The City of SAN DIEGO

Fiscal Year 2018 State of the Capital Improvement Program (CIP) Report

And

101 Ash Street Project Update

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Introduction

Purpose and Scope

This report summarizes the milestone activities involved with the delivery of the City of San Diego Capital Improvement Program (CIP) during Fiscal Year 2018 (July 1, 2017 through June 30, 2018), and provides an overview of the CIP, highlighting significant projects, CIP process improvements, accomplishments, and a look ahead.

An update on the progress of the 101 Ash Street CIP project is also included in this report.

Capital Improvement Program (CIP)

The City's CIP is a compilation of individual capital improvement projects financed by annually adopted funding source budgets, as proposed by the Mayor and approved by the City Council. CIP projects provide improvements, or additions to, the City's infrastructure assets and systems, and are designed to enhance overall quality of life and public safety. The CIP is fundamental to the Mayor's Strategic Plan Goal of Working in Partnership with Communities to Achieve Safe and Livable Neighborhoods by investing in infrastructure.

The Public Works Department (PWD) coordinates Facilities Condition Assessments (FCA) with various Asset Managing Departments (AMD) to determine baseline capital requirements targeted to maintain existing assets at certain service levels. The results of those assessments are then reviewed and evaluated for potential future additions to the CIP portfolio.

Executing the CIP portfolio, which includes refurbishing or rehabilitating existing structures and constructing new facilities, is complex due to the volume and variety of funding sources, asset types, and project delivery methods. Projects are identified through coordination with the AMDs, the Capital Improvement Program Review and Advisory Committee (CIPRAC), and input from Community Planning Groups, Elected Officials, and other stakeholders. Once capital requirements are identified, CIP projects are prioritized according to Council Policy 800-14 - Prioritizing Capital Improvement Program Projects (2013). PWD Engineering & Capital Projects Branch serves as the project manager for the majority of CIP projects for the AMDs, including:

- Environmental Services Department (ESD)
- Fire-Rescue
- Library
- Parks and Recreation
- Police
- Public Utilities Department (PUD)
- Real Estate Assets Department (READ), including Airports Division and Stadium
- Transportation & Storm Water Department (TSWD)
- PWD, Facilities Maintenance Division

For current and additional detail about the City's CIP projects, the City maintains the CIP website on CIP projects and policies: http://www.sandiego.gov/cip/index.shtml.

101 Ash Street CIP Project Update

This project provides for the architectural, electrical, plumbing, asbestos mitigation, and mechanical tenant improvements to the 19 floors of 101 Ash Street building for multiple City Departments, including tenants of the City Operations Building and former tenants of 1010 2nd Ave Building (Executive Complex). Improvements will increase the building's occupancy and bring into compliance with current Americans with Disabilities Act (ADA) standards. The project will maximize employee centralization to accommodate approximately 1,157 employees from various City Departments.

During the first quarter of Fiscal Year 2019, Public Works advertised for construction bids for the tenant improvements and a contract was awarded to West Coast Construction. Areas that would be impacted by the tenant improvement process were cleared of furniture and prepared for construction. West Coast Construction received the Notice to Proceed and construction began on September 24, 2018. The tenant improvements are estimated to be completed in the summer of 2019 and employees moved in by early fall 2019.

Real Estate Assets Department incurred $73,202 in charges for furniture removal in the first quarter of Fiscal Year 2019. Real Estate Assets also approved a quote for $272,731 with G/M Business Interiors for removing furniture from floors 2 – 16. That work began at the beginning of October and should be completed by the end of November 2018. Below in Tables 1 and 2 provides additional detail of the project costs and project-to-date activity. PWD is continuing efforts to prepare 101 Ash Street for use by City staff. The preconstruction meeting was held on September 11, 2018, and work scheduled to begin in fall 2018. The project will take an estimated 11 months to complete.

Table 1 - 101 Ash Street Project Improvement

Project Costs through 5/14/2018	$1,340,485
Selected Scenario Capital Costs	$22,187,160
10% Contingency	$2,352,765
Total Capital Costs	$25,880,410
Financing Costs	$2,730,774
Moving In Costs	$1,510,960
Total Financing & Moving Costs	$4,241,734
TOTAL COSTS	$ 30,122,144

Table 2 – 101 Ash Street Project-To-Date Activity (through September 2018)

Expenditures	$1,447,662
Pre-Encumbrances	$343,845
Encumbrances (7 vendors)	$17,737,845
FY19 Construction Expenditure Projections	$18,809,398
FY19 Furnishings, Fixtures, and Equipment Expenditure Projections	$1,237,650

CIP Project Recognition and Awards

Multiple City of San Diego CIP projects were recognized by professional organizations, including the American Public Works Association (APWA), Construction Management Association of American (CMAA), and the American Society of Civil Engineers (ASCE) in Fiscal Year 2018. Table 3 provides a listing of awards received during Fiscal Year 2018.

Table 3 – Fiscal Year 2018 CIP Project Awards

Torrey Meadows Neighborhood Park	APWA Honor Award
San Ysidro Community Park ADA Improvements	APWA Honor Award
Coast Blvd Emergency Stairway Replacement	APWA Honor Award
Jean Drive Storm Drain Replacement	APWA Honor Award
Canyonside Recycled Water Pump Station Emergency	APWA Honor Award
MBC Chemical Systems Improvements	APWA Honor Award
Rue Chantemar Storm Drain Replacement	APWA Honor Award
Sewer Group 721	APWA Honor Award
60th Street and Vale Way Traffic Circles	APWA Honor Award
Civita Park	APWA Honor Award
Hector Ave Emergency Storm Drain	APWA Project of the Year
Talmadge Historic Gates	APWA Project of the Year
Poway Road Bike Path	APWA Project of the Year
Avenida de La Playa Emergency Storm Drain Project	APWA Honor Award CMAA Honorable Mention
Linda Vista Skate Park	APWA Project of the Year, Honor Award
North Torrey Pines Road Access Ramp	APWA Project of the Year, Honor Award
University Village Tot Lot	APWA Project of the Year, Honor Award
Larsen Field ADA Improvements	APWA Project of the Year
Streamview Drive Improvements Project	APWA Honor Award
SR-163/Clairemont Mesa Blvd Interchange Phase 2	APWA Project of the Year
Tecolote Canyon 8-Inch Sewer Main Replacement	APWA Project of the Year
Alta La Jolla Drainage Repair Phase 2	AGC Build San Diego Award
Skyline Hills Branch Library	AGC National Build America Award

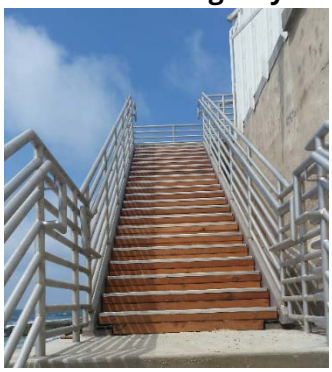
Torrey Meadows Neighborhood Park

Torrey Meadows Neighborhood Park is a five-acre neighborhood park in Torrey Highlands adjacent to a proposed elementary school, and includes street improvements and a comfort station.

