

# Van Ness Avenue: What Lies Beneath

San Francisco Civil Grand Jury, June 2021 Report

# Executive Summary

- The Van Ness Project illustrates organizational shortcomings the City faces in delivering major public works projects. In particular:
  - Planning and design processes failed to capture the scope of the project adequately.
  - Contracting processes failed to instill accountability.
  - Ongoing project management failed to remediate problems efficiently and effectively.
- These shortcomings created opportunities for mistakes years before breaking ground and throughout the construction process, and many of them were foreseeable and avoidable.
- Costs: original estimate \$281 million, extra \$28 million in contingency
- Current estimate for cost: \$346 million, 23% over budget
- Original estimate for duration: three years of construction, Oct 2016-2019
- Current timeline: 5½ years, passenger service to start in “Early 2022”

# Key Findings

- F1. The delays in completion of the Van Ness BRT Project were caused primarily by avoidable setbacks in replacement of the water and sewer infrastructure.
- F3. The potential impact of utility replacement was known to City engineers to be a major risk but was only considered a moderate risk and assigned no mitigation strategy in the official risk register.
- F4. Project timelines could not be estimated accurately because documents did not reflect the extent and location of underground utilities accurately.
- F5. The evaluation rubric for preconstruction contract bids weighted cost too heavily, as compared to technical expertise, even after project-specific legislation allowed for a lower weight to be assigned to cost.

## Key Findings (cont'd)

F6. Practical work during preconstruction that could have derisked the subsequent construction phase of the project was insufficient.

F7. Review of preconstruction deliverables did not sufficiently measure the contractor's preparedness for construction, which resulted in both inaccurate cost estimates and timelines.

F8. The effectiveness of the CMGC contract was greatly reduced because the general contractor was brought into the design process too late.

F11. The removal of Synergy, the underground subcontractor, from the project, partially as a result of poor cost estimates, contributed to the deterioration of the relationship between Walsh, the general contractor, and the City.

## Key Findings (cont'd)

F12. The contentious relationship between Walsh, the general contractor, and the City made it difficult to resolve problems as they arose, despite close collaboration being one of the potential advantages of the CMGC contract.

F13. Lack of an in-the-field point of contact between Walsh and the City during early stages of construction led to delays and increased costs on the project.

# Key Recommendations

R1. By June 2022, the City should adopt a policy that all capital project feasibility plans include an itemized assessment of risks to project timelines and costs, which must be accompanied with specific procedures that will be undertaken to mitigate those risks early in the project.

R2. By June 2022, the City should adopt a policy that all capital project sponsors publish, before proceeding to the construction phase, an itemized assessment of derisking activities actually performed.

R4. The Board of Supervisors should direct all City departments to adopt a policy that all projects that involve underground work in the City's main corridors include, as part of the design process, the use of exploratory potholing, or another equivalent industry best-practice to identify unknown underground obstructions adhering to CI/ASCE 38-02 ("Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data") Quality Level A. This policy should take effect for all contracts signed after January 1, 2022, and the work should be required to be performed before final construction terms or prices are agreed to.

## Key Recommendations (cont'd)

- R5. By June 2022, and before entering into future CMGC relationships, the Board of Supervisors should direct all City departments to adopt, publish, and enforce in all future contracts industry-standard best practices for management of CMGC projects.
- R6. The adopted CMGC management policy should specifically include the industry best practice of awarding the contract before project design continues past 30% completion.
- R7. By June 2022, the Board of Supervisors should amend Section 6.68 of the Administrative Code to remove the mandatory cost criterion in awarding CMGC contracts.
- R8. SFMTA should establish a policy for review of technical quality of preconstruction and design deliverables, to be used in all CMGC or design contracts signed after January 2022, including in-the-field validation of key assumptions of site conditions by City engineers.

## Key Recommendations (cont'd)

R9. Beginning January 1, 2022, SFMTA should assign to every CMGC project a dedicated in-the-field contractor liaison to facilitate collaborative problem resolution, and sufficient support staff to monitor actual progress and site conditions.

R10. By June 2022, the City should adopt a policy that any public communication about a planned or in-progress capital project that includes disruption of public services or right-of-way should include itemized assessments of risk to projected costs and duration.



# Key Responses from Departments

- Mayor and SFMTA agree with R7, but both say that implementation lies with the Board of Supervisors. (PUC/PW were not required to respond to R7.)
  - R7. By June 2022, the Board of Supervisors should amend Section 6.68 of the Administrative Code to remove the mandatory cost criterion in awarding CMGC contracts.
- Many “requires further analysis” or “Has not yet been implemented but will be implemented in the future” responses do not include a timeframe, which is not compliant with California Penal Code Section 933.05
  - Mayor’s response to R3, R7, R8, SFPUC’s response to R2, R3, SFMTA’s response to R7, R8
  - See our Continuity Report from June 2021
- Many responses indicate that the MTA and contractor “share responsibility for delays”, but do not acknowledge MTA was the project’s owner and ultimate responsibility lies with them
- Mayor and MTA’s response to R11 was “has been implemented”, but contract modification 12 was executed and \$2.5M was paid to Walsh over a dispute.
  - If pedestrian monitors were covered in the existing contract, contract modification 12 would not have been needed