



RESOLUTION APPROPRIATING \$180,000 IN PROP K FUNDS FOR THE CAPITAL PROJECT DELIVERY REVIEW AND BEST PRACTICES STUDY

WHEREAS, At the April 23, 2021 Transportation Authority Board meeting, Transportation Authority Chair Mandelman and Vice Chair Peskin requested that staff lead a review of best practices for delivery of large scale and/or complex capital projects to improve overall project delivery performance of transportation capital projects in the city; and

WHEREAS, Transportation Authority staff worked with the Chair and Vice Chair to prepare a proposed scope of work for the Capital Project Delivery Review and Best Practices Study to conduct a review of current city experience, lessons learned and industry best practices for large scale/complex capital project delivery, oversight and management and has requested appropriation of \$180,000 in Prop K local transportation sales tax funds to fund the study; and

WHEREAS, Given the proposed scope focuses on capital project delivery, staff recommended funding the study with "off-the-top" Prop K funds rather than funds from any specific category of the Prop K Expenditure Plan; and

WHEREAS, Appropriation of the requested funds requires concurrent amendment of the 2019 Prop K Strategic Plan to increase the amount of Prop K funds available for the Transportation Authority's Prop K project delivery oversight efforts by \$180,000 in Fiscal Year 2021/22; and

WHEREAS, The requested Strategic Plan amendment would result in a negligible increase (0.0010%) to the assumed level of financing costs for the 30-year Prop K program; and

WHEREAS, After reviewing the requests, Transportation Authority staff recommended appropriating \$180,000 in Prop K funds for the Capital Project Delivery Review And Best Practices Study, as described in Attachment 3 and detailed in the attached allocation request form, which includes staff recommendations for the Prop K appropriation amount, required deliverables, timely use of funds requirements, special conditions, and Fiscal Year Cash Flow Distribution Schedule; and



WHEREAS, There are sufficient funds in the Capital Expenditures line item of the Transportation Authority's approved Fiscal Year 2021/22 budget to cover the proposed actions; and

WHEREAS, In order for staff to immediately begin work on the proposed study given the upcoming Board recess, the proposed appropriation has been agendized for approval on its first read at the July 28, 2021 meeting; now, therefore, be it

RESOLVED, That the Transportation Authority hereby amends the Prop K Strategic Plan to increase the amount of Prop K funds available for the Transportation Authority's Prop K project delivery oversight efforts by \$180,000 in Fiscal Year 2021/22, as summarized in the attached allocation request form; and be it further

RESOLVED, That the Transportation Authority hereby appropriates \$180,000 in Prop K funds for the Capital Project Delivery Review and Best Practices Study, as summarized in Attachment 3 and detailed in the attached allocation request form; and be it further

RESOLVED, That the Transportation Authority finds the allocation of these funds to be in conformance with the priorities, policies, funding levels, and prioritization methodologies established in the Prop K Expenditure Plan and the Prop K Strategic Plan; and be it further

RESOLVED, That the Transportation Authority hereby authorizes the actual expenditure (cash reimbursement) of funds for these activities to take place subject to the Fiscal Year Cash Flow Distribution Schedule detailed in the attached allocation request form; and be it further

RESOLVED, That the Capital Improvement Program of the Congestion Management Program is hereby amended.

Attachments:

1. Request Summary
2. Brief Project Description
3. Staff Recommendations
4. Prop K Allocation Summary - FY 2021/22
5. Allocation Request Form

Attachment 1: Summary of Requests Received

						Leveraging			
Source	EP Line No./ Category ¹	Project Sponsor ²	Project Name	Current Prop K Request	Total Cost for Requested Phase(s)	Expected Leveraging by EP Line ³	Actual Leveraging by Project Phase(s) ⁴	Phase(s) Requested	District(s)
Prop K	off-the-top	SFCTA	Capital Project Delivery Review and Best Practices Study ⁴	\$ 180,000	\$ 180,000	NA	0%	Planning	Citywide
TOTAL				\$ 180,000	\$ 180,000	0%	0%		

