

Engineering Services: Maintaining the Momentum

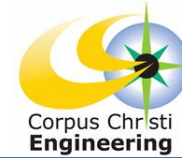


Council Presentation
August 14, 2018



Building a Successful Transition

NEW LEADERSHIP

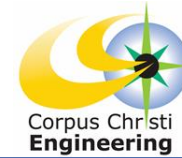


➤ 2015 – Encountered:

- ☐ Numerous legacy problems & process deficiencies
- ☐ Inexperienced project & construction managers
- ☐ Bond 2012 program substantially over budget & behind schedule
- ☐ Bond 2014 program stalled - budget & design problems
- ☐ Little Bond construction underway
- ☐ Unacceptable turnaround times on change orders & invoices
- ☐ Outstanding Invoices
- ☐ Project & Construction Management functions lacked coordination
- ☐ Ineffective organizational structure
- ☐ Inadequate tracking & reporting
- ☐ Low accountability
- ☐ High vacancy rate



Building a Successful Transition NEW LEADERSHIP

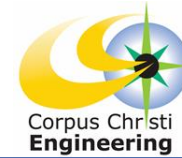


➤ **Since 2015 – Actions:**

- ✓ Recruited experienced leadership (contract & FTE's)
- ✓ Restructured department - improved effectiveness
- ✓ Realigned resources to work demands
- ✓ Streamlined processes & updated procedures
- ✓ Restructured compensation plan & filled key positions
- ✓ Revised budgets & secured funding to advance Bond 2012
- ✓ Value-engineered Bond 2014 projects to address shortfalls
- ✓ Developed program execution schedule & regularly updated/reported
- ✓ Improved records management
- ✓ Developed Change Order policy, reduced % & improved reporting
- ✓ Improved & standardized construction management procedures
- ✓ Improved AE/contractor invoice processing times



Building Success PROJECT PROGRESS



➤ Since 2015 – Accomplishments

- ✓ Bond 2012 – 44 projects: 59% complete, 20% in construction, 20% remain
- ✓ Bond 2014 – 28 projects: 25% complete, 54% in construction, 21% remain
- ✓ Bond 2016 – 4 projects: 25% in construction, 75% remain
- ✓ Bond 2018 – completed planning, scoping & preliminary engineering
- ✓ All Programs moving forward on schedule
- ✓ Only one Bond project in litigation
- ✓ No projects-in-trouble
- ✓ Timely payment of \$ 8 - 10 M invoicing per month
- ✓ Demonstrable evidence of Bond project completion throughout City!
- ✓ Department has regained public trust in ability to execute programs



Building Success WORK EXECUTION LEVEL



| CONTRACTING ACTIVITY * | |
|------------------------|-----------|
| 2015 | \$100 M |
| 2016 | \$146 M |
| 2017 | \$186 M |
| 2018 | \$ 60 M** |

| PROGRAM | BOND PROJECTS STATUS*** | | | |
|---------|-------------------------|----------|----------|---------|
| | # PROJ | COMPLETE | CONSTR. | REMAIN |
| 2012 | 44 | 26 (59%) | 9 (20%) | 9 (20%) |
| 2014 | 28 | 7 (25%) | 15 (54%) | 6 (21%) |
| 2016 | 4 | 0 | 1 (25%) | 3 (75%) |

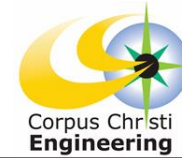
* New Contracts

** As of July 2018

*** As of August, 2018.



Building on Our Success MAINTAINING THE MOMENTUM

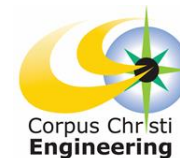


➤ Existing Staffing Situation -

- ✓ Increased Resources required to successfully
 - Launch Bond 2018 Program
 - Continue Residential Street Rebuild Project Implementation
 - Coordinate/Oversee Harbor Bridge Utility Relocation Project
 - Ensure project/program executions are timely & within budgets
- ✓ Project management & inspection vacancy rates still high (21%)
- ✓ Recruiting environment challenging
 - Two steps forward, one back (Hire 2, Lose 1)
 - Recent departures overload existing staff
 - Lack of experienced candidates



Building on Our Success MAINTAINING THE MOMENTUM



➤ Contracted Staff Support -

- ✓ Reliance on contract staff - reduced with permanent hires
- ✓ Contract resources still required to
 - Maintain project throughput
 - Mentor less experienced staff
 - Minimize project risks
- ✓ 2 - Senior Licensed Engineers **(THIS ITEM)**
 - Over 60 Years Combined Experience
 - Advanced/Lead Program & Utility Construction Management
 - Six-month contract (one optional six-month extension)



Building Success

ENGINEERING SERVICES DEPARTMENT



Questions?
