



# Shovel Ready:

Best Practices and Collaboration  
to Improve  
San Francisco's  
Capital Construction  
Program

April 11, 2022



City and County of San Francisco  
Civil Grand Jury  
2021-2022

# **Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program**

## **About the Civil Grand Jury**

The Civil Grand Jury (“Jury”) is a government oversight panel of volunteers who serve for one year. It makes findings and recommendations based on its investigations. Reports of the Civil Grand Jury do not identify individuals by name, and disclosure of individuals interviewed by the Jury is prohibited. (California Penal Code §929)

### **2021-2022 Jurors**

Michael N. Hofman, Foreperson

Will McCaa, Foreperson Pro Tem

Sara Miles, Corresponding Secretary

Charles Lai, Recording Secretary

Mark Seielstad, Parliamentarian

Tony An

Rick Crane

Tony David

Phyllis V. Deets

Jason Golz

Cort Gross

Jeanine Jue

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Tim Novacic

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Joanie van Rijn

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## **Summary**

The City and County of San Francisco (“City”) relies on general and specialty contractors for most of its capital construction projects, budgeted at \$39 billion for the 2020-2029 period. This report follows up on recommendations made in prior Jury reports, including *San Francisco's City Construction Program: It Needs Work* (2015) and *Van Ness Avenue - What Lies Beneath* (2021, “Van Ness report”), that City leaders agreed to adopt, but have yet to implement.

One such recommendation from the 2015 report focused on the need for City departments charged with managing capital construction projects to create and adopt a contractor performance evaluation database. The purpose was to find the best contractor for each job, by requiring City departments and contractors to evaluate each other's performance during and after a construction project, thus ensuring accountability, transparency and two-way communication.

Six years after the City decided to create this database, and two years after it was developed, the database remains unused. No training sessions have occurred since September 2019. No department has entered data since February 2020. As a result, there is little contractor information in the database. There is no way to confirm that the database is being consulted when departments select contractors. And there is no clear project manager with responsibility and authority to see the database project through to completion and ensure its adoption and ongoing use.

By not using the database, the City fails to benefit from lessons learned within and across departments, despite department heads' expressed opinions that the database would have a meaningful and positive impact on project quality, budgets and timelines. Therefore, this report makes additional recommendations to ensure performance evaluations happen and the database is used.

The database, however, is only one example of a construction best practice. Based on facts uncovered in this investigation, the Jury finds that the City misses opportunities to adopt other construction best practices too.

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## **Background**

The 2021-2022 San Francisco Civil Grand Jury is undertaking a review of prior Jury reports on the City and County of San Francisco's capital construction program to understand if previous recommendations have been followed. The Jury seeks to highlight the importance of these recommendations, and is providing this report based on a new investigation into the matter.

Prior Jury reports and a Controller's Office report recommended changes to Chapter 6 of the City’s Administrative Code<sup>1</sup>, specifically sections 6.26 and 6.74, which address capital construction projects. The Controller's audit from May 2014 included 12 recommendations, focusing on the need to:

1. Create and implement a contractor performance evaluation database
2. Conduct and document performance evaluations
3. Use evaluations to help choose the right contractor for the job

Shortly after the Controller’s audit was published, the 2014-15 Jury published a report called *San Francisco's City Construction Program: It Needs Work*<sup>2</sup>. This report included eight recommendations, also focusing on amending Chapter 6 of the Administrative Code to require contractor performance evaluations and use of past evaluations in awarding future contracts.

Then the 2020-2021 Jury published a report called *Van Ness Avenue: What Lies Beneath*<sup>3</sup>. This report included 11 recommendations for the City to anticipate and minimize construction problems (“derisking”<sup>4</sup>), adopt construction best practices<sup>5</sup>, and incorporate “partnering.”<sup>6</sup>

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<sup>1</sup> See the Glossary for more information about Chapter 6.

<sup>2</sup> San Francisco Civil Grand Jury, “[San Francisco’s City Construction Program: It Needs Work](#),” June 2015

<sup>3</sup> San Francisco Civil Grand Jury, “[Van Ness Avenue: What Lies Beneath](#),” June 2021

<sup>4</sup> See the Glossary for more information on this phrase.

