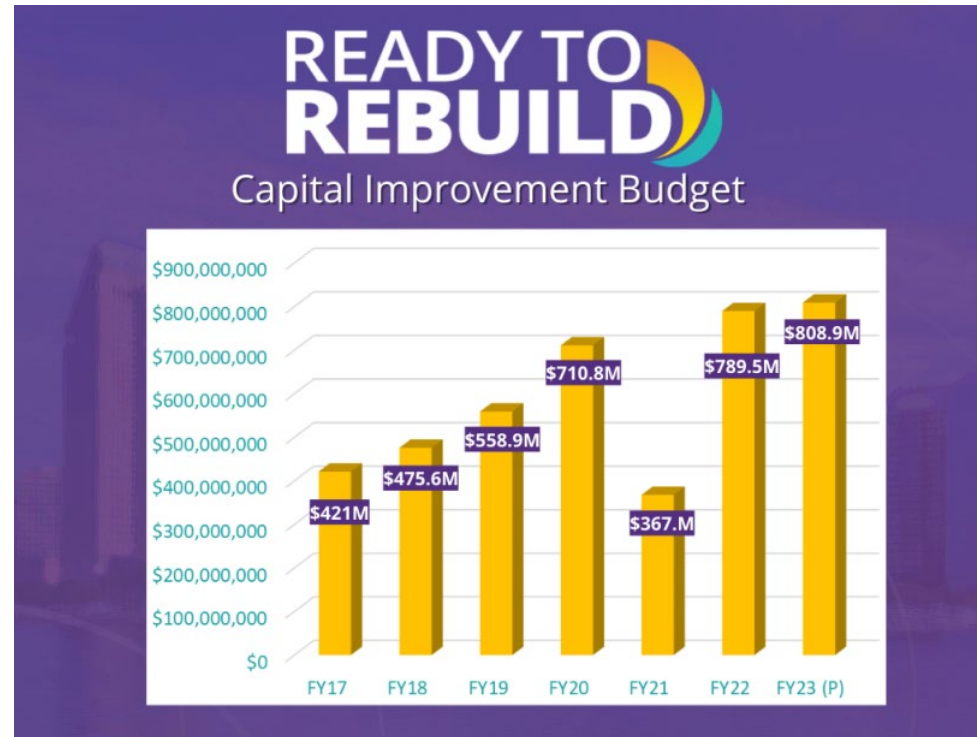


Engineering And Capital Projects Department

Amendments to the Municipal Code and Council Policies for Capital Improvements Program (CIP) and Infrastructure Process Improvements and Streamlining

The Mayor’s “Ready to Rebuild” budget is the largest infrastructure investment in our city’s history.

- Between FY17 and FY23, CIP Budget increased by \$388M
- Anticipated CIP funding over the next five fiscal years are estimated at \$4.12B
- Demand for project execution could exceed \$1B annually with federal infrastructure funding

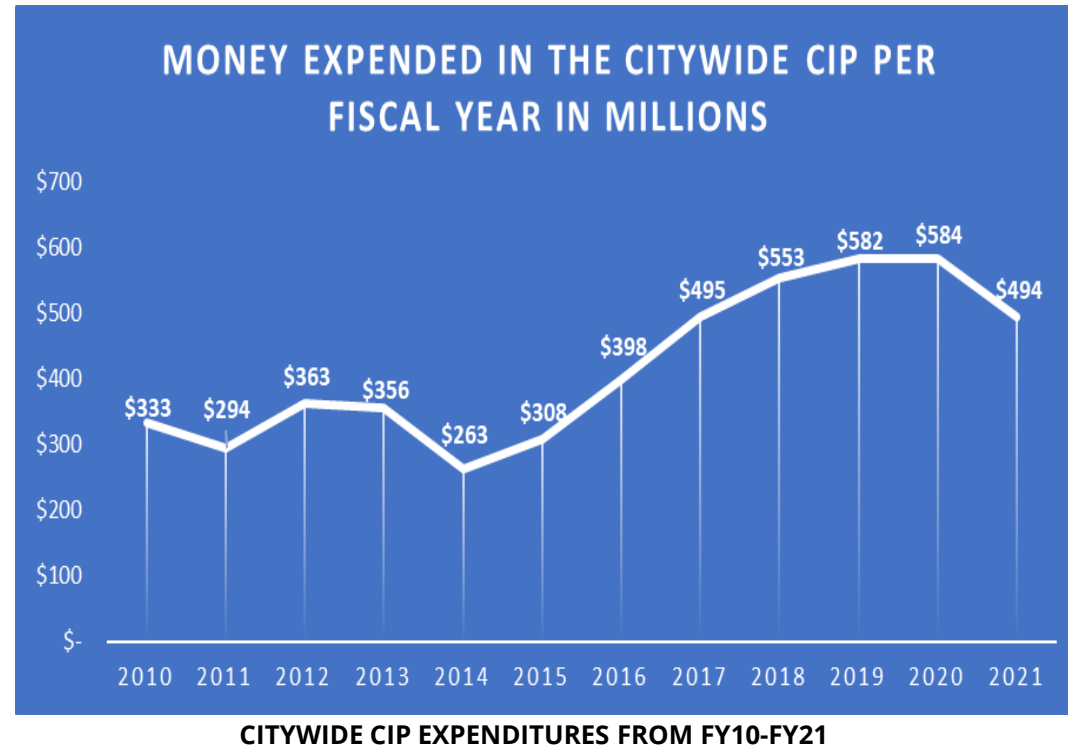




BACKGROUND – INCREASED EXECUTION

Citywide CIP expenditures continue to grow

- Between FY15 and FY20, CIP expenditures increased by \$276M
- \$542.5M was spent on CIP in FY 2022