San Ysidro Community Park ADA Improvements

This park received ADA upgrades including accessible street parking, pedestrian curb ramps, path of travel improvements, accessible safety surfacing, and accessible drinking fountains. A playground was also installed.

Coast Blvd Emergency Stairway Replacement



The existing wooden staircase at Coast Blvd in La Jolla was destroyed by a storm in January 2016, limiting lifeguard access to the beach. The project team utilized creative design and construction techniques to enable the new staircase to withstand high tides and minimize its environmental impacts.

Jean Drive Storm Drain Replacement

PWD installed of 185 linear feet of reinforced concrete pipe and repaired a collapsed slope. The project restored the eroded slope and built a new outfall with a properly sized inlet and energy dissipater to prevent future flooding or erosion.

Canyonside Recycled Water Pump Station Emergency

This project repaired the three pump motors and provided moisture protection to the interior of the pump station to prevent future leaks.

MBC Chemical Systems Improvements

This project improved the electrical, mechanical, structural, and instrumentational components of the Metro Biosolids Center (MBC) chemical building, improving the reliability, flexibility, and safety of the treatment plant.

Rue Chantemar Storm Drain Replacement

The Rue Chantemar project replaced 203 linear feet of deteriorated corrugated metal pipe with reinforced concrete pipe in a canyon near Scripps Miramar Ranch. A specially designed headwall and concrete energy dissipater was installed to prevent further erosion.

Sewer Group 721

PWD replaced 10,313 linear feet of concrete pipe and replaced it with larger diameter PVC pipe in Ocean Beach. New concrete alleys and 11 ADA compliant curb ramps were also installed. The project was scheduled to avoid the summer construction moratorium.

Hector Ave Emergency Storm Drain

PWD replaced 160 linear feet of corrugated metal pipe after it had failed, resulting in a 100 foot long, 15-foot wide slope failure behind Hector Ave. The existing pipe was replaced with one made of reinforced concrete. The project also included cleanouts, slope restoration, and revegetation.

Talmadge Historic Gates

PWD restored 15 Talmadge historic sidewalk gates and the associated lighted fixtures at the community entrance and built three new gates at the Talmadge traffic circle mini-park. Financial contributions were made by the Talmadge Maintenance Assessment District.

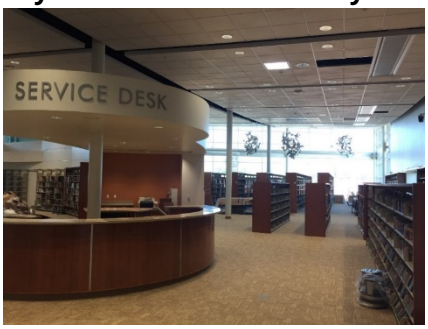
Poway Road Bike Path

The Poway Road Bicycle Path replaced the existing sidewalk along the south side of Poway Road from the Interstate 15/Poway Road interchange to Sabre Springs Parkway with the 10-foot wide class-1 bicycle path. The project also installed a chain link fence on the outside edge of the bike path to provide a safe corridor for cyclists and pedestrians.

Avenida de La Playa Emergency Storm Drain Project

Following a catastrophic storm event in January 2016, PWD reconstructed 600 feet of reinforced box culvert and a cut- off wall. The project was complicated by its location near the coast, which necessitated dewatering and required schedule restrictions during the busy summer months. The project team split the project in phases to allow the contractor to complete portions of the project on a reduced timeline. Precautions were taken during construction to prevent dry weather flows from reaching the beach and threatening an area of special biological significance.

Skyline Hills Branch Library



The new Skyline Hills Branch Library replaced and older structure with a Leadership in Engineering and Environmental Design (LEED) Certified building, with amenities including a children & teens area, computer lab, multi-purpose room, and reading patio.

Linda Vista Skate Park

The new skate park, one of the largest in San Diego County, opened in January 2018. This project included the construction of a multi-generational skate park at the existing Linda Vista Community Park. The park was partially funded by a grant from the Tony Hawk Foundation.

North Torrey Pines Road Access Ramp

PWD installed an access ramp under the North Torrey Pines Bridge to replace a portion of the pedestrian pathway that had collapsed due to erosion. PWD completed the project on an extremely tight schedule to finalize the project prior to the summer beach construction moratorium.

University Village Tot Lot

The University Village Tot Lot provides a new play area designed for children between two and five years of age. The project also includes play structures, climbing boulders, path of travel accessibility improvements, rubberized and sand safety surfaces, and storm water facilities.

Larsen Field ADA Improvements

The improvements brings the park into conformance with ADA standards. Other improvements including new lighting, drought-tolerant landscaping, and upgrades to two existing tot lots.

Streamview Drive Improvements Project

The safety and capacity improvements on Streamview Drive from 54th Street to College Avenue will reduce excessive speeds, increase safety, and enhance the visual aesthetics of the area.

Juan Street Concrete Street and Water Pipeline Replacement

This project improved the existing condition of Juan Street between Taylor Street and Sunset Road. Improvements included a new concrete roadway, sidewalk, driveway aprons, concrete gutters, and ADA compliant curb ramps. A new storm drain system along Juan Street was installed.

