

BOARD of SUPERVISORS



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October 8, 2024

The Honorable Anne-Christine Massullo
Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street
San Francisco, CA 94102

Subject: 2023-2024 Civil Grand Jury Report, entitled "Building San Francisco Designing, Constructing, and Maintaining City Infrastructure." (Board File No. 240711)

Dear Judge Massullo:

The Board of Supervisors' Government Audit and Oversight Committee conducted a public hearing on September 19, 2024, to discuss the findings and recommendations of the Civil Grand Jury and the departments' responses to the report.


The following City departments submitted a response to the Civil Grand Jury (copies enclosed):

- Public Works Commission:
Received August 8, 2024, for Findings Nos. F1, F2, and Recommendation Nos. R2.6, R2.7, R2.9, R2.10.
- The Mayor's Office submitted a consolidated response for the following department:
 - Controller's Office
 - Office of the City Administrator
 - Department of Public Works
Received August 19, 2024 for Finding Nos. F1, F2, F3, F4, and Recommendation Nos. R1.1, R1.2, R1.3, R1.4, R2.1, R2.2, R2.3, R2.4, R2.5, R2.8, R3.1, R3.2, R3.3, R3.4, R3.5, R4.

During the September 19, 2024, meeting, the Government Audit and Oversight Committee prepared a resolution responding to the requested findings and recommendations identified in the report. The response was finalized by Resolution No. 481-24, enacted on October 3, 2024. The Office of the Clerk of the Board of Supervisors is transmitting Resolution No. 481-24 to your attention.

If you have any questions, please contact Monique Crayton at (415) 554-5184, or via email to monique.crayton@sfgov.org.

Sincerely,


Angela Calvillo
Clerk of the Board

mcc:jec:ams

(Attachments)

cc: Andres Power, Mayor's Office
Thomas Paulino, Mayor's Office
Greg Wagner, City Controller
ChiaYu Ma, Office of the Controller
Mark de la Rosa, Office of the Controller
Carla Short, Department of Public Works
David Steinberg, Department of Public Works
Ian Schneider, Department of Public Works
John Thomas, Department of Public Works
Lena Liu, Department of Public Works
Lauren Post, Public Works Commission
Alisa Somera, Office of the Clerk of the Board
Severin Campbell, Office of the Budget and Legislative Analyst
Nicholas Menard, Office of the Budget and Legislative Analyst
Dan Goncher, Office of the Budget and Legislative Analyst
Amanda Guma, Office of the Budget and Legislative Analyst
Carmen Chu, City Administrator
Sophie Hayward, Office of the City Administrator
Vivian Po, Office of the City Administrator
Angela Yip, Office of the City Administrator
Brian Strong, Office of Resilience and Capital Planning
Michael Carboy, 2023-2024 Foreperson, San Francisco Civil Grand Jury

1 [Board Response - Civil Grand Jury Report - Building San Francisco: Designing, Constructing,
2 and Maintaining City Infrastructure]

3 **Resolution responding to the Presiding Judge of the Superior Court on the findings**
4 **and recommendations contained in the 2023-2024 Civil Grand Jury Report, entitled**
5 **“Building San Francisco: Designing, Constructing, and Maintaining City**
6 **Infrastructure,” and urging the Mayor to cause the implementation of accepted findings**
7 **and recommendations through her department heads and through the development of**
8 **the annual budget.**

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

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

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

23 WHEREAS, In accordance with San Francisco Administrative Code, Section 2.10(b),
24 the Controller must report to the Board of Supervisors on the implementation of
25

1 recommendations that pertain to fiscal matters that were considered at a public hearing held
2 by a Board of Supervisors Committee; and

3 WHEREAS, The 2023-2024 Civil Grand Jury Report, entitled "Building San Francisco:
4 Designing, Constructing, and Maintaining City Infrastructure," ("Report") is on file with the
5 Clerk of the Board of Supervisors in File No. 240711, which is hereby declared to be a part of
6 this Resolution as if set forth fully herein; and

7 WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond
8 to Finding Nos. F1, as well as Recommendation No. R1.5, contained in the subject Report;
9 and

