



April 26, 2004

Mr. Harvey Rose  
Budget Analyst Office  
Board of Supervisors - Budget Analyst  
1390 Market Street, Suite 1025  
San Francisco, CA 94102

Dear Mr. Rose:

The Port of San Francisco is proud of our accomplishments over the past eight years. We have started implementing a comprehensive waterfront plan and San Francisco's historic waterfront is being preserved and rejuvenated.

In reference to your management audit report to the Board of Supervisors, the Port of San Francisco has no objections to the majority of recommendations in the report. However, we have responded to some recommendations within the Engineering and Maintenance Division of which we do not concur.

Thank you for assisting the Port with recommendations to improve operations and efficiencies within our organization.

We look forward to working with your office in the future.

Sincerely,

A handwritten signature in dark ink, appearing to be "D. Wong", is located below the "Sincerely," text.

Douglas F. Wong  
Executive Director

## **RESPONSES TO MANAGEMENT AUDIT**

### **1. STRATEGIC PLANING AND ORGANIZATION OF THE PORT OF SAN FRANCISCO.**

**The Executive Director of the Port should:**

#### **1.1 Enforce the Port's policy to conduct quarterly budget to actual analysis and report quarterly to the Port Commission.**

- Response: Agree with the Budget Analyst's Recommendation.

#### **1.2 Not create any new capital-funded positions or fire into the vacant capital-funded position until a formal capital improvement program is established.**

- Response: Agree with the Budget Analyst's Recommendation.

#### **1.3 Proceed with the Port's stated intention to lay off eight capital-funded positions not included in the Annual Salary Ordinance and to delete one capital-funded Laborer position included in the Annual Salary Ordinance in FY 2004-2005.**

- Response: Agree with the Budget Analyst's Recommendation.

#### **1.4 Delete the vacant capital-funded Project Manager position and Roofer position.**

- Response: Agree with the Budget Analyst's Recommendation.

#### **1.5 Code the remaining six positions designated for capital programs as "limited tenure" positions, with the intention to delete the position when the capital project is completed or the funding source eliminated.**

- Response: Agree with the Budget Analyst's Recommendation.

#### **1.6 Delete the following vacant positions, which have been vacant for more than one year:**

- (a) 1446 Secretary II**
- (b) 9395 Property Manager**

- Response: Agree with the Budget Analyst's Recommendation.

#### **1.7 Proceed with the Port's stated intention to delete the following vacant positions:**

- (a) 1244 Senior Personnel Analyst
- (b) 1657 Senior Systems Accountant
- (c) 5364 Civil Engineering Associate I
- (d) 7220 Asphalt Finisher Supervisor I
- (e) 9377 Feasibility Analyst

- Response: Agree with the Budget Analyst's Recommendation.

**1.8 Not exercise the option to expand its current office space at Pier 1 into an additional estimated 3,132 square feet of space at Piers 1 ½ and 3.**

- Response: Agree with the Budget Analyst's Recommendation.

**1.9 Meet and confer with employee organizations to discontinue parking to employees to avoid future direct costs to the Port for discounted parking.**

- Response: Agree with the Budget Analyst's Recommendation.

**1.10 Develop and implement an annual muscular-skeletal injury prevention and back training program, which is mandatory for all Port employees, to reduce work place injury and workers compensation costs.**

- Response: Agree with the Budget Analyst's Recommendation.

**1.11 Report to the Port Commission and Board of Supervisors during the annual budget review on the Port's efforts in managing workers compensation claims, including:**

- (a) New indemnity and medical-only claims filed during the fiscal year;
- (b) The age, annual payment, and expected total payment for all outstanding claims;
- (c) The number of claims closed due to permanent disability settlements, including the age of the claim and the total payments; and
- (d) The number of employees successfully returned to work during the fiscal year, including employees participating in restricted work programs.

- Response: Agree with the Budget Analyst's Recommendation.

**1.12 Designate the Finance Manager to work with the City's Risk Manager to determine if the Port should self-insure for vehicle incidents and report to the Port Commission during the FY 2005-2006 budget review on the proposal for self-insurance.**

- Response: Agree with the Budget Analyst's Recommendation.

- 1.13 Designate a Port manager to perform the functions of a risk manager who would report directly to the Port Executive Director regarding the risk management program, including:**
- (a) Identification of areas of risk reduction, resulting from the Port's security assessment, and potential for reducing insurance costs;**
  - (b) Identification of areas of uninsured risk and proposals to reduce uninsured risk; and**
  - (c) Identification of the Port's exposure to litigation and other risks resulting from the Port's activities, and the development of a formal prevention loss program.**
- Response: Agree with the Budget Analyst's Recommendation.
- 1.14 Develop a vehicle accident reporting program, which includes written policies and procedures to report vehicle accidents, including criteria identifying:**
- (a) What must be reported.**
  - (b) When the information must be reported.**
  - (c) To whom the information is reported.**
  - (d) Responsibility for maintaining and analyzing vehicle incident data, and**
  - (e) Reporting accidents to the insurance company.**
- Response: Agree with the Budget Analyst's Recommendation.
- 1.15 Combine the Real Estate Division and Development and Planning Division into a single division as part of the FY 2005-2006 budget, including deletion of one 9397 Deputy Director position and one 1450 Executive Secretary position.**
- Response: Agree that Recommendation is postponed until FY 2005-2006.
- 1.16 Present a quantifiable business case that clearly demonstrates the ongoing cost benefits and justifies the creation of a proposed Development Project Coordinator position during the FY 2004-2005 budget review.**
- Response: Agree with the Budget Analyst's Recommendation.
- 1.17 Re-assign the Environmental Health and Safety Section and Building Inspection and Permits Section of the Engineering and Maintenance Division to the Administrative Services Division.**
- Response: Disagree, the work of the Environmental Health and Safety Section is technical in nature and requires the support and direction of an engineering group. The sections also manage major construction project, such as the Pier

98 wetland restoration, which requires engineering design and construction support.

**1.18 Delete the Engineering and Maintenance Director Positions and re-assign the duties to the Chief Harbor Engineer.**

- Response: Disagree, the work of the Director is very different from the Chief Harbor Engineer.

