The City of SAN DIEGO

Fiscal Year 2019 State of the Capital Improvement Program (CIP) Mid-Year 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 the first half of Fiscal Year 2019 (July 1, 2018 through December 31, 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

The City's CIP is a compilation of individual capital improvement projects financed by annually adopted 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 Strategic Plan Goal of Working in Partnership with Communities to Achieve Safe and Livable Neighborhoods by investing in infrastructure.

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 Mayor, Council, Asset Managing Departments (AMDs), the Capital Improvement Program Review and Advisory Committee (CIPRAC), and input from Community Planning Groups, and other stakeholders. Once capital requirements are identified, CIP projects are prioritized according to Council Policy 800-14 - Prioritizing Capital Improvement Program Projects (2013). Public Works Department (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

PWD maintains the CIP website on CIP projects and policies providing additional detail about the City's CIP projects: 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 and the plan is to accommodate approximately 1,157 staff from various City Departments.

PWD advertised the project in the first half of Fiscal Year 2019, and awarded the construction contract to West Coast Construction. A Notice to Proceed was issued and construction began on September 24, 2018. As of April 11, 2019, the project is on schedule and within budget, as approved by City Council. Overall the project is nearly 50% complete and at this time it is estimated to be completed in the summer of 2019 with staff moved in by fall 2019.

The following is an overview of some of the key components and status:

- Demolition and asbestos bulk abatement is approximately 75% and 95% complete on all floors.
- Layout of work spaces and framing is completed on floors 1-3 and 17-19, with work still in progress on the remaining floors.
- Rough mechanical electrical and plumbing, sprinklers and fire alarm/security installation is complete on floors 1-3 and 17-19, with the work still in progress on the remaining floors.
- Insulation and drywall installation completed on floors 1-2 and 17-19, with work still in progress on the remaining floors.
- Communications and wiring is installed on floors 1-3 and 17-19, with work still in progress on the remaining floors.
- Painting has begun on floors 1-2 and 17-19.

Table 1 is a break-down of the project costs and project-to-date activity.

Table 1 - 101 Ash St Project Costs

Project to-date costs through March 27, 2019	$7,690,271
Remaining Capital Improvement Costs	$15,927,372
10% Contingency	$2,262,765
Total Capital Cost	$25,880,408
Financing Costs	$2,730,774
Move-In Costs	$1,510,960
Total Financing & Moving Cost	$4,241,734
Total Projected Cost	$30,122,144

CIP Project Highlights

Pure Water

Through December 31, 2018, $4.74 million was expended, mainly on design aspects for all the Pure Water pipelines, treatment facilities, and pump stations. The following milestones were recently achieved:

The North City Pure Water Facility, North City Water Reclamation Project Expansion, MBC Improvements, and Miramar Reservoir Pump Station projects reached the final design level

The Morena Pump Station and Conveyance project advanced to final 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 Pure Water 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.

Miramar Water Treatment Plant Clearwell Improvements

The Miramar clearwell project will replace two Miramar clearwells, built in 1959 and 1974. The Miramar Clearwell Improvements are 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 photovoltaic system, landscaping, low-lift pump station, a new maintenance facility and guard house.

The first new clearwell is in active use providing water to the Miramar distribution system. The second existing clearwell has been removed, and the chlorine contact chamber, the maintenance building and the low lift pump station are in the final stages of construction.

The project construction is approximately 60% 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 continue to remain in full operation during construction.

Miramar clearwell chlorine contact chamber

Parks and Recreation
The following Parks and Recreation facilities improvements or assets were completed in the first half of Fiscal Year 2019:

Upgraded Facilities

- 101-202 Coast Boulevard Access Stairs
- Chollas Lake Park Playground Improvements
- Coast Boulevard Walkway Improvements
- Doyle Community Park Playground Upgrades
- Ladera Street Stairway Emergency Project
- Mission Bay Navigational Safety Dredging

New Parks

- Creative and Performing Media Arts Middle School Joint Use
- Cesar Solis Community Park
- Hawk Pocket Park

Paradise Senior Center Improvements and the Skyline Hills Community Park Security Lighting Upgrades were still under construction as of December 2018.

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 anticipates completing the following projects by the end of the fiscal year: William Heath Davis House ADA Accessibility Modification, Fire Station 9 New Kitchen and Dorm Room Construction, Mira Mesa HVAC Replacement, Torrey Hills Park Comfort Station ADA, and Rancho Bernardo Park Comfort Station ADA.

West Mission Bay Drive Bridge
The West Mission Bay Drive Bridge project will replace the existing four-lane West Mission Bay Drive Bridge, built in the early 1950s, with two separate three-lane structures, providing an improved transportation link across the San Diego River. Key improvements of the new bridge include two new parallel bridge structures with three lanes in each direction, a bike path on both bridges (contributing to the CAP strategy of implementing bike lanes), and roadway widening and improvements along Sports Arena Boulevard, West Mission Bay Drive, and the westbound I-8 off-ramp.

The trestle is being constructed along the east side of the existing bridge. The temporary platform will allow construction of the 175-foot deep foundations and bridge structure for the new east bridge. The same will be done for the new west bridge.