10 WHEREAS, Finding No. F1 states: "The Amount of Degraded Assets is Unknown;" and

11 WHEREAS, Recommendation No. R1.4 states: "Included in the publication in 2025 of
12 the 2026-2035 10 Year Capital Plan and each future biennial 10 year capital plan, the Capital
13 Planning Committee shall add and update in future plans a subsection discussing only
14 "degraded assets" to each relevant section of the Plan (Sections 6 -13 in the 2024-2033 10
15 Year Capital Plan). Each subsection shall describe: (1) the types of degraded assets, (2) the
16 total cost to repair them to baseline, (3) the risks to the city by not repairing them, and (4)
17 the 10 year plan to get degraded assets back to baseline and do so at the equivalent level of
18 granularity as is in the report in Section 3: Accomplishments (relevant
19 pages 29, 31, 33, 35, 37, 39, 41, and 43 in the 2024-2033 10 Year Capital Plan);" and

20 WHEREAS, Recommendation No. R1.5 states: "If recommendation 1.4 is not
21 implemented administratively, the Board of Supervisors shall pass an ordinance making the
22 bi-annual reporting on degraded assets a legal requirement;" and

23 WHEREAS, In accordance with California Penal Code, Section 933.05(c), the Board of
24 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior
25

1 Court on Finding No. F1, as well as Recommendation No. R1.5, contained in the subject
2 Report; now, therefore, be it

3 RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the
4 Superior Court that they partially disagree with Finding No. F1 for the following reasons:
5 currently, departments update the Facilities Resource Renewal Model annually, estimating the
6 remaining useful life of building subsystems; while this approach has limitations in cost
7 projections, it provides a general sense of which assets are most degraded; however, given
8 budget constraints, even with an accurate assessment of all degraded assets and related
9 costs, not all needs would be funded; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
11 No. R1.5 requires further analysis, as action on this recommendation is contingent upon
12 analysis to be completed by the Office of Resilience and Capital Planning; upon receipt of that
13 analysis and a determination as to whether or not Recommendation No. R1.4 has been
14 implemented, the Board of Supervisors shall consider whether or not to legally require bi-
15 annual reporting on degraded assets; this shall be determined within one year from the date
16 of the adoption of this Resolution; and, be it

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



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 240711

Date Passed: October 01, 2024

Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2023-2024 Civil Grand Jury Report, entitled "Building San Francisco Designing, Constructing, and Maintaining City Infrastructure"; and urging the Mayor to cause the implementation of accepted findings and recommendations through her department heads and through the development of the annual budget.

September 19, 2024 Government Audit and Oversight Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE


September 19, 2024 Government Audit and Oversight Committee - RECOMMENDED AS AMENDED

October 01, 2024 Board of Supervisors - ADOPTED


Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240711

I hereby certify that the foregoing Resolution was ADOPTED on 10/1/2024 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

10/3/24

Date Approved



Date: August 8, 2024

To: The Honorable Anne-Christine Massullo
Presiding Judge, Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102-4512
Sent via email to CGrandJury@sftc.org

From: Lauren Post – Chair, San Francisco Public Works Commission

Subject: Public Works Commission Response to the Civil Grand Jury Report, “Building San Francisco: Designing, Constructing and Maintaining City Infrastructure”

Dear Judge Massullo:

In accordance with California Penal Code Section 933.05, and pursuant to the request of Mr. Michael Edsall Carboy, Foreperson of the City and County of San Francisco 2023-24 Civil Grand Jury, please find attached the response of the San Francisco Public Works Commission to the 2023-24 Civil Grand Jury Report, *Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure*.

On behalf of the Public Works Commission, I would like to thank the members of the 2023-24 Civil Grand Jury for their hard work and careful attention to analyzing City capital project delivery and how it can be improved. The rigorous effort put into crafting their findings and recommendations, and the Jury’s obvious commitment to ensuring that San Francisco taxpayers “get what they pay for,” will be of long-term value not just to our Commission, but to the City’s elected officials and staff and, of course, to the City’s citizens.

Yours truly,

A handwritten signature in blue ink that reads "Lauren A. Post". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lauren Post
Chair, San Francisco Public Works Commission

Cc: Hon. London Breed, Mayor
Hon. Aaron Peskin, President, Board of Supervisors
Mr. Greg Wagner, Controller
Mr. Brian Strong, Chief Resilience Officer and Director