The Chief Harbor Engineer is responsible for the following:

- Oversee the plan checking and inspection function and interpret the building code.
- Provide project management and construction management services.
- Develop cost estimates and standards for construction and repair work for the Port of San Francisco.
- Provide design solutions to enhance Port's mission, revenue generation or public mandates.
- Set best design practices with other Ports.
- Determine safety standards for Port sub and super structures.
- Manage the work of engineering consultants.
- Manage the utility systems for the Port.
- Interface with other city agencies on engineering design issues on street, traffic, utilities, and permits.
- Manage the work of the Engineering group.

The Director of Engineering and Maintenance is responsible for the following:

- Direct, set goals and oversee the work of the Division.
  - Set division priorities and budget.
  - Develop Port strategic plan with Port Director and Deputy Directors.
  - Provide information to commissioners, elected officials, and other city officials.
  - Interface and negotiate with employee unions.
  - Represent the Port at hearings, public meetings, and legal proceedings.
  - Respond to and address tenant's and public complaints and requests.
  - Respond to and address port internal requests, often with conflicting priorities.
  - Manage personnel – discipline, hiring, and motivate employees for the largest division of the Port.
- 
- Manage cross divisional projects such as Maintenance Relocation, Port office relocation from Ferry Building to Pier 1, and construction of homeless shelter for the City.
  - Work with other city department on emergency responds policy and issues.

The duties of the director are broad, while the duties of the Chief Harbor Engineer are technical and specific. With the Chief Harbor Engineer taking

over the duties of the Director, the duties of the Chief Harbor Engineer with need to be assigned to an “Assistant Chief Harbor Engineer”.

## **2. PLANNING AND DEVELOPMENT OF PORT PROPERTIES**

**The Board of Supervisors should:**

- (a) Require the Port Commission to submit development negotiation term sheets for projects with development costs greater than \$10 million to the Board of Supervisors for endorsement, and submit the development agreements to the Board of Supervisors for approval.**
- Response: Agree with the Budget Analyst’s Recommendation.

**The Port Commission should:**

### **2.1 Adopt policies through the public hearing process to better respond to the community’s goals and objectives for Port development projects.**

- Response: Agree with the Budget Analyst’s Recommendation.

### **2.2 Establish criteria for development project lease structures, ensuring that Port is protected from unnecessary risk, including:**

- (a) Setting the minimum rent at a pre-determined amount with periodic CPI adjustments; and**
- (b) Establishing caps on construction costs or the developer’s equity contribution and other methods for minimizing the Port’s risk.**

- Response: Agree with the Budget Analyst’s Recommendation.

### **2.3 Develop guidelines to strengthen the analysis of the financial feasibility of Port development projects and conduct open discussions about the financial feasibility of Port projects prior to issuing RFP’s and awarding projects to developers.**

- Response: Agree with the Budget Analyst’s Recommendation.

### **2.4 Submit development negotiation term sheets for projects with development costs greater than \$10 million to the Board of Supervisors for endorsement, which include:**

- (a) An analysis of the project’s financial viability,**
- (b) The project’s overall financial projections,**
- (c) The estimated financial return to the Port, and**

**(d) A summary of the project's structure to share financial risks between the Port and the private developer.**

- Response: Agree with the Budget Analyst's Recommendation.

**2.5 Submit development agreements for the Port's development projects to the Board of Supervisors for approval.**

- Response: Agree with the Budget Analyst's Recommendation.

**3. APPROPRIATION AND BUDGETARY CONTROL AND THE PORT'S CAPITAL PROGRAM.**

**The Board of Supervisors should:**

**3.1 Amend the Administrative Code to affirm the legal level of budgetary control for capital project appropriations at the project level and establish a threshold for which increases or decreases to capital appropriations require supplemental review and approval by the Board of Supervisors.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.2 Amend the Administrative Code to establish a City policy that any capital project appropriation that is fully de-funded or partially de-funded by a specified threshold such as 10 percent, subsequent to the project having been authorized by the Board of Supervisors, be reported to the Board of Supervisors.**

- Response: Agree with the Budget Analyst's Recommendation.

**The Executive Director of the Port should:**

**3.3 Assign the Finance Manager in the Administrative Services Division the responsibility for the development of a capital improvement program.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.4 Require the Division Directors to meet monthly as a group with the Finance Manager to facilitate the development of the capital improvement program and to resolve any problems that arise.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.5 Dedicate sufficient staffing resources to complete the development of a realistic capital improvement program by December 31, 2004 such that it can be used to develop the FY 2005-2006 capital budget.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.6 Suspend the Illinois Street Bridge project and bring legislation before the Board of Supervisors with detailed cost estimates and secured funding sources for the Board of Supervisors' review and determination of the future of the project.**

- Response: Agree with the Budget Analyst's Recommendation.

**The Administrative Services Division should:**

**3.7 In conjunction with the development of a capital improvement program, clearly delineate operating activities from capital activities in the budget and in the accounting for such activities, which includes the work order process.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.8 Maintain budgetary control in the financial accounting system, FAMIS, at the level approved and appropriated during the annual budget process and any other supplemental Board action for all new capital project appropriations and any existing projects exceed \$200,000 in outstanding appropriations and unfunded costs combined.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.9 Cease making capital labor adjustments, which effectively charge expenses to capital projects that were not incurred.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.10 Develop the mechanism and accounting procedures to capture capital project indirect costs and allocate such costs to the various capital projects.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.11 Reconcile all capital projects accounting records, commencing with projects with negative balances, and closeout obsolete and inactive projects.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.12 Determine the allowable disposition of remaining bond funds and expedite their use.**



- Response: Agree with the Budget Analyst's Recommendation.

**3.13 Establish, document, and communicate policies and procedures for the capital project budget process, including:**

- (a) **Budget modifications.**
- (b) **Project transfers, including appropriate and prohibit fund transfers and a maximum limit for transfer amounts using an administrative process,**
- (c) **Project closeouts and disposition of surplus funds including a statement that all surplus funds are subject to appropriation by the Board, and**
- (d) **Project de-fundings.**

- Response: Agree with the Budget Analyst's Recommendation.

**3.14 Establish, document, and communicate policies and procedures for the use of generalized appropriation categories, including:**

- (a) **Administrative process for assigning funds to projects**
- (b) **Appropriate and prohibited uses for each generalized appropriation category, and**
- (c) **Process for tracking and monitoring of such funds.**

- Response: Agree with the Budget Analyst's Recommendation.