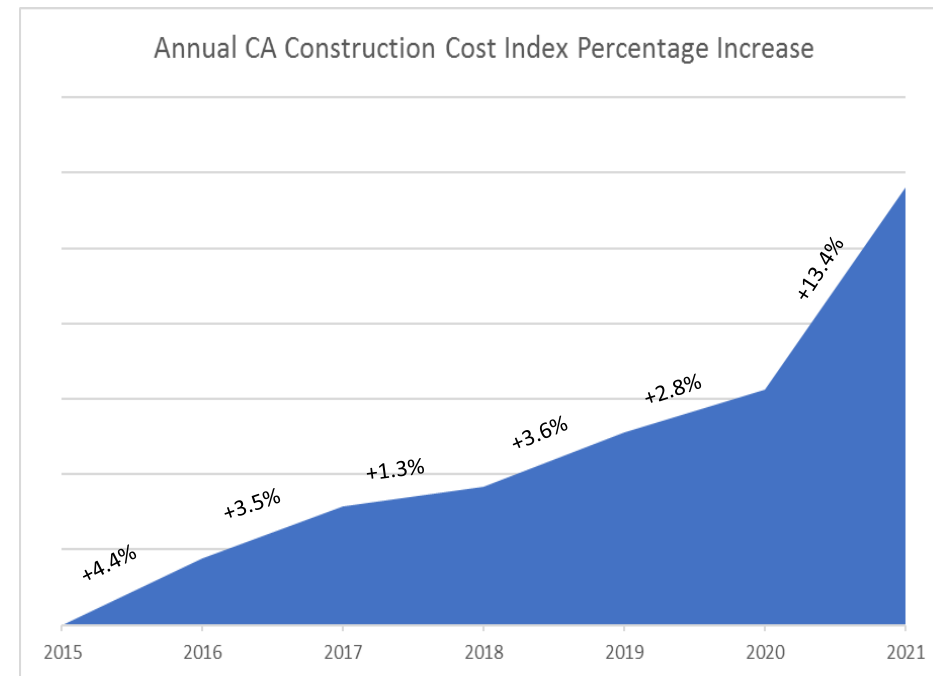


Construction Inflation Rates

- From 2020 to 2021, the CA Construction Cost Index increased by 13.4%

Professional Services Rates

- From FY15-FY20, the average consultant contract increased from \$650K to \$2.5M
- The average consultant contract amendment increased from \$200K to \$445K



1. External Factors Beyond Our Reasonable Control

- a) Inflation
- b) Labor Shortage
- c) Service, Regulatory & Operational Demands

2. Internal Factors Within Our Control

- a) City Processes (charter, municipal codes, Council policies, department workflows)
 - Different Phases of Project Delivery (Planning, Design, Construction, Operations)

3. Proposed Process Improvements

- a) Municipal Code Changes (Council Ordinances)
- b) Council Policies (Council Resolutions)
 - Prioritization / Transparency/ Customer Service
- c) E&CP Administrative and Delivery Tools (Informational Items)





MUNICIPAL CODE CHANGES

Update the Current Mayoral Authority threshold:

Consultant Procurement:

- 1) Award CIP consultant contracts (increase from \$1M to \$3M)
- 2) Award consultant contract amendments on large contracts (\$200K or 10% of the consultant contract, whichever is greater).
- 3) Update cumulative limit on consultant contracts (increase from \$1M to \$5M)
- 4) Award O&M Funded Consultant Contracts (increase from \$250K to \$1M)



MUNICIPAL CODE CHANGES

Update the Current Mayoral Authority threshold:

Construction Contracts:

- 5) Award change orders on large construction contracts (**\$1M for contracts over \$10M**)
- 6) Change the Authorization Process to award Utility Undergrounding Contracts (**implement Mayor's authority similar to other CIP**)
- 7) Update City Forces Threshold to perform CIP work (**increase from \$100K to \$500k**)
- 8) Allow for modification of Job Order Contract Task (**Increase Task Order Limit and timeline**)

Caltrans Co-operative Agreements:

- 9) Change the Authorization Process to execute Caltrans Co-op agreements

CIP Transparency CP000-31 (CURRENT)

- Public access to CIP information
 - **CIP Webpage**
 - Project description, status, location and budget
 - Budget Document CIP Project Pages
 - CIP project summary lists: status and bid information
 - EOCP information
- Council and Stakeholders Outreach
 - **Presentations to Council**
 - State of the CIP
 - **Reports**
 - Multi-year CIP plan
 - List of Consultant and Construction Contracts
 - **Stakeholder meetings**
 - Construction
 - Consulting
 - SLBE-EBLE

CIP Transparency CP000-31 (PROPOSED ADDITIONS)

- List of **consultant contracts** award limit increased to \$3 million
- List of awarded contracts by **consultant**
- **Consultant** contract amendment information (for amendments greater than \$200,000) posted to City webpage
- List of **Construction** Change Orders over \$500K
- Job Order Contracts (JOC) and Multiple Award Construction Contracts (MAAC) task order reporting
- List of **Inter-Agency** Agreements added
- State of **Construction** Report
- Reporting of **EOC actual vs. goals** contracted percentages