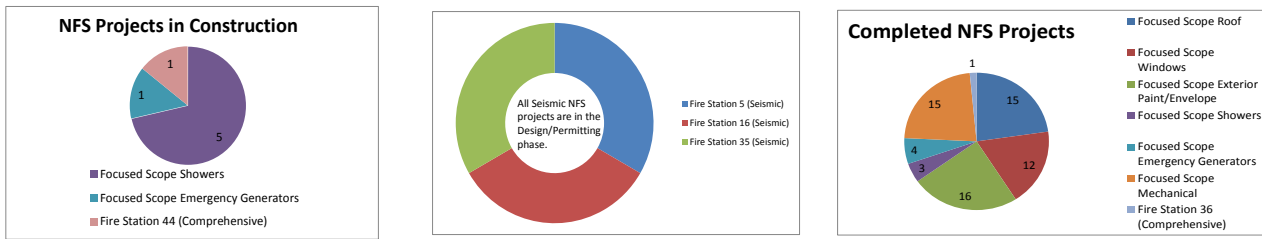
The NFS component is 609 days behind the original schedule. A portion of this delay is due to Fire Station 35 planning that had to await the Warrior's development decision. Once it was determined that the Warriors would not build at Piers 30/32, Public Works was able to begin conceptual scoping for Station 35, which included a historic portion of the seawall, resulting in an increased budget and schedule delays.

For this component, Public Works tracks a project's status (design/permitting, contract, construction or complete) based on its scope of work – whether it is a seismic upgrade, comprehensive extensive improvement to an entire station, or smaller focused scope work that improve specific aspects of a station. See Figure 4 on the next page for project status by phase and type, as of March 2015.

<sup>4</sup> The 47th project is a planning study.

**Figure 4: NFS Project Status by Phase and Type**

Currently there are three NFS projects in construction and three projects in design. The other 66 projects (87%) are complete.



Public Safety Building

The PSB was substantially completed in March 2015, which is one year behind the original scheduled completion. This one year delay is due to 4 main factors:

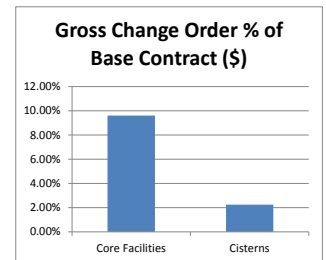


1. Difficulty in coordinating utility relocations;
2. A design error due to conflicting surveys between the developer and the City Surveyor;
3. A progressive release of partially incomplete bid documents to capitalize on favorable market bidding conditions, which eventually resulted in some schedule delays; and
4. A lack of IT coordination during the design phase which caused changes and subsequent delays during construction.

**CHANGE ORDERS**

Auxiliary Water Supply System

The PUC builds in a 10 percent<sup>5</sup> contract contingency to cover change orders and tracks them based on their project type – Cisterns, Core Facilities, and Pipes. The most significant change order is associated with Core Facilities<sup>6</sup>, which is 9.6 percent of the base contract dollar amount (see the figure to the right).



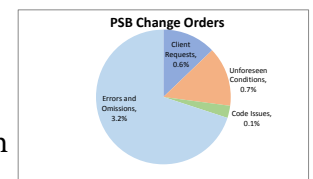
Neighborhood Fire Stations

Public Works did not provide change order data for the NFS component because they are working on developing consistent reporting.

Public Safety Building

Change orders total 4.6% of the base contract for the Public Safety Building.

The figure to the right illustrates the change orders by type for the PSB. Public Works standards for an acceptable change order threshold for large projects is errors and omissions under 3 percent. The PSB project has 3.2 percent errors and omissions, which is just over the standard threshold.



<sup>5</sup>In accordance with Chapter 6, the PUC goes to their Commission for approval if a change order is in excess of 10 percent.