The Engineering and Maintenance Division should:

**3.15 Work with the Administrative Services Division to establish controls and ensure that the time worked by its staff is appropriately and accurately captured in the facility maintenance management and financial accounting systems.**

- Response: Agree with the Budget Analyst's Recommendation.

**4. MAINTENANCE DIVISION MANAGEMENT**

The Port Commission should:

**4.1 Reorganize the Maintenance Division to remove a management layer between the General Superintendent and supervisors, to achieve continuity of command in the management structure, and to eliminate one nonessential position.**

- Response: The current organization consisting of an Assistant Deputy Director, (general superintendent), responsible for overall division

management with one superintendent managing the **maintenance oriented** building trades who often deal directly with the divisions customer base and one superintendent managing **construction / project oriented** workers is consistent with established maintenance department models. At the Port, the two superintendent positions are supported by a construction / maintenance supervisor who in addition to specific responsibilities in supervising the ports street department supports both superintendents with Teamster, General Laborer, and fleet maintenance services. The maintenance manager supports the division in the development, integration with other port software programs, operation, and oversight of “Avantis”, the Maintenance Divisions computerized facility maintenance management system.

Of particular note, the introduction of an automated facility management system is new and foreign to the divisions’ culture, which as stated by the analyst, “has been in existence in one form or another since the 19<sup>th</sup> century”. The state of the art software that was selected with input / involvement from each port division introduces the requirement for systematic data collection, new protocol for planning work, scheduling work, and materials procurement. While this may be viewed by shop supervisor and journeymen level employees as a hindrance to expeditious completion of individual tasks; managerial level employees will realize that the system provides for **division wide** accountability and audibility of procurement activities, organized and planned response to tasks requiring multi-craft support. System data provides for observance of trending in customer requests for services, materials requirements, mechanical systems analysis, and numerous other documentable performance measures as recommended by the analyst.

**The Executive Director should:**

**4.2 Using the information contained in this audit section and other information available, perform an examination and evaluation of the leadership changes needed to make the Maintenance Division an effective organization.**

- Response: In the course of the Executive Directors examination this General Superintendent requests that the Director consider relatively recent changes introduced within the Maintenance Division. Particularly the introduction of “Avantis” and its support personnel, essentially, a new way of doing business in a department with a long history doing things the “old way”; be allowed the opportunity to develop to its full potential.

Additionally please consider that when the Port Commission in 1994, approved the elimination of three of four maintenance management positions, including the General Superintendent and Two Assistant Superintendents due to extreme financial difficulties at the Port. That this occurred just a few years after a \$500k, one-year Organizational Analysis (“OA”) by CRESAP Corp, involving scores of Port Personnel from all levels and all Port tenants and

“shareholders”, recommended two possible alternatives regarding organizational structure changes... both supporting a General Superintendent and 3 Assistant Superintendent positions. The purpose in mentioning this is to point out that when the Commission reduced maintenance management to one Assistant Superintendent to manage half the Ports personnel, that action alone removed all chance of effective maintenance management capability for the next 6 years... eliminating all gains realized from the CRESAP reorganization... and leaving maintenance in the worse management situation of its history. It is important to note that the Divisions in place organizational chart reflects the recommendations of the CRESAP OA. This point also leads up to the Deputy Directors decision to resurrect 2 of the 3 previously eliminated maintenance management positions in an attempt to address the lack of those very things mentioned in the auditors report.

This management team along with the fine supervisors, journeymen and women assigned to the division, supported by a state of the art facility management system will serve as the backbone of the Port Maintenance Division, a “World Class Maintenance Organization.

**4.3 In accordance with the recommendation to have the Maintenance division report to the Chief Harbor Engineer due to the recommended elimination of the Deputy Director of engineering and Maintenance (See Section 1 on Strategic Planning and Organization of the Port of San Francisco), insure that the Chief Harbor Engineer requires that the Maintenance Division develop an effective mission statement and objectives that are challenging, but achievable.**

- Response: In the opinion of the General Superintendent, it would be difficult organizationally to report to the Chief Harbor Engineer as the mission of the Maintenance Division differs and competes with the mission of the Engineering Division.

The mission of Engineering as perceived by the General Superintendent is essentially to plan, direct and review capitol project level work at the Port.

The mission of the Maintenance Division is to maintain existing substructure, superstructures and tenant spaces. Additionally the Maintenance Division supports capitol work at the discretion of the General Superintendent or the direction of the Deputy Director.

The conflict exists in the competing demand on “maintenance resources” one demand being capitol improvement / construction, the other being maintenance responsibilities.

In situations where the division managers can not reconcile the use of maintenance resources the deputy director considers and gives direction.

**4.4 Delete the classification 7205, Chief Stationary Engineer, from the Port's FY 2004-05 Budget.**

- Response: The Chief Stationary, (level 2 supervisor), engineer position is an essential element of the Divisions preventative maintenance operations from a program perspective. The position is typical of all city of San Francisco maintenance groups of which this General Superintendent is aware. Additionally the General superintendent has met recently with Business Agents from Local 38; Plumbers, Local 6; Electricians, Local 104; Sheet Metal, Local 377; Iron Workers, Local 22; Carpenters; Local 26; Laborers; and Local 34; Pile workers, to discuss the role of Stationary Engineer and has a general acceptance of their role within the Ports Maintenance Division. The roll of the Chief Stationary Engineer and the Stationary Engineers is described in the attached document. (Attachment 1)

**4.5 Substitute one classification 9360, Construction/Maintenance Supervisor II position for one classification 9363, Superintendent of Harbor Maintenance, position.**

- Response: Due to the substantial difference in work type and number of FTE's managed there is a need to individually manage rather than simply supervise both the **Maintenance Section and the Project / Construction section** of the Division. The Supervisor II position by definition is not a management level position. Please refer to the response to section 4.1. for additional concerns relating to this recommendation.

**4.6 Report to the Finance and Audits Committee of the Board of Supervisors on the status of these recommendations to improve the operations of the Maintenance Division during FY 2004-2005, after January 1, 2005.**

- Response: Concur: The Maintenance Division appreciates deficiencies being pointed out by the analysts along with the recommendations for improvement and looks forward to documenting and reporting on progress within and outside the Division.

**The General Superintendent should:**

**4.7 Initiate and complete the development of a policies and procedures manual.**

- Response: Concur: To be documented in policy document by August 04.

