



**PUBLIC UTILITIES
REVENUE BOND OVERSIGHT COMMITTEE
CITY AND COUNTY OF SAN FRANCISCO
AGENDA**

**Public Utilities Commission Building, 4th Floor Conference Room
1155 Market Street (between 7th & 8th Streets)
San Francisco, CA 94103**

May 21, 2012 - 9:30 AM

Regular Meeting

1. Call to Order and Roll Call

Seat 1 Holly Kaufman
Seat 2 Kevin Cheng, Chair
Seat 3 Karen Donovan
Seat 4 Larry Liederman
Seat 5 Vacant
Seat 6 Ian Hart
Seat 7 John Ummel, Vice Chair

- 2. Public Comment:** Members of the public may address the Revenue Bond Oversight Committee (RBOC) on matters that are within the RBOC's jurisdiction, but not on today's agenda. (No Action)

3. Chair's Report:

A. San Francisco Public Utilities Commission (SFPUC) Staff Report: Water System Improvement Program (WSIP).
(Discussion)

B. San Francisco Public Utilities Commission (SFPUC) Staff Report: RBOC Account Statement. (Discussion)

4. Possible Audit Activities of the Revenue Bond Oversight Committee for Calendar Year 2012.

(Discussion and Action) (attachment)

Issue/Action: The Contract Working Group (Ummel and Cheng) met on May 14, 2012, to discuss potential audit tasks for CY 2012. Input from WSIP Director Julie Labonte and subsequent discussions with the SSIP (Waste Water) Director, Karen Kubick, have helped frame (narrow) the list of tasks for RBOC's consideration. RBOC will discuss these proposed tasks and take action to approve a subset of tasks for RBOC to pursue this year. Provided RBOC approves such a list, the next step would be for the Contract

Working Group to draft a more defined scope of work for each approved task and issue an RFP among the Controller's pool of consultants. Finally, direction needs to be given to the Working Group as to the degree of autonomy it may be given in the scoping/RFP process.

5. **Draft Scope of Work for Estimate-at-Completion and Schedule-at-Completion (EAC/SAC) Review.** (Discussion and Action) (attachment)

Issue/Action: In addition to those potential tasks identified in #4, the RBOC chair (Cheng) requested that the Contract Working Group develop a draft scope of work for an additional task involving a review of the SFPUC's estimate-at-completion and schedule-at-completion (EAC/SAC) analysis. The RBOC may recall that both Dr. Ibbs and the Independent Review Panel recommended that such a review be considered. This review is intended to provide more clarity concerning the SFPUC's forecast for completing the WSIP program on time, on budget. At its meeting of May 14, the Contract Working Group went over a draft scope of work. Input to the draft was provided by the WSIP Director, Julie Labonte. An amended scope is provided for RBOC's review. Provided RBOC approves this draft, the next step would be for the Contracting Work Group to pursue the issuance of an RFP among the Controller's pool of consultants.

6. **RBOC's Use/Selection of an Expediter to Assist in the Formation of the RBOC's Consultant Pool.**
(Discussion and Action) (attachment)

Issue/Action: At the April 2012, RBOC meeting, RBOC discussed the merits of proceeding on a parallel track to establish its own pool of consultants and how that might be accomplished. As related by Member Ummel, additional outside assistance (i.e., an "expediter") would likely be required to put this pool in place. See attachment. Former RBOC Chair, Aimee Brown, initially contacted several people that could do this task. Ester Reyes, a former contracts administrator with the Controller's office, was a front runner for such an assignment. However, Ms. Reyes was also considering doing an assignment for the Infrastructure division. Member Liederman requested that the City Attorney's Office opine on whether such a situation would preclude RBOC from hiring Ms. Reyes (or any other outside consultant doing work for other City divisions) for this assignment. The City Attorney's Office has been asked to comment on this situation at today's meeting and member Ummel will provide an update on Ms. Reyes availability. Provided RBOC is still interested in establishing its own pool and the City Attorney's Office provides a favorable opinion, the next step would be for the Contract Working Group to work with the SFPUC (Pauson Yun) to initiate an informal bid process for securing an expediter.