<sup>5</sup> See the Glossary for a definition of construction best practices

<sup>6</sup> Rob Reaugh, “[San Francisco Partnering Field Guide](#),” March 2021, OrgMetrics LLC – SFCPSC Partnering Facilitator See the Glossary for more information on this topic.

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There are six City departments with authority to engage in capital construction projects, each of which must adhere to Chapter 6 of the City Administrative Code<sup>7</sup>. As such, they are often referred to as “Chapter 6 departments.” These six departments are the Department of Public Works (“DPW”), the Public Utilities Commission (“PUC”), the Municipal Transportation Agency (“MTA”), San Francisco International Airport (“SFO”), the Port of San Francisco (“Port”), and the Recreation and Park Department (“Rec & Park”). Separately, numerous other “non-Chapter 6 departments” (e.g., Fire, Library, Police, Health) also require new construction projects, but they receive their construction services from Chapter 6 departments. In almost all of these cases, DPW manages these projects.

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<sup>7</sup> See the Glossary for more information on this Chapter and the included departments.

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## **Methodology**

The Jury conducted the following research:

1. We reviewed the two prior Jury reports noted above, the report prepared by the Controller's Office “Citywide Construction: Adopting Leading Practices Could Improve the City’s Construction Contractor Bid Pool” (May 20, 2014)<sup>8</sup>, and other reports prepared by the Controller's Office and the Budget and Legislative Analyst.
2. We conducted numerous interviews with City department directors and managers, Controller's Office staff, Budget and Legislative Analyst staff, and technical staff involved in the database’s development, testing and implementation.
3. We reviewed the Board of Supervisors’ and others’ responses to the 2014-2015<sup>9</sup> and the 2020-2021<sup>10</sup> Jury report recommendations.
4. We studied the scope and breadth of the database components and ancillary training and commissioning documents.
5. We reviewed documents related to construction partnering as used in Chapter 6 departments.
6. We studied the Chapter 6 administrative code, in particular sections 6.26 and 6.74.

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<sup>8</sup>Office of the Controller,, “Citywide Construction: [Adopting Leading Practices Could Improve the City’s Construction Contractor Bid Pool](#),” May 20, 2014

<sup>9</sup> Office of the Controller, “Master Civil Grand Jury Report 2018 (FY14-15),” Office of the Controller

<sup>10</sup> San Francisco Board of Supervisors, “[Resolution No. 496-2, \[Board Response, Civil Grand Jury Report, Van News Avenue: What Lies Beneath\]](#),” October 29, 2021

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## **Discussion and Analysis**

**The stakes are high for the City and County of San Francisco's capital construction program.**

San Francisco's built environment plays an important role in the operations of government agencies, efficiency and safety of our facilities and infrastructure, vitality of our commercial activity, appeal to visitors, environmental resilience, ability to achieve equity goals, and overall pride we feel for our city. The impression San Francisco has on its residents, workers and visitors alike is often tethered to the success of large capital construction projects. Past projects have delivered iconic bridges and public transportation, renowned museums and parks, innovative public utility infrastructure, and more.

The stakes are high also because of the budgeted \$39 billion cost for the City's capital construction projects planned for the 2020-2029 period. This significant figure does not include extraordinary additions or the cost overruns that often occur. For example, according to the Van Ness report from June 2021:

“The total cost of the [Van Ness project] has increased from \$309 million (including \$28 million of contingency budgets) to \$346 million, an increase of 12% overall and 23% exclusive of contingencies. The duration of construction has also increased from three years to nearly six years.”

Since the project is not yet finished, more costs are pending as of March 1, 2022.

San Francisco relies on general and specialty contractors for most of its capital construction projects. To ensure the greatest success, these projects require relevant experience, use of construction best practices, and close collaboration between the City and contractors. Indeed,



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many City capital construction projects benefit from these features and have successful outcomes.

Too often, however, projects experience recurring problems. These include cost overruns, delays to completion, inconsistent staffing, unnecessary change orders and construction that does not “adhere to contract specification,” which means work is of poor quality and sometimes requires re-doing (for example the MTA Twin Peaks tunnel project) further frustrating residents.

It doesn't have to be this way.

**To achieve greater success on capital construction projects, the City must implement a more consistent application of a variety of best practices for its capital construction program.**

An overall vision for planning these projects exists, branded as ONESF and created by the Office of Resilience and Capital Planning<sup>11</sup>, which is dedicated to creating a strong, sustainable, and resilient San Francisco for generations to come.