SR-163/Clairemont Mesa Blvd Interchange Phase 2

The Clairemont Mesa Blvd / SR163 interchange was upgraded to six-lane prime arterial standard. The improvements consisted of converting the ramp configuration to a partial cloverleaf and widening Clairemont Mesa Blvd to six lanes to Kearny Mesa Rd, similar to the east side of the interchange. The project also included a signal modification at Clairemont Mesa Blvd and Kearny Mesa Road, removing the eastbound free right-turn, installing curb, gutter, and sidewalk, paving, drainage improvements, and lane striping.

Tecolote Canyon 8-Inch Sewer Main Replacement

PWD installed an 8-inch sewer main and support structure across the Tecolote Open Space Park in the Linda Vista and Clairemont Mesa communities. The project will reduce maintenance requirements, improve reliability, and upgrade the system to current regulatory standards. The support structure was designed to minimize environmental impacts.

CIP Project Highlights

Pure Water

Pure Water San Diego is an integrated water and wastewater capital effort that will provide a safe, secure, and sustainable local water supply by turning recycled wastewater into drinkable water through the use of advanced purification technology. At full build-out, Pure Water will provide 83 million gallons per day of potable water, a third of the City's forecasted water need. Diverting more water for recycling will reduce the amount of treated wastewater discharged to the ocean and potentially eliminate the possibility of a regulatory requirement for over $1.8 billion of upgrades to the Point Loma Wastewater Treatment Plant. The project phases are expected to be completed by December 31, 2035 with the first phase expected to be substantially completed in 2023. In the Fiscal Year 2018, $52.3 million was expended on planning and design for all the Pure Water pipelines, treatment facilities, and pump stations. The following milestones were achieved:

- North City Pure Water Facility, North City Water Reclamation Project Expansion, MBC Improvements, and Miramar Reservoir Pump Station projects reached the 100% design level
- Progress was made on the North City Renewable Energy Project Request for Proposal
- Morena Pump Station and Conveyance project advanced to 90% design level

In addition, studies to assess the potential impacts of integrating purified water into the existing water and wastewater system continued and research at the North City Demonstration Pure Water Facility (Demonstration Facility) to increase efficiency and answer design questions related to life-cycle cost savings and operational stability of future full-scale facilities were conducted. The Pure Water Program directly contributes to the City's Climate Action Plan and the City's Strategic Goal of increasing water independence.

Miramar Water Treatment Plant Clearwell Improvements

The Miramar clearwell project is driven by the need to replace aging infrastructure that was starting to deteriorate and had the potential to fail and compromise the water distribution system. City staff determined that replacement of the two Miramar clearwells, built in 1959 and 1974, was imminently necessary. The Miramar Clearwell Improvements became the first project in the Water CIP Master Plan prioritization due to structural stability concerns. The project will support the Pure Water Project and include a 1 MW photovoltaic system, landscaping, and low-lift pump station, and a new maintenance facility and guard house.

Interior of New Clearwell

The project construction is 52% complete, with an estimated completion date of late 2020. The contract budget is $120 million, with $90 million awarded to the construction contractor. The Miramar Water Treatment Plant will remain in full operation during construction.

Parks and Recreation

Parks and Recreation strives to meet the City's goal to work in partnership with all communities to achieve safe and livable neighborhoods. In 2016, Honorable Mayor Kevin Faulconer committed to the opening of 50 new or improved park sites throughout the City within five years. The Mayor's 50 Parks in Five Years Program incorporates 'Play All Day,' an expansion of joint-use facilities in cooperation with San Diego Unified School District. A total of 21 new or improved parks have been opened to date. Listed below are the 10 new or improved parks opened during Fiscal Year 2018.

1. Del Mar Mesa Neighborhood Park
2. Linda Vista Skate Park
3. Mira Mesa Community Park Expansion
4. Old San Ysidro Fire Station Mini Park
5. Park de la Cruz Skate Park
6. Piazza Famiglia
7. Southcrest Trails Neighborhood Park
8. Torrey Meadows Neighborhood Park
9. Waldo D. Waterman Mini Park
10. Wightman Street Neighborhood Park

Facilities Maintenance CIP Support

The PWD Facilities Maintenance Division is responsible for the maintenance and major rehabilitation of City buildings and other structures. The Division completed the Fire Station 19 Temporary Trailers project and the Gaslamp Square Park Comfort Station ADA Modifications. In addition, the Division successfully implemented the Infrastructure Asset Management (I AM) system, a single integrated, state-of-the-art system that will provide proactive asset lifecycle and mobile capabilities.

West Mission Bay Bridge

The West Mission Bay Drive Bridge project begin construction activities in July 2018 and is expected to be completed in Fiscal Year 2022. The project will replace the existing bridge with a larger structure featuring more vehicle capacity and separate bike lanes.