<sup>6</sup>The Core Facilities significant change order percentage is due to including two additional projects after notice-to-proceed issuance. One was an ESER 2014 project, Twin Peaks Reservoir Joint Sealing, that was added to address water conservation needs in light of the current drought concerns. The other, Jones Street Manifold Valve Motorization, was added to improve construction management efficiency. Absent these two added projects, the net change order total is -0.7%, which reflects the sum of change orders attributable to the original awarded work scope.

## 2011 ROAD REPAVING AND STREET SAFETY BOND

### INTRODUCTION

In 2011, San Francisco voters passed Proposition B with a 68% approval margin for a \$248 million Road Repaving and Street Safety Bond (RRSS). As of March 2015, \$122.8 million has been expended and projects vary from on-time completion to 17 months past the estimated completion date.

### SCOPE

The 2011 RRSS Bond was approved to repave deteriorating streets in neighborhoods throughout San Francisco; repair and strengthen deteriorating stairways, bridges and overpasses; improve safety for pedestrians and bicyclists; improve disabled access to sidewalks; and construct and renovate traffic infrastructure to improve SF Municipal Transportation Agency (SFMTA) transit reliability and traffic flow on local streets.

The 2011 RRSS Bond was divided into 5 components:

1. Sidewalk and Accessibility Improvements: led by San Francisco Public Works (Public Works), the component includes 3 sub-programs:

- Accelerated Sidewalk Abatement Program (ASAP) is a complaint-driven program that focuses on repairing 152,000 square feet of damaged sidewalks;
- Sidewalk Inspection and Repair Program (SIRP) is a condition-driven program that will repair 800 square blocks of the City's sidewalks; and
- Curb Ramp Program will upgrade 1,563<sup>7</sup> curb ramps to provide better accessibility in accordance with the Americans with Disabilities Act (ADA).



2. Street Resurfacing: led by Public Works, this component will repave, repair, and reconstruct various street segments to improve surface quality and ensure safety for all road users.<sup>8</sup>

3. Streetscape, Pedestrian Safety, and Bicycle Safety: led by Public Works, the component is comprised of 75<sup>9</sup> projects, including 24 large-scale projects that improve the design quality and street environment, and 51 smaller projects that focus on pedestrian and bicycle safety improvements referred to as Follow the Paving (FTP) projects.

4. Street Structures: led by Public Works, the component will repair a total of 36 out of the City's approximately 350 street structures (including stairways, retaining walls, pedestrian bridges, vehicular bridges, viaducts, and tunnels).

5. Traffic Signal Infrastructure Improvements: led by SFMTA in coordination with Public Works, this component will improve 456 traffic signals in San Francisco.

Changes to the scope of work include an 8% reduction in curb ramps, 8% reduction in number of paved blocks, and 9 of 75 streetscape projects are inactive/cancelled due to feasibility concerns stemming from higher than projected costs, schedule changes due to coordination needs, environmental factors, and/or more extensive public outreach needs.

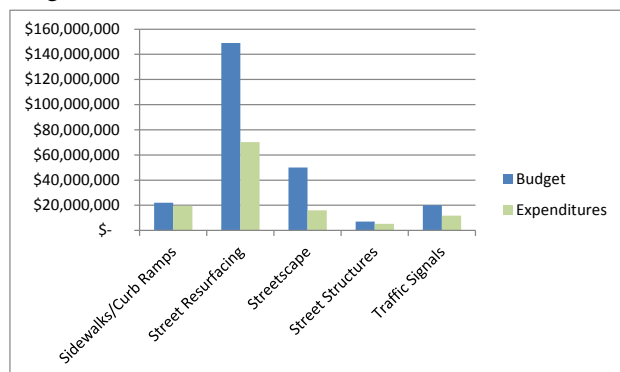
<sup>7</sup>Due to difficult site conditions and steep grades that resulted in higher costs, Public Works reduced the projected total number of curb ramps to be completed under the program. As of March 2015 there are 1,563 curb ramps projected for upgrades to comply with ADA standards, 1,509 (97%) of which were complete with an additional 54 in construction.