Attachment 1: Summary of Requests Received

Footnotes

- ¹ "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2019 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2017 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit) or the Traffic Congestion Mitigation Tax (TNC Tax) category referenced in the Program Guidelines.
- ² Acronyms: SFCTA (Transportation Authority)
- ³ "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.
- ⁴ "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K or non-Prop AA funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 2: Brief Project Descriptions ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Requested	Project Description
off-the-top	SFCTA	Capital Project Delivery Review and Best Practices Study	\$ 180,000	Review of current city experience/lessons learned and industry best practices for large scale/complex capital project delivery, oversight, and management to improve overall project delivery performance of transportation capital projects. Requested by Transportation Authority Chair Mandelman and Vice Chair Peskin. Draft final report and recommendations will be complete by February 2022 and project team will present them to the CAC and Board for approval in March 2022.
TOTAL			\$180,000	

¹ See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations ¹

EP Line No./ Category	Project Sponsor	Project Name	Prop K Funds Recommended	Recommendations
off-the-top	SFCTA	Capital Project Delivery Review and Best Practices Study	\$ 180,000	Prop K Strategic Plan Amendment: Appropriation of the requested Prop K funds requires concurrent amendment of the 2019 Prop K Strategic Plan to increase the amount of Prop K funds available for the Authority's Prop K project delivery oversight efforts by \$180,000 in Fiscal Year 2021/22 (i.e., these funds would come "off-the-top" rather than from any specific Expenditure Plan line).
TOTAL			\$ 180,000	

¹ See Attachment 1 for footnotes.

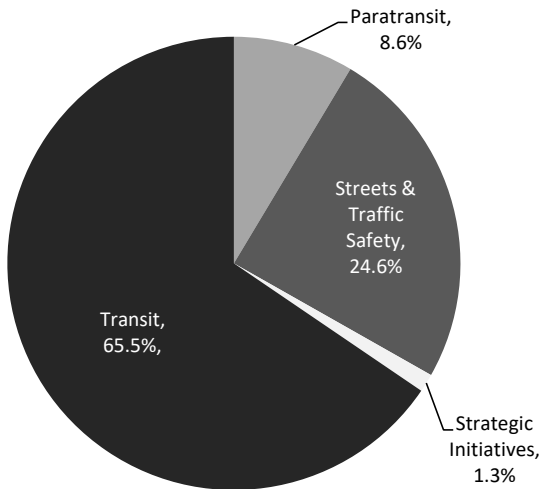
Attachment 4.
Prop K Allocation Summary - FY2021/22

PROP K SALES TAX

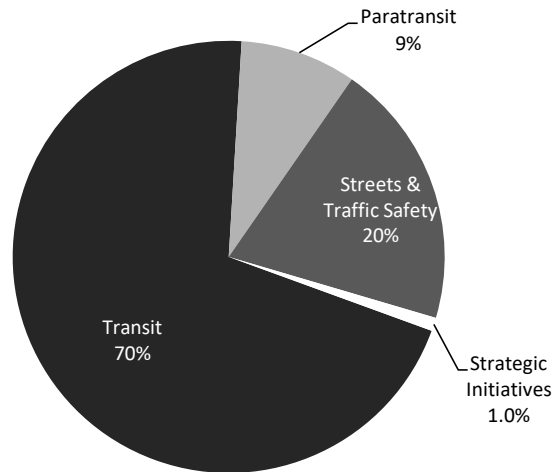
FY2021/22	Total	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Prior Allocations	\$ 26,454,988	\$ 16,441,381	\$ 9,098,607	\$ 915,000	\$ -	\$ -
Current Request(s)	\$ 180,000	\$ 180,000	\$ -	\$ -	\$ -	\$ -
New Total Allocations	\$ 26,634,988	\$ 16,621,381	\$ 9,098,607	\$ 915,000	\$ -	\$ -

The above table shows maximum annual cash flow for all FY 2021/22 allocations and appropriations approved to date, along with the current recommended allocation(s) and appropriation.