7. **Approval of RBOC Minutes of April 16, 2012.** (Discussion and Action) (attachment)

8. **RBOC Member Information Requests Raised at Today's Meeting and Future Agenda Items.**
(Discussion and Action)

9. **Adjournment.**

Next regularly scheduled meeting: June 18, 2012.

Agenda Item Information

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CY12 Tasks (Audits) To Be Considered by RBOC

RBOC Meeting of May 21, 2012

Introduction: At its meeting on April 6, the Contract Working Group was provided a list of prior tasks completed by RBOC as well as a listing of potential new tasks that could be undertaken in CY12 or later. The CY 12 list was refined and further discussed by the Working Group at its meeting of May 14. Key input was provided by Julie Labonte (WSIP) and Karen Kubick (SSIP). As envisioned, tasks discussed and hopefully recommended at today's meeting, would be given to the Contract Working Group for scoping and development of an RFP via the Controller's pool of consultants. *Note: the estimate-at-completion (EAC) and schedule-at-completion (SAC) task is proceeding on a separate, parallel track.*

Timeline: If RBOC approves a set of tasks for CY12 at its May 21 meeting and gives authority to the Working Group to establish individual scopes of work and entertain RFPs, the *soonest* RBOC could consider awarding its first contract is July. However, the July timeline assumes a near perfect process and ignores summer vacation impacts. Approval by RBOC in August and maybe even September is more likely with a NTP (Notice to Proceed) 30 days after. If the Working Group is not given the authority to establish scopes of work, i.e., must submit the scopes of work to RBOC for approval first, then the process is likely delayed at least another month. Practically speaking, approved task assignments are not likely to begin until September or October and it may be difficult to complete chosen tasks by the end of the calendar year.*

**Note: calling for a special meeting of the RBOC may be necessary in order that contracts can be awarded and work completed by the end of the calendar year. However, if RBOC is unconcerned about these tasks being completed by December 31, 2012, then the timeline can be relaxed.*

Tasks (Audits) For CY 12 include but are not limited to (in no particular order):

1. Audit project expenditures and appropriations

Background: RBOC's overarching purpose (per Prop P) is to ensure that "proceeds from revenue bonds authorized by the Board and/or voters are expended in accordance with the authorizing bond resolution." Last year, RBOC – via CSA (City Services Auditor) - audited three representative projects. While there were some minor irregularities with the expenditures, the overall audit revealed that project expenditures were appropriate and in accordance with the bond resolution. In keeping with the intent of Proposition P, RBOC may want to assign this task again in CY 12. Alternatively, RBOC could consider doing such audits on a bi-annual basis and perform this task for CY 13. Note: Nancy Hom, Director, Assurance & Internal Controls, has indicated that the SFPUC's work plan for FY12-13 calls for audits related to consulting billings/payments and procurement/contracting on several projects. RBOC may want to explore "piggybacking" with SFPUC/CSA on these (largely perfunctory) audits in lieu of RBOC

contracting for such audits on its own. Nancy Hom will be at the RBOC meeting on May 21 and can address questions from RBOC.

General Scope: Audit a representative sample of projects (3) and determine whether WSIP and/or Waste Water project expenditures were in keeping with intended use, bond resolution, and Commission action.

2. Reconnaissance review of most challenging projects

Background: The SFPUC completed such a review two years ago involving the Alameda Siphon 4 project. However, the most challenging projects are currently in construction now, suggesting RBOC may want to review a second challenging project. Julie Labonte indicated that a prime candidate would be the New Irvington Tunnel. This task was recommended by Robert Kuo, former RBOC auditor; also raised by Commissioner Moran. The key to getting the maximum value from this task hinges on a properly defined scope and having a consultant with the proper credentials.