<sup>8</sup>Public Works originally planned on repaving 1,389 blocks and has since revised the total blocks to 1,275 as a result of an assessment by project engineers during the design phase.

<sup>9</sup>Streetscape component is projected to complete 66 projects by the end of the Program. The Program originally identified 75 projects; currently 9 have been cancelled or put on-hold/inactive as SFMTA determined most of them were infeasible based on public outreach, environmental review, and other factors.

## BUDGET

All five components are tracking to spend within their original appropriated budget. There have not been any budget revisions as of March 2015.



## SCHEDULE AND PERCENT COMPLETE

Although all components are spending within budget, three out of the five are experiencing delays anywhere from six to seventeen months past their original estimated completion date.

Component	Dept. Lead	Original Completion Date	Actual/Projected Completion Date	Variance (days)	% Complete
Sidewalk and Accessibility Improvements	Public Works	12/31/2014	10/31/2015	304	ASAP: 100% SIRP: 94% Curb Ramps: 97%
Street Resurfacing	Public Works	1/31/2016	6/30/2017	516	54%
Streetscape, Pedestrian and Bicycle Safety Improvements	Public Works	12/31/2017	12/31/2018	365	35%
Street Structures	Public Works	6/30/2015	7/31/2015	31	86%
Traffic Signal Infrastructure Improvements	SFMTA	5/31/2016	5/31/2016	0	61%

### Sidewalk and Accessibility Improvements (Curb Ramps and Sidewalks)

Completion for the curb ramp work is estimated for October 31, 2015, which is 304 days behind schedule for the Sidewalk Accessibility Improvements component. The ten month delay is primarily due to unknown existing site conditions, resulting in increased project costs. To address project cost overruns, Public Works decreased the component's scope.

### Street Resurfacing

The Street Resurfacing component is scheduled for completion in June 2017, which is 516 days behind the original projected completion date. This schedule change is due to coordination efforts between City agencies and divisions to include sewer and water replacement work. As of March 2015, 692 blocks are repaved, which is 54% complete. To date, 85% of blocks paved had water and/or sewer work.

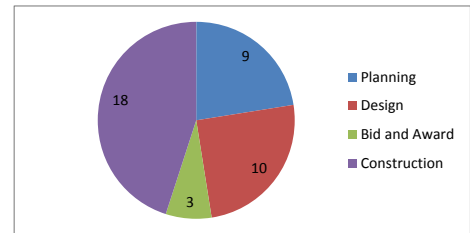
In addition to the number of blocks paved, the Street Resurfacing component's performance is based on the condition of each street, measured by using the Pavement Condition Index (PCI). The PCI, developed by the United States Army Corps of Engineers, is a numerical index used to indicate the general condition of the pavement. The method is based on a visual survey of the number and types of distresses in a pavement, resulting in a numerical value between 0 (worst possible condition) and 100 (best possible condition). Public Works' goal was to improve the PCI score from 65 to 66 by June 2015. As of March 2015, the City's PCI score is 67, which exceeds the original stated goal.

Streetscape, Pedestrian, and Bicycle Safety

This component is scheduled for completion by December 31, 2018 and is one year beyond the original completion estimate. The delay is due to more community outreach needs and project complexity than originally anticipated. Additionally, Public Works and PUC decided to coordinate to include needed water and sewer upgrades, which extended both the design and construction project schedules.

As of March 2015, of the total 75 projects, 26 (35%) are complete, 4 of which are streetscape and 22 are FTP projects. See Figure 5 for the status of Active Streetscape Projects by Phase.

Figure 5: Active Streetscape Projects by Phase



Street Structures

This component is scheduled for completion by July 2015, which is one month behind the original estimated completion date. As of March 2015, this component is 86 percent complete.