**Investment Commitments,
per Prop K Expenditure Plan**



Prop K Investments To Date



Attachment 5
San Francisco County Transportation Authority
Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	Capital Project Delivery Review and Best Practices Study
Grant Recipient:	San Francisco County Transportation Authority

EXPENDITURE PLAN INFORMATION

PROP K Expenditure Plans	Transportation/Land Use Coordination
Current PROP K Request:	\$180,000
Supervisory District	Citywide

REQUEST

Brief Project Description

Review of current city experience/lessons learned and industry best practices for large scale/complex capital project delivery, oversight, and management to improve overall project delivery performance of transportation capital projects. Requested by Transportation Authority Chair Mandelman and Vice Chair Peskin.

Detailed Scope, Project Benefits and Community Outreach

See attached task-based scope description.

Project Location

NA

Project Phase(s)

Planning/Conceptual Engineering (PLAN)

5YPP/STRATEGIC PLAN INFORMATION

Type of Project in the Prop K 5YPP/Prop AA Strategic Plan?	New Project
---	-------------

Justification for Necessary Amendment

Appropriation of the requested Prop K funds requires concurrent amendment of the 2019 Prop K Strategic Plan to increase the amount of Prop K funds available for the Authority's Prop K project delivery oversight efforts by \$180,000 in Fiscal Year 2021/22 (i.e., these funds would come "off-the-top" rather than from any specific Expenditure Plan line).

CAPITAL PROJECT DELIVERY BEST PRACTICES STUDY

Introduction

On April 23, 2021, the Transportation Authority held a hearing on the City Controller's office San Francisco Municipal Transportation Authority (SFMTA) Capital Programs Audit findings (dated February 16, 2021) as well as SFMTA's Improving Project Delivery Update (dated April 13, 2021). Transportation Authority Chair Mandelman and Vice Chair Peskin subsequently requested a review of current city experience/lessons learned and industry best practices for large scale/complex capital project delivery, oversight, and management to improve overall project delivery performance of transportation capital projects.

The proposed Project Delivery Review would consist of 3 activities:

1. Project Delivery Roundtable – Convene a group of senior administrators and policy experts for a kick-off workshop meeting to review past and current experience in large scale capital project delivery and the factors that may be relevant to that experience including but not limited to: city policies, regulations, management practices and administrative rules/procedures. Group would also meet to hear draft findings/recommendations of the Study.
 - a. Participants: Chair Mandelman and Vice Chair Peskin, SFMTA/San Francisco International Airport (SFO)/San Francisco Public Utilities Commission (SFPUC)/ San Francisco Public Works (SFPW) Director(s)/Commissioner(s), current and past City Administrators, Current and past Controllers, SPUR, and UC Berkeley or other academic experts
2. Case Studies – Synthesize existing published reports on complex local/regional projects and develop new case studies of 3-4 projects using original interviews with key staff and other research as needed, including construction contractors' interviews
 - a. Harvey Milk Terminal & SFO Runway Projects (28R/28L) (SFO)
 - b. YBI East Side Ramps (Transportation Authority or SFCTA)
 - c. Past and present CCSF projects TBD
3. Sponsors Workshops/Interviews - Convene relevant City of San Francisco agency stakeholders, namely, SFMTA, SFPW, SFPUC, SFO, San Francisco Controller's Office, and San Francisco Mayor's Office to discuss experience, best practices, and lessons learned as well as to develop an overall approach to improving the delivery of major / complex transportation capital projects in San Francisco. Other potential regional and state agencies may also be consulted or invited to participate in the Sponsors Workshops such as Caltrans, the Metropolitan Transportation Commissioner/Bay Area Toll Authority (MTC/BATA), BART, SPUR, and Bay Area County Transportation Authority (BACTA) agencies.

The Transportation Authority recognizes the technical and institutional complexity of project delivery, the importance of delivering projects on time and within budget, the need to minimize schedule and budget overruns, the limited available transportation funding resources, and the overwhelming need to take a "lessons learned approach" in order to develop comprehensive recommendations to change the City project delivery processes and to restore public confidence in the ability to deliver large scale/complex Prop K and other tax-payer funded transportation projects.

Expert Interviews

The Transportation Authority proposes to assemble a team of key agency staff and outside expert consultant services support to advise in their respective fields of project management, financial systems controls, construction management and change management.