Report Title [Publication Date]	F#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F1	The city's significant amount of degraded assets is not properly quantified or understood, resulting in an increased cost to taxpayers and a lack of transparency and accountability regarding the city's stewardship of taxpayer funded assets.	Public Works Commission [August 19, 2024]	Agree	The Commission agrees with this finding, and would like to see a centralized database of City capital assets constructed and maintained by a central coordinating department, such as Capital Planning or Real Estate, so that public resources can be budgeted and allocated annually where they are most needed to prevent asset degradation. Public Works should be a key member of the multi-department team leading and managing this effort.
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F2	The Public Works Commission lacks appropriate reporting necessary to adequately oversee the performance of Department of Public Works capital facilities projects resulting in insufficient oversight of the department and a lack of sufficient transparency and accountability for hundreds of millions of dollars of capital spending.	Public Works Commission [August 19, 2024]	Disagree partially	The Commission agrees that, at present, it lacks full reporting protocols to allow it to properly oversee Public Works performance in executing capital projects for the City. Since the Commission was seated two years ago (July 2022), it has been working with staff to put such protocols in place. Later this year, the Commission expects to receive the department's first annual report on its performance in all areas of department jurisdiction, including the execution of capital projects on behalf of City taxpayers and other funders. Each year the report will be refined and improved as Commission input is incorporated and data collection and analysis is upgraded.

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R2.6 [F2]	Within 1 month of DPW submitting the reporting specified in Recommendations 2.1, 2.2, 2.3, and 2.4, the Public Works Commission shall hold a public hearing with the Department of Public Works to discuss the information in the reports.	Public Works Commission [August 19, 2024]	Has not yet been implemented but will be implemented in the future	An annual reporting protocol is currently being developed by the Commission and Public Works leadership to allow the PWC to provide sufficient oversight of the department's execution of capital projects for City agencies. The report will provide an accounting of scope, budget, and schedule for each project of a material size, beginning from voter approval (for bond-funded projects), or from City department client request, through closeout, and will include disclosure and discussion of material changes, if any, in each area. The first such report of performance metrics will be available late this year, and will be followed up by a public presentation to and discussion with the Commission. The Commission feels post-completion asset performance evaluations should be undertaken at the staff level by Public Works and its City clients.
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R2.7 [F2]	The Public Works Commission shall include in the forthcoming Annual Statement of Purpose between the Department of Public Works and the Public Works Commission that the Commission is tasked with assisting the Department with determining and implementing changes to the Department's processes and procedures regarding capital facilities project design and construction to improve Department performance.	Public Works Commission [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	Based on its reading of the City Charter, the Commission does not view its role as determining processes and procedures for capital facilities design and construction. Rather, its role is to ensure that projects approved by voters in which Public Works is involved are constructed on time and on budget as initially approved by the City client department, to understand the reasons for deviations from project expectations and projections, and to evaluate Public Works's performance in executing each project based on agreed-upon, standard metrics. We are currently working to define those metrics as part of the department's annual reporting to the Commission and to the public.

<p>Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure</p> <p>[June 20, 2024]</p>	<p>R2.9 [F2]</p>	<p>By December 31, 2024, the Public Works Commission shall physically visit and inspect the capital projects mentioned above, and the Jury further recommends that for future capital facilities projects, the Commission and a representative from CGOBOC should visit and inspect each new capital facilities project at the time when the project is deemed to be "substantially completed."</p>	<p>Public Works Commission [August 19, 2024]</p>	<p>Will not be implemented because it is not warranted or is not reasonable</p>	<p>On a quarterly basis, the Commission visits select capital projects of a material cost to taxpayers that are either recently completed or are under construction and for which the Commission will be approving contracts. While the Commission enjoys capital project site visits and finds them useful and informative, time constraints preclude more frequent reviews.</p>
<p>Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure</p> <p>[June 20, 2024]</p>	<p>R2.10 [F2]</p>	<p>By March 31, 2025, the Public Works Commission shall initiate a process for obtaining and reviewing feedback from client departments of DPW regarding concerns or unresolved issues about clients' capital facilities projects.</p>	<p>Public Works Commission [August 19, 2024]</p>	<p>Will not be implemented because it is not warranted or is not reasonable</p>	<p>The Commission does not feel its role is to ferret out concerns or unresolved issues about Public Works clients' capital facilities projects. The Commission requests that department staff invite clients to speak at Commission meetings about their capital projects, and to share their views on their partnership with Public Works, lessons learned along the way, and anything they feel would be of value to the Commission, the public, and department staff.</p>

August 19, 2024

The Honorable Anne-Christine Massullo
Presiding Judge, Superior Court of California, County of San Francisco
400 McAllister Street, Room 008
San Francisco, CA 94102-4512

Dear Judge Massullo,

In accordance with Penal Code 933 and 933.05, the following is in response to the 2023-2024 Civil Grand Jury Report, *Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure*. We would like to thank the members of the 2023-2024 Civil Grand Jury for their research on the City's infrastructure. We commend the Jury for their interest in improving the planning and project delivery processes while focusing on the fiscal responsibility it takes to do so. The Jury's work on this report motivates the City to continue prioritizing transparency and conduct citywide efforts to improve its capital planning and pre-design processes.