Mission Bay Bridge span rendering

Downtown Mobility

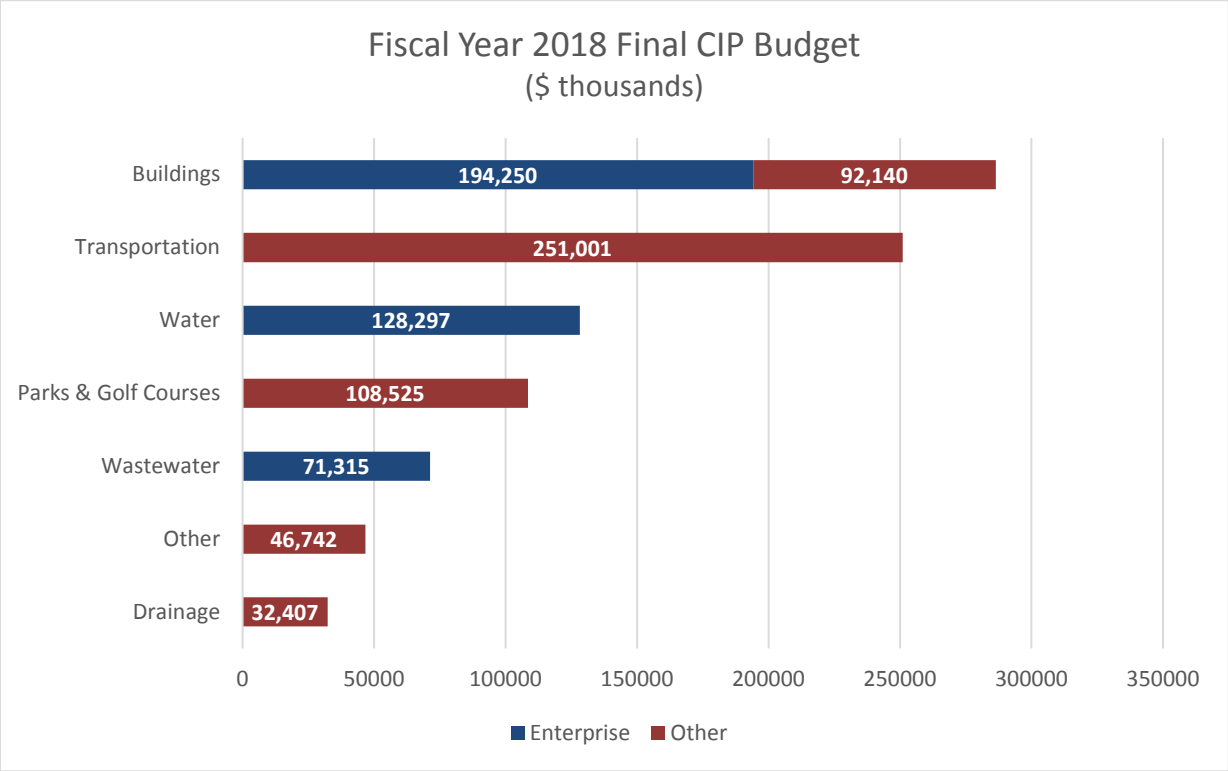
The Downtown San Diego Mobility Plan effort was approved in 2016 with extensive community involvement and public outreach during the planning review process. The Plan recommended the implementation of enhanced pedestrian, bicycle, and parking facilities along designated streets in the Downtown Community Area. The Downtown Mobility Plan will also provide enhanced connectivity to the surrounding Communities. The preliminary engineering for the Downtown Complete Streets Implementation started in January, 2018. The Project was divided into three Phases based on the complexity, outside permits, and available funding. Phases 1 and 2 include segments of J Street, C Street, Beech Street, 6th Avenue, Park Boulevard, and Pacific Highway. The Project's scope of work will include the implementation of new 1 and 2 way cycle tracks, flexible post delineators, traffic signal modifications, parking reconfigurations, striping, signage, curb ramps, and street resurfacing. The project's design for Phases 1 and 2 started in March 2018 and will be completed in February 2019.

CIP Funding and Expenditures

Over the past several fiscal years, the CIP has benefitted from the progressive growth and continued addition of new funding to support new and on-going projects. The Fiscal Year 2018 Adopted Capital Improvements Program Budget was $475.6 million and an additional $327.4 million of funding was anticipated to be received during the fiscal year. The Adopted Budget allocates existing funds and anticipated revenues to both new and continuing projects in the City's multi-year CIP funded by a variety of sources, including, but not limited to, water and sewer enterprise funds, TransNet, development impact fees (DIF), and park improvement funds. Transportation projects are primarily funded by TransNet, which may also fund transportation components of other CIP projects in the right-of-way. Landfills, airports, and golf project types are funded by enterprise funds. Parks, and other building projects such as police, fire, and library buildings, compete for scarce resources, including development impact fees and the City's General Fund.

As the fiscal year progressed, funds were programmed to projects that were ready to commence or continue with funding which resulted in adjustments throughout the year through the application of Appropriation Ordinance authorities, City Council approved consolidation actions, and capital bonds acquired. These various adjustments resulted in the final Fiscal Year 2018 CIP Budget totaling $924 million[1]. Figure 1 displays the final Fiscal Year 2018 budget by asset group.

Figure 1: Fiscal Year 2018 CIP Budget by Asset Group (final)



[1] This final amount includes the allocation increase of Commercial Paper Bond of $80 million and Tobacco Settlement Revenue Bond of $23.6 million, among other adjustments.

TransNet

TransNet is a half-cent countywide sales tax that helps fund congestion relief and transportation improvement related projects throughout the City. During Fiscal Year 2018, total TransNet expenditures, including Regional Transportation Congestion Improvement Program (RTCIP) funds, were $40.3 million. Of this amount, $24.3 million was expended in the CIP. Cash management strategies are contributing to the TransNet cash spend-down, and efforts to program TransNet funds for existing high priority projects will continue. This cash management effort has accelerated contract awards and expenditures against TransNet balances.

Infrastructure Fund

The City established a dedicated fund to address Infrastructure funding gaps following the approval of Proposition H in 2016. Funds were first allocated in the Fiscal Year 2018 budget, which included $17.8 million to infrastructure maintenance and capital improvements. $6.4 of this million was dedicated to road maintenance and slurry seal activities and $11.4 million dedicated to the CIP, including facility, drainage, and transportation improvements. As of June 30, 2018, $7.5 million had been expended from the Infrastructure Fund. Exhibit A lists FY 2018 activities funded by the Infrastructure Fund.

General Fund Bonds for Capital Improvement

The City has issued lease revenue bonds for capital projects to finance the improvement and replacement of General Fund assets such as streets, sidewalks, storm water infrastructure, and buildings. With the exception of Deferred Capital Bond Series 3 issued in April 2015, all other Deferred Capital Bonds funds were expended prior to the start of Fiscal Year 2018. As of June 30, 2018, $117.0 million of the $120 million (or 98%) had been expended from Bond Series 3, bringing the cumulative expenditure for all deferred capital bond issuances to nearly the full $330.0 million issued. As of June 30, 2018, a total of 238 projects have been completed with deferred capital bond proceeds.