The bicycle path on both sides of the San Diego River will remain open for use throughout the duration of construction. Additionally, two lanes of vehicular traffic will be open in each direction throughout construction. This will aid in allowing all modes of transportation access during construction.

This is the largest bridge project ever undertaken by the City. A portion of the project is within the right-of-way of Caltrans, a major partnering stakeholder. The project is one of the largest federally funded bridge projects in the state.

Georgia St Bridge

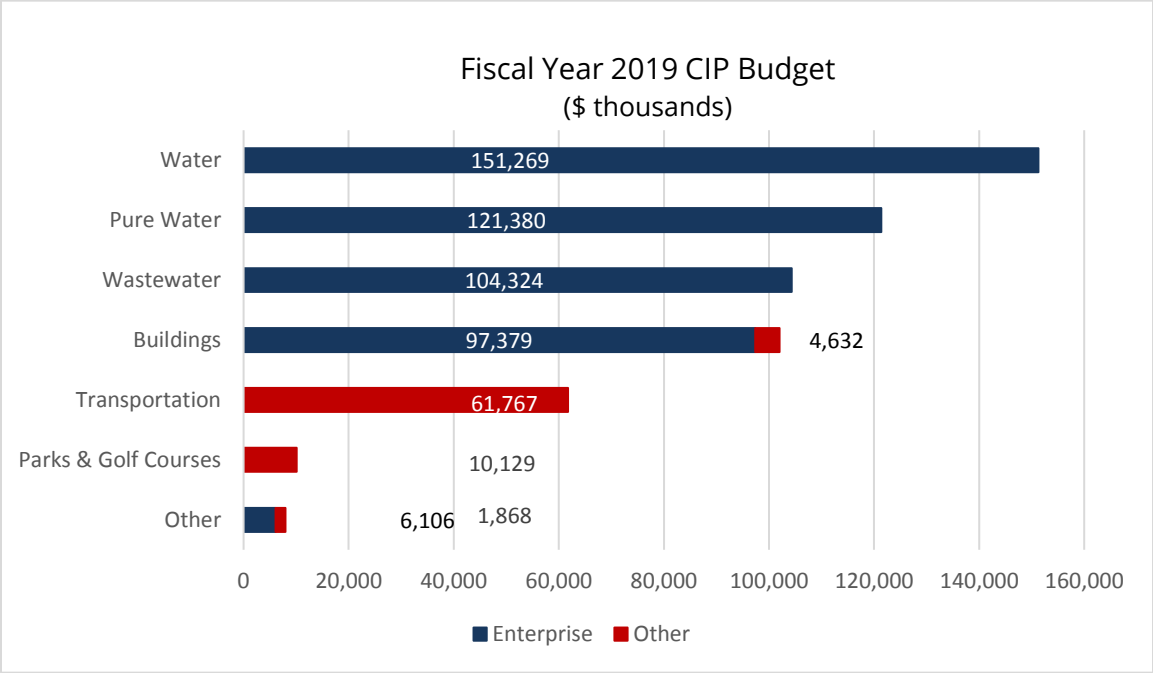
The 105-year-old historic bridge structure and retaining walls have completed seismic retrofit, rehabilitation, and replacement and are structurally sound based on current standards. University Avenue was lowered to avoid over-height vehicle hits on the supporting arches. Remaining work is a sealer and anti-graffiti application which has been delayed due to weather issues.

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 2019 Capital Improvements Program Budget is $558.9 million. 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 DIF fees and the City General Fund.

Figure 1 displays the Fiscal Year 2019 adopted budget through December 21, 2018 by asset group.

Figure 1: Fiscal Year 2019 CIP Budget by Asset Group



TransNet

TransNet is a half-cent countywide sales tax that helps fund congestion relief and transportation improvement related projects throughout the City. During the first half of Fiscal Year 2019, total TransNet expenditures, including Regional Transportation Congestion Improvement Program (RTCIP) funds were $25.0 million. Of this amount, $18.1 million was expended in the CIP. Comparatively, in the first half of Fiscal Year 2018, total TransNet expenditures were $16.2 million, of which $9.9 million was related to 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. As of December 31, 2018, $2.6 million had been expended from the Infrastructure Fund. Table 2 lists Fiscal Year 2019 adopted Infrastructure Fund budget by asset type.

Table 2 - Fiscal Year 2019 adopted Infrastructure Fund budget by asset type

Asset Type	Fiscal Year 2019 Adopted Budget
Buildings	$3,025,000
Parks	$1,595,000
Transportation	$12,471,068
Total	$17,091,068

Exhibit A lists FY 2018 activities funded by the Infrastructure Fund.

Grant Funding

Certain CIP projects are eligible for grant funding or federal or state loans. Exhibit B lists Fiscal Year 2019 grant funding.

Tobacco and Commercial Paper Financing 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. Resolution 311956, approved on August 14, 2018, increased the Commercial Paper Program authorization to $88.5 million. This resolution also increased CIP appropriations by $7.8 million. In addition, the City issued $23.6 million in Tobacco Settlement Revenue backed bonds to fund capital projects in Fiscal Year 2018. Table 3 displays a summary of all capital bond proceed activities through December 31, 2018 and Table 4 details Tobacco Fund Fiscal Year 2019 financials. Figures 2 and 3 display the uses of Tobacco and Commercial Paper funding through December 31, 2018, respectively.

