June 10, 2022

The Honorable Samuel K. Feng
Presiding Judge, Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102-4512

Dear Judge Feng,

In accordance with Penal Code 933 and 933.05, the following is in response to the 2021-2022
Civil Grand Jury Report, *Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital
Construction Program*. We would like to thank the members of the 2021-2022 Civil Grand Jury for
their interest in the City's capital procedures, especially regarding the review and hiring of
contractors. It is important for the City to maintain accountability and reflect on lessons learned in
order to better deliver capital projects in the future.

We agree with many of the Jury's findings that the contractor performance evaluation database has
been underutilized. In the coming year, the Mayor's Office will direct Chapter 6 departments to
better utilize the database and to consider evaluation data in the selection of contractors, in
consultation with the City Attorney. The City will also evaluate the effectiveness of the database to
ensure it is producing the desired results of improving construction quality, budget, and schedule
adherence.

We appreciate the opportunity to comment on the Civil Grand Jury report findings and
recommendations. Moving forward, and as appropriate, the City plans to continue working with the
Chapter 6 departments to improve on these procedures.

A detailed response from the Mayor's Office is attached.

Sincerely,

London N. Breed
Mayor

Report Title [Publication Date]	F#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	F1	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.	Mayor [June 10, 2022]	Disagree partially	The Project Manager did not have full authority to compel contributions to, and use of, the contractor performance evaluation database, which was a significant barrier to successful completion of the project. A larger contributing factor is the fact that contracting agencies were not able to develop a defensible means to interpret and apply the performance data within the contract procurement process--that is, how evaluations are to be scored and weighted along side other important selection criteria. Without being able to tie information contained in the database directly, departments and contractors alike did not feel the effort was worth the investment of time.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	F2	The existing project team 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.	Mayor [June 10, 2022]	Disagree partially	The Mayor agrees that implementation of the database was not delivered in a timely basis for a number of reasons, diversion of resources due to the pandemic amongst them. The Mayor also agrees that potential benefits from having a fully implemented database have been deferred because of this delay. Because the efficacy of a fully functional and populated database has not been tested, the Mayor believes that an evaluation of the program should be made starting one year after go-live, to ensure the resources being put to the project are producing promised results of improved construction quality, budget and schedule adherence and improved contractor relationships.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	F3	Chapter 6 departments failed to enter performance evaluations into the database, thus negating its value.	Mayor [June 10, 2022]	Agree	

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Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	F5	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.	Mayor [June 10, 2022]	Agree	
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	F6	When evaluators omit "Lessons Learned" entries in that data field, the evaluations lack the most critical information to help inform future contractor selections.	Mayor [June 10, 2022]	Disagree partially	It makes sense that Lessons Learned entries would be valuable in assisting evaluators in selecting contractors for construction jobs. However, there is a myriad of selection criteria that evaluators are required to consider, so it is not clear that it is the most critical information for contractor selection. The program evaluation discussed in F2 will help elucidate the importance of lessons learned data.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	F7	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.	Mayor [June 10, 2022]	Disagree wholly	While streamlining collection of performance evaluation data is a worthy goal, the PUC data on contractor compliance with its SIP program is not relevant to five of the six Chapter 6 contracting departments. Including this data in the contractor performance evaluation database is likely introduce an element of confusion for these departments which, in turn, will make it more difficult for these agencies to adopt and utilize the database.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	F8	The database fails to provide a way for non-Chapter 6 departments to provide feedback on both contractors and Chapter 6 department performance, resulting in no accountability for either the contracting department or the contractor.	Mayor [June 10, 2022]	Disagree partially	It is true that the contractor performance evaluation database did not provide an avenue for non-Chapter 6 departments to provide feedback. It is not clear that this is the best avenue for providing this feedback to the contracting department or the contractor.