Regarding personnel issues, the management team relies on the Ports "Personnel Policy and Procedures Manual" that is distributed to each employee at a mandatory new employee orientation session hosted by the ports Human Resources Division.

Concur: The management team is currently in the process of developing a maintenance procedures manual based on a “ Best Practices of World Class Maintenance Organizations” training session provided by the software vendor during initial Avantis implementation and attended by all members of the maintenance division management team.

The model for this manual is contained in the audit report on page 4-4; exhibit 4.2. It was at the suggestion of the Maintenance Division general superintendent that the analyst visit the Bureau of Water Pollution Control of the Public Utilities Commission. It is the goal of the Maintenance Division management team to complete the document, of which a number of sections are currently complete, by August 04.

**4.8 Allocate staff resources and efforts to successfully implementing the Avantis Maintenance Management System.**

- Response: Complete: Maintenance has assigned a full time in-house Project Manager, with experience in the Ports previous work management system to oversee and assist Maintenance Division users in system development / implementation and interfacing with the Ports other software packages. This employee works in conjunction with the full time Maintenance Manager.

**4.9 In congruence with implementing the Avantis System, transform the existing disorganized and filthy storeroom into one that has effective inventory control and is efficient, economical, and supportive of the Maintenance Division’s mission.**

- Response: In progress: Storeroom and procurement are major elements of Avantis. Reorganization is in full swing with particular attention towards physically, and from an accounting perspective, separating warehouse material from storeroom inventory. The intended result being a satisfactory inventory turnover rate, cost savings, increased efficiency and accountability in providing materials to maintenance work crews ultimately resulting in improved service to our customers on the waterfront. Again, policy is currently in place and culled into a Division specific manual by August 04.

It is noteworthy to mention that the storeroom at Pier 50 is at best difficult to keep dust free due to its location in an old, naturally ventilated pier shed building that is open at both ends during working hours. Based on the concern raised by the analyst, the Environmental Health & Safety Division evaluated the potential of a health hazard due to the dust. The determination was that a no hazard existed.

**4.10 Using the Avantis System, develop performance measures that reflect the effectiveness, economy, and efficiency of the Maintenance Division.**

- Response: Concur: In progress; completion goal August 04.

**4.11 Institute and enforce standards for supervisory control of work crews.**

- Response: Concur: In general the Port Maintenance Divisions supervisors are working supervisors who are involved in the daily work tasks of their crews. The General Superintendent will develop standard language regarding standards and enforcement for supervisory control of work crews to be included in all supervisory level performance appraisals for the period beginning July 04.

**4.12 Standardize and enforce an effective tools and equipment control system.**

- Response: Concur: In progress

**4.13 Ensure that the Port storage yards are not used for storing private property.**

- Response: Concur: To be documented in policy document.

**4.14 Emphasize to all Maintenance personnel the absolute necessity of having a harassment-free work environment.**

- Response: Concur: This is a constant in the policy and decision process of this General Superintendent. See attached memo distributed to all Maintenance Division employees. (Attachment 2)

**4.15 Ensure that the practice of performing non-Port related and personal activities on Port time and with Port resources is not reintroduced within the Maintenance Division.**

- Response: Concur: To be documented in policy document.

**5. ENGINEERING DIVISION MANAGEMENT**

**The Chief Harbor Engineering should:**

**5.1 On a high priority, comprehensive basis, develop an Engineering Manual that provides policies and procedures for conducting the business of the Engineering Division.**

- Response: The Engineering Procedures Manual is in preparation with many sections already completed and available on the Port's intranet. The Engineering Procedures Manual lists the existing engineering procedures, protocols and standards and, where necessary, includes new procedures and policies to cover the required material. This manual is will be available only on the Port's intranet where it can be readily accessed by the Group, easily

updated by the appropriate personnel, and revisions can be incorporated quickly and easily distributed for use by the Group.

**5.2 Ensure that engineering projects that require coordination with Port user and support divisions are fully coordinated with such non-Engineering Division personnel and that such coordination is documented.**

- Response: Engineering has been using the Project Sign-Off sheet, which requires that each Port Department acknowledge its review and approval of project documents, for major projects to assure proper coordination outside of engineering. This procedure has now been extended to include all Engineering projects.

**5.3 Ensure that all engineering projects are fully coordinated within the Engineering Division.**

- Response: As noted in the previous question, Engineering has been using the Project Sign-Off sheet, which also requires that each Port Engineering Discipline acknowledge its review and approval of project documents, for major projects to assure proper coordination outside of engineering. This procedure has now been extended to include all Engineering projects.

**5.4 Review the existing Engineering Division retention policy and update the policy, if necessary. Ensure that the Engineering Division complies with the retention policy.**

- Response: The existing engineering retention policy is currently under review and will be updated, revised and released to the Group soon. The current version of the retention policy is located in the Engineering Procedures Manual and is available to the Group on the intranet.

**5.5 Ensure that the Engineering Division complies with all ADA regulations.**

- Response: The Port recently completed an ADA Transition Plan review that will soon be adopted by the Port Commission. The completion of the Transition Plan is the result of Port management's efforts to bring in a new ADA Coordinator to develop this program which had been perceived as a very costly, time consuming and lengthy process by the previous Port ADA Coordinator.

In July 2003, the Port hired a new ADA coordinator who was tasked to initiate a reassessment of Port's ADA compliance measures. The previous ADA coordinator was unable to administratively complete the process and prepare plan to met federal and state requirements. The new ADA Coordinator initiated a seven-month project that was successfully completed and included reviews by a Disability Access Committee made up of public members, and a

project team made up of Port Directors and staff. A disability advocacy consultant, the Mayor's Office on Disability and members of the Mayor's Disability Council provided peer review and oversight to the process. On April 27, 2004, the project concludes with a recommendation to the Port Commission to adopt the 2004 Self Evaluation and Transition Plan.

The 2004 Transition Plan supersedes all previous self evaluations and transition plans. The Plan correctly defines the Port's obligations under Title II of the ADA and the State's Unruh Act. It establishes Transition Plan policies and procedures, Port staff training, a Port tenant informational program as well as a barrier removal project list. The Plan is a dynamic plan that requires yearly assessment keyed to capital authorization request cycles. Concurrent with this project the ADA Coordinator initiated several policy and procedural changes with various departments and established 2003-4 and 2004-5 capital funding authorizations for specific Transition Plan construction projects.