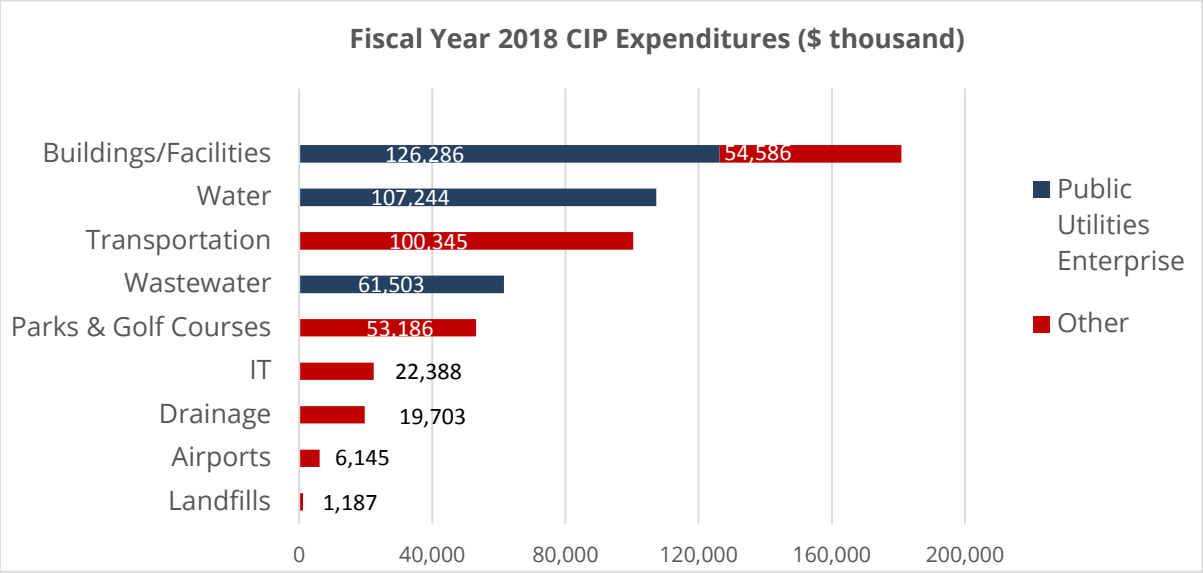
On May 15, 2018, City Council authorized the creation of a General Fund Commercial Paper program and approved an increase in the Fiscal Year 2018 CIP budget in the amount of $80 million. In addition, the City issued $23.6 million in Tobacco Settlement Revenue backed bonds to fund capital projects in Fiscal Year 2018. Table 4 displays a summary of all capital bond proceed activities through Fiscal Year 2018. A complete listing of all projects funded by capital bonds is presented in Exhibit B.

Table 4 – General Fund Capital Bond Program Activity as of June 30, 2018 (in millions)

	Deferred Capital Bond (Series 3- lease revenue)	Commercial Paper (lease revenue)	Tobacco Settlement Revenue Bonds
Amount Issued	$120.0	$80.0	$23.6
Encumbrance	$3.0	$0.0	$0.2
Expenditures	$117.0	$1.5	$0.6

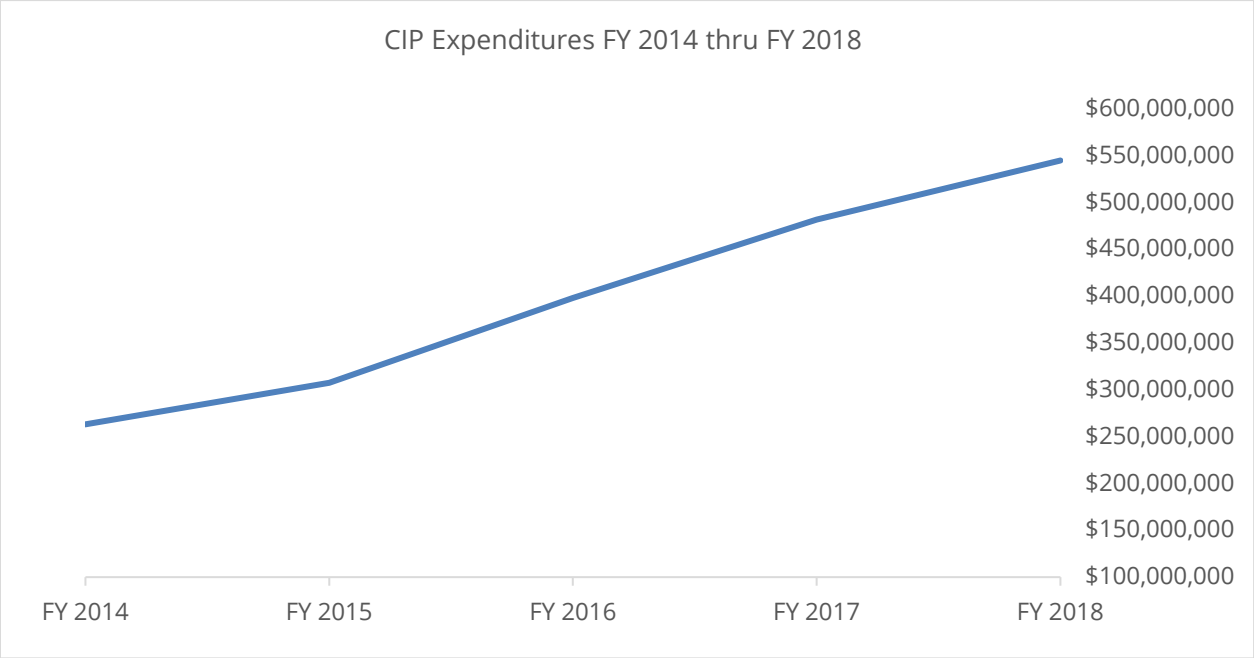
Approximately $552.6 million was expended on CIP projects in Fiscal Year 2018, an increase of $57.6 million over Fiscal Year 2017. Exhibit C details CIP expenditures and encumbrances by project. Figure 2 summarizes CIP expenditures and encumbrances by asset types.

Figure 2: CIP Expenditures by Asset Types



CIP project expenditure activity has increased significantly since Fiscal Year 2014. While expenditures have increased across all categories, the trend has largely been driven by new City initiatives such as Infrastructure Asset Management (I AM) San Diego and Pure Water, as well as spending growth in Parks and Recreation, road repair, and sewer pipeline work. CIP Program expenditures over the past six years are represented in Figure 3.

Figure 3: CIP Expenditures Fiscal Years 2014-2018



Industry Outreach Efforts

PWD continues to increase outreach and awareness of CIP projects and contracting opportunities, as required by Council Policy 000-31 Capital Improvement Program Transparency, by hosting regularly scheduled meetings with Small Local Business Enterprises/Emerging Local Business Enterprises (SLBE/ELBE) firms and the consulting and construction industries. Table 5 lists the Fiscal Year 2018 outreach events.