General Scope: Examine one or two most challenging projects and identify the successes and failures that the SFPUC encountered in keeping these projects on schedule/on budget.

3. Perform selected construction audits

Background: The Controller's office conducted construction audits on Tesla Portal and East-West Transmission projects two years ago and was considering additional audits of this type in the future. Nancy Hom, Director, Assurance & Internal Controls, has indicated that the SFPUC's work plan for FY12-13 included requests for such audits on 2-3 WSIP construction projects. Generally, these audits would be performed by CSA (City Services Auditor) or one of the consultants in the Controller's pool. RBOC may want to explore "piggybacking" with the SFPUC/CSA on select construction audits. At a minimum, the SFPUC/CSA might be open to performing a construction audit for a project identified by RBOC and/or letting RBOC have some say in the scope of work. Nancy Hom will be at the RBOC meeting on May 21 and can address questions from RBOC.

General Scope: Choose one or two projects and perform a construction audit. Unlike task #1, a construction audit is more in-depth depending on the size of the project and scope. The scope could include, for example, verification of what rates and agreements are in the contract regarding the project; deadlines, retainers; testing the bid process, contract negotiation process, or other pre-stage construction processes as well as the cost of construction materials used.

4. Assess use of alternative delivery methods

Background: Water Enterprise WSIP projects were already evaluated by Parsons for alternative delivery methods (e.g., "design, build and operate"). Tesla Portal was the only ADM project identified and ADM was used on this project. As such, examining ADM at this time, as it applies to the Water Enterprise, would yield no value.

However, it was recognized that ADM may be more relevant with the upcoming Waste Water CIP (SSIP). The Independent Review Panel thought an examination of ADM would be good for future projects. However, according to SSIP's Director, Karen Kubick, the SSIP program manager intends to review the SSIP for ADM possibilities. As such, it may not be necessary for RBOC to pursue this task. Alternatively, RBOC can wait for SSIP to complete its ADM review and report its findings to RBOC at a future meeting.

General Scope: Determine the extent to which alternative delivery methods may be used by the SFPUC's SSIP as well as the factors or forces within the SFPUC that facilitate or hinder their use.

5. Examine the project close-out process

Background: This task was initially identified by former RBOC committee member David Sutter. The key to getting the maximum value from this task hinges on a properly defined scope and having a consultant that is familiar with both construction and operations aspects. The SFPUC admits that this area is one that has not been thoroughly examined.

General Scope: Examine procedures and processes used in the close-out of projects: testing and start-up, including submissions of as-builts, and turnover of key documents (e.g., warranties) to the owner/operations group.

6. Review the start-up of the Sewer System Improvement Program (SSIP)

Background: This subject was raised by a previous Independent Review Panel report. What are the "lessons learned" that can be carried over from WSIP to SSIP? Subsequent discussions with SSIP Director, Karen Kubick, indicate that this task is an appropriate one for RBOC to consider.

General Scope: Identify key organizational and management aspects that are in-place or contemplated for future success, as learned under WSIP. Identify the SFPUC's plans to transition (de-staff/reassign labor, consultants, or CMIS) out of WSIP to SSIP.

7. Revisit the environmental review and/or permitting processes to determine lessons learned

Background: Follow-up discussions with Julie Labonte suggested that the focus of this task – if undertaken – should center on the environmental/permitting aspects, not the contracting area which she believes is working well. As all WSIP projects are essentially beyond the environmental/permitting phase (which the SFPUC has been very successful with) the value of this task is limited. Thus, a better focus might be on whether the lessons learned are being internalized (institutionalized?) by the SFPUC for use on later projects. Note: because the SFPUC is beyond the environmental/permitting phase, any

relevant findings would yield no value WSIP. However, findings could be relevant to future projects including those within SSIP.