Traffic Signal Improvements

As of March 2015, this component is 61 percent complete and is on schedule to complete, as originally planned, in May 2016.

**CHANGE ORDERS**

Public Works did not provide change order data for RRSS components because they are working on developing consistent reporting to assess change orders for this Program.

## 2012 CLEAN AND SAFE NEIGHBORHOOD PARKS

### INTRODUCTION

In November 2012, San Francisco voters approved Proposition B with a 72 percent approval margin for a \$195 million Clean and Safe Neighborhood Parks (CSNP) Bond. As of March 2015, \$18.4 million has been expended. Of the total 30 projects in the Program, one is complete.

### SCOPE

The 2012 CSNP Bond was passed to continue the work of the 2008 CSNP bond to make the following improvements: 1) fix and improve park restrooms citywide, 2) eliminate serious earthquake safety risks in neighborhood and waterfront park facilities, 3) renovate parks and playgrounds in poor physical condition, 4) replace dilapidated playfields, 5) repair nature trail systems in the City's parks, and 6) attract matching community and philanthropic support.

Subsequent to voter approval, the 2012 CSNP Bond was divided into 4 components:

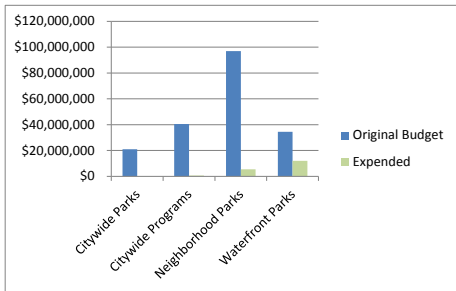
1. Citywide Parks: led by the Recreation and Parks Department (RPD), the component focuses on the restoration of natural features (such as lakes and landscapes), the building of recreational assets (such as playgrounds and courts), and the improvement of connectivity and access (such as roads and pedestrian safety) of 3 parks.<sup>10</sup>
2. Citywide Programs: led by RPD, this component consists of 5 sub-programs:
  - Failing Playgrounds - renovate, replace, and remediate the most dilapidated of the 170 plus playgrounds in San Francisco;
  - Forestry projects - continue the work that began in the 2008 CSNP bond by assessing and repairing trees;
  - Water Conservation - correct water usage issues found in a 2009 PUC Audit, reduce waste, and improve irrigation in sites throughout City parks;
  - Trails - repair and reconstruct park nature trails, pathways, and connectivity in Golden Gate and John McLaren Park; and
  - Community Opportunity Fund - expand upon the existing Community Opportunity Fund of the 2008 CSNP bond program by continuing to fund projects and establishing a Partnership Projects fund which will support larger-scale projects.
3. Neighborhood Parks: led by the RPD, the component includes capital improvements to 15 parks that were selected through community feedback, physical condition, amenities offered, seismic safety risk, and neighborhood density.
4. Waterfront Parks: led by the Port of San Francisco (Port), this component has 7 projects that will improve new waterfront areas as well complete the work on Crane Cove Park from the 2008 CSNP bond work.

As of March 2015, Joe DiMaggio Playground, the first RPD project in construction in the 2012 CSNP bond program, has undergone changes in scope due to unforeseen site conditions. Based on the needed scope change for this first project, RPD anticipates that costs for the remaining 14 Neighborhood Parks will rise due to a more competitive construction environment than expected. RPD is exploring bidding options to allow for flexibility in the scope of work without exceeding budget.

<sup>10</sup> Golden Gate Park, McLaren Park, and Lake Merced Park have been identified by RPD as parks that serve the entire the City.

## BUDGET

As of March 2015, all of the 2012 CSNP Program components are spending within their original budget. There have not been any budget revisions as of March 2015.



## SCHEDULE AND PERCENT COMPLETE

As of March 2015, all of the 2012 CSNP Program components are in the planning and design phase and are scheduled to be complete on-time; this Program has one project complete as of March 2015.