The Port's ADA Coordinator is also responsible for assuring that all of Engineering's projects comply with ADA regulations. Where any project affects or could affect Title 24 Chapter 11B accessibility compliance or compliance with the Port's obligations under the ADA, the project will be routed through the ADA Coordinator. Through our Engineering Department staff meetings, coordination information is provided to the ADA Coordinator who then proactively reviews these projects while still in the design phase, rather than performing compliance review and comment on the completed projects. This procedure has been very effective and efficient. The ADA compliance review also extends to Engineering's permit review process where all building permits are reviewed for conformance to the California Building Code Chapter 11B.

As part of the ADA Transition Plan, the ADA Coordinator is providing information and training seminars to all key Port staff decision-makers and is developing a similar program for Port tenants.

#### **The Executive Director should:**

##### **5.6 Conduct a formal review and evaluation of the Drydock #1 incident to extract lessons learned and to determine whether other Port facilities or activities should be changed in any manner to make them safer and whether specific procedures should be included in the Port's Procedures Manuals to aid in preventing such incidents in the future.**

- Response: Engineering will assist, as directed, in the Drydock #1 review and evaluation. Currently, Engineering's Facility Assessment Team is reviewing all active Port berthing facilities and evaluating the capacity of the mooring bollards used for tying down ships.



## **6. MANAGEMENT OF THE PORT'S REAL ESTATE**

**The Port Commission should:**

### **6.1 Adopt rental rates for:**

- (a) full service and net office leases for Pier 50 and Pier 80 office space; and**
- (b) Storage use for all Port land, shed and open pier space.**

- Response: Agree with the Budget Analyst's Recommendation.

### **6.2 Instruct the Port Director to provide to the Port Commission an analysis of the Port's costs and revenues for lease amendments and re-negotiated leases, in which the tenant has not met the criteria of the original lease. The analysis should include:**

- (a) City Attorney, Port staff, and other direct Port costs to enforce the lease and negotiate amendments or re-negotiated leases;**
- (b) Actual rents and other payments to the Port made by the tenant under the terms of the lease, including the amounts of any rent credits;**
- (c) Rents and other payments due to the Port and not paid, including applicable service charges;**
- (d) Estimated opportunity costs to the Port of not obtaining and alternative tenant for the property.**

- Response: Agree with the Budget Analyst's Recommendation.

### **6.3. Develop minimum financial criteria, including standards for tenant credit ratings and provision of audited financial statements and other financial documents, for all Port tenants and explicitly state in the Port Commission resolution, approving the property agreement, if financial criteria have been met.**

- Response: Agree with the Budget Analyst's Recommendation.

**The Director of the Port should:**

### **6.4 Enforce the Port Commission's minimum rental rates for all new, expired, and month-to-month leases, and present to the Port Commission quarterly a list of all new, expired, and month-to-month leases which do not meet the Port Commission's minimum rental rates and the reasons for not meeting the minimum rental rates.**

- Response: Agree with the Budget Analyst's Recommendation.

- 6.5 Develop, implement, and enforce a protocol, establishing lease criteria for financial guarantees and insurance coverage which are specific to the lease use, including criteria to require:**
- (a) performance bonds for hazardous materials management and construction of tenant improvements,**
  - (b) guarantor with financial capacity to ensure completion of construction of tenant improvements,**
  - (c) proof of financing for construction of tenant improvements, and**
  - (d) specific types and amount of insurance coverage.**
- Response: Agree with the Budget Analyst's Recommendation.

**The Real Estate Division Director should:**

- 6.6 Survey West Coast ports to determine the market rates for maritime industrial uses, and present new rate parameters to the Port Commission for adoption.**
- Response: Agree with the Budget Analyst's Recommendation.
- 6.7 Prepare a written policy, defining Property Managers' responsibilities and procedures for identifying and reporting vacant space to the Leasing Department.**
- Response: Agree with the Budget Analyst's Recommendation.
- 6.8 Consistently enforce lease provisions, including negotiating settlement agreements or terminating leases for non-performing tenants in a timely manner.**
- Response: Agree with the Budget Analyst's Recommendation.
- 6.9 Enforce existing Real Estate Division policies to check the credit and insurance status of new tenants.**
- Response: Agree with the Budget Analyst's Recommendation.
- 6.10 Require all leases with provisions regarding "Right of Early Entry" to contain specific dates for entry and rent commencement and to be signed by both parties; and enforce Port Commission policy to allow tenants to occupy Port property for no more than one month prior to rent commencement.**

- Response: Agree with the Budget Analyst’s Recommendation.
- 6.11 Require all lease addenda for the “Right of Entry” specify dates of entry, not to exceed 30 days prior to rent commencement, and enforce requirements for tenants and Property Managers to sign the addenda.**
- Response: Agree with the Budget Analyst’s Recommendation.
- 6.12 Enforce existing Real Estate Division policies regarding completion of the Lease Abstract and Basic Lease Terms documents.**
- Response: Agree with the Budget Analyst’s Recommendation.
- 6.13 Clarify Real Estate Division policy in writing regarding the implementation and use of facility profiles and direct the Real Estate Division Director to work with Property Managers regarding facility profile implementation.**
- Response: Agree with the Budget Analyst’s Recommendation.
- 6.14 Develop a written policy on routine property inspections and completion of real estate surveys, including:**
- (a) the frequency of inspections,**
  - (b) procedures for ensuring that inspections are completed on termination of the tenant.**
  - (c) procedures to inform tenants of facility conditions, and**
  - (d) mechanisms to ensure that the Real Estate Division, the Maritime Division, the Division of Engineering and Maintenance, and the Environmental Health and Safety Department are coordinating property inspections and sharing information.**
- Response: Agree with the Budget Analyst’s Recommendation.
- 6.15 Develop a formal protocol, establishing a threshold for new leases that required review by the Environmental Health and Safety Department.**
- Response: Agree with the Budget Analyst’s Recommendation.
- 6.16 Prepare a protocol for the frequency and documentation of Property Managers’ site visits.**
- Response: Agree with the Budget Analyst’s Recommendation.