“The Capital Planning Program<sup>12</sup> coordinates resources to restore, improve, and build San Francisco's public infrastructure. Major deliverables include the 10-Year Capital Plan, the annual Capital Budget, and the administration of the Capital Planning Committee. This work helps San Francisco live up to its commitment to building a more resilient and vibrant future for the residents, workers, and visitors of San Francisco.”<sup>13</sup>

For these projects to have a better chance of being completed on time, within budget, and be of high quality, the City must adopt more construction best practices across all Chapter 6 departments to save time and money, but also to honor the trust the public has in government.

**Obstacles to successful outcomes persist.**

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<sup>11</sup> See the Glossary for more information on this department.

<sup>12</sup> See the Glossary for more information on the Capital Planning Program and Capital Planning Committee.

<sup>13</sup> One San Francisco information can be found at [onesanfrancisco.org](https://onesanfrancisco.org)

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Among these obstacles are communication silos and minimal collaboration among the Chapter 6 departments, and a spotty track record of adhering to construction best practices. In addition, three of six departments have faced recent leadership turnover, creating situations where these organizations lost project thrust, process know-how, and continuity of department knowledge.

Another obstacle is that there is a lack of a central knowledge base on past project information, including contractor reviews. With these omissions, City departments miss out on the ability to share lessons learned *within* departments and *among* departments.

Separately, Chapter 6 departments also manage construction projects for numerous other non-Chapter 6 departments, but no accountability or feedback loop is built into this arrangement. This situation results in inconsistent experiences during the process and on project outcomes.

### **Time and again, government and prior Juries point out that San Francisco's capital construction program requires substantive fixes.**

This Jury's investigation is now the fourth report in the last eight years to focus on this topic and the third emphasizing the need for a central contractor performance evaluation database ("database"). It is the second report in the last 12 months to recommend the use of other construction best practices.

### **As a result of the 2015 Jury report and the report prepared by the Controller's Office in 2014, the Board of Supervisors updated Chapter 6 of the Administrative Code<sup>14</sup>.**

These updates were approved and incorporated in July 2016. Administrative Code Section 6.26 required the development and implementation of a contractor performance evaluation database. Administrative Code Section 6.74 added the capability to select contractors on the basis of "best value" when selecting these vendors for capital projects, rather than just the lowest bid. These updates require both *past* performance and *relevant* experience to be explicitly considered during the selection process.

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<sup>14</sup> San Francisco Board of Supervisors, <https://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances16/o0094-16.pdf>, Ordinance 94-15, File No. 160225

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**The creation of a contractor performance evaluation database was intended to help the departments improve their contractor selection process.**

The desire behind these multiple Jury and Controller's Office recommendations is to help the City find the best contractor for the job, by requiring departments and contractors to evaluate each other's performance during and after a project, thus ensuring accountability, transparency and two-way communication. This is common sense. Indeed, all Chapter 6 department heads agreed with the recommendations of the Controller's audit and all agreed to collaborate to adopt these best practices to improve the contractor bid pool.

In 2017, a project team<sup>15</sup> was formed consisting of DPW, the Controller's Office and the Department of Technology ("DT"). Given their construction experience, DPW was selected to move the project forward, serving as the project representative for the Chapter 6 departments. In this role, however, DPW did not have overall project manager responsibility and ultimate authority to see the database through to full adoption and use, or to compel its use by other Chapter 6 departments.

In August of 2017, DPW reported to the Board of Supervisors in a letter that the database mandated by Section 6.26 of the Administrative Code was in development, in collaboration with the Controller's Office Performance Unit and DT.<sup>16</sup> The communication further stated that DPW was coordinating the effort among Chapter 6 departments (but without full responsibility and authority to lead those departments). All Chapter 6 departments co-signed the letter along with DPW.

Implementation of the database began in early 2018. The Controller's Office retained an IT contractor to convene Chapter 6 departments, seek their input on criteria for a database, and then build it. The development scope was well-defined, and the project team handled the planning and

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<sup>15</sup> See the Glossary for more information about the vendor database project team.