The City's Capital Planning process serves to identify and prioritize the estimated and required maintenance of all City assets. The finite resources and many competing priorities of our City government make the transparency in our funding process all the more necessary. This prioritization is informed by Citywide surveys, long-term planning, seismic or safety risk assessments, and public comment; transparency is paramount to that process. While we do not agree that additional oversight processes or structures are the best way to improve outcomes, the City will strive to implement any educational or transparency measures that would allow the public to hold it's government accountable.

Again, we appreciate the opportunity to comment on the Civil Grand Jury report findings and recommendations. As we move forward, the City plans to continue working with all departments to enhance these procedures to achieve our collective goal of fiscally responsible and effective capital project delivery on behalf of the people of San Francisco. The Civil Grand Jury's interest in this topic amplify the importance of capital investments in civic projects and compelled an honest assessment of where we can and should do better.

A detailed response from the Mayor's Office, Department of Public Works, the City Administrator, and the Controller's Office is attached.

Sincerely,

A handwritten signature in black ink that reads "London Breed". The signature is written in a cursive, flowing style.

London N. Breed
Mayor



Carla Short
Director, San Francisco Public Works



Greg Wagner
Controller

Rachel Cukierman, for Carmen Chu

Carmen Chu
City Administrator

2023-24 CIVIL GRAND JURY FINDINGS, RECOMMENDATIONS, AND RESPONSES TO FINDINGS AND RECOMMENDATIONS

Report Title [Publication Date]	F#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F4	The perception that the hourly rates for employees of the Department of Public Works for work performed for client departments are expensive leads to frustration and to irritation with DPW at client departments which can negatively impact the working relationship between departments.	Mayor [August 19, 2024]	Disagree partially	The Department has the resources and availability to provide the calculation of labor costs to a requested client department.

2023-24 CIVIL GRAND JURY FINDINGS, RECOMMENDATIONS, AND RESPONSES TO FINDINGS AND RECOMMENDATIONS

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R4 [F4]	The Mayor shall direct the Department of Public Works to create a report by December 31, 2024 for client departments detailing how the hourly rates are calculated including explanations regarding the allocation of DPW indirect costs and the allocation of central services of city government to explain in layman’s terms how DPW billing works, and how the number of projects impacts those rates.	Mayor [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	The creation of a report is not needed, as the requested details on labor costs including salary costs, fringe benefits, and the overhead rate are available. If requested, the Department of Public Works provides the analytical supporting documents of overhead rates. The Mayor's Budget Office will work with departments to understand these cost bases, where appropriate.

2023-24 CIVIL GRAND JURY FINDINGS, RECOMMENDATIONS, AND RESPONSES TO FINDINGS AND RECOMMENDATIONS

Report Title [Publication Date]	F#	Finding	Respondent Assigned by CGJ [Response Due Date]	Finding Response (Agree/ Disagree)	Finding Response Text
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F1	The city's significant amount of degraded assets is not properly quantified or understood, resulting in an increased cost to taxpayers and a lack of transparency and accountability regarding the city's stewardship of taxpayer funded assets.	Department of Public Works [August 19, 2024]	Disagree partially	Departments update the Facilities Resource Renewal Model annually with estimates of remaining useful life for all building subsystems. While this methodology is far from perfect in terms of cost projections, it does provide a high-level estimation of which assets are most "degraded". With constrained budgets, even if the City did have an accurate view of all degraded assets and associated costs, all of those needs would not receive funding resulting in further deferrals. As such, to blame a theoretical increased cost to taxpayers solely on the lack of quantification of degraded assets is not appropriate.
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F2	The Public Works Commission lacks appropriate reporting necessary to adequately oversee the performance of Department of Public Works capital facilities projects resulting in insufficient oversight of the department and a lack of sufficient transparency and accountability for hundreds of millions of dollars of capital spending.	Department of Public Works [August 19, 2024]	Disagree wholly	"San Francisco Public Works' construction management, project management and finance staff, per department policy and procedure, provides updated spending and performance information to the Public Works Commission on department-managed capital projects. This reporting is provided in the form of public presentations, staff reports and supporting documents. A repository of these reports and presentations are available online on the Public Works website: https://sfpublicworks.org/public-works-commission-calendar . The established reporting system supports the department's commitment to transparency and accountability and provides the commission the framework required to evaluate and approve cost increases to Chapter 21 and Chapter 6 Professional Services, construction contracts, grants, commodities and general services. In addition, Public Works staff responds to all questions from the Public Works commissioners pertaining to the overall status of projects and financial issues to assist them in the decision making-process to fulfill their City Chartered-mandated oversight responsibilities."
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F4	The perception that the hourly rates for employees of the Department of Public Works for work performed for client departments are expensive leads to frustration and to irritation with DPW at client departments which can negatively impact the working relationship between departments.	Department of Public Works [August 19, 2024]	Disagree partially	The Department has the resources and availability to provide the calculation of labor costs to a requested client department.