## **7. MONITORING BILLING AND COLLECTIONS**

**The Real Estate Division Director should:**

- 7.1 Ensure that property managers are fully accountable for implementation of new leases and adjustments to existing leases, such as CPI adjustments, and for the correct entry of lease information into PROPworks.**
- Response: Agree with the Budget Analyst's Recommendation.
- 7.2 Develop a checklist or other system of control, in which property managers verify and sign off on new and amended lease information after it has been entered into PROPworks, to ensure accuracy and consistency of information in the property agreement, the basic lease forms and lease abstract documents, and PROPworks.**
- Response: Agree with the Budget Analyst's Recommendation.
- 7.3 Require property management staff, in collaboration with the Real Estate administrative analyst, to review (i) checklists such as the Basic Lease form and the Lease/License Termination Procedure Checklist and (ii) PROPworks "tickler" notices that apply to each property manager to ensure compliance with lease provisions.**
- Response: Agree with the Budget Analyst's Recommendation.
- 7.4 Require Real Estate staff to revise standard terms of agreement amendments and assignments to ensure that they have clearly identified rent commencement dates or agreement effective dates, so that the Port can correctly bill new, amended, and assigned agreements from their correct rent commencement date.**
- Response: Agree with the Budget Analyst's Recommendation.
- 7.5 Require portfolio managers to supervise that property managers are correctly preparing miscellaneous billings for all new, amended, and assigned property agreements in which the agreement information is entered into the system later than the rent commencement date or too late for PROPworks automatic billing.**
- Response: Agree with the Budget Analyst's Recommendation.
- 7.6 Improve the current Port agreement termination process by:**

- a) **Designating property management staff, in collaboration with the Real Estate administrative analyst and Collections unit, to revise the current Lease/License Termination Procedure Checklist;**
  - b) **Requiring property management and leasing management staff to provide Real Estate administrative staff with documentation of the “walk through” (e.g., Real estate Survey) and the vacation date, signed by the tenant and property manager, and reviewed by Real estate management, as part of the termination process;**
  - c) **Requiring property managers to (I) follow-up with tenants who have given notice, (ii) submit the appropriate termination papers for entry into the system, and (iii) create timely miscellaneous billings when necessary, to ensure the Port bills tenants rents until they vacate leased premises; and**
  - d) **Requiring portfolio managers to routinely review lease termination checklists to ensure property managers’ compliance with billing requirements.**
- **Response: Agree with the Budget Analyst’s Recommendation.**

**7.7 Clarify and enforce the criteria and procedures for placing and monitoring tenants in non-billable status to reduce the risk of not billing tenants that should be billed.**

- **Response: Agree with the Budget Analyst’s Recommendation.**

**7.8 Revise the performance evaluation criteria for property managers to include evaluation of their collection activities.**

- **Response: Agree with the Budget Analyst’s Recommendation.**

**7.9 Ensure that the Port applies tenants’ payments to specific invoices by verifying that:**

- a) **Property management staff, in collaboration with the Collections Unit, create invoices to unapplied payments standing in accounts;**
- b) **The Collections Unit staff notify tenants of the unapplied balance standing in their accounts through the monthly account statements, in case of customers have made overpayments or advanced payments; and**
- c) **The Collections Unit staff, in collaboration with the Accounting staff, reconcile all unapplied payments at least twice a year and also during**

**agreements' termination process. The monthly Detail Aging Report could serve as monitoring tool for such reconciliation process.**

- Response: Agree with the Budget Analyst's Recommendation.

**7.10 Improve the application of service charges and penalty fees to delinquent Port clients by requesting staff of the Collections Unit, in collaboration with administrative staff of Maritime, Accounting, and Information Systems, to:**

- a) **Clarify Port's written and unwritten collection policies and procedures on applying penalty charges and service charges to late sales reports; and percentage rent payments; and**

- Response: Agree with the Budget Analyst's Recommendation.

**The Maritime Division Director should:**

**7.11 Request the Maritime administrative analyst, in collaboration with Information Systems staff, to review the current billing rules in PROPworks for each Maritime customer and their corresponding effective dates, to ensure that the Port charges correct rates to Maritime customers.**

- Response: Agree with the Budget Analyst's Recommendation.

**7.12 Review miscellaneous billing procedures with Maritime and Accounting staff to ensure that empty wharfage units are correctly accounted for, and that sales reports and fixed percentage dockage billings of casual landing customers are properly monitored.**

- Response: Agree with the Budget Analyst's Recommendation.

**7.13 Maximize PROPworks capacity for billing procedures of Maritime vessel activities by:**

- a) **Requesting the Maritime administrative analyst, in collaboration with Information System staff, to produce and maintain live reports that are closely related to the billing process of Maritime vessel activities, to efficiently monitor and forecast wharfage units handled by cargo carriers per contract years and improve the efficiency of billing procedures of Maritime vessel activities. For example, Information System staff can create a live Full Wharfage Units Running Total Report that Maritime staff could use when verifying carriers' Vessel Attendance Reports for billing, particularly at the third and fourth quarters of the contract year.**

- Response: Agree with the Budget Analyst's Recommendation.

- 7.14 Establish (i) written agreements with regular vessel customers, and (ii) standard operational procedures that indicate the circumstances in which formal agreements should be created, and when a berthing application, which is currently under review, would be sufficient, to ensure that the Port has sufficient safeguards to prevent revenue loss or other liabilities caused by defaults of Port clients.**
- Response: Agree with the Budget Analyst’s Recommendation.
- 7.15 Enhance maintenance of Maritime terminal (non-property) agreements by:**
- a) Developing a simple filing system of Maritime terminal agreements, which complements the Real Estate Division’s maintenance of Maritime property agreements, that also meets the needs of the Maritime Division; and**
  - b) Designating the staff person who will be responsible for maintenance of the Maritime filing system to decrease the risk to the Port of incomplete, outdated, and sometimes, lost Maritime files.**
- Response: Agree with the Budget Analyst’s Recommendation.
- 7.16 Designate a specific Maritime staff to be responsible for ensuring that casual landing customers send Sales Reports to the Port on a timely manner, and that the Port bills these clients for additional dockage charges, if applicable.**
- Response: Agree with the Budget Analyst’s Recommendation.
- 7.17 Establish audit procedures for sales reports of casual landing customers as well as Vessel Attendance Reports (VARs) submitted by carriers or agent lines to ensure (i) casual landing customers correctly report Port sales proceeds from casual landing activity, and (ii) new and current agents, who work as intermediaries between the Port and carriers, are accurately reporting in VARs all wharfage contents of vessels.**
- Response: Agree with the Budget Analyst’s Recommendation.