<sup>16</sup> Mohammed Nuru, "[Re: Report on implementation of ordinance 94-16 Best value public works procurement.](#)" [Status letter to Board of Supervisors](#), " August 25, 2017

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execution of database development. Database evaluation factors included safety, quality control, on-time performance, management effectiveness, compliance with labor standards, and other factors (including late payments to subcontractors, adherence to contract language, defective cost or pricing data, etc.). There was general consensus these are the right factors on which to measure contractor performance. Database development lasted 18 months and came in under budget.

From June to September 2019, the project team conducted training workshops with three of the six Chapter 6 departments. The team also ran pilots for the Chapter 6 departments so each could test a soft launch, by using select contractor data which was pre-loaded into the database. This data was primarily sourced from DPW, but each of the other departments submitted one of their projects into the database in order to move forward with the pilots.

Then the implementation of the database stalled. There were a few reasons for this. During this period, three of six Chapter 6 departments experienced turnover in leadership. A new City Administrator was appointed. From this Jury's investigation, newly appointed City leaders and department directors lacked awareness of the database initiative.

The project team planned a full implementation for early 2020. In March 2020, however, the pandemic arrived. To respond to the early stages of the city-wide lockdown due to the pandemic, department resources were redeployed, resulting in an indefinite pause of the project.

**After spending significant time and effort creating the database, developing training materials, and conducting training workshops, Chapter 6 departments are still not creating evaluations to populate the database.**

Completed evaluations are central to the ongoing use of the database. The obstacle to completing evaluations is not due to process, because it is well defined:

1. At the start of a construction project, an evaluation schedule must be prepared.

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2. Department staffers working on a project receive an automated email according to the evaluation schedule, informing them they are scheduled to complete an evaluation. This action occurs at regular intervals during a project and then again after completion.
3. Evaluators are required to enter both quantitative and qualitative information. Part of the qualitative information is a data field called "Lessons Learned"<sup>17</sup>, which is of special importance. The project team claimed in training materials that this qualitative data field "provides the most critical information to help inform future contractor selections." A separate training video suggested evaluators "think of Lessons Learned as a way to pass along useful information constructively." Entries into the Lessons Learned data field are aggregated and do not show the names of individual evaluators.
4. Once department staffers submit an evaluation, the system also invites contractors to submit evaluations based on their view of the department's performance.
5. Training videos for the database remain publicly available.

No accountability exists, however, for those who are asked to complete evaluations, but do not submit them. This is the main obstacle and clearly visible in the data. As of March 1, 2022, evaluations exist for only 11 minor projects consisting of 80 individual evaluator records. Of these records, 49% failed to include *any* quantitative or qualitative information, 29% were still "in progress" and 11% were "under review." Most of these entries were from the pre-loaded evaluation data included as part of the 2019 pilot, and the last recorded evaluation was from more than two years ago.

Only two evaluations include the important Lessons Learned information. This deficiency occurred because an evaluator is *not* required to enter Lessons Learned in order to complete an evaluation. During our investigation, we found that Lessons Learned summaries were sometimes being shared via internal department memos, but they were not being entered into the database. As a result, other users and departments are unable to benefit from these insights. These moments are missed opportunities to share important information within and across departments.

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<sup>17</sup> See the Glossary for more information about this element

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**Since the database is not being populated with evaluations, it is unlikely to help during contractor selection.**

For the database to have any value, it must be populated with quality data. Otherwise, why would any Chapter 6 department consult it to help find the best contractor for the job?

Moreover, even if a department were to consult the database, significant limitations exist. Only past performance information from the most recent three-year period is included in the database. This is a short shelf life for valuable information. For example, during construction of the International Terminal in the 1990's, SFO leadership often conflicted with its contractor over change orders, cost escalations, missed schedules, and several other complaints. Believing it was the contractor's standard practice to take advantage of unforeseeable conditions and leverage them, SFO litigated to recoup financial losses from the project. This same contractor is now working on the MTA Central Subway project. Whether or not this firm is the right fit for the job, SFO's experience more than 20 years ago could still be helpful in contractor selection today.

Separately, there are shortcomings in how the database is accessed: information is accessible through five downloadable report options, but *none* include the valuable Lessons Learned. Additionally, while there are ways to see quantitative inputs and entry dates, it is technically difficult to see who is consulting the database and when. As a result, holding departments accountable for using the database is difficult.