2023-24 CIVIL GRAND JURY FINDINGS, RECOMMENDATIONS, AND RESPONSES TO FINDINGS AND RECOMMENDATIONS

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R1.2 [F1]	By June 30, 2025, Department of Public Works shall issue a report to the Public Works Commission detailing all instances starting on January 1, 2021 to the present day where maintenance work of material cost and scope has on at least 3 occasions been required for essentially the same issue in which a root cause of the issue is that the asset has been allowed to degrade or otherwise has not been properly maintained. Material cost and scope shall be defined by the Public Works Commission.	Department of Public Works [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	Responsibility for asset maintenance lies with the Department of Real Estate (RED) and/or the department that owns the asset. At times, RED or client departments seek out the services and expertise of Public Works to repair and maintain infrastructure. Public Works professionals are capable of everything from an emergency repair, to an intensive planning process to fully replace or renovate infrastructure. RED/departments decide how to engage Public Works based on their budget, vision and needs (See, e.g., 850 Bryant jail).
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R1.3 [F1]	By June 30, 2025, Department of Public Works shall issue a report to the Public Works Commission detailing all instances starting on January 1, 2021 to present day where degraded assets left unrepaired materially impacted the operations of the facility or city employees. Materially impacted shall be defined by the Public Works Commission.	Department of Public Works [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	See the response to recommendation 1.2. And, client departments are the experts on their operations and do not necessarily share maintenance history with Public Works. Impacts to operations would be observed and documented by client departments. As those departments identify their needs and plan for new construction, renovation, repairs and maintenance, Public Works will provide expertise to help clients navigate planning, design and construction. PW works closely with clients and private contractors to ensure that facilities meet the operational needs of departments, all within their own staffing and budget constraints.
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R2.1 [F2]	Budget Reporting: By March 31, 2025, DPW shall issue a report to the Public Works Commission, updated quarterly for all currently active and planned bond-funded capital facilities projects to include end-to-end performance information detailing budget accuracy and timeline planning accuracy from initial design to contracting to construction to completion with explanations for material deviations. Material deviations shall be defined by the Public Works Commission.	Department of Public Works [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	From pre-design through construction, Public Works abides by established standards for accountability, fiscal responsibility and transparency. In planning, there are comprehensive oversight processes (e.g., BOS, CON, CPC numerous public hearings). During construction, for example, Public Works Stat is both a forum for problem solving and accountability, and a robust reporting system for planned and active projects. Stat dashboards capture numerous project metrics including delivery method, schedule, budget, change order dollar amount, nature of change order and more. Project managers present their projects, especially their challenges, to their colleagues, encouraging accountability and providing a regular forum to share expertise and find solutions. Commissioners are welcome to attend Stat. Public Works weighs any increase in oversight/reporting against the resulting increased expense and whether such additions duplicate existing oversight/reporting.