General Scope: Interview staff, contractors, and relevant third parties (regulators?) or stakeholders to more fully understand what aspects of the environmental review/permitting process is working well or not. What are the lessons learned?

8. Analysis of Remaining Delivery Costs

Background: This task was suggested by the WSIP Director, Julie Labonte. Julie explained that once a program is in construction, remaining costs are to a great extent fixed through the awarded construction contracts. However, costs may vary in two areas – construction change orders and delivery costs (often referred to as soft costs). With WSIP construction activities projected to peak in the fall of 2012, the WSIP team will need to start ramping down some activities in early 2013. Julie expressed interest in assessing the projected delivery costs for the remaining of the program and verifying that those costs reflect the phasing out of resources as the program nears completion.

General Scope: The ability to control and accurately forecast delivery costs – including City and consultant driven costs – is a critical aspect of the WSIP cost management strategy. This task would involve a verification of all forecasted delivery costs remaining to complete the WSIP, including costs associated with program and project management, planning, engineering, environmental review and permitting, construction management, engineering support during construction, and other City staffing costs (e.g., real estate services, Water Enterprise operations support, legal support, etc.). The analysis should include a review of all delivery cost forecasts (based on specific resource allocation projections of all key positions) and a review of how consultants and City staff are being transitioned out of the program. The result of the analysis should be combined with the actual delivery costs to date to allow for a project-level comparison of the delivery costs approved as part of the July 2011 Revised WSIP. The analysis may also involve the analysis of other remaining non-construction costs such as environmental mitigation, security and right-of-way costs.

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Draft Scope of Services

RBOC Evaluation of the WSIP Process for Forecasting Cost Estimate at Completion (EAC) and Schedule at Completion (SAC)

Introduction

The RBOC is charged with confirming that the WSIP program is being implemented in a professional and cost effective manner. The SFPUC implements the program, estimates and tracks project costs, and develops and tracks project schedules.

In light of recent recommendations made by both Dr. Ibbs and the Independent Review Panel, RBOC has requested that the SFPUC conduct an EAC/SAC analysis for a representative sample of projects and that this analysis be reviewed by RBOC's consultant (TBD) for purposes of confirming the accuracy SFPUC's cost and schedule forecasts and the WSIP's overall status. As currently envisioned, this analysis and review would be conducted in a collaborative manner.

Objective

The consultant will review the SFPUC's EAC/SAC analysis and provide RBOC with a report as to the thoroughness, accuracy, comprehensiveness, and quality of the SFPUC's cost estimates and schedule forecast at project completion.

The overall goal of this work is to address three main issues: 1) To what degree of confidence does the EAC/SAC analysis of the representative projects suggest that these projects are on schedule and within the budget currently forecasted by the SFPUC, and 2) To what degree of confidence does the EAC/SAC analysis suggest that the overall WSIP program is on schedule/budget, and 3) What issues, if any, should be addressed and actions taken to set more accurate project/program completion budgets and schedules, that can be relied upon by program stakeholders and the general public?

General Information

1. The SFPCU will give a comprehensive presentation to the selected consultant and RBOC Contracting Working Group on its existing EAC/SAC process to provide a clear understanding of the WSIP team's monthly forecasting process.
2. The SFPUC will make WSIP records and data accessible to the RBOC consultant and permit the consultant to review information used in completing the EAC/SAC analysis. The SFPUC will provide a contact person that will facilitate the RBOC consultant's access to information, key SFPUC staff people, contractors and/or other needed contacts.
3. As part of the proposal process, the consultant is required to review the most current SFPUC WSIP project information, including additional reports, such as the Cost Summary and Document Turnaround reports. The SFPUC will make this information available on-line. RBOC will provide, on-line, the most recent Independent Review Panel and Ibbs reports.