Today, the database remains unused. No additional training sessions have occurred since September 2019. No department has entered data since February 2020. There is little contractor information currently in the database. There is no way to confirm that the database is being consulted when departments select contractors. Nothing in Section 6.26 says that the database *shall be used* to evaluate contractors in the future. Without a responsible project manager in charge, nor awareness by some Chapter 6 department leaders that it even exists, it is unlikely the database will be used going forward unless something changes.

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**Beyond the database, San Francisco’s Chapter 6 departments would benefit from formalizing other construction best practices.**

If implemented correctly, the database project could serve as a template for collaboration, sharing of lessons learned, and best practices among Chapter 6 departments.

Partnering is another best practice in construction that some, but not all, Chapter 6 departments have been using since Mayor Ed Lee authorized its use in 2012. Partnering is a collaborative process that uses information and transparency to benefit all parties involved in a project, and includes project facilitators to smooth out issues as they arise.

Separately, in response to recommendations from the 2021 Van Ness report, the Board of Supervisors tasked the Budget and Legislative Analyst to prepare a report on “derisking” options. Derisking anticipates and seeks to minimize potential issues that may arise during construction. It is another way to improve construction project outcomes, but it is not as comprehensive as other types of capital project best practices.<sup>18</sup>

The database discussed above could also incorporate contractor compliance with the PUC Social Impact Partnership (“SIP”) program. The SIP program is a way for contractors to gain extra credit during the contract bid process by promising to provide local community benefits. In their recent report on this subject,<sup>19</sup> the Controller's Office reported on SIP compliance issues among those contractors and recommended developing a *separate* performance evaluation database to note whether and how well PUC contractors do what they say they will do. The City, however, has not considered integrating compliance information into the *existing* database. Combining the proposed database with the existing one would simplify and streamline processes. It would also

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<sup>18</sup> Some of the best practices used successfully by one or more of the Chapter 6 departments are described in the Glossary

<sup>19</sup> Office of the Controller, “[Public Integrity Audit: Significant Changes Are Needed to the Design, Monitoring, and Control of the San Francisco Public Utilities Commission’s Social Impact Partnership Program](#),” December 9, 2021

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serve as a single point of truth and permit other Chapter 6 departments to track how well those contractors meet their community benefits obligations and point to their overall competence.

Lastly, no forum exists for Chapter 6 departments to compare notes, share construction best practices, and learn from each other's project experiences. Given the differences in construction quality and performance among departments, it is clear that proactive collaboration and knowledge sharing and transfer would provide obvious benefits to the City. Within the Office of Resilience and Planning sits the Capital Planning Committee (CPC). This committee includes the directors of each Chapter 6 department and other City officials. While the CPC gathers regularly, this committee focuses on making recommendations to the Mayor and Board of Supervisors about the City's capital expenditures and plans. They do not meet, however, to share knowledge on construction best practices. Nevertheless, this entity appears best suited to establish and support a forum for interdepartmental collaboration.

### **Performance audits by the City Services Auditor Division within the Controller's Office could provide much needed oversight of San Francisco's construction practices.**

In addition to adopting these best practices, the Jury believes that the City's capital construction program requires periodic performance audits to highlight successes and challenges. A retrospective analysis of the program by a highly regarded source, can serve as a catalyst to share information and improve processes. However, the Budget and Legislative Analyst's office has not prepared any reports on general construction practices for the Board of Supervisors in recent years, nor has the Controller's Office further reviewed the capital construction program since its comprehensive investigative report published in 2014.

### **Fortunately, San Francisco decision-makers are supportive of change.**

The Mayor, Board of Supervisors and Chapter 6 department heads have shown a willingness to adopt new policies regarding construction best practices. They understand the stakes are high, and that there are opportunities available to allow future construction projects to benefit from best practices, as well as lessons learned from past outcomes on City projects.



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It is time for Chapter 6 departments to finish implementing the database, start using it, and enhance collaboration within and across departments. So much work has already been done on these matters that their implementation is essentially shovel ready.