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R2.2 [F2]	Capital Project Facility Design Reporting: By March 31, 2025 DPW shall issue a report to the Public Works Commission, which shall be updated quarterly, for all ongoing bond-funded capital facilities projects, of any material changes to the project design once the project budget has been approved by the Commission through the end of construction, detailing the reasons for the changes, the financial impact of the changes, and the impacts to project timelines. Material changes shall be defined by the Public Works Commission.	Department of Public Works [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	Public Works uses a wide range of contract delivery methods to deliver a wide range of projects. Design is driven primarily by client departments and external factors like budget, schedule and respective regulatory regimes. For example, fiscal responsibility and efficiency might dictate that a project be delivered through a design-build process, where a single entity is responsible for design and construction within external constraints such as materials prices. (e.g., Traffic Company and Forensic Services Division, FS 25, Ambulance Deployment Facility) In most cases, design changes are client-driven. Public Works makes every effort to minimize change orders--client-driven or otherwise--through existing processes, partnering, and communication with clients. And change orders that result from material changes, when they exceed contingency, already require Commission approval. This recommendation would duplicate existing reporting and controls.
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R2.3 [F2]	Capital Project Facility Construction Reporting: By March 31, 2025 DPW shall issue a report to the Public Works Commission, updated quarterly, on all ongoing bond-funded capital facilities projects, detailing material issues regarding construction quality from the beginning of construction through the end of construction, where construction work had to be re-done including the reason(s) for the re-work, the impact on the project financially, on project timelines, and any legal disputes. Material issues regarding construction quality shall be defined by the Public Works Commission.	Department of Public Works [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	Public Works professionals deliver construction projects. To do so, they use all available tools to manage and mitigate risks--assorted contract delivery methods, strategic planning with client departments, continuous updating of laws and procedures to align with best practices, industry innovation and partnering. Together with Stat, these processes combine to focus on project delivery with as few change orders or disputes as possible. Quarterly reporting is too frequent to yield actionable information.

2023-24 CIVIL GRAND JURY FINDINGS, RECOMMENDATIONS, AND RESPONSES TO FINDINGS AND RECOMMENDATIONS

Report Title [Publication Date]	R# [for F#]	Recommendation	Respondent Assigned by CGJ [Response Due Date]	Recommendation Response (Implementation)	Recommendation Response Text
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R2.4 [F2]	Capital Project Facility Post-Construction Reporting: By March 31, 2025 DPW shall issue a report to the Public Works Commission, updated quarterly, on all ongoing bond-funded capital facilities projects detailing material issues regarding construction quality for the period from the issuance of the certificate of occupancy until 2 years after the facility has been in use by the client department detailing the reasons for the problem(s) with the facility, estimate of the cost to repair or replace, timeline to repair or replace, and the impact on functionality of the facility until issues are repaired or replaced. Material issues regarding construction quality shall be defined by the Public Works Commission.	Department of Public Works [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	The management of the facility post-occupancy, including any warranty period, is the responsibility of the operating department in conjunction with the Department of Real Estate. Public Works is always available to work our client departments in an advisory role, providing additional information and advice upon request. Additionally, on request of the operating department, Public Works has taken on management of the warranty phase. Public Works typically initiates a post-occupancy survey, in conjunction with LEED certification, to solicit feedback on any post-occupancy issues. Our new project and construction management software system could be used capture reported issues.
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R2.5 [F2]	Within 1 week of the quarterly reports in Recommendations 2.1, 2.2, 2.3, and 2.4 all the information presented in those recommendations shall be published prominently on DPW's website and available to the public.	Department of Public Works [August 19, 2024]		"Construction in San Francisco is inherently interdepartmental. Public Works works for client departments who own projects and often take the lead on publishing information about their projects. Accountability measures are also interdepartmental with a partial list of overseeing bodies including the Public Works Commission, Office of Public Finance, Board of Supervisors, Controller, Capital Planning Committee, department commissions and GOBOC. Thus, publication of project details sometimes spans the websites of those departments (plus SFGTV). However, Public Works has long published project information on its website. One purpose is to update the public on in-process projects. A person could, for example, see real-time updates on the the paving of a street. The site has comprehensive information. For example, the Fireboat Station No. 35 page includes basic descriptors, nearly an hour of in-depth video presentations by PW and SFFD and designers, as well as links to detailed Earthquake Safety and Emergency Response (ESER) Bond reports with even more detailed information."
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R2.8 [F2]	By December 31, 2024, Department of Public Works shall update its website for completed capital facilities projects to include original budget information, original timeline information, and material changes to the project budget and timelines including explanations for the changes. Material changes shall be defined by the Public Works Commission.	Department of Public Works [August 19, 2024]	Has been implemented	Public Works has long published project information on its website. One purpose is to update the public on in-process projects. A person could, for example, see real-time updates on the the paving of a street. The site has comprehensive information. For example, the Fireboat Station No. 35 page includes basic descriptors, nearly an hour of in-depth descriptions of the project from SFFD and designers, and links to detailed Earthquake Safety and Emergency Response (ESER) Bond reports. Additionally, this information is already on the Public Works website through our Commission website pages.