Table 5 - Outreach Meetings through June 30, 2018

Meetings Title	# of Meetings	Attendance
SLBE/ELBE & MACC Networking Outreach Event	1	49
Consultant Industry Meeting	3	293
Construction Industry Meeting	3	120
SLBE/ELBE Meeting	3	131
Public Works, Transportation & Storm Water and County Paving Event	1	72
Pure Water & Water/Wastewater Construction Networking Expo	1	87

The City, joined by Honorable Councilmember Mark Kersey, hosted a Pure Water & Water/Wastewater Construction Networking Expo in August 2017. The event was an opportunity for contractors to get an inside look at the major improvement projects that will be offered as part of the Pure Water and Water/Wastewater CIP projects. The City also partnered with the County of San Diego and hosted the 2018 Street Repair Contracting Event in March 2018. The event was an opportunity for contractors to get an inside look at the upcoming street repair contracting opportunities that will be offered as part of the City and County's efforts to repair our street networks. This event also outlined how these projects will be implemented, and how contractors can partner together in order to bid on upcoming projects.

Benchmarking Efforts

Since 2001, the City has participated in the California Multi-Agency CIP Benchmarking Study (Study) with San Francisco, Sacramento, Oakland, San Jose, Long Beach, and Los Angeles. San Diego's design-bid-build project delivery method performance is benchmarked against these cities and is used as a platform to evaluate municipal capital project development best management practices.

The Study, which is prepared on a calendar-year cycle, collects CIP performance data on soft costs (planning, design, and construction management) versus hard costs (construction costs) and the processes used to deliver capital projects. This data is compared among participating agencies, statistical analyses are performed, and observed results and trends are discussed with all agencies to improve performance execution, and to incorporate Best Management Practices. The most recent Study, released in December 2017, showed that the soft costs compared to construction costs decreased for the City of San Diego from 53% in calendar year 2015 to 51% in 2016. The average rate for all participating agencies rate remained at 48% in 2016 and 2015. The CIP program will continue to participate in the Benchmarking study as part of an ongoing effort to identify opportunities to streamline PWD operations.[2]

[2] The Study, and Studies from previous years, are available online at: http://eng.lacity.org/techdocs/cabm

CIP Streamlining Efforts

PWD is continuously expanding its capacity to manage an increasing CIP Program through various streamlining measures. Table 6 summarizes these ongoing efforts that occurred during the fiscal year.

Table 6 – CIP Streamlining Measure Efforts for Fiscal Year 2018

Streamlining Measure	Description
Consultant Procurement Streamlining Estimated completion Fiscal Year 2019	Consultant Procurement Streamlining (CPS) is an effort to reduce the time required to secure consultant services consisting of three initiatives. 1. Early Input Worksheet: Developing a checklist to assist with identifying best procurement methods to deliver the CIP project. 2. Billing Rate Database: Creating a database of consultant billing rates to compare and evaluate fees during consultant negotiations. 3. Scope of Services Template: Establishing a library for a range of asset types to serve as a reference when soliciting services for new projects.
Site Development Permits	PWD continues to collaborate with the Planning and Development Services departments to develop a strategy to exempt CIP projects from the Site Development Permit Process, while ensuring all environmental and regulatory requirements are met. This effort will result in efficiencies in the project delivery timeline and implemented planned during Fiscal Year
Electronic Contract Change Order	PWD is routing change orders electronically in contrast to the sequential hard-copy process. The pilot evaluation completed in April 2018.
Consultant Performance Evaluations	PWD is establishing procedures of performance evaluations for A&E consultants to improve subsequent consultant selection processes.

CIP Program Performance

Performance Measures and Statistics

Performance measures are used to monitor progress during a fiscal year. There are a total of 1,369 projects in the CIP Program, including 962 active projects and 407 project in post-construction. Table 7 compares these measures between Fiscal Years 2017 and 2018.

Table 7 - CIP Program Performance Measures

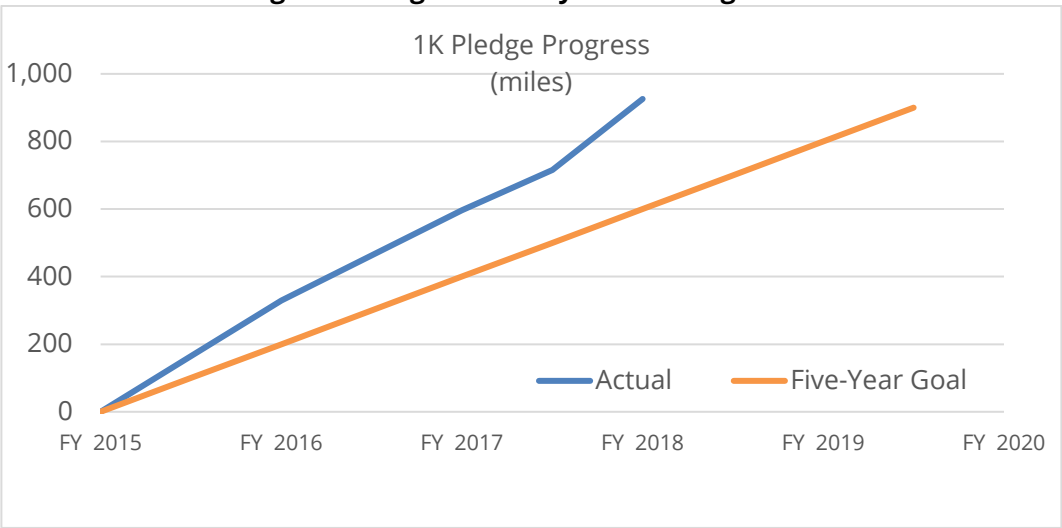
	FY 2017	FY 2018	Difference
CIP Project Expenses	$495.0 million	$552.6 million	$50 million
CIP Project Encumbrances	$355.6 million	$390.1 million	$34.5 million
Construction Contracts Awarded for CIP Projects	$336.6 million	$492.1 million	$155.5 million
Water main construction contract awarded miles. Goal: 35	33.0	33.4	0.4
Sewer lines replaced/rehabilitated miles Goal: 45	54.2	39.9	-14.3
Street repairs completed (miles). Goal: 200	265.3	329.9	64.6
Average Calendar Days from Bid Opening to Construction Contract Award. Goal: 90	77	98	21
CIP Contract awarded to Small Local Business Enterprise/ Emerging Local Business Enterprise firms. Goal: 20% [3]	30.8%	23.2%	-7.6%

[3] $76.3 million, including $62.1 million for construction and $14.2 million for consultant contracts were awarded to City certified SLBE/ELBE Program firms. Exclude State and federal funded projects, as well as emergency and sole source projects.

