

1 [Board Response - Civil Grand Jury - San Francisco’s City Construction Program: It Needs
2 Work]

3 **Resolution responding to the Presiding Judge of the Superior Court on the findings**
4 **and recommendations contained in the 2014-2015 Civil Grand Jury Report, entitled**
5 **“San Francisco’s City Construction Program: It Needs Work;” and urging the Mayor to**
6 **cause the implementation of accepted findings and recommendations through his/her**
7 **department heads and through the development of the annual budget.**

8
9 WHEREAS, Under California Penal Code, Section 933 et seq., the Board of
10 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior
11 Court on the findings and recommendations contained in Civil Grand Jury Reports; and

12 WHEREAS, In accordance with California Penal Code, Section 933.05(c), if a finding or
13 recommendation of the Civil Grand Jury addresses budgetary or personnel matters of a
14 county agency or a department headed by an elected officer, the agency or department head
15 and the Board of Supervisors shall respond if requested by the Civil Grand Jury, but the
16 response of the Board of Supervisors shall address only budgetary or personnel matters over
17 which it has some decision making authority; and

18 WHEREAS, Under San Francisco Administrative Code, Section 2.10(a), the Board of
19 Supervisors must conduct a public hearing by a committee to consider a final report of the
20 findings and recommendations submitted, and notify the current foreperson and immediate
21 past foreperson of the civil grand jury when such hearing is scheduled; and

22 WHEREAS, In accordance with San Francisco Administrative Code, Section 2.10(b),
23 the Controller must report to the Board of Supervisors on the implementation of
24 recommendations that pertain to fiscal matters that were considered at a public hearing held
25 by a Board of Supervisors Committee; and

1 WHEREAS, The 2014-2015 Civil Grand Jury Report entitled “San Francisco’s City
2 Construction Program: It Needs Work” (Report) is on file with the Clerk of the Board of
3 Supervisors in File No. 150607, which is hereby declared to be a part of this resolution as if
4 set forth fully herein; and

5 WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond
6 to Finding Nos. 2, 3, 4, 5, 6, 7, 8, and 9, as well as Recommendation Nos. 2, 3, 4, 5, 6, 7, 8,
7 and 9 contained in the subject Civil Grand Jury report; and

8 WHEREAS, Finding No. 2 states: “The current lowest bid-contracting environment is
9 not optimal for the City, since it increases costs due to additional project change orders, and it
10 reduces the number of quality contractors willing to bid on City projects;” and

11 WHEREAS, Finding No. 3 states: “The complexity of the contracting environment,
12 especially as it relates to [Local Business Enterprises] (LBEs), reduces the pool of contractors
13 willing to do business with the City, thereby limiting vendor selection;” and

14 WHEREAS, Finding No. 4 states: “Change orders are not managed uniformly across
15 departments, which exposes the City to increased project costs;” and

16 WHEREAS, Finding No. 5 states: “Construction contract close out procedures are not
17 followed, which can result in the City not receiving the services it contracted to receive;” and

18 WHEREAS, Finding No. 6 states: “The variety of construction projects in the City
19 creates a mismatch between the design and engineering skills required for current projects
20 and the skills of the staff, resulting in duplicate labor costs when outside firms are retained
21 and excess capacity when there is a decline in construction activity;” and

22 WHEREAS, Finding No. 7 states: “The lack of integrated construction management
23 systems and the failure to follow centralized construction management policies and
24 procedures prevents the City from generating citywide construction reports;” and
25

1 WHEREAS, Finding No. 8 states: “The City does not have an independent
2 management group reviewing citywide construction performance reports and monitoring
3 adherence to change orders and construction contract close out policies and procedures;” and

4 WHEREAS, Finding No. 9 states: “San Francisco City departments do not issue final
5 reports on construction projects that are readily available to its citizens;” and

6 WHEREAS, Recommendation No. 2 states: “The [Board of Supervisors] (BOS) should
7 amend Chapter 6 of the Administrative Code to require contractor performance as an
8 additional criterion for construction contracts;” and

9 WHEREAS, Recommendation No. 3 states: “The [Civil Grand Jury] (CGJ) recommends
10 that the proposed Chapter 6 amendment make past performance a construction award
11 criterion for all future City construction contracts including LBE subcontracts;” and

12 WHEREAS, Recommendation No. 4 states: “The Office of the Controller should
13 implement a standardized change order management policy and require all City departments
14 to adhere to any new change order policy;” and

15 WHEREAS, Recommendation No. 5 states: “The Office of the Controller should
16 implement a standardized construction contract closeout policy and require all City
17 departments to adhere to any new policy;” and

18 WHEREAS, Recommendation No. 6 states: “The BOS should request the [Budget and
19 Legislative Analyst] (BLA) or [City Services Auditor] (CSA) to benchmark the City’s design and
20 engineering workforce organizational structure against comparable cities and issue a report;”
21 and

22 WHEREAS, Recommendation No.7 states: “The Mayor should allocate financial
23 resources in the current City budget to fund the Department of Technology hiring a consulting
24 firm with extensive construction management expertise to develop citywide system
25 requirements for the implementation of a construction management system;” and

1 WHEREAS, Recommendation No. 8 states: “The BOS should either request the CSA
2 or BLA, or retain an outside firm, to benchmark the independent construction management
3 structure of other cities and develop recommendations applicable to San Francisco;” and

4 WHEREAS, Recommendation No. 9 states: “The BOS should require all City
5 departments to issue final project construction reports within nine months of project
6 completion for all construction projects and for the reports to be posted on each department’s
7 website;” and

8 WHEREAS, In accordance with California Penal Code Section 933.05(c), the Board of
9 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior
10 Court on Finding Nos. 2, 3, 4, 5, 6, 7, 8, 9, as well as Recommendation Nos. 2, 3, 4, 5, 6, 7, 8,
11 9 contained in the subject Civil Grand Jury report; now, therefore, be it

12 RESOLVED, That the Board of Supervisors reports that they ____ with Finding No. 2
13 for reasons as follows: ____; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors reports that they ____ with
15 Finding No. 3 for reasons as follows: ____; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors reports that they ____ with
17 Finding No. 4 for reasons as follows: ____; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors reports that they ____ with
19 Finding No. 5 for reasons as follows: ____; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors reports that they ____ with
21 Finding No. 6 for reasons as follows: ____; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors reports that they ____ with
23 Finding No. 7 for reasons as follows: ____; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors reports that they ____ with
25 Finding No. 8 for reasons as follows: ____; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors reports that they ____ with
2 Finding No. 9 for reasons as follows: ____; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
4 No. 2 ____ for reasons as follows: ____; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
6 No. 3 ____ for reasons as follows: ____; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
8 No. 4 ____ for reasons as follows: ____; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
10 No. 5 ____ for reasons as follows: ____; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
12 No. 6 ____ for reasons as follows: ____; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
14 No. 7 ____ for reasons as follows: ____; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
16 No. 8 ____ for reasons as follows: ____; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
18 No. 9 ____ for reasons as follows: ____; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to cause the
20 implementation of accepted findings and recommendations through his/her department heads
21 and through the development of the annual budget.

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