CAPITAL PROJECT DELIVERY BEST PRACTICES STUDY

Key Agency Participants:

Jeff Tumlin, Tom McGuire, Siew Chen – SFMTA
Alaric Degrafinried, Alberto Ko, John Thomas, Ron Alameida – SFPW
Michael Carlin, Alan Johanson Head of CM – SFPUC
Ivar Satero, Geoff Neumayr – SFO
Robert Beck – Treasure Island Development Authority
SF Controllers Office staff

Other/Outside Experts

Rudy Nothenberg – former SF City Administrator
Andrew Fremier – MTC/BATA
Ethan Elkind – UC Berkeley Boalt School of Law

Overview of Approach

This effort includes the compilation and review of pertinent City-led project development documentation including engineering, environmental, right of way, project funding/financing plans, construction, and current City Department oversight structures and management practices to inform recommendations for a proposed program or institutional/organizational changes to implement future City-led transportation projects more effectively. Input into this process will come from key agency staff and consultant experts well versed in the project delivery, financing and governmental structures that contribute to the successful implementation of transportation projects. Case studies, including Lessons Learned analysis on comparable projects will be assembled for agency and expert panel's review and comment. Interviews will be conducted with involved sponsoring agencies, and a series of workshops will be conducted with selected consultant experts for input in the areas of delivery, financing and oversight requirements. Draft recommendations will be prepared and discussed with stakeholders and experts for delivery, finance, management, and oversight

This work is divided into four main tasks:

- Task 1: Study Kick-Off Meeting and Subsequent Stakeholder Engagement
- Task 2: Development of Lessons Learned from Case Studies
- Task 3: Develop Project Delivery Project Management Policy and Oversight Options
- Task 4: Preliminary Recommendations and Preparation of a Final Report

We anticipate holding 6-8 workshops for this assignment.

Task 1 Study Kick Off Meeting and Agency Stakeholder Interviews

- a. Kick Off Meeting/Project Delivery Roundtable: The Transportation Authority, with assistance from a Partnering expert facilitator, will conduct a kickoff meeting with policymakers, key City and County of San Francisco administrators, and agency officials and consultant experts. The meeting will include a presentation of the proposed approach, schedule, assignment of stakeholder responsibilities and expectations for the six-month effort as well as a presentation on organizational health change management goals and objectives. This group will also hear draft findings and recommendations toward the end of the study. **Kick-off meeting early September 2021 subject to key participants availability.**
- b. Sponsors Workshop(s), Agency Stakeholder Interviews: The Transportation Authority consultant team will also hold a Sponsors Workshop and conduct interviews of key major project stakeholders to better understand overall existing conditions, challenges and opportunities, including initial input of best practices for oversight and project delivery.

CAPITAL PROJECT DELIVERY BEST PRACTICES STUDY

Key Agency Stakeholders:

SFMTA, SFPW, SFPUC, SFO, San Francisco Controller's Office, San Francisco Mayor's Office, SFCTA

Deliverable:

Meeting, Workshop and Interview Summaries

Task 2 Lessons Learned Case Studies, Project Best Practices Review

The Transportation Authority consultant team will:

- a. Prepare, review and present summary case studies for at least three large-scale/complex transportation projects. These may include:
 - a. Harvey Milk Terminal (SFO)
 - b. YBI Ramps (SFCTA)
 - c. Others TBD

In developing these case studies, the Transportation Authority consultant team will rely upon recent public audits conducted for these programs and input from national sources, agency stakeholders and a team of expert consultants. The case studies will serve to inform subsequent workshops and recommendations. The analysis will identify potential best practices and lessons learned in the areas of oversight, decision-making, program management, project delivery (including contracting methods), risk management, and construction management/construction.