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Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R4 [F4]	The Mayor shall direct the Department of Public Works to create a report by December 31, 2024 for client departments detailing how the hourly rates are calculated including explanations regarding the allocation of DPW indirect costs and the allocation of central services of city government to explain in layman’s terms how DPW billing works, and how the number of projects impacts those rates.	Department of Public Works [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	The creation of a report is not needed, as the requested details on labor costs including salary costs, fringe benefits, and the overhead rate are available. If requested, the Department of Public Works provides the analytical supporting documents of overhead rates. The Mayor’s Budget Office will work with departments to understand these cost bases, where appropriate.

2023-24 CIVIL GRAND JURY FINDINGS, RECOMMENDATIONS, AND RESPONSES TO FINDINGS AND RECOMMENDATIONS

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Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F1	The city's significant amount of degraded assets is not properly quantified or understood, resulting in an increased cost to taxpayers and a lack of transparency and accountability regarding the city's stewardship of taxpayer funded assets	Office of the Controller [August 19, 2024]	Disagree partially	Departments update the Facilities Resource Renewal Model annually with estimates of remaining useful life for all building subsystems. While this methodology is far from perfect in terms of cost projections, it does provide a high-level estimation of which assets are most "degraded". With constrained budgets, even if the City did have an accurate view of all degraded assets and associated costs, all of those needs would not receive funding resulting in further deferrals. As such, to blame a theoretical increased cost to taxpayers solely on the lack of quantification of degraded assets is not appropriate.
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F3	Some newly constructed facilities built by the Department of Public Works were observed to have deficiencies in the design and/or construction resulting in additional costs for repair or replacement which may have been preventable requiring further investigation and analysis.	Office of the Controller [August 19, 2024]	Disagree partially	The Controller's Office City Services Auditor has established its Annual Workplan for FY25. The current workplan already includes a number of capital and construction-related audits, including those pertaining to bond-related capital projects. The scope of these projects includes assessing compliance with construction close-out procedures, appropriateness of bond expenditures, and the efficiency and effectiveness of the City's construction processes. CSA Audits also has a number of ongoing construction audits related to bond-funded projects. For more information on the FY25 City Services Auditor Annual Workplan, please use this link: https://openbook.sfgov.org/webreports/details3.aspx?id=3401 .

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Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R1.1 [F1]	By March 31, 2025, the Controller shall conduct a financial analysis of the additional cost to the city entailed by delaying full repair of "degraded facilities assets" and issue the report to the Mayor, the Board of Supervisors, and publish the report to the public.	Office of the Controller [August 19, 2024]		
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R3.1 [F3]	By March 31, 2025 the City Services Auditor shall audit a minimum of 5 completed or nearly-completed bond-funded capital facilities projects, excluding Fireboat Station 35, over the past 5 years and assess end-to-end performance on budget accuracy and management, timeline forecast accuracy, and quality of design and construction and shall report the findings of the audit and recommendations for improvement to the Board of Supervisors and the Mayor's office.	Office of the Controller [August 19, 2024]		
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R3.2 [F3]	By March 31, 2025, the Controller's office shall analyze the use of the Capital Planning Fund to evaluate if additional funding is required such that all planned capital facilities projects over \$10M will have sufficient available funds to cover a minimum of 50% of the planning costs for those projects.	Office of the Controller [August 19, 2024]		

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Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R3.3 [F3]	By March 31, 2025, should the Controller determine that the current budgeted funding for the Capital Planning Fund is insufficient, the Controller shall make recommendations to the BoS and the Mayor on the appropriate amount the Fund should be and options for including that additional funding in the next budget.	Office of the Controller [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	"The Controller's Office City Services Auditor has established its Annual Workplan for FY25. Our team would require expanded resources to implement this item by the deadline.This function exists within the department's project management team. It is the department's responsibility to evaluate if additional funding is required. For more information on the FY25 City Services Auditor Annual Workplan, please use this link: https://openbook.sfgov.org/webreports/details3.aspx?id=3401 .
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R3.4 [F3]	By March 31, 2025, the Controller shall report to the Board of Supervisors and the Mayor detailing the financial impact of change orders to capital facility budgets that were caused by imprecise or incorrect pre-planning and design.	Office of the Controller [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	The Controller's Office City Services Auditor has established its Annual Workplan for FY25. The current workplan for City Performance already includes change order analysis. For more information on the FY25 City Services Auditor Annual Workplan, please use this link: https://openbook.sfgov.org/webreports/details3.aspx?id=3401 .
Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R3.5 [F3]	By March 31, 2025, the Controller shall report to the Board of Supervisors and the Mayor's Office detailing the impact of change orders on timeliness of the bond-funded capital facilities projects design and construction that were caused by imprecise or incorrect pre-planning.	Office of the Controller [August 19, 2024]	Will not be implemented because it is not warranted or is not reasonable	The Controller's Office City Services Auditor has established its Annual Workplan for FY25. The current workplan for City Performance already includes change order analysis. For more information on the FY25 City Services Auditor Annual Workplan, please use this link: https://openbook.sfgov.org/webreports/details3.aspx?id=3401 .