Street Pavement Repair Program

In Fiscal Year 2016 Honorable Mayor Kevin Faulconer committed to repair 1,000 miles of City roads within five years. In Fiscal Year 2018, 329.9 miles of repair were completed, including 88.8 miles of asphalt overlay, 239.3 miles of slurry seal, and 1.8 miles of concrete, bringing the total miles repaired to 930.9 miles. The City is on track to exceed the road repair pledge. Figure 4 illustrates the progress this program.

Figure 4: Progress of Mayor's 1k Pledge



Water and Sewer Pipeline Replacement Program

Contracts for 33.44 miles of water pipeline replacement were awarded, and 11.53 miles of water pipeline were replaced in Fiscal Year 2018. Comparable figures for Fiscal Year 2017 were 33.07 miles awarded and 17.71 total miles replaced. The City is still on track to exceed its five-year goal of 175 miles of water pipeline replaced. The cumulative progress of contracts awarded for miles of water main replacement is shown compared with the City's current five-year goal in Figure 5. Contracts for a total of 22.24 miles of sewer pipeline replacement or rehabilitation were awarded and 39.94 miles of sewer pipeline were replaced or rehabilitated in Fiscal Year 2018, as compared to 54.19 miles and 46.43 miles respectively in Fiscal Year 2017. Cumulative sewer pipeline replacement completion miles are shown in Figure 6, along with the current five-year goal of replacing an average of 45 miles of sewer pipe per year.

Figure 5: Water Main Replacement Contracts

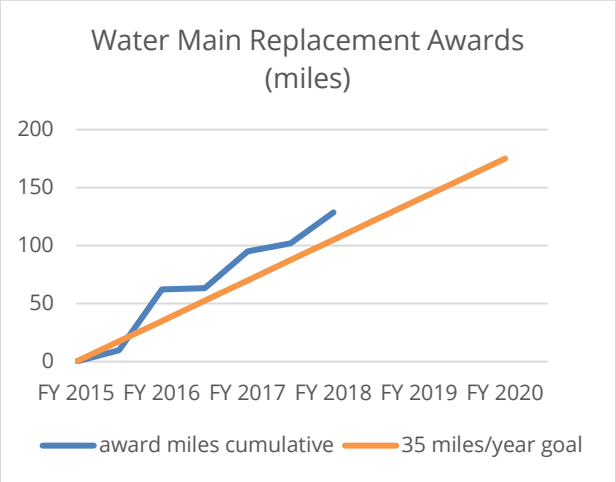
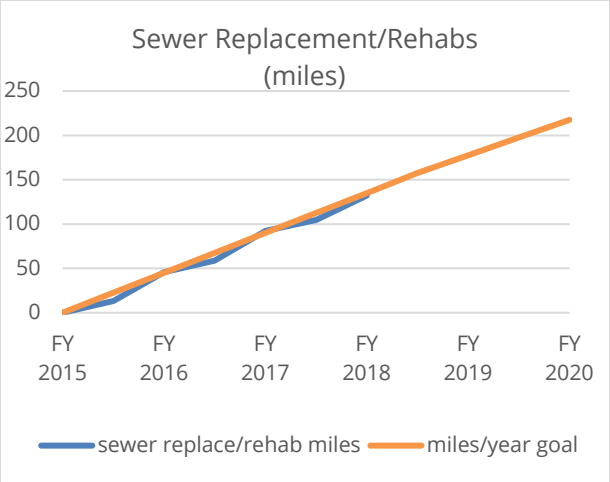


Figure 6: Sewer Replacement/Rehab



Consultant Expenditures

CIP projects design and construction management services are performed by City forces and also contractually. PWD expended $47.3 million, or 50%, of total design services and $48.4 million, or 57%, of total construction management services in Fiscal Year 2018. Table 8 compares in-house and contracted out design and construction management expenditures. Exhibit D displays the Architectural & Engineering (A&E) Contracts during Fiscal Year 2018. Exhibit D includes an update to the Fiscal Year 2019 Planned Construction Contracts List that have been awarded in the first quarter of the fiscal year and remaining planned contracts for the remainder of Fiscal Year 2019.

Table 8 – Fiscal Year 2018 Design and Construction Management Actual Expenditures

CIP Design Cost Comparison (In-house vs. Contracted Out)

Type of Task	FY2018 Actuals, as of 6/30/2018
PWD as Responsible Department	
Contracted Out	$ 23,525,778
In-House Design and Contract Admin Costs	$ 23,789,187
Design Subtotal	**$ 47,314,965**
Design In-House Percentage	**50%**
Non-PWD as Responsible Department	
Contracted Out	$ 46,942,365
In-House Design and Contract Admin Costs	$ 4,373,212
Design Subtotal	**$ 51,315,577**
Design In-House Percentage	**9%**
Design Total	**$ 98,630,542**

CIP Construction Management Cost Comparison (In-house vs. Contracted Out)

Contracted Out	$ 20,735,682
In-House Construction Management	$ 27,618,639
Construction Management In-House Percentage	**57%**
Construction Management Total	**$ 48,354,321**

Total of ECP In-House Charges	**$ 51,407,826**
Total of ECP Contract Out	**$ 44,261,460**
Percentage of Total In-House Charges	**54%**

On occasion, PWD is required to amend existing consultant contracts to adjust for unforeseen and planned project-related developments via a contract amendment. Table 9 shows the total value of consultant contracts and amendments as a percentage of final contract award value since Fiscal Year 2016.