4. The consultant will submit an initial proposal based on the information herein, the presentation by the SFPUC, and the pre-proposal document review referenced above, including a timetable for work completion, and a proposed total cost (fee) for completing the work including all aspects of the review and analysis, and the cost for staff, incidentals, and deliverables. The final consultant fee will be negotiated to a not-to-exceed amount.
5. After selection, the consultant will have a 10 working day period to talk with SFPUC staff and representatives of RBOC and review any additional relevant documents and processes to better understand the breadth and specifics of available data that can be used to inform the consultant, the organizational alignment, and the SFPUC's various processes and policies. Based on any new information, the consultant's scope of work and fee for conducting the review and providing the report to RBOC can be refined.
6. The consultant will then provide a specific proposed timeline and cost for the review process, the evaluation and analysis of all necessary materials and processes, discussions with SFPUC staff and contractors, the evaluation and analysis process for the current SFPUC EAC/SAC procedures, submittal of the final report, and oral presentation to the RBOC. The consultant is expected to meet with the SFPUC staff as often as necessary to access information, clarify issues and thoroughly and accurately report on the status of the representative projects.
7. So that the impact on WSIP staff is minimized, the actual EAC/SAC review process will be mutually agreed upon by the SFPUC and RBOC's consultant. (For example, it may be advantageous for RBOC's consultant to work collaboratively with the person(s) conducting the analysis *as it is being prepared* as opposed to waiting for a completed analysis.)
8. The consultant shall be responsible directly to the RBOC, and _____(name)_____ will represent the RBOC and be the consultant's contact for general guidance or questions.
9. The consultant will provide the SFPUC with a *draft* report including all findings for review and comment prior to a final report being submitted to RBOC.
10. The Consultant must submit a final report to RBOC by _____.

Projects to be Evaluated

The consultant will review the EAC/SAC for the following 5 projects.

1. New Irvington Tunnel-----\$320M
2. Calaveras Dam Replacement-----\$420M
3. HTWTP Long Term Improvements-----\$276M
4. BDPL Reliability Upgrade Tunnel----\$307M
5. Crystal Springs/San Andreas Transmission Upgrade----\$165M

EAC/SAC Review Requirements

The details of the review will include but not be limited to the items listed below. The exact scope of the review will be refined after the consultant becomes familiar with the WSIP EAC/SAC process and has had a chance to review relevant background

documents. The consultant will review the SFPUC's EAC/SAC analysis for each project in sufficient detail to thoroughly understand if project costs and schedule assumptions, inclusions, projections, and contingencies are reasonable, and if the project can be delivered as indicated in the current WSIP forecast at completion base on the information know at the time of the analysis. The review process is as follows:

1. The consultant will follow the SFPUC's EAC/SAC process from beginning to end for each project and assess its current EAC/SAC thoroughness and accuracy.
2. Review of the SFPUC cost estimating and cost forecasting methodology, assumptions, accuracy, and processes used to determine forecast final project cost at completion.
3. Review the SFPUC's schedule projection and forecasting methodology, assumptions, accuracy, and processes used to determine schedule at completion forecasts.
4. Spot check key approved change orders (CO's) to insure they were approved in accordance with SFPUC policies and are essential to successful completion of the project.
5. Spot check pending and potential CO's for both cost and time to insure that projections are realistic, thorough, all inclusive, and that assumptions for cost and schedule at completion are sound and within industry norms.
6. Review project trend projections for both cost and time to insure that projections are realistic, thorough, all inclusive, and that assumptions for cost and schedule at completion are sound and within industry norms.
7. Confirm that all approved, pending, and potential CO's and trends are included in the SFPUC's project cost and time completion forecasts.
8. Review the project risk registers to determine if all reasonable risks are accounted for. Also, make an assessment as to whether high probability risks should be included in the trends cost and schedule projections at completion. Report on the rationale and analysis used to develop your opinion.
9. Review all project contingencies, both construction and non-construction, to determine if there will be sufficient contingencies to cover all costs for the projects at completion. Using the analysis of the 5 projects as a base, provide an opinion and the backup rationale and data to extrapolate this information and determine the overall confidence level that the entire WSIP program can be completed within the current contingency funding, including the Program Management Reserve Fund.
10. The consultant will interview the prime contractor for each project to gain the contractors perspective on the current and projected status of the work and current and future cost and schedule challenges to insure that all reasonable cost and schedule issues are addressed in the SFPUC's EAC/SAC forecasts.
11. The consultant will present a full and comprehensive written report to the RBOC giving the details and analysis leading to the consultant's findings and recommendations.
12. If the consultant findings indicate the need for revisions to the SFPUC's current EAC/SAC process, the consultant will provide specific actions that should be taken to provide more accurate EAC/SAC projections.