Component	Dept. Lead	Original Completion Date	Projected Completion Date	Variance (days)	% Complete
Citywide Parks	RPD	11/30/2018	11/30/2018	0	0%
Citywide Programs	RPD	11/30/2018	11/30/2018	0	0%
Neighborhood Parks	RPD	11/30/2018	11/30/2018	0	0%
Waterfront Parks	Port	1/31/2018	1/31/2018	0	14%

## CHANGE ORDERS

### Citywide Parks, Citywide Programs, Neighborhood Parks

As of March 2015, RPD has not processed any change orders for these components.

### Waterfront Parks

The standard contingency threshold maintained by the Port for change orders is 10% of the base contract amount. As of March 2015, the total change order amount is just over 2% of the base contract.

## **Appendix A: Summary of 2014 Bond Programs**

### 2014 Earthquake Safety and Emergency Response (ESER)

The \$400 million 2014 ESER bond will continue the work of the 2010 ESER Program to enhance earthquake safety and the City's emergency response capabilities. The Program will ensure that police and fire facilities and infrastructure are in operation after a major earthquake or disaster. Specifically, this bond will seismically upgrade more fire stations, continue to repair the emergency firefighting water supply system, upgrade infrastructure and seismic safety in police stations, relocate (to Mission Bay) and seismically upgrade the motorcycle police, crime lab, and the medical examiner's facility.

### 2014 Transportation

The \$500 million 2014 Transportation Bond will improve transit by making it more reliable, safe, efficient, and accessible. Obsolete Muni facilities and vehicle maintenance will be improved. The bond will invest in pedestrian safety improvements on high-injury corridors and install modern traffic lights to improve safety and mobility, as well as construct "complete streets" that enable comfortable and safe travel for all road users.

## Appendix B: Definition of Terms

- Actual Completion Date: Date the last project was completed within a component
- Bond Program: Overall bond improvements, including all of the individual components
- Component: A sub-program within a Bond Program
- Change Orders: work that is added to or deleted from a contract's original scope of work, which then alters the original contract dollar amount and/or completion date. Change orders are classified by the following types
  - Client Requests: Contractor and client request changes due to changing factors such as costs, schedule, any alterations to the existing contract
  - Errors and Omissions: Change in design, detailing, or documentation that requires repurchase of materials, reconstruction of work, revisions to make the project work properly and is the result from incorrect information or a lack of information or information that could/should have been included initially in the contract documents
  - Unforeseen Conditions: Unavoidable or unanticipated occurrences that affect construction
  - Code Issues: Code compliance issues may include accessibility, safety, or other types of code related problems that could prevent building occupancy
- Expended: Includes all money that has been spent, does not include encumbrances (money set aside for future spending)
- Original Budget: Total bond funding anticipated to be spent derived during the component scoping phase
- Original Completion Date: Estimated completion date of the last project within a component derived during the component scoping phase
- Projected Completion Date: The estimated completion date of the last project as of March 2015
- Revised Budget: Total bond funding anticipated to be spent as of March 2015

## **Appendix C: Methodology**

This report reviews the City and County of San Francisco's five large Bond Programs. Each Program includes multiple components. In all but one instance (SFGH Rebuild), a component is broken into numerous projects, or programmatic work that covers countless capital improvements. In order to provide a high-level review of the City's G.O. Bond Programs, the City Services Auditor asked departments to provide budget and schedule data on each individual bond component based on the definitions defined within this report. In some instances, departments were able to provide additional performance measure data, such as number of projects in a given phase or the Pavement Condition Index.

The data presented in this report was collected from departmental reporting systems, Quarterly Bond Program Reports, websites, and bond Program accountants. In addition to the project data collected from the departments, the Controller's Office interviewed all six of the Bond Program Managers to document lessons learned, discuss project accomplishments, and to identify upcoming milestones. In some instances, bond component Project Managers were present during these interviews.