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## Findings and Recommendations

Finding Number	Finding	Rec. Number	Recommendations
<b>F1</b>	Without a clear project manager with full responsibility and authority, the contractor performance evaluation database project lacked sufficient momentum to be completed, fully adopted and used.	<b>R1</b>	We recommend that by 6/15/22 the Mayor specify which department shall manage and have responsibility and authority for the contractor performance evaluation database to improve compliance, monitoring and consistent use. We further recommend that the director of the specified department appoint the project manager by 6/30/22.
<b>F2</b>	The existing project team <sup>20</sup> and Chapter 6 departments failed to implement the database in a timely manner, delaying the benefits it could provide in improving construction quality, meeting budgets and timelines, and improving contractor relationships.	<b>R2</b>	We recommend that by 9/30/22, the database project manager specified in R1 complete implementation, training sessions and “go live” workshops with all Chapter 6 departments.
<b>F3</b>	Chapter 6 departments failed to enter performance evaluations into the database, thus negating its value.	<b>R3</b>	We recommend that by 12/31/2022, the Mayor require all Chapter 6 departments to begin submitting evaluations into the database.

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<sup>20</sup> See the Glossary for more information.

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<b>Finding Number</b>	<b>Finding</b>	<b>Rec. Number</b>	<b>Recommendations</b>
<b>F4</b>	Prior updates to Section 6.26 of the Administrative Code excluded language that the database <i>must</i> be used to evaluate contractors going forward.	<b>R4</b>	We recommend that by 12/31/2022, the Mayor explicitly directs all Chapter 6 departments to consult the database when selecting contractors.
<b>F5</b>	In designing and developing the database, the project team neglected to add the technical capability to see who consults the database, making it difficult to hold departments accountable for using the database.	<b>R5</b>	We recommend that by 6/30/2023 the project manager update the database technology to include the capability to hold evaluators accountable by observing who is using the database and when.
<b>F6</b>	When evaluators omit “Lessons Learned” entries in that data field, the evaluations lack the most critical information to help inform future contractor selections.	<b>R6</b>	We recommend that by 6/30/2023, the project manager update the database technology to require the "Lessons Learned" data field be filled out before an evaluation can be marked “complete.”
<b>F7</b>	The Controller's Office inadvertently complicated matters by recommending the creation of a second performance evaluation database to note how well PUC contractors comply with its Social Impact Partnership (“SIP”) program.	<b>R7</b>	We recommend that by 6/30/2023, the project manager include sections in the database to cover contractor compliance with the SIP program.
<b>F8</b>	The database fails to provide a way for <i>non</i> -Chapter 6 departments to provide feedback on both contractors and	<b>R8</b>	We recommend that by 6/30/2023, the project manager expand the database to include input from non-Chapter 6

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<b>Finding Number</b>	<b>Finding</b>	<b>Rec. Number</b>	<b>Recommendations</b>
	Chapter 6 department performance, resulting in no accountability for either the contracting department or the contractor.		departments receiving construction services from Chapter 6 departments.
<b>F9</b>	Construction audit reports are a helpful way to provide oversight of the City's capital construction program.	<b>R9</b>	We recommend that starting in FY 2022-2023, the City Services Auditor Department within the Controller's Office conduct performance audits of the City construction program every two years focusing on use of best practices, collaboration, and other successes and challenges. The Controller's report from 2014 can serve as a template.

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## **Required and Invited Responses**

### **Required Responses:**

Pursuant to California Penal Code §933 and §933.05, the Jury requests the following responses from these City agencies.

#### **From the Office of the Mayor within 60 days:**

Findings 1,2,3,5,6,7,8,9

Recommendations 1,2,3,4,5,6,7,8,9

#### **From the Board of Supervisors within 90 days:**

Findings 1,2,3,4,5,6,8

Recommendations 1,2,3,4,5,6,7,8,9

### **Invited Responses:**

The Jury requests the following responses from the following departments within 60 days.

#### **From each of the Chapter 6 departments:**

Findings 1,2,3,4,5,6,8,9

Recommendations 1,2,3,4,5,6,7,8,9

#### **From the Controller's Office:**

Findings 2,5,6,7,8,9

Recommendations 7,9

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## **Glossary**

**Administrative Code Chapter 6** – The Chapter 6 of San Francisco’s Administrative Code covering public works contracting policies and procedures.

**Capital Planning Program** – The Capital Planning Program coordinates resources to restore, improve, and build San Francisco’s public infrastructure. Major deliverables include the 10-Year Capital Plan, the annual Capital Budget, and the administration of the Capital Planning Committee. This work helps San Francisco live up to its commitment to building a more resilient and vibrant future for the residents, workers, and visitors of San Francisco. Produced every other year, the Capital Plan describes the City’s major sources for infrastructure and the major programs and projects planned for the next 10 years. The FY2022-31 Capital Plan was adopted by the Mayor and Board of Supervisors on April 20, 2021.