Consultant Qualifications and Requirements

The successful RFP submittal shall demonstrate that the consultant/firm has the appropriate professional and technical background as well as access to adequate resources to fulfill the stated scope of services.

Required professional expertise, knowledge and skills include, but are not limited to the following, all in relation with large public infrastructure programs and projects:

- a. All aspects of program, project and construction management.
- b. Schedule and cost control and forecasting, with strong emphasis on construction costs and schedules.
- c. Budgeting, cost control and cost estimating.
- d. Critical Path Method (CPM) scheduling.
- e. Earn value management (CPI, SPI, and other indicators)
- f. Construction contract administration.
- g. Public utility governance and financing.

Desirable experience, knowledge and skills include, but are not limited to the following:

- a. Planning, design and construction of large and complex potable water projects and programs.
- b. Construction risk assessment/management.
- c. Primavera P6 project management platform.
- d. Environmental regulations/requirements and their impacts on project delivery.
- e. Stakeholder relations.
- f. Feasibility analysis and analysis for construction projects and programs.
- g. Public project delivery organizational alignments and responsibilities.

The consultant's proposal will include all necessary expertise and personnel required to successfully complete the scope of services.

Deliverables

The consultant will provide the SFPUC with a *draft* report of his/her findings for review and comment prior to a final report being submitted to RBOC. The SFPUC will have two weeks to respond in writing. The consultant's final report will be provided to RBOC within two weeks of having received the SFPUC's written response. The final report will be provided both electronically and in hard copy including all key backup information used to substantiate the consultant's findings/recommendations. The consultant will give an oral presentation to the RBOC following submission of the final report. The consultant will provide two progress reports (orally) to the RBOC Board or its sub-committee.

RBOC Establishing Its Own Consultant Pool May, 2012

Background:

At its meeting of December 19, 2011 RBOC voted to use the Controller's pools on an as-needed basis and pursue the establishment of its own pool comprised of both financial and construction management type firms. (Note: The Controller's pools for both construction management and financial/audit type consultants have just been refreshed and are now available to RBOC.) Such a pool would be created specifically to meet the needs of the RBOC and would be good for two years though consultant contracts could be for a much longer period (e.g., 48 months.) However, to create its own pool of consultants, RBOC would be subjected to a myriad of City contracting requirements (Civil Service Commission, HRC, and others including working with the local unions) to ensure that consultants hired by RBOC adhere to the same rules imposed upon other citizen advisory committees, boards within the City, and the City's Administrative Code. For RBOC to create its own pool could take six months or longer to complete. To guide the process to completion might require RBOC hiring someone to "expedite" the process. For that reason, Chair Brown looked into having RBOC contract with such a person.

Chair Brown contacted three candidates to poll availability, cost and the services they could perform (from setting up the pool to administration of the contract).