Other Potential Participants:

Caltrans, MTC/BATA, BART, UC Berkeley, San Francisco Bay Area Planning and Urban Research Association (SPUR), others TBD

Deliverable:

1. ***Draft and Final Lessons Learned Case Studies Best Practices Memorandum – November 2021***

Task 3 Develop Policy and Oversight Options/Recommendations

Agency stakeholders and Transportation Authority consultants will review current City agency policy and oversight arrangements and processes, and identify alternative structures, capabilities and protocols to enhance or strengthen these as appropriate, given the roundtable discussions, lessons learned and key interviews identified in Tasks 1 and 2. This task includes design, facilitation and participation in workshops with city agency stakeholders and outside experts, as necessary. They will address policies (procurement, capital planning/coordination, etc.), organizational structures and oversight approaches based on best practices, both looking at ways to strengthen existing institutional structures and approaches, as well as alternative structures and approaches.

Deliverable:

1. ***Draft and Final Governance and Oversight Options Memorandum – December 2021/January 2022***

CAPITAL PROJECT DELIVERY BEST PRACTICES STUDY

Task 4 Preliminary Recommendations and Final Report

A draft Final Report will be prepared incorporating all study activities, findings and recommendations for Project Delivery Roundtable review and stakeholder/sponsor review. A final report will be prepared for presentation to the Transportation Authority Community Advisory Committee and Board.

Deliverables:

- 1. Draft Final Report – January 2022***
- 2. Final Report – February 2022***

Budget: \$180,000

Consultant: \$150,000 (facilitation, expert interviews, advisory services)

SFCTA Staff: \$30,000

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	Capital Project Delivery Review and Best Practices Study
Grant Recipient:	San Francisco County Transportation Authority

ENVIRONMENTAL CLEARANCE

Environmental Type:	N/A
----------------------------	-----

PROJECT DELIVERY MILESTONES

Phase	Start		End	
	Quarter	Calendar Year	Quarter	Calendar Year
Planning/Conceptual Engineering (PLAN)	Jul-Aug-Sep	2021	Jan-Feb-Mar	2022
Environmental Studies (PA&ED)				
Right of Way				
Design Engineering (PS&E)				
Advertise Construction				
Start Construction (e.g. Award Contract)				
Operations (OP)				
Open for Use				
Project Completion (means last eligible expenditure)			Jul-Aug-Sep	2022

SCHEDULE DETAILS

Schedule:	Start	Finish
Task: 1	Sept 2021	March 2022
Task: 2	Oct 2021	Nov 2021
Task: 3	Nov 2021	Jan 2022
Task: 4	Jan 2022	Feb 2022

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	Capital Project Delivery Review and Best Practices Study
Grant Recipient:	San Francisco County Transportation Authority

FUNDING PLAN - FOR CURRENT REQUEST

Fund Source	Planned	Programmed	Allocated	Project Total
Prop K off-the-top	\$180,000	\$0	\$0	\$180,000
Phases In Current Request Total:	\$180,000	\$0	\$0	\$180,000

COST SUMMARY

Phase	Total Cost	PROP K - Current Request	Source of Cost Estimate
Planning/Conceptual Engineering	\$180,000	\$180,000	Staff estimate based on scope of work
Environmental Studies	\$0		
Right of Way	\$0		
Design Engineering	\$0		
Construction	\$0		
Operations	\$0		
Total:	\$180,000	\$180,000	

% Complete of Design:	0.0%
As of Date:	07/06/2021
Expected Useful Life:	N/A

MAJOR LINE ITEM BUDGET - Capital Project Delivery Review and Best Practices Study

BUDGET SUMMARY

Agency	Task 1 - Study Kick Off Meeting/ Interviews	Task 2 - Lessons Learned, Case Studies, Review	Task 3 - Develop Policy/ Oversight Recommendations	Task 4 - Preliminary Recommendations and Final Report		Total
SFCTA	\$ 3,000	\$ 12,000	\$ 7,500	\$ 7,500		\$ 30,000
Consultant	\$ 15,000	\$ 60,000	\$ 37,500	\$ 37,500		\$ 150,000
Total	\$ 18,000	\$ 72,000	\$ 45,000	\$ 45,000		\$ 180,000
Rounded						