**Capital Planning Committee (CPC)** – makes recommendations to the Mayor and Board of Supervisors on the City’s capital expenditures and plans. The CPC reviews and submits the Capital Plan, Capital Budget, and issuances of long-term debt for approval. The CPC is chaired by the City Administrator and includes the President of the Board of Supervisors, the Mayor’s Budget Director, the Controller, the City Planning Director, the Director of Public Works, the Airport Director, the Executive Director of the Municipal Transportation Agency, the General Manager of the Public Utilities System, the General Manager of the Recreation and Parks Department, and the Executive Director of the Port of San Francisco.

**Chapter 6 departments** – There are six departments, each of which must adhere to Chapter 6 of the City’s Administrative Code. As such, they are often referred to as “Chapter 6 departments.” They include the Department of Public Works (“DPW”), the Public Utilities Commission (“PUC”), the Municipal Transportation Agency (“MTA”), San Francisco Airport (“SFO”), the Port of San Francisco (“Port”), and the Recreation and Park Department (“Rec & Park”).

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**Construction best practices** – refers to a number of techniques which improve and clarify the process of conceiving, planning, initiating and completing capital construction projects. These practices might include policies, procedures, processes, communications or systems that over time reveal themselves to lead to superior outcomes. As technologies and techniques evolve, best practices must be reevaluated periodically to be sure they are indeed the best among various options. Examples of best practices used in some Chapter 6 departments include:

- Partnering - allows for agreed-upon strategies in the field, reduces litigation, saves money, improves City-contractor relations and provides a better environment to have projects completed on time. It is a collaborative process that uses information to benefit all parties involved;<sup>21</sup>
- Design/build – a process whereby the contractor is selected early in the project process to work with the Chapter 6 department to define the specific approach to the project and follow that approach in construction;
- Stakeholder engagement – a process where all parties involved in the construction project are included in the design to inform the process;
- Construction manager/general contractor – When the owner considers the design to be complete, the construction manager then has an opportunity to bid on the project based on the completed design and schedule. If the owner, designer and independent cost estimator agree that the contractor has submitted a fair price, the owner issues a construction contract and the construction manager then becomes the general contractor. The contractor acts as the consultant during the design process and can offer constructability and pricing feedback on design options and can identify risks based on the contractor's established means and methods. Use of this process is included in section Section 6.68 of the Administrative Code.

**Derisking** – a process of identifying before and during a construction project current activities which could decrease future construction issues. This term was used in response to recommendations of the 2021 Van Ness report when the Board of Supervisors tasked the Budget

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<sup>21</sup> Rob Reaugh, "[San Francisco Partnering Field Guide](#)," March 2021, Rob Reaugh, OrgMetrics LLC – SFCPSC

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and Legislative Analyst to prepare a report on the subject. Derisking is a way to anticipate potential issues that may arise during construction.

**Lessons Learned** – This element is in the performance evaluation database as a text box data field allowing evaluators to add comments about the project, the contractor's performance, extraordinary circumstances and other notes about the project. Based on the research performed by the project team, this field is considered to be very important in the evaluation process.

**Notice to Proceed** – The document representing the completion of documentation, processes and related activities prior to initiating a construction project by Chapter 6 departments.

**Office of Resilience and Capital Planning** – The Office of Resilience and Capital Planning is the City and County of San Francisco's program to plan and finance projects that strengthen the integrity and resilience of San Francisco's infrastructure, neighborhoods, and residents.

<https://onesanfrancisco.org/>

**Project Team** – The database project team consisted of representatives from the Department of Technology, the Controller's Office and DPW.

**PUC Social Impact Partnership Program** – Since 2011, the Social Impact Partnership (SIP) Program is a way for contractors to gain extra credit during the contract bid process by promising local community benefits. Currently, it is difficult to track how well those contractors meet their community benefits obligations.

**Contractor Performance Evaluation Database Project Team (“project team”)** – several departments were involved in defining, designing, overseeing and implementing the database specified in Administrative Code Section 6.26, including the Department of Technology, the Controller's Office and DPW.



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