Table 3 – General Fund Capital Financing Program Activity as of December 31, 2018

	Commercial Paper	Tobacco
Council Resolution	R-311758	R-311474
Amount	$87,873,470	$23,550,000
Date Issued	May 22, 2018	December 20, 2017
FY19 Encumbrance	$385,540	$9,287,469
FY19 Expenditures	$6,383,080	$2,901,002
To-Date Expenditures	$7,760,597	$3,507,204

Table 4 – To-Date Tobacco Fund expenditures by project

WBS	Project	Actuals
S00791	South Mission Beach Lifeguard Station	$734,724
S15012	Fire-Rescue Air Operations Facility	$329,628
S17009	101 Ash Improvements	$2,120,530
S18005	Police Range Refurbishment Phase II	$179,877
S18007	Fire-Rescue Air Ops Facility - PH II	$142,446

Figure 2 – Tobacco Fund encumbrances and expenditures as of December 31, 2018

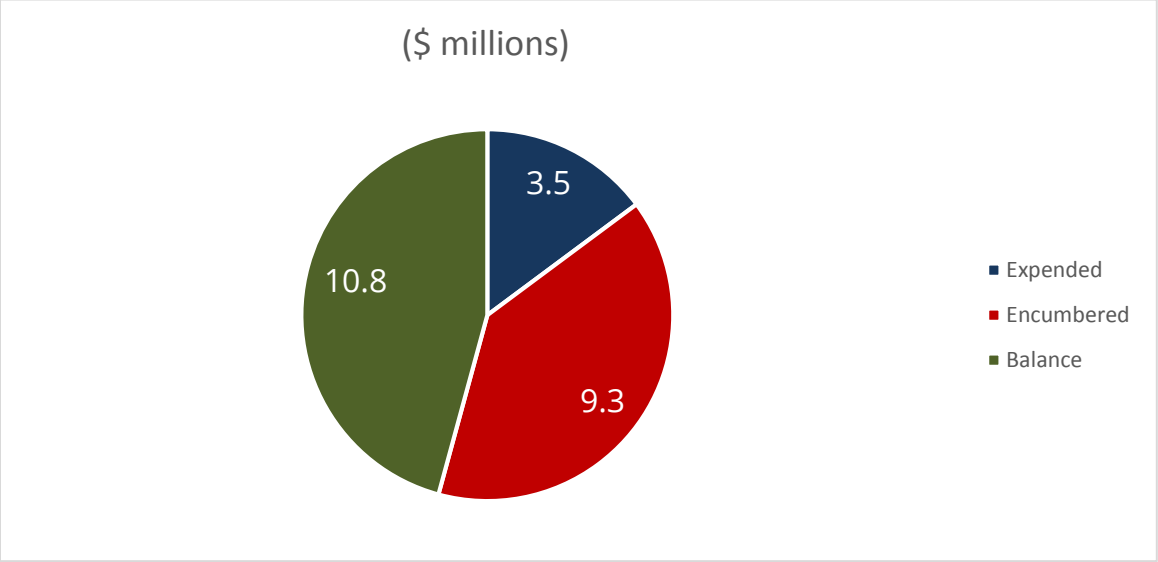
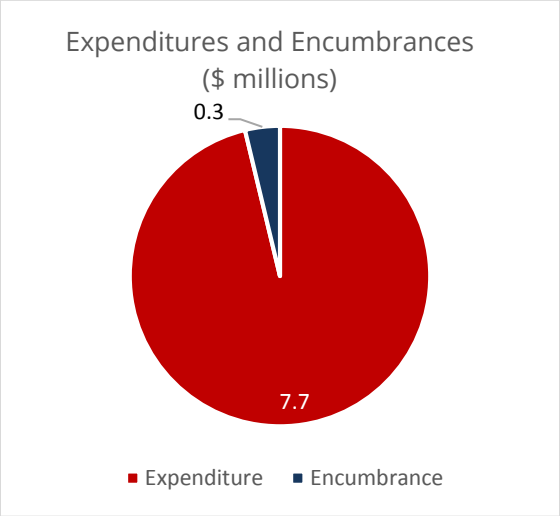


Figure 3 – Commercial Paper encumbrances, expenditures, and reimbursements as of December 31, 2018