- 1) Esther Reyes: Former Contracts Administrator for the Controller's Office who worked on the first contracting process for RBOC. Ester charges \$150 per hour and has extensive experience setting up pools and meeting all the City requirements. She would be able to help RBOC administer the contract with direction from the Working Group. Recently, she indicated she had an opportunity to work with the SFPUC and was inquiring whether there was a conflict of interest. Ester is also a certified LBE contractor. Given Ester's hourly rate, it's unlikely she could serve as RBOC's expeditor for \$10,000 (technically, \$9,999), the contract ceiling amount for RBOC being able to choose a consultant without an RFP.
- 2) Bob Kuo: Former consultant to RBOC and former City employee in executive positions at several City Departments. He was available as of a month or so ago for a limited assignment. He indicated that \$10,000 would include 50 hours of his time; working back that is \$200 per hour. He is also a certified LBE contractor. Again, it's unlikely he could accomplish the task within the \$10,000 contract ceiling.
- 3) Bill Jones: Former City employee in Contracts Administration and recommended by Cathy Barnes, Deputy City Attorney. Recently, Bill indicated he was too busy with other projects to take on this assignment.

Summary/Recommendation: If RBOC wishes to establish its own pool, it will need outside assistance to put it in place. SFPUC Finance staff is unwilling or has higher priorities that prevent it from serving as an expeditor. Thus, securing outside assistance is key. Since it is unlikely the task could be performed for

under \$10,000, it suggests that the most efficient process would be for RBOC (through the Contract Working Group) to utilize a limited RFP process. Such a process, requiring three informal bids and a selection (scoring) committee, would permit RBOC to enter into a contract for up to \$50,000. The SFPUC's Contract Administrator, Pauson Yun, has indicated he could assist RBOC – as he did with the Dr. Ibbs contract – in the RFP/selection process. Once a finalist was secured and contract signed, the “expediter” would work with the Contract Working Group to establish the RBOC pool.

Provided RBOC approves this approach at its May 2012 meeting and the City Attorney's office provides a favorable opinion on the use of RBOC consultants working for other city divisions, then the Contract Working Group would work with the SFPUC to get an expediter on-board. The time necessary to engage an expediter and have a pool in place would likely take 4-6 months. Practically speaking, such a pool would likely be used for RBOC tasks starting in CY 13.

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**PUBLIC UTILITIES
REVENUE BOND OVERSIGHT COMMITTEE
CITY AND COUNTY OF SAN FRANCISCO
MINUTES - DRAFT**

**Public Utilities Commission Building, 4th Floor Conference Room
1155 Market Street (between 7th & 8th Streets)
San Francisco, CA 94103**

April 16, 2012 - 9:30 AM

Regular Meeting

1. Call to Order and Roll Call (9:37 a.m. – 9:37 a.m.)

- Seat 1 Holly Kaufman
- Seat 2 Kevin Cheng, Chair
- Seat 3 Karen Donovan
- Seat 4 Larry Liederman
- Seat 5 Vacant
- Seat 6 Ian Hart
- Seat 7 John Ummel, Vice Chair

The meeting was called to order at 9:37 a.m. On the call of the roll Member Donovan was noted absent.

Member Doovan was excused.

2. Public Comment: (9:37 a.m. – 9:37 a.m.)

Public Comment: None.

3. Chair's Report:

A. San Francisco Public Utilities Commission (SFPUC) Staff Report: Water System Improvement Program (WSIP) – Construction Management. (9:37 a.m. – 10:27 a.m.)

John Kinneen, Julie Labonte, and Estabio Elarosa (SFPUC); presented a report on WSIP Construction Management and responded to questions raised throughout the discussion.

Public Comment: None.

B. San Francisco Public Utilities Commission (SFPUC) Staff Report: Comparison of Initial Construction Risk Assessment versus Actual Realized Changes for Completed Projects. (9:37 a.m. – 10:42 a.m.)

Item 3B heard concurrently with item 3C.

C. San Francisco Public Utilities Commission (SFPUC) Staff Report: Construction Contingency – What Percentage of Approved Construction Contingency is Actually Used.
(9:37 a.m. – 10:42 a.m.)

Estabio Elarosa, John Kineen and Mike Brown (SFPUC); presented a report on the Comparison of Initial Construction Risk Assessment versus Actual Realized Changes for Complete Projects and on Construction Contingency; and responded to questions raised throughout the discussion.