LABOR DETAILS

SFCTA	Hours	Base Hourly Rate	Overhead Multiplier	Fully Burdened Hourly Cost	FTE	Total
Executive/Deputy Director	70	\$ 102.47	\$ 2.50	\$ 254.39	0.034	\$ 17,807
Communications Director	10	\$ 53.10	\$ 2.50	\$ 132.87	0.005	\$ 1,329
Rail Program Manager	60	\$ 71.93	\$ 2.50	\$ 179.97	0.029	\$ 10,798
Total	140				0.067	\$ 29,934

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	Capital Project Delivery Review and Best Practices Study
Grant Recipient:	San Francisco County Transportation Authority

SFCTA RECOMMENDATION

Resolution Number:		Resolution Date:	
Total PROP K Requested:	\$180,000	Total PROP K Recommended	\$180,000

SGA Project Number:		Name:	Capital Project Delivery Best Practices
Sponsor:	San Francisco County Transportation Authority	Expiration Date:	09/30/2022
Phase:	Planning/Conceptual Engineering	Fundshare:	100%

Cash Flow Distribution Schedule by Fiscal Year

Fund Source	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	Total
PROP K off-the-top	\$180,000	\$0	\$0	\$0	\$0	\$180,000

Deliverables

- Quarterly progress reports (QPRs) shall include % complete of the funded phase, % complete by task, work performed in the prior quarter, work anticipated to be performed in the upcoming quarter, and any issues that may impact schedule, in addition to all other requirements described in the Standard Grant Agreement.
- Upon completion of Task 2 (anticipated November 2021) provide a draft memorandum on Lessons Learned Case Studies Best Practices
- Upon completion of Task 3 (anticipated December 2021) provide a draft memorandum on Governance and Oversight Options.
- Project team shall present the Draft Final Report to the CAC and Board for approval (anticipated January/February 2022).
- Upon completion (anticipated February 2022), provide Final Report.

Special Conditions

- The recommended appropriation is contingent upon amendment of the Prop K Strategic Plan. See attached Strategic Plan amendment for details.

Notes

- Project updates may be calendared on an occasional basis in the Transportation Authority Board and/or CAC meeting agendas, at the discretion of the Board Chair and Executive Director. Updates may be consent or discussion items with presentation by the project team. In either case Transportation Authority staff will be in attendance to present or answer questions from Board and CAC members, if requested.

Metric	PROP K	TNC TAX	PROP AA
Actual Leveraging - Current Request	0.0%	No TNC TAX	No PROP AA
Actual Leveraging - This Project	NA	No TNC TAX	No PROP AA

San Francisco County Transportation Authority Allocation Request Form

FY of Allocation Action:	FY2021/22
Project Name:	Capital Project Delivery Review and Best Practices Study
Grant Recipient:	San Francisco County Transportation Authority

EXPENDITURE PLAN SUMMARY

Current PROP K Request:	\$180,000
--------------------------------	-----------

- 1) The requested sales tax and/or vehicle registration fee revenues will be used to supplement and under no circumstance replace existing local revenues used for transportation purposes.

Initials of sponsor staff member verifying the above statement:

SR

CONTACT INFORMATION

	Project Manager	Grants Manager
Name:	Eric Cordoba	Anna LaForte
Title:	Deputy Director for Capital Projects	Deputy Director for Policy & Programming
Phone:	(415) 522-4812	(415) 522-4805
Email:	eric.cordoba@sfcta.org	anna.laforte@sfcta.org

**2019 Prop K Strategic Plan Proposed
Amendment 6
Programming and Finance Costs (YOE \$'s)**

EP No.	EP Line Item	Total Available Funds	Percent of Available Funds Spent on Financing	Total Programming & Finance Costs	
TOTAL STRATEGIC PLAN - as Amended		\$ 2,795,502,776	8.52%	Programming	\$ 2,484,111,808
				Finance Costs	\$ 238,108,913
				Total	\$ 2,722,220,721
TOTAL STRATEGIC PLAN - as Proposed		\$ 2,795,352,626	8.52%	Programming	\$ 2,484,111,808
				Finance Costs	\$ 238,123,585
				Total	\$ 2,722,235,393
TOTAL STRATEGIC PLAN - Change		\$ (150,150)	0.0010%	Programming	\$ -
				Finance Costs	\$ 14,672
				Total	\$ 14,672