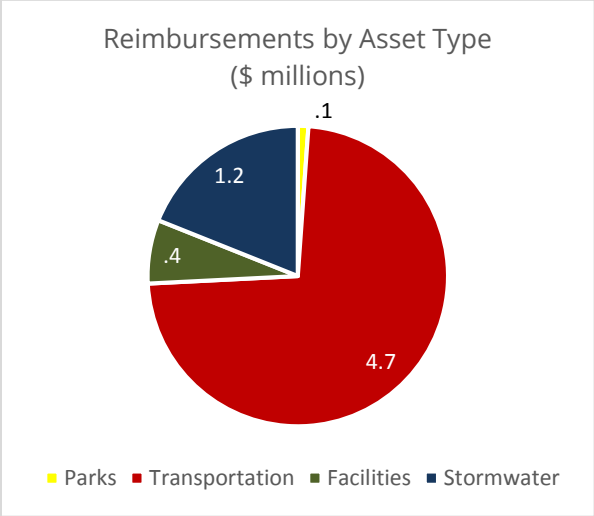
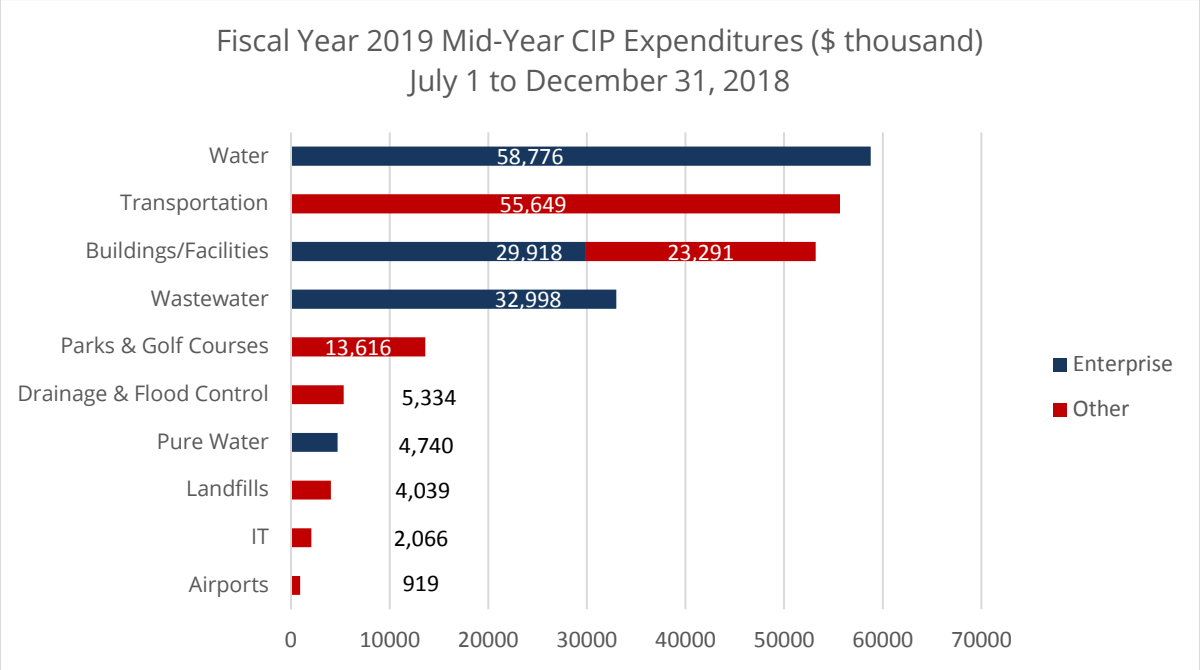


Exhibit C lists original Commercial Paper budget and net budget change by project through December 31, 2018.

CIP Expenditures

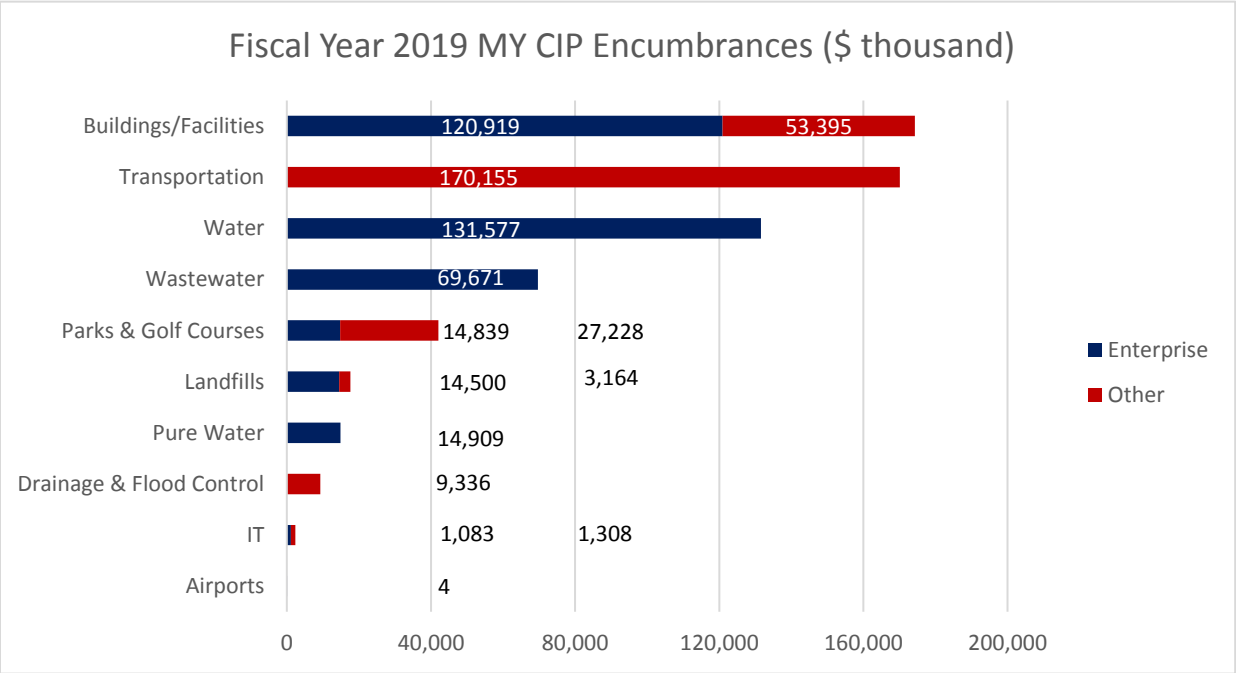
Approximately $231.3 million was expended on CIP projects through December 31, 2018, an increase of $12.3 million over the same period in Fiscal Year 2018. Exhibit D details CIP expenditures and encumbrances by project. Figures 4 and 5 summarizes CIP expenditures and encumbrances by asset types.