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Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	F1	The city's significant amount of degraded assets is not properly quantified or understood, resulting in an increased cost to taxpayers and a lack of transparency and accountability regarding the city's stewardship of taxpayer funded assets.	Office of the City Administrator [August 19, 2024]	Disagree partially	Departments update the Facilities Resource Renewal Model annually with estimates of remaining useful life for all building subsystems. While this methodology is far from perfect in terms of cost projections, it does provide a high-level estimation of which assets are most "degraded". With constrained budgets, even if the City did have an accurate view of all degraded assets and associated costs, all of those needs would not receive funding resulting in further deferrals. As such, to blame a theoretical increased cost to taxpayers solely on the lack of quantification of degraded assets is not appropriate.

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Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R1.4 [F1]	Included in the publication in 2025 of the 2026-2035 10 Year Capital Plan and each future biennial 10 year capital plan, the Capital Planning Committee shall add and update in future plans a subsection discussing only “degraded assets” to each relevant section of the Plan (Sections 6 -13 in the 2024-2033 10 Year Capital Plan). Each subsection shall describe: (1) the types of degraded assets, (2) the total cost to repair them to baseline, (3) the risks to the city by not repairing them, and (4) the 10 year plan to get degraded assets back to baseline and do so at the equivalent level of granularity as is in the report in Section 3: Accomplishments (relevant pages 29, 31, 33, 35, 37, 39, 41, and 43 in the 2024-2033 10 Year Capital Plan)	Office of the City Administrator [August 19, 2024]	Requires further analysis	<p>"The Capital Plan does discuss degraded assets in the ""Renewal Program"" section of each chapter. Besides the current Facilities Resource Renewal Model (which provides rough estimates of timing and cost of facilities needs), the City does not currently have a system that can more accurately quantify facilities needs on a consistent basis and at a granular level citywide. In 2024, ORCP will explore an upgrade to the current FRRM system - but even an upgraded system will still rely on an annual data update by departments which will limit it's accuracy at a granular level. ORCP could explore further highlighting some of the the most degraded assets in each service area based on the current FRRM data - but a detailed analysis such as the one proposed would require coordination with contractors and Public Works - coming at a high cost and requiring significant staff time.</p> <p>While such an analysis would certainly be illuminating, uncertainty around the City's ability to fund these needs may result in a costly, time-consuming effort that does not materially change the state of degraded assets."</p>

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Building San Francisco: Designing, Constructing, and Maintaining City Infrastructure [June 20, 2024]	R1.4 [F1]	Included in the publication in 2025 of the 2026-2035 10 Year Capital Plan and each future biennial 10 year capital plan, the Capital Planning Committee shall add and update in future plans a subsection discussing only “degraded assets” to each relevant section of the Plan (Sections 6 -13 in the 2024-2033 10 Year Capital Plan). Each subsection shall describe: (1) the types of degraded assets, (2) the total cost to repair them to baseline, (3) the risks to the city by not repairing them, and (4) the 10 year plan to get degraded assets back to baseline and do so at the equivalent level of granularity as is in the report in Section 3: Accomplishments (relevant pages 29, 31, 33, 35, 37, 39, 41, and 43 in the 2024-2033 10 Year Capital Plan)	Office of Resilience and Capital Planning [August 19, 2024]	Requires further analysis	<p>"The Capital Plan does discuss degraded assets in the ""Renewal Program"" section of each chapter. Besides the current Facilities Resource Renewal Model (which provides rough estimates of timing and cost of facilities needs), the City does not currently have a system that can more accurately quantify facilities needs on a consistent basis and at a granular level citywide. In 2024, ORCP will explore an upgrade to the current FRRM system - but even an upgraded system will still rely on an annual data update by departments which will limit it's accuracy at a granular level. ORCP could explore further highlighting some of the the most degraded assets in each service area based on the current FRRM data - but a detailed analysis such as the one proposed would require coordination with contractors and Public Works - coming at a high cost and requiring significant staff time.</p> <p>While such an analysis would certainly be illuminating, uncertainty around the City's ability to fund these needs may result in a costly, time-consuming effort that does not materially change the state of degraded assets."</p>