**The Port Commission should:**

- 7.18 Establish collection objectives that take into account collections net of tenant improvement allowances, restructure of leases, bad debt, and other adjustments and the impact these factors have on collections and Port revenues.**
- Response: Agree with the Budget Analyst’s Recommendation.

**7.19 Establish written policies regarding restructured leases and payment plans with the intent to continue receiving market rate rents while recovering delinquent balances plus interest.**

- Response: Agree with the Budget Analyst's Recommendation.

**7.20 Establish a written policy, affirming the tenant's primary responsibility to pay rent, and withholding the application of rent credits to the tenant's account, until all past due payments and service charges are applied.**

- Response: Agree with the Budget Analyst's Recommendation.

## **8. MONITORING PARKING METER COLLECTIONS**

**The Port Commission should:**

**8.1 Require Port staff to conduct a physical count of all parking meters located on Port jurisdiction.**

- Response: Agree with the Budget Analyst's Recommendation.

**The Executive Director of the Port should:**

**8.2 Develop and implement formal policies and procedures, including standard internal controls, such as:**

- (a) Conducting a monthly reconciliation of all deposits and communicator revenue amounts and perform a thorough investigation of all discrepancies;**
- (b) Improving electronic audit records to sufficiently capture and track data and information;**
- (c) External verification of accounting data;**
- (d) Segregation of duties to prevent the possibility of misappropriations and irregularities; and**
- (e) Maintenance of records in a physically secure location.**

- Response: Agree with the Budget Analyst's Recommendation.

**8.3 Develop and implement a formal parking meter operations audit plan.**

- Response: Agree with the Budget Analyst's Recommendation.

**8.4 Develop and implement formal parking meter operations performance measures.**



- Response: Agree with the Budget Analyst's Recommendation.

**8.5 Conduct annual training sessions on internal controls with all Port staff involved in the revenue collection process.**

- Response: Agree with the Budget Analyst's Recommendation.

**8.6 Consider an outside contractor on a trial basis of several months to perform parking meter collection.**

- Response: Agree with the Budget Analyst's Recommendation.

**8.7 Report to the Port Commission the status of these recommendations prior to September 1, 2004.**

- Response: Agree with the Budget Analyst's Recommendation.

**The Board of Supervisors should:**

**8.8 Consider contracting parking meter services to a private company as a policy option if the Port does not present substantive work plan to implement and maintain parking meter internal controls.**

- Response: Agree with the Budget Analyst's Recommendation.

**9. NON-COMPLIANCE WITH THE CALIFORNIA BUILDING STANDARDS CODE**

**The Port Commission should:**

**9.1 As a matter of priority, adopt a Port Building Code that conforms to the requirements of the California Building Standards Code.**

- Response: Port Staff is currently preparing a Port Building Code, which will be presented to the Port Commission for adoption very soon. Currently, the Chief Harbor Engineer has the duties and responsibilities of the Port's Chief Building Official. The Chief Harbor Engineer will continue in this role with the new Port Building Code.

**10. PORT BUILDING INSPECTION ISSUES**

**The Port Commission should:**

**The Building Inspection Section should:**

### **10.1 Develop a policies and procedures manual for performing its building inspection services.**

- Response: The Engineering Group has been re-organized to have Building Permit Section report directly to the Chief Harbor Engineer, the Port's Chief Building Official. This re-organization has improved the communications between the Chief Building Official and the supporting permit section. The entire permitting procedure is currently under review to determine ways to make the process more responsive to the customers needs and more efficient in the utilization of Port resources. The goal is to meet these objectives while maintaining the high level of technical competence and expertise required to properly address and respond to the complex design review issues brought up in the plan checking of typical waterfront facilities. As part of this permitting procedural overhaul, the Permit Section will develop documentation of the approved processes and policies for inclusion into the Engineering Procedures Manual.

Currently the Building Permit Section reviews the following Programs and Procedures. For expediting the permit process it is exploring a number of new procedures including obtaining greater assistance from DBI for select projects, obtaining permit tracking software, utilizing a common plan check room to accommodate all plan checking and to facilitate tracking, obtaining more counter assistance from other Port Departments, streamlining the plan review process by having planning and real estate approve applications before performing the regulatory reviews. For Maintenance QA/QC, Engineering will initiate, formalize and support a new program of coordinating and inspecting construction projects performed by Maintenance and conducting post-project lessons learned.

### **10.2 Develop an adequate permit history system.**

- Response: Engineering has repeatedly requested capital funding to obtain outside assistance to organize, document and archive past Port permits, however, this funding has not been approved. Requested capital funding would be used to a develop a permit filing system that provides more information on past permits and allows for easy and quick past permit retrieval.

### **10.3 Implement an efficient and economical means of microfilming the Port's current and future permit and permit-related holdings.**

- Response: The Port Permitting Section is currently investigating various proprietary software systems that will assist in organizing, documenting, tracking and archiving current and future Port permits. As part of this effort, and possibly linked to the permit software, will be developing a plan to electronically catalog permit submittals for retention on the Port's network

for back-up and easy retrieval for staff. This will involve converting the permit documents to electronic format, similar to the format used for the archiving of the Port's drawings. The Port's Operating Budget for FY 04-05 includes a line item for \$50,000 for permit conversion to electronic format.

**The Executive Director should:**

**10.4 In conformance with State law, ensure that all non-exempt construction and repair work performed on Port property is performed in accordance with required permits and inspections.**

- Response: Staff is currently developing the Port Building Code that will address the issue of permitting and inspection for all Port construction and repair work.

**10.5 Fill the authorized but vacant classification 6334, Chief Building Inspector, and classification 5364, Civil Engineering Associate I, positions.**

- Response: These positions should be filled immediately.

**The Executive Director should:**

**10.6 Appoint an interdepartmental team to identify, prioritize, and develop a plan for abating the significant safety violations and assign responsibility for implementing and coordinating the interdepartmental team to one of the Division Directors .**

- Response: Interdivisional task forces have been assembled and are actively reviewing Port properties to develop prioritized lists of code violations and unsafe conditions. The Port teams include: Facility Assessment Team; ADA Transition Plan Review Team; Fire Protection Assessment Team. These are not the only means of reviewing and assessing Port properties, Port Real Estate, Maritime and Maintenance routinely review facilities and report any hazards or unsafe conditions for remedy.