Figure 4 - CIP Expenditures by Asset Types



Total: $231.3 million

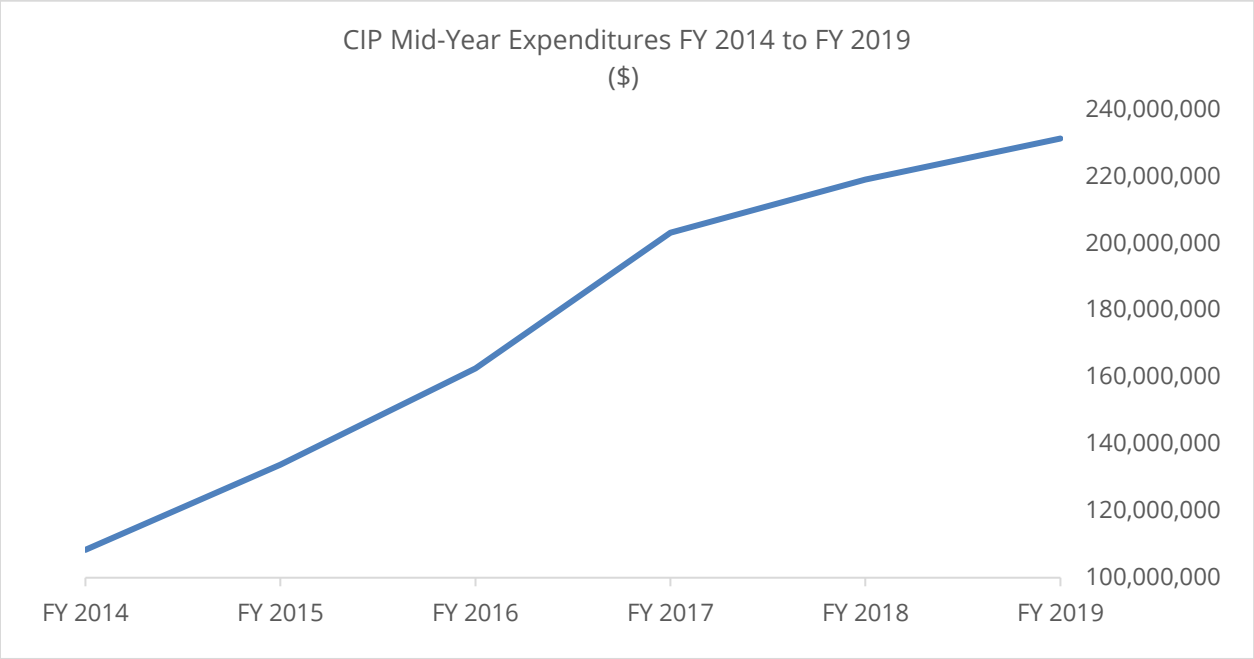
Figure 5 - CIP Encumbrances by Asset Types



Total: $632.1 million

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 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 6.

Figure 6 - CIP Expenditures Fiscal Years 2014-2019 through December 31



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 outreach events held during the first half of Fiscal Year 2019.

Table 5 - Outreach Meetings through December 31, 2018

Meetings Title	Date	Attendance
SLBE/ELBE Industry Meeting	August 16, 2018	45
SLBE/ELBE Industry Meeting	November 29, 2018	30
Construction Industry Meeting	July 25, 2018	49
Construction Industry Meeting	October 11, 2018	18
Consultant Industry Meeting	September 19, 2018	76
2018 Design & Construction Networking EXPO	October 17, 2018	131

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 2018, showed that the soft costs compared to construction costs decreased for the City of San Diego from 51% in calendar year 2016 to 50% in 2017. The average rate for all participating agencies rate decreased from at 48% in 2016 to 47% in 2017. The CIP program will continue to participate in the Benchmarking study as part of an ongoing effort to identify opportunities to streamline PWD operations.