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Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	F9	Construction audit reports are a helpful way to provide oversight of the City's capital construction program.	Mayor [June 10, 2022]	Agree	

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R1 [for F1]	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.	Mayor [June 10, 2022]	Has not yet been implemented but will be implemented in the future	By June 15, 2022, the Mayor will designate Public Works as the department that shall manage and have responsibility and authority for the contractor performance evaluation database, and to expedite implementation of the the project. Furthermore, the Mayor will direct departments to work with the City Attorney to identify a defensible way to incorporate performance evaluation data in the Chapter 6 contractor procurement process. The appointment of a Project Manager by 6/15/22 is not realistic considering there are currently no available project managers available for this assigment, so a recruitment process will have to be undertaken.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R2 [for F2]	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.	Mayor [June 10, 2022]	Requires further analysis	Implementation of Civil Grand Jury recommendations are a high priority for the Mayor. Because the role of Project Manager is unfilled and the challenges the City is facing filling positions, the timeline recommended by the CGJ is probably unrealistic. To help speed the implementation process, the Mayor intends to ask Chapter 6 departments to find opportunities to streamline the implementation of the database by adapting existing contract evaluations for inclusion in the database.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R3 [for F3]	We recommend that by 12/31/2022, the Mayor require all Chapter 6 departments to begin submitting evaluations into the database.	Mayor [June 10, 2022]	Has not yet been implemented but will be implemented in the future	By December 31, 2022, the Mayor plans to direct all Chapter 6 departments to begin submitting evaluations for inclusion in the contractor performance evaluation database. As stated in response to R3, the Mayor intends to ask Chapter 6 departments to find opportunities to streamline the implementation of the database by incorporating evaluation data that is currently collected by departments as part of their project close out process.

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Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R4 [for F4]	We recommend that by 12/31/2022, the Mayor explicitly directs all Chapter 6 departments to consult the database when selecting contractors.	Mayor [June 10, 2022]	Has not yet been implemented but will be implemented in the future	By December 31, 2022, or when the database has gone live, the Mayor plans to direct all Chapter 6 departments to consider evaluations of contractor performance evaluation database when selecting contractors. As stated in response to F1, departments will need to work with the City Attorney to identify a defensible way to incorporate performance evaluation data in the Chapter 6 contractor selection process. As stated in response to F2, the Mayor believes that an evaluation of the program should be made starting one year after go-live, to ensure the resources being put to the project are producing promised results of improved construction quality, budget and schedule adherence and improved contractor relationships.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R5 [for F5]	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.	Mayor [June 10, 2022]	Requires further analysis	The Mayor agrees that departments should be held accountable for knowing and considering information in the database when evaluating contractor proposals. Because the software platform on which the original database was built is no longer supported by the vendor, it will be up to the Project Manager to determine how best to provide the needed accountability.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R6 [for F6]	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."	Mayor [June 10, 2022]	Requires further analysis	The Mayor agrees that information in the database, including "lessons learned" is valuable to evaluators selecting contractors, as well as to those preparing construction bid documents and contracts. Rather than dictate software requirements, Chapter 6 departments participating in the project should work together with the Project Manager to identify the best way to insure this data is available to contract evaluators.

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Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R7 [for F7]	We recommend that by 6/30/2023, the project manager include sections in the database to cover contractor compliance with the SIP program.	Mayor [June 10, 2022]	Will not be implemented because it is not warranted or is not reasonable	PUC data on contractor compliance with its SIP program is not relevant to five of the six Chapter 6 contracting departments. Including this data in the contractor performance evaluation database is likely introduce an element of confusion which would make it more difficult for these agencies to adopt and utilize the database.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R8 [for F8]	We recommend that by 6/30/2023, the project manager expand the database to include input from non-Chapter 6 departments receiving construction services from Chapter 6 departments.	Mayor [June 10, 2022]	Requires further analysis	Improving capital project delivery in San Francisco is a high priority of the Mayor. In addition to the Civil Grand Jury, the issue is receiving attention from the Office of Resilience and Capital Planning, the Controller's City Services Auditor and the Transportation Authority. The Capital Planning Committee is probably the best forum to receive input from non-Chapter 6 departments.
Shovel Ready: Best Practices and Collaboration to Improve San Francisco's Capital Construction Program [April 11, 2022]	R9 [for F9]	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.	Mayor [June 10, 2022]	Will not be implemented because it is not warranted or is not reasonable	This is a sound recommendation, but it is under the purview of the Controller's Office to prioritize their audit work plan.