Memorandum

AGENDA ITEM 7

DATE: July 22, 2021
TO: Transportation Authority Board
FROM: Eric Cordoba – Deputy Director for Capital Projects
SUBJECT: 07/27/2021 Board Meeting: Appropriate \$180,000 in Prop K Funds for the Capital Project Delivery Review and Best Practices Study

RECOMMENDATION

☐ Information ☒ Action

Appropriate \$180,000 of Prop K funds to the Transportation Authority for Capital Project Delivery Review and Best Practices Study

SUMMARY

On April 23, 2021, the Transportation Authority held a hearing to discuss the City Controller's office San Francisco Municipal Transportation Agency (SFMTA) Capital Programs Audit findings (dated February 16, 2021) as well as SFMTA's Improving Project Delivery Update (dated April 13, 2021). Chair Mandelman and Vice Chair Peskin subsequently requested a review of current city experience/lessons learned and industry best practices for large scale/complex capital project delivery, oversight, and management to improve overall project delivery performance of transportation capital projects. The effort, described in detail in the attached allocation request form, would consist of 3 major activities: a Project Delivery Roundtable, case studies, and sponsor workshops/interviews with relevant city agency stakeholders, namely SFMTA, San Francisco Public Works (SFPW), San Francisco Public Utilities Commission (SFPUC), and San Francisco Airport (SFO), San Francisco Controller's Office, and the Mayor's Office. We may also consult with and/or invite other regional and state agencies to participate as well. We anticipate completing the draft final report in February 2022 and bringing it to the Board for approval in March 2022. This item is calendared for approval on first read in order for work to begin immediately rather than waiting until September, given the upcoming Board recess.

- ☒ Fund Allocation
- ☒ Fund Programming
- ☐ Policy/Legislation
- ☐ Plan/Study
- ☐ Capital Project Oversight/Delivery
- ☐ Budget/Finance
- ☐ Contract/Agreement
- ☐ Other:



BACKGROUND

The Transportation Authority recognizes the technical and institutional complexity of project delivery, the importance of delivering projects on time and within budget, the need to minimize schedule and budget overruns, the limited available transportation funding resources, and the overwhelming need to take a “lessons learned approach” in order to develop comprehensive recommendations to improve the City project delivery processes and to restore public confidence in the ability to deliver Prop K and other taxpayer funded transportation projects.

Given that background, we believe it is advantageous to directly engage with the existing San Francisco Collaborative Partnering Steering Committee (SFCPSC) that was formed in June 2016 by the six City departments delivering public works construction projects and members of the construction industry organizations who deliver projects within the City and County of San Francisco. Staff from the Port of San Francisco, *SFO, SFMTA, SFPW, SFPUC*, and San Francisco Recreation & Parks, as well as leaders from key Industry associations joined the SFCPSC with the intention of improving construction culture on projects city wide. The goal of this endeavor is to build on efforts of the existing SFCPSC with strategic partnering to create a consensus building system to identify barriers to collaboration and co-create to amend policy, practices and procedures.

DISCUSSION

The specific proposed Capital Project Delivery Review and Best Practices effort would consist of 3 major activities:

1. **Project Delivery Roundtable** – Convene a group of senior administrators and policy experts for a kick-off workshop meeting to review past and current experience in large scale capital project delivery and the factors that may be relevant to that experience including but not limited to city policies, regulations, management practices and administrative rules/procedures. The group would also meet to hear draft findings/recommendations of the Study.
 - a. Participants: Chair Mandelman and Vice Chair Peskin, SFMTA/SFO/SFPUC/DPW Director(s)/Commissioner(s), current and past City Administrators, current and past Controllers, SPUR, and UC Berkeley or other academic experts
2. **Case Studies** – Synthesize existing published reports on complex local/regional projects and develop new case studies of 3-4 projects using original interviews with key staff and other research as needed, including construction contractors’ interviews:
 - a. Harvey Milk Terminal & SFO Runway Projects (28R/28L) (SFO)
 - b. YBI East Side Ramps (Transportation Authority)
 - c. Past and present City and County of San Francisco (CCSF) projects TBD
3. **Sponsors Workshops/Interviews** – Convene relevant CCSF agency stakeholders, namely, SFMTA, SFPW, SFPUC, SFO, San Francisco Controller’s Office, and San Francisco Mayor’s Office to discuss experience, best practices, and lessons learned as well as to develop an overall approach to improving the delivery of major / complex transportation capital projects in San