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 2019

Streamlining Measure	Description
Consultant Procurement Streamlining	Consultant Procurement Streamlining (CPS) is an effort to reduce the time required to secure consultant services. The effort consists of four 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. 4. Updating and Simplifying Standard Operating Procedures (SOP): Clear and concise SOPs will help simplify the process for each consultant procurement method
Site Development Permits	PWD, in collaboration with Development Services and Planning Departments, has submitted proposed changes to the Land Development Code to exempt public projects including CIP from Site Development Permits that meet certain conditions. These proposed changes have been submitted with the 12th Land Development Code update. As proposed, this will streamline the submittal requirements and permit issuance process, while ensuring all environmental and regulatory requirements are met. This effort will result in efficiencies in the project delivery timeline and cost savings.
Construction Closeout Process	PWD reviewing the project closeout process and standardizing timelines for finalizing projects. The measure will document and track the closeout process including finalizing punch lists and processing notices of completion.

CIP Program Performance

Performance Measures and Statistics

Performance measures are used to monitor progress during a fiscal year. Table 7 compares these measures between July 1st through December 31st of Fiscal Years 2018 and 2019.

Table 7 - CIP Program Performance Measures

	FY 2018 Q1 & Q2	FY 2019 Q1 & Q2
CIP Project Expenses	$219.1 million	$231.3 million
CIP Project Encumbrances	$520.1 million	$632.1 million
Construction Contracts Awarded for CIP Projects	$200.8 million	$110.4 million
Water main construction contract awarded miles. (annual goal: 35 miles)	6.85	0
Sewer lines replaced/rehabilitated miles (annual goal: 45 miles)	12.17	14.35
Street repairs completed (miles). Annual goal: 200	118.7	120.5[1]
Average calendar days from bid opening to construction contract award. Goal: 90	98	88
CIP contracts awarded to Small Local Business Enterprise/ Emerging Local Business Enterprise firms. Goal: 20%	21%	23%

[1] Includes 86 miles of slurry

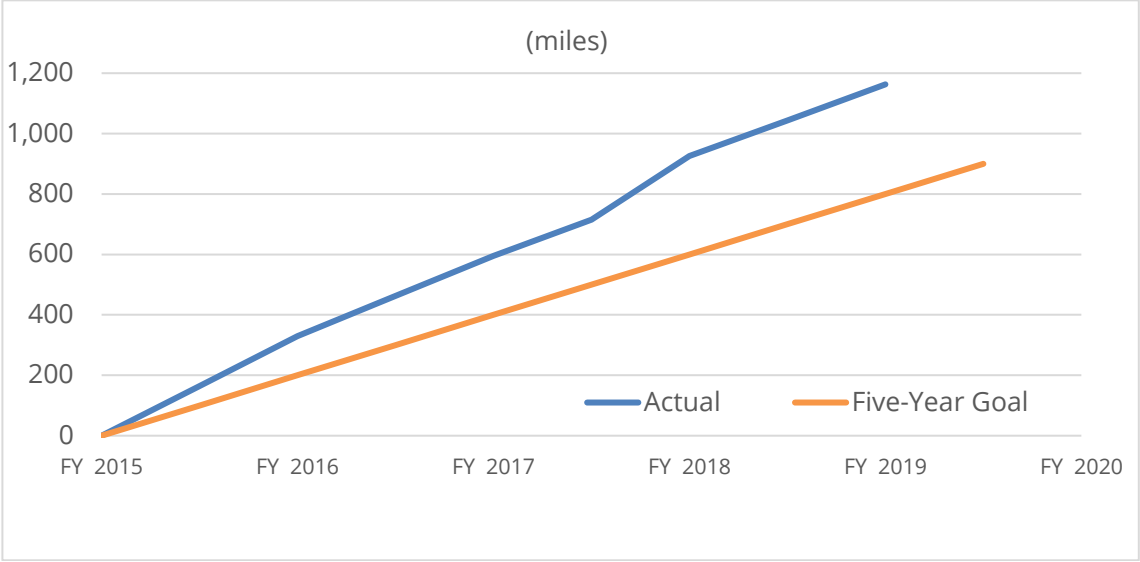
The value of construction contract awards for CIP projects dropped from the first half of Fiscal Year 2018 to the first half of Fiscal Year 2019 due to the time required to prepare and bid out Pure Water construction contracts. In addition, a single very large contract ($110.7 million for the West Mission Bay Bridge project) was awarded late in Fiscal Year 2018.

A total of $19.2 million, including $14.5 million for construction and $4.7 million for consultant contracts were awarded to City certified SLBE/ELBE Program firms. The totals exclude state and federal funded projects, as well as emergency and sole source projects.

Street Pavement Repair Program

In Fiscal Year 2016, Mayor Kevin L. Faulconer committed to repair 1,000 miles of City roads within five years. The City achieved the 1,000-mile goal in October 2018, nearly two years ahead of schedule. During the first half of Fiscal Year 2019, the City repaired 119 miles of roads.

Figure 7: Progress of Mayor's 1k Pledge



Water and Sewer Pipeline Replacement Program

A total of 11 miles of water pipeline were replaced while no contracts for water pipeline replacement were awarded in the first half of Fiscal Year 2019. Comparable figures for Fiscal Year 2018 were 6.85 miles awarded and 0.85 total miles replaced. The City is still on track to exceed its five-year goal of 35 miles of water pipeline replacement contract awards per year. 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 8. A total of 8.67 miles of contract awards planned for the second quarter of Fiscal Year 2019 were delayed due to project scope changes and outside agency coordination.