Table 9 – Fiscal Year 2016 to 2018 Consultant Contracts and Amendments

	Contract Awards	Contract Amendments	Total	Contract Amendment % of Total Contract Activity
FY 2016	$90,063,804	$9,177,834	$99,241,638	9%
FY 2017	$134,709,360	$19,055,255	$153,764,615	12%
FY 2018	$96,263,608	$16,347,901	$112,611,509	15%

Emergency Projects

Emergency Contracts

A total of 10 emergency capital contracts totaling $13.3 million were awarded during Fiscal Year 2018. Table 10 provides additional details of these CIP projects.

Table 10 – FY 2018 Emergency Projects as of June 30, 2018

Project Name	Contractor	Contract Amount	Council Memo Date	Summary Description
La Jolla Recreation Center Emergency Electrical Upgrades	TC Construction	$1,372,000	10/30/2017	Replace electrical main service distribution switchboard
Miramar Trunk Sewer Emergency Repair	Arrieta Construction	$750,000	11/16/2017	Replace collapsed sewer line
Sewer Pump Station 1 Emergency Conveyor Replacement	Serpentix Conveyor Corporation	$710,000	11/22/2017	Replace sewer pump station equipment
Morena Ave Emergency Pipeline Replacement	TC Construction	$3,500,000	9/27/2017	Replace water pipeline
Kearny Mesa Pipeline Access Structure Emergency Repair	Orion Construction	$1,200,000	1/17/2018	Repair water pipeline
Buena Vista Storm Drain	Hazard Construction	$150,000	1/24/18	Replace storm drain
Parkade Elevators	JR Filanc	$2,000,000	1/12/18	Refurbish Evan Jones Parkade elevators
Revelstoke Way Emergency Storm Drain Replacement	Orion Construction	$2,000,000	2/8/18	Replace storm drain
Clapstop Way Storm Drain	Orion Construction	$490,000	2/23/18	Replace storm drain
Lofty Trails Storm Drain	JR Filanc	$1,150,000	4/6/18	Replace storm drain

A Look Ahead

The Fiscal Year 2019 budget maintains the trend of significant CIP activity growth. In order to support this continued growth, the PWD along with CIPRAC continue to identify streamlining and other program changes to deliver the wide ranging CIP program.

Asset Management Plan

PWD is applying the newly developed Asset Management & Planning (AMP) tool that will provide centralized up-to-date condition related information of the City's infrastructure. This will enable better cross-department planning and bundling of co-located projects. AMP will run multiple planning scenarios to evaluate alternatives and assist with the long-term planning for capital improvement and maintenance projects, identify risks and cost of investment decisions in the most cost-effective manner, and update asset condition information while maintenance work is performed. This holistic approach utilizes the AMP tool to address all asset needs at any given location into a single multiple assets improvement project.

Project Control Committee (PCC)

The Project Control Committee (PCC), made up of representatives from each of the asset managing departments, has been established as a subcommittee to the Capital Improvement Program Review and Advisory Committee (CIPRAC). The purpose is to review and coordinate all proposed projects considering the individual asset management strategies. The PCC will then forward each proposed comprehensive project for CIPRAC's approval into the proposed budget. Bundling multiple asset improvements into a single work packages will reduce costs and minimize disruption to the community.

Minor Construction Contracts

The Minor Construction process, by way of the recent changes to the San Diego Municipal Code (SDMC), allows PWD to make awards for small public works and repair contracts in the amount of $250,000 or less for City facilities via quotes. Until recently, these awards were made by the Purchasing Agent pursuant to SDMC §22.3203, Competitive Process for Contracts for Goods and Services. In essence, the authority to award these contracts has been transferred from the Purchasing Agent to the Public Works Director/City Engineer.

The previous process for awarding minor Public Works contracts ($500,000 or less) dictated that formal solicitations were made, and limited to, firms on the ELBE/SLBE lists. The new process for the solicitations of Minor Public Work projects will be separated into three main categories as follows:

1. Less than or equal to $100,000
2. Greater than $100,000 but less than or equal to $250,000
3. Greater than $250,000 but less than or equal to $500,000

The process for award of contracts greater than $250,000 but less than or equal to $500,000 remains unchanged. The process for award of the other two categories now allows for quotes in lieu of formal, advertised solicitations. In all cases, the solicitations will be limited to firms on the City's ELBE/SLBE lists unless there are no firms on the lists with the appropriate State contractor's license. The change places the responsibility for the award of minor and repair contracts in the appropriate department while allowing for a more expeditious, streamlined and efficient process to contract for these needed and often critical services.

Rising Construction Costs at both Predictable and Unpredictable Rates

Due to a healthy economy both labor and material costs are rising, increasing construction bids at an anticipated and somewhat predictable rate. However, new tariffs on steel and aluminum and the threat of possible future tariffs are causing construction bids to increase an unpredictable rate. This unpredictability is making it difficult for Project Managers and Designers to estimate future project costs. PWD will continue to work with Key Industry Organizations and review bid results to help provide guides to our Project Managers and Designers.

Employee Retention

The number of PWD positions has increased by 226 FTE to support the growth of the CIP Program during the last three fiscal years. Efforts to accelerate the hiring processes have included attendance at local career fairs, timed application periods to coincide with recent local graduations, and a robust interview process that involves interview sessions among the larger volume of vacant job classes. The last round of hiring Assistant Civil Engineers, conducted in November and December 2017, resulted in 58 filled FTE positions. In Fiscal Year 2018, 14 Associate Civil Engineer FTE Positions were filled to address operational needs and to expand services to the CIP. The change in verifying an engineering degree for entry-level engineers to be required at time of hire instead at time of application has allowed for increased competitive recruitment than in years prior when recent graduates have already secured other employment. PWD continues progressive recruiting strategies to aide in the filling of the vacant positions.

A very recent effort to increase employee retention and recruitment was the adoption of increased specialty pay compensation for engineers and land survey job classifications for those that possess specialized certifications and State licenses beneficial to the City.

Conclusion

CIPRAC will continue to provide various reports (including the Five-Year CIP Outlook) to City Council and the public, detailing the long-term status of CIP Program requirements and resources. The CIP Program continues to adapt and respond as the City updates and refines its capital infrastructure needs. Staff will work to identify and implement additional process improvements, as well as incorporate feedback from industry, community, and City leadership to ensure that PWD is delivering a high level of service and meeting infrastructure needs of our communities through the successful execution of the CIP Program.