Francisco. Other potential regional and state agencies may also be consulted or invited to participate in the Sponsors Workshops: Caltrans, the Metropolitan Transportation Commission/Bay Area Toll Authority (MTC/BATA), BART, SPUR, and Bay Area County Transportation Agencies (e.g. sales tax authorities, congestion management agencies).

To carry out this scope of work, we propose to assemble a team of key agency staff and outside expert consultant services support to advise in their respective fields of project management, financial systems controls, construction management and change management. Proposed participants are listed below:

Key Agency Participants:

Jeffrey Tumlin, Tom McGuire, Siew Chen, SFMTA
Alaric Degrafinried, Alberto Ko, John Thomas, Ron Alameida, SFPW
Michael Carlin, Alan Johanson Head of Construction Management, SFPUC
Ivar Satero, Geoff Neumayr, SFO
Robert Beck, Treasure Island Development Authority
SF Controller's Office staff

Outside Experts:

Rudy Nothenberg, former SF City Administrator
Andrew Fremier, MTC/BATA
Ethan Elkind, UC Berkeley Boalt School of Law

This effort, as identified in more detail in the allocation request form (Attachment 5), includes the compilation and review of pertinent City-led project development documentation including engineering, environmental, right of way, project funding/financing plans, construction, and current City agency oversight structures and management practices to inform recommendations for a proposed program or institutional/organizational changes to implement future City-led transportation projects more effectively. Input into this process will come from key agency staff and consultant experts well versed in the project delivery, financing and governmental structures that contribute to the successful implementation of transportation projects. Case studies, including Lessons Learned analysis on comparable projects will be assembled for agency and expert panel's review and comment. Interviews will be conducted with involved sponsoring agencies, and a series of workshops will be conducted with selected consultant experts for input in the areas of delivery, financing and oversight requirements. Draft recommendations will be prepared and discussed with stakeholders and experts for delivery, finance, management, and oversight

This work is divided into four main tasks with deliverables as noted below:

Task 1: Study Kick-Off Meeting and Subsequent Stakeholder Engagement

Deliverable: Meeting, Workshop and Interview Summaries

Task 2: Development of Lessons Learned from Case Studies

Deliverable: Lessons Learned Case Studies Best Practices Memorandum

Task 3: Develop Project Delivery Project Management Policy and Oversight Options

Deliverable: Governance and Oversight Options Memorandum



Task 4: Preliminary Recommendations and Preparation of a Final Report

Deliverable: Final Report

We anticipate holding 6-8 workshops for this assignment leading to a final report with recommendations that we anticipated presenting to the Board for adoption in March 2022.

FINANCIAL IMPACT

The recommended action would appropriate \$180,000 in Prop K funds. The appropriation would be subject to the Fiscal Year Cash Flow Distribution Schedule contained in the enclosed Allocation Request Form.

Appropriation of the requested Prop K funds requires concurrent amendment of the 2019 Prop K Strategic Plan to increase the amount of Prop K funds available for the Transportation Authority's Prop K project delivery oversight efforts by \$180,000 in Fiscal Year 2021/22 (i.e., these funds would come "off-the-top" rather than from any specific Expenditure Plan line), resulting in a negligible increase in finance costs of 0.0010% to the overall Prop K program.

Sufficient funds are included in the adopted Fiscal Year 2021/22 annual budget.

CAC POSITION

This item will be agendaized for the July 28th CAC meeting as an information item. The draft final report will be presented to the CAC for input and action prior to presenting it to the Board for adoption.

SUPPLEMENTAL MATERIALS

- Attachment 1 – Request Summary
- Attachment 2 – Brief Project Description
- Attachment 3 – Staff Recommendations
- Attachment 4 – Prop K Allocation Summary – FY 2021/22
- Attachment 5 – Allocation Request Form