Contracts for a total of 26.13 miles of sewer pipeline replacement or rehabilitation were awarded and 14.35 miles of sewer pipeline were replaced or rehabilitated in the first half of Fiscal Year 2019, as compared to 3.63 miles and 12.17 miles respectively in Fiscal Year 2018. Cumulative sewer pipeline replacement completion miles are shown in Figure 9, along with the current five-year goal of replacing an average of 45 miles of sewer pipe per year through Fiscal Year 2018 and 40 miles per year starting in Fiscal Year 2019.

Figure 8 - Water Main Replacement Contracts

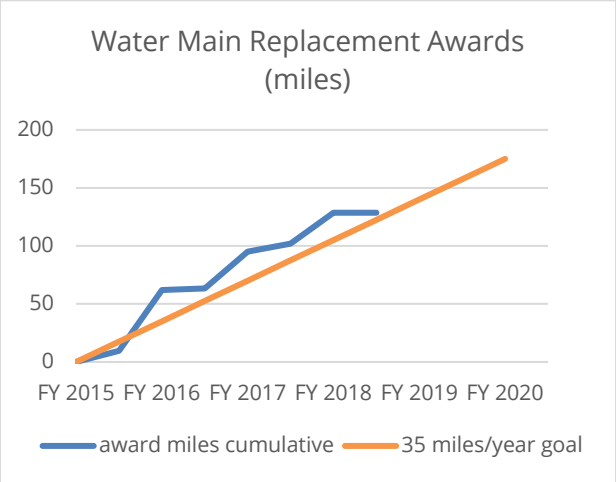
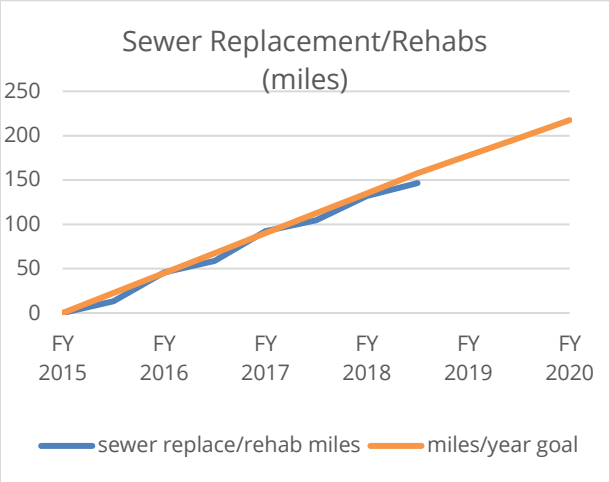


Figure 9 - Sewer Replacement/Rehab



Consultant Expenditures

CIP design and construction management services are performed by City Forces or contractually by outside consultants. Table 8 compares in-house and contracted out design and construction management expenditures. Exhibit E displays the Architectural & Engineering (A&E) Contracts during Fiscal Year 2019. Exhibit F 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 2019 Design and Construction Management Actual Expenditures CIP Design Cost Comparison (In-house vs. Contracted Out) as of December 31, 2018

Type of Task	FY2019 Actuals	In House %
PWD as Responsible Department		
Contracted Out	$9,917,089	40%
In-House Design and Contract Admin Costs	$14,894,484	60%
Design Subtotal	$24,811,573	
Non-PWD as Responsible Department		
Contracted Out	$4,068,847	69%
In-House Design and Contract Admin Costs	$1,795,998	31%
Design Subtotal	$5,864,846	
PWD as Responsible Department		
Contracted Out Construction Management	$11,546,484	41%
In-House Construction Management	$16,943,233	59%
Construction Management Total	$28,489,717	

Consultant Contract Amendments

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 2019 Consultant Contracts and Amendments

	Contract Awards	Contract Amendments	Total
FY 2016	$90,063,804	$9,177,834	$99,241,638
FY 2017	$134,709,360	$19,055,255	$153,764,615
FY 2018	$96,263,608	$16,347,901	$112,611,509
FY 2019	$2,909,059	$9,058,401	$11,967,460

Pooled Contingency

Public Works, Public Utilities, and the Department of Finance have developed a pilot pooled contingency program to reduce the overall contingency budget. Table 10 summarizes the current contributions and uses of funds in the program since its inception in July 2017.

Table 10 - Pooled Contingency status as of December 31, 2018

Annual	# of Participating Projects	Contributions to Pooled Contingency	Use of Pooled Contingency	Pooled Contingency
Sewer Mains	23	$1,499,436	$821,080	$678,356
Water Mains	26	$2,341,802	$1,159,094	$1,182,708
Total	49	$3,841,238	$1,980,174	$1,861,064

Emergency Projects

Emergency Contracts

A total of five emergency projects were declared during the first half of Fiscal Year 2019, with initial capital contract costs totaling $4 million. Table 11 provides additional details.