**10.7 Develop a plan to address the building permit and inspection deficiencies noted in this section and present that plan to the Board of Supervisors.**

- Response: Once the Port's Building Code is finalized, approved and adopted by the Port Commission the Executive Director may decide to present it to the Board of Supervisors. The findings of facility assessment teams and ADA transition projects are currently in-progress. Reports on these reviews may be made available to the Board upon direction of the Executive Director.

**11. ENVIRONMENTAL, HEALTH & SAFETY (E/H&S) ISSUES  
ENVIRONMENTAL/HEALTH & SAFETY MISSION AND  
ORGANIZATION**

**The Executive Director should, as a matter of the highest priority:**

**11.1 Ensure that the Port is in compliance with polychlorinated biphenyl (PCB) regulations.**

- Response: Agree with the Budget Analyst's Recommendation.

**11.2 Require Pacific Cement to comply with environmental regulations.**

- Response: Agree with the Budget Analyst's Recommendation.

**11.3 Ensure that remaining holes at Pier 90 are covered with metal plates and implement interim controls to restrict access to unsafe areas.**

- Response: Agree with the Budget Analyst's Recommendation.

**11.4 Ensure that Health & Safety hazards in the Pier 50D storeroom are corrected.**

- Response: Agree with the Budget Analyst's Recommendation.

**The Executive Director should:**

**11.5 Implement the recommendations included in the section of this report titled *Environmental/Health & Safety Issues as a Priority*, including:**

- (a) Reassigning the Environmental, Health and Safety section from the Engineering Division to the Administrative Services Division;**
- (b) Developing a Port procedure ensuring that any new lease or lease renewal other than for office space requires the concurrence of the Environmental, Health and Safety section;**
- (c) Including Environmental, Health and Safety as a major factor in the performance appraisals of all managers and supervisors. Possible rated items could be the number of injuries and adherence to required safety training.**
- (d) Obtaining "courtesy" inspections of all Environmental, Health and Safety programs on a bi-annual basis.**
- (e) Re-instituting the monthly inter-divisional coordination meetings, staffed by the Assistant Deputy directors, to promote communication and coordination between divisions, requiring attendance by all Assistant Deputy Directors, and requiring that minutes be taken and action items assigned; and**

**(f) Assigning existing clerical staff to support the Environmental/Health and Safety section.**

- Response: Disagree, the work of the Environmental Health and Safety Section is technical in nature and requires the support and direction of an engineering group. The sections also manage major construction project, such as the Pier 98 wetland restoration, which requires engineering design and construction support.
- Response: Agree with the Budget Analyst's Recommendations 11.5 (b) through 11.5 (f).

**11.6 Ensure that all of the deficiencies recorded during the Environmental, Health and Safety evaluations of October 9, 2003, and February 5, 2004, are corrected.**

- Response: Agree with the Budget Analyst's Recommendation.

**11.7 Emphasize the importance of Environmental, Health & Safety programs and issues on a continuous basis.**

- Response: Agree with the Budget Analyst's Recommendation.

**12. MANAGING THE PORT'S HUMAN RESOURCES**

**The Port's Human Resources unit should:**

**12.1 Develop or augment written policies for the Personnel Policy and Procedures Manual requiring that:**

- a. Managers in the Municipal Executive Association who participate in the Pay for Performance program have their bonuses contingent upon obtaining current employee performance evaluations for all employees under their sphere of influence even if the employees are not direct reports.**
- b. All substantiated instances of violence, harassment, discrimination, threatening behavior, whether it is physical, emotional, or psychological, or other inappropriate conduct be documented in employee personnel files as a critical incident and in the employee performance evaluation so that there is a corrective action plan and follow up.**
- c. Leaves may not be granted for terms exceeding one year at any given time and that no leave, except for worker's compensation, shall exceed two years or 24 months for any reason.**

- Response: Agree with the Budget Analyst's Recommendation.

**12.2 Develop and provide training on the following topics for all Port management and supervisory staff:**

- a. Managing employee performance and conducting evaluations, and**
- b. The principles of good management and supervision.**

- Response: Agree with the Budget Analyst's Recommendation.

**12.3 Ensure that all substantiated violations of Port policy with regard to inappropriate behavior by Port staff is documented in employee personnel files by reporting directly to the Executive Director if Division management does not document these violations.**

- Response: Agree with the Budget Analyst's Recommendation.

**The Port Commission should:**

**12.4 Adopt the written policies developed as recommended in 12.1 above.**

- Response: Agree with the Budget Analyst's Recommendation.

**The Executive Director should:**

**12.5. Enforce the policies adopted by the Port Commission as recommended in 12.4 above, including:**

- (a) Enforcement of the Municipal Executive Association contingent bonus policy requiring all employee performance evaluations be completed before bonuses are received.**
- (b) Enforcement of the zero tolerance policy for inappropriate behavior by Port staff.**
- (c) Enforcement of the Port's leave policies.**

- Response: Agree with the Budget Analyst's Recommendation.

**12.6. Require that all Port management and supervisory staff attend training on:**

- a. Managing employee performance and conducting evaluations, and**
- b. The principles of good management and supervision.**

- Response: Agree with the Budget Analyst's Recommendation.

**13. INFORMATION SYSTEMS**

**The Executive Director should:**

- 13.1 Form a Project Team with members representing all Port Divisions with the responsibility to, by December 31, 2004:**
- a. Conduct a comprehensive business process review and needs assessment for all Divisions of the Port.**
  - b. Evaluate all existing systems against those needs, and**
  - c. Make recommendations with respect to the Port's general ledger financial accounting systems and other systems required to meet the core business requirements of the Port.**
- Response: Agree with the Budget Analyst's Recommendation.
- 13.2 Form an Information Technology Advisory Committee (ITAC) of senior management that:**
- a. Meets regularly to discuss information systems issues,**
  - b. Provides guidance and focus to the Project Team discussed above,**
  - c. Makes a determination with respect to the recommendations made by the Project Team discussed above.**
- Response: Agree with the Budget Analyst's Recommendation.
- 13.3 Report back to the Port Commission and the Board of Supervisors on an annual basis for the next three years beginning in January of 2005 on the status of the business process review, needs assessment, and implementation of the Project Team's and ITAC's recommendations.**
- Response: Agree with the Budget Analyst's Recommendation.