Public Comment: None.

D. San Francisco Public Utilities Commission (SFPUC) Staff Report: Financing Update.
(9:42 a.m. – 10:59 a.m.)

Rich Morales, Debt Manager (SFPUC) provided information and responded to questions raised throughout the discussion.

Public Comment: None.

E. San Francisco Public Utilities Commission (SFPUC) Staff Report: RBOC Account Statement. (10:59 a.m. – 11:21 a.m.)

Mike Brown and Charles Perl (SFPUC); Ken Roux (City Attorney's Office); provided information and responded to questions raised throughout the discussion.

Public Comment: None.

4. Review of Dr. William Ibbs' Final Report to the RBOC Regarding the SFPUC's Construction Management Report/Systems. 11:21 a.m. – 11:28 a.m.)

Vice-Chair John Ummel provided a summary of the Contracting Working Group discussion of Dr. Ibbs' final report concerning the SFPUC's construction Management Report/Systems.

Discussion occurred concerning a RBOC request that the SFPUC commission a review based on Dr. Ibbs' recommendations.

Member Liederman, seconded by Chair Cheng, moved to accept Dr. William Ibb's Final Report.

The motion carried by the following vote:

Ayes:5 – Kaufman, Cheng, Hart, Liederman, Ummel

Noes: 0 – None

Excused: 1 - Donovan

Public Comment: None.

5. **Update: Controller's Pool of Consultants (Construction Management and Financial/Audit).** (11:28 a.m. – 11:36 a.m.)

Vice-Chair John Ummel provided a summary of the Contracting Working Group discussion of the Controller's Pool of Consultants.

Ken Roux (City Attorney's Office); Mike Brown, Nancy Hom, and Charles Perl (SFPUC); provided information and responded to questions raised throughout the discussion.

Public Comment: None.

6. **RBOC's Use/Selection of an Expediter to Assist in the Formation of the RBOC's Consultant Pool.** (11:28 a.m. – 11:36 a.m.)

Ken Roux (City Attorney's Office); provided information and responded to questions raised throughout the discussion.

Public Comment: None.

7. **Suggested Audit Activities for Calendar Year 2012.** (11:36 a.m. – 11:43 a.m.)

Item 3B heard concurrently with item 3C.

8. **Revenue Bond Oversight Committee (RBOC) and RBOC Contracting Working Group – Filling Vacant Positions.** (11:36 a.m. – 11:43 a.m.)

Discussion occurred concerning future activities of the RBOC.

Chair Kevin Cheng appoint Holly Kaufman to the Contracting Working Group.

Public Comment. None.

9. **Approval of RBOC Minutes of March 19, 2012.** (11:43 a.m. – 11:44 a.m.)

Member Liederman request clerical corrections to various spellings.

Member Liederman, seconded by Member Ummel, moved to adopt the RBOC Minutes of March 19, 2012, as amended.

The motion carried by the following vote:

Ayes:5 – Kaufman, Cheng, Hart, Liederman, Ummel

Noes: 0 – None

Excused: 1 - Donovan

Public Comment: None

10. **RBOC Member Information Requests Raised at Today's Meeting and Future Agenda Items.**

No Action Taken.

Public Comment: None.

11. **Adjournment.**

The meeting adjourned at 11:45 a.m.

Agenda Item Information

Each item on the agenda may include: 1) Department or Agency cover letter and/or report; 2) Public correspondence; 3) Other explanatory documents. For more information concerning agendas, minutes, and meeting information, such as these document, please contact RBOC Committee Clerk, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 – (415) 554-5184.

Audio recordings of the meeting of the Revenue Bond Oversight Committee are available at:

http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=97

For information concerning San Francisco Public Utilities Commission please contact by e-mail bondoversight@sfgwater.org or by calling (415) 487-5245.