Table 11 – Fiscal Year 2019 Emergency Projects as of December 31, 2018

Project Name	Contractor	Contract Amount	Council Memo Date	Summary Description
Ladera St Beach Access Stairway	Orion Construction	$1,500,000	9/7/2018	Repair Ladera St beach access stairway.
Cardinal Drive SD Replacement	Flatiron Construction	$1,000,000	2/8/2019	Storm drain replacement.
Burroughs SD Replacement	Granite Construction	$500,000	1/9/2019	Storm drain replacement.
Wellborn SD Replacement	TC Construction	$500,000	1/10/19	Storm drain replacement.
S Woodman SD Replacement	Cass Construction	$500,000	1/11/19	Storm drain replacement.

Significant Issues

Department Training

PWD has invested in a training and development program as part of an effort to increase project management performance. The PWD training team scheduled training on 36 distinct topics to date in Fiscal Year 2019. Department staff attended a total of 5,002 training events. Most of the training was developed in-house in collaboration with training staff and subject matters experts.

PWD also conducts the Project Management Academy (PMA) and Construction Management Academy (CMA). The objectives of PMA are to teach the formal process of project management as outlined by the Project Management Institute and City standard operating procedures for processing CIP Projects. CMA focuses on the construction management process.

External PWD trainings managed by the training section included Sexual Harassment Prevention, Customer Service, and Cyber Security. Public Works also continues to ensure that staff are being trained on storm water best management practices (BMPs).

Prevailing Wage

California Labor Code § 1774 requires all contractors and subcontractors awarded public contracts to pay the prevailing rate of wages to all employees involved in the performance of that contract for public works. In accordance with California Labor Code § 1775, contractors are required to provide corrected payments to the affected employees. Additionally, contractors are required to submit revised certified payroll records reflecting these corrected payments to the City under Labor Code § 1776.

The PWD Prevailing Wage Unit, consisting of one Supervising Management Analyst and five Associate Management Analysts, is responsible for enforcement of the City's Labor Compliance Program (LCP) for contracts subject to prevailing wage. Labor Compliance Officers (LCOs) conduct a number of activities under the program, including:

> Attending Pre-Construction/Pre-Job Conference. After award of a contract and prior to construction or maintenance work commencing, the LCOs will participate in a pre-construction or pre-job conference where they will provide the contractor and their subcontractors with a Checklist of Labor Law Requirements and discuss in detail.
>
> Monitoring Weekly Certified Payroll Records. LCO reviews weekly submitted payroll records for the prime contractor and all subcontractors within 30 days of receipt. Any discrepancies noted will be resolved pursuant to the appropriate labor code.
>
> Conducting Site Visits. LCO perform periodic unannounced visits for their assigned contracts where they conduct interviews of the workers on site and observe work being performed. Information collected is reconciled against payroll records submitted for that day.
>
> Monitoring for Compliance with Apprenticeship Requirements. LCO ensure contractors and subcontractors have taken appropriate steps to include apprenticeship opportunities on their respective projects. Any unresolved discrepancies are reported to the Division of Apprenticeship Standards.

Table 12 - Fiscal Year 2019 Prevailing wage activity through February 28, 2019

Compliance Activity	Total
Pre-Construction/Pre-Job Meeting	70
Certified Payroll Reviews	22,666
Delinquency Notices Sent	23
Labor Code Violations Sent	7
Labor Code Monies Received	$160,660
Site Visits Conducted	52
Employee Interviews Conducted	103

Based on LCOs certified payroll reviews, it was determined that employees working on public works projects were underpaid by approximately $160, 000 for prevailing wage activity through February 28, 2019 as described on Table 12 above. Subsequently, affected employees were reimbursed per the labor statues.

Vacancies

During the last few fiscal years, PWD's operating budget has increased significantly to support the growth of the CIP Program. 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. PWD continues progressive recruiting strategies to aide in the filling of the vacant positions. Despite the ongoing efforts, vacancies in key positions continue to restrict the ability to meet revenue reimbursement goals.

Table 13 – Vacant Position as of April 12, 2019

Division	Vacant Positions
Architectural Engineering and Parks	13.0
Business Operations Support services	7.0
Capital Asset Management	11.0
Construction Management and Field Services	30.0
Engineering Services and Technical Support	25.5
Right of Way Design	14.0
Total	100.5

Awards

Multiple City of San Diego CIP projects were recently recognized by professional organizations, including the American Public Works Association (APWA) and the American Society of Civil Engineers (ASCE). Details of the awards are included in Exhibit H.

A Look Ahead

According to the Fiscal Year 2020-2024 Five-Year Capital Infrastructure Planning Outlook, the City's CIP is expected to continue its growth to an estimated $5.60 billion over the next five years driven by major infrastructure investments in streets, sidewalks, water quality, libraries, parks, public safety, and other high priority neighborhood projects. In order to support this continued growth, the PWD and CIPRAC continue to identify streamlining and other program changes to deliver the wide ranging CIP program.

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 first phase is expected to be substantially completed in 2023, and the final phase of the project is expected to be finalized by December 2035.

The Pure Water Program directly contributes to the Climate Action Plan and the Strategic Goal of increasing water independence.

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.